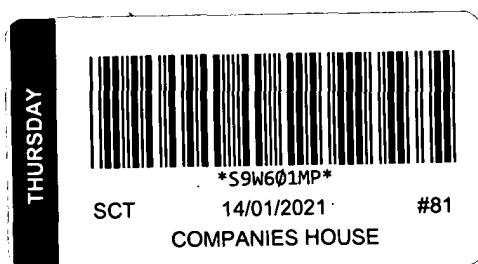


Company Registration No. 06246263 (England and Wales)

The Stylist Group Limited
Annual report and financial statements
for the year ended 31 March 2020



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The Stylist Group Limited

Company information

Directors	A R F Hall E A N Watson E Dolphin S Robinson O Wyatt L Smosarski-Woods	(Appointed 2 January 2020)
Secretary	S Evans	
Company number	06246263	
Registered office	185 Fleet Street London EC4A 2HS	
Auditor	MHA Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB	
Bankers	Barclays Bank plc 1 Church Street Peterborough PE1 1XE	

The Stylist Group Limited

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The Stylist Group Limited

Strategic report

for the year ended 31 March 2020

The directors present the strategic report for the year ended 31 March 2020.

Fair review of the business

Stylist's turnover for the year to 31 March 2020 was £11.7m, a reduction of 37.8% on the £18.8m achieved in the previous year which includes the discontinued operation for Shortlist Media until December 2018. The company generated a pre-tax loss of £3.9m.

The newly formed Stylist Group focuses on the strength of the Stylist brand and the ability to create new audience and revenue franchises. The investment in digital scale of Stylist.co.uk continued in 2019/20 with exceptional audience growth in the UK, creating greater digital revenue opportunity and proportions for 2020 onwards. The events division added Remarkable Women Awards and Stylist Festival to the events portfolio, alongside Stylist Live, an established cornerstone of the brand and profitable this year. The event properties will continue virtually until physical events are possible. The magazine continues to grow share of print advertising within the women's magazine market and secured 10 high profile guest editors including Hillary Clinton to mark its 10th year, demonstrating the power of the brand. Strong Women, the fitness brand from Stylist launched as a new digital vertical and will be the first of several verticals, as the business expands into new interest areas, increasing the depth of relationship with this audience.

The board continues to see opportunities to develop and grow the brand influence, audience scale and revenues as we build outside of the traditional business base and prepare well in advance for the ongoing structural changes.

Principal risks and uncertainties

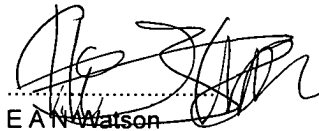
The two principal risks facing the business are that:

- Covid-19 triggered an economic downturn which affected advertising volumes but also the distribution model of Stylist magazine.
- The potential impact of a withdrawal from the European Union and other political changes are unpredictable.

Key performance indicators

Key financial performance indicators include the monitoring and management of profitability and working capital and review of customer activity levels.

On behalf of the board



E A N Watson
Director
30/02/20

The Stylist Group Limited

Directors' report

for the year ended 31 March 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of publishing of journals and periodicals.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A R F Hall

P G Hilton

(Resigned 10 September 2019)

E A N Watson

E Dolphin

S Robinson

O Wyatt

L Smosarski-Woods

(Appointed 2 January 2020)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

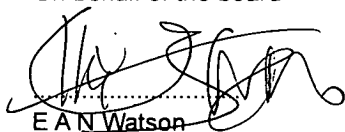
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

Included within the strategic report is an indication of the principal risks and uncertainties including the risks associated with competitive advantage, environmental compliance and legislative compliance. Also included is the methods adopted to manage these risks where applicable.

On behalf of the board



E A N Watson

Director

Date: 30/04/20

The Stylist Group Limited

Directors' responsibilities statement

for the year ended 31 March 2020

The directors are responsible for preparing the annual 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

The Stylist Group Limited

Independent auditor's report

to the members of The Stylist Group Limited

Opinion

We have audited the financial statements of The Stylist Group Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 March 2020 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. 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.

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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the directors' report have been prepared in accordance with applicable legal requirements.
-

The Stylist Group Limited

Independent auditor's report (continued)

to the members of The Stylist Group Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the 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 directors' responsibilities statement, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The Stylist Group Limited

Independent auditor's report (continued)

to the members of The Stylist Group Limited

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.

G Black

Gavin Black (Senior Statutory Auditor)
for and on behalf of MHA Henderson Loggie

.....30/10/20.....

