Parent for
7635200

Registered number: 07633974

VANCOUVER TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

VANCOUVER TOPCO LIMITED

COMPANY INFORMATION

Directors	Thomas Bureau Kevin Langford (resigned 13 February 2020) Martin Weiss Philipp Welte Dan Constanda (appointed 13 February 2020)
Company secretary	Katherine Conlon
Registered number	07633974
Registered office	Vineyard House 44 Brook Green Hammersmith London W6 7BT

VANCOUVER TOPCO LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The Directors present the Strategic Report of the Vancouver Topco Group for the year ended 31 December 2020.

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 that enhances the way people engage with what they love. The Directors are pleased to report that the Group continued to trade strongly.

The operations of the Group's subsidiary, Immediate Media TV Limited, were wound down during the first quarter of the year, following the Group's announcement of its intention to exit from the TV sales business in November 2019. The sale of the Jewellery Maker brand was completed in January 2020 and subsequently the Sewing Quarter brand was closed.

On 30 January 2020 the Group's subsidiary, Immediate Media Company London Limited, hived down the trade and assets of the Hitched business to a newly created subsidiary, Diamond Newco Limited. On 31 January 2020, the entire share capital of Diamond Newco Limited was sold. This company was subsequently renamed to Hitched Limited (under new ownership), and the Group's subsidiary of that name was renamed to Diamond Newco Limited. The net gain on the transaction was £22.1 million.

On 10 February 2021 one of the Group's subsidiaries, Immediate Media Company London Limited, announced a reorganisation of its business into two internal business units, IM Experience (focused on Radio Times print, the Youth & Children's portfolio, and Live Events) and IM Platforms (focused on high growth brands and markets where the Company is developing multiple business models, across different platforms).

On 31 March 2021 Immediate Media Company Bristol Limited hived across the trade and assets of the History business to Immediate Media Company London Limited, both companies being subsidiaries of the Group. This included BBC History and BBC History Revealed magazines and the History Extra website as part of its business reorganisation.

On 31 March 2021 Immediate Media Company Limited, a subsidiary of the Group, refinanced its bank facility. The outstanding balance of £53 million was repaid in full and a new facility of £53 million was entered into at arms-length with Burda Gesellschaft mit beschränkter Haftung (Burda GmbH), the Group's parent company, as the lender. There are no financial covenants attached to this new arrangement. At the date of signing, this is the Group's sole debt facility.

Financial key performance indicators

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

	2020	2019
	£m	£m
Turnover	**197.8**	241.3
Adjusted EBITDA	**34.6**	41.8
Adjusted EBITDA margin	**17.5%**	17.3%
Profit/(loss) for the financial year	**18.1**	(2.9)

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, amortisation, depreciation and impairment, plus the Group's share of the associate's EBITDA of £35,000 loss (2019: £1,060,000 gain). Management believes this measure best represents the underlying trading results.

Compared to the twelve months to 31 December 2019, turnover fell 18.0% from £241.3 million to £197.8 million. *Adjusted EBITDA also fell in 2020 by 17.0%, from £41.8 million to £34.6 million. The reduction in turnover and* EBITDA is primarily as a result of COVID-19, though the potential impact was largely mitigated by swift actions taken by Management throughout the year, including a number of redundancies. Revenue from events was significantly impacted by COVID-19. The divestment and closure of business operations also contributed to the lower revenue against prior year. The Group saw strong performance in the last six months of the year across the business, leaving it well placed to grow in 2021.

The £18.1 million profit for the financial year compared to the £2.9 million loss in the prior year is primarily driven by the gain on the sale of the Hitched business. This is further explained in Note 5, Operating Profit.

The business generated £30.0 million cashflow from operating activities in the year to 31 December 2020 (2019: £36.0 million).

The consolidated statement of comprehensive income includes goodwill amortisation which mainly reflects the charging to the income statement of both the outlay from the original acquisition of the business and from subsequent acquisitions in accordance with accounting principles and has no implications for future cash flows.

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 sterling, certain items are imported and will be impacted by currency fluctuations that may arise as a consequence of Brexit. Following the end of the transition phase on 31 December 2020, there was little impact from currency fluctuations on the business as a result of strategies implemented by Management to mitigate the impact where possible.

A large proportion of the revenues of the business are earned from the distribution of physical magazines and over the long term it is expected that consumers will migrate from physical to digital media in a number of sectors in which the 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.

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.

Impact of worldwide Coronavirus (COVID-19) pandemic

A global health emergency was declared by the World Health Organisation (WHO) on 30 January 2020 in response to the outbreak of a strain of coronavirus (COVID-19) initially in Hubei province, China. On 11 March 2020 the WHO designated the virus outbreak a pandemic, following its spread around the globe. The UK Government took unprecedented measures to limit the spread of the virus, with the response continually evolving throughout the year. These measures impacted the activities of the Group to a varying extent.

The Group's events business has been significantly impacted by the ban on large gatherings, thereby precipitating the postponement of almost all consumer events planned during the year. Management has continued to explore the potential of digitally held events and encouraged innovative approaches to engaging with customer bases whilst restrictions remain in place. The Group's events business is well placed to resume its planned programme in 2021 as lockdown lifts, notwithstanding any future re-imposition of restrictions.

The Group's media business, both print and digital, was less impacted by social distancing measures as subscription deliveries continued, digital channels remained accessible, and newsagents and supermarkets largely remained open. However, the Group was exposed to the overall performance of the UK economy, with consumers' daily activities at times severely restricted and in some cases livelihoods at risk. This had a negative impact on the performance of UK and export newstrade and advertising, which appear to have been most immediately and adversely impacted.

The safety of employees remains a priority and Management has implemented measures to facilitate working from home for all employees while maintaining business as usual as best it can. Management continue to monitor the local and global situation closely to develop strategies to mitigate the impact on the business as far as possible.

Liquidity risk

The Directors have assessed the risks to the Group's financial position and have concluded that under some specific and reasonably prudent assumptions some funding, beyond the new arm's-length facility entered into on 31 March 2021, may be required from its parent company, Burda GmbH, during 2021.

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

As part of the acquisition of BBC Good Food in August 2018 the Group's parent company, Burda GmbH, provided a loan, at arm's length, of £20 million to the Group's subsidiary Immediate Media Company London Limited to finance the purchase. The balance on the loan and interest was repaid on 1 April 2020 and an additional facility of £4 million was provided in June 2020 to Immediate Media Company Limited, a subsidiary of the Group. On 10 February 2021 the principal and outstanding interest on this shareholder loan was repaid in full.

