

Future Publishing (Overseas) Limited

Annual report and financial statements
for the year ended 30 September 2021

Registered number: 06202940

Registered in England and Wales



Future Publishing (Overseas) Limited

Annual report and financial statements for the year ended 30 September 2021

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Future Publishing (Overseas) Limited

Directors and advisors

Directors

Z E Syng-Thorne

P Ladkin-Brand

Company Secretary

A Steele

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Future Publishing (Overseas) Limited

Strategic report for the year ended 30 September 2021

Principal activities

The principal activity of the Company is the creation of special interest consumer magazines, websites and events for the Australian and New Zealand markets.

Results

The results of the Company for the year are set out in detail on page 8 and benefitted from increased digital content and advertising revenues from the Company's websites. The profit for the financial year of £550,000 (2020: profit of £311,000) has been transferred to reserves with net assets increasing to £1,670,000 at 30 September 2021 (2020: £929,000) as set out on page 10. During the year, the Company acquired the shares in an Australian company, Mozo Pty Ltd and holds this investment as part of the Group's acquisition strategy. It utilised borrowings under the Group's revolving facilities to fund this acquisition.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks and the Directors operate a continuous process of identifying, evaluating and managing such risks.

The key business risks and uncertainties affecting the Company are considered to relate to competition from independent publishers and digital media companies both national and international, employee retention and the management of the Company's intellectual property. eCommerce continues to be an area of focus for the business with the level of investment in this area under regular review to ensure that financial objectives are being met. These risks are mitigated by continual review of operations and the Company's product offerings to ensure that they best meet the consumer need and tight procedures in respect of management of intellectual property rights.

Key Performance Indicators

Key performance indicators relevant to the Company are managed on a Group basis, see pages 6 and 7 of the Future plc Annual Report 2021. These are primarily revenue, operating profit and profit before tax as set out for the Company on page 9.

Approved by the Board and signed on its behalf by



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P Ladkin-Brand
Director
24 January 2022

Future Publishing (Overseas) Limited

Directors' report for the year ended 30 September 2021

The Directors present their report and the audited financial statements of the Company for the year ended 30 September 2021.

Directors

The Directors of the Company during the year, and up to the date of signing the financial statements, were:

Z E Byng-Thorne
P Ladkin-Brand (appointed 1 November 2021)
R B Addison (resigned 31 October 2021)
M A Robbins (appointed 11 March 2020, resigned 16 July 2021)

Dividends

A dividend of £nil (2020: £1,314,000) has been paid in the year. Dividends of £nil have been proposed but not yet paid (2020: £nil).

Future outlook

The Company will continue to create special interest consumer magazines, websites and events in a commercial environment which is expected to remain competitive within an economic environment which continues to be challenging.

Financial risk management

The Company's operations expose it to a variety of financial risks that include credit risk, interest rate risk, foreign currency risk and liquidity risk and the Board seeks to limit the adverse effects on the financial performance of the Company through management of these risks.

(a) Credit risk

The Company has policies that require appropriate credit checks on potential customers before sales are made. Credit risk of counterparties with whom cash balances are held is monitored on a Group basis. The credit standing of all potential bankers is considered before selecting them by use of external credit ratings.

(b) Interest rate risk

The Company has interest-bearing assets and liabilities, which comprise cash balances which earn interest at variable rates and a bank loan which bears interest at .

Interest rate risk is managed on a Group basis, see page 161 of the Future plc Annual Report 2021.

(c) Foreign exchange risk

Foreign exchange risk is managed on a Group basis, see pages 161 to 162 of the Future plc Annual Report 2021.

(d) Liquidity risk

Liquidity risk is managed on a Group basis, see page 162 of the Future plc Annual Report 2021.

Going concern and subsequent events

At the balance sheet date the Company had cash of £103,000, net current liabilities of £838,000 and net assets of £1,670,000. The Company is also a guarantor of the Group's debt facilities. As at 30 September 2021, the Group had drawn £503.1m of its total available facilities of £600m which included a draw-down of the £300m consideration required to complete the Dennis acquisition in readiness for completion on 1 October 2021. These facilities are expected to be serviced by the cash flows generated from the Group's other main trading companies.

