TI Media Limited

Annual report and financial statements

for the year ended 31 December 2019

Registered number: 53626

TI Media Limited

Annual report and financial statements for the year ended 31 December 2019

Contents **Page**

TI Media Limited

Officers and professional advisors

Directors

R Addison
Z E Byng-Thorne

Registered office

Quay House,
The Ambury,
Bath,
BA1 1UA

Independent auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

TI Media Limited

Strategic report
for the year ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activities

The principal activity of the company is that of a specialist media business including the provision of printed, on-line and digital content.

Results and financial position

Revenues of £184.0m (2018: £209.4m) were 12% lower year on year (2018: 5% lower) driven by lower print circulation and print advertising revenues together with the annualized effect of a limited number of publishing title disposals and closures. The revenue decline was offset by continuing cost savings and hence operating profit before exceptional items was £27.0m (2018: £24.4m).

The company was acquired by Sapphire Bidco Limited on 15 March 2018 and continued to restructure its business and subsidiaries in 2019. The company recognised a non-cash impairment provision on its fixed asset investment in subsidiaries and associates of £29.8m in 2019 (2018: £15.4m) and a £2.8m impairment of intercompany debtors (2018: £nil) offset by a net £6.8m gain on disposal of assets, principally the NME and Uncut businesses (2018: £2.5m). Investments in subsidiaries have been written down in line with realisable values for non-core businesses sold post year end and to reflect the net asset values of dormant subsidiaries wound up post year end. The dormant subsidiaries historically owned valuable title rights to continuing publications. The company held all the associated title rights as at 31 December 2019 with the intangible asset value only recognised in the group consolidated financial statements. On the post year end transfer of businesses to Future Publishing Limited, TI Media Limited has realised and recorded a gain of more than £100m in its books in 2020 which includes a full value for the transfer of all title rights.

The company incurred exceptional costs relating principally to its cost base transformation (including severance and onerous contract provisions) amounting to £7.7m in 2019 (2018: £14.6m) and has also recognised an exceptional credit of £nil (2018: £1.2m) in respect of pension plan amendments and settlements and a gain on divestiture of the pension schemes of £nil (2018: £5.8m).

The company generated earnings before exceptional items and non-recurring costs including share based payments, interest, taxation, depreciation and amortisation (adjusted EBITDA) of £30.5m for the year ended 31 December 2019 (2018: £31.9m) and an operating loss of £6.7m after exceptional costs, depreciation and amortization (2018: £3.3m). The company's loss before taxation for the year was £6.7m (2018: loss of £3.2m). The resulting financial position at 31 December 2019 is set out on page 11.

Business review

On 15 March 2018 the company was acquired by Sapphire Bidco Limited ('Sapphire') which was controlled by Epiris Fund II an institutional private equity fund controlled by Epiris GP Limited, a company registered in Jersey. Prior to its acquisition the company's obligations under the company's legacy defined benefit pension scheme, were transferred to International Publishing Corporation Limited (a company retained by Meredith Corporation) for £nil consideration and the company ceased to be a sponsoring employer of the scheme. The company has also substantially reassigned the property leases associated with the company's former head office at Blue Fin Building.

On 31 May 2019, the company transferred its NME and Uncut business to a new subsidiary, New Music Limited which was subsequently sold to Bandlab UK Limited with a profit of £7.0m recognised net of the disposal and related costs.

Post balance sheet events and future developments

The company sold Collective Europe Ltd to Azerion Holding BV on 2 March 2020 and on 20 April 2020, Future Holdings 2002 Limited (a subsidiary of Future plc) completed the acquisition of Sapphire Topco Limited and its subsidiaries including TI Media Limited. Certain title disposals were made as a condition of the sale and in order to dispose of non-core businesses. The trade, related assets and liabilities of the company including all the main publishing titles were then transferred into the main group trading company, Future Publishing Limited, on 26 June 2020 as part of the overall integration of the respective groups.

Strategic report
for the year ended 31 December 2019 (continued)

Post balance sheet events and future developments (continued)

The TI Media Limited business has been impacted by Covid-19 and the lockdown period in the UK with UK newsstand revenues reducing as a result. However, subscription revenues have been performing well, with demand driving a year-on-year increase in new sales. Events, most notably the Decanter World Wine Awards, although initially deferred have now been very successfully held with Covid-19 risk measures in place.

In order to mitigate the impact of the lock down period reduction in revenue, a number of cost savings were implemented within the business, which included a temporary reduction in salary and discretionary costs, smaller print runs and management of staff costs through the furlough scheme. The success of the overall group in responding to the pandemic whilst continuing to develop digital opportunities and integrate the business as a result of synergies with Future plc has resulted in increased activity and allowed furlough support received to be repaid to the government and salary reductions reversed.