On 15 March 2017 the Group refinanced its external debt facilities, rolling them into a facility with a more favourable interest rate, held by the Group's subsidiary Immediate Media Company Limited. Costs were incurred in renegotiating this deal, which have been capitalised and are being written off over the term of the loan. At 31 December 2020 the total bank facility available to the Group is £53 million (2019: £79 million).

On 31 March 2021 this amount was repaid in full as part of the Group's new arm's-length financing arrangement with its parent company, Burda GmbH. There are no financial covenants attached to this new arrangement. At the date of signing, this was the Group's sole debt facility.

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, 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.

Throughout the pandemic, employee safety and wellbeing has been a key priority and the Group has endeavoured to provide a supportive environment for all its staff. Employees have been encouraged to work flexibly to suit their personal situations and a comprehensive support programme of health, social and well-being resources has been put in place for everyone. Management also regularly held well-attended update meetings where information was shared with regard to Group performance and organisational priorities. Feedback was encouraged during the updates and on a frequent basis.

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 - from 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 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 is developing 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.

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 has adopted The Interactive Advertising Bureau's Consent Framework to ensure digital advertising is fully compliant with all relevant legislation and is fully GDPR compliant. B2B customers, advertisers and exhibitors, are supported by dedicated sales and support teams.

Suppliers

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

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. Through this strategy, within the below 2020 total energy consumption, the company has sourced a total of 374,431 kWh of REGO backed (zero emission) electricity equating to 27.3% of total electricity use.

During the year, the Group moved from using polywrap bags to post all monthly subscription titles out to consumers to using FSC-certified paperwrap, being fully recyclable in UK kerbside collections. The Group has now extended this to the Radio Times, which means virtually all subscription titles use FSC-certified paperwrap. The Group is committed to the responsible purchasing of forest products and the Group's long-term intention is to source all forest products from well-managed forests which have been certified to credible certification standards.

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 2020.

	2020
UK energy consumed (kWh)	
Electricity use	**1,370,392**
Gas combustion	**617,164**
Fuel consumption	**20,411**
UK emissions from (tonnes CO2)	
Natural gas and fuel consumption	**113.7**
Electricity on-site	**319.5**
Transmission, distribution and other indirect	**32.1**
Group's chosen intensity measurement (ratio)	
Emissions (tonnes CO2) per full time equivalent employee	**0.55**

Consumption data was determined by using invoices and meter data from suppliers and estimating fuel usage based on employee mileage records. Where fuel type is unknown, a split of 70% diesel, 30% petrol has been used.

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: 29/4/21

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the Directors' report and the financial statements for the year ended 31 December 2020.

Dividends

The profit for the year attributable to the owners of the parent Company, after taxation and minority interests, amounted to £18.8 million (2019: loss of £3.3 million).

No dividends have been declared or paid during the year to 31 December 2020 (2019: £Nil).

Directors

The directors who served during the year were:

Thomas Bureau
Kevin Langford (resigned 13 February 2020)
Martin Weiss
Dan Constanda (appointed 13 February 2020)
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 (2019: £Nil). One of the Company's subsidiaries made charitable donations of £4,000 (2019: £17,000).

In addition to this, the Group has worked with the local community throughout the year providing half-term food packages for school children and donating laptops and other IT equipment to local schools. The Group has also continued to work with food banks, care homes for the elderly, and St. Mungo's, London's leading charity for homeless people, to provide outreach and support.

Going concern

The total bank facility available to the Group at the balance sheet date was £53 million (2019: £79 million), and the facility was due to expire in March 2022. The financial covenants of this facility included cash flow cover and leverage. At 31 December 2020, the Group was in compliance with its financial covenants and continued to be so until the loan was refinanced on 31 March 2021. On this date, the loan was repaid in full and a new arm's-length facility entered into with Burda GmbH, the Group's parent entity, as the lender. There are no financial covenants attached to this new arrangement.

The coronavirus pandemic and measures imposed by the UK government to limit the spread of the virus impacted the activities of the Group to a varying extent - see Strategic Report for details.

The uncertainty regarding the future business impact of the coronavirus pandemic has been assessed by the Board. Whilst acknowledging that the Group traded well during the pandemic, in preparing this assessment Management have considered severe yet plausible downside scenarios to model the business cashflows, including: the impact of a reduction in advertising revenue; a reduction in UK newstrade revenue; flattening in subscriptions revenue versus prior year, despite the significant increase in new subscribers from mid-March 2020 onwards; a shutdown of the events businesses until the second half of 2021; some reductions in headcount and non-headcount operating costs, but no material reductions to capital expenditure.

As at 31 December 2020, the Group holds net assets of £9.3 million, including cash of £11.2 million, having generated profit for the year then ended of £18.1 million and operating cash inflows for the year of £30.0 million; the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of some severe yet plausible downsides, the Group may require funding from its parent, Burda GmbH, to meet its liabilities as they fall due for that period.

Burda GmbH has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts.

As with any 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 its 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 £7.6 million (2019: £10 million), which includes £6.9 million (2019: £9.3 million) of capital expenditure.

Employee involvement

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

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 – from 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Post balance sheet events

On 31 January 2021 a subsidiary of the Group, Upper Street Events Topco Limited, acquired the remaining 42.8% of the share capital of River Street Media Limited.

On 10 February 2021 one of the Group's subsidiaries, Immediate Media Company London Limited, announced a reorganisation of its business into two internal business units, IM Experience (focused on Radio Times print, the Youth & Children's portfolio, and Live Events) and IM Platforms (focused on high growth brands and markets where the Company is developing multiple business models, across different platforms).

On 10 February 2021 the Group repaid the principal and outstanding interest on the shareholder loan facility with its parent company, Burda GmbH.

On 25 February 2021 a dividend of £92 million was declared by Immediate Media Company London Limited to its sole shareholder Immediate Media Company Limited, both companies being subsidiaries of the Group. This was settled in specie against the debt owed by Immediate Media Company Limited to Immediate Media Company London Limited, with no impact on the results of the Company or the consolidated Group.

