

Company Registration No. 07320345

Independent Digital News and Media Limited

Annual Report and Financial Statements

For the year ended 01 October 2017

SATURDAY



A7968FEW

A20

30/06/2018

#162

COMPANIES HOUSE

Independent Digital News and Media Limited

Annual Report and financial statements 2017

Contents	Page
Officers and professional advisers	1
Strategic Report	2
Directors' report	5
Statement of directors' responsibilities	7
Independent auditor's report	8
Consolidated profit and loss account and statement of comprehensive income	11
Consolidated balance sheet	12
Company balance sheet	13
Consolidated cash flow statement	14
Statement of changes in equity	15
Notes to the financial statements	16

Independent Digital News and Media Limited

Annual Report and financial statements 2017

Officers and professional advisers

Directors

E Lebedev
J D E Byam Shaw
Z Leonard
M Malhotra
David-John Collins - appointed 30 August 2017
Eric Leslie Lewis – appointed 30 August 2017

Company Secretary

M Malhotra

Registered Office

2 Derry Street
London
W8 5HF

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Independent Digital News and Media Limited

Strategic report

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Independent Digital News & Media Limited and its subsidiary undertaking when viewed as a whole.

Principal activities

The principal activity of the Group is digital news and features publishing with its head quarters in London, United Kingdom and an office in New York, United States. The analysis of revenue and operating profit for the year ended 01 October 2017 are included as notes 3 and 4 to the financial statements.

Review of business and future developments

The Group is a digital consumer media business delivering news and entertainment content through its websites *Independent.co.uk* and *indy100.com* and its digital mobile application *The Independent Digital Edition*. The Group completed its first full fiscal year as a digital-only publisher on 1 October 2017 with record revenue of £22.2m, which out-performed budgeted expectations and represented a £7.9m (+55%) improvement on the prior year. Cumulative traffic for the year brought 832.7m Unique Users (+39%) to independent.co.uk and related channels, which generated 3.8 billion Page Impressions (+36%) in the year.

During the last financial year Brexit and Trump presidency coverage have driven record levels of unique users and page impressions. Significantly, the US market continued throughout the year as our largest market, exceeding in volume of unique users that of the UK, confirming the international appeal of Independent journalism and its digital channels.

The Group has delivered consistent and significant audience growth over the last year across its two properties: www.independent.co.uk and www.indy100.com across desktop, mobile and tablet devices:

Revenue

Total Revenue of £22,240,000 (2016: £14,317,000) represented a 55% increase on the prior year.

- **Advertising and Partnerships.** The Group earned £17,478,000 in total advertising and partnerships revenue in the year, representing a 39% increase in the year. Primary drivers of growth were network & programmatic revenues, off-platform revenue-share income from Facebook, and US market audience growth, underpinned by investment. Partnership revenues, including content recommendation supplied by Taboola, were 25% better than the prior year.
- **Licensing and syndication.** The Group delivered an increase of almost 200% in digital-specific licensing & syndication.
- **Subscriptions.** The Independent Daily Edition app delivered its second year of revenue growth, thereby diversifying revenue streams and increasing data acquisition for future growth.

Outlook

Since the end of the year, the Group has continued to deliver strong audience and revenue growth in line with the Group's business plan. Combined with a tight control of the Company's cost base, the three year business plan anticipates further international growth, supported by investment to support foreign correspondence and commercial revenues in high potential markets, including India and the Middle East. The Group will also continue to diversify revenue streams across syndication, subscriptions and eCommerce channels such as IndyBest, which is on track to deliver an annual turnover in excess of £1m.

Key performance indicators

In order to monitor the development, performance and financial position of the business the Group uses key performance indicators such as audience scale and growth (Unique Visitors, Page Impressions, Pages per Visit), syndication client acquisition and renewals, app subscription acquisition and retention, data profile development, audience scale, profile/segmentation and quality measures, breakeven and profit targets for new ventures, advertising volume and yield, video views and ad inventory fill rates, social media friends and followers, and engagement behaviours of all user groups. Increasingly, advertising standards, including viewability and those provisions for data protection under the General Data Protection Regulation are driving our development and operational agenda to protect our users and clients' data, and maintain our own highest brand and service standards.

