

WILLIAM REED BUSINESS MEDIA LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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WILLIAM REED BUSINESS MEDIA LTD

COMPANY INFORMATION

Directors	CCT Reed RAW Oscroft
Secretary	RW Proctor
Company number	02883992
Registered office	Broadfield Park Crawley West Sussex RH11 9RT
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Portland Building 25 High Street Crawley West Sussex RH10 1BG
Bankers	HSBC Bank Plc 9 The Boulevard Crawley West Sussex RH10 1UT
Solicitors	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT

WILLIAM REED BUSINESS MEDIA LTD

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WILLIAM REED BUSINESS MEDIA LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The Directors present their Strategic Report on the Company for the year ended 31 March 2017.

Review of the business

As expected, the results for the financial year ended 31 March 2017 and the growth compared to the financial year ended 31 March 2016 were flattered by the timing of the biennial exhibitions.

To reach the underlying turnover and EBITDA figures, adjustments have been made for the timing effect of the annual and biennial exhibitions. The turnover and EBITDA for the annual exhibitions are reported as if they all fall in April each year and 50% of the turnover and EBITDA for the biennial exhibitions are reported in the year of the exhibition and 50% are reported in the year following.

The underlying turnover of £32.9m (2016: £30.6m) grew by 7% with growth in digital and face-to-face revenues offset by modest decline in magazine revenues. Some of this revenue growth related to a restructure within the group as the digital business in William Reed Business Media SAS started to transition over to William Reed Business Media Ltd. The remaining growth came from new UK and international face-to-face events - both of which delivered relatively low margin whilst being established.

The underlying EBITDA of £5.4m (2016: £5.8m) declined by 6% and EBITDA margin fell by 2 percentage points to 17%.

Net cash declined by £11.3m to £9.7m by 31 March 2017 due to a £12m dividend paid to William Reed Holdings Limited. Net assets declined by £7.4m to £5.1m (2016: £12.5m) which was in line with trading and the dividend.

The Company's key financial and other performance indicators during the year were as follows:

	2017	2016	
	£'000	£'000	
Turnover	34,865	29,042	
Operating profit	5,654	3,627	
Amortisation of intangible assets	775	763	
Depreciations of tangible assets	321	327	
Earnings before interest, tax, depreciation and amortisation (EBITDA)	6,750	4,717	
Underlying turnover	32,911	30,643	Change 7%
Underlying EBITDA	5,434	5,760	(6%)
Underlying EBITDA margin	17%	19%	
Net cash	9,700	20,965	

Principal risks, uncertainties and financial risks

Principal risks, uncertainties and financial risks are recorded on pages 2 and 3 of the Directors' Report.

By order of the board



RW Proctor

Secretary

18 July 2017

WILLIAM REED BUSINESS MEDIA LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2017.

Principal activities

William Reed Business Media Ltd continues to inform business growth in the food, drink, retail and hospitality sectors globally; through its portfolio of digital and insight products, exhibitions, awards, events and magazines.

Company mission and objectives

The Company's mission is to provide and share knowledge enabling people to succeed in business.

The Company's objective is to maximise long-term growth in the value of the Company as an independent entity.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements, unless otherwise stated, were as follows:

NW Reed (Resigned 23 July 2016)
CCT Reed
RAW Oscroft

Results and dividends

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

Interim dividend of £12m (2016: Nil) was paid. The Directors do not recommend payment of a final dividend.