On 31 March 2021 Immediate Media Company Bristol Limited hived across the trade and assets of the History business to Immediate Media Company London Limited, both companies being subsidiaries of the Group. This included BBC History and BBC History Revealed magazines and the History Extra website as part of its business reorganisation.

On 31 March 2021 Immediate Media Company Limited refinanced its bank facility. The outstanding balance of £53 million was repaid in full and a new facility was entered into at arms-length with Burda GmbH, the Group's parent company, as the lender. There are no financial covenants attached to this new arrangement. At the date of signing, this is the Group's sole debt facility.

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

Dan Constanda
Director

Date: 29/4/21

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the group and parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group for that period.

In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 parent company and to 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 parent company 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 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 of the Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
> have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
> have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the 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 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

Identifying and responding to risks of material misstatement due to fraud

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;

> 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. These included journals posted to unusual accounts.

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 and the risk of fraudulent revenue recognition, in particular the risk that the following revenue streams are recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries:
> Advertising revenue;
> Enterprise and branded content revenue;
> Subscription revenue; and
> Newsstand revenue.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

In order to address the identified risk of fraud over revenue we performed the following procedures:
> Control design: Testing the design and implementation of key controls used in the financial reporting process;
> Tests of detail: Assessing the accrued and deferred revenue recognised in relation to newsstand and subscription revenue as at 31 December 2020 by agreeing the values to third-party statements; and
> Tests of detail: Performing detailed sampling over revenue items posted in the periods before and after year end, and agreeing revenue recognised to invoice and bank statement.

In order to address the identified risk of fraud over management override of controls we performed the following procedures:
> 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. These included journals posted to unexpected accounts.

We also identified a fraud risk related to inappropriate capitalisation of development costs in response to possible pressures to meet profit targets.

In order to address the identified fraud risk over capitalisation of development costs we performed the following procedures:
> Control design: Testing the design and implementation of key management review controls used in the financial reporting process;
> Tests of detail: Assessed whether management policy is in line with applicable accounting standards and performed sensitivity analysis over the amount capitalised; and
> Tests of detail: Performed detailed sampling over capitalised cost additions in the year and agreed these to individual salary costs and bank statements.

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, and 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.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 9, 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.

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.

PBarron

Paul Barron (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
United Kingdom
E14 5GL

Date: 29 April 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Turnover	4	**197,825**	241,253
Cost of sales		**(60,747)**	(80,938)
Gross profit		**137,078**	160,315
Distribution costs		**(24,721)**	(26,084)
Administrative expenses		**(87,477)**	(133,846)
Operating profit	5	**24,880**	385
Share of (loss)/ profit of associate		**(415)**	794
Total operating profit		**24,465**	1,179
Interest receivable and similar income	9	**48**	66
Interest payable and expenses	10	**(1,989)**	(3,509)
Profit/(loss) before taxation		**22,524**	(2,264)
Tax on profit/(loss)	11	**(4,424)**	(685)
Profit/(loss) for the financial year		**18,100**	(2,949)
Profit/(loss) for the year attributable to:			
Non-controlling interests		**(682)**	385
Owners of the parent Company		**18,782**	(3,334)
		18,100	(2,949)

There was no other comprehensive income for 2020 (2019: £Nil).

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

The notes on pages 21 to 58 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	12	**76,020**	97,096
Tangible assets	13	**7,905**	9,379
Investments in associates	14	**183**	522
		84,108	106,997
Current assets			
Stocks	16	**4,090**	5,510
Debtors	17	**27,416**	33,496
Cash at bank and in hand		**11,229**	9,180
		42,735	48,186
Creditors: amounts falling due within one year	18	**(58,338)**	(68,786)
Net current liabilities		**(15,603)**	(20,600)
Total assets less current liabilities		**68,505**	86,397
Creditors: amounts falling due after more than one year	19	**(57,000)**	(94,841)
Provisions for liabilities			
Deferred taxation	21	**(1,484)**	(176)
Other provisions	22	**(745)**	(204)
		(2,229)	(380)
Net assets / (liabilities)		**9,276**	(8,824)
Capital and reserves			
Called up share capital	23	**98**	98
Share premium account		**17,485**	17,485
Profit and loss account		**(7,002)**	(25,784)
Equity attributable to owners of the parent Company		**10,581**	(8,201)
Non-controlling interests		**(1,305)**	(623)
		9,276	(8,824)

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

Dan Constanda
Director
Date: 29/4/21

The notes on pages 21 to 58 form part of these financial statements.

VANCOUVER TOPCO LIMITED
REGISTERED NUMBER: 07633974

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	14	**1,149**	1,149
Current assets			
Debtors	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	23	**98**	98
Share premium account		**17,485**	17,485
Profit and loss account carried forward		**(16,275)**	(16,275)
		1,308	1,308

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

Dan Constanda
Director

Date: 29/4/21

The notes on pages 21 to 58 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD TO 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2019	**98**	**17,485**	**(22,450)**	**(4,867)**	**(29)**	**(4,896)**
Comprehensive income for the year						
Loss for the year	-	-	(3,334)	(3,334)	-	(3,334)
NCI share of profit	-	-	-	-	385	385
On acquisition of subsidiary	-	-	-	-	(979)	(979)
At 1 January 2020	**98**	**17,485**	**(25,784)**	**(8,201)**	**(623)**	**(8,824)**
Comprehensive income for the year						
Profit for the year	-	-	18,782	18,782	-	18,782
NCI share of loss	-	-	-	-	(711)	(711)
Removal of NCI	-	-	-	-	29	29
At 31 December 2020	**98**	**17,485**	**(7,002)**	**10,581**	**(1,305)**	**9,276**

The notes on pages 21 to 58 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD TO 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2019	98	17,485	(16,275)	1,308
Total comprehensive income for the year	-	-	-	-
At 1 January 2020	98	17,485	(16,275)	1,308
Total comprehensive income for the year	-	-	-	-
At 31 December 2020	98	17,485	(16,275)	1,308