Independent Digital News and Media Limited

Strategic report (continued)

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are described below:

Advertising dependency

With the majority of revenue coming from advertising, the Group is actively developing new and strengthening established forms of revenue to diversify income and ensure the sustainability of the brand. This also includes monitoring market trends and challenges such as Ad-Blocking, advocating and influencing trade associations and testing technical solutions to ensure that the quality and targeting standards of advertising are the highest possible to sustain that revenue stream. Subscription, syndication and eCommerce revenue streams are growing and mitigating exposure to an Advertising-dominant business.

Audience delivery

The Group's financial projections and business model depend on continued and material audience growth, increasingly on an international basis. Geographic expansion plans and investments are developed on return on investment criteria. The Group leverages other Group media assets and expertise to cost-effectively achieve its audience growth targets, thus has not been dependent to date on Cash marketing to achieve its KPIs.

Economic conditions

General economic conditions and the financial health of our advertising clients affects the performance of our business. The effects of Brexit have been felt to some degree, but may adversely affect specific categories, for example travel and financial markets, and as a consequence the marketing budgets the Group depends on.

Exposure to changes in the economy and advertising patterns

General economic conditions and the financial health of our advertising clients will affect the performance of our business. In addition, the Group is largely reliant on advertising spending which has historically been cyclical, with companies spending less on advertising in times of economic slowdown. The Group has a commitment to diversify revenue streams and invest in content in order to maintain high levels of quality in our brands and products, which helps us to reduce the effect of these fluctuations by maintaining the strength of our products in their markets.

Legal and regulatory

The Group ensures its staff is made aware of their obligations to operate ethically and entirely within the law. This is reinforced through a rigorous and strictly enforced Code of Conduct that has been issued to all staff of the Group.

Following the closure in September 2014 of the Press Complaints Commission, the Group decided not to join the new system of self-regulation established by other parts of the industry. This was the result of the Group believing that questions remained to be answered about how the Independent Press Standards Organisation (IPSO) would operate. In lieu of subscribing to IPSO the Group strengthened its internal complaints handling mechanism, notably by increasing the relevant staffing resource. The Group also made clearer to readers of its titles how they could complain about published content or the behaviour of journalists. Overall the number of complaints received about editorial matters has risen, but that appears largely to reflect the fact that more material is being published on the Group's websites and our online audiences have grown, as well as the better signposting of our in-house complaints system. Senior editorial executives have been updated on the current state of play and in particular have been made aware of which issues tend to give rise to complaints from readers. The Group will of course continue to monitor the situation. It has also been in ongoing discussions with IPSO about the possibility of joining the wider system of self-regulation. Some of the questions which the Group had about IPSO's operation have been satisfactorily answered; other points may be sufficiently clarified in the coming year.

Aside from its in-house Code of Conduct and related policies and guidance, the business is subject to all applicable laws and regulations, including those pertaining to defamation, contempt, privacy, anti-bribery, anti-slavery, consumer protection, health and safety, data protection and employment.

Independent Digital News and Media Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Legal and regulatory (continued)

Additionally, there are specific regulations set out by Audit Bureau of Circulation (ABC) to which the Group must adhere. Changes to, or breaches of, such laws or regulations could adversely affect the future results and reputation of the Group. Staff is made aware of health and safety and employment rights through the Group's intranet. Controls are also in place surrounding compliance with the ABC's regulations and those of other regulatory bodies.

The impact of technological and market changes on our competitive advantage

The business operates within a highly competitive environment that can be subject to rapid change. Our products and services, and their means of delivery, are affected by technological innovations, changing legislation, competitor activity or changing customer behaviour. The structural change in advertising markets resulting in significant advertising moving to digital platforms could affect the Group's performance but also provides future opportunities.

Credit risk

The Group is exposed to credit risk as its balance sheet will include significant receivables' balances. Management will mitigate this risk through rigorous monitoring and collection of receivables' balances, regular communication with major agencies and credit insurance.

Impact of a major disaster or outbreak of disease

Any disaster, such as a geopolitical event or a pandemic, such as influenza, which significantly affects the wider environment or infrastructure in a location where the Group has material operations, could adversely affect the Group. Such an event might affect our ability to produce and deliver our products, reduce the demand for them, or significantly affect our cost base. The Group has plans in place to manage the impact of these risks via its Disaster Recovery Plan.

