Parent for: 9243695

Registered number: 07633974

VANCOUVER TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 6
Statement of Directors' Responsibilities in Respect of the Strategic Report, Directors' Report and the Financial Statements	7
Independent Auditor's Report to the Members of Vancouver Topco Limited	8 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Company Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15 - 16
Notes to the Financial Statements	17 - 56

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The Directors present the Strategic Report of the Vancouver Topco Group for the year ended 31 December 2019.

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.

On 22 January 2019 a subsidiary of the Group, Immediate Media Company London Limited, acquired 100% of the share capital of Upper Street Events Topco Limited, one of the UK's leading producers of consumer enthusiast events. On 15 May 2019 a subsidiary of the Group, Upper Street Events Topco Limited, acquired 57.2% of the share capital of River Street Media Limited, also a producer of consumer events.

Both the Upper Street Events group and River Street Media group bring significant brand correlation and are opportunities to develop synergies between consumer events and the Group's existing print and digital media businesses. These acquisitions also continue to realise the Group's strategic goals as it looks to accelerate its growth through key acquisitions and product development.

Additional restructuring activities took place throughout the year as a result of the Directors' strategic review of the Group's portfolio and its performance. A subsidiary of the Group, Immediate Media Company Bristol Limited, sold the CyclingNews and ProCycling brands to Future PLC in February 2019. This same subsidiary acquired the trade and assets of Hubert Burda Media UK in September 2019; HBM UK is a subsidiary of the Group's ultimate parent company, *Burda Gesellschaft mit beschränkter Haftung* (Burda GmbH).

In November 2019 it was announced that the Jewellery Maker brand operated by the Group's subsidiary, Immediate Media TV Limited, would be sold as part of the Group's exit from the TV business. At the same time management announced the intention to close the Sewing Quarter brand, winding down activities from that date and throughout the first quarter of 2020.

On 30 January 2020, following a strategic review of the Group's activities, 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. The estimated gain on the transaction was £22 million.

Financial key performance indicators

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

	2019	2018
	£m	£m
Turnover	**241.3**	211.2
Adjusted EBITDA	**41.8**	41.6
Adjusted EBITDA margin	**17.3%**	19.7%
(Loss)/Profit for the financial year	**(2.9)**	4.4

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 joint ventures and associates' EBITDA of £1.1 million (2018: £0.7 million). Management believes this measure best represents the underlying trading results.

Compared to the twelve months to 31 December 2018, turnover grew 14.3% from £211 million to £241 million. Growth was driven by our strong print portfolio, our non-print businesses including a strong performance from digital advertising, and the acquisition of the events portfolio during 2019.

The business generated £36.0 million cashflow from operating activities in the year to 31 December 2019 (2018: £32.9 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.

During 2019, the Group continued to trade strongly and to execute its strategies of providing its customers with high quality content across a wide range of platforms, both print and digital, and through its newly acquired events business. The £2.9 million loss for the financial year compared to the £4.4million profit in the prior year is primarily driven by the £8.7 million impairment charge relating to the sale and closure of IMTV brands. This is further explained in Note 5, Operating Profit.

Principal risks and uncertainties

The activities of the business are largely within the United Kingdom, and the business is therefore exposed to the overall performance of the UK economy. Whilst a significant majority of the costs of the Group arise in the UK and are denominated in pounds sterling, certain items are imported and will be impacted by currency fluctuations that may arise as a consequence of Brexit and the expected end of the transition phase in 2020. Management has implemented strategies to mitigate such fluctuations to the extent possible.

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

The high 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.

COVID19 liquidity risk

Along with many other UK businesses, the Group has been impacted by the COVID19 pandemic. 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 may be required from Burda GmbH during 2020.

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

Prior to 11 January 2017 the Group was funded via external bank loans and debt provided to its subsidiary undertaking, Immediate Media Company Limited, and shareholder debt provided to its subsidiary undertaking, Vancouver Midco 1 Limited.

On 15 March 2017 the Group successfully refinanced its debt facilities, rolling them into a new facility with a more favourable interest rate. Costs were incurred in renegotiating this deal, which have been capitalised and will be written off over the term of the loan. At 31 December 2019 the total bank facility available to the Group is £79 million.

As part of the acquisition of the BBC Good Food in August 2018 the Group's ultimate parent company, Burda GmbH, provided a loan of £20 million to Immediate Media Company London Limited to finance the purchase. This balance remained outstanding as at 31 December 2019, but was subsequently repaid on 1 April 2020.

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

Dan Constanda
Director

Date: 29/4/2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present the Directors' report and the financial statements for the year ended 31 December 2019.

Dividends

The loss for the year attributable to the owners of the parent Company, after taxation and minority interests, amounted to £3.3 million (2018: profit £4.4 million).

No dividends have been declared or paid during the year to 31 December 2019 (2018: £Nil).

