

Company Registration No. 06246263 (England and Wales)

Shortlist Media Limited
Annual report and financial statements
for the year ended 31 March 2018

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Shortlist Media Limited

Company information

Directors	A R F Hall P G Hilton M J Soutar E A N Watson E Dolphin S Robinson O Wyatt
Secretary	I Douglas
Company number	06246263
Registered office	Jubilee House 92 Lincoln Road Peterborough PE1 2SN
Auditor	Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB
Bankers	Barclays Bank plc 1 Church Street Peterborough PE1 1XE

Shortlist Media Limited

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Shortlist Media Limited

Strategic report

for the year ended 31 March 2018

The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business

Shortlist Media's turnover for the year to 31 March 2018 was £22.9m, an increase of over 1% on the £22.6m achieved in the previous year. The company generated a pre-tax loss of £8.6m

Shortlist Media continues a long-term transformation strategy to shift the major revenue stream from print display to multi platform, predominantly content based solutions. Within this financial year, traditional print display revenue declines have been offset by content driven revenues, both online and offline and represent an important milestone in the business projections. Deepening the relationship with the valuable metropolitan audience is central to the live events programme, at the same time diversifying revenues through sponsorship, retail spend and ticket sales.

As expected, costs increased in line with the investment strategy to support a fundamental change in revenue type, alongside the build in digital audience, specifically on the Stylist brand. Cost of sales increased by £4m as the business stepped up investment into the commercial content agency operation, Family, which now accounts for over 50% of turnover, up from 37% the previous year. Investment also backed a significantly scaled events proposition in Stylist Live, which took place at London Olympia and grew visitor numbers by 21% and revenues by 84% or £930k. These two strategic initiatives were accelerated to ensure traction and competitive advantage over the next 5 years, as the traditional print market continues to decline.

Digital investment continued, specifically within video which has scaled both audience and new revenue streams and is a central element to the digital strategy. Digital audience and revenue growth, both UK and International is a key driver for the business ongoing with momentum most notably increased throughout 2018. It is expected that digital revenues will overtake print within the next 3 years and become the main driver of overall contribution. Increasing the events programme is underway with additional Stylist Live formats in major cities outside of London.

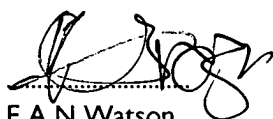
The board continues to see opportunities to develop and grow the brand influence, audience scale and revenues as we build outside of the traditional business base and prepare well in advance for the ongoing structural changes.

Principal risks and uncertainties

The two principal risks facing the business are that:

- Wider macroeconomic events could trigger an economic downturn which would affect advertising volumes
- The UK printing options and paper supply and subsequent price inflation prevents heightened risk to the free print model

On behalf of the board



E A N Watson

Director

3/10/18

Shortlist Media Limited

Directors' report

for the year ended 31 March 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

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

Directors

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

T J Ewington	(Resigned 23 November 2017)
A R F Hall	
P G Hilton	
M J Soutar	
E A N Watson	
E Dolphin	
S Robinson	
O Wyatt	

Results and dividends

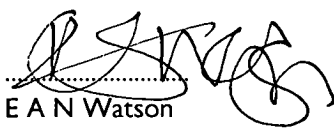
The results for the year are set out on page 7.

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

Statement of disclosure to auditor

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

On behalf of the board


.....
E A N Watson
Director
31/10/18
.....

Shortlist Media Limited

Directors' responsibilities statement

for the year ended 31 March 2018

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Shortlist Media Limited

Independent auditor's report

to the members of Shortlist Media Limited

Opinion

We have audited the financial statements of Shortlist Media Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Shortlist Media Limited

Independent auditor's report (continued)

to the members of Shortlist Media Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Shortlist Media Limited

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



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

31/10/18

**Chartered Accountants
Statutory Auditor**

The Vision Building
20 Greenmarket
Dundee
DD1 4QB

Shortlist Media Limited**Statement of comprehensive income****for the year ended 31 March 2018**

		2018	2017
	Notes	£	£
Turnover	3	22,873,965	22,606,885
Cost of sales		(23,374,827)	(19,353,565)
Gross (loss)/profit		(500,862)	3,253,320
Distribution costs		(3,164,767)	(3,522,285)
Administrative expenses		(4,939,230)	(4,334,537)
Operating loss	4	(8,604,859)	(4,603,502)
Interest receivable and similar income	7	63	-
Interest payable and similar expenses	8	-	(73,701)
Loss before taxation		(8,604,796)	(4,677,203)
Tax on loss	9	1,589,904	856,412
Loss for the financial year	23	(7,014,892)	(3,820,791)

