Company registration no 53626

IPC Media Limited

Report and financial statements for the year ended

31 December 2011

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Registered office Blue Fin Building,
110 Southwark Street, London, SE1 0SU

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2011

Business review

The company is a wholly owned subsidiary of ultimate parent Time Warner Inc and in the UK the company's results are reported within the group accounts of Time Warner Holdings Limited The annual reports of these parent entities contain information regarding the performance, future development and risks and uncertainties affecting the company

The principal activity of the company is magazine and digital publishing

Turnover from retained operations was 1 8% lower year on year Operating profit increased from £30 8m to £37 2m

During the year the company paid an interim dividend of £51 5m (2010 - £nil)

Going concern

On the basis of their assessment of the company's financial position 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

The directors during the year and subsequently were

S J Auton
H Averill
F A Dent
R J Evans
S K Evans
S Hirst
D M Mair
C L Meredith
J A Newcombe
N Robinson
P R Williams

Company Secretaries

L E Klein
S J Williams

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 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

Directors' report (continued)

Employee participation

Employees are informed of the performance and prospects of the company and encouraged to become aware of the financial and economic factors which affect the company and its ability to compete in the marketplace The individual contributions of staff are recognised as being essential to the future success of the business

The company has an established staff council which met regularly during the year

Disabled persons

It is the company's policy to consider the skills and aptitudes of disabled persons fully and fairly at all times in recruitment, career development, training and promotion In pursuing this policy and having special concern for employees who become disabled, all practical measures are taken to ensure that disabled persons are placed in jobs suited to their individual circumstances

Donations

During the year the company made charitable donations of £5,127 (2010 - £27,498)

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

Approved by the Board of Directors
and signed by order of the Board

S J Williams
Company Secretary
Blue Fin Building
110 Southwark Street
London
SE1 0SU

10 September 2012

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 to 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 IPC Media Limited

We have audited the financial statements of IPC Media Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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 Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the 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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

~~Karl Ha~~vers (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
13 September 2012

Profit and loss account

for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Turnover			
Retained operations		331,243	337,446
Disposed titles		-	18,628
	2	331,243	356,074
Cost of sales		(158,831)	(166,581)
Gross profit		172,412	189,493
Sales and distribution costs		(87,534)	(90,265)
Administrative expenses excluding exceptional item		(47,680)	(47,923)
Operating profit before exceptional item		37,198	51,305
Exceptional administrative expenses Pension surplus not recognised under FRS 17 due to scheme closure to future service accrual		-	(20,500)
Operating profit	3	37,198	30,805
Net interest receivable	6	692	437
Other finance income	7	7,600	5,700
Profit on ordinary activities before taxation		45,490	36,942
Tax credit/(charge) on profit on ordinary activities	9	5,219	(12,241)
Profit for the year	17	50,709	24,701

Turnover and operating income arose from continuing operations

Statement of total recognised gains and losses

for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Profit for the financial year		50,709	24,701
Actuarial losses on post employment plans	8	(10,193)	(607)
Tax credit/(charge)	9	1,111	(549)
Total gains and losses recognised for the year		41,627	23,545

Balance sheet

as at 31 December 2011

	Note	31 December 2011 £'000	31 December 2010 £'000
Fixed assets			
Intangible assets	10	16,458	18,185
Tangible assets	11	32,645	38,157
Investments	12	78,496	79,746
		127,599	136,088
Current assets			
Stocks	13	4,812	4,399
Debtors amounts falling due after more than one year	14	1,226	751
Debtors amounts falling due within one year	14	191,081	205,174
Cash at bank and in hand		28,641	24,126
		225,760	234,450
Creditors amounts falling due within one year	15	(115,785)	(127,881)
Net current assets		109,975	106,569
Total assets less current liabilities		237,574	242,657
Creditors amounts falling due after more than one year	15	(12,259)	(13,877)
Total net assets excluding pension (liability)/asset		225,315	228,780
Post employment assets	8	2,205	6,318
Post employment liabilities	8	(2,512)	(2,226)
Pension (liability)/asset		(307)	4,092
Total net assets including pension (liability)/asset		225,008	232,872
Capital and reserves			
Called up share capital	16	2,580	2,580
Share premium account	17	112,887	112,887
Share redemption account	17	2,318	2,318
Equity share-based payments	17	10,543	8,501
Profit and loss account	17	96,680	106,586
Equity shareholders' funds	17	225,008	232,872