Directors

The Directors who served during the year and to the date of signing were:

Thomas Bureau
Kevin Langford (resigned 13 February 2020)
Martin Weiss
Philipp Welte
Dan Constanda (appointed 13 February 2020)

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 (2018: £Nil). One of the Company's subsidiaries made charitable donations of £17,000 (2018: £10,000).

Going concern

On 15 March 2017 the debt facilities in place at that date were refinanced and rolled over into a new facility. The total bank facility available to the Group at the balance sheet date is £79 million (2018: £92 million), and the facility expires in 2022. The financial covenants of this facility include cash flow cover and leverage. At 31 December 2019, the Company is in compliance with its financial covenants.

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 world. The UK Government has taken unprecedented measures to limit the spread of the virus, with the response evolving as more information becomes available. These measures impact the activities of the Group to a varying extent.

The events businesses acquired by the Group in 2019 are significantly impacted by the ban on large gatherings, thereby precipitating the postponement of all consumer events planned prior to the final quarter of 2020.

The Group's media businesses, both print and digital, are less impacted by social distancing measures: subscription deliveries continue, digital channels remain accessible, and newsagents and supermarkets remain open. However, the Group is exposed to the overall performance of the UK economy, with consumers' day to day activities currently severely restricted.

The safety of employees is a priority and Management have moved all employees to work from home while maintaining business as usual. Management continue to monitor the local and global situation closely to continue to mitigate the impact on the business.

The uncertainty regarding the future business impact of the coronovirus pandemic has been assessed by the Board. In preparing this assessment, Management have used a number of reasonably prudent assumptions to model the business cashflows, including: the impact of a material reduction in advertising revenue; a significant reduction in UK newstrade revenue, in excess of the trends currently being experienced several weeks into the UK lockdown period; an almost complete shutdown of export revenue; no growth in subscriptions revenue versus prior year, despite year on year increases seen prior to the impact of coronavirus on the UK and a significant uptick in new subscribers from mid-March 2020 onwards; a shutdown of the events businesses until the final quarter of 2020; some reductions in headcount and non-headcount operating costs, but no material reductions to capital expenditure.

Notwithstanding net current liabilities of £8.8 million as at 31 December 2019, a loss for the year then ended of £2.9 million and operating cash inflows for the year of £36.0m, 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 specific and reasonably prudent downsides, the Company 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. This intention does not confer any right to whomever to claim payment from Burda GmbH and shall be exclusively governed by the substantive laws of the Federal Republic of Germany, excluding its conflict of laws provisions and CISG.

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 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 £10 million (2018: £7 million), which includes £9.3 million (2017: £6.3 million) of capital expenditure.

Employee involvement

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

Disabled employees

People with disabilities are fully and fairly considered for vacancies arising within the Group and are given equal opportunities in relation to training, career development and promotion. If an employee becomes disabled while in the employment of the Group and as a result is unable to perform 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 auditor is 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 auditor is aware of that information.

Post balance sheet business activities

On 6 November 2019 the Group's subsidiary, Immediate Media TV Limited, announced its intention to sell the Jewellery Maker brand and to close the Sewing Quarter brand, with a view to winding up operations of the Company. On 22 January 2020 Ofcom (the Office of Communications - the UK's communications regulator) provided clearance for the sale, hence the sale of the trade and assets of the Jewellery Maker brand was completed on this date. The estimated loss on sale is £6.3 million.

From the date of announcement, the Sewing Quarter brand commenced winding down activities continuing throughout the first quarter of 2020. The Company has now ceased to trade.

On 30 January 2020, following a strategic review of the Group's activities, 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. The estimated gain on the transaction was £22 million. The Group's subsidiary, Hitched Limited, was subsequently renamed to Diamond Newco Limited, and under new ownership, renamed to Hitched Limited.

On 1 April 2020, the principal and outstanding interest on the shareholder loan between the Group's subsidiary, Immediate Media Company London Limited, and the Group's ultimate parent company, Burda GmbH, was repaid in full.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor, KPMG LLP, will be proposed for reappointment.

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

Dan Constanda
Director

Date: 29/4/2020

Vineyard House
44 Brook Green
Hammersmith
London
W6 7BT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 these 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;
- prepare the financial statements on the going concern basisunless they either intend to liquidate the Group 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 the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S 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 2019 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 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the 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. We have nothing to report in these respects.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VANCOUVER TOPCO LIMITED (CONTINUED)

Strategic report and directors' report (continued)

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 parent 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.

Frederic Caharel

Frederic Caharel (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
29 April 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Turnover	4	**241,253**	211,198
Cost of sales		**(80,938)**	(65,062)
Gross profit		**160,315**	146,136
Distribution costs		**(26,084)**	(24,886)
Administrative expenses		**(133,846)**	(109,595)
Operating profit	5	**385**	11,655
Share of profit of joint venture		**794**	418
Total operating profit		**1,179**	12,073
Interest receivable and similar income	9	**66**	44
Interest payable and expenses	10	**(3,509)**	(3,662)
(Loss)/profit before taxation		**(2,264)**	8,455
Tax on (loss)/profit	11	**(685)**	(4,053)
(Loss)/profit for the financial year		**(2,949)**	4,402
(Loss)/profit for the year attributable to:			
Non-controlling interests		**385**	3
Owners of the parent Company		**(3,334)**	4,399
		(2,949)	4,402

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 17 to 56 form part of these financial statements.

