

FutureFolio Limited

Directors' report and financial statements
for the year ended 30 September 2016

Registered number: 07956484

Registered in England and Wales



FutureFolio Limited

Directors' report and financial statements for the year ended 30 September 2016

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FutureFolio Limited

Directors and advisors

Directors

Z E Byng-Thorne

P Ladkin-Brand

O J Foster

Company Secretary

P Ladkin-Brand

Registered office

Quay House

The Ambury

Bath

BA1 1UA

UK

Bankers

HSBC Bank plc

8 Canada Square

London

E14 5HQ

FutureFolio Limited

Strategic report for the year ended 30 September 2016

The principal activity of the Company is the license of software and provision of other services which enable publications to be distributed digitally.

On 21 October 2016 Future plc, the ultimate parent undertaking, negotiated a new multicurrency term loan, revolving credit and overdraft facilities agreement which is explained in more detail in the Directors' Report. The Company is a guarantor of this facility.

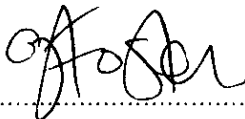
Results

The results of the Company for the year are set out in detail on page 5. The profit for the financial year of £80,411 (2015: £203,948) has been transferred to reserves.

Principal risks and uncertainties

The principal risk of the Company is considered to relate to competition from other companies offering services enabling the digital distribution of publications. This risk is managed and mitigated through continued innovation in the software and other services provided to customers.

On behalf of the Board



.....
O J Foster

Director

22 June 2017

FutureFolio Limited

Directors' report for the year ended 30 September 2016

The Directors present their report and the financial statements of the Company for the year ended 30 September 2016.

Directors

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

Z E Byng-Thorne

P Ladkin-Brand

O J Foster

N Ferguson (resigned 31 August 2016)

C E Hargreaves (resigned 21 October 2015)

Dividends

The Directors do not propose the payment of a dividend (2015: £nil).

Future outlook

The Company will continue to license software and provide other services which enable publications to be distributed digitally.

Post balance sheet event

On 21 October 2016 Future plc, the ultimate parent undertaking, negotiated a new multicurrency term loan, revolving credit and overdraft facilities agreement with maximum committed facilities of £14.0m. The term runs until 23 June 2021. The Company is a guarantor of this facility.

Going concern

The Directors have received written confirmation of the continued intention of the directors of Future plc, the ultimate parent company, to provide the necessary support to enable the Company to meet its liabilities as they fall due for the foreseeable future.

Financial risk management

The Company's operations expose it to credit risk and the Board seeks to limit the adverse effects on the financial performance of the Company through management of these risks.

(a) Credit risk

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

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 "Reduced Disclosure Framework". 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.

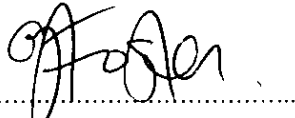
FutureFolio Limited

Directors' report for the year ended 30 September 2016 (continued)

Statement of Directors' responsibilities (continued)

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.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'O J Foster', is written over a horizontal dotted line.

O J Foster

22 June 2017

FutureFolio Limited

Profit and loss account for the year ended 30 September 2016

	Note	2016 £	2015 £
Turnover	1	437,192	723,069
Cost of sales		(365,596)	(466,605)
Gross profit		71,596	256,464
Administrative expenses		6,004	(3,263)
Operating profit		77,600	253,201
Interest receivable and similar income	3	5,521	-
Profit on ordinary activities before taxation		83,121	253,201
Tax on profit on ordinary activities	4	(2,710)	(49,253)
Profit for the financial year		80,411	203,948

The results were generated from operations classed as continuing.

Statement of comprehensive income for the year ended 30 September 2016

The Company had no other comprehensive income during either the current or prior years and therefore the total comprehensive income for the year is solely the profit attributable to the shareholders of the Company of £80,411 (2015: £203,948).