The group directors aim to maintain the development of the company's business within Future Publishing Limited through print, online, mobile, TV and event platforms. Whilst Covid-19 impacted markets, particularly printed circulation and events during lock down periods from March onwards in 2020, significant progress has been made in integrating the company's activity into the wider Future group and the enlarged Group is well placed to leverage from Future's digital platforms in 2021 and beyond.

Key performance indicators ('KPIs')

The company relies on various KPIs, which are regularly reviewed by the management team and board. The main KPIs are turnover and margins as disclosed in the financial statements together with earnings before exceptional and non-recurring costs, interest, taxation, depreciation and amortisation (adjusted EBITDA). This is the main financial performance measure for the company and is covered earlier in this report.

Principal risks and uncertainties

The directors consider the principal risks to relate to the uncertainties in the unprecedented current global and UK macro-economic environment arising from Covid-19 and to the continuing changes in the printed magazine market. However, the Future group is already leading developments in the digital market and is able to leverage its digital platform across TI Media's titles. Whilst the company's trading has more limited direct exposure to the European market and supply, there are also uncertainties relating to Brexit and its impact on the economy, with the transition period set to end on 31 December 2020.

Financial risk management

In financial terms, the directors consider and manage the risks in the following ways:

Credit risk

To mitigate credit risk the company utilises credit assessments produced by a third party credit rating agency and closely monitors customer accounts. The policy in respect of credit risk is to require appropriate credits checks on all potential customers prior to sales being made and a rigorous credit control policy is followed.

Liquidity and cash flow risk

The board regularly reviewed the cash position, banking covenant compliance and cash flow forecasts whilst part of the Sapphire group. The Future group has cash resources and committed bank facilities available to finance capital expenditure and working capital following the transfer of trade into Future Publishing Limited.

Interest rate risk

The Sapphire group had entered into an interest rate cap to mitigate the risk of increases in interest rates whilst those group borrowings were in place.

Information technology risks

Information technology is an integral part of the group's operations. Active management processes are in place to minimise downtime and data security compliance is continuously monitored.

Strategic report
for the year ended 31 December 2019 (continued)

The Directors' duties

The directors of the company, as for all UK companies, must act in accordance with the general duties set out in section 172 of the Companies Act 2006. This is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members a whole, and in doing so have regard (amongst other matters) to:

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

Strategic decisions

The company operates in a market with a long term trend of declining printed circulation and growth in digital media. This has required continuing cost reduction and product development to maintain revenue and profitability whilst engaging and communicating with all stakeholders including suppliers, customers and employees. The acquisition of the company by the Future group has unlocked a significant opportunity to leverage Future's digital platform across the range of title rights held by the company.

Our employees

Employees and contracted editorial input are essential to the company's interaction with other stakeholders and their individual commitment ensures successful trading and development of the business. We invest in employees through training, remuneration and incentive schemes. Assessing health and safety for employees has been paramount in the Covid-19 outbreak as well as the safety those who employees come into contact with and has guided the actions taken. This resulted in significant home working with a future planned managed return to full activity and a risk assessed combination of home and office working.

Employees are informed of the performance and prospects of the company and encouraged to become aware of the financial and economic factors which affect the overall group and its ability to compete in the marketplace.

The company has an established staff council which met regularly during the period.

It is the company's policy to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion. In pursuing this policy and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances.

Business relationships

Customer relationships and high standards of service are key to maintaining and growing the company's business. The company has a diverse customer base and seeks to provide the right range of titles and content to enhance sales both directly and through retail customers. Ongoing communication occurs through management and the sales team with major customers. Where appropriate, rebates or incentives are agreed to drive and share in the benefit of increased sales.

Suppliers are key to the business in respect of printed product, distribution, IT and facilities in ensuring business continuity and quality of products to be sold is maintained. There is regular communication with major suppliers and agreements in place to incentivise efficiency for supplier and the company and the company policy is to consistently meet payment terms. The company has had additional engagement with EC based suppliers to allow for contingency plans and supply as the UK leaves the EC.

Strategic report
for the year ended 31 December 2019 (continued)

Community and environment

The company both promotes and encourages engagement with and employee involvement in community and charitable projects including educational workshops for young people from the local communities.

The company is committed to sustainable use of resources and paper production and has continued to increase both the use of recyclable materials and recycling of unsold copies and office waste.

Shareholders

Continued access to capital and the structure of the group private equity funding was essential to the operation and development of the business. The directors regularly reported to the shareholders who also monitored and had oversight of the annual plans, initiatives and longer term plans as well as being party to an investor agreement with the group. Following the sale to Future plc, this engagement is now through Future plc's engagement with the public company shareholders and the related governance in place.

Approved by the board of directors and signed on behalf of the board on 18 November 2020.

R Addison
Director

Directors' report for the year ended 31 December 2019

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2019.

