

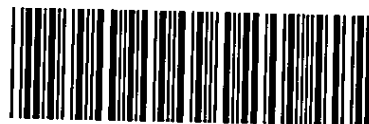
# **Emap London Lifestyle Limited**

## **Report and Accounts**

**For the year ended 31 March 2007**

**Company Registered No. 842309**

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**Emap London Lifestyle Limited**  
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**For the year ended 31 March 2007**

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# **Emap London Lifestyle Limited**

## **Directors, officers and auditors**

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### **DIRECTORS**

D Davies  
P A Keenan  
C Llewellyn  
F McIntosh  
M Rich  
K L Tasker  
M A Stanton

### **SECRETARY**

K Elsdon	(appointed 15 September 2006)
M L Hogg	(resigned 15 September 2006)

### **AUDITORS**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

### **REGISTERED OFFICE**

40 Bernard Street  
London  
WC1N 1LW

### **COMPANY NUMBER**

842309

# **Emap London Lifestyle Limited**

## **Directors' Report**

### **For the year ended 31 March 2007**

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The directors submit their report and accounts for the year ended 31 March 2007

#### **Business review and principal activities**

Emap London Lifestyle Limited ("the Company") has acted, and will continue to act, as an agent providing employee services for Emap Consumer Media Limited and it has not traded on its own account

The results for the Company show a pre-tax profit of £nil (2006 £nil) and sales of £25,018,000 (2006 £22,653,000). The directors do not recommend the payment of a dividend (2006 £nil). The results of the Company are driven by the performance of the Consumer division of Emap plc, as discussed on page 38 of the Emap plc annual report, which does not form part of this report.

#### **Future Outlook**

The Company will continue to supply employees services for the Lifestyle brands of Emap Consumer Media Limited. These brands are expected to remain competitive in 2007-08 and beyond with future launches and continued investment into them.

#### **Principal risks and uncertainties**

The directors of the Company manage the Emap plc and its subsidiaries' ("the Group") risk at a Group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Emap Group which include those of the Company, are discussed on page 23 of the Emap plc annual report which does not form part of this report.

#### **Key performance indicators ("KPIs")**

The directors of Emap plc manage the Group's operations on a divisional basis. For this reason the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance and position of the business of the Company. The development, performance and position of the Consumer division of Emap plc, which includes the Company, is discussed on page 38 of the Emap plc annual report which does not form part of this report.

#### **Directors**

The current directors are shown on page 1. The directors who served during the year were

D Bebe	(resigned 31 December 2006)
D Davies	
L O C Holman	(resigned 4 May 2007)
P A Keenan	
C Llewellyn	
B W McIlheney	(resigned 19 February 2007)
F McIntosh	
M Rich	(appointed 19 May 2006)
M A Stanton	(appointed 8 September 2006)
K L Tasker	
J W H Weir	(resigned 3 November 2006)

#### **Going concern**

Notwithstanding the fact that the Company has net liabilities, the directors have prepared the financial statements on the going concern basis. The directors have received confirmation from Emap plc, the ultimate parent company, of its intention to financially support the company such that they can meet their obligations as they fall due for a period of at least twelve months from the date of the directors approval of these financial statements.

# **Emap London Lifestyle Limited**

## **Directors' Report**

### **For the year ended 31 March 2007**

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#### **Insurance of directors**

Throughout the year Directors' and Officers' liability insurance has been maintained by the ultimate parent company, Emap plc

#### **Employees**

The Directors attach great importance to keeping staff fully informed of the Company's financial progress to involve them as much as possible in the activities of the Company. Consultations take place regularly with the information being disseminated through the Group's intranet, planetemap. Periodic surveys seeking staff views on communications and benefits are conducted.

#### **Employee share schemes**

Emap plc has always been an enthusiastic supporter of wider share ownership amongst its employees to ensure they are able to share in the value they have helped to create. Accordingly Emap plc operates a number of share plans.

Through the Emap Share Plan, Emap plc has this year offered free shares to the value of £840 (2006 £820) to qualifying staff. Sharemap is part of Lifemap, the Group's flexible benefits plan and allows staff to save up to £1,500 a year to buy shares in Emap plc. The Group will then match the cumulative investment in shares on a one to one basis. The Emap SAYE scheme has now run for 22 years.

