

Company registration no. 3464980.

TI Magazines Holdings Limited (formerly IPC Magazines Holdings Limited)

Report and financial statements
for the year ended 31 December 2017



Registered office: 3rd Floor, 161 Marsh Wall,
London, England, E14 9AP

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Strategic report

The directors present their strategic report for the year ended 31 December 2017.

The company is part of a group of undertakings whose main activity is magazine print and digital publishing. The company acts as an intermediate holding company within the group. Until 15 March 2018 the principal operating company in this group was TI Media Limited (formerly Time Inc. (UK) Ltd).

The loss for the year amounted to £12.7m (2016: loss of £2.5m) consisting of dividend income of £314.4m settled by the transfer of two inter-company loans receivable, impairment of the investment in TI Media Limited of £324.8m and net interest payable of £2.3m (2016: £2.5m) on inter-company loans. Net assets at year end were £294.2m (2016: £307.0m). Given that the company is an intermediate holding company, the directors do not believe there are any key performance indicators.

On 31 January 2018 Time Inc., the company's ultimate parent company, was acquired by Meredith Corporation, a publicly held media and marketing services company based in Des Moines, Iowa, USA.

On 15 March 2018 the company's subsidiary undertaking TI Media Limited was acquired by Sapphire Bidco Limited which is controlled by Epiris Fund II an institutional private equity fund controlled by Epiris GP Limited, a company registered in Jersey.

On 11 June 2018 the company changed its name from IPC Magazines Holdings Limited to TI Magazines Holdings Limited.

The business risks facing the company are the same as those facing its ultimate parent company Meredith Corporation. A detailed description of these risks is set out in Meredith Corporation's 10-K Annual Report filing which is available online at the Meredith Corporation investor relations site: www.meredith.com.

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



J S Zieser
Director
161 Marsh Wall
London
England
E14 9AP

26 July 2018

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Dividends

No equity dividends were proposed or paid during the year (2016: £nil).

Directors

The directors during the year and subsequently were:

J H Ceryanec (appointed on 15 February 2018)
S D'Emic (resigned on 31 January 2018)
S J May (resigned 13 March 2018)
M A Rich (resigned 13 March 2018)
J S Zieser (appointed on 15 February 2018)

The directors had no interest in the share capital of the company requiring disclosure under the Companies Act 2006.

Company Secretary

L E Klein (resigned 31 January 2018)

Directors' indemnity

The company has granted indemnities to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This qualifying third party indemnity provision was in force throughout the period and remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

As far as each person who was a director at the date of approving this report is aware there is no relevant information of which the company's auditors are unaware. Directors have taken all the steps they ought to take as directors to make themselves aware of relevant audit information and to establish that the company's auditors are aware of that information.

Going concern

Meredith Corporation, the company's ultimate parent company, has confirmed that, if required, it will provide financial support to the company during the year following the approval of the accounts. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, thus they consider that it is appropriate to prepare the financial statements on a going concern basis.

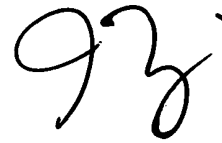
Directors' report (continued)

Events since the balance sheet date

On 31 January 2018 Time Inc., the company's ultimate parent company, was acquired by Meredith Corporation, a publicly held media and marketing services company based in Des Moines, Iowa, USA.

On 15 March 2018 the company's subsidiary undertaking TI Media Limited was acquired by Sapphire Bidco Limited which is controlled by Epiris Fund II an institutional private equity fund controlled by Epiris GP Limited, a company registered in Jersey. On the same date the company acquired 5% of Sapphire Topco Limited, the new ultimate parent company of TI Media Limited.

Approved by the Board of Directors and signed on their behalf



J S Zieser
Director
161 Marsh Wall
London
England
E14 9AP

26 July 2018

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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 those financial statements, the directors are required to:

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

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

Independent Auditor's report to the members of TI Magazines Holdings Limited

Opinion

We have audited the financial statements of TI Magazines Holdings Limited for the year ended 31 December 2017 which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent Auditor's report (Continued) **to the members of TI Magazines Holdings Limited**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's report (Continued)
to the members of TI Magazines Holdings Limited

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

Ernst & Young LLP

Philip Young (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London UK
30 July 2018

TI Magazines Holdings Limited

Income statement

for the year ended 31 December 2017

	Note	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Interest receivable and similar income	4	105	-
Interest payable and similar charges	5	(2,405)	(2,525)
Impairment of fixed asset investment	7	(324,797)	-
Dividends received		<u>314,369</u>	<u>-</u>
Loss on ordinary activities before taxation		(12,728)	(2,525)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
Loss for the year		<u>(12,728)</u>	<u>(2,525)</u>

All activities relate to continuing operations.