These financial statements were approved by the Board of Directors on 10th September 2012
Signed on behalf of the Board of Directors

S K Evans
Director

Notes to the financial statements
for the year ended 31 December 2011

1 Accounting policies

Basis of preparation

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 Financial Reporting Standard 1 - 'Cash Flow Statements', the company has not prepared a cash flow statement because it is a wholly owned subsidiary of Time Warner Inc , which is incorporated in the United States of America and which has prepared consolidated financial statements which are publicly available

On the basis of their assessment of the company's financial position 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

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

Where appropriate, prior year comparatives have been restated to be consistent with the current year classification

Share-based payments

For the purposes of determining the equity settled cost under FRS 20 the fair value of share based payments are estimated using the Black Scholes option pricing model, and recognised as an expense over the vesting period Adjustments are made to the fair values to reflect the likelihood that share based payments will not vest due to employees leaving the company

Investments

Investments are stated at cost less provision, if appropriate, for any impairment in value

Intangible assets

Intangible assets are initially capitalised at fair value on acquisition and are subsequently amortised on a straight line basis over their useful economic life up to a maximum of 20 years

The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods when events or changes in circumstances indicate the carrying value may not be recoverable

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation Depreciation is provided on a basis that will write off the book value of fixed assets on a straight line basis over their expected lives Depreciation rates range from 10% to 33 1/3% for equipment and the remaining lease term for leasehold improvements

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the periods of the leases

Stocks

Stocks are stated at the lower of cost and estimated net realisable value

Notes to the financial statements
for the year ended 31 December 2011

1 Accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse Deferred tax balances are not discounted

Pensions

The company operates defined benefit and defined contribution pension schemes

The defined benefit charge to operating profit is the cost of accruing pension benefits promised to employees over the year plus any gains and losses arising on settlements and curtailments and any benefit improvements granted to members by the company during the year

Other finance income in the profit and loss account includes a credit equivalent to the expected return on defined benefit scheme assets over the year offset by a charge equal to the expected increase in the present value of liabilities over the year The difference between the market value of defined benefit scheme assets and the present value of the plans liabilities is disclosed as an asset or liability on the company's balance sheet net of deferred taxation Any difference between the expected return on assets and that actually achieved and any changes in the liabilities over the year due to changes in assumptions or experience are recognised in the statement of total recognised gains and losses

Contributions payable by the company in respect of defined contribution schemes are charged to operating profit as incurred

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling on the dates of the transactions Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling on that date The translation differences are dealt with in the profit and loss account

2 Segmental information

The analysis of the company's turnover by destination of geographical market is as follows	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
United Kingdom	**294,738**	301,214
Rest of the world	**36,505**	36,232
Retained operations	**331,243**	337,446
Disposed titles	**-**	18,628
Total	**331,243**	356,074

Turnover is derived from the company's principal activity, magazine and digital publishing, and is stated net of trade discounts and VAT

It is not appropriate to analyse operating profit or net assets attributable to geographical market as the company operates principally from one geographical location

Notes to the financial statements
for the year ended 31 December 2011

3 Operating profit

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Operating profit is stated after charging/(crediting)		
Depreciation of owned tangible assets	10,962	10,631
Amortisation of intangible assets	1,727	2,147
Auditors' remuneration		
Fees payable to the company's auditor for the company and fellow subsidiaries	185	180
Operating lease rentals - land and buildings	11,519	11,505
Profit on disposal of fixed assets and titles	(128)	(767)

4 Information regarding directors and employees

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Staff costs (including directors)		
Wages and salaries	73,403	80,586
Social security costs	7,869	8,106
Pensions (note 8)	5,489	6,208
	86,761	94,900
	Number	Number
The monthly average number of persons employed		
Editorial	744	853
Sales and distribution	661	717
Administration	350	368
	1,755	1,938

