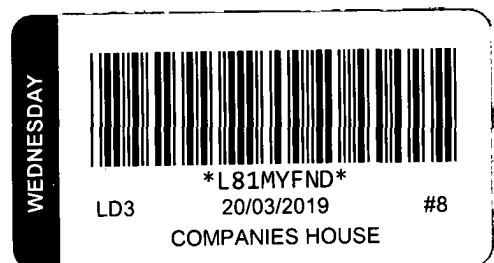


Company Registration No. 07406382 (England and Wales)

Enthuse Holdings Limited

**Annual report and
group financial statements
for the year ended 31 December 2018**



Enthuse Holdings Limited

Company information

Directors Owen Davies
Robert Wilson

Company number 07406382

Registered office Suite 25, Eden House
Enterprise Way
Edenbridge
Kent
TN8 6HF

Accountants Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Enthuse Holdings Limited

Contents

	Page
Strategic report	1 - 3
Directors' report	4
<i>Group statement of comprehensive income</i>	5
<i>Group statement of financial position</i>	6 - 7
<i>Company statement of financial position</i>	8 - 9
<i>Group statement of changes in equity</i>	10
<i>Company statement of changes in equity</i>	11
<i>Notes to the financial statements</i>	12 - 21
Accountants' report	22

Enthuse Holdings Limited

Strategic report

For the year ended 31 December 2018

The directors present the strategic report for the year ended 31 December 2018.

Fair review of the business

Highlights for the year ended 31 December 2018

- Turnover of £10.5m, up 75% on the prior year
- EBITDA of £1.34m up by 313% compared to the prior year
- Operating profit of £1.29m
- Net cash balance at 31 December 2018 of £1.5m

Overview

Enthuse Group acquires and operates heritage brands, predominantly in the media sector. These brands exist in markets where people will make regular purchases in support of a pastime or special interest and where there is scope for additional revenue opportunities in areas such as digital media, e-commerce, clubs and events. We have an expanding portfolio of more than 30 trusted media brands which engage with loyal and active enthusiasts. Our principal markets are the UK and US. We operate a decentralised model, utilising a scalable platform to enable our experienced team of specialists to focus on growing and developing the enthusiast communities that they serve. Over the last decade, Enthuse Group has implemented a successful, acquisition-led, growth strategy targeting brands with passionate, dedicated and committed audiences and communities.

The Group has a strong track record of integrating these businesses within its flexible and scalable operating platform. Our experienced founder and entrepreneurial management team have more than fifty years of combined industry experience. Our editors and editorial teams are themselves enthusiasts, sharing interests with our readers. We provide a platform for our brands, an enabling culture, shared operating processes and a shared financial infrastructure. Our decentralised management approach provides brand leadership with considerable flexibility to innovate and develop their brands. The Group's executive and central functions support them to drive the appropriate improvements across all parts of the value chain, particularly in technology, marketing and customer service, as well as through the supply chain and logistics.

By maintaining and nurturing long-standing customer relationships centred around enthusiasms and pastimes we are able to identify and develop new revenue streams through digital advertising, subscriptions, e-commerce, clubs and live events.

Strategic Progress

Acquisitions and Integration

The Group made significant progress in the period against its strategy, acquiring three specialist media brands over the period which focus on the following enthusiast communities:

Fishing: In February 2018, the group acquired Hoop Holdings Ltd, publisher of three leading consumer magazines, two B2B magazines and consumer websites and organiser of events in the fishing sector. Hoop Holdings also owns two e-commerce websites and a third-party fulfilment and warehousing operation.

Woodworking: In February 2018, the group acquired a consumer woodworking and power tool show in the North of England along with the leading woodworking B2B magazine. With this bolt-on acquisition to our existing woodworking assets in the UK, the group has considerably strengthened its position in this market. This exemplifies our strategy of developing increasingly deep relationships within specialist communities.

