Registered number: 07633974

VANCOUVER TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

VANCOUVER TOPCO LIMITED

COMPANY INFORMATION

Directors	Thomas Bureau Martin Weiss Philipp Welte Dan Constanda
Company secretary	Katherine Conlon
Registered number	07633974
Registered office	Vineyard House 44 Brook Green Hammersmith London W6 7BT

VANCOUVER TOPCO LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Directors present the Strategic Report of the Vancouver Topco Group for the year ended 31 December 2022.

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 Group operates an award winning special interest content and platform business which creates compelling content to help its customers do what they love. The Directors are pleased to report that the Group continued to trade well despite a challenging year.

The Group is developing a wide range of platforms, both print and digital. In particular, the Group will focus on growth and monetisation of video and podcast content and scaling its commerce activities as well as identifying potential opportunities for inorganic growth.

On 1 November 2022 a subsidiary of the Group, Immediate Media Company London Limited, purchased a controlling share, 80.7%, of Nutratech Limited, a leading subscription app allowing users to track food, calories and key nutrients. Nutratech Limited will allow the Group to develop synergies with its existing food brands.

The Group holds options over the remaining 19.3% of shares still held by Nutratech Limited's founders. The options can be exercised after October 2024.

To fund the acquisition of Nutratech Limited, a subsidiary of the Group, Immediate Media Company Limited entered into a loan of £38.0 million with the parent of the Vancouver Topco Group, Burda GmbH.

Financial key performance indicators

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

	2022	2021
	£m	£m
Turnover	**176.6**	192.4
Adjusted EBITDA	**28.4**	44.0
Adjusted EBITDA margin	**16.1%**	22.9%
(Loss)/profit for the financial year	**(4.5)**	11.6

Adjusted EBITDA is one of the principal KPIs for the Group as management considers this non-Generally Accepted Accounting Principle (non-GAAP) measure to be the most appropriate way to monitor and analyse the operations and performance of the business.

Adjusted EBITDA is commonly used across the media sector and is equal to operating profit before restructuring and exceptional costs, amortisation, depreciation and impairment, plus the Group's share of the associate's EBITDA of £562,000 (2021: 503,000). Management believes this measure best represents the underlying trading results.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£m	£m
Operating (loss)/profit	**(3.7)**	11.3
Amortisation	**24.4**	23.7
Depreciation	**1.8**	2.0
Restructuring and exceptional costs	**5.3**	6.5
Share of Associate's EBITDA	**0.6**	0.5
Adjusted EBITDA	**28.4**	44.0

Compared to the twelve months to 31 December 2021, turnover fell 8.2% from £192.4 million to £176.6 million. Adjusted EBITDA also fell in 2022 by 35.5%, from £44.0 million to £28.4 million. The results from 2021 include 5 months of trade from Our Media Limited, a former consolidated subsidiary, now accounted for as a joint venture. When these results are removed from the comparative, turnover increased 1.5% from £174.0 million to £176.6 million. Adjusted EBITDA fell 34.7% from £43.5 million to £28.4 million.

The reduction in adjusted EBITDA reflects the challenging economic environment that the Group faced in 2022. Costs for printing, paper and other key goods and services increased, reducing profitability on the magazine business. Adjusted EBITDA also includes one-off costs from action taken by the Directors to mitigate the impact of rising costs, including a number of redundancies.

The Group made a profit on ordinary activities before interest of £70,000, down from £18.1 million in 2021. The difference of £18.0 million is the reduction in Adjusted EBITDA of £11.9 million and the gain on the deconsolidation of Our Media Limited: a gain of £6.6 million was recognised in 2021. Subsequent costs of £0.3 million have been recognised in 2022 reducing the gain to date to £6.3 million. Increased profits from associates contributed an additional £0.2 million in 2022.

The business generated £19.2 million cashflow from operating activities in the year to 31 December 2022 (2021: £31.3 million).

The Group also monitors non-financial KPIs, including digital visitors and engagement, print and digital circulation and readership numbers, and appropriate events metrics.

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. Whilst a significant majority of the costs of the Group arise in the UK and are denominated in pounds sterling, certain items are imported and will be impacted by currency fluctuations. However as the majority of the Group's business is UK based, it has seen little in the way of currency fluctuations in 2022. The company actively monitors bank balances in currency and will look to buy and sell currency as required.

The Company also continues to monitor the current rate of inflation along with rising input and energy prices in order to mitigate any impact.

A large proportion of the turnover of the business is 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 Group operates. The Group has continued to roll out digital products and to exploit its brands in the digital environment; whilst there can be no certainty of the success of this strategy, growth seen to date continues to be encouraging.

Strike action took place across Europe at various paper mills during 2022. However, the Group's magazine operations were not significantly impacted due its specific paper sourcing arrangements. Management continues to monitor the price of paper and other key raw materials and services.

Strike action in the UK has not had a noticeable impact on the Group's business operations. Management continues to monitor the proposed actions for any impact to trade.

The high degree of consumer loyalty to the key brands of the business, the relatively high proportion of subscriptions, the relatively low dependence on advertising as an income stream, and the demographic of the business' customer base together provide some mitigation of these risks.

Liquidity risk

Given the cash position at the end of the year, the Directors have assessed the risks to the Group's financial position and have concluded that there may be the need for additional funding during 2023 to support certain joint ventures. There is no significant likelihood that additional funding will be required for continuing operations.

Further information is provided in the Directors' Report.

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 holds two arm's-length financing arrangements with its parent company, Burda GmbH, at the balance sheet date. The first is an existing loan with no financial covenants. At 31 December 2022 the balance outstanding on this loan was £26.5 million (2021: £39.8 million).

The second loan was drawn down in the year in order to finance the acquisition of Nutratech Limited. On 27 October 2022 a subsidiary of the Group, Immediate Media Company London Limited, entered into a loan agreement for £38.0 million with its parent company, Immediate Media Company Limited. This agreement was on identical terms to an agreement between Immediate Media Company Limited and Burda GmbH. At 31 December 2022 the balance outstanding on this loan was £38.0 million (2021: £nil). This loan was intended to be refinanced post the acquisition of Nutracheck. It therefore had short-term repayment terms and was considered a current liability at the Balance Sheet date.

On 26 January 2023, Immediate Media Company Limited, refinanced the acquisition loan it had with the Group's parent, Burda GmbH. At the date of signing, the balance outstanding was £37.0 million. This loan includes covenants for the Group's leverage which determine the interest rate margin only. The loan is repayable from 2025 onwards. For more details see note 21, Loans.

Immediate Media Company Limited, has a put option to sell shares of Our Media Limited to Our Media Holdings Limited in the future. The associated financial liability of the option held by the Group is small.

Immediate Media Company London Limited, has a call option to buy the remaining shares of Nutratech Limited in the future. The associated financial liability of this option is shown in Note 20, Other Financial Liabilities.

Section 172 statement

The Directors understand and appreciate their duty under s.172 of the Companies Act 2006 to act in the way in which they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Group.