5 Directors' emoluments

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Total emoluments	2,833	2,908
Company pension contributions paid to money purchase schemes	118	25

5 Directors' emoluments (continued)

The number of directors accruing benefits at the year end in respect of defined benefit pension schemes was nil (2010 - 6) There were 6 (2010 - 2) directors accruing benefits at the year end in respect of defined contribution pension schemes

All 11 directors exercised share options during the year (2010 12)

Analysis of emoluments (excluding pension contributions) of the highest paid director

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Aggregate emoluments	**820**	581
Accrued pension at year end	**-**	40

6 Net interest receivable

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Interest receivable from group undertakings	**724**	431
Other interest receivable	**16**	6
Interest receivable	**740**	437
Interest payable to group undertakings	**(48)**	-
Net interest receivable	**692**	437

7 Other finance income

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Interest on post employment plan liabilities (note 8)	**(17,700)**	(16,600)
Expected return on post employment plan assets (note 8)	**25,300**	22,300
	7,600	5,700

Notes to the financial statements

for the year ended 31 December 2011

8 Pension commitments

The amount charged to the profit and loss account in respect of pension costs is analysed as follows

	Defined benefit year ended 31 December 2011 £'000	Defined contribution year ended 31 December 2011 £'000	Total year ended 31 December 2011 £'000	Defined benefit year ended 31 December 2010 £'000	Defined contribution year ended 31 December 2010 £'000	Total year ended 31 December 2010 £'000
Current service cost	1,500	3,989	5,489	4 700	1,508	6,208
Pension surplus not recognised				20,500		20 500
Total charge to operating profit	1,500	3,989	5,489	25,200	1,508	26 708
Expected return on assets	(25,300)		(25,300)	(22,300)		(22,300)
Interest on liabilities	17,700		17,700	16,600		16 600
Total finance income	(7,600)		(7,600)	(5,700)		(5,700)
Total profit and loss account (credit)/charge	(6,100)	3,989	(2,111)	19,500	1,508	21,008

The valuation of defined benefit liabilities has been based on a formal actuarial valuation updated by an independent qualified actuary to take account of the requirements of FRS 17 On 1 April 2011 the company closed its defined benefit scheme for future service accrual

Principal actuarial assumptions	31 December 2011 %	31 December 2010 %
Rate of price inflation	3 00	3 50
Rate of increase in salaries	3 50	4 50
Rate of increase in pensions	2 95	3 35
Rate of increase of deferred benefits	3 00	3 50
Discount rate	4 98	5 57
Mortality (post retirement tables used)	SAPs light normal *	SAPs light normal *

* Allowing for medium cohort future mortality improvements, subject to a minimum level of improvement of 1% pa for males and 0 5% for females

Scheme assets are stated at their 'bid' market values as at the balance sheet date

Fair value of assets and expected rate of return	Expected rate of return 31 December 2011 %	Fair value 31 December 2011 £m	Expected rate of return 31 December 2010 %	Fair value 31 December 2010 £m
Equities	8 50	241 0	8 50	245 5
Property	6 60	0 8	7 30	0 8
Corporate bonds	4 68	42 4	5 42	41 2
Gilts	2 97	43 0	4 18	42 6
Cash	2 60	1 0	3 70	6 6
Total fair value of assets		328 2		336 7

Net post employment assets/(liabilities)	31 December 2011 £'000	31 December 2010 £'000
Fair value of scheme assets	328,200	336,700
Present value of scheme liabilities	(333,150)	(318,150)
(Deficit)/surplus in scheme	(4,950)	18,550
Pension surplus not recognised		(20,500)
	(4,950)	(1,950)
Related deferred tax asset (see note 9c)	4,643	6,042
Net pension (liability)/asset	(307)	4 092

At 31 December 2011 the net pension liability of £307,000 (2010 £4,092,000 asset) represented individual plan surpluses of £2,205 000 (2010 £6,318,000) and deficits of £2,512,000 (2010 £2,226 000) Of the individual plan deficits £2,512,000 (2010 £2,226 000) related to unfunded schemes