Home Technology: In March 2018, the group expanded into the US market through the acquisition of six leading consumer magazines and websites in the home technology sector from TEN, a company controlled by GoldenTree Asset Management. This acquisition deepened our reach in the home technology sector, transforming our existing operations into a transatlantic business with the leading media brands in both the UK and US now in our portfolio. This enables us to better serve our international manufacturer and distributor customers. The acquisition once again illustrates our ability to acquire assets from large corporate operators and successfully integrate them onto our platform, regardless of location.

Profitable Organic Growth – Driving new revenue streams

The specialist sector focus of our brands drives strong customer relationships and loyalty within enthusiast communities. Our experience is that pastimes and interests remain an important expenditure priority, regardless of any weakening in consumer confidence.

By growing new revenue streams within these brands the Group is driving organic growth across its portfolio and broadening of its revenue profile. During the period:

- 24% of Group turnover was non-print and mainly from digital advertising, e-commerce and events
- 23% was recurring subscriptions
- 17% was from single copy sales
- 36% was from print advertising

In addition, 28% of Group turnover was from international markets, mainly the US.

Enthuse Holdings Limited

Strategic report (continued)

For the year ended 31 December 2018

Summary and Outlook

These results represent a strong performance for the Group. We pride ourselves on the experience, dedication and commitment of our staff who are successful because they are passionate about their brand and are trusted by readers and commercial partners alike. We are proud of our achievements during the year and also proud that we were recognised during the period as a 'one to watch' by LDC, the private equity arm of Lloyds Banking Group in partnership with The Telegraph.

We are proud that our oldest magazine brand was first published in 1898, more than a century ago. It continues to be published every fortnight, informing, educating and supporting a community of enthusiasts across the globe. This is testament to the enduring attributes of high-quality enthusiast brands, the customer loyalty and connection they still inspire in a transient online world. Serving these loyal and passionate communities underpins the Group's growth strategy and success.

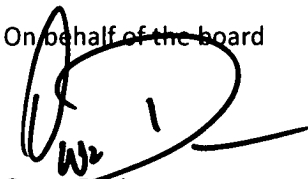
Principal risks and uncertainties

The Group's results may be affected by current UK political and macro-economic uncertainty but conversely this could provide further opportunities for acquisition as companies seek to dispose of assets. The Group also has foreign exchange risk, notably with USD. The directors seek to mitigate and manage each of these risks through continual review.

Key performance indicators

Given its decentralised operating philosophy, the Group manages each of its businesses by reference to a number of Key Performance Indicators. It is particularly pleasing to report that the Group had more than 132,000 paying magazine subscribers and recorded more than 1.4 million monthly unique users on its digital platforms at the end of the reporting period. This is a significant increase on the prior year.

On behalf of the board

A handwritten signature in black ink, appearing to be 'Owen Davies', written over a circular stamp or seal.

Owen Davies

Director

5 March 2019

Enthuse Holdings Limited

Directors' report

For the year ended 31 December 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The group's principal activity is operating media brands.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Owen Davies

Peter Harkness

Robert Wilson

(Resigned 28 February 2018)

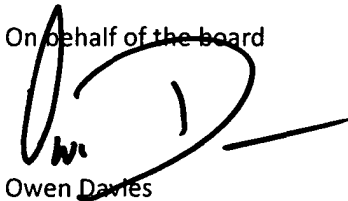
Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were declared by the company.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A handwritten signature in black ink, appearing to be 'Owen Davies', with a horizontal line extending to the right.