#### **Disabled employees**

Disabled employees are given the same consideration as others and, depending on their skills and abilities, will enjoy the same training, development and prospects as other staff. Employees who become disabled during their employment with the Company will be retained wherever possible and encouraged to develop their careers.

#### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2007 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

Each of the persons who is a director at the date of approval of this report confirms that (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware and, (2) the director has taken all the steps s/he ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985 (as amended).

# **Emap London Lifestyle Limited**

## **Directors' Report**

### **For the year ended 31 March 2007**

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#### **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. The Company has elected under section 386 of the Companies Act 1985 not to re-appoint auditors annually. Therefore the auditors, PricewaterhouseCoopers LLP, are deemed to be re-appointed for the next financial year.

Approved by the Board of Directors on 31 August 2007



**K Elsdon**  
**Secretary**

# **Emap London Lifestyle Limited**

## **Independent Auditors' Report**

### **For the year ended 31 March 2007**

#### **Independent auditors' report to the members of Emap London Lifestyle Limited**

We have audited the financial statements of Emap London Lifestyle Limited for the year ended 31 March 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*  
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
London

*31 August 2007*

**Emap London Lifestyle Limited**  
**Profit and Loss Account**  
**For the year ended 31 March 2007**

	<i>Note</i>	<b>2007</b>	<b>2006</b>
		<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>	<b>2</b>	<b>25,018</b>	22,653
<b>Cost of sales</b>		<b>(25,018)</b>	(22,653)
<b>Operating and retained result for the year</b>	<b>3, 9</b>	<b>-</b>	<b>-</b>

All activities relate to continuing operations

The Company has no recognised gains and losses other than those stated above and therefore no separate statement of recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

*The notes on pages 8 to 14 form part of these accounts*



**Emap London Lifestyle Limited**  
**Balance Sheet**  
**At 31 March 2007**

	<i>Note</i>	<b>2007</b>	<b>2006</b>
		<b>£'000</b>	<b>£'000</b>
<b>Creditors: amounts falling due within one year</b>	<b>6</b>	<b>(1,571)</b>	<b>(1,911)</b>
<b>Provisions for liabilities and charges</b>	<b>7</b>	<b>(78)</b>	<b>(78)</b>
<b>Net liabilities</b>		<b>(1,649)</b>	<b>(1,989)</b>
<b>Capital and reserves</b>			
Called up share capital	8	40	40
Profit and loss account	9	(1,689)	(2,029)
<b>Total shareholders' deficit</b>	<b>10</b>	<b>(1,649)</b>	<b>(1,989)</b>

The financial statements on pages 6 to 14 were approved by the Board of Directors on 31 August 2007 and were signed on its behalf by

**M Stanton**  
**Director**



# **Emap London Lifestyle Limited**

## **Notes to the Accounts**

**For the year ended 31 March 2007**

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### **1 Accounting policies**

#### **(a) Accounting convention**

These accounts have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The directors, in accordance with the Financial Reporting Standard 18, "Accounting Policies" ("FRS 18"), confirm that the accounting policies used by the Company are the most appropriate, consistently applied and adequately disclosed.

A summary of the more important accounting policies is set out below.

#### **(b) Going concern**

The Company is dependent on continuing financial support made available by Emap plc. Continuing financial support is required both to enable the company to meet its liabilities as they fall due and to continue operating without immediate realisation of all its assets. The ultimate parent company, Emap plc, has confirmed its intention to maintain its financial support for the foreseeable future and consequently these accounts have been prepared on a going concern basis.

#### **(c) Pensions**

The ultimate parent company, Emap plc, operates a defined contribution pension plan, Flexiplan, for eligible staff across the Group. The cost of providing pensions under the defined contribution scheme is charged to the profit and loss account as it becomes payable.

#### **(d) Cash flow statement and related party transactions**

The Company is a wholly owned subsidiary of Emap plc and is included in the consolidated financial statements of Emap plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 "Cash Flow Statements" (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Transactions" from disclosing related party transactions with entities that are part of the Emap plc Group or investees of the Emap plc Group.

#### **(e) Provisions for Liabilities and Charges**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised only when it is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the time value of money has a material effect on quantifying the provision, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance charge.