The ultimate parent company, Future plc has confirmed that it will continue to provide such financial support as is necessary to enable the Company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. For this reason the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Future Publishing (Overseas) Limited

Directors' report for the year ended 30 September 2021 (continued)

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

The auditor, PricewaterhouseCoopers LLP, resigned during the year and Deloitte LLP was appointed. Deloitte LLP continues in office under section 487 of the Companies Act 2006.

Approved by the Board and signed on its behalf by



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P Ladkin-Brand
Director
24 January 2022

Future Publishing (Overseas) Limited

Independent auditor's report to the members of Future Publishing (Overseas) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Future Publishing (Overseas) limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the statement of changes in equity;
- the balance sheet; and
- the statement of accounting policies and related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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Independent auditor's report to the members of Future Publishing (Overseas) Limited (continued)

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, IT, and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in revenue recognition to relate to fictitious returns provisions, particularly in relation to international sales. Our specific procedures performed to address this risk are described below:

- assessed the processes and relevant controls around revenue recognition
- understood and assessed the basis for management's provisions including the consistency in policy and application in each period;
- compared management's estimated returns levels to historical trends and tested post year end returns against provisions; and
- assessed the forecasting accuracy of past estimates made by reviewing post period actual returns and considered any contradictory evidence.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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Independent auditor's report to the members of Future Publishing (Overseas) Limited (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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 the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Mark Tolley FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading
United Kingdom
24 January 2022

Future Publishing (Overseas) Limited

Profit and loss account for the year ended 30 September 2021

	Note	2021 £'000	2020 £'000
Turnover	1	6,474	5,225
Cost of sales		(3,426)	(2,715)
Gross profit		3,048	2,510
Distribution costs		(224)	(236)
Administrative expenses		(1,836)	(1,630)
Operating profit		988	644
Interest payable	4	(217)	(6)
Profit before taxation	2	771	638
Tax on profit	5	(221)	(327)
Profit for the financial year		550	311

The results were generated from operations classed as continuing

Statement of comprehensive income for the year ended 30 September 2021

	2021 £'000	2020 £'000
Profit for the financial year	550	311
Items that may be reclassified to profit or loss		
Currency translation differences	(52)	(25)
Other comprehensive expense for the year	(52)	(25)
Total comprehensive income for the year	498	286

Future Publishing (Overseas) Limited

Statement of changes in equity for the year ended 30 September 2021

	Called up share capital restated £'000	Share premium account restated £'000	Currency translation differences £'000	Profit and loss account restated £'000	Total equity £'000
Balance at 1 October 2019	-	2,100	-	(1,363)	737
Profit for the financial year	-	-	-	311	311
Currency translation differences (note 13)	-	-	(25)	-	(25)
Other comprehensive expense for the year	-	-	(25)	-	(25)
Total comprehensive income for the year	-	-	(25)	311	286
Share-based payments:					
- Capital contribution	-	-	-	320	320
Share capital issued (as amended - note 13)	-	900	-	-	900
Reduction in share premium account (note 13)	-	(2,100)	-	2,100	-
Dividends paid	-	-	-	(1,314)	(1,314)
Balance at 30 September 2020	-	900	(25)	54	929
Profit for the financial year	-	-	-	550	550
Currency translation differences	-	-	(52)	-	(52)
Other comprehensive expense for the year	-	-	(52)	-	(52)
Total comprehensive income for the year	-	-	(52)	550	498
Share-based payments:					
- Capital contribution	-	-	-	243	243
Balance at 30 September 2021	-	900	(77)	847	1,670

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Balance sheet as at 30 September 2021

	Note	2021 £'000	2020 restated £'000
Non-current assets			
Intangible assets	6	194	254
Tangible assets	7	29	148
Investments	8	17,474	927
Deferred tax	9	69	53
		17,766	1,382
Current assets			
Debtors	10	3,620	1,989
Cash at bank and in hand		103	131
		3,723	2,120
Creditors: amounts falling due within one year	11	(4,561)	(2,491)
Net current liabilities		(838)	(371)
Total assets less current liabilities		16,928	1,011
Creditors: amounts falling due in more than one year	12	(15,258)	(82)
Net assets		1,670	929
Capital and reserves			
Called up share capital	13	-	-
Share premium account	13	900	900
Currency differences reserve	13	(77)	(25)
Profit and loss account		847	54
Total equity		1,670	929