Directors

The directors who served in the year, and subsequently except where stated, are as follows:

R Addison	
Z E Byng-Thorne	(appointed 20 April 2020)
M A Rich	(resigned 26 June 2020)
S P Finlay	(resigned 20 April 2020)
A J Hughes	(resigned 20 April 2020)
N S Robinson	(resigned 26 February 2019)
T Weller	(appointed 7 May 2019, resigned 20 April 2020)

Dividends

The directors do not recommend the payment of a dividend.

Going concern

The directors have considered the trading performance and financial position of the company in the context of its acquisition by Future plc on 20 April 2020, the repayment of existing Sapphire group debt on that date, current economic factors and the integration into the Future group likely to affect its future development and financing. The directors have reviewed the company's likely future cash flows following a transfer of trade, related assets and liabilities to Future Publishing Limited in June 2020, taking into account remaining intercompany and non trading liabilities together with the cash resources available to the company.

After making enquiries, and in the context of the limited remaining liabilities following the transfer of trade that has occurred, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Accordingly, the going concern basis of preparation continues to be adopted in the financial statements.

Strategic report

The following items have been included within the strategic report on pages 2 to 5:

- Principal activities
- Results
- Business review
- Future developments
- Key performance indicators
- Principal risks and uncertainties
- Financial risk management
- The directors' duties under s172 of the Companies Act including those relating to employees and other group stakeholders

Directors' indemnities

The company maintained liability insurance for its directors and officers. This is a qualifying indemnity provision for the purposes of the Companies Act 2006, and was in place during the financial period up to the date of signing these financial statements.

Directors' report
for the year ended 31 December 2019 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements (the "financial statements") in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102), and applicable law). 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 company and of the profit or loss of the company 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 United Kingdom Accounting Standards comprising FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

As far as each person who was a director at the date of approving this report is aware there is no relevant information of which the company's auditors are unaware. Directors have taken all the steps they ought to take as directors to make themselves aware of relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the board of directors and signed on behalf of the board on 18 November 2020.

R Addison
Director

Independent auditor's report to the members of TI Media Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TI Media Limited for the year ended 31 December 2019 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the Post Balance Sheet assessment in note 24 of the financial statements, which describes the impact on the Company of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of TI Media Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

Philip Young (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London
18 November 2020

TI Media Limited

Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Turnover	5	**183,970**	209,431
Cost of sales		**(73,112)**	(83,735)
Gross profit		**110,858**	125,696
Sales and distribution costs		**(57,339)**	(67,637)
Administrative expenses excluding exceptional items		**(26,482)**	(33,647)
Operating profit before exceptional items	6	**27,037**	24,412
Exceptional items:			
Impairment of fixed asset investments		**(29,753)**	(15,410)
Impairment of intangible assets		**(220)**	(3,604)
Impairment of intercompany debtors		**(2,805)**	-
Profit on disposal of intangible assets		**6,783**	2,461
Rental debtor written off on divestiture		-	(3,546)
Pension plan amendments and settlements		-	1,200
Pension plan divestiture		-	5,800
Reorganisation and divestment costs		**(7,746)**	(14,590)
Operating loss	6	**(6,704)**	(3,277)
Net interest income	8	-	97
Loss before taxation		**(6,704)**	(3,180)
Tax on loss	9	**(2,353)**	(2,729)
Loss for the financial year		**(9,057)**	(5,909)
Other comprehensive expense:			
Actuarial gains in pension plans		-	12,200
Asset ceiling provision on assets		-	(15,134)
Movement on deferred tax relating to pension scheme		-	(2,190)
Movement on current tax relating to pension scheme		-	2,711
Other comprehensive expense for the year, net of tax		-	(2,413)
Total comprehensive expense for the financial year		**(9,057)**	(8,322)

All activity relates to continuing operations.

The notes on pages 13 to 26 form part of these financial statements

TI Media Limited

Statement of financial position as at 31 December 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Intangible assets	10	**4,298**	4,670
Tangible assets	11	**3,444**	4,953
Investments	12	**5,942**	35,695
		13,684	45,318
Current assets			
Inventories	13	**452**	1,546
Debtors: amounts falling due within one year	14	**54,584**	40,268
Debtors: amounts falling due after more than one year	14	**15,179**	18,277
Cash at bank and in hand		**22,720**	28,403
		92,935	88,494
Creditors: amounts falling due within one year	15	**(65,700)**	(86,419)
Net current assets		**27,235**	2,075
Total assets less current liabilities		**40,919**	47,393
Creditors: amounts falling due after more than one year	16	**(9,917)**	(7,334)
Net assets		**31,002**	40,059
Capital and reserves			
Called up share capital	19	**2,581**	2,581
Share premium account		**8,609**	8,609
Profit and loss account	20	**19,812**	28,869
Total equity		**31,002**	40,059

These financial statements on pages 10 to 26 were approved by the Board of Directors and authorised for issue on 18 November 2020.