# **Emap London Lifestyle Limited**

## **Notes to the Accounts**

**For the year ended 31 March 2007**

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### **1 Accounting policies (continued)**

#### **(f) Share based payments**

The ultimate parent company, Emap plc, operates several employee option and performance-related share schemes

The cost of options or shares granted to the Company's employees under these schemes is recognised in the profit and loss account of the Company over the period in which any performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award, based on management's best estimate of the number of awards that will ultimately vest. A corresponding amount is taken to the profit and loss reserve. No expense is recognised for awards that do not ultimately vest, except for those where the vesting depends on a market condition. Whether or not the market condition is satisfied, these are treated as vesting as long as all other performance conditions are satisfied.

The basis of the valuation for the awards is explained in note 5 (Staff costs)

The national insurance cost associated with the grant of employee share options to the Company's employees is borne by Emap plc and recharged to the Company.

### **2 Turnover**

The Company acts as an agent for the provision of employee services to Emap Consumer Media Limited. Turnover represents amounts recharged to Emap Consumer Media Limited for the provision of such services during the period.

Revenue is recognised at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured.

All turnover is derived from within the United Kingdom.

### **3 Operating Profit**

Fees for the audit of the Company borne by other Group undertakings were £8,000 (2006: £7,000). These fees have not been recharged.

Fees paid to the Company's auditor, PricewaterhouseCoopers LLP, for services other than the statutory audit of the Company are not disclosed in Emap London Lifestyle Ltd's accounts since the consolidated accounts of Emap London Lifestyle Ltd's parent, Emap plc, are required to disclose non-audit fees on a consolidated basis.

**Emap London Lifestyle Limited**  
**Notes to the Accounts**  
For the year ended 31 March 2007

**4 Directors' emoluments**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	<b>1,104</b>	829
Pension contributions - defined contribution	<b>75</b>	44
Compensation for loss of office	<b>311</b>	-
	<b>1,490</b>	873

There are 5 directors (2006 5) accruing retirement benefits under the defined contribution pension schemes

The emoluments of the highest paid director were as follows

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	<b>316</b>	192
Pension contributions - defined contribution	<b>12</b>	14
	<b>328</b>	206

**5 Staff costs**

**(a) Costs (including directors' emoluments)**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>18,985</b>	17,002
Social security costs	<b>1,919</b>	1,864
Other pension costs	<b>554</b>	527
Share based payments	<b>340</b>	490
	<b>21,798</b>	19,883

**(b) Pension costs**

**Defined contribution plan (Flexiplan)**

The pension charge for Flexiplan represents contributions due from the employer. During the year it amounted to £553,985 (2006 £527,459). The pension schemes are administered by Emap plc and as such all outstanding liabilities are held by Emap plc.

**(c) Employees**

	<b>2007</b>	<b>2006</b>
	<b>Number</b>	<b>Number</b>
The average number of employees during the year in the UK comprised		
Full-time employees	<b>425</b>	410

# Emap London Lifestyle Limited

## Notes to the Accounts

For the year ended 31 March 2007

### 5 Staff costs (continued)

#### (d) Share based payments

Although these share awards are granted by Emap plc, the costs of the scheme are borne by the employing company

The charge for share based payments in the year amounted to £339,707 (2006 £490,400)

A reconciliation of option movements over the year to 31 March 2007 is shown below

	2007 Number of share options	2006 Number of share options
Outstanding at the beginning of the year	264,414	114,865
Granted	153,656	160,416
Exercised	(1,815)	-
Lapsed	(33,203)	(10,867)
Outstanding at 31 March	383,052	264,414

The weighted average exercise price was £nil (2006 £nil)

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Fair values are determined according to the Black-Scholes option-pricing model, except in the case of share awards under the PRP and ESOP schemes which contain performance conditions based on total shareholder return compared to other entities in the Media and Entertainment sector, and which are valued by external experts using a Monte-Carlo simulation option-pricing model. The fair value per option for options granted in the year and the assumptions used in the calculation are as follows