The financial statements on pages 8 to 24 were approved by the Board of Directors on 24 January 2022 and are signed on its behalf by:



P Ladkin-Brand
Director

Registered number 06202940

Future Publishing (Overseas) Limited

Accounting policies

Future Publishing (Overseas) Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is disclosed on page 1. The nature of the company's business is set out in the strategic report on page 2.

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

In these financial statements the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*;
- the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - i. paragraph 79(a)(iv) of IAS 1;
 - ii. paragraph 73(e) of IAS 16 *Property, Plant and Equipment*; and
 - iii. paragraph 118(e) of IAS 38 *Intangible Assets*;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*;
- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosure*;
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The Company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Future plc, which is registered in England and Wales. Future plc prepares consolidated financial statements which are publicly available and the financial statements of the Company are consolidated within them. Accordingly these financial statements present information about the Company as an individual undertaking and not about its group.

As the consolidated financial statements of Future plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 *Share-based Payment*;
- the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*.

The principal accounting policies, set out below, have been consistently applied throughout the year.

Going concern

At the balance sheet date the Company had cash of £103,000, net current liabilities of £838,000 and net assets of £1,670,000. The Company is also a guarantor of the Group's debt facilities. As at 30 September 2021, the Group had drawn £503.1m of its total available facilities of £600m which included a draw-down of the £300m consideration required to complete the Dennis acquisition in readiness for completion on 1 October 2021. These facilities are expected to be serviced by the cash flows generated from the Group's other main trading companies.

The ultimate parent company, Future plc has confirmed that it will continue to provide such financial support as is necessary to enable the Company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. For this reason the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Future Publishing (Overseas) Limited

Accounting policies (continued)

Revenue recognition

Revenue from contracts with customers is recognised in the income statement in line with the five-step model in IFRS 15, to reflect the pattern of transfer of goods and services to the customer. Revenue is recognised in the income statement when control passes to the customer. If the customer simultaneously receives and consumes the benefits of the contract, revenue is recognised over time. Otherwise, revenue is recognised at a point in time.

Revenue comprises the transaction price of the contract, being consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts and after eliminating sales within the Group.

For digital advertising revenues and expenses, revenue is recognised as the amount paid by the end consumer, rather than the amount remitted by the agent. Related commissions paid to agents are recognised as an expense within cost of sales.

The following recognition criteria also apply:

- eCommerce revenue is recognised at the time of the related product sale
- Magazine newsstand circulation, print subscription and advertising revenue is recognised according to the date that the related publication goes on sale
- Online advertising revenue is recognised over the period during which the adverts are served
- Revenue from the sale of digital magazine subscriptions is recognised uniformly over the term of the subscription
- Event income is recognised when the event has taken place
- Other revenue is recognised at the time of sale or provision of service

Taxation

Tax on the profit or loss for the year comprises current tax and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is payable based on taxable profits for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, along with any adjustment relating to tax payable in previous years. Taxable profit differs from net profit in the income statement in that income or expense items that are taxable or deductible in other years are excluded – as are items that are never taxable or deductible.

Deferred tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Functional and presentation currency

The functional currency of the Company is Australian dollars while the presentation currency for these financial statements is UK sterling. The results and financial position of the Company are translated into the presentation currency as follows:

- a) Assets and liabilities in the balance sheet are translated at the date of that balance sheet;
- b) Income and expenses for each income statement are translated at average exchange rates; and
- c) Resulting exchange differences are recognised in other comprehensive income and accumulated in a separate currency differences equity reserve.

Foreign currencies

Transactions in currencies other than the functional currency are recorded at the rate of exchange ruling at the

Future Publishing (Overseas) Limited

date of the transaction or where forward exchange contracts have been arranged, at the contracted rate. With the exception of exchange differences arising from translation into presentation currency as outlined above, all foreign currency gains and losses realised and unrealised are taken to the profit and loss account.