Signed on behalf of the Board of Directors

R Addison
Director

TI Media Limited **Company Registration Number: 53626**

The notes on pages 13 to 26 form part of these financial statements

Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2018	2,581	-	34,704	37,285
Share issued in the year	-	8,609	-	8,609
Loss for the financial year	-	-	(5,909)	(5,909)
Actuarial gain on pension plans net of tax	-	-	12,721	12,721
Pension asset ceiling provision	-	-	(15,134)	(15,134)
Share based payments	-	-	2,487	2,487
At 31 December 2018	**2,581**	**8,609**	**28,869**	**40,059**
Loss for the financial year	-	-	(9,057)	(9,057)
At 31 December 2019	**2,581**	**8,609**	**19,812**	**31,002**

The notes on pages 13 to 26 form part of these financial statements

Notes to the financial statements for the year ended 31 December 2019

1 General information

The company is a specialist media business in the provision of printed, on-line and digital content. The company is a private company, limited by shares, incorporated and domiciled in England. The address of the registered office is Quay House, The Ambury, Bath, England, BA1 1UA.

2 Statement of compliance

The financial statements of TI Media Limited have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements are prepared on a going concern basis, under the historical cost convention and as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The company is a wholly-owned subsidiary of Sapphire Topco Limited and is included in its consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The company has taken advantage of the exemption from preparing a cash flow statement, from disclosing key management personnel remuneration and from financial instruments disclosures as it is a qualifying subsidiary included in the publicly available consolidated financial statements of a parent company. The company has also taken advantage of the exemption under FRS 102 not to disclose transactions between wholly owned entities in the group. The company discloses transactions with related parties which are not wholly owned group entities.

Going concern

The directors have considered the trading performance and financial position of the company in the context of its acquisition by Future plc on 20 April 2020, the repayment of existing Sapphire group debt on that date, current economic factors and the integration into the Future group likely to affect its future development and financing. The directors have reviewed the company's likely future cash flows following a transfer of trade, related assets and liabilities to Future Publishing Limited in June 2020, taking into account remaining intercompany and non-trading liabilities together with the cash resources available to the company.

After making enquiries, and in the context of the limited remaining liabilities following the transfer of trade that has occurred, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Accordingly, the going concern basis of preparation continues to be adopted in the financial statements.

Revenue recognition

Turnover represents amounts derived from the principal activities of the company in magazine and digital publishing and is stated after deduction of trade discounts, retail display allowances and VAT. All material activity relates to UK revenue.

Turnover for print magazines is recognised when the magazine becomes available for sale. Digital revenue and other revenue including event management is recognised when the services are delivered.

3 Summary of significant accounting policies (continued)

Employee benefits

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the year in which they become payable in accordance with the rules of the scheme.

The company was previously a participating employer in a defined benefit pension which was closed to new entrants and future accrual. The schemes were accounted for in accordance with FRS102 and pension scheme assets are measured using market values.

The net interest cost was calculated by applying the discount rate to the present values of the schemes' liabilities offset by a credit equal to the expected return on assets and included in the profit and loss account as a finance expense.

The present value of the defined benefit obligation is determined, using the projected unit credit method, by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligations. Any difference between the expected and actual returns achieved together with actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of comprehensive income.

Pension scheme surpluses, to the extent that they are recoverable from future contributions, or deficits are recognised and presented on the face of the balance sheet.

Short term employee benefits including holiday pay are recognized as an expense in the period in which the service is rendered.

Share based payments

Certain employees were awarded restricted stock units in the former parent company which vested over a 4 year period. The equity settled cost of the fair value of the payments was estimated using a Black Scholes model and recognized as an expense over the vesting period with adjustments made to the charge to reflect the fact that awards might not vest due to employees leaving the company.

Taxation

The taxation expense or credit comprises current and deferred tax recognised in the profit for the financial period or in other comprehensive income or equity if it arises from amounts recognised in other comprehensive income or directly in equity. Current tax is provided at amounts expected to be paid (or recovered) in respect of the taxable profits for the period using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling on the date of the transaction. Monetary assets or liabilities denominated in foreign currencies at the balance sheet date are translated at the rare ruling on that date and all translation differences are charged or credited in the profit and loss account.

3 Summary of significant accounting policies (continued)

Investments

Investments are stated at cost less provisions for any impairment.

Intangible assets

Intangible assets, including software, are initially capitalised at fair value on acquisition of a business or at the purchase cost. Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives. Software is amortised over 4 years, publishing rights over 10 years and goodwill over 20 years. Intangible assets are tested for impairment when an event that might affect asset values has occurred. Any such impairment in carrying value is written off to the profit and loss account immediately.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. Cash and cash equivalents comprise cash held at bank which is available on demand.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank borrowings and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. Borrowings are initially stated at the fair value of the consideration received after deduction of wholly attributable issue costs. Issue costs are amortised to the profit and loss account over the estimated life of the relevant borrowings.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term. Rentals receivable are similarly credited to the profit and loss account on a straight line basis over the lease term. Where there is an arrangement in place with the likelihood of any default considered remote, whereby a third party has taken on the risk in respect of rental income from sublet properties and meets any shortfall or takes any surplus compared to the head lease rental, neither income or expense is recognised in accordance with the substance of the transactions.