Notes to the financial statements

for the year ended 31 December 2011

8 Pension commitments (continued)

Analysis of movement in scheme assets	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
At 1 January	336,700	273,050
Expected return on assets	25,300	22,300
Actuarial (loss)/gain on assets	(25,300)	15,500
Employer contributions	1,093	32,107
Employee contributions	400	1,500
Benefits paid	(9,993)	(7,757)
At 31 December	328,200	336,700

Scheme assets do not include any of IPC Media Limited's own financial instruments or any property occupied by IPC Media Limited

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy Expected yields on gilts and corporate bonds are based on long term gilt indices and corporate bond yields as at 31 December 2011 Expected returns on equity investments reflect long term real rates of return experienced in the respective markets

The total contributions expected to be made to the scheme by IPC Media Limited in the year to 31 December 2012 is £nil

Analysis of movement in scheme liabilities	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
At 1 January	(318,150)	(287,000)
Employer service cost	(1,500)	(4,700)
Interest cost	(17,700)	(16,600)
Employee contributions	(400)	(1,500)
Actuarial losses	(5,393)	(16,107)
Benefits paid from scheme assets	9,993	7,757
At 31 December	(333,150)	(318,150)

Summary of scheme assets and liabilities	31 December 2011 £'000	31 December 2010 £'000	31 December 2009 £'000	31 December 2008 £'000	31 December 2007 £'000
Scheme assets	328,200	336,700	273,050	222,750	284,569
Scheme liabilities	(333,150)	(318,150)	(287,000)	(212,240)	(251,293)
(Deficit)/surplus	(4,950)	18,550	(13 950)	10,510	33,276

History of experience adjustments	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
Experience (loss)/gain on scheme assets	(25,300)	15,500	37 000	(85,300)	(839)
As a % of scheme assets	*(7 7%)*	*4 6%*	*13 6%*	*(38 3%)*	*(0 3%)*
Experience (loss)/gain on scheme liabilities	(100)	5,500	17,200		(15 704)
As a % of scheme liabilities	*0 0%*	*1 7%*	*6 0%*	*0 0%*	*(6 2%)*
Experience (loss)/gain on change of assumptions	15,207	(21,607)	(83,187)	56 708	23,093
Total actuarial experience (loss)/gain	(10,193)	(607)	(28,987)	(28,592)	6,550
Total as % of scheme liabilities	*(3 1%)*	*(0 2%)*	*(10 1%)*	*(13 5%)*	*2 6%*

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is £52 1m (2010 £41 9m)

Notes to the financial statements

for the year ended 31 December 2011

9 Taxation on profit on ordinary activities

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
a) The charge based on the profit for the year is as follows		
Taxation based on the profit for the year		
UK Corporation tax payable at 26 5% (2010 28%)	441	4,097
Double taxation relief	(21)	(26)
Group relief payments	4,311	11,963
(Over)/under provision for prior years	(11,765)	4
Overseas tax suffered	21	26
Total current tax (credit)/charge (see 9 (b) below)	(7,013)	16,064
Deferred tax		
Timing differences, origination and reversal	2,685	(3,473)
Credit due to change in tax rates	(917)	(359)
Under provision for prior years	26	9
Total deferred tax (see 9 (c) below)	1,794	(3,823)
Total tax (credit)/charge on profit on ordinary activities	(5,219)	12,241

b) Circumstances affecting the current tax charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 26 5% (2010 28%) The current tax charge for the year differs from the standard rate for the reasons in the reconciliation below

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Profit on ordinary activities before tax	45,490	36,942
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 5% (2010 28%)	12,055	10,344
Factors affecting the tax charge		
Disallowable expenses	317	674
Depreciation in excess of capital allowances	634	948
Write off relating to title disposals not allowable	-	1,263
Tax (over)/under provided in previous years	(11,765)	4
Group relief received for nil consideration	(5,214)	-
Other timing differences	(3,040)	2,831
Total current tax (credit)/charge (see 9 (a) above)	(7,013)	16,064