Principal risks, uncertainties and financial risks

The Company has robust risk management procedures, administered through the finance department under the direction of the senior management team. The main risks and mitigations of those risks are as follows:

a) Commercial risk - the commercial risks faced by the Company in terms of competition and obsolescence of its offerings are mitigated by:

- a clear commitment to invest in digital, insight revenues and "Face to Face" i.e. events, conferences, awards and exhibitions to manage the transition away from magazine revenues;
- a clear commitment to invest in new paid content revenue streams;
- the relative stability of the sectors that the Company operates within;
- the strength of the Company's market leading brands;
- the size and quality of the Company's community of engaged users; and
- the quality and experience of the Company's leadership team.

b) Credit risk - the Company is not exposed to material credit risk as the majority of the customers are established, reliable and credit worthy. In addition, the Company has effective credit management procedures administered by an appropriately skilled and resourced internal credit control team.

c) Foreign currency risk - the Company is exposed to transactional foreign exchange risk. The Company operates in multiple currencies and manages the risk through appropriate treasury processes.

d) Liquidity risk - liquidity risk is low because the Group holds positive cash balances and treasury procedures are in place to manage these balances effectively.

e) Interest rate risk - the Group is not exposed to material interest rate risk because of its positive net cash balances and lack of borrowings.

f) Price risk - the Group is not materially exposed to price risk because activity is spread across a wide range of suppliers and customers.

WILLIAM REED BUSINESS MEDIA LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Research and development

The Company continues to invest in research and development in its products and markets. The Company has an innovation programme that funds research into new ideas and product development.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of those candidates. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company continues with appropriate training and reasonable adjustments as required. It is the policy of 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 involvement

The Company remains committed to providing a positive and motivating work culture for all employees. The Company's culture is driven by a determination to ensure that these values are more than just words. These values are intrinsic to all processes within the business, including recruitment and induction of new staff, appraisals, performance management, target setting, and performance-related awards. They are:

- Progressive - We encourage innovation and creativity to develop our people and products.
- Passionate - We are passionate about our business and committed to delivering success.
- Responsible - We behave responsibly towards one another, the wider community, our customers and the environment.
- Trusted - We aim to be recognised as professional, open and fair by all.

The Company has arrangements through briefings, electronic mail and in-house intranet for communicating effectively with employees and ensuring that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. The Company has a flexible and supportive approach to maternity and parental leave returners, and as a result a high percentage continue working with the Company, many in part-time and job sharing roles.

Post reporting date events

After the year-end, the Group was restructured and the ultimate parent became William Reed Group Ltd. William Reed Holdings Limited remained the parent of William Reed Business Media Ltd. The Group continues to be controlled by the Reed family.

Future developments

The Directors have in place a clear three year plan which commenced April 2017. The main elements of this plan are as follows:

- Continued growth of digital, insight and "Face to Face" revenues by building deep user engagement through compelling content;
- Further growth of our market leading brands, across all channels;
- Growth in new paid content revenue streams;
- International expansion;
- Acquisitions; and
- Continued cost control through investment in improved systems and processes.

WILLIAM REED BUSINESS MEDIA LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

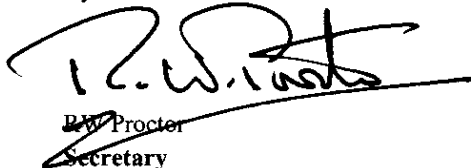
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors 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 auditors are aware of that information.

By order of the board



B.W. Procter
Secretary

18 July 2017

WILLIAM REED BUSINESS MEDIA LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WILLIAM REED BUSINESS MEDIA LTD

Report on the financial statements

Our opinion

In our opinion, William Reed Business Media Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2017;
- the profit and loss account and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion 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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

WILLIAM REED BUSINESS MEDIA LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WILLIAM REED BUSINESS MEDIA LTD

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Michael Jones (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Advisors
Gatwick
18th July 2017

WILLIAM REED BUSINESS MEDIA LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

		2017	2016
	Note	£'000	£'000
Turnover	3	34,865	29,042
Cost of sales		(11,472)	(9,766)
Gross profit		23,393	19,276
Administrative expenses		(17,739)	(15,649)
Operating profit	4	5,654	3,627
Interest receivable and similar income	8	-	1
Profit before taxation		5,654	3,628
Tax on profit	9	(1,048)	(776)
Profit for the financial year		4,606	2,852