3 Summary of significant accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Asset class	**Depreciation method rate**
Leasehold improvements	Straight line basis over the remaining term of the lease
Equipment	Straight line basis from 7 to 33%

Inventories

Inventories are valued at the lower of purchase cost and net realisable value, after due regard for any slow moving items. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Provisions

Provisions are recognised where the company has a legal or constructive obligation as a result of past events, measured at the present value of the expenditure which can be reliably estimated to be required to settle the obligations.

Share capital

Financial instruments issued by the company are treated as equity only to the extent that they do not meet the definition of a financial liability. The company's ordinary shares are classified as equity instruments.

4 Critical accounting judgements and estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not always equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments
The carrying values of investments are reviewed and tested for impairment when there is an indication that the value of the assets might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would include management judgements and assumptions which may not always accurately predict future events.

Useful economic lives of tangible and intangible assets
The annual depreciation or amortisation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and changes in the market.

See notes 10 and 11 for the carrying amounts of fixed assets and note 3 for the useful economic lives for each class of assets. The company uses an estimate for the useful life of goodwill and other intangible assets and the amortisation charges in line with the nature of the businesses and assets acquired.

Notes to the financial statements
for the year ended 31 December 2019 (continued)

5 Turnover

Geographical analysis by destination is as follows:

	2019	2018
	£'000	£'000
United Kingdom	158,988	184,032
Rest of the World	24,982	25,399
	183,970	209,431

Turnover arises from:

	2019	2018
	£'000	£'000
Sale of goods including printed and digital magazines	108,336	119,207
Rendering of services including events and advertising	75,634	90,224
	183,970	209,431

6 Operating loss

Operating loss is stated after charging/(crediting):

	2019	2018
	£'000	£'000
Operating lease rentals payable – property	2,549	3,821
Operating lease rentals receivable - property	(577)	(1,469)
Auditors' remuneration:		
Audit of the company's annual statutory financial statements	140	164
Impairment of trade debtors	(4)	239
Depreciation of tangible fixed assets	1,453	1,984
Profit on disposal of intangible fixed assets	(6,783)	(2,461)
Loss on disposal of tangible fixed assets	107	-
Amortisation of intangible assets	1,856	2,978
Impairment provision in respect of fixed asset investments	29,753	15,410
Impairment provision in respect of intangible assets	220	3,604
Foreign exchange losses/(gains)	918	(369)

Notes to the financial statements
for the year ended 31 December 2019 (continued)

7 Information regarding directors and employees

	2019	2018
	£'000	£'000
Directors' remuneration – aggregate emoluments	1,410	2,599
Company pension contributions in respect of 3 (2018: 3) directors	16	19
Compensation for loss of office	592	877
Remuneration of the highest paid director	513	805
Company pension contributions	9	7

No directors were granted restricted stock during the year (2018: none) Restricted stock vested in respect of no directors in the year (2018: 8).

Average monthly number of persons employed	2019	2018
	Number	Number
Editorial	418	455
Sales and distribution	350	420
Administration	165	182
	933	1,057

Staff costs	2019	2018
	£'000	£'000
Wages and salaries	46,721	55,770
Social security costs	5,740	7,049
Other pension costs	2,155	2,172
	54,616	64,991

8 Net interest income

	2019	2018
	£'000	£'000
Other interest income	564	644
Other interest payable	(564)	(524)
Interest payable to group undertakings	-	(23)
	(564)	(547)
Net interest income	-	97

TI Media Limited

Notes to the financial statements
for the year ended 31 December 2019 (continued)

9 Tax on loss

	2019	2018
	£'000	£'000
Current taxation		
UK corporation tax at 19%	180	-
In respect of the pension scheme	-	2,711
Overseas tax	23	13
Double tax relief	(23)	-
	180	2,724
Deferred taxation		
Origination and reversal of timing differences	1,911	(136)
Change in tax rates	224	181
Under/(over) provision in prior years	38	(40)
	2,173	5
Tax charge on loss	2,353	2,729
Total current and deferred tax relating to other comprehensive income	-	(521)
	2,353	2,208

Factors affecting the tax charge for the year
Tax charge on the loss for the year differs from applying the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are reconciled below:

	2019	2018
	£'000	£'000
Loss before taxation	(6,704)	(3,180)
Corporation tax at standard rate of 19% (2018: 19%)	(1,274)	(604)
Factors affecting charge for the year:		
Disallowable expenses	955	618
Impairment of fixed asset investment not deductible	5,653	2,928
Gain on disposal of intangible assets not taxable	(1,577)	(396)
Other differences	-	49
Group relief (received)/surrendered for nil consideration	(2,145)	21
Change in tax rates	224	181
Deferred tax not recognised	607	-
Prior year adjustments	38	(40)
Effect of difference between deferred tax and corporation tax rates	(128)	(28)
Tax on loss	2,353	2,729

The Finance Act 2016 included legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. A change to the main rate of corporation tax announced in the 2020 Budget was substantively enacted on 17 March 2020. The rate from 1 April 2020 remains at 19% rather than the previously enacted reduction to 17%. It is not yet possible to quantify the impact of these rate changes upon current tax. The impact on deferred tax would be an increase in the deferred tax asset of £1,298,000.