Employees

The Group considers itself a 'people led business' whose culture is collaborative, inclusive and nurturing against a background of high standards and demanding results expectations. A core belief at the Group is that motivated people who are passionate about what they do and who enjoy their work, create high-performing and, successful businesses. Developing people is something the Group takes seriously as evidenced by the significant investments made in leadership and management development, as well as cultural programmes. The Group takes a long-term view to career management, making sure that attention is given to grow employees both as individuals and professionals.

The Group respects and values differences and is committed to pursuing equality, diversity and inclusion in all its employment activities. It embraces equality, diversity and inclusion in its people, policies and practices,across hiring, developing, promoting, motivating, and retaining its workforce. The Group has developed partnerships with diversity recruitment specialists and groups working with under-represented communities to broaden its recruitment pool and ensure it attracts as broad range of talent as possible.

In order to support this, help drive change and hold the Group accountable to its objectives, Management have created a clear strategy which includes establishing diversity and inclusion network groups, education and training, and processes which support diversity and inclusion. The Group has developed a set of diversity editorial guidelines, led by senior editorial leads and external diversity experts, to ensure its content is representative and inclusive across all its platforms and brands.

Following the hybrid working trial in early 2022, the Group has adopted anchor days twice a week that allow staff to all be in the office on the same day improving collaboration, creativity and connectivity.

Customers

The Group is committed to putting customers at the heart of decision making in its business. Its largest customer base, consumers of its magazines and websites, are supported by dedicated service teams and it has minimum service thresholds set for its most loyal customers, its magazine subscribers. For website consumers, the Group has transparent privacy policies in place and like its industry peers, it has adopted the Interactive Advertising Bureau's Consent Framework for digital advertising. It has an experienced Data Protection Officer, senior lawyers with expertise in data protection and robust processes for GDPR compliance.

Suppliers

The Group follows a code of ethics to guide relationships with external stakeholders such as suppliers and implements sustainability strategies to minimise the Group's carbon footprint on the environment. The Group has a strategy to purchase renewable energy where possible.

See the Strategic and Directors' Reports for more information on strategic decisions taken in the period.

Greenhouse gas emissions, energy consumption and efficiency, and sustainability

The Group has implemented a number of initiatives to improve energy efficiency and reduce greenhouse gas emissions as part of its move to adopt more sustainable business practices. The Group strategy has been to purchase renewable energy backed by Renewable Electricity Guarantees of Origin (REGO) certificates.

In 2022 the Group became carbon neutral. This means that it offsets the emissions over which it has direct control (Scope 1 & 2) by investing in projects that contribute to the United Nation's Sustainable Development Goals, including improving access to clean drinking water, expanding local infrastructure, creating sustainable jobs, and protecting biodiversity. The initiatives the Group supported as part of this process were: The Plastic Bank Project, Forest Protection in Columbia and Wind Energy project in India. The Group eliminated all polyethylene and foil -based wraps from its magazines on newsstands and almost all subscription copies are mailed in paper wrapping.

The below data has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard and covers the year to 31 December 2022.
Emissions have been reported in tonnes of carbon dioxide equivalent (tCO2e).

	2022	2021
UK energy consumed (kWh)		
Electricity use	**1,396,503**	1,115,309
Gas combustion	**185,706**	476,354
Fuel consumption	**77,847**	38,721
UK emissions from (tonnes CO2)		
Natural gas and fuel consumption	**45**	87.2
Electricity on-site	**270**	236.8
Transmission, distribution and other indirect	**39**	30.07
Group's chosen intensity measurement (ratio)		
Emissions (tonnes CO2) per full time equivalent employee	**0.54**	0.65

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Using the "market based method" of emissions calculations, emissions per fulltime equivalent employee during the year is 0.08 tCO_2e (2021: 0.16 tCO_2e).

Consumption data was determined by using invoices and meter data from suppliers and estimating fuel usage based on employee business travel records.

Emissions were determined by applying the UK government conversion factors to the energy consumption values and aggregating the total.

This report was approved by the Board and signed on its behalf by:

Dan Constanda
Director

Date: 28 April 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present the Directors' report and the financial statements for the year ended 31 December 2022.

Dividends

The loss for the year attributable to the owners of the parent Company, after taxation and minority interests, amounted to £4.5 million (2021: profit of £11.6 million).
No dividends were paid in the current year (2021: £92.2 million).

Directors

The Directors who served during the year were:

Thomas Bureau
Martin Weiss
Dan Constanda
Philipp Welte

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

Political and charitable contributions

The Company did not make any political or charitable donations or incur any political expenditure during the year (2021: £Nil). One of the Group's subsidiaries made charitable donations of £18,000 (2021: £20,000).

In addition to this, the Group has partnered with the Media Trust, a charity supporting young people and under-represented communities in the media and creative industry. As part of the Group's outreach strategy support has been given to communities and groups within the local community. The Group has worked with Barons Court Project, a charity of the homeless struggling with their mental health, Solidarity Sports, who use the transformative power of play to nurture disadvantaged children recovering from complex trauma, alongside The Marmalade Trust, PAN, Sobus, SEPIA and Dads House.

Going concern

The Group's business activities, together with some of the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 6.

Notwithstanding the Group net current liabilities of £60.0 million as at 31 December 2022, of which £37.0 million became non-current on 26 January 2023 following a loan refinancing, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

On 31 December 2022, the total loan to the Group was £64.5 million (2021: £39.8 million), provided through a financing arrangement with its parent company, Burda GmbH. However, on 26 January 2023, Immediate Media Company Limited, a subsidiary of Vancouver Topco Limited, repaid £38.0 million of the loan, and entered into a new loan agreement with Burda GmbH for an additional £37.0 million, which will be paid in quarterly instalments from March 2025 to December 2027. The remaining loan amount of £26.8 million is repayable by the end of December 2024. The total payable amount is £63.8 million as of 28 April 2023.

As at 31 December 2022, the Group had net assets of £17.1 million including cash of £11.4 million, and operating cash inflows for the year of £19.8 million.

The Directors have prepared cash flow forecasts to assess going concern. The assessment is made for 12 months from the date of the audit report, however the cashflows have been prepared over a 24-month period to 31 December 2024. There is some uncertainty regarding potential cash injections required to support certain of the Joint Ventures of the Group within the same period, so the Group has obtained a letter of support from its ultimate parent, Burda GmbH, which has indicated its current intention to continue to make available such funds as are needed by the Group and Company during the going concern assessment period.

As a result, when considering reasonably possible downsides, the Group and Company currently believe they should have sufficient funds to meet their liabilities as they fall due during the going concern assessment period.

As with any group and company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Group and the Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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 year was £8.2 million (2021: £9.3 million), which includes £7.4 million (2021: £8.5 million) that was capitalised.

Employee involvement

Employees attend regular update meetings where information is shared with regard to Group performance and organisational priorities. Feedback is encouraged during the update and on an ad-hoc basis. Further information is provided via team meetings and the Group Intranet. See the Strategic Report for further information.