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

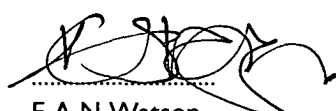
Shortlist Media Limited

Balance Sheet

as at 31 March 2018

	Notes	2018 £	2017 £
Fixed assets			
Intangible assets	10	23,658	159,470
Tangible assets	11	556,026	344,057
Investments	12	1	1
		<u>579,685</u>	<u>503,528</u>
Current assets			
Stocks	15	168,422	-
Debtors	16	13,451,459	9,991,251
Cash at bank and in hand		303,491	1,352,980
		<u>13,923,372</u>	<u>11,344,231</u>
Creditors: amounts falling due within one year	17	<u>(4,869,506)</u>	<u>(6,862,551)</u>
Net current assets		<u>9,053,866</u>	<u>4,481,680</u>
Total assets less current liabilities		<u>9,633,551</u>	<u>4,985,208</u>
Creditors: amounts falling due after more than one year	18	<u>(11,663,235)</u>	<u>-</u>
Net (liabilities)/assets		<u><u>(2,029,684)</u></u>	<u><u>4,985,208</u></u>
Capital and reserves			
Called up share capital	21	1,139,639	1,139,639
Share premium account	22	1,601,548	1,601,548
Profit and loss reserves	23	(4,770,871)	2,244,021
Total equity		<u><u>(2,029,684)</u></u>	<u><u>4,985,208</u></u>

The financial statements were approved by the board of directors and authorised for issue on 31/10/18 and are signed on its behalf by:



E A N Watson
Director

Company Registration No. 06246263

Shortlist Media Limited

Statement of changes in equity for the year ended 31 March 2018

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2016		1,639	1,601,548	6,064,812	7,667,999
Period ended 31 March 2017:					
Loss and total comprehensive income for the year		-	-	(3,820,791)	(3,820,791)
Conversion of loan to shares		1,138,000	-	-	1,138,000
Balance at 31 March 2017		1,139,639	1,601,548	2,244,021	4,985,208
Period ended 31 March 2018:					
Loss and total comprehensive income for the year		-	-	(7,014,892)	(7,014,892)
Balance at 31 March 2018		1,139,639	1,601,548	(4,770,871)	(2,029,684)

Shortlist Media Limited

Notes to the financial statements

for the year ended 31 March 2018

1 Accounting policies

Company information

Shortlist Media Limited is a private company limited by shares incorporated in England and Wales. The registered office is Jubilee House, 92 Lincoln Road, Peterborough, PE1 2SN.

1.1 Accounting convention

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

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

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

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

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

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

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

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. The company received funding from its parent company, D.C. Thomson & Company Limited, during the current financial year to allow it to meet the challenging market conditions being experienced. No further funding requirement is anticipated and the parent company has confirmed that this loan will not be called for repayment in the 12 months following the date of signing these financial statements.

1.3 Turnover

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

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

1 Accounting policies (continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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

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

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

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

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

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

1.6 Fixed asset investments

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

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

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

1 Accounting policies (continued)

1.7 Impairment of fixed assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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

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

1.8 Stocks

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

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

1 Accounting policies (continued)

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

Deferred tax

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

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

1.13 Employee benefits

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

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

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

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

1 Accounting policies (continued)

1.14 Retirement benefits

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

1.15 Leases

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

1.16 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

2 Judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

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

Commission

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

Bad debts/sales credit notes

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

Turnover

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

3 Turnover and other revenue

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

	2018 £	2017 £
Turnover analysed by class of business		
Principal activity	<u>22,873,965</u>	<u>22,606,885</u>
	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	<u>22,873,965</u>	<u>22,606,885</u>

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

4 Operating loss

	2018	2017
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(146,666)	(294,572)
Fees payable to the company's auditors for the audit of the company's financial statements	19,445	19,350
Depreciation of owned tangible fixed assets	307,707	191,443
Amortisation of intangible assets	109,133	149,652
Operating lease charges	683,845	535,956

5 Employees

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

	2018 Number	2017 Number
Editorial	75	52
Commercial	23	30
Corporate	18	26
Digital	29	56
Events	18	-
Family	30	-
	193	164

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	10,092,977	7,629,807
Social security costs	1,148,897	906,781
Pension costs	94,016	52,492
	11,335,890	8,589,080

Shortlist Media Limited**Notes to the financial statements (continued)****for the year ended 31 March 2018****6 Directors' remuneration**

	2018	2017
	£	£
Remuneration for qualifying services	1,167,611	1,037,265
Company pension contributions to defined contribution schemes	11,759	5,557
	<u>1,179,370</u>	<u>1,042,822</u>

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

	2018	2017
	£	£
Remuneration for qualifying services	<u>373,225</u>	<u>248,000</u>

Directors are also key management personnel.