VANCOUVER TOPCO LIMITED
REGISTERED NUMBER: 07633974

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	12	**97,096**	103,068
Tangible assets	13	**9,379**	4,768
Investments in associates	14	**522**	258
		106,997	108,094
Current assets			
Stocks	16	**5,510**	8,462
Debtors	17	**33,496**	31,497
Cash at bank and in hand	18	**9,180**	13,950
		48,186	53,909
Creditors: amounts falling due within one year	19	**(68,786)**	(59,233)
Net current liabilities		**(20,600)**	(5,324)
Total assets less current liabilities		**86,397**	102,770
Creditors: amounts falling due after more than one year	20	**(94,841)**	(105,698)
Provisions for liabilities			
Deferred taxation	22	**(176)**	(1,822)
Other provisions	23	**(204)**	(146)
		(380)	(1,968)
Net liabilities		**(8,824)**	(4,896)
Capital and reserves			
Called up share capital	24	**98**	98
Share premium account		**17,485**	17,485
Profit and loss account		**(25,784)**	(22,450)
Equity attributable to owners of the parent Company		**(8,201)**	(4,867)
Non-controlling interests		**(623)**	(29)
		(8,824)	(4,896)

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

Dan Constanda
Director

Date: 29/4/2020

The notes on pages 17 to 56 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	14	**1,149**	1,149
Current assets			
Debtors	17	**156**	162
Cash at bank and in hand	18	**11**	-
		167	162
Creditors: amounts falling due within one year	19	**(8)**	(3)
Net current assets		**159**	159
Total assets less current liabilities		**1,308**	1,308
Net assets		**1,308**	1,308
Capital and reserves			
Called up share capital	24	**98**	98
Share premium account		**17,485**	17,485
Profit and loss account carried forward		**(16,275)**	(16,275)
		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: 24/4/2020

The notes on pages 17 to 56 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD TO 31 DECEMBER 2019

	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 2018	98	17,485	(26,849)	(9,266)	(32)	(9,298)
Comprehensive income for the year						
Profit for the year	-	-	4,399	4,399	-	4,399
NCI share of loss	-	-	-	-	3	3
Total comprehensive income for the year	-	-	4,399	4,399	3	4,402
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
Total comprehensive income for the year	-	-	(3,334)	(3,334)	385	(2,949)
On acquisition of subsidiary	-	-	-	-	(979)	(979)
At 31 December 2019	98	17,485	(25,784)	(8,201)	(623)	(8,824)

The notes on pages 17 to 56 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD TO 31 DECEMBER 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	98	17,485	(16,275)	1,308
Total comprehensive income for the year	-	-	-	-
At 1 January 2019	98	17,485	(16,275)	1,308
Total comprehensive income for the year	-	-	-	-
At 31 December 2019	98	17,485	(16,275)	1,308

The notes on pages 17 to 56 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £000	2018 £000
Cash flows from operating activities		
(Loss)/profit for the financial year	**(3,334)**	4,399
Adjustments for:		
Amortisation of intangible assets	**25,169**	24,892
Impairments of intangible assets	**3,513**	128
Depreciation of tangible assets	**1,735**	1,645
Impairments of tangible assets	**306**	-
Loss on disposal of tangible assets	**-**	9
Interest payable and similar expenses	**3,509**	3,662
Interest receivable and similar income	**(66)**	(44)
Decrease/(increase) in stocks	**3,046**	(161)
Decrease/(increase) in debtors	**3,357**	(3,418)
Increase in creditors	**2,475**	2,253
Decrease in provisions	**(197)**	(230)
Taxation charge	**685**	4,053
Corporation tax paid	**(2,568)**	(3,355)
Research and development expenditure credit	**(416)**	(531)
Decrease in minority interest	**(385)**	(3)
Share of profit of associate	**(794)**	(418)
Net cash generated from operating activities	**36,035**	32,881
Cash flows from investing activities		
Purchase of intangible assets	**(10,076)**	(6,367)
Purchase of tangible assets	**(6,876)**	(2,018)
Acquisition of trade and assets of a business	**(150)**	(31,756)
Acquisition of subsidiary undertakings	**(1,499)**	-
Sale of business operation	**1,650**	-
Dividends received	**390**	104
Interest received	**2**	-
Other cash impacts on acquisitions	**(8,580)**	-
Net cash from investing activities	**(25,139)**	(40,037)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £000	2018 £000
Cash flows from financing activities		
Repayment of loans	**(13,000)**	(5,000)
New shareholder loans	**-**	20,000
Interest paid	**(2,666)**	(3,206)
Net cash used in financing activities	**(15,666)**	11,794
Net (decrease)/increase in cash and cash equivalents	**(4,770)**	4,638
Cash and cash equivalents at beginning of year	**13,950**	9,312
Cash and cash equivalents at the end of year	**9,180**	13,950
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**9,180**	13,950
	9,180	13,950

The notes on pages 17 to 56 form part of these financial statements.