Equality and diversity

The Group respects and values differences and is committed to pursuing equality and diversity in all its employment activities. It embraces diversity and inclusion in its people, policies and practices, across hiring, developing, promoting, motivating, and retaining its workforce. The Group is developing partnerships with diversity recruitment specialists and groups working with under-represented communities to broaden its recruitment pool and ensure it attracts as broad a range of talent as possible. To support this, help drive change and hold the Group accountable to its objectives, Management have created a Diversity and Inclusivity panel made up of senior leaders within the Group and representatives of the Group's Diversity and Inclusivity network groups.

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 their existing job, every effort is made to offer suitable alternative employment and re-training.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Information included in the Strategic Report

The following information has been disclosed in the Strategic Report:

- Details of the principal activities of the Company.
- A review of the business, including developments in the period, it's performance and current position.
- A summary of the principal risks and uncertainties affecting the position.
- Information relating to KPIs monitored by the Company.

Post balance sheet events

On 26 January 2023, a subsidiary of the Group, Immediate Media Company Limited, refinanced a loan it had with the Group's parent, Burda GmbH. At the date of signing, the balance outstanding was £37.0 million and interest is charged based on leverage covenants on the Group's results. See note 21 Loans for further details.

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

Dan Constanda
Director

Date: 28 April 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent Company 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have 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 AUDITORS' REPORT TO THE MEMBERS OF VANCOUVER TOPCO LIMITED

Opinion

We have audited the financial statements of Vancouver Topco Limited ("the Company") for the year ended 31 December 2022 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board meeting minutes;
- Considering remuneration incentive schemes and performance targets for management.
- Inspecting revenue trends throughout the period and post year-end to assess the seasonality and risk of fraud around the cut-off period.
- Verifying the accounting treatment of significant unusual transactions and reviewing supporting documentation related to these;
- Using analytical procedures to identify any usual or unexpected relationships; and
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to full scope component audit teams of relevant fraud risks identified at the Group level.

As required by auditing standards and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting. On this audit we do not believe there is a fraud risk related to revenue recognition due to the nature, complexity of revenue streams, which are typically high volume, low value transactions, which limits the opportunity and incentive for manipulation.
We did not identify any additional fraud risks.

To address the identified risk of fraud over management override of controls we performed the following procedures:

- Evaluated the design and implementation of controls over journal entries over the 12-month period, and post-closing adjustments.
- Assessed the completeness of journals in the year by reviewing all postings in the year to the relevant account codes in the trial balance.
- The criteria selected includes:

- journal entries made to seldom used accounts.
- entries recorded at the end of the period or as post-closing that have little or no explanation.
- entries containing round/consistent ending numbers that are just below a review limit.
- unbalanced journal entries.
- journal entries with unusual account parings to revenue/cash; and
- journal entries with the description containing the word 'Fraud'.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Strategic Report and Directors' Report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company, or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VANCOUVER TOPCO LIMITED

Auditor's responsibilities

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

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

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

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

Timothy Rush (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate, Brighton Road
Crawley
United Kingdom
RH11 9PT

28 April 2023

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Turnover	4	**176,568**	192,413
Cost of sales		**(58,304)**	(55,522)
Gross profit		**118,264**	136,891
Distribution costs		**(17,710)**	(21,036)
Administrative expenses		**(104,284)**	(104,517)
Operating (loss)/profit	5	**(3,730)**	11,338
Share of profit of associate	15	**360**	166
Total operating (loss)/profit		**(3,370)**	11,504
(Loss)/ Profit on disposal of businesses	15	(292)	6,595
Other income	29	3,732	-
Profit on ordinary activities before interest		**70**	18,099
Income from shares in group undertakings		**11**	-
Interest receivable and similar income	10	**95**	32
Interest payable and expenses	11	**(1,543)**	(1,155)
(Loss)/profit before taxation		**(1,367)**	16,976
Tax on (loss)/profit	12	**(3,159)**	(5,331)
(Loss)/profit for the financial year		**(4,526)**	11,645
(Loss)/profit for the year attributable to:			
Non-controlling interests		**95**	(61)
Owners of the parent Company		**(4,621)**	11,706
		(4,526)	11,645

There was no other comprehensive income for 2022 (2021: £Nil).

None of the above results reflect a discontinued operation. Refer to Note 5 for further information.

The notes on pages 23 to 58 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Goodwill	13	**64,796**	36,434
Other intangible assets	13	**21,110**	23,628
Tangible assets	14	**5,814**	6,182
Investments in associates	15	**1,282**	283
		93,002	66,527
Current assets			
Stocks	16	**4,632**	4,617
Debtors: Amounts due after more than one year: £490,000 (2021: £490,000)	17	**29,083**	28,780
Cash at bank and in hand		**11,360**	14,011
		45,075	47,408
Creditors: Amounts Falling Due Within One Year	18	**(105,084)**	(64,111)
Net current liabilities		**(60,009)**	(16,703)
Total assets less current liabilities		**32,993**	49,824
Creditors: amounts falling due after more than one year	19	**(13,250)**	(26,500)
Provisions for liabilities			
Deferred taxation	22	**(2,000)**	(1,392)
Other provisions	23	**(592)**	(623)
		(2,592)	(2,015)
Net assets		**17,151**	21,309

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Capital and reserves			
Called up share capital	24	**98**	98
Share premium account		**17,485**	17,485
Merger reserve	25	**(978)**	(978)
Profit and loss account		**95**	4,704
Equity attributable to owners of the parent Company		**16,700**	21,309
Non-controlling interests		**451**	-
Shareholders' funds		**17,151**	21,309

The notes on pages 23 to 58 form part of these financial statements.

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

Dan Constanda
Director
Date: 28 April 2023

VANCOUVER TOPCO LIMITED
REGISTERED NUMBER:07633974

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	15	**1,149**	1,149
Current assets			
Debtors: Amounts due after more than one year: £156,000 (2021: £156,000)	17	**156**	156
Cash at bank and in hand		**11**	11
		167	167
Creditors: amounts falling due within one year	18	**(8)**	(8)
Net current assets		**159**	159
Total assets less current liabilities		**1,308**	1,308
Net assets		**1,308**	1,308
Capital and reserves			
Called up share capital	24	**98**	98
Share premium account		**17,485**	17,485
Profit and loss account carried forward		**(16,275)**	(16,275)
Shareholders' funds		**1,308**	1,308

The notes on pages 23 to 58 form part of these financial statements.