Chartered Accountants
Statutory Auditor

The Vision Building
20 Greenmarket
Dundee
DD1 4QB

MHA Henderson Loggie is a trading name of Henderson Loggie LLP.

The Stylist Group Limited**Statement of comprehensive income****for the year ended 31 March 2020**

	Notes	2020 £	2019 £
Turnover	3	11,685,401	18,801,024
Cost of sales		<u>(12,121,288)</u>	<u>(19,167,209)</u>
Gross loss		(435,887)	(366,185)
Distribution costs		<u>(1,418,157)</u>	<u>(2,785,418)</u>
Administrative expenses		<u>(2,001,450)</u>	<u>(5,675,748)</u>
Operating loss	4	(3,855,494)	(8,827,351)
Interest receivable and similar income	7	-	872
Interest payable and similar expenses	8	<u>(1,290)</u>	<u>-</u>
Loss before taxation		(3,856,784)	(8,826,479)
Tax on loss	9	<u>528,880</u>	<u>1,583,319</u>
Loss for the financial year		<u>(3,327,904)</u>	<u>(7,243,160)</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

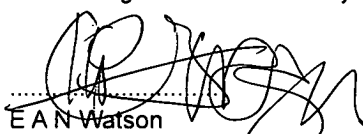
The Stylist Group Limited

Balance sheet

as at 31 March 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	10		-		-
Tangible assets	11		48,511		263,632
Investments	12		1		1
			<u>48,512</u>		<u>263,633</u>
Current assets					
Stocks	14	154,040		250,684	
Debtors	15	11,267,600		12,767,075	
Cash at bank and in hand		590,459		639,222	
		<u>12,012,099</u>		<u>13,656,981</u>	
Creditors: amounts falling due within one year	16	<u>(1,986,946)</u>		<u>(4,207,247)</u>	
Net current assets			<u>10,025,153</u>		<u>9,449,734</u>
Total assets less current liabilities			<u>10,073,665</u>		<u>9,713,367</u>
Creditors: amounts falling due after more than one year	17		<u>(22,674,413)</u>		<u>(18,986,211)</u>
Net liabilities			<u>(12,600,748)</u>		<u>(9,272,844)</u>
Capital and reserves					
Called up share capital	20	1,139,639		1,139,639	
Share premium account	21	1,601,548		1,601,548	
Profit and loss reserves	22	<u>(15,341,935)</u>		<u>(12,014,031)</u>	
Total equity			<u>(12,600,748)</u>		<u>(9,272,844)</u>

The financial statements were approved by the board of directors and authorised for issue on 30/04/20 and are signed on its behalf by:


E A N Watson
Director

Company Registration No. 06246263

The Stylist Group Limited

Statement of changes in equity

for the year ended 31 March 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2018	1,139,639	1,601,548	(4,770,871)	(2,029,684)
Year ended 31 March 2019:				
Loss and total comprehensive income for the year	-	-	(7,243,160)	(7,243,160)
Balance at 31 March 2019	1,139,639	1,601,548	(12,014,031)	(9,272,844)
Year ended 31 March 2020:				
Loss and total comprehensive income for the year	-	-	(3,327,904)	(3,327,904)
Balance at 31 March 2020	<u>1,139,639</u>	<u>1,601,548</u>	<u>(15,341,935)</u>	<u>(12,600,748)</u>

The Stylist Group Limited

Notes to the financial statements

for the year ended 31 March 2020

1 Accounting policies

Company information

The Stylist Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 185 Fleet Street, London, EC4A 2HS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

On the basis that the consolidated financial statements of the parent provide disclosures which are equivalent to FRS 102, the financial statements of Shortlist Media Limited have adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes; and
- related party transaction disclosures for transactions entered into between one or two members of the group on the basis that all parties are wholly owned within the group.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

The Stylist Group Limited is a wholly owned subsidiary of D.C. Thomson & Company Limited and the results of The Stylist Group Limited are included in the consolidated financial statements of D.C. Thomson & Company Limited.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the company, including the ongoing financial support of its parent company D.C. Thomson & Company Limited, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Turnover

Turnover relates to display advertisements, sponsorship, advertorials and events. Turnover in relation to publications is recognised on release of each publication and turnover relating to events is recognised when the event is staged. Turnover is the total amount receivable, excluding VAT and trade discounts.

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

1 Accounting policies (continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	3-4 years straight line
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	straight line over the term of the lease
Fixtures, fittings & equipment	3 years straight line
Computer equipment	3-4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

1 Accounting policies (continued)

Other financial liabilities

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 profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

1 Accounting policies (continued)

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Foreign exchange

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as a gain or loss in the profit and loss account.