Accounting policies (continued)

Intangible assets

(a) Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to appropriate cash generating units (those expected to benefit from the business combination) and it is not subject to amortisation but is tested annually for impairment.

(b) Titles, trademarks, customer lists, advertising relationships and other 'magazine and website related' intangibles

Magazine-related intangible assets have a finite useful life and are stated at cost less accumulated amortisation. Assets acquired as part of a business combination are initially stated at fair value. Amortisation is calculated using the straight-line method to allocate the cost of these intangibles over their estimated useful lives (between one and five years).

Expenditure incurred on the launch of new magazine titles is recognised as an expense in the income statement as incurred.

c) Website development

Costs incurred in the development of new websites are capitalised only where the cost can be directly attributed to developing the website to operate in the manner intended by management and only to the extent of the future economic benefits expected from its use. These costs are amortised on a straight-line basis over their estimated useful lives (between one and three years). Costs associated with maintaining computer software or websites are recognised as an expense as incurred.

Impairment

Goodwill is not amortised but tested for impairment at least once a year or more frequently when there is an indication that it may be impaired. These tests are performed at the level of each CGU or group of CGUs likely to benefit from acquisition-related synergies. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

To determine whether an impairment loss should be recognised, the carrying value of the assets and liabilities of the CGUs is compared to their recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is the present value of the estimated future cash flows discounted using appropriate pre-tax discount rates.

Any impairment of goodwill is recorded in the income statement as an operating expense.

Other intangible assets with a finite life are amortised and are tested for impairment only where there is an indication that an impairment may have occurred.

Leases

Property leases are recognised on the balance sheet as a right-of-use asset and corresponding lease liability at the date the leased asset is available for use. Lease liabilities are measured at the present value of payments less lease incentives receivable. Right-of-use assets are measured equal to the value of the lease liability plus restoration costs.

Lease payments are discounted using the interest rate implicit in the lease (for leases existing on transition the incremental borrowing rate). Short-term and low-value leases (as defined by IFRS 16) are recognised on a straight-line basis as an expense in the income statement.

Finance costs are charged to the income statement over the lease term, at a constant periodic rate of interest. Right-of-use assets are depreciated over the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost.

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Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and any provision for impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated to write down the cost or valuation of the tangible fixed assets to their estimated residual values by equal annual instalments over their useful lives, which are considered to be:

Plant and machinery	- Between 1 and 5 years
Equipment, fixtures and fittings	- Between 1 and 5 years
Right-of-use assets	- Lease term

Investments

Investments in subsidiary undertakings are stated at the fair value of consideration payable, less any provisions required to reduce the value of an investment to the Directors' assessment of the net recoverable amount of the investment in that company. Impairment reviews are carried out by the Directors whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Pensions

The Company pays contributions into privately administered defined contribution schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The Company has no further obligations once the contributions have been paid. Contributions payable in respect of defined contribution schemes are charged to the profit and loss account as they are incurred.

Share-based payments

The Company's ultimate parent undertaking, Future plc, operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed over the appropriate service period is determined by reference to the fair value of the awards, excluding the impact of any non-market vesting conditions (for example, earnings per share). Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At each balance sheet date, the Company revises its estimates of the number of awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

Reserves

Exchange differences recognised in other comprehensive income as a result of translation into the presentational currency are accumulated in a separate currency differences equity reserve.

The profit and loss account reserve represents cumulative net profits and losses from the statement of comprehensive income together with the credit to equity in respect of share based payments. Movements on the reserve are set out in the statement of changes in equity.

Critical accounting assumptions, judgements and estimates

The preparation of the financial statements requires the use of certain critical accounting assumptions and requires management to exercise its judgement and to make estimates in the process of applying the Company's accounting policies. The directors consider that there are no areas requiring a higher degree of judgement or areas where assumptions and estimates are significant to the financial statements.