The notes on pages 21 to 58 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Profit/(loss) for the financial year attributable to the owners of the parent company	**18,782**	(3,334)
Adjustments for:		
Amortisation of intangible assets	**25,732**	25,169
Impairments of intangible assets	**3,211**	3,513
Depreciation of tangible assets	**2,311**	1,735
Impairments of tangible assets	**37**	306
Loss on disposal of tangible assets	**(58)**	-
Gain on disposal of business operations	**(26,086)**	-
Interest payable and similar expenses	**1,989**	3,509
Interest receivable and similar income	**(48)**	(66)
Decrease in stocks	**1,067**	3,046
Decrease in debtors	**5,486**	3,357
(Decrease)/increase in creditors	**(4,103)**	2,475
Increase/(decrease) in provisions	**541**	(197)
Taxation charge	**4,424**	685
Corporation tax paid	**(3,995)**	(2,568)
Research and development expenditure credit	**(360)**	(416)
Decrease/(increase) in non-controlling interests	**682**	(385)
Share of loss/(profit) of associate	**415**	(794)
Net cash generated from operating activities	**30,027**	36,035
Cash flows from investing activities		
Purchase of intangible assets	**(7,867)**	(10,076)
Purchase of tangible assets	**(932)**	(6,876)
Acquisition of trade and assets of a business	**-**	(150)
Acquisition of subsidiary undertakings	-	(1,499)
Sale of business operations	**25,700**	1,650
Dividends received	**-**	390
Interest received	**-**	2
Other cash impacts on acquisitions	**(234)**	(8,580)
Net cash from investing activities	**16,667**	(25,139)
Cash flows from financing activities		
Repayment of loans	**(26,000)**	(13,000)
New shareholder loans	**4,000**	-

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	2019 £000
Repayment of shareholder loans	**(20,000)**	-
Interest paid	**(2,645)**	(2,666)
Net cash used in financing activities	**(44,645)**	(15,666)
Net increase/(decrease) in cash and cash equivalents	**2,049**	(4,770)
Cash and cash equivalents at beginning of year	**9,180**	13,950
Cash and cash equivalents at the end of year	**11,229**	9,180
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**11,229**	9,180
	11,229	9,180

The notes on pages 21 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 judgement 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 Statement of Comprehensive Income 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 Statement of Financial Position, 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 Statement of Comprehensive Income 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.

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

2. Accounting policies (continued)

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 5.

In the financial period, the Group funded its activities through external debt held by one of the Group's subsidiary undertakings, Immediate Media Company Limited. The total bank facility available to the Group at the balance sheet date was £53 million (2019: £79 million), and the facility was due to expire in March 2022. The financial covenants of this facility included cash flow cover and leverage. At 31 December 2020, the Group was in compliance with its financial covenants and continued to be so until the loan was refinanced on 31 March 2021. On this date, the loan was repaid in full and a new arm's-length facility entered into with Burda GmbH, the Group's parent entity, as the lender. There are no financial covenants attached to this new arrangement.

The coronavirus pandemic and measures imposed by the UK government to limit the spread of the virus impacted the activities of the Group to a varying extent - see Strategic Report for details.

The uncertainty regarding the future business impact of the coronavirus pandemic has been assessed by the Board. Whilst acknowledging that the Group traded well during the pandemic, in preparing this assessment Management have considered severe yet plausible downside scenarios to model the business cashflows, including: the impact of a reduction in advertising revenue; a reduction in UK newstrade revenue; flattening in subscriptions revenue versus prior year, despite the significant increase in new subscribers from mid-March 2020 onwards; a shutdown of the events businesses until the second half of 2021; some reductions in headcount and non-headcount operating costs, but no material reductions to capital expenditure.

As at 31 December 2020, the Group holds net assets of £9.3 million, including cash of £11.2 million, having generated profit for the year then ended of £18.1 million and operating cash inflows for the year of £30.0 million; the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of some severe yet plausible downsides, the Group may require funding from its parent, Burda GmbH, to meet its liabilities as they fall due for that period.

Burda GmbH has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts.

As with any 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 its 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 Statement of Comprehensive Income 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 Statement of Comprehensive Income on a straight line basis over the lease term.

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

2.7 Government grants

Grants received as part of Government assistance to retain employees during the COVID-19 pandemic have been recognised in the Consolidated Statement of Comprehensive Income in the same period that the related employee costs have been recognised.

2.8 Interest income

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

2.9 Finance costs

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

2.10 Borrowing costs

All borrowing costs are capitalised and charged to the Consolidated Statement of Comprehensive Income 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 Statement of Comprehensive Income.

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

2. Accounting policies (continued)

2.12 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company 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 Statement of Financial Position date, except that:

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

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

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of 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 Statement of Comprehensive Income over its useful economic life.

Other intangible assets

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

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

The estimated useful lives range as follows:

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

Amortisation is charged to the Consolidated Statement of Comprehensive Income statement 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

2. Accounting policies (continued)

2.13 Intangible assets (continued)

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.

2.14 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 Statement of Comprehensive Income 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.

2.15 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.

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 Statement of Comprehensive Income.

2. Accounting policies (continued)

2.16 Impairment of fixed assets and goodwill

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

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 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 Statement of Comprehensive Income 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 Statement of Financial Position, 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.

2.19 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 as:

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

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to

2. Accounting policies (continued)

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.

2.20 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 Statement of Comprehensive Income.

2.21 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.

2.22 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.

2.23 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.

2.24 Holiday pay accrual

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

2. Accounting policies (continued)

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

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

2.26 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 Statement of Comprehensive Income.

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

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

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

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 Statement of Comprehensive Income in finance costs

2. Accounting policies (continued)

2.26 Financial instruments (continued)

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

2.27 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. Judgements 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) Judgements

- Capitalisation of development costs:
  Management applies judgement to capitalise certain development costs in line with the accounting policies set out in 2.13 Intangible assets and 2.14 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.

ii) Estimates

- Impairment of intangible assets:
  As part of the sale and disposal of the Hitched business in 2020 (and for Jewellery Maker and Sewing Quarter brands in 2019), a review of the relevant intangible assets was performed to assess whether any impairment triggers had been met in accordance with FRS 102. It was determined that these assets would no longer be in use due to the sale of the business to which the assets relate. As a result, goodwill, other intangibles and software and development assets were impaired to a nil net book value at 31 December 2020.

  As a result of the COVID-19 restrictions in 2020 and the impact on some of the Group's trade, a review was undertaken of all goodwill and intangible assets for indicators of impairment. In particular the net present value of the future cash flows relating to the Upper Street and River Street businesses were assessed against the goodwill and investment assets held by the Group. The sensitivity of the analysis was also assessed as the recovery of the events industry will be dependent on the successful relaxation of Government restrictions. The result of the impairment review was that no impairment was considered necessary.