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

Dan Constanda
Director

Date:28 April 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD TO 31 DECEMBER 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2021	**98**	**17,485**	**-**	**(7,002)**	**10,581**	**(1,305)**	**9,276**
Comprehensive income for the year							
Profit for the year	-	-	-	11,706	11,706	-	11,706
NCI share of loss	-	-	-	-	-	(61)	(61)
Loss on acquisition of History business	-	-	1,152	-	1,152	-	1,152
Acquisition of NCI without a change of control	-	-	(2,130)	-	(2,130)	1,366	(764)
At 1 January 2022	**98**	**17,485**	**(978)**	**4,704**	**21,309**	**-**	**21,309**
Comprehensive income for the year							
Loss for the year	-	-	-	(4,621)	(4,621)	-	(4,621)
Foreign currency reserve	-	-	-	12	12	-	12
NCI share of profit	-	-	-	-	-	95	95
On acquisition of subsidiary	-	-	-	-	-	355	355
At 31 December 2022	**98**	**17,485**	**(978)**	**95**	**16,700**	**450**	**17,150**

The notes on pages 23 to 58 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD TO 31 DECEMBER 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	**98**	**17,485**	**(16,275)**	**1,308**
Total comprehensive income for the year	**-**	**-**	**-**	**-**
At 1 January 2022	**98**	**17,485**	**(16,275)**	**1,308**
Total comprehensive income for the year	**-**	**-**	**-**	**-**
At 31 December 2022	**98**	**17,485**	**(16,275)**	**1,308**

The notes on pages 23 to 58 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
(Loss)/profit for the financial year		**(4,526)**	11,645
Adjustments for:			
Amortisation of intangible assets	13	**11,207**	10,744
Amortisation of Goodwill	13	**13,203**	12,919
Depreciation of tangible assets	14	**1,800**	2,014
Loss/(Gain) on disposal of business operations	15	**292**	(6,595)
Interest payable and similar expenses	11	**1,543**	1,155
Interest receivable and similar income	10	**(95)**	(32)
(Increase) in stocks	16	**(15)**	(1,109)
Decrease/(Increase) in trade and other debtors	17	**326**	(5,650)
(Decrease)/increase in creditors	18,19	**(3,629)**	5,989
(Decrease) in provisions	23	**(31)**	(122)
Taxation charge	12	**3,159**	5,331
Corporation tax paid		**(3,720)**	(4,500)
Research and development expenditure credit		**-**	(360)
Net share of associate and joint venture (profit)/loss		**(360)**	(166)
Net cash generated from operating activities		**19,154**	31,263
Cash flows from investing activities			
Purchase of intangible assets	13	**(7,947)**	(8,119)
Purchase of tangible assets	14	**(1,320)**	(1,470)
Acquisition of a subsidiary (net of cash)	28	**(36,204)**	(764)
Sale of Business operations		**-**	245
Dividends received from associate		**11**	-
Interest received	10	**95**	32
Net cash from investing activities		**(45,365)**	(10,076)
Cash flows from financing activities			
Repayment of loans	21	**-**	(53,000)
New shareholder loans	21	**38,000**	53,000
Repayment of shareholder loans	21	**(13,250)**	(17,250)
Interest paid	11	**(1,190)**	(1,155)
Net cash used in financing activities		**23,560**	(18,405)
Net (decrease)/increase in cash and cash equivalents		**(2,651)**	2,782
Cash and cash equivalents at beginning of year		**14,011**	11,229

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Cash and cash equivalents at the end of year		**11,360**	14,011
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		**11,360**	14,011
		11,360	14,011

The notes on pages 23 to 58 form part of these financial statements.

1. General information

Vancouver Topco Limited (the "Company") is a company limited by shares and incorporated, registered and domiciled in England, UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significance influence is presumed to exists when the investors holds between 20% and 50% of the equity voting rights. The Group has chosen to account for Our Media Limited, formerly Immediate Media Company Bristol Limited, as a joint venture of the entity.

2. Accounting policies (continued)

2.2 Basis of consolidation (continued)

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

2.3 Going concern

The Group's business activities, together with some of the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 6.

Notwithstanding the Group net current liabilities of £60.0 million as at 31 December 2022, of which £37.0 million became non-current on 26 January 2023 following a loan refinancing, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

On 31 December 2022, the total loan to the Group was £64.5 million (2021: £39.8 million), provided through a financing arrangement with its parent company, Burda GmbH. However, on 26 January 2023, Immediate Media Company Limited, a subsidiary of Vancouver Topco Limited, repaid £38.0 million of the loan, and entered into a new loan agreement with Burda GmbH for an additional £37.0 million, which will be paid in quarterly instalments from March 2025 to December 2027. The remaining loan amount of £26.8m is repayable by the end of December 2024. The total payable amount of £63.8m as of 28 April 2023.

As at 31 December 2022, the Group had net assets of £17.1 million including cash of £11.4 million, and operating cash inflows for the year of £19.2 million.

The Directors have prepared cash flow forecasts in order to assess going concern. The assessment is made for 12 months from the date of the audit report, however the cashflows have been prepared over a 24-month period to 31 December 2024. There is some uncertainty regarding potential cash injections required to support certain of the Joint Ventures of the Group within the same period, so the Group has obtained a letter of support from its ultimate parent, Burda GmbH, which has indicated its intention to continue to make available such funds as are needed by the Group and Company during the going concern assessment period. As a result, when considering reasonably possible downsides, the Group and Company should have sufficient funds to meet their liabilities as they fall due during the going concern assessment period.

As with any group and company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Group and the Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into pounds sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Group turnover represents income from circulation, advertising and subscription revenue generated from print magazines and digital publishing, as well as income earned from sales of goods over the internet and via television shopping and from the operation of online market places.

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

- advertising and circulation revenue are recognised on the date of sale of the related publication;
- revenue from print and digital subscriptions is recognised over the period of the subscription;
- revenue from online directory listings is recognised over the period to which it pertains;
- other income is recognised on provision of service;
- event income is recognised when the event has taken place - cash received in advance is treated as deferred income in the balance sheet;
- sale of goods is recognised when the risks of ownership has passed to the purchaser, which is considered to be when the order has been dispatched. An immaterial provision is also made for anticipated returns.

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

2. *Accounting policies (continued)*

2.5 Turnover (continued)

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

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Profit and Loss Account on a straight line basis over the lease term.

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

2.7 Interest income

Interest income is recognised in the Consolidated Profit and Loss Account using the effective interest method.

2.8 Finance costs

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

2.9 Borrowing costs

All borrowing costs are capitalised and charged to the Consolidated Profit and Loss Account over the term of the debt at a constant rate on the carrying amount. If the debt is extinguished at a later date then the remaining capitalised borrowing costs are charged to the Consolidated Profit and Loss Account.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets *of the plan are held separately from the Group in independently administered funds.*

2. Accounting policies (continued)

2.11 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

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

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

2.12 Intangible assets

Goodwill

Goodwill resulting from trade and asset purchases represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Profit and Loss Account over its useful economic life.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets

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

2. Accounting policies (continued)

2.12 Intangible assets (continued)

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

The estimated useful lives range as follows:

Software and Development	-	3 years
Goodwill	-	2 to 15 years
Other intangible fixed assets	-	3 to 10 years

Amortisation is charged to the Consolidated Profit and Loss Account on a straight-line basis over the estimated useful lives of intangible assets.

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

2.13 Research and development costs

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

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

Software and development costs which do not meet the above criteria are recognised in the Consolidated Profit and Loss Account as an expense when incurred.

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

2.14 Tangible fixed assets

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

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Profit and Loss Account.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Profit and Loss Account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.17 Business combinations

Business combinations are accounted for using the purchase method at acquisition date, which is the date on which control is transferred to the Group. At the acquisition date, the Group recognises goodwill on trade and asset purchases as:

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

2. Accounting policies (continued)

liabilities and contingent liabilities assumed.

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

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

2.18 Stocks

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

Stock held as a gift component of a magazine is classified as inventory held for distribution at no or nominal consideration. These are measured at the lower of cost adjusted, when applicable, for any loss of service potential and replacement costs.