Future Publishing (Overseas) Limited

Notes to the financial statements for the year ended 30 September 2021

1 Turnover

Turnover is derived solely from the principal activities of the Company based on operations in Australia. An analysis of turnover by geographical destination is shown below:

	2021 £'000	2020 £'000
Australia	3,121	2,678
US	2,503	1,928
UK	831	591
Rest of the world	19	28
	6,474	5,225

An analysis of the revenue by category is as follows:

	2021 £'000	2020 £'000
Digital advertising	4,669	3,677
E-commerce and other on-line income	375	283
Print and digital content	898	893
Print advertising	532	372
	6,474	5,225

2 Profit before taxation

Profit before taxation is arrived at after charging:

	2021 £'000	2020 £'000
Employee costs (note 3)	1,936	1,547
Depreciation of tangible fixed assets (note 7)	64	69
Amortisation of intangible assets (note 6)	53	52
Operating leases – other	1	-
	2021 £'000	2020 £'000
Fees paid to auditors (including expenses)		
- audit fees*	12	12

*The audit fees are borne by the parent company, Future Publishing Limited, and are recharged to Future Publishing (Overseas) Limited. No non-audit services were provided in either year.

Future Publishing (Overseas) Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

3 Employee information and directors' emoluments

Employees

The average monthly number employed by the Company during the year, including Directors, was:

By activity:	2021 Number	2020 Number
Production and publication staff	17	15
Administration staff	8	5
	25	20

The costs incurred in respect of these employees were:

	2021 £'000	2020 £'000
Wages and salaries	1,372	1,143
Social security costs	210	44
Other pension costs (see note 14)	111	89
Share-based payments – value of employees' services (see note 16)	243	271
	1,936	1,547

Directors

The Directors did not receive emoluments from the Company in respect of their services to the Company in either year and none of their services were directly attributable to the Company. The emoluments and Company contributions to defined contribution pension schemes of the Directors were paid by the Company's immediate parent company, Future Publishing Limited. In 2021, £20,000 (2020: £20,000) was recharged to the Company by Future Publishing Limited in respect of the Directors.

4 Interest payable

	2021 £'000	2020 £'000
Financing charges on lease liabilities	4	6
Bank interest and similar expenses	213	-
	217	6

Future Publishing (Overseas) Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

5 Tax on profit

(a) Analysis of tax charge in the year

	2021 £'000	2020 £'000
Current tax		
Corporation tax on profit for the year	354	306
Adjustments in respect of previous years	(114)	40
Current tax	240	346
Deferred tax origination and reversal of tax differences		
Origination and reversal of tax differences	(87)	(19)
Adjustments in respect of previous years	68	-
Deferred tax	(19)	(19)
Total tax charge	221	327

(b) Factors affecting the tax charge for the year

The tax assessed for each year differs from the standard rate of corporation tax in the UK for the relevant year. The differences are explained below:

	2021 £'000	2020 £'000
Profit before taxation	771	638
Profit before taxation multiplied by the standard UK corporation tax rate of 19% (2020: UK tax rate of 19%)	146	121
Different tax rates applicable overseas	85	105
Expenses not deductible for tax including share based payment charges	36	61
Adjustments in respect of previous years	(46)	40
Total tax charge	221	327

In the UK Budget of 3 March 2021, it was announced that the main corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021 within the Finance Bill 2021. As the Company is tax resident in Australia the UK rate change has no impact. The Company has no unprovided deferred tax assets on tax losses in Australia (2020: £nil).

Future Publishing (Overseas) Limited

Notes to the financial statements for the year ended 30 September 2021
(continued)

6 Intangible assets

	Goodwill £'000	Magazine and website £'000	Total £'000
Cost			
At 1 October 2020	268	738	1,006
Exchange adjustments	(9)	(26)	(35)
At 30 September 2021	259	712	971
Accumulated amortisation			
At 1 October 2020	(114)	(638)	(752)
Charge for the year	-	(53)	(53)
Exchange adjustments	4	24	28
At 30 September 2021	(110)	(667)	(777)
Net book value at 30 September 2021	149	45	194
Net book value at 30 September 2020	154	100	254

Annual impairment testing has been performed for goodwill with no impairment charges considered necessary.