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

1 Accounting policies (continued)

1.18 Share options

All share-based payment arrangements are recognised in the financial statements where material. The company operates equity-settled share-based remuneration plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based payment are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to the share based payment reserve, net of deferred tax where applicable.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon the exercise of share options, the proceeds received net of attributable transaction costs are allocated to share capital with any excess being recorded as share premium.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

2 Judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Commission

Commission is payable to certain customers and is, broadly speaking, based on those customers achieving specified sales levels. Provision is made at the end of each financial year for commission payable based on available information. However, since agreements with customers are not always co-terminous with the financial year end, actual commission payable can change up to the completion of the period covered and so the provisioning process includes an element of estimation.

Bad debts/sales credit notes

In order to resolve a customer account and facilitate payment of debt, it is sometimes necessary to raise a sales credit note. It can take time to reach agreement in such cases which may result in a sales credit note being raised and recognised in a different financial period than the original sales invoice. There is an element of year end debtors which will be resolved post year end by way of sales credit notes. Provision has been made at the year end based on known historic data and assumes that the historic pattern of sales credit notes will continue unchanged.

Turnover

The company has entered into annual agreements with certain customers to provide advertising for no additional consideration over a 12 month period which extends past the financial year end. However, on the basis that there is no further cost to the company in providing this advertising in the future, no adjustment has been made to the financial statements.

Onerous lease provisions

Provision has been made for anticipated rents payable on vacant property leases. Although the vacant properties are currently being marketed, no sub tenants are in place and so no recognition has been made of expected rents receivable in the calculation of the provision. Therefore, the provision represents the full liability but it may be reduced in the next financial year once sub tenants are in place.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Principal activity	<u>11,685,401</u>	<u>18,801,024</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	<u>11,685,401</u>	<u>18,801,024</u>

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

4 Operating loss

	2020	2019
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(208,617)	118,481
Fees payable to the company's auditor for the audit of the company's financial statements	20,430	19,930
Depreciation of owned tangible fixed assets	217,260	316,348
Loss/(profit) on disposal of tangible fixed assets	19,216	(1,763)
Amortisation of intangible assets	-	23,658
Onerous lease provision	-	712,114
Operating lease charges	403,967	700,220
	<u><u> </u></u>	<u><u> </u></u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Editorial	34	52
Commercial	18	21
Corporate	16	19
Digital	11	18
Events	10	14
Family	18	29
Video	5	6
Total	112	159
	<u><u> </u></u>	<u><u> </u></u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	6,069,498	9,047,386
Social security costs	639,538	1,043,472
Pension costs	59,668	123,928
	<u><u>6,768,704</u></u>	<u><u>10,214,786</u></u>
Redundancy payments made or committed	<u><u>161,778</u></u>	<u><u>855,588</u></u>

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	922,816	914,672
Company pension contributions to defined contribution schemes	40,268	13,024
	<u>963,084</u>	<u>927,696</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020	2019
	£	£
Remuneration for qualifying services	<u>345,674</u>	<u>344,815</u>

Directors are also key management personnel.

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	<u>-</u>	<u>872</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>-</u>	<u>872</u>
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8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>1,290</u>	<u>-</u>

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	(707,037)	(1,621,601)
Adjustments in respect of prior periods	449	53,332
Total current tax	(706,588)	(1,568,269)
Deferred tax		
Origination and reversal of timing differences	213,544	(12,781)
Changes in tax rates	(36,085)	-
Adjustment in respect of prior periods	249	(2,269)
Total deferred tax	177,708	(15,050)
Total tax charge	(528,880)	(1,583,319)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Loss before taxation	(3,856,784)	(8,826,479)
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2019: 19%)	(732,789)	(1,677,031)
Tax effect of expenses that are not deductible in determining taxable profit	16,770	41,145
Unutilised tax losses carried forward	222,526	-
Adjustments in respect of prior years	449	53,332
Effect of change in corporation tax rate	(36,085)	1,504
Deferred tax adjustments in respect of prior years	249	(2,269)
Tax expense for the year	(528,880)	(1,583,319)

The standard rate of UK corporation tax changed from 20% to 19% with effect from April 2017. A further reduction down to 17% for financial years beginning 1 April 2020 has been withdrawn and the main tax rate remains at 19%.