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

2.19 Debtors

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

2.20 Cash and cash equivalents

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

2.21 Creditors

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

2.22 Holiday pay accrual

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

2. Accounting policies (continued)

2.23 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.24 Financial instruments

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

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

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

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

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Consolidated Profit and Loss Account in finance costs or

2. Accounting policies (continued)

2.24 Financial instruments (continued)

income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.25 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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

Management makes a number of estimates in accordance with the requirements set out in FRS 102. Those estimates and assumptions which have the potential risk to cause a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below.

i) Judgments

- Our Media Limited

Immediate Media Company Limited, a subsidiary of the Group, sold 40% of its shareholding in Our Media Limited on 1 June 2021. By holding more than 50% of the shares and voting rights, Our Media Limited is a subsidiary of the Group as defined by the Companies Act. However, because the Shareholders' Agreement requires both shareholders to agree on certain matters, the Group is able to account for Our Media Limited as a jointly controlled entity as defined in FRS 102.

ii) Estimates

- Capitalisation of development costs:

The Group capitalises certain development costs in line with the accounting policies set out in 2.12 Intangible assets and 2.13 Research and development costs. Management has estimated what proportion of individual staff members' time is allocated to specific projects using the assumption that the split of hours logged by individual staff members is the most accurate allocation of their time. Management has also estimated the date at which these assets come into use and therefore from which date they should be amortised. Management have assessed the sensitivity of key assumptions and do not consider there to be a significant impact on the financial statements.

- Goodwill in Nutratech:

The goodwill held for Nutratech Limited includes an estimate value of the options for the remaining shareholding. The value of the liability held for the options has been calculated based on Monte Carlo simulations performed repeatedly. The fair value of the options will be equal to the average value of these option payoffs across 50,000 simulation paths.

- Useful economic life of Nutratech:

The useful economic life of Nutratech has been estimated in order to give a term over which to amortise the goodwill on acquisition. The acquisition of Nutratech is expected to have significant benefits for the Group for many years not only from Nutratech's existing business but also synergies gained with the Group's brands. As required by FRS 102 Section 19.23 the Directors have not exceed a maximum useful economic life for this goodwill of 10 years.

4. Turnover

The Group's principal area of activity is the publication, promotion and sale of print magazines and digital publications through both circulation and subscriptions, as well as, listing sales, live events and e-commerce.

An analysis of Group turnover by category is as follows:

	2022 £000	2021 £000
Goods	**135,015**	156,604
Services	**41,553**	35,809
	176,568	192,413

All the material activites of the Group are based in the UK and therefore no segmental analysis by geographic area has been provided.

5. Operating loss

The operating loss is stated after charging:

		2022 £000	2021 £000
Amortisation of other intangibles	13	**11,207**	10,744
Amortisation of goodwill	13	**13,203**	12,919
Depreciation of tangible fixed assets	14	**1,800**	2,014
Research & development charged as an expense		**833**	826
Exchange differences		**5**	95
Operating lease rentals	27	**3,546**	3,453
Other exceptional operating costs		**5,343**	6,473

Total research and development expenditure incurred in the year was £8.2 million (2021: £9.3 million), which includes £7.4 million (2021: £8.5 million) of capital expenditure.

In the year 31 December 2022, other exceptional operating costs included £4.5 million of redundancy costs, £0.2 million relating to ongoing migration projects from disposals and £0.6 million of costs recognised on the acquisition of Nutratech Limited.

In the year 31 December 2021, other exceptional operating costs included £4.0 million that was paid to management in recognition of the performance of the Group over previous years.There were also £1.2 million of redundancy costs, £0.4 million relating to ongoing migration projects from acquisitions, £0.3 million provided to Our Media Limited in order to include their employees in a one-off bonus in December 2021 and £0.2 million of deal costs incurred for the disposal of Our Media Limited.

6. Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**170**	124

Fees payable to the Group's auditor and its associates in respect of:

	2022 £000	2021 £000
Audit of the annual financial statements of subsidiaries	**166**	185
Additional charges relating to the prior year audit	**134**	55

7. Staff numbers and costs

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

	2022 £000	2021 £000
Wages and salaries	**35,980**	38,434
Staff national insurance	**4,853**	4,742
Cost of defined contribution scheme	**1,978**	1,994
	42,811	45,170

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

	2022 No.	2021 No.
Sales	**131**	138
Production	**504**	513
Administration	**190**	176
Contract publishing	**9**	27
	834	854

Immediate Media Company Limited, a subsidiary of the Group, runs a long term incentive plan for some senior management. These employees hold B shares in Immediate Media Company Limited. The B-share shareholders can sell their shares to Vancouver Topco Limited or Vancouver Topco Limited can buy the shares from the B-share shareholders. These purchases are governed by contractual formulae based on the Group's financial performance and subject to a pre-agreed purchase process. At 31 December 2022, the formulae resulted in a value of zero for the B shares.

The Company has no employees other than the directors, who did not receive any remuneration (2021: £Nil).

8. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	**980**	3,098
Group contributions to defined contribution pension schemes	**4**	4
	984	3,102

The highest paid director received remuneration of £505,000 (2021 - £2,366,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2021: £4,000).

Two Directors received no remuneration (2021: £Nil) in respect of their qualifying services as Directors of the Company. It is not possible to accurately determine the allocation of remuneration of the other Directors related to the Company.

9. Income from shares in group undertakings

	2022 £000	2021 £000
Dividends received from associates	**11**	-

This is the final dividend received from Dovetail Services (UK) Holdings Limited, which was dissolved on 26 August 2022.

The carrying value of the investment is £Nil.

10. Other interest receivable and similar income

	2022 £000	2021 £000
Share of associate's interest receivable	**49**	5
Bank and other interest receivable	**46**	27
	95	32

In April 2022, Immediate Media Company Ltd, a subsidiary of the Group, made an early payment on its obligatory June 2022 loan facility repayment with Burda GmbH by means of a short term cash advance. This advance generated interest income at an arm's-length rate.

11. Interest payable and similar expenses

	2022 **£000**	2021 £000
Bank interest payable	-	235
Amortisation of capitalised loan arrangement costs	-	159
Interest on amounts owed to related parties	**1,543**	761
	1,543	1,155

In both the year to 31 December 2022 and the prior year, interest on the amounts owed to related parties comprises the interest charged on the arm's-length shareholder loan arrangement with the Group's parent company, Burda GmbH - see Note 21, Loans, for more information on interest rates.

At 31 December 2022, £336,000 of the interest payable was accrued but not yet paid to Burda GmbH. This interest was paid on 26 January 2023.