Amortisation is included within administrative expenses.

Future Publishing (Overseas) Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

7 Tangible assets

	Right-of use- property assets £'000	Plant and machinery £'000	Equipment, fixtures and fittings £'000	Total £'000
Cost				
At 1 October 2020	195	95	7	297
Additions	25	16	-	41
Disposals	(193)	(7)	(7)	(207)
Exchange adjustments	(2)	(4)		(6)
At 30 September 2021	25	100	-	125
Accumulated depreciation				
At 1 October 2020	(60)	(85)	(4)	(149)
Charge for the year	(46)	(15)	(3)	(64)
Disposals	99	7	7	113
Exchange adjustments	1	3	-	4
At 30 September 2021	(6)	(90)	-	(96)
Net book value at 30 September 2021	19	10	-	29
Net book value at 30 September 2020	135	10	3	148

Depreciation of £46,000 (2020: £58,000) has been charged in respect of the right of use assets for the year and finance charges of £4,000 (2020: £6,000). Total lease payments amounted to £56,000 (2020: £64,000).

Future Publishing (Overseas) Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

8 Investments

Subsidiary undertakings	2021 £'000	2020 £'000
Cost and net book value		
At 1 October 2020	927	919
Additions	17,220	-
Exchange adjustments	(673)	8
At 30 September 2021	17,474	927

Additions in the year are in respect of the acquisition of Mozo Pty Ltd, a complementary financial products comparison business, purchased as part of the Future plc Group's overall expansion for total consideration of £17,220,000.

Details of the Company's subsidiary undertakings at 30 September 2021 are set out below. Shares of those companies marked with an * are indirectly owned by the Company.

Company name and registered number	Country of incorporation	Nature of business	Holding %	Class of shares
Mozo Pty Ltd ¹	Australia	Financial products comparison	100	\$1 Ordinary shares
Next Commerce Philippines Inc* ² CS201517783	Philippines	Dormant	100	₱1 Ordinary shares
Next Commerce Pty Ltd ¹ 113 146 786	Australia	Comparison shopping	100	\$1 Ordinary shares
Pricepanda Group GmbH* ³ HRB138471B	Germany	Dormant	100	€1 Ordinary shares

¹ Charles Building L 10 89 York Street Sydney, New South Wales, 2000 Australia

² Registered office: 2/F GC Corporate Plaza, 150 Legaspi Street, Legaspi Village, Makati, Manila, Philippines

³ Registered office: Charlottenstraße 4, 10969 Berlin, Germany

Future Publishing (Overseas) Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

9 Deferred tax

Non-current deferred tax assets have been recognised in respect of temporary differences where it is probable that these assets will be recovered. The following are the deferred tax assets recognised by the Company, and the movements thereon, during the year.

	Other temporary differences £'000
At 1 October 2020	53
Credited to income statement	19
Exchange adjustment	(3)
At 30 September 2021	69

10 Debtors

	2021 £'000	2020 £'000
Trade debtors	372	407
Amounts owed by group undertakings	3,235	1,498
Other debtors	11	65
Prepayments and accrued income	2	19
	3,620	1,989

Amounts owed by group undertakings have no interest rate and are repayable on demand.

11 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	17	28
Lease liabilities	16	68
Amounts owed to group undertakings	3,232	1,138
Corporation tax	198	327
Other taxation and social security	123	90
Accruals and deferred income	975	840
	4,561	2,491

Amounts owed to group undertakings have no interest rate and are repayable on demand.

Future Publishing (Overseas) Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

12 Creditors: amounts falling due in more than one year

	2021 £'000	2020 £'000
Lease liabilities	1	82
Bank loan	15,257	-
	15,258	82

The bank loan has been drawn down under a group revolving credit facility arrangement, bears interest at 1.75% over the Bank Bill Swap rate and is not repayable before July 2024.