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

10 Intangible fixed assets

	Development costs £
Cost	
At 1 April 2019	488,697
Disposals	(478,897)
	<u>9,800</u>
At 31 March 2020	<u>9,800</u>
Amortisation and impairment	
At 1 April 2019	488,697
Disposals	(478,897)
	<u>9,800</u>
At 31 March 2020	<u>9,800</u>
Carrying amount	
At 31 March 2020	-
	<u>-</u>
At 31 March 2019	<u>-</u>

11 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 April 2019	108,701	163,166	1,072,179	1,344,046
Additions	-	640	1,099	1,739
Disposals	-	(11,903)	(585,529)	(597,432)
	<u>108,701</u>	<u>151,903</u>	<u>487,749</u>	<u>748,353</u>
At 31 March 2020	<u>108,701</u>	<u>151,903</u>	<u>487,749</u>	<u>748,353</u>
Depreciation and impairment				
At 1 April 2019	97,641	126,526	856,247	1,080,414
Depreciation charged in the year	9,169	31,830	176,261	217,260
Eliminated in respect of disposals	-	(12,303)	(585,529)	(597,832)
	<u>106,810</u>	<u>146,053</u>	<u>446,979</u>	<u>699,842</u>
At 31 March 2020	<u>106,810</u>	<u>146,053</u>	<u>446,979</u>	<u>699,842</u>
Carrying amount				
At 31 March 2020	<u>1,891</u>	<u>5,850</u>	<u>40,770</u>	<u>48,511</u>
	<u>11,060</u>	<u>36,640</u>	<u>215,932</u>	<u>263,632</u>
At 31 March 2019	<u>11,060</u>	<u>36,640</u>	<u>215,932</u>	<u>263,632</u>

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

12 Fixed asset investments

	2020	2019
	£	£
Unlisted investments	1	1

Investments in subsidiary undertakings are held at cost in accordance with FRS 102.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 April 2019 & 31 March 2020	1
Carrying amount	
At 31 March 2020	1
At 31 March 2019	1

13 Subsidiaries

These financial statements are separate company financial statements for The Stylist Group Limited.

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shareholding	% Held
Urban Media Europe Limited	UK	Non-trading	Ordinary	100.00

14 Stocks

	2020	2019
	£	£
Raw materials and consumables	154,040	250,684

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,647,439	3,381,042
Corporation tax recoverable	2,328,638	3,169,254
Amounts due from group undertakings	5,217,901	5,204,816
Amounts due from fellow group undertakings	1,262,110	-
Other debtors	4,876	-
Prepayments and accrued income	677,371	704,990
	11,138,335	12,460,102
Deferred tax asset (note 18)	129,265	306,973
	11,267,600	12,767,075

Amounts due from group undertakings have no fixed repayment terms and no interest applies.

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	765,199	1,617,825
Taxation and social security	351,356	449,042
Other creditors	-	21,774
Accruals and deferred income	870,391	2,118,606
	1,986,946	4,207,247

17 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	22,674,413	18,986,211

Other creditors represent an intercompany balance which is unsecured and no interest applies.

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2020 £	Assets 2019 £
Balances:		
ACAs	129,265	106,241
Tax losses	-	199,103
Other timing differences	-	1,629
	<u>129,265</u>	<u>306,973</u>
		2020 £
Movements in the year:		
Asset at 1 April 2019		(306,973)
Charge to profit or loss		177,708
		<u>(129,265)</u>

19 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	59,668	123,928

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
113,954,000 Ordinary shares of 1p each	1,139,540	1,139,540
9,875 'E' ordinary shares of 1p each	99	99
	<u>1,139,639</u>	<u>1,139,639</u>

Each ordinary share carries one vote and is entitled to participate pari passu with other ordinary shares (excluding E shares) in any dividend or capital distribution, except that on liquidation, surplus assets are to be distributed among the ordinary and E shares in the ratio 75:25 until the E shares have received their E share value. The ordinary shares are not redeemable at the option of the company or the holder.

The Stylist Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

21 Share premium account

Share premium accounts includes any premiums received on issued share capital. Any transactions costs associated with the issuing of shares are deducted from share premium.

22 Profit and loss reserves

Profit and loss reserves include all current and prior period retained profits and losses.

23 Financial commitments, guarantees and contingent liabilities

A fixed and floating charge is in place over the assets of the company.

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	97,341	385,810
Between two and five years	-	64,302
	<u>97,341</u>	<u>450,112</u>

25 Ultimate controlling party

The company is a wholly owned subsidiary of D.C. Thomson & Company Limited, a company incorporated in Great Britain and registered in Scotland.

There is no individual controlling party of D.C. Thomson & Company Limited.