

Financial Statements Shortlist Media Limited

For the year ended 31 August 2014



Registered number: 6246263

Shortlist Media Limited

Company Information

Directors	T J Ewington A R F Hall P G Hilton K A Marsden M J Soutar E Watson
Company secretary	I Douglas
Registered number	6246263
Registered office	Jubilee House 92 Lincoln Road Peterborough Cambridgeshire PE1 2SN
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Colmore Plaza 20 Colmore Circus Birmingham West Midlands B4 6AT
Bankers	Barclays Bank Plc 1 Church Street Peterborough PE1 1XE

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Group strategic report

For the year ended 31 August 2014

2013-14 was a challenging year for Shortlist Media when the higher risk nature of its development and launch strategy was made vividly clear.

Never Underdressed, our major, digital fashion launch of 2013 was closed, incurring significant losses. Although loved by the advertisers, the brand was unable to attract a sufficiently large enough consumer audience to make the proposition viable and the management team did not feel that the concept could be turned around.

Stylist France also faced a tough time. The joint venture launch with Groupe Marie Claire in 2013 has been a hit with consumers and has gained critical acclaim, winning major awards for its quality, but revenues have significantly lagged initial forecasts. The weakness of the French economy had a direct effect on advertising spend and convincing a conservative market of the value and efficacy of a free, high quality magazine took longer than expected in troubled economic times. The joint venture business is now growing strongly and both joint venture partners continue to invest, confident that profitability will be achieved, if over a longer timescale than initially anticipated.

The continuing UK business – made up of the brands Shortlist, Stylist, their companion websites, and daily emails Emerald Street and Mr Hyde - continued to grow steadily across both print and digital. Turnover and margins increased for all brands.

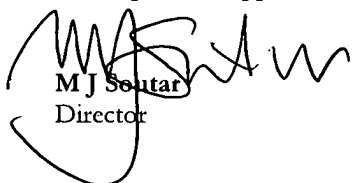
In December 2013 DC Thomson & Company Limited, one of the original investors, increased its stake in Shortlist Media Limited and the minority, non-management shareholders took the opportunity to exit. DC Thomson are a well-funded, solid, long term partner for the business as it looks to expand and grow domestically and internationally.

The challenges of 2013-14 have not deflected the management team from pursuing their strategy. Development and launch of original and compelling new brands remain central since we continue to see significant new opportunities. There will continue to be international development of the brands – both Stylist and ShortList will be launched in the United Arab Emirates under licence during the 2014-15 financial year. Large scale live events are also a development priority and management expect to make significant progress in this arena over the next 12 months.

This report was approved by the board on

22/5/15

and signed on its behalf.


M J Soutar
Director

Directors' report

For the year ended 31 August 2014

The directors present their report and the financial statements for the year ended 31 August 2014.

Results

The loss for the year, after taxation, amounted to £2,397,314 (2013 (as restated) - loss £1,350,934).

Directors

The directors who served during the year were:

T J Ewington
A R F Hall
P G Hilton
K A Marsden
M J Soutar
E Watson (appointed 18 December 2013)
T D G Arculus (resigned 18 December 2013)
A B Morris (resigned 18 December 2013)
P P A Lagrange (resigned 18 December 2013)
K Thykier (resigned 18 December 2013)

Charitable contributions

During the year charitable contributions of £3,192 (2013 - £2,072) were made.

Financial instruments

The company's principal financial instruments comprise cash, short-term deposits and an invoice discounting facility. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risk arising from the company's financial instruments is credit risk. The board reviews and agrees policies for managing this risk and these are summarised below.

Credit risk

The company trades with only recognised, creditworthy third parties. It is the company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an on-going basis with the result that the company's exposure to bad debts is not significant.

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to the company's invoice discounting facility and overdraft facility. The company's policy is to manage its interest cost using a mix of variable and fixed rate debt.