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 television shopping (ceased in 2020), listing sales, live events and e-commerce.

An analysis of Group turnover by category is as follows:

	2020 £000	2019 £000
Goods	**165,482**	193,291
Services	**32,343**	47,962
	197,825	241,253

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 profit

The operating profit is stated after charging:

		2020	2019
		£000	£000
Amortisation of other intangibles	12	**11,556**	11,398
Amortisation of goodwill	12	**14,176**	13,771
Impairment of intangible assets	12	**3,211**	3,513
Depreciation of tangible fixed assets	13	**2,311**	1,735
Impairment of tangible fixed assets	13	**37**	306
Research & development charged as an expense		**763**	718
Exchange differences		**77**	141
Operating lease rentals	25	**2,998**	3,250
Gain on sale of cycling titles		**-**	(1,577)
Gain on sale of Hitched business excluding impairment of fixed assets		**(25,268)**	-
Costs/ (gain) associated with the restructuring of IMTV excluding impairment of fixed assets		**(818)**	4,923
Other restructuring costs		**4,565**	3,370

Total research and development expenditure incurred in the year was £7.6 million (2019: £10 million), which includes £6.9 million (2019: £9.3 million) of capital expenditure.

In the year to 31 December 2020, a net gain of £22.1 million was made on the sale of the Hitched business by the Group's subsidiary, Immediate Media Company London Limited, including £3.2 million impairment of fixed and intangible assets. For further details of the transactions, see the Directors' Report. This disposal is not shown as a discontinued operation as it does not represent a separate major line of business.

The major items included in other restructuring costs in 2020 were redundancy costs of £3.6 million and costs of £0.7 million relating to ongoing migration projects, arising from acquisitions made in recent years.

The gain associated with the restructuring of IMTV in 2020 largely relates to the sale of the Jewellery Maker brand, which completed on 22 January 2020. There is an overall net loss as a result of this sale and the closure of the Sewing Quarter brand with the majority of the costs recognised in 2019. The major items included in 2019 were £2.6 million writedown of inventory, £3.8 million impairment of fixed and intangible assets, £1.5 million for onerous contracts, committed obligations and expected exit costs relating to employees, and £0.8m for other costs arising as a result of closure.

In the year to 31 December 2019, the major items included in other restructuring costs were redundancy costs of £1.6 million and costs of £0.5 million for the acquisition and migration of the Upper Street Events and River Street Media groups acquired in the year. In addition to this, there were onerous lease and associated costs of £0.8 million relating to the Bristol subsidiary's move from Tower House to their new premises, Eagle House, in June 2019. A net gain of £1.6 million was made on the sale of the CyclingNews and ProCycling brands by the Group's subsidiary, Immediate Media Company Bristol Limited.

6. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**62**	47

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

Audit of the annual financial statements of subsidiaries	**157**	165
Additional charges relating to the prior year audit	**70**	-
All other services	**3**	3

7. Employees

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

	2020 £000	2019 £000
Wages and salaries	**39,499**	47,732
Staff national insurance	**4,598**	5,555
Cost of defined contribution scheme	**2,223**	2,154
	46,320	55,441

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

	2020 No.	2019 No.
Sales	**200**	219
Production	**565**	693
Administration	**218**	236
Contract publishing	**58**	74
	1,041	1,222

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. Should the Group hit financial targets between 2020 and 2022, the shares will be bought back by Immediate Media Company Limited at agreed values. At 31 December 2020, the Group was not considered likely to achieve the required target to generate a payout. Therefore the scheme is deemed to have no value.

The Company has no employees other than the directors, who did not receive any remuneration *(2019 - £NIL)*

8. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	**1,106**	1,077
Group contributions to defined contribution pension schemes	**10**	10
	1,116	1,087

The highest paid director received remuneration of £664,000 (2019: £825,000). A significant component of the prior year relates to historical pension contributions agreed and paid in 2019, and a voluntary pay cut taken in the second quarter of 2020.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2019: £10,000).

Two Directors received no remuneration (2019: £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. Interest receivable

	2020 £000	2019 £000
Share of associate's interest receivable	**48**	64
Bank and other interest receivable	**-**	2
	48	66

10. Interest payable and similar expenses

	2020 £000	2019 £000
Bank interest payable	**1,626**	2,666
Amortisation of capitalised loan arrangement costs	**163**	205
Interest on amounts owed to related parties	**200**	638
	1,989	3,509

On 15 March 2017 the external debt facilities in place at that date were refinanced and rolled over into a new facility. Costs incurred in renegotiating this deal were capitalised and are being released to the Consolidated Statement of Comprehensive Income over the term of the loan.

In both the year to 31 December 2020 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.

The balance on the shareholder loan and interest was repaid on 1 April 2020 and an additional facility of £4 million was provided in June 2020. On 10 February 2021 the principal and outstanding interest on this shareholder loan was repaid in full.

On 31 March 2021 the external bank loan was repaid in full as part of the Group's new arm's-length financing arrangement with its parent company, Burda GmbH. At the date of signing, this was the Group's sole debt facility.

11. Taxation

	2020 £000	2019 £000
Corporation tax		
UK Corporation tax on profit for the period	**3,051**	2,036
Adjustments in respect of previous periods	**(16)**	295
	3,035	2,331
Group taxation relief	**81**	-
	3,116	2,331
Foreign tax		
Foreign tax on income for the year	**-**	4
	-	4
Total current tax	**3,116**	2,335
Deferred tax		
Origination and reversal of timing differences	**1,273**	(1,583)
Changes to tax rates	**35**	(67)
Total deferred tax	**1,308**	(1,650)
Taxation on profit on ordinary activities	**4,424**	685

11. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £000	2019 £000
Profit/(loss) on ordinary activities before tax	**22,524**	(2,264)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	**4,280**	(430)
Effects of:		
Disallowed expenditure	**151**	142
Other permanent differences	**(3,448)**	304
Other timing differences	**1,257**	(1,764)
Utilisation of tax losses	**72**	(111)
Amortisation of goodwill on consolidation	**2,034**	2,127
Other consolidation and fair value adjustments	**-**	145
Adjustments to tax charge in respect of prior periods - corporation tax	**1**	295
Share of results of joint ventures and associates	**70**	(163)
Share of tax on joint ventures and associate profit / (loss)	**(28)**	203
Tax on overseas operations	**-**	4
Change in tax rates	**35**	(67)
Total tax charge for the year	**4,424**	685

Factors that may affect future tax charges

The March 2020 budget announced that the rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The March 2021 budget announced that the rate of 19% will continue to apply until the financial year beginning 1 April 2023, at which point the rate will be changed to 25%. This is yet to be substantively enacted. This will 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 (2019: £Nil).