Key suppliers

The loss of a key supplier due to disaster or economic downturn, or a significant worsening of commercial terms with key suppliers could adversely affect the Group's results and its ability to produce key products and services. The Group has disaster recovery plans in place and resources are also devoted to ensuring the relationships with key suppliers are maintained and upheld and that alternative suppliers are available. The Group is recharged overhead costs such as IT and rent by other group companies on a fair, arm's length basis. If there are changes to the group structure in future, this may result in additional costs having to be absorbed by the Group.

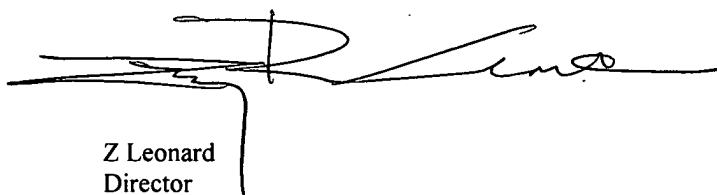
Promotions

The Group will be running promotions and competitions, which could significantly impact the Group's reputation if they were found to be conducted inappropriately. Controls are in place to ensure that competitions and promotions are closely reviewed and monitored before they begin and whilst they are in progress.

Information security breach or cyberattack

An information security breach would cause reputational damage with potential for a resultant loss of revenue. A breach of data protection legislation could result in financial penalties for the business affected and potentially the Group. The investigation and management of an incident would result in the diversion of management time.

Approved by the Board of Directors and signed on behalf of the Board



Z Leonard
Director

29 January 2018

Independent Digital News and Media Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 01 October 2017. The comparative accounts were for the year ended 02 October 2016.

Financial risk management and policies

Details of financial risk management and policies can be found in the Strategic Report on p2 and form part of this report by cross-reference.

Future developments

Details of future developments can be found in the Strategic Report on page 2.

Results and dividends

The profit after taxation for the period amounted to £2,527,000 (2016: £1,274,000). The directors do not propose a dividend.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, including companywide briefings, departmental updates and a special edition for employees of the annual financial statements. (Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.) The Company also regularly gathers feedback from employees via staff surveys, the results of which are used to inform the people strategy.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in this Directors' report. The Company has recorded an operating profit in the period and does not require additional funding for the 12 months following signing of the financial statements. The directors currently have no reason to believe that the Company will not have access to adequate resources to continue in operational existence for the foreseeable future and therefore have adopted the going concern basis in preparing the financial statements.

Directors

The names of the directors of the Company who held office during the year and up to the date of approval of the financial statements were:

E Lebedev

J D E Byam Shaw

Z Leonard

M Malhotra

David-John Collins - appointed 30 August 2017

Eric Leslie Lewis – appointed 30 August 2017

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Independent Digital News and Media Limited

Directors' report (continued)

Capital structure

The Company's capital structure consists of Voting A, B, C and D Ordinary Shares as follows:

Class of share	number of shares	Percentage of total share capital
A Ordinary shares of £0.001 each	33,810	3%
B Ordinary shares of £0.00075 each	280,000	27%
C Ordinary shares of £0.001166667 each	420,000	40%
D Ordinary shares of £0.001 each	314,490	30%
	<u>1,048,300</u>	<u>100%</u>

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



M Malhotra
Director

29 January 2018

Independent Digital News and Media Limited

Statement of directors' responsibilities

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) FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Digital News and Media Limited

Independent auditor's report to the members of Independent Digital News and Media Limited

Report on the audit of the financial statements

Opinion

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 1 October 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Independent Digital News and Media Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated profit and loss account and statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statement of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 group and the parent 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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 group's or the parent 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.

We have nothing to report in respect of these matters.

Independent Digital News and Media Limited

Independent auditor's report to the members of Independent Digital News and Media Limited (continued)

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 respect of these matters.

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent Digital News and Media Limited

Independent auditor's report to the members of Independent Digital News and Media Limited (continued)

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.

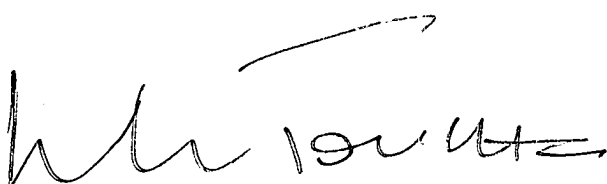
In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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 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.

We have nothing to report in respect of these matters.