10 Intangible assets

	Software	Trademarks	Publishing rights	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2019	24,676	3,103	33,536	27,887	89,202
Additions	862	-	1,000		1,862
Disposals	(5,834)	-	-	-	(5,834)
At 31 December 2019	**19,704**	**3,103**	**34,536**	**27,887**	**85,230**
Accumulated amortisation					
At 1 January 2019	20,639	3,103	33,536	27,254	84,532
Charge for the year	1,751	-	25	80	1,856
Impairment charge	220	-	-	-	220
Disposals	(5,676)	-	-	-	(5,676)
At 31 December 2019	**16,934**	**3,103**	**33,561**	**27,334**	**80,932**
Net book amount					
At 31 December 2019	**2,770**	**-**	**975**	**553**	**4,298**
At 31 December 2018	4,037	-	-	633	4,670

Impairments in the year arose in respect of slower development than expected related to a specific title divested post year end.

11 Tangible assets

	Leasehold improvements £'000	Equipment £'000	Total £'000
Cost			
At 1 January 2019	3,830	22,410	26,240
Additions	59	18	77
Disposals	(112)	(12,944)	(13,056)
At 31 December 2019	**3,777**	**9,484**	**13,261**
Accumulated depreciation			
At 1 January 2019	1,216	20,071	21,287
Charge for the year	382	1,071	1,453
Disposals	(30)	(12,893)	(12,923)
At 31 December 2019	**1,568**	**8,249**	**9,817**
Net book amount			
At 31 December 2019	**2,209**	**1,235**	**3,444**
At 31 December 2018	2,614	2,339	4,953

TI Media Limited

Notes to the financial statements
for the year ended 31 December 2019 (continued)

12 Investments

	Investments in subsidiary undertakings	Investment in associate	Total
	£'000	£'000	£'000
Cost			
At 1 January 2019 and **at 31 December 2019**	575,326	1,894	577,220
Provisions for impairment			
At 1 January 2019	539,631	1,894	541,525
Impairment in the year	29,753	-	29,753
At 31 December 2019	569,384	1,894	571,278
Net book value			
At 31 December 2019	**5,942**	-	**5,942**
At 31 December 2018	**35,695**	-	**35,695**

The company owned all of the issued ordinary share capital of, UK Cycling Events Limited, International Craft & Hobby Fair Limited, Collective Europe Ltd, European Magazines Limited and Trustedreviews Limited at 31 December 2019. These trading subsidiaries were providers of media and advertising services, principally printed, on-line and digital content together with event management (see note 24).

The company's investments in subsidiaries also included dormant companies. These were all companies registered in England and Wales at 161 Marsh Wall, London, E14 9AP. The registered office of the company and all subsidiaries being retained was subsequently changed to Quay House, The Ambury, Bath, England, BA1 1UA.

The dormant companies at 31 December 2019 were Time Inc. (UK) Property Investments Limited, IPC Holdings Limited, Portrait Magazine Limited, Evarn Limited, Mareve Limited, C. Arthur Pearson Limited, Chat Publications Limited, Collection and Litigation Services International Ltd, Country Life Limited, George Newnes Limited, Independent Television Books Ltd, Independent Television Publications Limited, IPC Magazines (Overseas) Limited, Marketforce (UK) Limited, Mousebreaker Limited, New Musical Express Limited, Odhams Press Limited, Options Magazine Limited, Persuasion Limited, The Essentials Publishing Company Limited, The Magazine Publishing Company Ltd, The Magazine Publishing Holdings Ltd, W H & L Collingridge Limited and the Yachting Monthly Limited.

Investments in subsidiaries have been written down in line with realisable values for non-core businesses sold post year end and to reflect the net asset values of dormant subsidiaries with the majority of these wound up post year end. The dormant subsidiaries historically owned valuable title rights to continuing publications. The company held all the associated title rights as at 31 December 2019 with the intangible asset value only recognised in the group consolidated financial statements. On the post year end transfer of businesses to Future Publishing Limited, TI Media Limited has realised and recorded a gain of more than £100m in its books in 2020 which includes a full value for the transfer of all title rights.