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WILLIAM REED BUSINESS MEDIA LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	£'000	£'000
Profit for the financial year	4,606	2,852
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,606</u>	<u>2,852</u>

WILLIAM REED BUSINESS MEDIA LTD

BALANCE SHEET

AS AT 31 MARCH 2017

	Note	2017 £'000	£'000	2016 £'000	£'000
Fixed assets					
Intangible assets	11		1,435		1,357
Tangible assets	12		1,585		1,763
Investments	13		-		-
			<u>3,020</u>		<u>3,120</u>
Current assets					
Stocks	15	128		118	
Debtors	16	12,568		9,017	
Cash at bank and in hand		9,735		21,029	
		<u>22,431</u>		<u>30,164</u>	
Creditors: amounts falling due within one year	17	<u>(20,304)</u>		<u>(20,743)</u>	
Net current assets			<u>2,127</u>		<u>9,421</u>
Total assets less current liabilities and net assets			<u>5,147</u>		<u>12,541</u>
Capital and reserves					
Called-up share capital	20		100		100
Retained earnings			5,047		12,441
Total equity			<u>5,147</u>		<u>12,541</u>

The notes on pages 11 to 25 are an integral part of these financial statements.

The financial statements on pages 7 to 25 were approved by the board of directors and authorised for issue on 18 July 2017 and were signed on its behalf by:



CCT Reed

Director

Company Registration No. 02883992

WILLIAM REED BUSINESS MEDIA LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Note	Called up share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2015		100	9,589	9,689
Year ended 31 March 2016:				
Total comprehensive income for the financial year		-	2,852	2,852
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2016		100	12,441	12,541
Year ended 31 March 2017:				
Total comprehensive income for the financial year		-	4,606	4,606
Transactions with owners recognised directly in equity:				
Dividends	10	-	(12,000)	(12,000)
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2017		100	5,047	5,147
		<hr/>	<hr/>	<hr/>

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

1.1 General Information

William Reed Business Media Ltd is a private company limited by shares and is incorporated and domiciled in England. The registered office is Broadfield Park, Crawley, West Sussex, RH11 9RT.

The principal activities of the Company are set out in the Directors' Report.

1.2 Statement of compliance

The individual financial statements of William Reed Business Media Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102") and the Companies Act 2006.

1.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

(a) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and are in accordance with the applicable accounting standards. The principal accounting policies adopted are set out below.

(b) Change in accounting estimate

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(c) Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, William Reed Holdings Limited, includes the Company's cash flows in its own consolidated financial statements.

The Company has taken advantage of the exemption, under FRS 102 Section 11 paragraph 11.39 -11.48a and Section 12 paragraph 12.26-12.29a from disclosing financial instrument disclosures on the basis that it is a qualifying entity and its ultimate parent company, William Reed Holdings Limited, includes the Company's financial instruments in its own consolidated financial statements.

The Company has taken advantage of the exemption, under FRS102 Section 33 Related Party Disclosure from disclosing key management personnel disclosures on the basis that it is a qualifying entity and its ultimate parent Company, as at the period end, William Reed Holdings Limited, includes the Company's financial instruments in its own consolidated financial statements.

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(d) Turnover

Turnover for the financial year represents amounts receivable for goods and services provided excluding VAT and trade discounts. Turnover is recognised as follows:

- Traditional magazines: advertising or copy sales derived wholly from printed products are recognised on the date the risks and rewards of ownership have transferred and the right to consideration has been earned;
- Digital: online advertising, online access and subscriptions are recognised evenly over the period of delivery of the contracted service. Bundled sales of advertising or content with online and printed product components are recognised evenly over the period of delivery of the contracted service following despatch of the printed product;
- Face to face: events and exhibitions sales are recognised on the date of the event or exhibition;
- Insight: is recognised evenly over the period of delivery of the contracted service; and
- Licensing and other: licensing is recognised over the period of the licence and other turnover such as royalties is recognised as royalties fall due.