Owen Davies

Director

5 March 2019

Enthuse Holdings Limited

**Group statement of comprehensive income
For the year ended 31 December 2018**

	2018	2017
	£	£
Turnover	10,492,548	5,988,823
Cost of sales	(7,803,002)	(4,572,680)
	<hr/>	<hr/>
Gross profit	2,689,546	1,416,143
Administrative expenses	(1,404,704)	(1,750,415)
	<hr/>	<hr/>
Operating profit/(loss)	1,284,842	(334,272)
Interest receivable and similar income	11,783	37,500
Interest payable and similar expenses	(9,034)	-
	<hr/>	<hr/>
Profit/(loss) before taxation	1,287,591	(296,772)
Tax on profit/(loss)	(194,377)	(68,882)
	<hr/>	<hr/>
Profit/(loss) after taxation	1,093,214	(365,654)
Non-controlling interest	(90,033)	(39,456)
	<hr/>	<hr/>
Profit/(loss) for the financial year	<u>1,003,181</u>	<u>(405,110)</u>

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

Enthuse Holdings Limited

**Group statement of financial position
As at 31 December 2018**

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Total intangible assets	3		2,613,008		203,883
Tangible assets	4		10,793		5,018
			<u>2,623,801</u>		<u>208,901</u>
Current assets					
Stocks		96,843		-	
Debtors	7	1,473,293		768,446	
Cash at bank and in hand		1,826,338		1,208,425	
		<u>3,396,474</u>		<u>1,976,871</u>	
Creditors: amounts falling due within one year	8	<u>(5,098,881)</u>		<u>(2,324,930)</u>	
Net current liabilities			<u>(1,702,407)</u>		<u>(348,059)</u>
Total assets less current liabilities			<u>921,394</u>		<u>(139,158)</u>
Creditors: amounts falling due after more than one year	9		<u>(228,083)</u>		<u>-</u>
Net assets/(liabilities)			<u><u>693,311</u></u>		<u><u>(139,158)</u></u>
Capital and reserves					
Called up share capital	10		182,000		250,000
Share premium account			-		12,500
Capital redemption reserve			68,000		75,000
Profit and loss reserves			<u>(113,694)</u>		<u>(660,344)</u>
Equity attributable to owners of the parent company			<u>136,306</u>		<u>(322,844)</u>
Non-controlling interests			<u>557,005</u>		<u>183,686</u>
			<u><u>693,311</u></u>		<u><u>(139,158)</u></u>

For the financial year ended 31 December 2018 the group was entitled to exemption from audit under section 477 of the Companies Act 2006.

Enthuse Holdings Limited

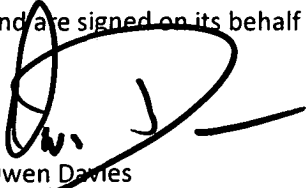
Group statement of financial position (continued)
As at 31 December 2018

Directors' responsibilities under the Companies Act 2006:

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

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 5 March 2019 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Owen Davies', with a long horizontal stroke extending to the right.

Owen Davies
Director

Company Registration No. 07406382

Enthuse Holdings Limited

Company statement of financial position

As at 31 December 2018

			2018		2017
	Notes	£	£	£	£
Fixed assets					
Investments	5		1,429,941		1,429,941
Current assets					
Debtors	7	1,349,530		4,630	
Cash at bank and in hand		689		769	
		<u>1,350,219</u>		<u>5,399</u>	
Creditors: amounts falling due within one year	8	<u>(2,251,494)</u>		<u>(1,843,494)</u>	
Net current liabilities			<u>(901,275)</u>		<u>(1,838,095)</u>
Total assets less current liabilities			<u>528,666</u>		<u>(408,154)</u>
Capital and reserves					
Called up share capital	10		182,000		250,000
Share premium account			-		12,500
Capital redemption reserve			68,000		75,000
Profit and loss reserves			278,666		(745,654)
Total equity			<u>528,666</u>		<u>(408,154)</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £1,344,820 (2017 - £239 loss).

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

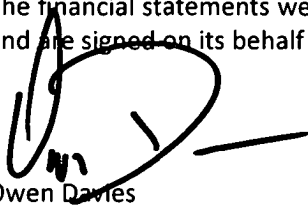
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Enthuse Holdings Limited

Company statement of financial position (continued)

As at 31 December 2018

The financial statements were approved by the board of directors and authorised for issue on 5 March 2019 and are signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Owen Davies', with a horizontal line extending to the right.