1. General information

Vancouver Topco Limited (the "Company") is a company limited by shares and incorporated 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 3.

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.

On 15 March 2017 the debt facilities in place at that date were refinanced and rolled over into a new facility. The total bank facility available to the Group at the balance sheet date is £79 million (2018: £92 million), and the facility expires in 2022. The financial covenants of this facility include cash flow cover and leverage. At 31 December 2019, the Company is in compliance with its financial covenants.

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 world. The UK Government has taken unprecedented measures to limit the spread of the virus, with the response evolving as more information becomes available. These measures impact the activities of the Group to a varying extent.

The events businesses acquired by the Group in 2019 are significantly impacted by the ban on large gatherings, thereby precipitating the postponement of all consumer events planned prior to the final quarter of 2020.

The Group's media businesses, both print and digital, are less impacted by social distancing measures: subscription deliveries continue, digital channels remain accessible, and newsagents and supermarkets remain open. However, the Group is exposed to the overall performance of the UK economy, with consumers' day to day activities currently severely restricted.

The safety of employees is a priority and Management have moved all employees to work from home while maintaining business as usual. Management continue to monitor the local and global situation closely to continue to mitigate the impact on the business.

The uncertainty regarding the future business impact of the coronovirus pandemic has been assessed by the Board. In preparing this assessment, Management have used a number of reasonably prudent assumptions to model the business cashflows, including: the impact of a material reduction in advertising revenue; a significant reduction in UK newstrade revenue, in excess of the trends currently being experienced several weeks into the UK lockdown period; an almost complete shutdown of export revenue; no growth in subscriptions revenue versus prior year, despite year on year increases seen prior to the impact of coronavirus on the UK and a significant uptick in new subscribers from mid-March 2020 onwards; a shutdown of the events businesses until the final quarter of 2020; some reductions in headcount and non-headcount operating costs, but no material reductions to capital expenditure.

Notwithstanding net current liabilities of £8.8 million as at 31 December 2019, a loss for the year then ended of £2.9 million and operating cash inflows for the year of £36.0m, 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 specific and reasonably prudent downsides, the Company may require funding from its parent, Burda GmbH, to meet its liabilities as they fall due for that period.

2. Accounting policies (continued)

2.3 Going concern (continued)

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. This intention does not confer any right to whomever to claim payment from Burda GmbH and shall be exclusively governed by the substantive laws of the Federal Republic of Germany, excluding its conflict of laws provisions and CISG.

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 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.

2.4 Foreign currency translation

Functional and presentation currency

The Group's functional and presentation 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;

2. Accounting policies (continued)

2.5 Turnover (continued)

- 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.

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 Interest income

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

2.8 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.

2.9 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. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated 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.

2.11 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.

2.12 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

2. Accounting policies (continued)

2.12 Intangible assets (continued)

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

2.13 Research and development costs

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

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

Software and development costs which do not meet the above criteria are recognised in the Consolidated 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.

2.14 Tangible fixed assets

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

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

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

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

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

2.15 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.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.17 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.

2.18 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 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. Accounting policies (continued)

2.19 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.

2.20 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.

2.21 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.

2.22 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.

2.23 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.

2.24 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

2. Accounting policies (continued)

2.24 Provisions for liabilities (continued)

Financial Position.

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

2.26 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 2.12 Intangible assets and 2.13 Research and development costs. Management has estimated what proportion of individual staff members' time is allocated to specific projects using the assumption that the split of hours logged by individual staff members is the most accurate allocation of their time. Management has also estimated the date at which these assets come into use and therefore from which date they should be amortised.

ii) Estimates

- Valuation of separately identifiable assets on acquisition of the Upper Street Events group:
  The fair value of the assets and liabilities acquired in the acquisition of the Upper Street Events group involved the use of valuation techniques and the estimation of future cashflows to be generated over a number of years. The estimation of fair values requires a combination of assumptions including revenue forecasts, revenue growth rates, discount rates, and the useful economic life of the intangible asset.
- Impairment of intangible assets:
  As part of the sale and disposal of the Jewellery Maker and Sewing Quarter brands, 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 the IMTV assets would no longer be in use due to the plans to discontinue and restructure the operations 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 2019.

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, listing sales, live events and e-commerce.