(e) Goodwill

Goodwill is amortised through the profit and loss account over its expected useful economic life, not exceeding 20 years as follows:

Goodwill	3 to 20 years
Purchased goodwill	3 to 10 years

The useful economic lives used are considered reasonable by the Directors in light of current trading conditions.

Goodwill is subject to an impairment review at the end of the first full year following an acquisition and at any other time when the Directors believe that impairment may have occurred. Changes in provision for impairment are taken to the profit and loss account.

(f) Intangible 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.

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

Software	33.3% straight line
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Where factors, such as technological advancement or changes in market place, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(g) Tangible assets

Tangible assets are stated at historic cost less accumulated depreciation and, when appropriate, provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible assets, so as to write off the cost of the assets on a straight line basis over the assets expected useful economic lives. The principal annual rates used for this purpose, are as follows:

Freehold improvements	6.7% & 20% straight line
Fixtures and fittings	20% straight line
Computer equipment	33.3% straight line
Motor vehicles	33.3% straight line

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in administrative expenses.

(h) Impairment of fixed assets

At each reporting 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.

The recoverable amount of an asset (or cash-generating unit) 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 the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(i) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. Cost comprises direct materials and, where applicable, direct labour costs and those overheads including taxes, duties, transport and handling, that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

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 the profit or loss account. Reversals of impairment losses are also recognised in the profit or loss account.

(j) Cash and cash equivalents

Cash and cash equivalents 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.

(k) 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances and stock, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit 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 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.

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

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 receipts 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

(l) 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 in the period they become a legal obligation of the Company. For dividends this will be when they are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

(m) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax

Current tax is the amount of tax payable 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.

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

(n) 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.

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.

(o) Retirement benefits

The parent Company, William Reed Holdings Limited, operates a defined contribution group personal pension scheme. The employer's cost is charged to the profit and loss account as it falls due. The assets of the scheme are held separately from those of the Company in an independently administered fund.

(p) Leases

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

(q) Foreign exchange

The financial statements are prepared in pounds sterling which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

(r) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

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

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(s) Accrued and deferred income

Accrued income

Turnover relating to the current financial year but not invoiced before the year end is disclosed as accrued income.

Deferred income

Turnover invoiced before the financial year end, relating to services provided or goods sold in the next financial year are disclosed as deferred income.

(t) Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group.

2 Critical accounting estimates and judgment

In the application of the Company's accounting policies, the Directors required to make judgments, 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.

Critical judgments

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of intangible assets

The annual amortisation charge for goodwill and other intangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation. See note 11 for the carrying amount of the goodwill and other intangible assets, and note 1.3 (e and f) for the useful economic lives.

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Turnover

Analysis of turnover by category:

	2017 £'000	2016 £'000
Traditional magazines	9,650	9,999
Digital	6,524	5,254
Face to face	16,107	11,540
Insight	1,576	1,397
Licensing and other	1,008	852
	<u>34,865</u>	<u>29,042</u>

Analysis of turnover by geographical market

	2017 £'000	2016 £'000
UK	29,134	25,160
Europe	3,130	2,483
USA	1,046	358
Rest of world	1,555	1,041
	<u>34,865</u>	<u>29,042</u>

4 Operating profit

	2017 £'000	2016 £'000
Operating profit for the year is stated after charging:		
Exchange losses	110	11
Research and development costs	354	643
Depreciation of tangible assets	321	327
Amortisation of intangible assets	775	763
Inventory recognised as an expense	10	25
Impairment of trade debtors	29	22
Staff costs	13,103	12,195
Operating lease charges	-	11
	<u></u>	<u></u>

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 Auditors' remuneration

	2017 £'000	2016 £'000
Fees payable to the Company's auditors and their associates:		
For audit services		
Audit of the Company's financial statements	32	31
	<u>32</u>	<u>31</u>
For other services		
Tax advisory services	13	53
	<u>13</u>	<u>53</u>
	<u>45</u>	<u>84</u>

6 Employees

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

	2017 Number	2016 Number
Production, sales & editorial	238	218
Administration	61	54
	<u>299</u>	<u>272</u>

Their aggregate remuneration comprised:

	2017 £'000	2016 £'000
Wages and salaries	11,298	10,541
Social security costs	1,183	1,136
Other pension costs	622	518
	<u>13,103</u>	<u>12,195</u>

The above figures include redundancy payments of £46,000 (2016 - £84,000).