Directors' report

For the year ended 31 August 2014

Liquidity risk

The directors have prepared cash flow forecasts for the period ending 30 April 2016 which assume that the company's invoice discounting facility, which is on a 3 month rolling notice period, will continue to be available. The forecasts demonstrate that the company is able to meet its liabilities as they fall due over the next twelve months provided that the invoice discounting facility is in place. In the event that the invoice discounting facility is withdrawn, DC Thomson & Company Limited have confirmed that they will provide sufficient funding to enable the company to meet its liabilities as they fall due for a period of at least 12 months from the date that the financial statements are signed. Accordingly, the financial statements have been prepared on a going concern basis.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Shortlist Media Limited


Directors' report

For the year ended 31 August 2014

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



M J Soutar
Director
Date: 22/8/15



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

We have audited the financial statements of Shortlist Media Limited for the year ended 31 August 2014, which comprise the consolidated Profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company Balance sheets, the consolidated Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2014 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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

Matters on which we are required to report by exception

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

Grant Thornton UK LLP

David Munton (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Birmingham

Date: *27 May 2015*

Consolidated profit and loss account

For the year ended 31 August 2014

	Note	2014 £	As restated 2013 £
Turnover	2		
Group and share of joint venture's turnover		25,131,157	21,652,643
Less: share of joint venture's turnover		(2,061,759)	(476,028)
Group turnover		<u>23,069,398</u>	<u>21,176,615</u>
Cost of sales	17	<u>(16,029,715)</u>	<u>(14,869,729)</u>
Gross profit		7,039,683	6,306,886
Distribution costs		(2,852,058)	(2,865,524)
Administrative expenses		<u>(3,259,515)</u>	<u>(3,318,136)</u>
Operating profit	3	928,110	123,226
Share of operating loss in joint ventures		<u>(1,334,685)</u>	<u>(1,267,783)</u>
Total operating loss		(406,575)	(1,144,557)
Exceptional items	8		
Other exceptional items	8	(1,790,222)	-
Impairment of tangible fixed assets	8	<u>(176,967)</u>	<u>-</u>
Loss on ordinary activities before interest		(2,373,764)	(1,144,557)
Interest receivable and similar income	6	1,075	705
Interest payable and similar charges	7	<u>(24,625)</u>	<u>(14)</u>
Loss on ordinary activities before taxation		(2,397,314)	(1,143,866)
Tax on loss on ordinary activities	9	<u>-</u>	<u>(207,068)</u>
Loss for the financial year	15	<u><u>(2,397,314)</u></u>	<u><u>(1,350,934)</u></u>

All amounts relate to continuing operations.

The notes on pages 12 to 27 form part of these financial statements.

Consolidated statement of total recognised gains and losses

For the year ended 31 August 2014

	Note	2014 £	As restated 2013 £
Loss for the financial year	17	<u>(2,397,314)</u>	<u>(1,350,934)</u>
Total recognised gains and losses relating to the year		(2,397,314)	<u>(1,350,934)</u>
Prior year adjustment	17	<u>(356,579)</u>	
Total gains and losses recognised since last financial statements		<u>(2,753,893)</u>	


The notes on pages 12 to 27 form part of these financial statements.

Consolidated balance sheet

As at 31 August 2014

	Note	£	2014 £	As restated 2013 £
Fixed assets				
Tangible assets	10		630,116	553,865
Other investments	11		2,928,860	1,792,727
Investments in joint ventures				
-Share of gross assets		1,456,933	1,560,817	
-Share of gross liabilities		(3,915,444)	(2,828,181)	
Share of net liabilities	11		(2,458,511)	(1,267,364)
			<u>1,100,465</u>	<u>1,079,228</u>
Current assets				
Debtors	12	5,754,518	6,037,326	
Cash at bank and in hand		766	256,932	
		<u>5,755,284</u>	<u>6,294,258</u>	
Creditors: amounts falling due within one year	13, 17	(4,002,794)	(3,681,771)	
Net current assets			<u>1,752,490</u>	<u>2,612,487</u>
Net assets			<u>2,852,955</u>	<u>3,691,715</u>
Capital and reserves				
Called up share capital	15		1,540	1,336
Share premium account	16		1,601,548	-
Profit and loss account	16, 17		1,249,867	3,690,379
Equity shareholders' funds	18		<u>2,852,955</u>	<u>3,691,715</u>

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


M J Soufar
 Director
 Date: 22/5/15


The notes on pages 12 to 27 form part of these financial statements.