An analysis of Group turnover by category is as follows:

	2019	2018
	£000	£000
Goods	**193,291**	185,426
Services	**47,962**	25,772
	241,253	211,198

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:

	2019 £000	2018 £000
Amortisation of other intangibles	**11,398**	11,123
Amortisation of goodwill	**13,771**	13,769
Impairment of intangible assets	**3,513**	128
Depreciation of tangible fixed assets	**1,735**	1,645
Research & development charged as an expense	**718**	655
Impairment of tangible fixed assets	**306**	-
Exchange differences	**141**	76
Operating lease rentals	**3,250**	2,805
Gain on sale of cycling titles	**1,577**	-
Costs associated with the restructuring of IMTV excluding impairment of assets	**4,923**	-
Other restructuring costs	**3,370**	2,586

Total research and development expenditure incurred in the year was £10 million (2018: £7 million), which includes £9.3 million (2018: £6.3 million) of capital expenditure.

In the year to 31 December 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.

The costs associated with the restructuring of the Group's subsidiary, Immediate Media TV Limited, relate to the sale of the Jewellery Maker brand and closure of the Sewing Quarter brand, announced 6 November 2019, with the sale completed on 22 January 2020. The major items included are £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 - see Notes 12 and 13, Intangible assets and Tangible fixed assets, respectively.

The major items included in other restructuring costs are 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 are 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.

In the year to 31 December 2018, the major items included in restructuring costs were redundancy costs of £1 million, and diligence and launch costs of £0.7 million relating to the acquisition of the BBC Good Food business and other potential purchases.

6. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**47**	41

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

Audit of the annual financial statements of subsidiaries	**165**	98
All other services	**3**	3

7. Employees

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

	2019 £000	2018 £000
Wages and salaries	**47,732**	40,294
Social security costs	**5,555**	4,793
Cost of defined contribution scheme	**2,154**	1,555
	55,441	46,642

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

	2019 No.	2018 No.
Sales	**219**	195
Production	**693**	658
Administration	**236**	197
Contract publishing	**74**	69
	1,222	1,119

8. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	**1,077**	757
Group contributions to defined contribution pension schemes	**10**	10
	1,087	767

The highest paid director received remuneration of £825,000 (2018: £552,000). A material component of the increase from the prior year relates to historical pension contributions agreed and paid in 2019.

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 (2018: £10,000).

Two Directors received no remuneration (2018: £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

	2019 £000	2018 £000
Share of associate's interest receivable	**64**	44
Interest receivable from third parties	**2**	-
	66	44

10. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	**2,666**	3,206
On amounts owed to related parties	**638**	222
Amortisation of capitalised loan arrangement costs	**205**	234
	3,509	3,662

In both the year to 31 December 2019 and the prior year, interest on the amounts owed to related parties comprises the interest charged on the shareholder loan arrangement with the Group's parent company, Burda GmbH - see Note 21, Loans, for more information on interest rates.

On 15 March 2017 the 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.

11. Taxation

	2019 £000	2018 £000
Corporation tax		
UK Corporation tax on profit for the period	**2,036**	4,276
Adjustments in respect of previous periods	**295**	(169)
	2,331	4,107
Foreign tax		
Foreign tax on income for the year	**4**	9
	4	9
Total current tax	**2,335**	4,116
Deferred tax		
Origination and reversal of timing differences	**(1,583)**	3
Changes to tax rates	**(67)**	(66)
Total deferred tax	**(1,650)**	(63)
Taxation on profit on ordinary activities	**685**	4,053

11. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £000	2018 £000
(Loss)/profit on ordinary activities before tax	**(2,264)**	8,455
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	**(430)**	1,606
Effects of:		
Disallowed expenditure	**142**	184
Other permanent differences	**304**	2,485
Other timing differences	**(1,764)**	(91)
Utilisation of tax losses	**(111)**	-
Amortisation of goodwill on consolidation	**2,127**	-
Other consolidation and fair value adjustments	**145**	16
Adjustments to tax charge in respect of prior periods - corporation tax	**295**	(169)
Adjustments to tax charge in respect of prior periods - deferred tax	**-**	68
Share of results of joint ventures and associates	**(163)**	(88)
Share of tax on joint ventures and associate profit / (loss)	**203**	100
Tax on overseas operations	**4**	8
Change in tax rates	**(67)**	(66)
Total tax charge for the year	**685**	4,053

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. The deferred tax liability at 31 December 2019 has been calculated based on this rate.

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. This will increase the Group's future current tax charge accordingly and immaterially increase the deferred tax liability.

The Group has no deferred tax assets that are not fully recognised (2018: £Nil).