9 Taxation on profit on ordinary activities (continued)

c) Deferred tax

Deferred tax is provided at 25% (2010 - 27%) in the financial statements as follows	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Included in debtors (see note 14)	4,418	3,702
Included in post employment assets/(liabilities) (see note 8)	4,643	6,042
	9,061	9,744
Capital allowance pool in excess of book value of qualifying assets	1,181	890
Short term timing differences	7,880	8,854
	9,061	9,744

Analysis of movement in deferred tax asset	£'000
At 1 January 2011	9,744
Charged to the profit and loss account (see note 9 (a) above)	(1,794)
Amounts credited to STRGL in respect of post employment liabilities	1,111
At 31 December 2011	**9,061**

Factors affecting future tax charges

A number of changes to the UK corporation tax system were announced in the June 2010 and March 2011 Budget statements The Finance Act 2011, enacted in July 2011, included legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 The effect of this change on the deferred tax balances has been included in the figures within these accounts

A further 1% reduction in the rate, to 24% from 1 April 2012, was substantively enacted via Resolution in March 2012 and a reduction of a further 1% to a rate of 23%, effective from 1 April 2013, was substantively enacted in July 2012 As these changes were substantively enacted after the balance sheet date, they are not reflected in the figures within these accounts A further change to the rate is proposed to reduce the rate by a further 1% to 22% from 1 April 2014, but this change has not yet been substantively enacted and is not therefore included in the figures within these accounts We estimate the impact upon deferred tax as a result of these changes to be a reduction in the balance of approximately £1,087,000 over the forthcoming two years It is not yet possible to quantify the impact of these rate changes upon current tax

10 Intangible fixed assets

	Publishing rights £'000	Goodwill £'000	Total £'000
Cost			
At 1 January and 31 December 2011	33,536	25,768	59,304
Amortisation			
At 1 January 2011	31,962	9,157	41,119
Charge for the year	429	1,298	1,727
At 31 December 2011	**32,391**	**10,455**	**42,846**
Net book value			
At 31 December 2011	**1,145**	**15,313**	**16,458**
At 31 December 2010	1,574	16,611	18,185

Notes to the financial statements

for the year ended 31 December 2011

11 Tangible fixed assets

	Leasehold improvements £'000	Equipment £'000	Total £'000
Cost			
At 1 January 2011	19,897	70,631	90,528
Additions	269	5,184	5,453
Disposals/retirements	(958)	(6,324)	(7,282)
At 31 December 2011	**19,208**	**69,491**	**88,699**
Accumulated depreciation			
At 1 January 2011	5,337	47,034	52,371
Charge for the year	2,201	8,761	10,962
Disposals/retirements	(957)	(6,322)	(7,279)
At 31 December 2011	**6,581**	**49,473**	**56,054**
Net book value			
At 31 December 2011	**12,627**	**20,018**	**32,645**
At 31 December 2010	14,560	23,597	38,157

12 Fixed asset investments

	Shares in subsidiary undertakings £'000	Interest in Joint ventures £'000	Total £'000
Cost			
At 1 January 2011	133,733	4,151	137,884
Loan repayments	-	(1,250)	(1,250)
At 31 December 2011	**133,733**	**2,901**	**136,634**
Provisions			
At 1 January 2011	(58,138)	-	(58,138)
At 31 December 2011	**(58,138)**	**-**	**(58,138)**
Net Book Value			
At 31 December 2011	**75,595**	**2,901**	**78,496**
At 31 December 2010	75,595	4,151	79,746

The company's fixed asset investments in subsidiaries relate to its 100% interests in the ordinary share capital of IPC Magazines (Overseas) Limited, Mousebreaker Limited and dormant companies IPC Magazines (Overseas) Limited is an intermediate holding company of a group of undertakings whose main activity is consumer magazine and digital publishing Mousebreaker Limited owns the intellectual property rights of an online casual gaming business which it has licenced to IPC Media Limited The dormant companies hold certain publishing rights to magazines published by the company

Notes to the financial statements

for the year ended 31 December 2011

12 Fixed asset investments (continued)

IPC Media Limited has a 50% joint venture interest in European Magazines Limited European Magazines Limited's principal activity is the publication of the UK edition of Marie Claire magazine European Magazines Limited made a profit before tax of £347,000 for the year ended 31 December 2011 (year ended 31 December 2010 profit before tax £321,000) and had total shareholders' funds of £1,660,000 (31 December 2010 - £1,421,000) The year end for European Magazines Limited is 31 December European Magazines Limited is incorporated in England and Wales