Company balance sheet

As at 31 August 2014

	Note	£	2014 £	As restated 2013 £
Fixed assets				
Tangible assets	10		630,116	553,865
Investments	11		1	1
			630,117	553,866
Current assets				
Debtors	12	8,683,418	8,086,575	
Cash at bank and in hand		750	787	
		8,684,168	8,087,362	
Creditors: amounts falling due within one year	13,17	(4,002,794)	(3,681,771)	
Net current assets			4,681,374	4,405,591
Net assets			5,311,491	4,959,457
Capital and reserves				
Called up share capital	15		1,540	1,336
Share premium account	16		1,601,548	-
Profit and loss account	16,17		3,708,403	4,958,121
Equity shareholders' funds	18		5,311,491	4,959,457

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


M J Soutar
 Director

Date: 12/5/15

The notes on pages 12 to 27 form part of these financial statements.

Consolidated cash flow statement

For the year ended 31 August 2014

	Note	2014 £	As restated 2013 £
Net cash flow from operating activities	19	1,005,744	(411,381)
Returns on investments and servicing of finance	20	(23,550)	691
Capital expenditure and financial investment	20	(1,817,590)	(2,256,784)
Acquisitions and disposals	20	-	(419)
Cash outflow before financing		(835,396)	(2,667,893)
Financing	20	1,601,744	-
Increase/(Decrease) in cash in the year		766,348	(2,667,893)

Reconciliation of net cash flow to movement in net funds/(debt)

For the year ended 31 August 2014

	2014 £	2013 £
Increase/(Decrease) in cash in the year	766,348	(2,667,893)
Movement in net debt in the year	766,348	(2,667,893)
Net (debt)/funds at 1 September 2013	(1,292,726)	1,375,167
Net debt at 31 August 2014	(526,378)	(1,292,726)

The notes on pages 12 to 27 form part of these financial statements.

Notes to the financial statements

For the year ended 31 August 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Going concern

The directors have prepared cash flow forecasts for the period ending 30 April 2016 which assume that the company's invoice discounting facility, which is on a 3 month rolling notice period, will continue to be available. The forecasts demonstrate that the company is able to meet its liabilities as they fall due over the next twelve months provided that the invoice discounting facility is in place. In the event that the invoice discounting facility is withdrawn, DC Thomson & Company Limited have confirmed that they will provide sufficient funding to enable the company to meet its liabilities as they fall due for a period of at least 12 months from the date that the financial statements are signed. Accordingly, the financial statements have been prepared on a going concern basis.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Shortlist Media Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

1.4 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Investment in joint venture

Investments in joint ventures are carried in the consolidated balance sheet at the group's share of their net assets at the date of acquisition and of their post-acquisition retained profits or losses together with any goodwill arising on the acquisition, net of amortisation. The investor's share of the results is included within the consolidated profit and loss.

The profit and loss account also shows the group's share of the joint venture's turnover and operating result and the balance sheet shows the gross assets and liabilities of the net investment in joint ventures.

When the group's share of losses in a joint venture equals or exceeds its interest in the undertaking, the group continues to recognise those losses until an irrevocable event occurs that marks the investor's irreversible withdrawal from its investee as a joint venture.

Notes to the financial statements

For the year ended 31 August 2014

1. Accounting policies (continued)

1.6 Turnover

Turnover relates to display advertisements, sponsorship and advertorials. Turnover is recognised on release of each magazine. Turnover is the total amount receivable by the group, excluding VAT and trade discounts.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	straight line over the term of the lease
Fixtures & fittings	-	3 years straight line
Computer equipment	-	3 years straight line
Website and app development costs	-	4 years straight line

Website and app development costs are capitalised as tangible fixed assets. Any planning costs are charged to the profit and loss account as incurred.