7 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	<u>63</u>	<u>-</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>63</u>	<u>-</u>
--	------------------	-----------------

8 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	12
Other interest on financial liabilities	-	73,689
	<u>-</u>	<u>73,701</u>
	<u>-</u>	<u>73,701</u>

Shortlist Media Limited**Notes to the financial statements (continued)****for the year ended 31 March 2018****9 Taxation**

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	(1,579,651)	(869,291)
Adjustments in respect of prior periods	(33,289)	1,681
Total current tax	<u>(1,612,940)</u>	<u>(867,610)</u>
Deferred tax		
Origination and reversal of timing differences	369	2,654
Changes in tax rates	-	49,028
Adjustment in respect of prior periods	22,667	(40,484)
Total deferred tax	<u>23,036</u>	<u>11,198</u>
Total tax charge	<u>(1,589,904)</u>	<u>(856,412)</u>

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

	2018 £	2017 £
Loss before taxation	<u>(8,604,796)</u>	<u>(4,677,203)</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2017: 20%)	(1,634,911)	(935,441)
Tax effect of expenses that are not deductible in determining taxable profit	55,629	69,273
Adjustments in respect of prior years	(33,289)	1,681
Effect of change in corporation tax rate	-	48,559
Deferred tax adjustments in respect of prior years	22,667	(40,484)
Tax expense for the year	<u>(1,589,904)</u>	<u>(856,412)</u>

Shortlist Media Limited**Notes to the financial statements (continued)****for the year ended 31 March 2018****10 Intangible fixed assets**

	Development costs
	£
Cost	
At 1 April 2017	658,871
Transfers	(66,082)
	<hr/>
At 31 March 2018	592,789
	<hr/>
Amortisation and impairment	
At 1 April 2017	499,401
Amortisation charged for the year	109,133
Transfers	(39,403)
	<hr/>
At 31 March 2018	569,131
	<hr/>
Carrying amount	
At 31 March 2018	23,658
	<hr/> <hr/>
At 31 March 2017	159,470
	<hr/> <hr/>

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

11 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2017	90,207	163,826	619,155	873,188
Additions	18,494	40,499	434,004	492,997
Transfers	-	-	66,082	66,082
At 31 March 2018	108,701	204,325	1,119,241	1,432,267
Depreciation and impairment				
At 1 April 2017	29,343	89,816	409,972	529,131
Depreciation charged in the year	34,343	51,099	222,265	307,707
Transfers	-	-	39,403	39,403
At 31 March 2018	63,686	140,915	671,640	876,241
Carrying amount				
At 31 March 2018	45,015	63,410	447,601	556,026
At 31 March 2017	60,864	74,010	209,183	344,057

12 Fixed asset investments

	2018 £	2017 £
Unlisted investments	1	1

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

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

12 Fixed asset investments (continued)

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 April 2017 & 31 March 2018	1
Carrying amount	
At 31 March 2018	1
At 31 March 2017	1

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

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

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Urban Media Europe Limited	149,210	252,271

14 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	9,693,067	8,027,936
Carrying amount of financial liabilities		
Measured at amortised cost	15,920,015	6,533,373

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

14 Financial instruments (continued)

Debt instruments measured at amortised cost comprises trade debtors, amounts due from group undertakings and other debtors.

Liabilities measured at amortised cost comprises trade creditors, amounts due to group undertakings, other creditors and accruals and deferred income.

15 Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>168,422</u>	<u>-</u>

16 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	4,383,781	3,038,035
Corporation tax recoverable	2,665,416	1,038,760
Amounts due from group undertakings	5,309,286	4,895,493
Other debtors	-	94,408
Prepayments and accrued income	801,053	609,596
	<u>13,159,536</u>	<u>9,676,292</u>
Deferred tax asset (note 19)	291,923	314,959
	<u>13,451,459</u>	<u>9,991,251</u>

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

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

17 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	2,109,446	813,775
Amounts due to group undertakings	-	4,015,565
Other taxation and social security	612,726	329,178
Other creditors	34,341	12,558
Accruals and deferred income	2,112,993	1,691,475
	<u>4,869,506</u>	<u>6,862,551</u>

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

18 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	<u>11,663,235</u>	<u>-</u>

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

19 Deferred taxation

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

	Assets 2018	Assets 2017
Balances:	£	£
ACAs	88,705	82,905
Tax losses	199,251	199,251
Other timing differences	3,967	32,803
	<u>291,923</u>	<u>314,959</u>

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

19 Deferred taxation (continued)

	2018 £
Movements in the year:	
Liability/(Asset) at 1 April 2017	(314,959)
Charge to profit or loss	23,036
Liability/(Asset) at 31 March 2018	<u>(291,923)</u>

20 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>94,016</u>	<u>52,492</u>

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

21 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
113,954,000 Ordinary shares of 1p each	1,139,540	1,139,540
9,875 'E' Ordinary shares of 1p each	99	99
	<u>1,139,639</u>	<u>1,139,639</u>

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

22 Share premium account

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

Shortlist Media Limited

Notes to the financial statements (continued)

for the year ended 31 March 2018

23 Profit and loss reserves

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

24 Financial commitments, guarantees and contingent liabilities

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

25 Operating lease commitments

Lessee

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

	2018 £	2017 £
Within one year	671,834	624,395
Between two and five years	945,240	1,617,074
	<u>1,617,074</u>	<u>2,241,469</u>

26 Parent company

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

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