William Touche (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

29 January 2018

Independent Digital News and Media Limited

Consolidated profit and loss account and statement of comprehensive income Year ended 01 October 2017

	Notes	2017 £'000	2016 £'000
Turnover	1,3	22,240	14,317
Cost of Sales		(13,925)	(9,842)
Gross profit		8,315	4,475
Net operating expenses		(5,054)	(2,792)
Operating profit	4	3,261	1,683
Finance income	7	1	9
Profit on ordinary activities before taxation		3,262	1,692
Tax charge on profit on ordinary activities	8	(735)	(419)
Retained profit for the financial year attributable to the equity shareholders of the Group	18	2,527	1,274
Currency translation gain/(loss) on foreign currency net investments	18	72	(86)
Other comprehensive gain/(loss)		72	(86)
Total comprehensive income attributable to equity shareholders of the Group		2,599	1,188

All of the activities of the Group are classified as continuing.

The notes on pages 16 to 31 form part of these financial statements.

Independent Digital News and Media Limited

Consolidated balance sheet As at 01 October 2017

	Notes	2017 £'000	2016 £'000
Fixed Assets			
Tangible assets	11	12	-
Intangible assets	13	-	-
		<u>12</u>	<u>-</u>
Current assets			
Debtors falling due within one year	14	6,346	3,902
Cash at bank and in hand		<u>3,684</u>	<u>1,719</u>
		10,030	5,621
Creditors: amounts falling due within one year	15	<u>(5,952)</u>	<u>(3,488)</u>
Net current assets		4,078	2,133
Total assets less current liabilities		<u>4,090</u>	<u>2,133</u>
Provisions	16	(620)	(435)
Net assets		<u><u>3,470</u></u>	<u><u>1,698</u></u>
Capital and reserves			
Called up share capital	17	1	1
Share premium account	18	-	-
Profit and loss account	18	3,355	1,697
Other reserves	18	114	-
Shareholders' funds		<u><u>3,470</u></u>	<u><u>1,698</u></u>

The notes on pages 16 to 31 form part of these financial statements.

The financial statements of Independent Digital News and Media Limited, registered number 07320345 were approved by the Board of Directors on 29 January 2018.

Signed on behalf of the Board of Directors



M Malhotra
Director

Independent Digital News and Media Limited

Company balance sheet As at 01 October 2017

	Notes	2017 £'000	2016 £'000
Fixed Assets			
Tangible assets	11	12	-
Intangible assets	13	-	-
Investments	13	1	1
		<u>13</u>	<u>1</u>
Current assets			
Debtors falling due within one year	14	6,395	3,424
Cash at bank and in hand		<u>3,386</u>	<u>1,703</u>
		9,781	5,127
Creditors: amounts falling due within one year	15	<u>(5,838)</u>	<u>(2,944)</u>
Net current assets		3,943	2,183
Total assets less current liabilities		<u>3,956</u>	<u>2,184</u>
Provisions	16	(620)	(435)
Net assets		<u>3,336</u>	<u>1,749</u>
Capital and reserves			
Called up share capital	17	1	1
Share premium account	18	-	-
Profit and loss account	18	3,221	1,748
Other reserves	18	114	-
Shareholders' funds		<u>3,336</u>	<u>1,749</u>

The notes on pages 16 to 31 form part of these financial statements.

The consolidated financial statements of Independent Digital News and Media Limited, registered number 07320345 were approved by the Board of Directors on 29 January 2018.

Signed on behalf of the Board of Directors


M Malhotra
Director

Independent Digital News and Media Limited

Consolidated cash flow statement Year ended 01 October 2017

	Notes	2017 £'000	2016 £'000
Net cash inflow/(outflow) from operating activities	12	2,987	(284)
Cash flows from investing activities			
Interest received	7	1	9
Capital expenditure	11	(17)	-
		(16)	9
Cash flows from financing activities			
Dividends paid	10	(941)	(941)
net cash flows from financing activities		(941)	(941)
Net increase / (decrease) in cash and cash equivalents		<u>2,030</u>	<u>(1,216)</u>
Cash and cash equivalents at the beginning of the year		1,719	2,935
Effect of foreign exchange rate changes		(65)	-
Cash and cash equivalents at the end of the year		<u>3,684</u>	<u>1,719</u>