A review for impairment of fixed assets is carried out where events or changes in circumstances indicate that the carrying amount of those fixed assets may not be recoverable.

1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.9 Foreign currencies

Transactions in foreign currencies are translated at the exchange 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 an exchange gain or loss in the profit and loss account.

In the consolidated financial statements, profits and losses of subsidiaries and joint ventures which have currencies of operation other than sterling are translated into sterling at average rates of exchange except for material exceptional items which are translated at the rate ruling on the date of transaction. Exchange differences arising from the retranslation of the opening net assets of subsidiaries and joint ventures which have currencies of operation other than sterling and any related long term loans are taken to reserves together with the differences arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the year end.

Notes to the financial statements

For the year ended 31 August 2014

1. Accounting policies (continued)

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.11 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.

Notes to the financial statements

For the year ended 31 August 2014

1. Accounting policies (continued)

1.12 Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Turnover

The turnover and loss on ordinary activities before taxation is attributable to the one principal activity of the company and arises in the United Kingdom and France.

3. Operating profit

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the group	241,503	233,016
Auditor's remuneration	23,000	23,000
Auditor's remuneration - non-audit	4,500	4,500
Difference on foreign exchange	(4,568)	(76,135)
Operating lease costs - land and buildings	218,570	203,236
	<u>218,570</u>	<u>203,236</u>

4. Staff costs

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

	2014 £	2013 £
Wages and salaries	8,160,084	5,718,334
Social security costs	1,203,290	775,681
	<u>9,363,374</u>	<u>6,494,015</u>

Notes to the financial statements

For the year ended 31 August 2014

4. Staff costs (continued)

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

	2014 No.	2013 No.
Editorial	42	38
Advertising	21	20
Management	19	19
Digital	58	40
	<u>140</u>	<u>117</u>

5. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>1,864,750</u>	<u>873,625</u>

The highest paid director received remuneration of £707,500 (2013 - £298,000). A significant element of this year's remuneration is non-recurring and results from a one off transaction which included the exercise of employee share options and the sale of share capital to DC Thomson & Company Limited.

6. Interest receivable

	2014 £	2013 £
Other interest receivable	<u>1,075</u>	<u>705</u>

7. Interest payable

	2014 £	2013 £
Bank interest payable	<u>24,625</u>	<u>14</u>

Notes to the financial statements

For the year ended 31 August 2014

8. Exceptional items

	2014	2013
	£	£
Restructuring	1,540,500	-
Termination of operation - closure costs	249,722	-
Termination of operation - impairment of tangible fixed assets	176,967	-
	<u>1,967,189</u>	<u>-</u>

Exceptional items relate to one-off costs related to the investment in the business by DC Thomson & Company Limited and the closure of one of the group's digital publications, Neverunderdressed.com, during the year. The directors do not consider the closure of Neverunderdressed.com to have had a material effect on the nature or focus of the group's operations and therefore this has not been presented as a discontinued operation.

9. Taxation

	2014	As restated 2013
	£	£
Analysis of tax charge in the year		
Deferred tax (note 14)		
Origination and reversal of timing differences	-	207,068
Tax on profit on ordinary activities	<u>-</u>	<u>207,068</u>

Notes to the financial statements

For the year ended 31 August 2014

9. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.17% (2013 - 23.58%). The differences are explained below:

	2014 £	As restated 2013 £
Loss on ordinary activities before tax	<u>(2,397,314)</u>	<u>(1,143,866)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.17% (2013 - 23.58%)	(531,485)	(269,724)
Effects of:		
Expenses not deductible for tax purposes	104,555	51,771
Depreciation for year in excess of/(less than) of capital allowances	9,359	(18,426)
Utilisation of tax losses	-	(170,712)
Short term timing difference leading to an increase (decrease) in taxation	-	84,082
Unrelieved tax losses carried forward	560,472	-
Unrelieved loss on foreign operations	295,900	323,009
Other differences leading to a decrease in the tax charge	<u>(438,801)</u>	<u>-</u>
Current tax credit for the year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has unrelieved tax losses of £3,715,345 as at 31 August 2014 (2013: £1,373,064).