TI Magazines Holdings Limited

Statement of comprehensive income
for the year ended 31 December 2017

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Loss for the year	(12,728)	(2,525)
Other comprehensive income	<u>-</u>	<u>-</u>
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u><u>(12,728)</u></u>	<u><u>(2,525)</u></u>

TI Magazines Holdings Limited
Company registration no. 3464980

Statement of financial position
as at 31 December 2017

	Note	31 December 2017 £'000	31 December 2016 £'000
Fixed assets			
Investments in subsidiary undertakings	7	<u>80,550</u>	<u>405,347</u>
Debtors: amounts falling due within one year	8	314,474	-
Creditors: amounts falling due within one year	9	<u>(8,728)</u>	<u>(6,323)</u>
Net current assets/(liabilities)		305,746	(6,323)
Creditors: amounts falling due after more than one year	10	<u>(92,047)</u>	<u>(92,047)</u>
Total net assets		<u><u>294,249</u></u>	<u><u>306,977</u></u>
Capital and reserves			
Called-up share capital	11	55	55
Share premium		45	45
Profit and loss account		<u>294,149</u>	<u>306,877</u>
Equity shareholders' funds		<u><u>294,249</u></u>	<u><u>306,977</u></u>

These financial statements were approved by the Board of Directors on 26 July 2018 and signed on their behalf:



J S Zieser
Director

Statement of changes in equity
for the year ended 31 December 2017

	Profit and loss account £'000	Called-up share capital £'000	Share premium account £'000	Total equity £'000
At 1 January 2016	309,402	55	45	309,502
Total comprehensive loss for the year	<u>(2,525)</u>	-	-	<u>(2,525)</u>
At 31 December 2016	306,877	55	45	306,977
Total comprehensive loss for the year	<u>(12,728)</u>	-	-	<u>(12,728)</u>
At 31 December 2017	<u><u>294,149</u></u>	<u><u>55</u></u>	<u><u>45</u></u>	<u><u>294,249</u></u>

Notes to the financial statements
for the year ended 31 December 2017

1 Accounting policies

Statement of compliance

TI Magazines Holdings Limited is a private limited liability company incorporated in England and Wales. The address of its registered office is 3rd Floor, 161 Marsh Wall, London, England, E14 9AP.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102), a Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial statements are presented for the company as an individual undertaking. The company is not required to prepare group financial statements under section 400 of the Companies Act 2006 because its parent undertaking is established under the law of a member State of the European Union.

Under the provisions of FRS 102 section 1.12(b), the company has elected to make use of the exemption from the requirement to present a cash flow statement. In respect of the year ended 31 December 2017 the company is a qualifying entity because Meredith Corporation, the company's new ultimate parent undertaking, which is incorporated in the United States of America, has prepared and filed consolidated financial statements for Time Inc., the company's former ultimate parent undertaking, on Form 8-K/A which are publicly available and which include TI Magazines Holdings Limited.

Meredith Corporation, the company's ultimate parent company, has confirmed that, if required, it will provide financial support to the company during the year following the approval of the accounts. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future thus they consider that it is appropriate to prepare the financial statements on a going concern basis.

The financial statements have been prepared in pounds sterling, which is the functional currency of the company and are rounded to the nearest £'000.

Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Taxation

The company establishes provisions based on reasonable estimates for possible consequences of audits by the tax authorities. The amount of such provisions is based upon various factors such as experience with previous tax audits and differing interpretations of tax regulations by the company and the responsible tax authority.

Notes to the financial statements
for the year ended 31 December 2017

1 Accounting policies (continued)

Fixed asset investments

Investments are shown at cost less provision, if appropriate, for any diminution in value.

Dividends

Dividends are recognised when the company's right to receive payment is established.

Financial instruments

The financial liabilities held by the company are basic financial instruments and were initially recognised at the transaction price. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. Debt instruments that are payable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid, net of impairment.

2 Directors and employees

The directors did not receive any emoluments for their qualifying services as directors of the company (2016: £nil).

The company had no other employees during the year (2016: nil).

3 Auditor's remuneration

The auditor's remuneration in the current and preceding financial years is included in the fee disclosed in the financial statements of TI Media Limited. The company made no other payments to the auditors.

4 Interest receivable and similar income

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Interest receivable from group undertakings	<u>105</u>	<u>-</u>

5 Interest payable and similar charges

Interest payable to group undertakings	<u>2,405</u>	<u>2,525</u>
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6 Tax on loss on ordinary activities

There is no tax charge based on the results for the current financial year or the preceding financial year.

Notes to the financial statements

for the year ended 31 December 2017

6 Tax on loss on ordinary activities (continued)

Circumstances affecting total tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The applicable tax rate has changed as the Finance (No2) Act 2015 included legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017. The differences are reconciled below:

	31 December 2017 £'000	31 December 2016 £'000
Loss on ordinary activities before tax	<u>(12,728)</u>	<u>(2,525)</u>
Tax on loss on ordinary activities at standard rate	(2,450)	(505)
Factors affecting charge:		
Investment income not taxable	(60,516)	-
Impairment of fixed asset investments not tax deductible	62,523	-
Group relief surrendered for nil consideration	333	505
Tax losses carried forward	<u>110</u>	<u>-</u>
Total tax expense	<u><u>-</u></u>	<u><u>-</u></u>

The company has incurred taxable losses which are available to offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses as, based on budgets, the company does not anticipate taxable profits to arise within the immediate future. It is anticipated that the losses will gradually be recovered as the business moves into profit. The estimated value of the deferred tax asset not recognised, measured at a standard rate of 17% is £97,000.