Independent Digital News and Media Limited

Statement of changes in equity Year ended 01 October 2017

Group	Share capital £'000	Share premium reserve £'000	Retained Earnings £'000	Other reserves £'000	Total £'000
Balance at 28 September 2015	<u>1</u>	<u>-</u>	<u>1,450</u>	<u>-</u>	<u>1,451</u>
Profit for the year	-	-	1,274	-	1,274
Currency translation difference on foreign currency net investments	-	-	(86)	-	(86)
Total comprehensive income	-	-	1,188	-	1,188
Interim dividend paid	-	-	(941)	-	(941)
Balance at 02 October 2016	<u>1</u>	<u>-</u>	<u>1,697</u>	<u>-</u>	<u>1,698</u>
Profit for the year	-	-	2,527	114	2,641
Currency translation difference on foreign currency net investments	-	-	72	-	72
Total comprehensive income	-	-	2,599	114	2,714
Final dividend paid	-	-	(941)	-	(941)
Share issue in the year (Note 17)	-	-	-	-	-
Balance at 01 October 2017	<u>1</u>	<u>-</u>	<u>3,355</u>	<u>114</u>	<u>3,470</u>
Company	Share capital £'000	Share premium reserve £'000	Retained Earnings £'000	Other reserves £'000	Total £'000
Balance at 28 September 2015	<u>1</u>	<u>-</u>	<u>1,436</u>	<u>-</u>	<u>1,437</u>
Profit and total comprehensive income for the year	-	-	1,253	-	1,253
Interim dividend paid	-	-	(941)	-	(941)
Balance at 02 October 2016	<u>1</u>	<u>-</u>	<u>1,748</u>	<u>-</u>	<u>1,749</u>
Profit and total comprehensive income for the year	-	-	2,414	114	2,528
Final dividend paid	-	-	(941)	-	(941)
Share issue in the year (Note 17)	-	-	-	-	-
Balance at 01 October 2017	<u>1</u>	<u>-</u>	<u>3,221</u>	<u>114</u>	<u>3,336</u>

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

1. Accounting policies

Basis of preparation

The Company is a company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company limited by shares and is registered in England. The address of the Company's registered office is shown on page 1.

The principal activities of the Company and the nature of the Company's operations are set out in the strategic report on pages 2 to 5.

The Group's consolidated financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Group has applied the amendments to FRS 102 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

The functional currency of Independent Digital News and Media Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

Financial year

The results for 2017 represent the financial year from 03 October 2016 to 01 October 2017. The comparative accounts were for the financial year from 28 September 2015 to 02 October 2016.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods or services provided in the normal course of business net of value added tax (VAT), trade discounts and commission where applicable. Digital revenues are recognised on publication for advertising or delivery of service for other digital revenues. Events revenue is recognised on the date or period of the event and syndication revenue is recognised based on contractual guarantees and the date of publication.

Barter transactions

Revenue and costs in respect of barter transactions for advertising are recognised only where there is persuasive evidence of the value at which, if it had not been exchanged, the advertising would have been sold for cash in a similar transaction.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and provision for impairment.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write down the cost of tangible assets by equal annual instalments over their estimated useful lives as follows:

Plant and equipment	3-5 years
---------------------	-----------

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

(i) *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

1. Accounting policies (continued)

Financial instruments (continued)

(i) *Financial assets and liabilities (continued)*

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) *Investments*

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Leasing

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

1. Accounting policies (continued)

Leasing (continued)

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the relevant lease, even if the payments are not made on such a basis. Benefits received and receivable as an incentive are also spread on a straight-line basis over the lease term.

Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates prevailing at the balance sheet date. All exchange differences are taken to the profit and loss account.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Pension costs

The Company operates a defined contribution scheme. This means that the pension charge reported in these financial statements is the same as the cash contributions due in the period.

Intercompany recharges

The Company is charged costs incurred on its behalf by connected companies, Evening Standard Limited and Independent Print Limited. Costs recharged from connected companies are treated as costs in the profit and loss account. Details of these items are set out in note 22.

Independent Digital News and Media Limited

Notes to the financial statements **Year ended 01 October 2017**

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Forecasting

The Company prepares forecasts based on Board-approved budgets and three-year outlooks. These are used to support judgements made in the preparation of the Company's financial statements including the recognition of deferred tax assets, the Company's going concern assessment and for the purposes of impairment reviews. Longer term forecasts use long-term growth rates applicable to the relevant businesses.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

3. Turnover

	2017
	Turnover
	£'000
By activity:	
Online news media	<u>22,240</u>
Geographical market by destination and source:	
United Kingdom	<u>22,240</u>
	2016
	Turnover
	£'000
By activity:	
Online news media	<u>14,317</u>
Geographical market by destination and source:	
United Kingdom	<u>14,317</u>