12. Intangible assets

Group

	Software and Development £000	Other Intangibles £000	Goodwill £000	Total £000
Cost				
At 1 January 2020	**20,330**	**42,295**	**164,142**	**226,767**
Additions	**7,435**	**432**	**-**	**7,867**
Disposals	**(6,162)**	**(5,600)**	**(4,525)**	**(16,287)**
At 31 December 2020	**21,603**	**37,127**	**159,617**	**218,347**
Amortisation				
At 1 January 2020	**8,251**	**21,902**	**99,518**	**129,671**
Charge for the year on owned assets	**6,852**	**4,704**	**14,176**	**25,732**
On disposals	**(6,162)**	**(5,600)**	**(4,525)**	**(16,287)**
Impairment charge	**1,524**	**933**	**754**	**3,211**
At 31 December 2020	**10,465**	**21,939**	**109,923**	**142,327**
Net book value				
At 31 December 2020	**11,138**	**15,188**	**49,694**	**76,020**
At 31 December 2019	12,079	20,393	64,624	97,096

In the year to 31 December 2020 additions of £432,000 (2019: £420,000) to other intangibles relate to the capitalisation of recipe content costs, considered to have a three year useful life.

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.

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

As part of the sale of the Hitched business, a review of the relevant intangible assets was performed to assess whether any impairment triggers had been met in accordance with FRS 102 and it was determined that the Hitched assets would no longer be in use following the sale of the brand. As a result, goodwill, other intangibles and software and development assets were impaired to a nil net book value at 31 January 2020, resulting in a total impairment charge of £3,206,000 to these assets which is included within the impairment charge for the year.

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

13. Tangible fixed assets

Group

	Plant and machinery £000	Fixtures and fittings £000	Leasehold Improvements £000	Total £000
Cost or valuation				
At 1 January 2020	3,648	1,714	7,854	13,216
Additions	582	51	299	932
Disposals	(1,413)	(98)	(61)	(1,572)
At 31 December 2020	2,817	1,667	8,092	12,576
Depreciation				
At 1 January 2020	1,884	293	1,660	3,837
Charge for the year on owned assets	1,115	570	626	2,311
Disposals	(1,412)	(98)	(4)	(1,514)
Impairment charge	35	2	-	37
At 31 December 2020	1,622	767	2,282	4,671
Net book value				
At 31 December 2020	1,195	900	5,810	7,905
At 31 December 2019	1,764	1,421	6,194	9,379

13. Tangible fixed assets (continued)

In the year to 31 December 2020, additions to plant and machinery of £582,000 were made, largely consisting of computer equipment. These additions were part of scheduled IT equipment renewal and also purchases made in order to equipe all staff to work from home during the UK lockdown periods and other restrictions mandated by the UK government, as part of the response to the coronovirus pandemic.

During the year £299,000 of Leasehold improvements and £51,000 of Fixtures and fittings were capitalised. The majority of these related to the completion of the fit-out of Eagle House, the Bristol subsidiary's new office premises, and the Shed, the Bristol subsidiary's photographic studio.

As part of the sale of the Hitched business, a review of the relevant tangible assets was performed and it was determined that an impairment trigger under FRS 102 had been met, as these assets would no longer be in use. As a result, plant and machinery and fixtures and fittings assets were impaired to a nil net book value at 31 January 2020, resulting in a total impairment charge of £6,000 to these assets.

Following the sale and closure of the IMTV brands, an impairment charge of £20,000 was made against plant and machinery assets, which were previously written down to this estimated net realisable value in 2019. The remaining impairment charge in the year relates to other assets in Immediate Media Company London Limited deemed to no longer be in use.

14. Fixed asset investments

Group

	Investments in associates £000
Cost or valuation	
At 1 January 2020	**522**
Share of profit/(loss)	**(339)**
At 31 December 2020	**183**

The share of profit/ (loss) of associates includes a net gain relating to interest and tax of £76,000 (2019: net charge of £140,000).

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	**1,149**
At 31 December 2020	**1,149**

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%

14. Fixed asset investments (continued)

Direct subsidiary undertaking (continued)

The aggregate of the share capital and reserves as at 31 December 2020 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	Profit/(Loss)
Immediate Media Company Limited	**(27,750)**	**(1,532)**

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 Company Bristol 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	TV shopping - ceased trading during the year	Ordinary	100%
Genealogy Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Non trading	Ordinary	100%
Diamond Newco Limited (formerly Hitched Limited)	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Non trading	Ordinary	100%
Mumdrum Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Hitched PTY Limited (South Africa)	Falcon Office Park Unit 14, 142 Suid Street, Lyttelton, 0140, South Africa	Dormant	Ordinary	100%
Immediate Media Company North America Inc (Delaware USA)	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Management services	Ordinary	100%

14. 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	57.2%
River Street Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Live events	Ordinary	57.2%

14. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2020 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	146,113	42,824
Immediate Media Company Bristol Limited	(9,306)	(6,418)
Immediate Media TV Limited	(30,906)	705
Genealogy Events Limited	(130)	-
Diamond Newco Limited (formerly Hitched Limited)	3,047	-
Mumdrum Limited	-	-
Hitched PTY Limited (South Africa)	-	-
Immediate Media Company North America Inc (Delaware USA)	126	3
Immediate Media Company Australia PTY Limited	36	(3)
Immediate Media Company Pte Singapore Limited	164	82
Upper Street Events Topco Limited	(7,420)	(16)
Upper Street Events Limited	3,292	(3,397)
Escape Events Limited	90	76
Value Added Events Limited	205	-
River Street Media Limited	(739)	(55)
River Street Events Limited	(1,896)	(1,446)

14. 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	23%

Indirect joint ventures

The following were indirect joint ventures of the Company:

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

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)
Diamond Newco Limited (formerly Hitched Limited) (registered number 02925837)
Genealogy Events Limited (registered number 06201681)
Upper Street Events Topco Limited (registered number 09243695)
Upper Street Events Limited (registered number 06350012)
Escape Events Limited (registered number 05511593)
River Street Events Limited (registered number 02708675)

15. Business combinations

Acquisition of Upper Street Events group

On 22 January 2019 the Group's subsidiary, Immediate Media Company London Limited, acquired 100% of the issued share capital of Upper Street Events Topco Limited. At the date of acquisition Upper Street Events Topco Limited had three wholly owned subsidiaries: Upper Street Events Limited, Escape Events Limited, and Value Added Events Limited.