Notes to the financial statements

For the year ended 31 August 2014

10. Tangible fixed assets

Group and Company	Leasehold improve- ments £	Computer equipment £	Fixtures & fittings £	Website & app develop- ment £	Total £
Cost					
At 1 September 2013	123,675	478,650	93,135	612,019	1,307,479
Additions	-	55,023	1,588	438,210	494,821
Disposals	-	(900)	-	-	(900)
Impairment charge	-	-	-	(176,967)	(176,967)
At 31 August 2014	123,675	532,773	94,723	873,262	1,624,433
Depreciation					
At 1 September 2013	120,937	317,121	66,734	248,822	753,614
Charge for the year	2,738	99,466	15,728	123,571	241,503
On disposals	-	(800)	-	-	(800)
At 31 August 2014	123,675	415,787	82,462	372,393	994,317
Net book value					
At 31 August 2014	-	116,986	12,261	500,869	630,116
At 31 August 2013	2,738	161,529	26,401	363,197	553,865

11. Fixed asset investments

Investment in joint ventures

Group	Share of net liabilities £	Loans to joint ventures £	Total £
Cost or valuation			
At 1 September 2013	(1,267,364)	1,792,727	525,363
Additions	-	1,322,869	1,322,869
Foreign exchange movement	143,538	(186,736)	(43,198)
Share of loss for the year	(1,334,685)	-	(1,334,685)
At 31 August 2014	(2,458,511)	2,928,860	470,349
Net book value			
At 31 August 2014	(2,458,511)	2,928,860	470,349
At 31 August 2013	(1,267,364)	1,792,727	525,363

Notes to the financial statements

For the year ended 31 August 2014

11. Fixed asset investments (continued)

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2013 and 31 August 2014	<u>1</u>
Net book value	
At 31 August 2014	<u>1</u>
At 31 August 2013	<u>1</u>

Details of the principal subsidiaries can be found under note number 27.

12. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	5,126,433	5,196,050	5,126,433	5,196,050
Amounts owed by group undertakings	-	-	2,928,900	2,049,249
Amounts owed by joint venture	53,062	42,571	53,062	42,571
Other debtors	60,311	45,898	60,311	45,898
Prepayments and accrued income	344,150	582,245	344,150	582,245
Deferred tax asset (see note 14)	170,562	170,562	170,562	170,562
	<u>5,754,518</u>	<u>6,037,326</u>	<u>8,683,418</u>	<u>8,086,575</u>

Notes to the financial statements

For the year ended 31 August 2014

13. Creditors:

Amounts falling due within one year

	<u>Group and Company</u>	
	2014	As restated 2013
	£	£
Invoice discounting and bank overdraft	527,144	1,549,658
Trade creditors	521,145	1,014,913
Amounts owed to parent undertaking	1,138,000	-
Other taxation and social security	673,806	585,726
Other creditors	2,765	-
Accruals and deferred income (note 17)	1,139,934	531,474
	<u>4,002,794</u>	<u>3,681,771</u>

The invoice discounting facility is secured by way of a debenture over all of the company's assets.

14. Deferred tax asset

	<u>Group and Company</u>	
	2014	2013
	£	£
At beginning of year	170,562	377,630
Released during/(charge for) the year	-	(207,068)
At end of year	<u>170,562</u>	<u>170,562</u>

The deferred tax asset is made up as follows:

	<u>Group and Company</u>	
	2014	2013
	£	£
Accelerated capital allowances	8,255	8,255
Tax losses brought forward	162,307	162,307
	<u>170,562</u>	<u>170,562</u>

At 31 August 2014 the group and company had an unprovided deferred tax asset of £629,735 (2013: £nil).