4. Operating profit

The operating profit is stated after charging the following:

	2017	2016
	£'000	£'000
Recharged pension costs	79	59
Depreciation of tangible fixed assets	5	-
Equity-settled share based payment charge	114	-
Auditor's remuneration:		
- fees for the audit of the company	25	13
- non-audit fees - taxation and consultancy	10	13
Other operating expenses	<u>6,098</u>	<u>3,775</u>
	6,331	3,860
Other operating income	<u>(1,277)</u>	<u>(1,068)</u>
Net operating expenses	<u>5,054</u>	<u>2,792</u>

The company recharges certain payroll and IT costs to other group entities contained within other operating costs. The amount recharged is included as other operating income.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

5. Employees

Staff costs were as follows:

	Group		Company	
	2017	2016	2017	2016
	Number	Number	Number	Number
Average number of persons (including Directors) by activity:				
Online news media	<u>112</u>	<u>49</u>	<u>105</u>	<u>44</u>
	£'000	£'000	£'000	£'000
Total staff costs (including Directors) comprised:				
Wages and salaries	5,669	4,946	4,851	4,445
Social security costs	583	493	519	458
Pension contributions	131	97	125	94
	<u>6,383</u>	<u>5,536</u>	<u>5,495</u>	<u>4,997</u>

6. Directors' emoluments

	2017	2016
	£'000	£'000
Emoluments	330	128
Company contributions to money purchase pension scheme	<u>7</u>	<u>7</u>
	<u>337</u>	<u>135</u>

Retirement benefits are accruing to one (2016: two) director in respect of defined contribution pension schemes.

	2017	2016
	£'000	£'000
Highest paid director		
Emoluments	222	95
Company contributions to money purchase pension scheme	<u>7</u>	<u>6</u>
	<u>229</u>	<u>101</u>

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

7. Interest receivable and similar income

	2017 £'000	2016 £'000
Bank interest receivable	<u>1</u>	<u>9</u>

8. Taxation

	2017 £'000	2016 £'000
UK corporation tax charge for the year	683	385
Adjustment in respect of previous periods	-	11
Foreign tax suffered	<u>50</u>	<u>22</u>
Total current tax charge	733	418
Deferred tax (credit)/charge for the year	<u>2</u>	<u>1</u>
Total per income statement	<u>735</u>	<u>419</u>

Factors affecting the tax charge for the current period

The tax charge for the period can be reconciled to the profit per the income statement as follows:

Profit for the period from continuing operations	3,262	1,692
Tax on profit at standard rate of 19.5% (2016: 20%)	<u>636</u>	<u>338</u>
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	78	57
Income not taxable	-	(1)
Adjustment to tax charge in respect of previous periods	-	11
Share options	(2)	-
Differences in overseas tax rate	<u>23</u>	<u>14</u>
Total current tax charge	<u>735</u>	<u>419</u>

Deferred tax

A deferred tax asset of £nil (2016: £nil) has been recognised in the year in respect of short term timing differences.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

9. Profit attributable to the Company

The profit for the financial year dealt with in the financial statements of the parent Company was £2,414,000 (2016: £1,637,000). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company.

10. Dividends on equity shares

	2017 £'000	2016 £'000
Amounts recognised as distributions to equity holders in the period:		
Interim dividend for the year ended 02 October 2016	-	941
Final dividend for the year ended 02 October 2016	941	-
	<u>941</u>	<u>941</u>

The proposed final dividend in 2016 was subject to approval by the shareholders and therefore was not included as a liability in the prior year's financial statements. It was subsequently approved and paid in 2017. There was no dividend proposed for 2017.

11. Property plant and equipment

	Group Plant and equipment £'000	Company Plant and equipment £'000
Cost		
At 03 October 2016	-	-
Additions	17	17
Disposals	-	-
At 01 October 2017	<u>17</u>	<u>17</u>
Accumulated depreciation		
At 03 October 2016	-	-
Charge for the year	5	5
At 01 October 2017	<u>5</u>	<u>5</u>
Net book value		
At 01 October 2017	<u>12</u>	<u>12</u>
At 02 October 2016	<u>-</u>	<u>-</u>