12. Intangible assets

Group

	Software and Development £000	Other Intangibles £000	Goodwill £000	Total £000
Cost				
At 1 January 2019	21,437	42,433	156,495	220,365
Additions	9,656	420	-	10,076
Disposals	(11,155)	(3,320)	(5,345)	(19,820)
On acquisition of subsidiaries	392	2,762	12,992	16,146
At 31 December 2019	20,330	42,295	164,142	226,767
Amortisation				
At 1 January 2019	12,235	17,385	87,677	117,297
Charge for the year	5,457	5,941	13,771	25,169
On disposals	(10,298)	(2,372)	(3,638)	(16,308)
Impairment charge	857	948	1,708	3,513
At 31 December 2019	8,251	21,902	99,518	129,671
Net book value				
At 31 December 2019	12,079	20,393	64,624	97,096
At 31 December 2018	9,202	25,048	68,818	103,068

12. *Intangible assets (continued)*

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

In the year to 31 December 2019 additions to goodwill of £8,906,000 were made relating to the acquisition of the Upper Street Events group on 22 January 2019 - see Note 15, Business Combinations, for more information. Additions to other intangibles of £2,762,000 for a customer database, and to software and development of £392,000 for an online marketing plaftform were also made as part of this acquisition - both of these assets are being amortised over five years.

Additions to goodwill of £2,389,000 were made relating to the acquisition of the River Street Media group on 15 May 2019.

Additions to goodwill of £1,696,000 were made relating to the acquisition of the trade and assets of Hubert Burda Media UK.

Additions in the year of £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.

As part of the sale and disposal of the Jewellery Maker and Sewing Quarter brands, 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 the IMTV assets would no longer be in use due to the plans to discontinue and restructure the operations 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 2019, resulting in a total impairment charge of £3,478,000 to these assets.

13. Tangible fixed assets

Group

	Plant and machinery £000	Fixtures and fittings £000	Leasehold Improvements £000	Total £000
Cost or valuation				
At 1 January 2019	**3,764**	**596**	**4,304**	**8,664**
Additions	**1,344**	**1,529**	**4,003**	**6,876**
Acquisition of subsidiary	**59**	**22**	**1**	**82**
Disposals	**(1,519)**	**(433)**	**(454)**	**(2,406)**
At 31 December 2019	**3,648**	**1,714**	**7,854**	**13,216**
Depreciation				
At 1 January 2019	**2,038**	**276**	**1,582**	**3,896**
Charge for the year on owned assets	**1,228**	**229**	**278**	**1,735**
Disposals	**(1,451)**	**(322)**	**(327)**	**(2,100)**
Impairment charge	**69**	**110**	**127**	**306**
At 31 December 2019	**1,884**	**293**	**1,660**	**3,837**
Net book value				
At 31 December 2019	**1,764**	**1,421**	**6,194**	**9,379**
At 31 December 2018	1,726	320	2,722	4,768

13. Tangible fixed assets (continued)

In the year to 31 December 2019 additions to plant and machinery of £59,000 were made relating to the acquisition of the Upper Street Events group on 22 January 2019. Additions to fixtures and fittings of £2,000 and to leasehold improvements of £1,000 were also made as part of this acquisition. Additions of £20,000 were made to fixtures and fittings relating to the acquisition of the River Street Events group on 15 May 2019.

During the year all of these acquired assets were impaired to a nil net book value, following the relocation of all employees, migrated as part of these acquisitions to the Group's London premises at Vineyard House, as the assets were no longer in use.

During the year £3,400,000 of Leasehold improvements and £1,100,000 of Fixtures and fittings were capitalised as part of the build and fit-out of Eagle House, the Bristol subsidiary's new office premises.

As part of the sale and disposal of the Jewellery Maker and Sewing Quarter brands, a review of the relevant tangible assets was performed and it was determined that an impairment trigger under FRS 102 had been met, as IMTV assets would no longer be in use. As a result, plant and machinery, fixtures and fittings, and leasehold improvement assets were impaired to a nil net book value at 31 December 2019, resulting in a total impairment charge of £272,000 to these assets.

14. Fixed asset investments

Group

	Investments in associates £000
Cost or valuation	
At 1 January 2019	258
Share of profit/(loss)	654
Dividends received	(390)
At 31 December 2019	522

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019	1,149
At 31 December 2019	1,149

14. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Vancouver Midco 1 Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	In members' voluntary liquidation	Ordinary	100%
Immediate Media Company Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Management services	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 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
Vancouver Midco 1 Limited	-	-
Immediate Media Company Limited	**(26,220)**	**(2,385)**

14. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Vancouver Midco 2 Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	In members' voluntary liquidation	Ordinary	100%
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	Ordinary	100%
Genealogy Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Non trading	Ordinary	77.5%
Hitched Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Non trading	Ordinary	100%
Immediate Media Company Services Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Immediate Media Company Magicalia Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Immediate Media Company Magicalia Holdings Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Immediate Media Company Origin Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Immediate Media Company Origin Holdings Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%

14. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Visordown Ltd	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Mumdrum Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Hitched PTY Limited (South Africa)	Falcon Office Park Unit 14, 142 Suid Street, Lyttelton, 0140, South Africa	Dormant	Ordinary	100%
Immediate Media Company North America Inc (Delaware USA)	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Management services	Ordinary	100%
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 2019 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
Vancouver Midco 2 Limited	-	-
Immediate Media Company London Limited	96,345	6,944
Immediate Media Company Bristol Limited	190	(3,078)
Immediate Media TV Limited	(19,546)	(12,065)
Genealogy Events Limited	(130)	-
Hitched Limited	3,047	-
Immediate Media Company Services Limited	-	-
Immediate Media Company Magicalia Limited	-	-
Immediate Media Company Magicalia Holdings Limited	-	-
Immediate Media Company Origin Limited	-	-
Immediate Media Company Origin Holdings Limited	-	-
Visordown Ltd	-	-
Mumdrum Limited	-	-
Hitched PTY Limited (South Africa)	-	-
Immediate Media Company North America Inc (Delaware USA)	130	(8)
Immediate Media Company Australia PTY Limited	37	2
Immediate Media Company Pte Singapore Limited	71	12
Upper Street Events Topco Limited	(9,743)	1,531
Upper Street Events Limited	7,969	(1,280)
Escape Events Limited	-	14
Value Added Events Limited	205	-
River Street Media Limited	(595)	(13)
River Street Events Limited	(1,256)	851

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:

Vancouver Midco 1 Limited (registered number 07633883)
Vancouver Midco 2 Limited (registered number 07633954)
Immediate Media Company Limited (registered number 07635200)
Hitched Company (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)

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 is available for the Group to purchase in 2021 under a put option mechanism. Put and call options have been entered into, with the final price to be a multiple of the 2020 financial performance of the River Street Media group.

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**

15. Business combinations (continued)

Acquisition of BBC Good Food Brand

On 31 August 2018 the Group's subsidiary, Immediate Media Company London Limited, acquired the BBC Good Food Brand and associated net assets from the BBC. The acquired net assets at the acquisition date are listed below.

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

Recognised amounts of identifiable assets acquired and liabilities assumed

	Fair value £000
Fixed assets	
Intangibles - Subscriber relationships	400
Licensed domain names	10,000
Licensed trade marks	5,000
Intellectual property	3,000
IT systems	903
Tangible	10
	19,313
Current assets	
Debtors	2,094
Total assets	21,407
Creditors	
Due within one year	(1,058)
Total identifiable net assets	20,349
Goodwill	11,407
Total purchase consideration	31,756

Consideration

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

16. Stocks

	Group 2019 £000	Group 2018 £000
Raw materials and consumables	**772**	613
Work in progress	**2,664**	2,598
Finished goods	**2,074**	5,251
	5,510	8,462

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 £56,755,000 (2018: £49,825,000). The write-down of stocks to net realisable value amounted to £2,987,000 (2018: £118,000), of which £2,600,000 related to the sale and closure of the Jewellery Maker and Sewing Quarter brands.

17. Debtors

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Trade debtors	**14,920**	13,097	**-**	-
Amounts owed by group undertakings	**-**	-	**156**	168
Amounts owed by associated undertakings	**4,315**	5,462	**-**	-
Other debtors	**7,630**	8,959	**-**	(6)
Prepayments and accrued income	**6,441**	3,979	**-**	-
Tax recoverable	**190**	-	**-**	-
	33,496	31,497	**156**	162

Amounts owed by group undertakings as at 31 December 2019 of £156,000 (2018: £168,000) are due after more than one year.

18. Cash and cash equivalents

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Cash at bank and in hand	**9,180**	13,950	**11**	-
	9,180	13,950	**11**	-

19. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	**Company 2019 £000**	Company 2018 £000
Bank loans	**4,000**	6,000	**-**	
Capitalised loan arrangement costs	**(163)**	(184)	**-**	-
Trade creditors	**10,007**	9,982	**-**	-
Amounts owed to related parties	**860**	222	**-**	-
Corporation tax	**-**	686	**-**	-
Accruals and other creditors including taxation and social security	**22,396**	18,482	**8**	3
Deferred income	**31,652**	24,045	**-**	-
Other financial instruments	**34**	-	**-**	-
	68,786	59,233	**8**	3

Amounts owed to related parties as at 31 December 2019 (and at 31 December 2018) comprises interest on the shareholder loan arrangement with the Group's parent company, Burda GmbH.

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

	Group 2019 £000	Group 2018 £000
Bank loans	**75,000**	86,000
Amounts owed to related parties	**20,000**	20,000
Capitalised loan arrangement costs	**(159)**	(302)
	94,841	105,698

Amounts owed to related parties as at 31 December 2019 (and 31 December 2018) comprises the loan of £20 million provided by the Group's parent company, Burda GmbH, as part of the acquisition of BBC Good Food in August 2018. Per Note 21 below, both the principal and outstanding interest on this loan were repaid in full on 1 April 2020.

On 15 March 2017 the debt facilities in place at that date were refinanced and rolled over into a new facility. The total bank facility available to the Group at the balance sheet date is £79 million (2018: £92 million), and the facility expires in 2022.