Notes to the financial statements

For the year ended 31 August 2014

15. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
55,125 'A' ordinary shares of £0.01 each	-	551
73,487 'B' ordinary shares of £0.01 each	-	735
5,000 'C' ordinary shares of £0.01 each	-	50
153,235 Ordinary shares of £0.01 each	1,532	-
	<u>1,532</u>	<u>1,336</u>
Allotted, called up and unpaid		
432 'A' shares of £0.01 each	4	-
432 'B' shares of £0.01 each	4	-
	<u>8</u>	<u>-</u>

On 18 December 2013, 19,623 'C' ordinary shares of £0.01 each were issued for an amount paid of £81.63 per share. On the same day, each of the 'A', 'B' and 'C' Ordinary shares of £0.01 each were subsequently redesignated as 'Ordinary' shares of £0.01 each.

A further new 432 'A' shares and 432 'B' shares of £0.01 were then issued at par. On 28 January 2015 each 'A' and 'B' share in the company was redesignated as an Ordinary share.

16. Reserves

Group	Share premium account £	Profit and loss account £
At 1 September 2013 (as previously stated)	-	4,046,958
Prior year adjustment (note 17)		(356,579)
At 1 September 2013 (as restated)		<u>3,690,379</u>
Loss for the financial year	-	(2,397,314)
Premium on shares issued during the year	1,601,548	-
Movement on foreign exchange	-	(43,198)
At 31 August 2014	<u>1,601,548</u>	<u>1,249,867</u>

Notes to the financial statements

For the year ended 31 August 2014

16. Reserves (continued)

Company	Share premium account £	Profit and loss account £
At 1 September 2013 (as previously stated)	-	5,314,700
Prior year adjustment (note 17)	-	(356,579)
At 1 September 2013 (as restated)	-	4,958,121
Loss for the financial year	-	(1,249,718)
Premium on shares issued during the year	1,601,548	-
At 31 August 2014	<u>1,601,548</u>	<u>3,708,403</u>

17. Prior year adjustment

A prior year adjustment has been made to recognise commissions payable in the periods to which they relate. The consolidated and company balance sheets as at 31 August 2013 and the consolidated profit and loss account for the year then ended have been restated to include accruals of £356,579 in respect of commissions payable for the year. This has resulted in an increase in the loss reported in the consolidated profit and loss account for the year ended 31 August 2013 of £356,579 and a corresponding reduction in the profit dealt with in the accounts of the company for the year then ended (see note 18).

Notes to the financial statements

For the year ended 31 August 2014

18. Reconciliation of movement in equity shareholders' funds

	2014	As restated 2013
Group	£	£
Opening shareholders' funds	4,048,294	5,042,649
Prior year adjustments (note 17)	(356,579)	
	<hr/>	
Opening shareholders' funds (as restated)	3,691,715	
Loss for the financial year	(2,397,314)	(1,350,934)
Shares issued during the year	204	-
Share premium on shares issued	1,601,548	-
Movement on foreign exchange	(43,198)	-
	<hr/>	<hr/>
Closing shareholders' funds	2,852,955	3,691,715
	<hr/>	<hr/>

	2014	As restated 2013
Company	£	£
Opening shareholders' funds	5,316,036	5,042,649
Prior year adjustments (note 17)	(356,579)	
	<hr/>	
Opening shareholders' funds (as restated)	4,959,457	
Loss for the financial year	(1,249,718)	(83,192)
Shares issued during the year	204	-
Share premium on shares issued	1,601,548	-
	<hr/>	<hr/>
Closing shareholders' funds	5,311,491	4,959,457
	<hr/>	<hr/>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The loss for the year dealt with in the accounts of the company was £1,249,718 (2013 (as restated) - loss of £-83,192).