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Directors' remuneration

Staff costs include the following emoluments in respect of Directors of the Company:

	2017 £'000	2016 £'000
Aggregate emoluments	680	776
Pension contributions	28	28
	<u>708</u>	<u>804</u>

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

Aggregate emoluments including bonuses	500	549
	<u>500</u>	<u>549</u>

8 Interest receivable and similar income

	2017 £'000	2016 £'000
Bank interest receivable	-	1

9 Tax on profit

	2017 £'000	2016 £'000
Current tax		
UK corporation tax on profits for the year	1,082	706
Adjustments in respect of prior periods	(22)	34
Total current tax	<u>1,060</u>	<u>740</u>
Deferred tax		
Origination and reversal of timing differences	(10)	26
Impact of change in tax rate	-	10
Adjustment in respect of prior periods	(2)	-
Total deferred tax	<u>(12)</u>	<u>36</u>
Tax on profit	<u>1,048</u>	<u>776</u>

The tax assessed for the year is lower than (2016: higher than) the standard effective rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016: 20%).

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Tax on profit

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

	2017 £'000	2016 £'000
Profit before taxation	5,654	3,628
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	1,131	726
Expenses not deductible for tax purposes	16	12
Adjustments to tax charge in respect of prior years	(24)	34
Group relief	(75)	(6)
Re-measurement of deferred tax - change in UK tax rate	-	10
Tax charge for the year	1,048	776

Factors affecting current and future tax charges:

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10 Dividends

	2017 £'000	2016 £'000
Interim paid : £120 per ordinary share of £1 each (2016 : nil)	12,000	-

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Intangible assets

	Goodwill £'000	Software £'000	Total £'000
Cost			
At 1 April 2016	11,675	2,807	14,482
Additions	-	853	853
At 31 March 2017	<u>11,675</u>	<u>3,660</u>	<u>15,335</u>
Accumulated amortisation			
At 1 April 2016	11,034	2,091	13,125
Charge for the year	237	538	775
At 31 March 2017	<u>11,271</u>	<u>2,629</u>	<u>13,900</u>
Net book amount			
At 31 March 2017	<u>404</u>	<u>1,031</u>	<u>1,435</u>
At 31 March 2016	<u>641</u>	<u>716</u>	<u>1,357</u>

12 Tangible assets

	Fixtures and fittings £'000	Fixtures, fittings & equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2016	1,391	666	1,119	26	3,202
Additions	48	87	170	-	305
Disposals	(153)	-	-	(26)	(179)
At 31 March 2017	<u>1,286</u>	<u>753</u>	<u>1,289</u>	<u>-</u>	<u>3,328</u>
Accumulated depreciation					
At 1 April 2016	84	416	923	16	1,439
Charge for the year	76	93	151	1	321
Eliminated in respect of disposals	-	-	-	(17)	(17)
At 31 March 2017	<u>160</u>	<u>509</u>	<u>1,074</u>	<u>-</u>	<u>1,743</u>
Net book amount					
At 31 March 2017	<u>1,126</u>	<u>244</u>	<u>215</u>	<u>-</u>	<u>1,585</u>
At 31 March 2016	<u>1,307</u>	<u>250</u>	<u>196</u>	<u>10</u>	<u>1,763</u>

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

13 Fixed asset investments

		2017 £'000	2016 £'000
Investments in subsidiaries	14	<u>-</u>	<u>-</u>

The subsidiary was dormant for the year ended 31 March 2017 and began trading after the balance sheet date.