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

12. Reconciliation of operating profit to operating cash flows

	2017 £'000	2016 £'000
Operating profit	3,261	1,683
Depreciation and amortisation	5	-
Increase in debtors	(2,444)	(1,905)
Increase/(decrease) in creditors due within one year	2,444	(185)
Increase in provisions	185	155
Equity-settled share based payment charge	114	-
Tax payments	(578)	(32)
Net cash inflow/(outflow) from operating activities	2,987	(284)

13. Intangible Assets and Investments

	Brand Name
Group	£
Cost	
At 02 October 2016 and 01 October 2017	1
Net book value	
At 02 October 2016 and 01 October 2017	1
Company	£'000
Investment in subsidiary	1

Company name	Country of incorporation	Percentage shareholding	Description
Independent Digital News and Media Inc	United States of America	100% Ordinary	Service provider

The subsidiary's registered address is 1209 Orange Street, County of New Castle, Wilmington, Delaware 19801 and is consolidated in the group financial statements of IDNML.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

14. Debtors

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Amounts due within one year:				
Trade debtors	2,650	1,672	2,887	1,220
Other debtors	4	8	4	8
Prepayments and accrued income	3,692	2,222	3,504	2,197
	<u>6,346</u>	<u>3,902</u>	<u>6,395</u>	<u>3,424</u>

15. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade creditors	1,944	1,715	1,945	1,219
Taxation and social security	1,353	31	1,342	31
Other creditors	67	6	69	-
Accruals and deferred income	2,588	1,736	2,482	1,695
	<u>5,952</u>	<u>3,488</u>	<u>5,838</u>	<u>2,944</u>

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

16. Provisions for liabilities

	Libel	Group Contract discounts	Total
	£'000	£'000	£'000
At beginning of year	23	412	435
Charged during year	154	195	349
Released during the year	(57)	-	(57)
Utilised during year	(8)	(99)	(107)
At end of year	<u>112</u>	<u>508</u>	<u>620</u>

	Libel	Company Contract discounts	Total
	£'000	£'000	£'000
At beginning of year	23	412	435
Charged during year	154	195	349
Released during the year	(57)	-	(57)
Utilised during year	(8)	(99)	(107)
At end of year	<u>112</u>	<u>508</u>	<u>620</u>

It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within two years of the balance sheet date.

17. Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
33,810 (2016: 745 at £1 each) A Ordinary shares of £0.001 each	34	745
280,000 (2016: 300 at £1 each) B Ordinary shares of £0.00075 each	210	300
420,000 (2016: nil) C Ordinary shares of £0.001166667 each	490	-
314,490 (2016: nil) D Ordinary shares of £0.001 each	314	-
	<u>1,048</u>	<u>1,045</u>

On 01 June 2017, a special resolution was approved by the board subdividing all A and B shares into 600,000 C shares at £0.001167 each, 45,000 A ordinary shares at £0.001 each and 400,000 B shares at £0.00075 each.

On 07 June 2017 3,300 A ordinary shares of £0.001 were issued on exercise of a share option.

On 07 June 2017 14,490 A ordinary shares of £0.001 were converted into 14,490 D ordinary shares of £0.001. 120,000 B ordinary shares of £0.00075 and 180,000 C ordinary shares of £0.001166667 were together converted into 300,000 D ordinary shares of £0.001.

All shares have equal rights as to distribution and capital. A and D shares have equal voting rights, B shares have 0.75 voting rights, C shares have 1.167 voting rights.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

18. Reserves

	Share premium account		Profit and loss account		Other reserves	
	2017	2016	2017	2016	2017	2016
	£	£	£'000	£'000	£'000	£'000
Group						
At beginning of financial year	261	261	1,697	1,450	-	-
Final dividend paid	-	-	(941)	-	-	-
Exchange reserve	-	-	72	(86)	-	-
Retained profit for the year	-	-	2,527	1,274	114	-
Interim dividend paid	-	-	-	(941)	-	-
Share issue during the year	1	-	-	-	-	-
At end of financial year	<u>262</u>	<u>261</u>	<u>3,355</u>	<u>1,697</u>	<u>114</u>	<u>-</u>
Company						
At beginning of financial year	261	261	1,748	1,436	-	-
Final dividend paid	-	-	(941)	-	-	-
Retained profit for the year	-	-	2,414	1,253	114	-
Interim dividend paid	-	-	-	(941)	-	-
Share issue during the year	1	-	-	-	-	-
At end of financial year	<u>262</u>	<u>261</u>	<u>3,221</u>	<u>1,748</u>	<u>114</u>	<u>-</u>

The Group recognised total expenses of £114,000 and £nil related to equity-settled share-based payment transactions in 2017 and 2016 respectively.