Notes to the financial statements

For the year ended 31 August 2014

19. Net cash flow from operating activities

	2014 £	2013 £
Operating profit	928,110	123,226
Exceptional items	(1,790,222)	-
Depreciation of tangible fixed assets	241,503	233,016
Decrease/(increase) in debtors	293,307	(1,624,953)
Increase in amounts owed by joint ventures	(10,491)	(42,571)
Increase in creditors	205,537	899,901
Increase in amounts owed to parent undertakings	1,138,000	-
Net cash inflow/(outflow) from operating activities	1,005,744	(411,381)

20. Analysis of cash flows for headings netted in cash flow statement

	2014 £	As restated 2013 £
Returns on investments and servicing of finance		
Interest received	1,075	705
Interest paid	(24,625)	(14)
Net cash (outflow)/inflow from returns on investments and servicing of finance	(23,550)	691

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(494,821)	(464,057)
Sale of tangible fixed assets	100	-
New loans to joint ventures	(1,322,869)	(1,792,727)
Net cash outflow from capital expenditure and financial investment	(1,817,590)	(2,256,784)

	2014 £	2013 £
Acquisitions and disposals		
Purchase of share in joint ventures	-	(419)

	2014 £	2013 £
Financing		
Issue of ordinary shares	1,601,744	-

Notes to the financial statements

For the year ended 31 August 2014

21. Analysis of changes in net funds

	1 September 2013	Cash flow	Other non-cash changes	31 August 2014
	£	£	£	£
Cash at bank and in hand	256,932	(256,166)	-	766
Invoice discounting facility and bank overdraft	(1,549,658)	1,022,514	-	(527,144)
Net debt	(1,292,726)	766,348	-	(526,378)

22. Contingent liabilities

There were no contingent liabilities at 31 August 2014 or 31 August 2013.

23. Capital commitments

There were no capital commitments at 31 August 2014 or 31 August 2013.

24. Operating lease commitments

At 31 August 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014	2013
	£	£
Group and Company		
Expiry date:		
Within 1 year	140,000	-
Between 2 and 5 years	53,041	187,212

Notes to the financial statements

For the year ended 31 August 2014

25. Transactions with related parties

During the year purchases of £108,412 (2013: £127,155) were made from Integral 2 Limited, a company of which David Joseph is a director. David Joseph was also the company secretary of Shortlist Media Limited during the year. At the year end there was an outstanding balance of £Nil (2013: £11,012) due to Integral 2 Limited. Trading with Integral 2 Limited is on an arm's length basis.

DC Thomson & Company Limited is a shareholder of Shortlist Media Limited and the parent and ultimate controlling party. During the year purchases of £2,422 (2013: £2,402) were made from DC Thomson & Company Limited. At the year end there was an outstanding balance of £324 (2013: £nil) due to DC Thomson & Company Limited. Trading with DC Thomson & Company Limited is on an arm's length basis.

In addition, DC Thomson & Company Limited advanced funds of £1,138,000 to Shortlist Media Limited during the year and at the year-end this amount was outstanding.

During the year funding of €1,600,000 (2013: €2,100,000) was advanced to Holding Evelyne Prouvost S.A, the company incorporated in France with which Urban Media Europe Limited, the company's subsidiary, has entered into a joint venture. At the year end there was an outstanding balance of £2,928,860 (2013: £1,792,727) in respect of loans made by the group to the joint venture. Furthermore, amounts of £10,491 (2013: £42,571) were incurred during the year by the group relating to expenses incurred on behalf of the joint venture. At 31 August 2014, an amount of £53,062 (2013: £42,571) is owed by the joint venture to the group in respect of these costs.

The group has taken advantage of the exemption afforded by Financial Reporting Standard No. 8 "Related party disclosures" and has not disclosed transactions with wholly owned group undertakings as 100% of the voting rights are controlled within the group and consolidated financial statements are publicly available.

26. Share-based payments

The company has previously issued 19,623 share options which were exercisable over 10 years upon the sale of the business, with an exercise price of £81.63. Options granted under the scheme became exercisable on the sale of the business, subject to the achievement of performance conditions where applicable. The exercise of an option is also subject to continued employment.

During the year, all of the share options were exercised with all amounts recorded in equity as disclosed in note 15 of these financial statements.

No charge was previously recorded in the profit and loss account on the basis that the fair value of the options issued was immaterial.

27. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Urban Media Europe Limited	UK	100%	Non-trading