Registered number: 03097157

JOBSITE UK (WORLDWIDE) LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2016

JOBSITE UK (WORLDWIDE) LIMITED

Contents

JOBSITE UK (WORLDWIDE) LIMITED

Company Information

Directors	R W Baumann N Gold T Otte P P F Wehrmann
Registered number	03097157
Registered office	6000 Langstone Technology Park Langstone Road Havant Hampshire PO9 1SA
Independent auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Solicitors	Freshfields Bruckhaus Deringer Whitefriars 65 Fleet Street London EC4Y 1HT

Strategic Report
For the Year Ended 31 December 2016

The directors present the Strategic Report of Jobsite UK (Worldwide) Limited (the "Company") for the year ended 31 December 2016.

BUSINESS REVIEW

The Company's turnover has decreased by 3% (2015: decreased by 24%) over the prior year to £30,382,000 (2015: £31,416,000).

Jobsite continues to power and develop the NHS job board, the largest in the UK.

The profit after taxation for the year is £4,324,000 (2015: £9,110,000).

A dividend of £10,000,000 has been paid for the year (2015: £Nil).

The balance sheet of the financial statements shows that the Company's financial position at the year end remains robust, with net assets of £9,439,000 (2015: £15,115,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the business is a downturn in recruitment activity, caused by economic uncertainty. The commitment to invest in core and niche brands helps to reduce the impact of uncertainties in the market and takes a longterm view. The internet provides both a threat to traditional advertising and information businesses and an opportunity for the Company to develop in these areas. This necessitates investment in new technologies and the people required to develop the Company's business.

Credit Risk
Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the only financial risk that the directors consider relevant to this Company is credit risk. This risk is mitigated by all clients being credit checked. Where the risk is considered too high the client is required to prepay for services.

Liquidity Risk
The Company maintains its own cash resources to ensure sufficient funds are available for ongoing operations and future development. The company also has access to funds through its parent company.

EMPLOYEES

Details of the number of Company employees and related costs can be found in the notes to the financial statements.

Employment of disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employment involvement
The Company participates in the Axel Springer group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

JOBSITE UK (WORLDWIDE) LIMITED

Strategic Report
For the Year Ended 31 December 2016

FINANCIAL KEY PERFORMANCE INDICATORS

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

	Unit	2016	2015
Turnover	£'000	**30,382**	31,416
Operating profit	£'000	**5,652**	8,276
% operating profit margin	%	**19**	26
Employees (average number)	FTE	**194**	172
Shareholders' funds	£'000	**9,439**	15,115

This report was approved by the board on 22nd February 2017 and signed on its behalf by:

N Gold Nick Gold
Director

Directors' Report
For the Year Ended 31 December 2016

The directors present their annual report and the audited financial statements for Jobsite UK (Worldwide) Limited (the "Company") for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of internet recruitment services offering online vacancy advertising and curriculum vitae access.

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £4,324,000 (2015: £9,110,000).

A dividend of £10,000,000 has been paid for the year (2015: £Nil).

GOING CONCERN

The directors have considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Company's business activities, together with the factors likely to affect its future development, performance and position, as set out in the Business Review which forms part of the Strategic Report. The Company is profit making at an operating level and the financial position of the Company is showing a positive net asset and positive net current asset position. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

R W Baumann
N Gold
T Otte
P P F Wehrmann

RESEARCH AND DEVELOPMENT

The Company continues to invest in research and development. This has resulted in the launch of new and innovative products into the recruitment market. The directors regard investment in this area as a prerequisite for success in the medium to long-term future.

FUTURE DEVELOPMENTS

The directors aim to continue to improve the Company's performance through investment in development of websites and quality of services offered.

FINANCIAL RISK MANAGEMENT

The financial risks facing the company are detailed in the Strategic Report on page 2.

Directors' Report (continued)
For the Year Ended 31 December 2016

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22nd February 2017 and signed on its behalf by:

Nick Gold

N Gold
Director

Directors' Responsibilities Statement
For the Year Ended 31 December 2016

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

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

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

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 Auditors' Report to the Members of Jobsite UK (Worldwide) Limited

We have audited the financial statements of Jobsite UK (Worldwide) Limited for the year ended 31 December 2016 which comprise Statement of Comprehensive Income, Balance Sheet and Statement of Changes in Equite and the related notes 1 to 24. 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), including FRS 101 "Reduced Disclosure Framework".