12. Taxation

	2022 £000	2021 £000
Corporation tax		
UK Corporation tax on profit for the period	**2,643**	4,847
Adjustments in respect of previous periods	**(182)**	321
	2,461	5,168
Group taxation relief	**89**	154
	2,550	5,322
Foreign tax		
Foreign tax on income for the year	**1**	1
	1	1
Total current tax	**2,551**	5,323
Deferred tax		
Origination and reversal of timing differences	**(130)**	(248)
Changes to tax rates	**174**	256
Adjustment in respect of prior years	**564**	-
Total deferred tax	**608**	8
Taxation on profit on ordinary activities	**3,159**	5,331

12. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%). The differences are explained below:

	2022 £000	2021 £000
(Loss)/profit on ordinary activities before tax	**(1,370)**	16,976
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	**(260)**	3,226
Effects of:		
Disallowed expenditure	**70**	(1,929)
Other permanent differences	**471**	1,526
Other timing differences	**(130)**	(137)
Utilisation of tax losses	**-**	(51)
Amortisation of goodwill on consolidation	**2,414**	2,079
Adjustments to tax charge in respect of prior periods - corporation tax	**(182)**	321
Adjustments to tax charge in respect of prior periods - deferred tax	**564**	-
Share of results of joint ventures and associates	**(78)**	(32)
Share of tax on joint ventures and associate profit / (loss)	**115**	71
Tax on overseas operations	**1**	1
Change in tax rates	**174**	256
Total tax charge for the year	**3,159**	5,331

Factors that may affect future tax charges

At the date of signing, the corporation tax rate is expected to increase to 25% in April 2023. This would increase the company's future tax charge accordingly and immaterially increase the deferred tax liability.

The Group has no deferred tax assets that are not fully recognised (2021: £Nil).

13. Intangible assets

Group

	Software and Development £000	Other Intangibles £000	Goodwill £000	Total £000
Cost				
At 1 January 2022	**21,433**	**23,565**	**152,403**	**197,401**
Additions	**7,392**	**555**	**-**	**7,947**
Disposals	**(7,475)**	**(420)**	**-**	**(7,895)**
On acquisition of subsidiaries	**-**	**742**	**41,565**	**42,307**
At 31 December 2022	**21,350**	**24,442**	**193,968**	**239,760**
Amortisation				
At 1 January 2022	**10,670**	**10,700**	**115,969**	**137,339**
Charge for the year on owned assets	**7,616**	**3,591**	**13,203**	**24,410**
On disposals	**(7,475)**	**(420)**	**-**	**(7,895)**
At 31 December 2022	**10,811**	**13,871**	**129,172**	**153,854**
Net book value				
At 31 December 2022	**10,539**	**10,571**	**64,796**	**85,906**
At 31 December 2021	10,763	12,865	36,434	60,062

In the year to 31 December 2022 additions of £742,000 to other intangibles and £41,565,000 to goodwill relate to the acquisition of Nutratech Limited on the 1st of November 2022. See note 28 Business Combinations for details.

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

Software and Development includes capitalised staff cost of £7,314,000 (2021: £7,799,000).

The Directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises.
The amortisation, impairment charge and impairment reversals are recognised in the administrative expenses in the profit and loss account.

Management reviewed all other goodwill and intangible assets for indicators of impairment. No impairment was considered necessary.

Disposals in the year relate to the elimination of fully amortised assets. Disposals of Software and Development includes the disposal of fully amortised assets that are deemed to be obsolete.

14. Tangible fixed assets

Group

	Plant and machinery £000	Fixtures and fittings £000	Leasehold Improvements £000	Total £000
Cost or valuation				
At 1 January 2022	**2,163**	**807**	**7,726**	**10,696**
Additions	**800**	**503**	**17**	**1,320**
Acquisition of subsidiary	**-**	**112**	**-**	**112**
Disposals	**(1,311)**	**(221)**	**(13)**	**(1,545)**
At 31 December 2022	**1,652**	**1,201**	**7,730**	**10,583**
Depreciation				
At 1 January 2022	**1,301**	**221**	**2,992**	**4,514**
Charge for the year on owned assets	**663**	**456**	**681**	**1,800**
Disposals	**(1,311)**	**(221)**	**(13)**	**(1,545)**
At 31 December 2022	**653**	**456**	**3,660**	**4,769**
Net book value				
At 31 December 2022	**999**	**745**	**4,070**	**5,814**
At 31 December 2021	862	586	4,734	6,182

During the year £17,000 of leasehold improvements and £503,000 of fixtures and fittings were capitalised. The majority of these related to the refurbishment of Vineyard House, the office premises of the London subsidiary, in completion of the rollout of hybrid working for employees.

Disposals in the year relate to the elimination of fully amortised assets.

15. Fixed asset investments

Group

	Investments in associates £000
Cost or valuation	
At 1 January 2022	**283**
Additions	**999**
At 31 December 2022	**1,282**

The share of profit/ (loss) of associates includes a net charge relating to interest and tax of £66,000 (2021: net charge of £66,000) and relates to the shareholding in Frontline Limited. The total increase in the investment in Frontline from share of profits was £294,000 (2021: £100,000).

A subsidiary of the Group, Immediate Media Company London Limited, increased its investment in an associate, Frontline Limited by £705,000.

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	**1,149**
At 31 December 2022	**1,149**

15. Fixed asset investments (continued)

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Immediate Media Company Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Management services	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £000	(Loss) £000
Immediate Media Company Limited	**56,718**	**(1,239)**

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Immediate Media Company London Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Cross media publishing	Ordinary	100%
Immediate Media TV Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Non trading	Ordinary	100%
Diamond Newco Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Mumdrum Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Hitched PTY Limited (South Africa)	Falcon Office Park Unit 14, 142 Suid Street, Lyttelton, 0140, South Africa	Dormant	Ordinary	100%

15. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Immediate Media Company Australia PTY Limited	King & Wood Mallesons Governor Philip Tower, Level 61, 1 Farrer Place, Sydney NSW 2000	Management services	Ordinary	100%
Immediate Media Company Pte Singapore Limited	8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095	Management services	Ordinary	100%
Upper Street Events Topco Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Holding company	Ordinary	100%
Upper Street Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Live events	Ordinary	100%
Escape Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Live events	Ordinary	100%
Value Added Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
River Street Media Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Management services	Ordinary	100%
River Street Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Live events	Ordinary	100%
Immediate Media Services Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Nutratech Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Business software development	Ordinary	80.7%

Our Media Limited is an indirect subsidiary of Vancouver Topco Limited as defined by the Companies Act.

15. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Immediate Media Company London Limited	68,536	10,128
Immediate Media TV Limited	(31,139)	(332)
Diamond Newco Limited	3,047	-
GEL Limited	(130)	-
Mumdrum Limited	-	-
Hitched PTY Limited (South Africa)	-	-
Immediate Media Company Australia PTY Limited	40	1
Immediate Media Company Pte Singapore Limited	112	15
Upper Street Events Topco Limited	(7,428)	(70)
Upper Street Events Limited	882	(1,403)
Escape Events Limited	59	(51)
Value Added Events Limited	205	-
River Street Media Limited	(892)	(124)
River Street Events Limited	(1,555)	152
Immediate Media Services Limited	-	-
Nutratech Limited	601	458

15. Fixed asset investments (continued)

Indirect associate

The following was an indirect associate of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Frontline Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, UK, PE2 6EA	Magazine distribution	Ordinary	14.2%

Indirect joint ventures

The following were indirect joint ventures of the Company:

Name	Registered office	Principal activity	Holding
Radio Times Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	51%
Our Media Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Magazine distribution	60%

The subsidiary undertakings listed below are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act:

Immediate Media Company Limited (registered number 07635200)
Upper Street Events Limited (registered number 06350012)
Escape Events Limited (registered number 05511593)
River Street Events Limited (registered number 02708675)
River Street Media Limited (registered number 08541560)
Upper Street Events Topco Limited (registered number 09243695)
Immediate Media TV Limited (registered number 09794211)

On 1 June 2021, the Group reduced its interest in Our Media Limited, formerly Immediate Media Company Bristol Limited. The Group now holds 60% of the shareholding in the entity and has elected to account for the entity as a joint venture as allowed under FRS 102.