FutureFolio Limited

Statement of changes in equity for the year ended 30 September 2016

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance at 1 October 2014	1	(232,736)	(232,735)
Profit for the year	-	203,948	203,948
Total comprehensive income for the year	-	203,948	203,948
Balance at 30 September 2015	1	(28,788)	(28,787)
Profit for the year	-	80,411	80,411
Total comprehensive income for the year	-	80,411	80,411
Balance at 30 September 2016	1	51,623	51,624

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Balance sheet as at 30 September 2016

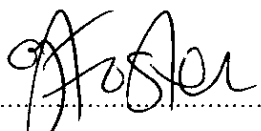
	Note	2016 £	2015 £
Current assets			
Debtors	5	131,006	510,072
Cash at bank and in hand		35,092	36,756
		166,098	546,828
Creditors: amounts falling due within one year	6	(114,474)	(575,615)
Net current assets/(liabilities)		51,624	(28,787)
Net assets/(liabilities)		51,624	(28,787)
Capital and reserves			
Called-up share capital	7	1	1
Profit and loss account		51,623	(28,788)
Total shareholders' funds/(deficit)		51,624	(28,787)

For the year ended 30 September 2016, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 5 to 14 were approved by the Board of Directors on 22 June 2017 and are signed on its behalf by:



O J Foster
Director

Registered number 07956484

FutureFolio Limited

Accounting policies

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

In the transition to FRS 101 from existing UK GAAP, the Company has applied IFRS 1 but ensured that its assets and liabilities are measured in accordance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and performance of the Company is set out in note 11.

IFRS 1 grants certain exemptions from the full requirements of adopted IFRS in the transition period. The following exemption has been taken in these financial statements:

- Business combinations – the Company has elected not to apply IFRS 3 to business combinations prior to the transition date of 1 October 2014.

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

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, intangible fixed assets and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures in respect of the compensation of Key Management Personnel; and
- The effects of new but not yet effective IFRS.

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

- IFRS 2 Share-based payment in respect of group settled share-based payments;
- Certain disclosures required by IAS 36 Impairment of Assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill.

The principal accounting policies, set out below, have been consistently applied throughout the year and in preparing an opening FRS 101 balance sheet at 1 October 2014 for the purposes of the transition to FRS 101.

The Directors have received written confirmation of the continued intention of the directors of Future plc, the ultimate parent company, to provide the necessary support to enable the Company to meet its liabilities as they fall due and it is on this basis that the Directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover is the amount derived from the provision of services falling within the Company's ordinary activities after deduction of Value Added Tax. Revenue is recognised on completion of the provision of services.

FutureFolio Limited

Accounting policies (continued)

Taxation

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

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

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

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

Critical accounting assumptions, judgements and estimates

The preparation of the financial statements requires the use of certain critical accounting assumptions and requires management to exercise its judgement and to make estimates in the process of applying the Company's accounting policies. The areas requiring a higher degree of judgement or areas where assumptions and estimates are significant to the financial statements are discussed below:

(a) Taxation

Judgement and estimates of future profitability are required to determine the deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the income statement or statement of changes in equity as appropriate. The corporation tax provision reflects management's estimation of the amount of tax payable for fiscal years with open tax computations where liabilities remain to be agreed with the tax authorities.

New or revised accounting standards and interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 September 2016, have had a material impact on the Company.

FutureFolio Limited

Notes to the financial statements for the year ended 30 September 2016

1 Turnover

Turnover is derived solely from the principal activities of the Company based on operations in the UK which are considered by the Directors to be one class of business derived from external customers, and is analysed by destination as follows:

	2016	2015
	£	£
United Kingdom	120,620	370,260
United States	36,656	51,850
Mainland Europe	251,924	271,933
Rest of the world	27,992	29,026
	437,192	723,069

2 Employee information and Directors' emoluments

Employees

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

	2016	2015
By activity:	Number	Number
Production and publication staff	4	10

The costs incurred in respect of these employees were:

	2016	2015
	£	£
Wages and salaries	114,075	155,414
Social security costs	11,533	37,784
Other pension costs	3,022	7,029
	128,630	200,227

FutureFolio Limited

Notes to the financial statements for the year ended 30 September 2016 (continued)

2 Employee information and Directors' emoluments (continued)

Directors

The Directors did not receive emoluments from the Company in respect of their services to the Company. The emoluments and company contributions to defined contribution pension schemes of the Directors were paid by Future Publishing Limited, a fellow subsidiary company. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Future Publishing Limited. No recharge was made by Future Publishing Limited to the Company (2015: £nil).

