

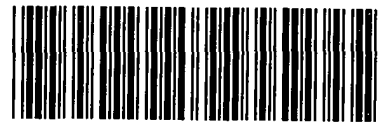
Company Registration No. 05265119 (England and Wales)

WINKONTENT LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

WINKONTENT LIMITED

COMPANY INFORMATION

Directors

Winkontent AG
J T Brule
R Atkinson
S Vandenbroucke

Secretary

Milford Secretaries Limited

Company number

05265119

Registered office

Midori House
1 Dorset Street
LONDON
W1U 4EG

Auditors

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

WINKONTENT LIMITED

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WINKONTENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

In 2014, Monocle's audited ABC circulation achieved 80,016, which is an increase of 6% year on year. The market conditions remain tough, with newsstand retailers lacking focus when it comes to quality magazine publications. Monocle continues to invest in its newsstand distribution through direct relationships with international distributors, as well as developing branded initiatives with key retail chains. We believe this will require further support in terms of innovative initiatives in the short term to keep our sector of the market buoyant.

In December 2014, Monocle published its first issue of The Forecast, offering an outlook on the coming year, which was very well received in the market from both an advertising point of view as well as in terms of copy sales. With an extended on-sale period (three months instead of the usual one month for regular issues), this increased Monocle's brand visibility on the newsstand. Its success led to the creation of a summer equivalent, The Escapist, due to be published in mid-July 2015. Both The Forecast and The Escapist will become regular issues, increasing the number of annual Monocle-branded issues to 12.

Our book-publishing business continues to grow and 2014 saw the publication of The Monocle Guide to Good Business, a second collaboration with German book publisher Gestalten. For 2015, a series of travel guides has started to appear on shelves with eight titles due out by the end of the year, as well as a third title in our coffee-table series: The Monocle Guide to Cosy Homes.

Monocle continues to develop its global presence and in 2014 opened bureaux in Istanbul and Singapore. Our Tokyo bureau was upgraded with the addition of an integrated shop space.

In 2015 our investor, Nikkei, took over the distribution of Monocle in Japan.

The company's cash position strengthened year on year with a balance of £984,474 (2013: £671,099).

The company regularly invests in the training of its staff and values a safe and comfortable work environment.

There are no significant post-balance-sheet-date events affecting the company.

Turnover increased 2% to £15,109,945 (2013: £14,772,145). The gross margin is stable year on year and post-tax profit has increased slightly by 1.46%.

On behalf of the board

J T Brule

Director

15 July 2015

WINKONTENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

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

Principal activities

The principal activity of the company was that of producing a magazine, broadcasting a 24 hour radio programme and operating a retail network.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2014:

Winkontent AG

J T Brule

R Atkinson

J Caireta

(Resigned 7 April 2014)

S Vandenbroucke

M Bury

(Appointed 15 April 2014 and resigned 1 August 2014)

Auditors

The auditors, UHY Hacker Young, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- 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.

WINKONTENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

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.

On behalf of the board

J T Brule

Director

15 July 2015

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WINKONTENT LIMITED**

We have audited the financial statements of Winkontent Limited for the year ended 31 December 2014 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF WINKONTENT LIMITED

Matters on which we are required to report by exception

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

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



Matthew Anderson (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

15 July 2015

Chartered Accountants
Statutory Auditor

WINKONTENT LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014	2013
	Notes	£	£
Turnover	2	15,109,425	14,772,145
Cost of sales		(9,120,462)	(8,831,248)
Gross profit		<u>5,988,963</u>	<u>5,940,897</u>
Distribution costs		(135,757)	(93,760)
Administrative expenses		(5,332,246)	(5,147,687)
Operating profit	3	<u>520,960</u>	<u>699,450</u>
Other interest receivable and similar income	4	307	243
Interest payable and similar charges	5	68,252	(120,699)
Profit on ordinary activities before taxation		<u>589,519</u>	<u>578,994</u>
Tax on profit on ordinary activities	6	(1,533)	(4,312)
Profit for the year	15	<u><u>587,986</u></u>	<u><u>574,682</u></u>

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

There are no recognised gains and losses other than those passing through the profit and loss account.