The resulting goodwill of £8,906,000 was capitalised and will be amortised over 10 years.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value £000
Fixed assets			
Intangible	6,896	(3,743)	3,153
Tangible	62	-	62
	6,958	(3,743)	3,215
Current assets			
Prepayments and other debtors	1,226	(59)	1,167
Trade debtors	1,096	-	1,096
Cash at bank and in hand	684	-	684
Total assets	9,964	(3,802)	6,162
Creditors			
Creditors due within one year	(660)	-	(660)
Deferred income	(3,937)	-	(3,937)
Accruals and other creditors	(3,243)	1,186	(2,057)
Intercompany loan	(7,996)	-	(7,996)
Total identifiable net liabilities	(5,872)	(2,616)	(8,488)
Goodwill			8,906
Total purchase consideration			418

15. Business combinations (continued)

Consideration

	£000
Cash consideration transferred for share capital	-
Directly attributable costs	418
Total purchase consideration	**418**

Fair value adjustments to the Upper Street Events group's net liabilities relate to the following: de-recognition of goodwill not taken up, revaluation of customer database, de-recognition of extinguished liabilities, and recognition of a provision for onerous lease costs.

15. Business combinations (continued)

Acquisition of River Street Media group

On 15 May 2019 the Group's subsidiary, Upper Street Events Topco Limited, acquired 57.2% of the issued share capital of River Street Media Limited. At the date of acquisition River Street Media Limited had one wholly owned subsidiary, River Street Events Limited.

The resulting goodwill of £2,389,467 was capitalised and will be amortised over 10 years.

The remaining 42.8% of the share capital was available for the Group to purchase in 2021. The shares were acquired on 31 January 2021.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value £000
Fixed assets			
Tangible	**20**	-	20
Intangible	**350**	(350)	-
	370	(350)	20
Current assets			
Deferred costs and prepayments	**1,046**	-	1,046
Debtors	**1,347**	-	1,347
Cash at bank and in hand	**632**	-	632
Other assets	**20**	-	20
Total assets	**3,415**	(350)	3,065
Liabilities			
Creditors and accruals	**(1,301)**	(122)	(1,423)
Deferred income	**(3,341)**	-	(3,341)
Loans	**(584)**	-	(584)
Deferred tax	**(4)**	-	(4)
Total identifiable net liabilities	**(1,815)**	(472)	(2,287)

Fair value adjustments to the River Street Media group's net liabilities relate to the de-recognition of goodwill not taken up, and recognition of a provision for onerous lease costs.

15. Business combinations (continued)

	£000
Total identifiable net liabilities	**(2,287)**
Non-controlling interest	**979**
Goodwill	**2,389**
Total purchase consideration	**1,081**

Consideration

	£000
Cash consideration	**892**
Directly attributable costs	**189**
Total purchase consideration	**1,081**

16. Stocks

	Group 2020 £000	Group 2019 £000
Raw materials and consumables	**812**	772
Work in progress	**2,721**	2,664
Finished goods	**557**	2,074
	4,090	5,510

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 £39,910,000 (2019: £56,755,000). The write-down of stocks to net realisable value amounted to £421,000 (2019: £2,987,000), of which £353,000 (2019: £2,600,000) related to the sale and closure of the Jewellery Maker and Sewing Quarter brands.

17. Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	**8,538**	14,920	**-**	-
Amounts owed by group undertakings	**-**	-	**156**	156
Amounts owed by associated undertakings	**4,568**	4,315	**-**	-
Other debtors	**6,362**	7,630	**-**	-
Prepayments and accrued income	**6,517**	6,441	**-**	-
Tax recoverable	**1,431**	190	**-**	-
	27,416	33,496	**156**	156

At both 31 December 2020 and 2019, all amounts owed to the Group are due within one year.

At both 31 December 2020 and 2019, all amounts owed to the Company are due after more than one year.

18. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans	**-**	4,000	**-**	-
Capitalised loan arrangement costs	**(159)**	(163)	**-**	-
Trade creditors	**9,324**	10,007	**-**	-
Amounts owed to related parties	**41**	860	**-**	-
Accruals and other creditors including taxation and social security	**19,357**	22,396	**8**	8
Deferred income	**29,775**	31,652	**-**	-
Other financial instruments	**-**	34	**-**	-
	58,338	68,786	**8**	8

Amounts owed to related parties as at 31 December 2020 (and at 31 December 2019) comprises interest on the shareholder loan arrangement with the Group's parent company, Burda GmbH.

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

	Group 2020 £000	Group 2019 £000
Bank loans	**53,000**	75,000
Amounts owed to related parties	**4,000**	20,000
Capitalised loan arrangement costs	-	(159)
	57,000	94,841

The total bank facility available to the Group at the balance sheet date was £53 million (2019: £79 million), and the facility was due to expire in March 2022. On 31 March 2021 this amount was repaid in full as part of the Group's new arm's-length financing arrangement with its parent company, Burda GmbH.

Amounts owed to related parties as at 31 December 2020 (and 31 December 2019) comprises the arm's-length loan arrangement provided by the Group's parent company, Burda GmbH, originally as part of the acquisition of BBC Good Food in August 2018. The balance on the loan and interest was repaid on 1 April 2020 and an additional facility of £4 million was provided in June 2020 to Immediate Media Company Limited, one of the Group's subsidiaries. On 10 February 2021 the principal and outstanding interest on this shareholder loan was repaid in full. On 31 March 2021 Burda GmbH provided the £53 million funding to repay the external bank debt, which became the Group's sole debt facility.