The company held 50% of European Magazines Limited as a joint venture and on 30 September 2019 purchased the remaining 50% for consideration of £1. This company was the publisher of the UK edition of Marie Claire magazine, and is registered at Quay House, The Ambury, Bath, England, BA1 1UA. TI Media Limited closed the printed magazine business and the digital title and activity has been transferred into TI Media Limited, effective as of 1 October 2019 for consideration of £1,000,000.

The company also holds 19% of the share capital of SNAP Tech Limited as an associate, which was a developer of visual search engine software, which is registered at Opus Restructuring LLP, 1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ. SNAP Tech Limited was unsuccessful in raising further development funds and is now in administration.

TI Media Limited

Notes to the financial statements
for the year ended 31 December 2019 (continued)

13 Inventories

	2019	2018
	£'000	£'000
Raw materials and consumables	452	1,546

There is no significant difference between the replacement cost of goods for resale and their carrying value.

14 Debtors

	2019	2018
Amounts falling due within one year:	£'000	£'000
Trade debtors	20,070	24,874
Amounts owed by group undertakings	26,376	2,908
Corporation tax	67	-
Other debtors	1,267	3,755
Prepayments and accrued income	4,296	5,368
Notes receivable	1,041	1,048
Deferred tax asset (note 17)	1,467	2,315
	54,584	40,268
Amounts falling due after more than one year:		
Deferred tax asset (note 17)	9,567	10,892
Other debtors	112	885
Notes receivable	5,500	6,500
	15,179	18,277

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and repayable on demand.

Notes receivable are repayable in quarterly instalments of £250,000 and bear interest at a rate of 8%. Included in other creditors is a liability with matched payments, interest and maturity owed to a Meredith Corporation company. The liability is only payable to the extent the loan receivable is collected.

15 Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	29,445	40,607
Amounts owed to group undertakings	20,641	25,027
Taxation and social security	1,961	2,208
Other creditors	1,578	1,868
Accruals and deferred income	12,075	16,709
	65,700	86,419

16 Creditors: amounts falling due after more than one year

	2019	2018
	£'000	£'000
Other creditors	5,500	7,334
Accruals	4,417	-
	9,917	7,334

17 Deferred taxation

Deferred tax is recognised at the expected rate of reversal which is 17% on average (2018 - 17.32%) in the financial statements as follows:

	2019	2018
	£'000	£'000
At 1 January	13,207	15,402
Charged to the profit and loss account	(2,173)	(5)
Amounts charged to other comprehensive income	-	(2,190)
As at 31 December	11,034	13,207

Deferred taxation assets are as follows:

	2019	2018
	£'000	£'000
Capital allowances in excess of book values	5,528	6,355
Tax losses carried forward	5,465	6,852
Other short term timing differences	41	-
	11,034	13,207

Approximately £1,467,000 (2018: £2,315,000) of the deferred tax asset is expected to reverse in the next year from the utilisation of tax losses and capital allowances.

There are unrecognised deferred tax assets of £607,000 (2018: £nil) in respect of losses carried forward as it is not considered sufficiently probable that these will be utilised in the near future.

18 Pension schemes

Defined contributions pension scheme

The company now operates a defined contribution pension scheme only following the clearance and transfer of defined benefit obligations noted below. Contributions totalling £nil were due to the defined contribution scheme at the end of the year.

Defined benefit schemes

Effective 15 March 2018, following clearance from the Pensions Regulator, all of the company's obligations under the company's legacy defined benefit pension scheme, were transferred to International Publishing Corporation Limited (a company retained by Meredith Corporation) for £nil consideration and the company ceased to be make payments or be a sponsoring employer of the scheme.

The most recent comprehensive actuarial valuation was performed as at 5 April 2015 with the FRS 102 valuations to 31 December 2017 and for the period to 15 March 2018 based on an update of this information using supplementary membership and payment data.

18 Pension schemes (continued)

There are no amounts in respect of 2019 as a result of the transfer noted above. The 2018 amounts charged to the income statement and other comprehensive income are analysed as follows:

	2018
	£'000
Charged to the income statement	
Defined contribution scheme contributions	2,172
In respect of the closed defined benefit schemes	
Gain on divestiture of unfunded pension scheme	(5,800)
Plan amendments and settlements	(1,200)
Interest expense	-
Total credit to the income statement	(4,828)
In other comprehensive income in respect of defined benefit scheme	
Return on plan assets less/(greater) than expected return	8,800
Actuarial (gain)/loss during the year	(21,000)
Asset ceiling provisions	15,134
Total charge/(credit) recognised in other comprehensive income	2,934

Principal actuarial assumptions in respect of defined benefit schemes	Period ended 15 March 2018
Rate of price inflation	3.40%
Rate of increase in salaries	3.40%
Rate of increases for in-payment benefits	3.10%
Rate of increase of deferred benefits	3.10%
Discount rate	2.54%
Mortality (post retirement tables used) – with medium cohort future mortality improvements, subject to a minimum of 1.25%pa for both females and males	SAPS light normal

At 31 December 2017 the net pension liability of £5.9m represented individual plan surpluses of £18.3m which were offset in full by an £18.3m asset ceiling provision and deficits of £5.9m. Of the individual plan deficits £5.9m related to unfunded schemes. A further surplus arose in the period to 15 March 2018 which could not be recognised and was offset by an increase of £15.1m in the asset ceiling provision. On divestiture the unfunded liability of £5.8m was assumed by International Publishing Corporation Limited (a company retained by Meredith Corporation) resulting in a £5.8m gain.