Owen Davies
Director

Company Registration No. 07406382

Enthuse Holdings Limited

Group statement of changes in equity
For the year ended 31 December 2018

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2017	250,000	12,500	75,000	(255,234)	82,266	144,230	226,496
Year ended 31 December 2017:							
Loss and total comprehensive income for the year	-	-	-	(405,110)	(405,110)	39,456	(365,654)
Balance at 31 December 2017	250,000	12,500	75,000	(660,344)	(322,844)	183,686	(139,158)
Year ended 31 December 2018:							
Profit and total comprehensive income for the year	-	-	-	1,003,181	1,003,181	90,033	1,093,214
Dividends	-	-	-	-	-	(52,745)	(52,745)
Share buy-back	(68,000)	-	68,000	(408,000)	(408,000)	-	(408,000)
Capital reduction	-	(12,500)	(75,000)	87,500	-	-	-
Other movements	-	-	-	(136,031)	(136,031)	336,031	200,000
Balance at 31 December 2018	182,000	-	68,000	(113,694)	136,306	557,005	693,311

Enthuse Holdings Limited

Company statement of changes in equity
For the year ended 31 December 2018

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2017		250,000	12,500	75,000	(745,415)	(407,915)
Year ended 31 December 2017:						
Loss and total comprehensive income for the year		-	-	-	(239)	(239)
Balance at 31 December 2017		250,000	12,500	75,000	(745,654)	(408,154)
Year ended 31 December 2018:						
Profit and total comprehensive income for the year		-	-	-	1,344,820	1,344,820
Share buy-back	10	(68,000)	-	68,000	(408,000)	(408,000)
Capital reduction	10	-	(12,500)	(75,000)	87,500	-
Balance at 31 December 2018		182,000	-	68,000	278,666	528,666

1 Accounting policies

Company information

Enthuse Holdings Limited ("the company") is a private limited company incorporated in England and Wales. The registered office is Suite 25, Eden House, Enterprise Way, Edenbridge, Kent, TN8 6HF.

The group consists of Enthuse Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1 Accounting policies (continued)

The group financial statements incorporate those of Enthuse Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets - goodwill

Acquired goodwill and goodwill arising on consolidation is written off in equal annual instalments over its estimated useful economic life, being 5 years.

1.5 Intangible fixed 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 on the following bases:

Publishing rights	5 - 10 years
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount 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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies (continued)

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) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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.

1.11 Financial instruments

The group 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.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, 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. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 asset's original 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.

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 group after deducting all of its liabilities.

Basic financial 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 payments 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.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 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.

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

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.

1.15 Retirement benefits

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

Enthuse Holdings Limited

Notes to the financial statements (continued) For the year ended 31 December 2018

2 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Total employees	<u>65</u>	<u>42</u>	<u>-</u>	<u>-</u>

3 Intangible fixed assets

Group	Goodwill £	Other £	Total £
Cost			
At 1 January 2018	-	2,954,520	2,954,520
Additions	2,862,930	285,541	3,148,471
At 31 December 2018	<u>2,862,930</u>	<u>3,240,061</u>	<u>6,102,991</u>
Amortisation and impairment			
At 1 January 2018	-	2,750,637	2,750,637
Amortisation charged for the year	572,586	166,760	739,346
At 31 December 2018	<u>572,586</u>	<u>2,917,397</u>	<u>3,489,983</u>
Carrying amount			
At 31 December 2018	<u>2,290,344</u>	<u>322,664</u>	<u>2,613,008</u>
At 31 December 2017	<u>-</u>	<u>203,883</u>	<u>203,883</u>

The company had no intangible fixed assets at 31 December 2018 or 31 December 2017.