IPC Media Limited also has a joint venture interest of 50% in Evarn Limited The total investment in Evarn Limited of £2,901,000 consists of share capital of £576,000 and shareholder loan of £2,325,000 (31 December 2010 total investment £4,151,000 consisting of share capital £576,000 and shareholder loan £3,575,000) Evarn Limited's principal activity is the publication of LOOK magazine Evarn Limited made a profit before tax of £2,486,000 for the year ended 31 December 2011 (year ended 31 December 2010 - profit before tax £3,193,000) and had a total shareholders' deficit of £2,297,000 (31 December 2010 - £4,120,000) The year end for Evarn Limited is 31 December Evarn Limited is incorporated in England and Wales

13 Stocks

	31 December 2011 £'000	31 December 2010 £'000
Raw materials and consumables	4,812	4,399

14 Debtors

	31 December 2011 £'000	31 December 2010 £'000
Amounts falling due within one year		
Trade debtors	10,910	15,677
Amounts owed by group undertakings	168,877	177,776
Amounts owed by joint ventures	10	607
Other debtors	1,092	2,184
Prepayments and accrued income	5,772	5,228
Deferred tax asset (see note 9 (c) above)	4,418	3,702
Corporation tax	2	
	191,081	205,174

	31 December 2011 £'000	31 December 2010 £'000
Amounts falling due after more than one year		
Other debtors	1,226	751
	1,226	751

Notes to the financial statements
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15 Creditors

	31 December 2011 £'000	31 December 2010 £'000
Amounts falling due within one year		
Trade creditors	50,460	51,055
Amounts owed to group undertakings	31,926	31,492
Amounts owed to joint ventures	1,194	905
Accruals and deferred income	18,257	17,442
Other creditors	4,693	6,881
Taxation and social security	4,326	4,072
Corporation tax	-	4,071
Group relief payable	4,929	11,963
	115,785	127,881

	31 December 2011 £'000	31 December 2010 £'000
Amounts falling due after more than one year		
Other creditors	12,259	13,877

Other creditors due after more than one year consists of the unamortised balance of the rent free period relating to office premises leased to the company by IPC Magazines Group Limited a parent undertaking

16 Called up share capital

	31 December 2011 £'000	31 December 2010 £'000
Called up, allotted and fully paid		
2,580,500 ordinary shares of £1 each	2,580	2,580

17 Reconciliations of movements in shareholders' funds and movement in reserves

	Share capital £'000	Share premium account £'000	Share redemption account £'000	Equity share-based payments £'000	Profit and loss account £'000	Total £'000
At 1 January 2010	2,580	112,887	2,318	6,762	83,041	207,588
Profit for the year	-	-	-	-	24,701	24,701
Net actuarial losses on post employment plans	-	-	-	-	(1,156)	(1,156)
Recharge from parent undertaking for share share-based payments	-	-	-	(299)	-	(299)
Charge for share-based payments	-	-	-	2,038	-	2,038
At 31 December 2010	2,580	112,887	2,318	8,501	106,586	232,872
Profit for the year	-	-	-	-	50,709	50,709
Dividends	-	-	-	-	(51,533)	(51,533)
Net actuarial losses on post employment plans	-	-	-	-	(9,082)	(9,082)
Recharge from parent undertaking for share based payments	-	-	-	(501)	-	(501)
Charge for share-based payments	-	-	-	2,543	-	2,543
At 31 December 2011	2,580	112,887	2,318	10,543	96,680	225,008

The company declared and paid equity dividends on ordinary shares in respect of 2011 of £51,533,039 (2010 - £nil)

Notes to the financial statements
for the year ended 31 December 2011

18 Share-based payments

Certain employees of the company have been granted options to purchase shares in the company's ultimate parent undertaking, Time Warner Inc Such options have been granted with exercise prices equal to, or in excess of, the fair market value at the date of grant The options are denominated in US$ and vest evenly over a 4 year period and expire 10 years from the date of grant