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking, address and country of incorporation or residency	Nature of business	Class of shareholding	% Held
William Reed Rappor Ltd Broadfield Park, Crawley, West Sussex, RH11 9RT, England	Benchmarking	Equity	51

15 Stocks

	2017 £'000	2016 £'000
Raw materials and consumables	<u>128</u>	<u>118</u>

There is no significant difference between the replacement cost of stock and its carrying amount.

16 Debtors

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Trade debtors	7,211	4,118
Amounts owed by fellow Group undertakings	2,399	1,198
Amounts owed by related parties	622	562
Other debtors	191	205
Prepayments and accrued income	2,059	2,860
	<u>12,482</u>	<u>8,943</u>
Deferred tax asset (note 18)	86	74
	<u>12,568</u>	<u>9,017</u>

Trade debtors disclosed above are measured at amortised cost.

Amounts owed by fellow Group undertakings and related parties are interest free, unsecured and repayable on demand.

Trade debtors are stated after provisions for impairment of £5,000 (2016: £4,000).

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

17 Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Bank overdrafts	35	64
Trade creditors	1,596	2,306
Amount owed to Parent undertaking	4,830	3,608
Amounts owed to fellow Group undertakings	1,275	422
Corporation tax	279	334
Other taxation and social security	458	660
Other creditors	166	398
Accruals and deferred income	11,665	12,951
	<u>20,304</u>	<u>20,743</u>

Amounts owed to Parent undertaking and fellow Group undertakings are interest free, unsecured and repayable on demand.

18 Deferred taxation

The deferred tax assets recognised by the Company consists of the following deferred tax assets (liabilities):

	Assets	Assets
	2017	2016
	£'000	£'000
Balances:		
Accelerated capital allowances	99	99
Other timing differences	(13)	(25)
	<u>86</u>	<u>74</u>

Excess of depreciation over capital allowances has been provided since the Company is consistently profitable and therefore is more likely than not that the deferred tax asset will reverse in the future.

There are no unused tax losses or unused tax credits.

19 Post-employment benefits

Defined contribution scheme

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.

The charge to profit and loss in respect of defined contribution schemes was £622,000 (2016 £518,000).

WILLIAM REED BUSINESS MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

20 Called up share capital

	2017	2016
	£'000	£'000
Ordinary share capital		
Allotted and fully paid		
100,000 (2016: 100,000) ordinary shares of £1 each	100	100

21

Financial

The Company is a participant in a Group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to Group members. In addition, the Company has issued an unlimited guarantee to support these Group facilities.

22 Related party transactions

The Company has taken advantage of the exemption not to disclose related party transactions or balances between entities with fellow subsidiaries that are wholly owned within the Group.

Cathedral Publishing Services Limited is a related party due to common control.

Broadfield Park Limited is a related party due to common directorship.

Description	Opening Balance	Amounts Advanced	Interest Charged	Amounts Repaid	Closing Balance
	£'000	£'000	£'000	£'000	£'000
Cathedral Publishing Services Limited	540	60	-	-	600
Broadfield Park Limited	22	-	-	-	22
	<u>562</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>622</u>

No guarantees have been given or received.

23 Controlling party

The immediate parent Company of William Reed Business Media Ltd is William Reed Holdings Limited, incorporated in England and Wales. As at the balance sheet date, the ultimate parent undertaking was William Reed Holdings Limited which is controlled by the Reed Family Trusts. William Reed Holdings Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements.

The consolidated financial statements of William Reed Holdings Limited are available to the public and may be obtained from The Company Secretary, William Reed Holdings Limited, Broadfield Park, Crawley, West Sussex, RH11 9RT.

24 Post reporting date events

After the year-end, the Group was restructured and the ultimate parent became William Reed Group Ltd. William Reed Holdings Limited remained the parent of William Reed Business Media Ltd. The Group continues to be controlled by the Reed family.