WINKONTENT LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2014**

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Intangible assets	7		90,069		148,567
Tangible assets	8		166,076		232,617
			<u>256,145</u>		<u>381,184</u>
Current assets					
Stocks	9	429,277		457,720	
Debtors	10	4,299,865		3,669,694	
Cash at bank and in hand		984,474		671,099	
		<u>5,713,616</u>		<u>4,798,513</u>	
Creditors: amounts falling due within one year	11	(3,741,261)		(3,539,183)	
Net current assets			<u>1,972,355</u>		<u>1,259,330</u>
Total assets less current liabilities			<u>2,228,500</u>		<u>1,640,514</u>
Creditors: amounts falling due after more than one year	12		(2,847,000)		(2,847,000)
			<u>(618,500)</u>		<u>(1,206,486)</u>
Capital and reserves					
Called up share capital	14		800,000		800,000
Profit and loss account	15		(1,418,500)		(2,006,486)
Shareholders' funds	16		<u>(618,500)</u>		<u>(1,206,486)</u>

Approved by the Board and authorised for issue on 15 July 2015

J T Brule
Director

Company Registration No. 05265119

WINKONTENT LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2014**

			2014		2013
	Notes	£	£	£	£
Net cash inflow from operating activities	21		408,070		240,284
Returns on investments and servicing of finance					
Interest received		307		243	
		<u>307</u>		<u>243</u>	
Net cash inflow for returns on investments and servicing of finance			307		243
Taxation			(1,472)		(4,351)
Capital expenditure					
Payments to acquire intangible assets		(10,000)		(136,581)	
Payments to acquire tangible assets		(85,850)		(205,255)	
Receipts from sales of tangible assets		2,320		2,726	
		<u>2,320</u>		<u>2,726</u>	
Net cash outflow for capital expenditure			(93,530)		(339,110)
			<u>313,375</u>		<u>(102,934)</u>
Net cash inflow/(outflow) before management of liquid resources and financing			313,375		(102,934)
			<u>313,375</u>		<u>(102,934)</u>
Increase/(decrease) in cash in the year	22, 23		<u>313,375</u>		<u>(102,934)</u>

WINKONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is generated through the production of a magazine, broadcasting a 24 hour radio program and operating a retail network.

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit, being a period of three to five years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20% - 33% straight line
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1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is regarded as recoverable. The deferred tax balance has not been discounted.

WINKONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

1.10 Foreign currency translation

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

2 Turnover

Geographical market

	Turnover	
	2014	2013
	£	£
United Kingdom	2,392,248	2,262,882
Rest of the world	12,717,177	12,509,263
	<u>15,109,425</u>	<u>14,772,145</u>

3 Operating profit	2014	2013
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	68,498	75,699
Depreciation of tangible assets	150,027	147,020
Loss on disposal of tangible assets	44	-
Loss on foreign exchange transactions	190,019	140,919
Operating lease rentals	338,776	344,519
and after crediting:		
Profit on disposal of tangible assets	-	(487)
	<u> </u>	<u> </u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	11,500	10,500
Other accounting	3,000	-
	<u>14,500</u>	<u>10,500</u>

WINKONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

4	Investment income	2014	2013
		£	£
	Bank interest	307	243
		<u>307</u>	<u>243</u>
		<u><u>307</u></u>	<u><u>243</u></u>
5	Interest payable	2014	2013
		£	£
	On amounts payable to group companies	(68,252)	120,699
		<u>(68,252)</u>	<u>120,699</u>
		<u><u>(68,252)</u></u>	<u><u>120,699</u></u>

Included in the above is a write back of interest accrued of £139,427 in respect of previous years.

WINKONTENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2014**

6 Taxation	2014	2013
	£	£
Domestic current year tax		
U.K. corporation tax	61	-
Adjustment for prior years	49	-
	<u>110</u>	<u>-</u>
Foreign corporation tax		
Foreign corporation tax	1,423	4,312
	<u>1,533</u>	<u>4,312</u>
Total current tax	<u>1,533</u>	<u>4,312</u>
	<u>1,533</u>	<u>4,312</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>589,519</u>	<u>578,994</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 20.00%)	<u>117,904</u>	<u>115,799</u>
Effects of:		
Non deductible expenses	4,410	9,057
Depreciation add back	30,014	29,307
Capital allowances	(24,812)	(16,478)
Tax losses	(127,170)	(137,685)
Foreign tax	1,423	4,312
Other tax adjustments	(236)	-
	<u>(116,371)</u>	<u>(111,487)</u>
Current tax charge for the year	<u>1,533</u>	<u>4,312</u>

The company has estimated losses of £ 860,000 (2013 - £ 1,300,000) available for carry forward against future trading profits.

WINKONTENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

7 Intangible fixed assets

	Software & Website Development £
Cost	
At 1 January 2014	536,805
Additions	10,000
	<hr/>
At 31 December 2014	546,805
	<hr/>
Amortisation	
At 1 January 2014	388,238
Charge for the year	68,498
	<hr/>
At 31 December 2014	456,736
	<hr/>
Net book value	
At 31 December 2014	90,069
	<hr/> <hr/>
At 31 December 2013	148,567
	<hr/> <hr/>

WINKONTENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

8 Tangible fixed assets		
		Fixtures, fittings & equipment £
Cost		
At 1 January 2014		692,010
Additions		85,850
Disposals		(2,774)
		<hr/>
At 31 December 2014		775,086
		<hr/>
Depreciation		
At 1 January 2014		459,393
On disposals		(410)
Charge for the year		150,027
		<hr/>
At 31 December 2014		609,010
		<hr/>
Net book value		
At 31 December 2014		166,076
		<hr/> <hr/>
At 31 December 2013		232,617
		<hr/> <hr/>
9 Stocks	2014	2013
	£	£
Finished goods and goods for resale	429,277	457,720
	<hr/> <hr/>	<hr/> <hr/>

WINKONTENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Debtors	2014	2013
	£	£
Trade debtors	3,500,521	3,033,142
Other debtors	84,577	108,074
Prepayments and accrued income	714,767	528,478
	<u>4,299,865</u>	<u>3,669,694</u>

Other debtors includes £14,000 (2013: £14,000) rent deposit. The Portman Estates Nominees (One) Limited and The Portman Estates Nominees (Two) Limited hold a charge over this amount.

11 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	1,749,189	1,214,663
Corporation tax	61	-
Other taxes and social security costs	78,974	76,579
Other creditors	19,170	20,295
Accruals and deferred income	1,893,867	2,227,646
	<u>3,741,261</u>	<u>3,539,183</u>

12 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Other loans	<u>2,847,000</u>	<u>2,847,000</u>
Analysis of loans		
Wholly repayable within five years	<u>2,847,000</u>	<u>2,847,000</u>
	<u>2,847,000</u>	<u>2,847,000</u>
Loan maturity analysis		
In more than two years but not more than five years	<u>2,847,000</u>	<u>2,847,000</u>

Other loans comprise a loan from the immediate parent company, Winkontent AG.

WINKONTENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2014****13 Retirement Benefits****Defined contribution scheme**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2014 £	2013 £
Contributions payable by the company for the year	33,052	27,375

14 Share capital

	2014 £	2013 £
Allotted, called up and fully paid 800,000 Ordinary shares of £1 each	800,000	800,000

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2014	(2,006,486)
Profit for the year	587,986
Balance at 31 December 2014	(1,418,500)

16 Reconciliation of movements in Shareholders' funds

	2014 £	2013 £
Profit for the financial year	587,986	574,682
Opening Shareholders' funds	(1,206,486)	(1,781,168)
Closing Shareholders' funds	(618,500)	(1,206,486)

WINKONTENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

17 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within one year	9,996	-
Between two and five years	83,093	87,000
In over five years	20,000	-
	<u>113,089</u>	<u>87,000</u>

18 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	<u>116,000</u>	<u>98,000</u>

WINKONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Advertising	31	23
Editorial	45	44
Admin	7	7
	<u>83</u>	<u>74</u>

Employment costs

	2014 £	2013 £
Wages and salaries	3,241,212	3,085,483
Social security costs	280,640	275,305
Other pension costs	33,052	27,375
	<u>3,554,904</u>	<u>3,388,163</u>

20 Control

The immediate parent company is Winkontent AG and the ultimate parent company is Winkorp AG, both companies are registered in Switzerland.

Winkorp AG is controlled by J T Brule, a director of the company.

WINKONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

21 Reconciliation of operating profit to net cash outflow from operating activities	2014	2013
	£	£
Operating profit	520,960	699,450
Depreciation of tangible assets	150,027	147,020
Amortisation of intangible assets	68,498	75,699
Loss/(profit) on disposal of tangible assets	44	(487)
Decrease in stocks	28,443	33,624
Increase in debtors	(630,171)	(513,596)
Increase/(decrease) in creditors within one year	270,269	(201,426)
Net cash inflow from operating activities	408,070	240,284

22 Analysis of net debt	1 January 2014	Cash flow	Other non- cash changes	31 December 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	671,099	313,375	-	984,474
Debt:				
Debts falling due after one year	(2,847,000)	-	-	(2,847,000)
Net debt	(2,175,901)	313,375	-	(1,862,526)

23 Reconciliation of net cash flow to movement in net debt	2014	2013
	£	£
Increase/(decrease) in cash in the year	313,375	(102,934)
Movement in net debt in the year	313,375	(102,934)
Opening net debt	(2,175,901)	(2,072,967)
Closing net debt	(1,862,526)	(2,175,901)

WINKONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

24 Related party relationships and transactions

Included within trade creditors as at 31 December 2014 is £Nil (2013: £22,329) owed to Winkreative Limited and £34,767 (2013: £30,396) owed to Winkreative AG. Winkreative Limited and Winkreative AG are part of the Winkorp AG group.

During the year the company was recharged expenses of £536,861 (2013: £429,711) from Winkreative Limited and £60,281 (2013: £30,396) from Winkreative AG.

Included within trade debtors as at 31 December 2014 is £4,304 (2013: £Nil) due from Winkreative Limited, £12,539 (2013: £3,119) due from Winkreative AG and £48,500 (2013: £Nil) due from Winkreative Toronto.

During the year the company recharged expenses of £6,292 (2013: £5,719) to Winkreative Limited, £77,797 (2013: £29,795) to Winkreative AG and £48,500 (2013: £Nil) to Winkreative Toronto.

As at 31 December 2014 the company had a long term loan from Winkontent AG, the immediate parent company, of £2,847,000 (2013: £2,847,000) on which interest of £68,252 (2013: £120,699 accrued) was written back in the year. The total accrued interest on the outstanding loan as at 31 December 2014 is £691,560 (2013: £759,812)

During the year the company made sales to Winkontent Hong Kong of £116,952 (2013: £123,574). During the year the company was recharged expenses of £46,085 (2013: £70,534) by Winkontent Hong Kong. Winkontent Hong Kong is part of the Winkorp AG group.

Included within trade debtors as at 31 December 2014 is £206,890 (2013: £123,574) due from Winkontent Hong Kong.

Included within trade creditors as at 31 December 2014 is £143,774 (2013: £70,534) owed to Winkontent Hong Kong.

During the year the company made sales to Trunk Clothiers Limited of £15,622 (2013: £11,368). Trunk Clothiers Limited has common control with Winkontent Limited. Included within trade debtors as at 31 December 2014 is £6,621 (2013: £6,726).