21. Loans

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

	Group 2019 £000	Group 2018 £000
Amounts falling due within one year		
Bank loans	**4,000**	6,000
	4,000	6,000
Amounts falling due 1-2 years		
Bank loans	**9,000**	10,000
Shareholder loan	**20,000**	-
	29,000	10,000
Amounts falling due 2-5 years		
Bank loans	**66,000**	76,000
Shareholder loan	**-**	20,000
	66,000	96,000
	99,000	112,000

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 2019, the margin was 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 is repayable in full by 2022.

Interest on the shareholder loan 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. As outlined in Note 29, Post balance sheet events, on 1 April 2020 both the principal and outstanding interest on the shareholder loan between the Group's subsidiary, Immediate Media Company London Limited, and Burda GmbH was repaid in full.

22. Deferred taxation

Group

	2019 **£000**	2018 £000
At beginning of year	**(1,822)**	(1,885)
Charged to profit or loss	**1,650**	63
Arising on business combinations	**(4)**	-
At end of year	**(176)**	(1,822)

The provision for deferred taxation is made up as follows:

	Group 2019 £000	Group 2018 £000
Accelerated capital allowances	**(176)**	(1,200)
Fair values in business combinations	**(4)**	(611)
Accrued pension contributions	**4**	(11)
	(176)	(1,822)

The amount of the net reversal of deferred tax expected to occur next year is £1.7 million (2018: £0.5 million), relating to the reversal of existing timing differences on tangible and intangible fixed assets, employee benefits and change in tax rates.

23. Provisions

Group

	Provision for annual leave £000
At 1 January 2019	**146**
Charged to profit or loss	**204**
Utilised in year	**(146)**
At 31 December 2019	**204**

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

24. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
982,952,412 (2018 - 982,952,412) Ordinary shares of £0.0001 each	**98**	98

25. 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 (2018: £1.6 million).

Contributions amounting to £0.3 million (2018: £0.2 million) were payable by the group to the scheme at 31 December 2019.

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

26. Commitments under operating leases

At 31 December 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000	Group 2018 £000
Land and buildings		
Not later than 1 year	**2,640**	3,543
Later than 1 year and not later than 5 years	**13,172**	9,107
Later than 5 years	**12,985**	7,830
	28,797	20,480

	Group 2019 £000	Group 2018 £000
Other operating leases		
Not later than 1 year	**99**	77
Later than 1 year and not later than 5 years	**103**	173
	202	250

During the year £3.25 million was recognised as an expense in the consolidated statement of comprehensive income in respect of operating leases (2018: £2.81 million).

The Group had entered into additional capital commitments of nil (2018: £2.09 million) at the balance sheet date.

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

27. Related party disclosures

Related parties of Vancouver Topco Limited include its subsidiary, associate and joint venture undertakings and its ultimate controlling parties 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 2019

	Income £000	Expenditure £000	Net debtors/ *(creditors)* balance £000
Directly related parties			
Frontline Limited - Associate	-	2,762	4,315
Burda GmbH - Ultimate parent company	-	638	(20,860)
Subsidiaries and associates of Ultimate 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)

27. Related party disclosures (continued)

December 2018

	Expenditure £000	Net debtors/ (creditors) balance £000
Frontline Limited - Associate	2,638	5,462
Burda GmbH - Ultimate parent company	222	(20,222)

The fees payable to Frontline Limited in the year to 31 December 2019 (and 31 December 2018) 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 2019 (and 31 December 2018) 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.

28. Ultimate parent company

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

29. Post balance sheet events

Post balance sheet business activities

On 6 November 2019 the Group's subsidiary, Immediate Media TV Limited, announced its intention to sell the Jewellery Maker brand and to close the Sewing Quarter brand, with a view to winding up operations of the Company. On 22 January 2020 Ofcom (the Office of Communications - the UK's communications regulator) provided clearance for the sale, hence the sale of the trade and assets of the Jewellery Maker brand was completed on this date. The estimated loss on sale is £6.3 million.

From the date of announcement, the Sewing Quarter brand commenced winding down activities continuing throughout the first quarter of 2020. The Company has now ceased to trade.

On 30 January 2020, following a strategic review of the Group's activities, 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. The estimated gain on the transaction was £22 million. The Group's subsidiary, Hitched Limited, was subsequently renamed to Diamond Newco Limited and under new ownership, renamed to Hitched Limited.

On 1 April 2020, the principal and oustanding interest on the shareholder loan between the Group's subsidiary, Immediate Media Company London Limited, and the Group's ultimate parent company, Burda GmbH, was repaid in full.

Impact of worldwide Coronavirus (COVID-19) outbreak

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 has taken unprecedented measures to limit the spread of the virus, with the response continually evolving as more information becomes available. These measures impact the activities of the Group to a varying extent. Further information is provided in the Directors' Report.