19. Pension arrangements

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £131,321 (2016: £93,553). Contributions totalling £11,619 (2016: £8,440) were payable to the fund at the balance sheet date and are included in other creditors.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

20. Share Options

Equity-settled share option schemes

The Company has a share option scheme for certain key management personnel of the Group. The Company takes part in this group share-based payment plan, and recognises and measures its allocation of the share-based payment expense on a pro-rata basis.

The vesting period is ten years and vesting conditions require a sale event or at the board of director's discretion. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

On 09 December 2015 11 A ordinary equity settled share options with a 10 year life were granted to certain key management personnel at an exercise price of £1.25 per share. On 01 June 2017 these options were converted into 11,000 A ordinary share options at an exercise price of £0.001 in alignment with the division of the Company's share capital during the year. There has been no change in the overall fair value of the options and no new options have been granted during the year.

Details of the share options outstanding during the year are as follows:

	2017		2016	
	Number of share options	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)
Outstanding at beginning of year	11	1.25	-	-
Subdivision of existing share options	(11)	1.25	-	-
Subdivision of existing share options	11,000	0.001	-	-
Granted during the year	-	-	11	1.25
Exercised during the year	(3,300)	0.001	-	-
Outstanding at the end of the year	7,700	0.001	11	1.25
Exercisable at the end of the year	-	-	-	-

The fair value of the share options at the grant date was calculated using the Black Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value.

The Group recognised total expenses of £114,000 and £nil related to equity-settled share-based payment transactions in 2017 and 2016 respectively.

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

21. Financial Instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group	
	2017	2016
	£'000	£'000
Financial assets		
Debt instruments measured at amortised cost		
Trade debtors, other debtors and accrued income (see note 14)	5,959	3,878
Cash and cash equivalents	3,684	1,719
	<u>9,643</u>	<u>5,597</u>
Financial liabilities		
Measured at amortised cost		
Trade creditors, other creditors and accrued expenses (see note 15)	4,339	3,073
	<u>4,339</u>	<u>3,073</u>
	Company	
	2017	2016
	£'000	£'000
Financial assets		
Debt instruments measured at amortised cost		
Trade debtors, other debtors and accrued income (see note 14)	6,027	3,412
Cash and cash equivalents	3,386	1,703
	<u>9,413</u>	<u>5,115</u>
Financial liabilities		
Measured at amortised cost		
Trade creditors, other creditors and accrued expenses (see note 15)	4,240	2,522
	<u>4,240</u>	<u>2,522</u>

Independent Digital News and Media Limited

Notes to the financial statements Year ended 01 October 2017

22. Related party transactions

During the year, the Group entered into the following transactions with related parties:

Under the terms of the Services agreement signed between Independent Print Limited and Independent Digital News and Media Limited, following the transfer of business in 2010, each company continued to provide its own Editorial content to the other free of charge.

A number of direct and administrative staff continue to be employed by Independent Print Limited and their costs recharged monthly. The total payroll cost recharged during the year amounted to £1,863,380 (2016: £3,108,666) plus £63,325 (2016: £59,007) pension costs.

Additionally, various other direct costs and overheads amounting to £nil (2016: £720,247) were also recharged by Independent Print Limited during the year. At the balance sheet date, the Group owed £180,283 (2016: £658,190) to Independent Print Limited, included in other creditors. Independent Print Limited is controlled by Mr Evgeny Lebedev.

The Group made purchases in respect of management and services amounting of £4,954,695 (2016: £1,979,706) and sales of £1,266,025 (2016: £1,079,785) to Evening Standard Limited, a company under common control. At the balance sheet date, the net amount owed to the Group was £849,847 (2016: £451,816).

During the year, the Group received services from companies in which directors have an interest totalling £67,645 (2016: £17,160) and received revenues of £1,756,429 (2016: £712,341). The net amount owed by these companies at 01 October 2017 was £339,371 (2016: £184,669).

The Company from time to time provides free advertising to other companies in the group when no paid for third party advertising is available.

23. Controlling party

Until 07 June 2017 the directors regarded Mr Evgeny Lebedev, a director and shareholder of the Company, as the ultimate controlling party. Since that date, the directors do not consider any one shareholder to have ultimate control.