3 Interest receivable and similar income

	2016 £	2015 £
Bank interest receivable	64	-
Exchange gains	5,457	-
	5,521	-

4 Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

	2016 £	2015 £
Net amount payable to fellow subsidiaries in respect of group relief	-	49,385
Adjustments in respect of previous years	2,710	(132)
Total current tax	2,710	49,253

FutureFolio Limited

Notes to the financial statements for the year ended 30 September 2016 (continued)

4 Tax on profit on ordinary activities (continued)

(b) Factors affecting the tax charge for the year

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

	2016 £	2015 £
Profit on ordinary activities before taxation	83,121	253,201
Profit on ordinary activities at the standard UK corporation tax rate of 20% (2015: 20.5%)	16,624	51,906
Effects of:		
Expenses not deductible for tax purposes	-	205
Tax arising on notional inter-company interest	(985)	(2,726)
Group relief	(15,639)	-
Adjustments in respect of previous years	2,710	(132)
Current tax charge for the year	2,710	49,253

The company will benefit from group relief of £78,194 from other group companies for which it will pay £nil (2015: benefit from group relief of £240,902 from other group companies for which it will pay £49,385).

(c) Factors that may affect future tax charges

The changes to the main rate of corporation tax for the UK announced in the July 2015 Budget were substantively enacted on 18 November 2015 and the change announced in the March 2016 Budget was substantively enacted on 15 September 2016. The changes reduced the main rate of corporation tax to 19% from 1 April 2017 and to 17% from 1 April 2020. As these changes had been substantively enacted before the year-end, any impact has been included in these financial statements.

5 Debtors

	2016 £	2015 £
Trade debtors	34,571	107,970
Amounts owed by group undertakings	68,443	376,410
Prepayments and accrued income	27,992	25,692
	131,006	510,072

Amounts owed by group undertakings have no interest rate or specified repayment terms.

FutureFolio Limited

Notes to the financial statements for the year ended 30 September 2016 (continued)

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	-	6,640
Amounts owed to group undertakings	83,433	535,200
Accruals and deferred income	31,041	33,775
	114,474	575,615

Amounts owed to group undertakings have no interest rate or specified repayment terms.

7 Called-up share capital

	2016 £	2015 £
Allotted and fully paid		
1 (2015: 1) ordinary share of £1 each	1	1

8 Ultimate parent undertaking and ultimate controlling party

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

9 Guarantee

The Company has given a guarantee in respect of the bank borrowings and interest payments of the Group to the Group's bankers.

10 Post balance sheet event

On 21 October 2016 Future plc, the ultimate parent undertaking, negotiated a new multicurrency term loan, revolving credit and overdraft facilities agreement with maximum committed facilities of £14.0m. The term runs until 23 June 2021.

FutureFolio Limited

Notes to the financial statements for the year ended 30 September 2016 (continued)

11 Explanation of transition to FRS 101

For all periods up to and including the year ended 30 September 2015, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 30 September 2016, are the first that the Company has prepared in accordance with FRS 101.

The accounting policies set out on pages 8 and 9 have been applied in preparing the financial statements for the year ended 30 September 2016, the comparative information presented in these financial statements for the year ended 30 September 2015 and the opening FRS 101 balance sheet as at 1 October 2014 (the Company's date of transition).

On transition to FRS 101, the Company has applied the requirements of paragraphs 6 to 33 of IFRS 1 'First time adoption of International Financial Reporting Standards'.

There were no changes in either the profit and loss account or balance sheet on transition to FRS 101 as at 1 October 2014.