TI Media Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

18 Pension schemes (continued)

Analysis of movement in scheme assets	Year ended 31 December 2018 £'000
At 1 January	614,108
Expected return on assets	2,700
Actuarial loss on assets	(8,800)
Employer contributions	1,834
Plan amendments and settlements	(12,500)
Benefits paid	(2,800)
Transfer of scheme to IPC on 15 March 2018	(594,542)
At 31 December 2018 and 2019	-

Analysis of movement in scheme liabilities	Year ended 31 December 2018 £'000
At 1 January	(601,700)
Interest cost	(2,700)
Actuarial gain	21,000
Benefits paid from scheme assets	2,800
Plan amendments and settlements	13,700
Transfer of scheme to IPC on 15 March 2018	566,900
At 31 December 2018 and 2019	-

19 Called up share capital

	2019	2018
Allotted, called up and fully paid:	**£'000**	£'000
2,580,502 ordinary shares of £1 each (2018: 2,850,502)	**2,581**	2,581

20 Reserves

The profit and loss account reserve represents cumulative net losses from the statement of comprehensive income. Movements on the reserve are set out in the statement of changes in equity.

21 Contingent liabilities

The company has provided a guarantee, secured by fixed and floating charges over its assets, in respect of the secured loan borrowings of its parent company Sapphire Bidco Limited, which at 31 December 2019 amounted to £50,000,000 (2018: £60,000,000).

TI Media Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

22 Financial commitments and receivables

At 31 December the company had commitments under non-cancellable operating leases for land and buildings as set out below:

Payments falling due in:	2019 £'000	2018 £'000
Within one year	**2,417**	11,226
In two to five years	**7,689**	42,933
More than 5 years	**1,381**	20,346
	11,487	74,505

This includes £2,022,000 as at 31 December 2019 (2018: £63,505,000) in respect of the Blue Fin Building. This had subleases in place with the majority reassigned during the year (2018: there was a contractual agreement with Meredith Corporation such that any shortfall in rent receivable compared to that payable is met by Meredith or excess paid over to Meredith). The future minimum lease receipts under the non-cancellable agreements are:

Receipts falling due in:	2019 £'000	2018 £'000
Within one year	**239**	8,415
In two to five years	**96**	28,140
More than 5 years	**-**	14,512
	335	51,067

23 Related party transactions

Under an agreement between the parent company shareholders, holders of the shares are entitled to appoint directors of the company and to charge management fees. Under these contractual arrangements the company paid investor director fees of £206,000 (2018: £171,000) to Epiris LLP which manages the interests of the controlling party, Epiris GP Limited.

24 Events after the balance sheet date

After the balance sheet date, the company subsequently sold its subsidiaries Collective Europe Ltd in March 2020, UK Cycling Events Limited in May 2020 and International Craft & Hobby Fair Limited in June 2020 in order to divest from non-core businesses. The rights to Trustedreviews and two of the magazine titles were sold in April 2020 as a result of regulatory requirements relating to the acquisition by Future plc.

All the company's dormant subsidiaries were recapitalised or distributed their reserves and capital following the year end in order to reduce their net assets to £nil and to allow an application to be made to strike them off as they had not traded for many years and all historic title assets transferred into TI Media Limited. This resulted in additional amounts of £3.4m being written off investments in subsidiaries and dividend income being received of £18.4m settled against amounts owed to these subsidiaries.
The trade including staff and the rights to all the publishing titles, related assets and liabilities of the company was then transferred into Future Publishing Limited, a subsidiary of Future plc, on 26 June 2020 at book values for balance sheet trading assets or liabilities and at an overall fair value of £140m including the intangible assets, principally publishing rights and goodwill.

25 Controlling party

Sapphire Bidco Limited is the immediate parent company and Sapphire Topco Limited was the ultimate parent company in the group as of 31 December 2019. Sapphire Topco Limited prepares publicly available consolidated financial statements which include the company. Copies of the Sapphire Topco Limited consolidated financial statements can be obtained from Quay House, The Ambury, Bath, England, BA1 1UA.

Epiris GP Limited, registered in Jersey controls the Epiris Fund II which held the majority of the shares in Sapphire Topco Limited until it was acquired by Future plc on 20 April 2020. No party has a controlling beneficial interest in the company.