Factors affecting future tax charges

The Finance Act 2016 included legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. The effect of this change on the deferred tax balances has been included in the figures within these accounts. It is not yet possible to quantify the impact of these rate changes upon current tax.

7 Investments in subsidiary undertakings

	31 December 2017 £'000	31 December 2016 £'000
Shares in subsidiary undertakings		
At 1 January	405,347	405,347
Impairment of investment in TI Media Limited	<u>(324,797)</u>	<u>-</u>
At 31 December	<u><u>80,550</u></u>	<u><u>405,347</u></u>

Until 15 March 2018 the company held a 100% interest in the ordinary share capital of TI Media Limited which is incorporated in Great Britain and registered in England and Wales.

Notes to the financial statements
for the year ended 31 December 2017

7 Investments in subsidiary undertakings (continued)

TI Magazines Holdings Limited was an intermediate holding company of a group of undertakings whose main activity is magazine print and digital publishing. The principal operating company in this group was TI Media Limited. On 15 March 2018 the group's investment in TI Media Limited was sold to Sapphire Bidco Limited which is controlled by Epiris Fund II, an institutional private equity fund controlled by Epiris GP Limited, a company registered in Jersey. On the same date the company acquired 5% of Sapphire Topco Limited, the new ultimate parent company of TI Media Limited.

A provision for impairment of £324.8m in the investment in TI Media Limited was made to reflect the results of the company's impairment review.

8 Debtors: amounts falling due within one year

	31 December 2017 £'000	31 December 2016 £'000
Amounts owed by group undertakings	<u>314,474</u>	<u>-</u>

On 18 December 2017, the company received a dividend of £314.4m which was settled by the novation of two loans from group undertakings. Interest on these loans is payable at a rate of 0.25% above three month pound sterling LIBOR.

9 Creditors: amounts falling due within one year

	31 December 2017 £'000	31 December 2016 £'000
Amounts owed to group undertaking	<u>8,728</u>	<u>6,323</u>

Amounts owed to group undertakings consists of interest payable on the loan payable to Time UK Publishing Holdings Limited.

10 Creditors: amounts falling due after more than one year

	31 December 2017 £'000	31 December 2016 £'000
Amounts owed to group undertaking	<u>92,047</u>	<u>92,047</u>

The loan note of £92.0m is repayable on 14 July 2019. Interest is payable at a rate per annum equal to LIBOR plus an applicable margin of 2.25% and is payable quarterly in arrears or as may otherwise be agreed by the parties.

Notes to the financial statements
for the year ended 31 December 2017

11 Called-up share capital

	31 December 2017 £'000	31 December 2016 £'000
Called-up, allotted and fully paid 548,670,002 ordinary shares of £0.0001	<u>55</u>	<u>55</u>

12 Related party transactions

Related party loans are disclosed in notes 9 and 10 and interest due on these loans is disclosed in notes 4 and 5. A dividend of £314.4m was received from the company's wholly-owned subsidiary.

13 Parent undertakings

The company's immediate parent undertaking is International Publishing Corporation Limited.

Until 31 January 2018 Time Inc., a company incorporated in the United States of America, was the ultimate parent undertaking of the smallest and largest group of undertakings of which the company was a member and for which group financial statements are drawn up. Copies of Time Inc.'s financial statements can be obtained from Meredith Corporation, 1716 Locust Street, Des Moines, Iowa, 50309, USA.

From 31 January 2018 Meredith Corporation, a company incorporated in the United States of America, was the ultimate parent undertaking of the smallest and largest group of undertakings of which the company was a member and for which group financial statements are drawn up. Copies of Meredith Corporation's financial statements can be obtained from Meredith Corporation, 1716 Locust Street, Des Moines, Iowa, 50309, USA.

14 Events after the reporting period

On 31 January 2018 Time Inc., the company's ultimate parent company, was acquired by Meredith Corporation, a publicly held media and marketing services company based in Des Moines, Iowa, USA.

On 15 March 2018 the company's subsidiary undertaking TI Media Limited was acquired by Sapphire Bidco Limited, which is controlled by Epiris Fund II an institutional private equity fund controlled by Epiris GP Limited, a company registered in Jersey. On the same date the company acquired 5% of Sapphire Topco Limited, the new ultimate parent company of TI Media Limited.

On 11 June 2018 the company changed its name from IPC Magazines Holdings Limited to TI Magazines Holdings Limited.