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 page 6, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; 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, 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.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditors' Report to the Members of Jobsite UK (Worldwide) Limited (continued)

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.

Ernst + Young LLP

Stuart Darrington (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Registered auditor
London
Date: 24/2/17

JOBSITE UK (WORLDWIDE) LIMITED

Statement of Comprehensive Income
For the Year Ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	3	**30,382**	31,416
Cost of sales		**(52)**	(62)
Gross profit		**30,330**	31,354
Administrative expenses		**(24,736)**	(23,110)
Other operating income	4	**58**	32
Operating profit	5	**5,652**	8,276
Amounts written off investments		**(189)**	-
Profit on ordinary activities before taxation		**5,463**	8,276
Taxation on profit on ordinary activities	9	**(1,139)**	834
Profit for the financial year		**4,324**	9,110
Other comprehensive income		**-**	-
Total comprehensive income for the year		**4,324**	9,110

All amounts relate to continuing operations.

JOBSITE UK (WORLDWIDE) LIMITED
Registered number: 03097157

Balance Sheet
As at 31 December 2016

	Note		2016 £000		2015 £000
Fixed assets					
Intangible assets	10		**3,257**		2,743
Tangible assets	11		**670**		687
Investments	12		**-**		189
			3,927		3,619
Current assets					
Debtors	13	**11,400**		17,031	
Cash at bank and in hand	19	**3,022**		2,570	
		14,422		19,601	
Creditors: amounts falling due within one year	14	**(8,910)**		(8,105)	
Net current assets			**5,512**		11,496
Total assets less current liabilities			**9,439**		15,115
Net assets			**9,439**		15,115
Capital and reserves					
Called up share capital	16		**19**		19
Share premium account	17		**96**		96
Profit and loss account	17		**9,324**		15,000
Total equity			**9,439**		15,115

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22nd February 2017 by:

N Gold
Director

Nick Gold

The notes on pages 12 to 28 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2016	19	96	15,000	15,115
Comprehensive income for the year				
Profit for the year	-	-	4,324	4,324
Total comprehensive income for the year	-	-	4,324	4,324
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(10,000)	(10,000)
Total transactions with owners	-	-	(10,000)	(10,000)
At 31 December 2016	19	96	9,324	9,439

For the Year Ended 31 December 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2015	19	96	5,890	6,005
Comprehensive income for the year				
Profit for the year	-	-	9,110	9,110
Total comprehensive income for the year	-	-	9,110	9,110
At 31 December 2015	19	96	15,000	15,115

The notes on pages 12 to 28 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

The financial statements of the Company for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors in February 2016.

The company is a limited liability Company incorporated and domiciled in England. The registered office is located 6000 Langstone Technology Park, Langstone Road, Havant, Hampshire PO9 1SA.

The principal activities of the Company are described in the Strategic Report. Information on the ultimate parent is presented in note 24.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The financial statements have been presented in Pound Sterling and all values are rounded to the nearest thousand except where otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1. ACCOUNTING POLICIES (CONTINUED)

1.3 GOING CONCERN

The directors have considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Company's business activities, together with the factors likely to affect its future development, performance and position, as set out in the Business review which forms part of the Director's Report. The Company is profit making at an operating level and the financial position of the Company is showing positive net asset and positive net current asset position. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 FOREIGN CURRENCIES

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'interest receivable and similar income' or 'interest payable and similar charges'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'administrative expenses'.

1.5 INTANGIBLE ASSETS

Intangible assets are made up of domain names, web development and licences.

Domain names and licences are stated at historical cost less amortisation and any provision for impairment. Amortisation is provided on each asset individually to cover the asset's estimated useful life, which is 5 years for domain names and 4 years for licences.

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project, over a period of 3 to 5 years.

1. ACCOUNTING POLICIES (CONTINUED)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- Shorter of 10 years or remainder of lease period using straight-line method
Plant and machinery	- 20% to 33% on cost
Fixtures and fittings	- 20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.7 INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

1. ACCOUNTING POLICIES (CONTINUED)

1.8 INCOME TAXES

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

1.9 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1. ACCOUNTING POLICIES (CONTINUED)

1.10 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date when there is an indication that an asset may be impaired. If any such indications exist, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset. For assets 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, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses bene recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at revalued amount when it is treated as a revaluation increase.