Gain on change in participating interest

	£000
Proceeds	735
Non-current assets	2,261
Current assets	7,721
Current liabilities	(15,900)
Non-current liabilities	-
Net liabilities disposed of:	**(5,919)**
Disposal of goodwill attributable to Our Media Limited	**58**
Gain on change in interest	**6,595**

Following the sale of shares in Our Media Limited on 1 June 2021, the Group now accounts for the entity as a joint venture in its financial statements.

In the year to 31 December 2022, additional costs from the change in interest were incurred totalling £292,000. The cumulative gain on change in interest is £6,303,000.

	2022	2021
Percentage shareholding	60%	60%
Percentage ownership interest	51%	51%

Carrying amount of joint venture	**£000**
Non-current assets	2,261
Current assets	7,721
Current liabilities	(15,900)
Non-current liabilities	-
Net liabilities	**(5,919)**
Group's share of net liabilities at point of disposal	**(3,019)**

The Group has not recognised an investment in Our Media Limited as there were net liabilities at the point of disposal.

	2022	2021
	£000	£000
Group's share of losses at 1 January 2022	**(26)**	-
Results for the period:		
Turnover	42,779	25,801
Costs & operating expenses	(45,329)	(26,394)
Tax charge	-	541
Loss for the period	**(2,550)**	**(51)**
Group's share of losses in the period	(1,300)	(26)
Group's share of losses at 31 December 2022	**(1,326)**	**(26)**

The Group's share of losses has not been recognised in the Profit and Loss Account as the joint venture is held at nil value.

16. Stocks

	Group 2022 £000	Group 2021 £000
Raw materials and consumables	**441**	960
Work in progress	**2,818**	2,256
Finished goods	**1,373**	1,401
	4,632	4,617

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £26,543,000 (2021: £33,058,000). The write-down of stocks to net realisable value amounted to £341,000 (2021: £168,000).

17. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	**12,046**	8,974	**-**	-
Amounts owed by related parties	**490**	490	**156**	156
Amounts owed by associated undertakings	**3,541**	5,091	**-**	-
Other debtors	**3,186**	4,879	**-**	-
Prepayments	**5,206**	5,768	**-**	-
Accrued income	**2,224**	1,585	**-**	-
Tax recoverable	**2,390**	1,993	**-**	-
	29,083	28,780	**156**	156

At 31 December 2022, the amounts owed by related parties to the Group of £490,000 (2021: £490,000) were due in more than one year. This amount is a loan from Immediate Media Company Limited to Our Media Holdings Limited, the minority shareholder of Our Media Limited.

At both 31 December 2022 and 2021, all amounts owed to the Company are due after more than one year.

18. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	**Company 2022 £000**	Company 2021 £000
Trade creditors	**10,413**	9,565	**-**	-
Amounts owed to related parties	**51,586**	13,250	**-**	-
Taxation and social security	**-**	1,366	**-**	-
Other creditors	**6,448**	3,403	**8**	8
Accruals	**10,271**	12,296	**-**	-
Deferred income	**22,131**	24,231	**-**	-
Other financial liabilities	**4,235**	-	**-**	-
	105,084	64,111	**8**	8

Amounts owed to related parties at 31 December 2022 includes the loan payable to the Group's parent company Burda GmbH. On 26 January 2023, £38.0 million of the loan balance was refinanced making £37.0 million non-current. See note 21, Loans for more details.

Other financial liabilities is the option held on the remaining 19.3% of the shares in Nutratech Ltd. See Note 20 Other Financial Liabilities.

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

	Group 2022 £000	Group 2021 £000
Amounts owed to related parties	**13,250**	26,500
	13,250	26,500

Amounts owed to related parties comprises of loans payable to the Group's parent company Burda GmbH. On 26 January 2023, a loan of £38.0 million was refinanced making £37.0 million that had been current at 31 December 2022 non-current. See note 21, Loans for more details.

20. Other Financial Liabilities

	2022 £000	2021 £000
Carrying amount of financial liabilities measured at fair value		
Financial liabilities designated as fair value through profit and loss	**(4,235)**	-
	(4,235)	-

Financial liabilities includes £4.2 million that relates to put and call options a subsidiary of the Group, Immediate Media Company London Limited, holds over the remaining 19.3% of Nutratech Limited. These options can be exercised after 4 October 2024.

The fair value was estimated using Monte Carlo Simulation technique. The fair value of the options is equal to the average value of 50,000 iterations of this simulation.

21. Loans

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

	Group 2022 £000	Group 2021 £000
Amounts falling due within one year		
Shareholder loan	**51,250**	13,250
	51,250	13,250
Amounts falling due 1-2 years		
Shareholder loan	**13,250**	26,500
	13,250	26,500
Amounts falling due 2-5 years		
	-	-
Total	**64,500**	39,750

On 1 July 2022, the interest terms on the Shareholder Loan were changed by the loan provider, Burda GmbH, the parent of the Group.The remaining loan amount of £26.5m is repayable by the end of December 2024

On 27 October 2022, Immediate Media Company Limited, a subsidiary of Vancouver Topco Limited, entered into a new loan agreement with Burda GmbH for £38.0 million. This was used to fund the acquisition of Nutratech Limited.

On 26 January 2023, Immediate Media Company Limited repaid the £38.0 million loan and entered a new agreement with Burda GmbH for £37.0 million. This loan includes covenants for the Group's leverage which determine the interest rate margin only. At the date of signing the leverage is 1.67 giving an interest rate of 2.6925% + Sterling Overnight Index Average for the relevant interest period. This loan will be repaid in equal quarterly instalments from March 2025 to December 2027.

22. Deferred taxation

Group

	2022	2021
	£000	£000
At beginning of year	**(1,392)**	(1,484)
Charged to profit or loss	**(608)**	(8)
Arising on business disposals	**-**	100
At end of year	**(2,000)**	(1,392)

	Group 2022	Group 2021
	£000	£000
Accelerated capital allowances	**(2,004)**	(1,389)
Accrued pension contributions	**4**	(3)
	(2,000)	(1,392)

The amount of the net reversal of deferred tax expected to occur next year is £668,000 (2021: £592,000), relating to the reversal of existing timing differences on tangible and intangible fixed assets, employee benefits and change in tax rates.

There are no unrecognised deferred tax assets not included in the balance shown.

23. Provisions

Group

	Provision for annual leave £000
At 1 January 2022	623
Charged to profit or loss	592
Utilised in year	(623)
At 31 December 2022	**592**

The provision for annual leave represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence accrued.

24. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
982,952,412 (2021: 982,952,412) Ordinary shares of £0.0001 each	**98**	98

25. Reserves

Merger Reserve

On 13 September 2021 the Group's subsidiary, Upper Street Events Topco Limited, acquired the remaining 42.8% share capital of River Street Media Limited for £764,000. By acquiring the non controlling interest of a subsidiary it already controlled, the difference between the fair value of consideration and the minority interest eliminated was recognised in the Group's reserves as required by FRS 102 creating a reserve of £2,130,000.

The remaining £1,152,000 reduction in the distributable reserves relates to the purchase of the History business by the Group's subsidiary, Immediate Media Company London Limited from Our Media Limited on 31 March 2021 and it is the difference between the consideration paid and the fair value of the History business.

26. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £1,978,000 (2021: £2,212,000).

Contributions amounting to £730,000 (2021: £285,000) were payable by the group to the scheme at 31 December 2022.

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

27. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £000	Group 2021 £000
Land and buildings		
Not later than 1 year	**3,196**	3,177
Later than 1 year and not later than 5 years	**10,454**	12,577
Later than 5 years	**5,394**	6,363
	19,044	22,117

	Group 2022 £000	Group 2021 £000
Other operating leases		
Not later than 1 year	**24**	19
Later than 1 year and not later than 5 years	**133**	-
	157	19

Group

During the year £3.5 million was recognised as an expense in the Consolidated Profit and Loss Account in respect of operating leases (2021: £3.5 million).

Company

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

28. Business Combinations

Acquisition of Nutratech Limited

On 1 November 2022 the Group acquired 100,218 of Ordinary shares, 80.7% of the issued share capital, of Nutratech Limited, a leading subscription app allowing users to track food, calories and key nutrients.

Consideration of £43,054,000 was given for £1,489,000 of identifiable net assets. The resulting goodwill of £41,565,000 was capitalised and will be amortised over 10 years through the profit and loss.

The business contributed turnover of £1,156,000 and operating profit of £573,000 for the year.

	Book value £000	Fair value adjustment £000	Fair value £000
Fixed assets			
Intangible	-	742	742
Tangible	24	-	24
	24	742	766
Current assets			
Prepayments and other debtors	46	-	46
Trade debtors	583	-	583
Cash at bank and in hand	1,925	-	1,925
	2,554	-	2,554
Total Assets	2,578	742	3,320
Creditors			
Trade creditors	(199)	-	(199)
Deferred income	(1,336)	501	(835)
Accruals and other creditors	(442)	-	(442)
Total Liabilities	(1,977)	501	(1,476)
Total identifiable net assets	601	1,243	1,844
Total identifiable net assets purchased (80.7%)	-	-	1,489
Goodwill	-	-	41,565
Total purchase consideration	-	-	43,054

Fair value adjustments to the Nutratech Limited net assets relate to the following: recognition of trademarks and a reduction in the deferred revenue recognised on acquisition.

Consideration

	£000
Cash consideration	37,787
Directly attributable costs	1,032
Options	4,235
Total purchase consideration	**43,054**

Directly attributable costs includes £690,000 for accrued costs relating to the acquisition. These costs had no cash impact in the year.

Total identifiable net assets	1,844
Non-controlling interest	(355)
Goodwill	41,565
Total purchase consideration	**43,054**

Following the acquisition, there are 22,839 Ordinary and 1,178 S Ordinary shares held by employees of Nutratech Limited. Both types of shares have options over them that will allow the Group to purchase these shares after October 2024. See note 20, Other financial liabilities for more information.

29. Related party disclosures

Related parties of Vancouver Topco Limited include its subsidiary and associate undertakings, its parent company and subsidiaries and associates of its parent company, as well as its Directors and 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 102.1.12(e).

Group

The following related party transactions were undertaken by the Group:

December 2022

	Income £000	Expenditure £000	Net debtors/ (creditors) balance £000
Directly related parties			
Frontline Limited - Associate	-	(1,904)	2,782
Burda GmbH - Parent company	36	(1,526)	(64,500)
Our Media Limited	6,809	(5,354)	754
Wider subsidiaries and associates of ultimate parent company			
Burda digital systems GmbH	-	(9)	-
Seven Publishing Group Ltd.	-	-	(188)
Blue Ocean Entertainment AG	-	(4,948)	(4,163)
Burda International Holding GmbH	1,013	(21)	-
Burda Community Network GmbH	-	-	1
Burda Nordic A/S	-	(6)	-
Dogan Burda Dergi Yayincilik ve Pazarlama A.S.	9	-	5
Editions DIPA Burda SAS	11	-	-

Included in income from Our Media Limited is £3.7 million (2021: Nil) of other income which relates to fees charged under a transitional services agreement.

Related party disclosures (continued)

December 2021

	Income £000	Expenditure £000	Net debtors/ (creditors) balance £000
Directly related parties			
Frontline Limited - Associate	-	2,298	5,091
Burda GmbH - Parent company	-	761	39,750
Our Media Limited	5,554	7,020	(324)
Wider subsidiaries and associates of ultimate parent company			
Burda International CZ s.r.o	5	-	3
Burda Media Polska Sp. zoo.	2	-	-
Stockfood Ltd	-	1	-
Seven Publishing Group Ltd.	-	-	423
Bloom and Wild Limited	4	-	-
Blue Ocean Entertainment AG	-	4,676	3,212
Burda Nordic A/S	-	5	-
Dogan Burda Dergi Yayincilik ve Pazarlama A.S	5	-	-
Editions DIPA Burda SAS	4	1	-

The fees payable to Frontline Limited in the year to 31 December 2022 (and 31 December 2021) relate to magazine distribution. The balance outstanding with Frontline Limited relates to Group revenues collected by Frontline and its subsidiary and joint venture undertakings that are due to the Group. This balance is net of associated fees and marketing and distribution costs and is included within Amounts owed by associated undertakings in Note 17.

The expenditure and net creditor balance with Burda GmbH in the year to 31 December 2022 (and 31 December 2021) comprises the shareholder loan and related accrued interest.

Company

The Company has taken exemption under FRS 102.1.12(e) from disclosing transactions and balances with wholly owned entities which form part of the group headed by Vancouver Topco Limited. Remuneration of Directors is disclosed in Note 8 of these accounts.

The Company did not undertake any further related party transactions.

30. Ultimate parent company

The immediate parent company of the Company is *Burda Gesellschaft mit beschränkter Haftung* (Burda GmbH), registered address Hauptstraße 130, 77652 Offenburg, Germany.

The ultimate controlling party and the largest group in which the Group and the Company's results are consolidated is *Hubert Burda Media Holding Kommanditgesellschaft*, registered address Hauptstraße 130, 77652 Offenburg, Germany. The financial statements are published on www.bundesanzeiger.de.

31. Post balance sheet events

On 26 January 2023, a subsidiary of the Group, Immediate Media Company Limited, refinanced the loan it has with the Group's parent, Burda GmbH. At the date of signing, the balance outstanding was £37.0 million and interest is charged based on leverage covenants on the Group's results. See note 21 Loans for further details.