20. Loans

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

	Group 2020 £000	Group 2019 £000
Amounts falling due within one year		
Bank loans	-	4,000
	-	4,000
Amounts falling due 1-2 years		
Bank loans	**53,000**	9,000
Shareholder loan	**4,000**	20,000
	57,000	29,000
Amounts falling due 2-5 years		
Bank loans	-	66,000
	-	66,000
	57,000	99,000

Interest on the bank loan is charged at LIBOR plus a margin which varies depending on the range in which leverage falls at each quarter. The lower the leverage range, the lower the margin. At 31 December 2020, the margin was 1.81% (2019: 2.10%). Book value approximates to fair value. Interest on the loan is payable every quarter since loan inception in March 2017 and the principal was due to be repaid by March 2022. On 31 March 2021 the bank loan was repaid in full as part of the Group's new arm's-length financing arrangement with its parent company, Burda GmbH.

Interest on the arm's length shareholder loan provided by the Group's parent company, Burda GmbH, is charged at LIBOR plus a margin of 2.25%. Book value approximates to fair value. Interest on the loan was payable from 30 June 2019 subject to bank covenants. The balance on the loan and interest was repaid on 1 April 2020 and an additional facility of £4 million was provided in June 2020. On 10 February 2021 the principal and outstanding interest was repaid in full. On 31 March 2021 Burda GmbH provided the £53 million funding to repay the external bank debt, and this new arm's length facility became the Group's sole debt facility. There are no financial covenants attached to this new arrangement.

21. Deferred taxation

Group

	2020 £000	2019 £000
At beginning of year	**(176)**	(1,822)
Charged to profit or loss	**(1,308)**	1,650
Arising on business combinations	**-**	(4)
At end of year	**(1,484)**	(176)

The provision for deferred taxation is made up as follows:

	Group 2020 £000	Group 2019 £000
Accelerated capital allowances	**(1,486)**	(176)
Fair values in business combinations	**-**	(4)
Accrued pension contributions	**2**	4
	(1,484)	(176)

The amount of the net reversal of deferred tax expected to occur next year is £0.5 million (2019: £1.7 million), relating to the reversal of existing timing differences on tangible and intangible fixed assets, employee benefits and change in tax rates.

22. Provisions

Group

	Provision for annual leave £000
At 1 January 2020	**204**
Charged to profit or loss	**745**
Utilised in year	**(204)**
At 31 December 2020	**745**

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.

23. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
982,952,412 (2019 - 982,952,412) Ordinary shares of £0.0001 each	**98**	98

24. 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 £2.2 million (2019: £2.2 million).

Contributions amounting to £0.2 million (2019: £0.3 million) were payable by the group to the scheme at 31 December 2020.

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

25. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £000	Group 2019 £000
Land and buildings		
Not later than 1 year	**3,337**	2,640
Later than 1 year and not later than 5 years	**12,624**	13,172
Later than 5 years	**9,507**	12,985
	25,468	28,797

	Group 2020 £000	Group 2019 £000
Other operating leases		
Not later than 1 year	**84**	99
Later than 1 year and not later than 5 years	**19**	103
	103	202

Group

During the year £3.0 million was recognised as an expense in the consolidated statement of comprehensive income in respect of operating leases (2019: £3.25 million).

The Group had entered into additional capital commitments of nil (2019: nil) at the balance sheet date.

Company

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

26. 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 2020

	Income £000	Expenditure £000	Net debtors/ (creditors) balance £000
Directly related parties			
Frontline Limited - Associate	-	2,556	4,568
Burda GmbH - Parent company	-	200	(4,041)
Subsidiaries and associates of Parent company			
AO Izdatelskiy dom Burda, Russia	2	-	-
Bloom and Wild Limited	5	-	-
Blue Ocean Entertainment AG	-	5,225	2,424
Burda (Thailand) Company Limited	14	-	10
Burda Community Network GmbH	-	3	-
Burda Nordic A/S	-	2	-
Dogan Burda Dergi Yayincilik ve Pazarlama A.S.	4	-	2
Editions DIPA Burda SAS	1	1	1

26. Related party disclosures (continued)

December 2019

	Income £000	Expenditure £000	Net debtors/ (creditors) balance £000
Directly related parties			
Frontline Limited - Associate	-	2,762	4,315
Burda GmbH - Parent company	-	638	(20,860)
Subsidiaries and associates of Parent company			
AO Izdatelskiy dom Burda, Russia	1	-	1
Bloom and Wild Limited	1	-	-
Blue Ocean Entertainment AG	-	4,606	2,893
Burda (Thailand) Company Limited	4	-	4
Burda International CZ s.r.o.	10	-	5
Burda Media Polska SP. z.o.o.	5	-	-
Burda Ukraine	1	-	-
Dogan Burda Dergi Yayincilik ve Pazarlama A.S.	2	-	-
Editions DIPA Burda SAS	2	-	-
Stockfood Limited	-	3	-
Verlag Aenne Burda GmbH & Co. KG	-	10	(10)

The fees payable to Frontline Limited in the year to 31 December 2020 (and 31 December 2019) 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 2020 (and 31 December 2019) 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.

27. 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.

28. Post balance sheet events

On 31 January 2021 a subsidiary of the Group, Upper Street Events Topco Limited, acquired the remaining 42.8% of the share capital of River Street Media Limited.

On 10 February 2021 one of the Group's subsidiaries, Immediate Media Company London Limited, announced a reorganisation of its business into two internal business units, IM Experience (focused on Radio Times print, the Youth & Children's portfolio, and Live Events) and IM Platforms (focused on high growth brands and markets where the Company is developing multiple business models, across different platforms).

On 10 February 2021 the Group repaid the principal and outstanding interest on the shareholder loan facility with its parent company, Burda GmbH.

On 25 February 2021 a dividend of £92 million was declared by Immediate Media Company London Limited to its sole shareholder Immediate Media Company Limited, both companies being subsidiaries of the Group. This was settled in specie against the debt owed by Immediate Media Company Limited to Immediate Media Company London Limited, with no impact on the results of the Company or the consolidated Group.

On 31 March 2021 Immediate Media Company Bristol Limited hived across the trade and assets of the History business to Immediate Media Company London Limited, both companies being subsidiaries of the Group. This included BBC History and BBC History Revealed magazines and the History Extra website as part of its business reorganisation.

On 31 March 2021 Immediate Media Company Limited refinanced its bank facility. The outstanding balance of £53 million was repaid in full and a new facility was entered into at arms-length with Burda GmbH, the Group's parent company, as the lender. There are no financial covenants attached to this new arrangement. At the date of signing, this is the Group's sole debt facility.