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1. ACCOUNTING POLICIES (CONTINUED)

1.12 LEASES

Company as a lessee

Benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

Company as a lessor

Assets leased out under operating leases are included in property, plant and equipment and depreciated over their estimated useful lives. Rental income, including the effect of lease incentives, is recognised on a straight line basis over the lease term.

Where the Company transfers substantially all the risks and benefits of ownership of the asset, the arrangement is classified as a finance lease and a receivable is recognised for the initial direct costs of the lease and the present value of the minimum lease payments. As payments fall due, finance income is recognised in the income statement so as to achieve a constant rate of return on the remaining net investment in the lease.

1.13 TRADE DEBTORS

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

1.14 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15 FINANCIAL INSTRUMENTS

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and

1. ACCOUNTING POLICIES (CONTINUED)

1.15 FINANCIAL INSTRUMENTS (continued)

services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

1.16 TRADE CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.17 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.18 INTEREST INCOME

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of 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. However, the nature of estimation means that actual outcomes could differ from those estimates.

Operating lease commitments
The Company has entered into commercial property and vehicle leases as a lessee. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Development costs
Development costs are capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2016, the carrying amount of capitalised development costs was £3,001,000.

Taxation
Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 15.

3. ANALYSIS OF TURNOVER

Turnover is attributable to the principal activity of the company and the majority of revenue arose in the United Kingdom.

4. OTHER OPERATING INCOME

	2016 £000	2015 £000
Other operating income	**58**	32
	58	32

Notes to the Financial Statements
For the Year Ended 31 December 2016

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets (Note 11)	**334**	512
Amortisation of intangible assets (Note 10)	**1,720**	1,586
Exchange differences	**91**	10
Defined contribution pension cost	**446**	367
Operating lease charges	**548**	536

6. AUDITORS' REMUNERATION

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2016 £000	2015 £000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	**52**	53

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2016 £000	2015 £000
Wages and salaries	**8,325**	7,742
Social security costs	**1,146**	1,045
Other pension costs	**446**	367
	9,917	9,154

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Administration and support	**115**	99
Sales, marketing and distribution	**79**	73
	194	172

8. DIRECTORS' REMUNERATION

	2016 £000	2015 £000
Directors' emoluments	**477**	206
Company contributions to defined contribution pension schemes	**15**	15
	492	221

During the year retirement benefits were accruing to no directors (2015 - none) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £477,000 (2015 - £221,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,000 (2015 - £15,000).

Of the directors at 31 December 2016, all but one of them were also executives of the parent undertaking, StepStone GmbH or Axel Springer Digital Classifieds Holding GmbH and participated in the employment benefits of these parent undertakings. Total cost of their services were borne by the parent undertaking.

9. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	**1,141**	1,673
Adjustments in respect of previous periods	**26**	(2,552)
Total current tax	**1,167**	(879)
Deferred tax		
Origination and reversal of timing differences	**(20)**	11
Changes to tax rates	**19**	30
Adjustments in respect of prior years	**(27)**	4
Total deferred tax	**(28)**	45
Taxation on profit on ordinary activities	**1,139**	(834)

9. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

RECONCILIATION OF TAX CHARGE/(CREDIT)

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	**5,463**	8,276
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	**1,093**	1,676
Effects of:		
Expenses not deductible for tax purposes	**28**	8
Adjustments to tax charge in respect of prior periods	**(1)**	(2,548)
Tax rate changes	**19**	30
Total tax charge/(credit) for the year	**1,139**	(834)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The July 2015 Budget Statement announced changes to the UK Corporation tax regime which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 and further change was announced in the March 2016 budget to further reduce the rate to 17% from 1 April 2020. These changes have been substantively enacted at the year end date and the deferred tax has therefore been calculated using a rate of 17%.

Notes to the Financial Statements
For the Year Ended 31 December 2016

10. INTANGIBLE ASSETS

	Licences £000	Website development £000	Domain names £000	Total £000
Cost				
At 1 January 2016	-	5,952	34	5,986
Additions	342	1,893	-	2,235
At 31 December 2016	342	7,845	34	8,221
Accumulated amortisation				
At 1 January 2016	-	3,209	34	3,243
Charge for the year	85	1,635	-	1,720
At 31 December 2016	85	4,844	34	4,963
Net book value				
At 31 December 2016	257	3,001	-	3,258
At 31 December 2015	-	2,743	-	2,743