In addition certain employees have been awarded restricted stock units in Time Warner Inc denominated in US$ which vest over a four year period Holders of awards are generally entitled to receive cash dividends or dividend equivalents during the period of time that the awards are unvested

The total charge to the profit and loss account in respect of share-based payments included within wages and salaries (see note 4) is £2,543,000 (2010 - £2,038,000)

a) Stock Options

Assumptions used in Black Scholes option pricing model	**Year ended 31 December 2011**	Year ended 31 December 2010
Expected volatility	**29 50%**	29 50%
Expected term to exercise from grant date	**6 31 years**	6 51 years
Risk-free rate	**2 80%**	2 90%
Expected dividend yield	**2 60%**	3 10%

Expected volatility is determined using implied volatilities data from traded options

	2011 Number of options '000	**2011 Weighted average exercise price US $**	2010 Number of options '000	2010 Weighted average exercise price US $
Outstanding as at 1 January	**1,333**	**34 97**	1,260	35 68
Net Transfers	**157**	**33 35**	-	-
Granted	**157**	**36 11**	169	26 92
Exercised	**(102)**	**24 16**	(47)	30 62
Forfeited or expired	**(149)**	**54 23**	(49)	39 41
Outstanding as at 31 December	**1,396**	**33 65**	1,333	34 97
Exercisable at 31 December	**994**	**35 78**	967	38 85

The weighted average fair value of those options granted in 2011 was $8 99 (2010 $6 23)

For the share options outstanding as at 31 December 2011, the weighted average remaining contractual life is 4 8 years (2010 - 4 8 years)

The range of exercise prices for options outstanding at 31 December 2011 is $15 27 to $55 36 (2010 $15 27 to $66 05)

b) Restricted Stock Units

	2011 Number of units '000	**2011 Weighted average grant date fair value US$**	2010 Number of units '000	2010 Weighted average grant date fair value US$
Unvested as at 1 January	**319**	**24 23**	245	24 48
Net Transfers	**36**	**25 56**	-	-
Granted	**110**	**36 11**	118	26 92
Vested	**(61)**	**34 86**	(37)	29 50
Forfeited	**(15)**	**26 02**	(7)	22 92
Unvested as at 31 December	**389**	**25 93**	319	24 23

The range of grant date fair values for restricted stock units unvested at 31 December 2011 is $15 27 to $36 11 (2010 $15 27 to $41 48)

Notes to the financial statements
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19 Operating lease commitments

Annual commitments under non-cancellable land and buildings operating leases are as follows

	31 December 2011 £'000	31 December 2010 £'000
Leases which expire		
Within one year	40	43
Between two to five years	364	324
After five years	11,101	11,127
	11,505	11,494

20 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' from disclosing transactions with fellow members of the group where 90% or more of the voting rights are controlled within the group

There were no material related party transactions during the year other than those set out below or disclosed elsewhere in the financial statements

Joint ventures

During the year the company sold goods and provided management and other services to European Magazines Limited The total value of these transactions was £11 1m (2010 - £10 9m) As at 31 December 2011 the company was owed £10k (2010 - £0 6m) by European Magazines Limited

During the year the company also sold goods and provided management and other services to Evarn Limited The total value of these transactions was £15 1m (2010 - £16 7m) As at 31 December 2011 the company owed £1 2m (2010 £0 9m) to Evarn Limited

The directors are satisfied that all related party transactions were carried out on an arm's length basis

21 Parent undertakings

The company's immediate parent undertaking is IPC Magazines Holdings Limited

Time Warner Holdings Limited is the parent undertaking of the smallest group of undertakings of which the company is a member and for which group financial statements are drawn up Time Warner Holdings Limited is registered in England and Wales and copies of its financial statements may be obtained from the Registrar of Companies in Cardiff

Time Warner Inc , a company incorporated in the United States of America, is the ultimate parent undertaking of the largest group of undertakings of which the company is a member and for which group financial statements are drawn up Copies of Time Warner Inc 's financial statements can be obtained from One Time Warner Center, New York, NY 10019, USA