13 Called up share capital and reserves

	2021 £'000	2020 restated £'000
Allotted, authorised, issued and fully paid		
3 (2020: 3) ordinary shares of £1 each	-	-

On 13 February 2020, the share premium account of £2,100,000 was reduced by a shareholder resolution to £nil and this amount was credited to the profit and loss account reserve. On 1 March 2020, a capital contribution of £900,000 was booked and credited to the profit and loss reserve. However, on review of the documentation this has now been corrected and booked as an issue of one £1 share with a share premium of £899,999 with the related filing made at Companies House as well.

The prior year statement of changes in equity and financial position has been amended to show the £25,000 debit in respect of currency differences in a separate currency differences reserve and not in the profit and loss account in accordance with the policy and IFRS foreign currency accounting standard.

14 Pensions

The pension cost for the defined contribution schemes which represents contributions payable by the Company, amounted to £111,000 (2020: £89,000). Included in other creditors is £12,000 (2020: £29,000) in respect of contributions due to be paid to schemes. This was paid to the schemes in October 2021.

Future Publishing (Overseas) Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

15 Share-based payments

The share-based payment charge arises when employees are granted awards under the ultimate parent company's performance share plan (PSP) and value creation plan (VCP).

The PSP is a share-based incentive scheme open to certain key senior managers, usually based on a percentage of the participant's salary. Awards under this scheme are subject to stretching performance criteria measured against a combination of the earnings per share (EPS) of Future plc and the TSR performance (previously share price performance) of Future plc, depending on the date of grant.

Awards will usually vest three years after the date of grant subject to the achievement of the performance targets and the participant's continued employment within the group. PSP awards were granted in November 2018 and November 2019. The remaining contractual lives for PSP awards outstanding at 30 September are as follows:

	Number of options/awards		Weighted average remaining contractual life in years	
	2021	2020	2021	2020
November 2018	42,969	42,969	-	1
November 2019	30,000	30,000	1	2
April 2021	36,765	-	3	-
Total outstanding at 30 September	109,734	72,969	1.5	1.5

During the year no options were exercised (2020: 227,266 at a share price of £14.00). The weighted average exercise price for share options outstanding at 30 September 2021 is £nil (2020: £nil).

The VCP was launched during the year to all employees, with awards being made in April 2021. The VCP comprises three equal tranches, based on performance measured over three periods, from 1 October 2020 to 30 September 2023; 30 September 2024; and September 2025.

To the extent that Future Plc Group's performance exceeds the hurdle on a measurement date, participants share 3.33% of the shareholder value created above the hurdle. Units vest based on value created in terms of £ TSR, being the growth in Future Plc Group's market capitalisation plus net equity cash flows to shareholders (i.e. dividends plus share buybacks, less share issues), over and above a hurdle rate of return of 10% per annum.

Future Plc Group's starting market capitalisation is based on the spot closing price of a share on 30 September 2020 of £19.42. Value created at each measurement date will be calculated with reference to the average closing return index over the three months ending on that date. To the extent that performance does not exceed the hurdle on a measurement date, the relevant tranche will lapse in full, immediately. There will be no re-testing allowed.

The total awards outstanding for Future Publishing (Overseas) Limited employees at 30 September 2021 was 36,765 split equally between the three tranches.

Future Publishing (Overseas) Limited

16 Related party transactions

As a wholly-owned subsidiary in the Future plc group, the Company has taken advantage of the exemption available under FRS 101 from disclosing transactions with other wholly-owned companies.

None of the Directors received any emoluments in respect of services to the Company (which are considered incidental to their services to other group companies) in the current or previous period. See note 3 for further details.

17 Ultimate parent undertaking and ultimate controlling party

The Company is controlled by its immediate parent undertaking, Future Publishing Limited, which owns 100% of the shares. The ultimate parent undertaking and controlling party is Future plc, a company registered in England and Wales, which is the smallest and largest group for which group financial statements are prepared and of which the Company is a member. Copies of the group financial statements may be obtained from Future plc, Quay House, The Ambury, Bath, BA1 1UA.

18 Guarantee

The Company is a guarantor of the Group's debt facility. At 30 September 2021 the Group's liability under this facility amounted to £503.1m (2020: £81.4m).

19 Subsequent events

The company completed a share premium reduction on 8 December 2021 reducing the balance of its share premium account to £1 and crediting the profit and loss reserve £899,999.