Notes to the Financial Statements
For the Year Ended 31 December 2016

11. TANGIBLE ASSETS

	Short leasehold land and buildings £000	Fixtures and fittings £000	Plant and machinery £000	Total £000
Cost				
At 1 January 2016	323	565	6,808	7,696
Additions	4	103	210	317
At 31 December 2016	327	668	7,018	8,013
Accumulated depreciation				
At 1 January 2016	261	483	6,265	7,009
Charge for the year	32	45	257	334
At 31 December 2016	293	528	6,522	7,343
Net book value				
At 31 December 2016	34	140	496	670
At 31 December 2015	62	82	543	687

12. INVESTMENTS

	Investments in subsidiary companies £000
At 1 January 2016	189
Amounts written off	(189)
At 31 December 2016	-
At 31 December 2015	189

During the year the subsidiary of the company, My JobGroup Limited, was struck off and dissolved, and the company has therefore fully written off their investment in the company.

Notes to the Financial Statements
For the Year Ended 31 December 2016

13. DEBTORS

	2016 £000	2015 £000
Due after more than one year		
Deferred tax asset (Note 17)	**300**	272
	300	272
Due within one year		
Trade debtors	**3,718**	3,634
Amounts owed by group undertakings	**2,855**	7,861
Other debtors	**4**	5
Prepayments and accrued income	**4,523**	5,259
	11,400	17,031

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. CREDITORS: Amounts falling due within one year

	2016 £000	2015 £000
Bank overdrafts	**46**	-
Trade creditors	**395**	192
Amounts owed to group undertakings	**1,007**	941
Corporation tax	**196**	732
Other taxation and social security	**1,274**	1,045
Other creditors	**77**	246
Accruals and deferred income	**5,915**	4,949
	8,910	8,105

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

15. DEFERRED TAXATION

	Deferred tax £000
At 1 January 2016	**272**
Charge to the Statement of Comprehensive Income	**28**
At 31 December 2016	**300**

15. DEFERRED TAXATION (CONTINUED)

The deferred taxation balance is made up as follows:

	2016 £000	2015 £000
Accelerated capital allowances	**233**	262
Pension	**13**	10
Temporary differences	**54**	-
	300	272

There are no unused tax losses or unused tax credits.

16. CALLED UP SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
7,252 (2015: 7,252) A Ordinary shares of £1 (2015: £1) each	**7,252**	7,252
3,409 (2015: 3,409) B Ordinary shares of £1 (2015: £1) each	**3,409**	3,409
8,456 (2015: 8,456) Deferred shares of £1 (2015: £1) each	**8,456**	8,456
	19,117	19,117

The A and B Ordinary shares rank pari passu. Both classes of share have full voting, dividend and capital distribution rights.

The Deferred shares have no rights to voting or dividends. They have attached to them certain rights of distribution on a return of assets in the event of a winding up or liquidation of the company.

17. RESERVES

Share premium account

The share premium reserve represents the consideration received on the allotment of shares in excess of the nominal value of those shares.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the company.

18. DIVIDENDS

	2016 £000	2015 £000
A Ordinary		
Dividend paid of £938 per £1 share	**6,802**	-
B Ordinary		
Dividend paid of £938 per £1 share	**3,198**	-
	10,000	-

19. CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash at bank and in hand	**3,022**	2,570
Less: bank overdrafts	**(46)**	-
	2,976	2,570

20. FINANCIAL INSTRUMENTS

	2016 £000	2015 £000
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	**6,577**	11,500
	6,577	11,500
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**(3,997)**	(3,881)
	(3,997)	(3,881)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed to group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

21. PENSION COMMITMENTS

The company participates in a defined contribution scheme with Zurich Insurance. The scheme commenced in October 2014. Commitments provided for in the accounts amounted to £446,000 (2015: £367,000).

22. OPERATING LEASE COMMITMENTS

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£000	£000
Not later than 1 year	**433**	506
Later than 1 year and not later than 5 years	**49**	558
	482	1,064

23. OTHER FINANCIAL COMMITMENTS

Portsmouth Football Club sponsorship £205,000 (2015: £125,000). This relates to a financial commitment that falls due within one year.

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking of the company is StepStone UK Holdings Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking and ultimate controlling party is Axel Springer SE.

The largest and smallest group of which the company is a member and for which Group Accounts are drawn up is that of Axel Springer Digital Classifieds Holding GmbH, incorporated in Germany. Copies of the Report and Accounts are available from AxelSpringerStr, 10888, Berlin, Germany.