Enthuse Holdings Limited

Notes to the financial statements (continued)
For the year ended 31 December 2018

4 Tangible fixed assets

Group	Plant and machinery etc
	£
Cost	
At 1 January 2018	343,996
Additions	30,325
At 31 December 2018	<u>374,321</u>
Depreciation and impairment	
At 1 January 2018	338,978
Depreciation charged in the year	24,550
At 31 December 2018	<u>363,528</u>
Carrying amount	
At 31 December 2018	<u>10,793</u>
At 31 December 2017	<u>5,018</u>

The company had no tangible fixed assets at 31 December 2018 or 31 December 2017.

5 Fixed asset investments

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Investments	-	-	1,429,941	1,429,941

Enthuse Holdings Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

6 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Agency Run Limited	England and Wales	Dormant	Ordinary		100.00
AVTech Media Limited	England and Wales	Publishing	Ordinary		60.00
Enthuse Group Limited	England and Wales	Holding company	Ordinary	100.00	
AVTech Media Americas Inc	USA	Publishing	Ordinary		60.00
Mytime Media Limited	England and Wales	Publishing	Ordinary		100.00
Hoop Holdings Limited	England and Wales	Holding company	Ordinary		100.00
Safeship Fulfilment Limited	England and Wales	e-commerce	Ordinary		100.00
David Hall Publishing Limited	England and Wales	Publishing	Ordinary		100.00

7 Debtors

	Group		Company	
	2018	2017	2018	2017
Amounts falling due within one year:	£	£	£	£
Trade debtors	1,181,001	658,240	-	-
Amounts owed by group	-	-	1,349,530	4,630
Other debtors	292,292	110,206	-	-
	<u>1,473,293</u>	<u>768,446</u>	<u>1,349,530</u>	<u>4,630</u>

At 31 December 2017, unsecured loans provided to related entities of £707,000 were fully provided against. During the year these related entities became fully owned subsidiaries of the group. The resulting write-back of the provision in the year of £707,000 (2017: charge of £582,000) is included within Administrative expenses.

Enthuse Holdings Limited

Notes to the financial statements (continued)
For the year ended 31 December 2018

8 Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other loan	73,150	-	-	-
Trade creditors	915,402	352,532	-	-
Amounts owed to group undertakings	-	-	2,251,494	1,843,494
Corporation tax payable	142,725	68,882	-	-
Other taxation and social security	114,542	66,591	-	-
Other creditors	3,853,062	1,836,925	-	-
	<u>5,098,881</u>	<u>2,324,930</u>	<u>2,251,494</u>	<u>1,843,494</u>

9 Creditors: amounts falling due after more than one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other loan	228,083	-	-	-
	<u>228,083</u>	<u>-</u>	<u>-</u>	<u>-</u>

10 Share capital

	Group and company	
	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
126,866 Ordinary shares of £1 each	126,866	174,866
55,134 Ordinary A shares of £1 each	55,134	75,134
	<u>182,000</u>	<u>250,000</u>

The Ordinary shares and Ordinary A shares rank pari passu.

On 28 February 2018, the company purchased 48,000 Ordinary shares of £1 each and 20,000 Ordinary A shares of £1 each from shareholders for aggregate price of £408,000. The purchase was made out of distributable reserves following a dividend received from a subsidiary undertaking on 22 February 2018. The shares purchased were then cancelled.

On 28 February 2018, a capital reduction was completed such that the share premium account and capital redemption reserve brought forward were cancelled, creating an additional £87,500 of distributable reserves.

Enthuse Holdings Limited

Chartered Accountants' report to the Board of Directors on the preparation of the unaudited statutory financial statements of Enthuse Holdings Limited for the year ended 31 December 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Enthuse Holdings Limited for the year ended 31 December 2018 set out on pages 5 to 21 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Enthuse Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 22 February 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Enthuse Holdings Limited and state those matters that we have agreed to state to the Board of Directors of Enthuse Holdings Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Enthuse Holdings Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Enthuse Holdings Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Enthuse Holdings Limited. You consider that Enthuse Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Enthuse Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Saffery Champness LLP

5 March 2019

Chartered Accountants

71 Queen Victoria Street
London
EC4V 4BE