	PRP	2007 SAYE 22	SAYE 22
Scheme type			
Grant date	14 July 2006	14 Dec 06	14 Dec 06
Share price at grant date	723.5p	822.0p	822.0p
Exercise price	nil	664.0p	664.0p
Vesting period (years)	3	3	5
Expected volatility	21.0%	22.4%	25.7%
Option life (years)	10	3.7	5.7
Expected life (years)	3.5	3.3	5.3
Risk free rate	4.7%	5.0%	4.9%
Expected dividends expressed as a dividend yield	4.15%	3.6%	3.6%
TSR correlation	29.0%	n/a	n/a
SAYE fair value per option		206.5p	234.8p
PRP fair value per option - Basic award	630.0p		
PRP fair value per option - Performance award (EPS element)	630.0p		
PRP fair value per option - Performance award (TSR element)	281.0p		

# Emap London Lifestyle Limited

## Notes to the Accounts

For the year ended 31 March 2007

### 5 Staff costs (continued)

#### (d) Share based payments (continued)

		2006	
Scheme type	PRP	SAYE 21	SAYE 21
Grant date	19 July 2005	13 Jan 2006	13 Jan 2006
Share price at grant date	822 0p	846 2p	846 2p
Exercise price	nil	676 9p	676 9p
Vesting period (years)	3	3	5
Expected volatility	24 0%	22 4%	28 3%
Option life (years)	10	3 6	5 6
Expected life (years)	3 5	3 2	5 2
Risk free rate	4 2%	4 1%	4 1%
Expected dividends expressed as a dividend yield	3 0%	2 9%	2 9%
TSR correlation	21 0%	n/a	n/a
SAYE fair value per option		218 3p	264 9p
PRP fair value per option - Basic award	743 0p		
PRP fair value per option - Performance award (EPS element)	743 0p		
PRP fair value per option - Performance award (TSR element)	361 0p		

The expected volatility is based on Emap plc's historical volatility averaged over a period equal to the expected life. The expected life is the average expected period to exercise. The risk free rate of return is based on the UK Government gilt strip return over a period equal to the expected life.

In April 2006, under the staff Share Plan scheme, free shares were issued in trust to employees with a vesting period of 3 years. Employees receive dividends during the period and the fair value per share was 882 0p (April 2005 - 794 5p), the market price at the date of issue.

In July each year staff are invited under the Sharemap scheme to save a monthly amount for a year and to then use their savings to purchase Emap plc shares. The purchase price is the lower of the share price at the beginning and end of the savings period. Emap plc also matches the number of shares acquired by the employee and these are placed in trust with a vesting period of 3 years. There is a charge to the income statement for the 1 year savings period and the 3 year vesting period and the assumptions and fair values are as follows:

	Sharemap 2006/07	Sharemap 2005/06
Start of savings period	1 July 2006	1 July 2005
End of savings period	30 June 2007	30 June 2006
Savings amount at grant date	£802,548	£784,560
Share price at grant date	849.5p	795 0p
Expected volatility	20.6%	16 3%
Risk free rate	4.7%	4 2%
Expected dividends expressed as a dividend yield	3.5%	3 1%
Fair value for 1 year savings period	71.8p	54p
Fair value for 3 year vesting period	911.9p	840 8p

### 6 Creditors, amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to other Group undertakings	1,571	1,911

Amounts due to other Group undertakings are unsecured, interest free and repayable on demand.

**Emap London Lifestyle Limited**  
**Notes to the Accounts**  
For the year ended 31 March 2007

**7 Provisions for liabilities and charges**

	<b>Provisions £'000</b>
At 1 April 2006	<b>78</b>
New provisions	-
	<hr/>
<b>At 31 March 2007</b>	<b>78</b>
	<hr/>

Provisions relate to employer's National Insurance Contributions payable on the exercise of certain Emap share option schemes. It was unnecessary to increase the provision in the year.

**8 Share capital**

	<b>2007 £'000</b>	<b>2006 £'000</b>
<b>Authorised</b>		
50,000 ordinary shares of £1 each	<b>50</b>	50
	<hr/>	<hr/>
<b>Allotted and fully paid</b>		
40,004 ordinary shares of £1 each	<b>40</b>	40
	<hr/>	<hr/>

**9 Profit and loss account**

	<b>Total £'000</b>
At 1 April 2006	<b>(2,029)</b>
Retained profit for the financial year	-
Share options - value of employee services	<b>340</b>
	<hr/>
<b>At 31 March 2007</b>	<b>(1,689)</b>
	<hr/>

**Emap London Lifestyle Limited**  
**Notes to the Accounts**  
For the year ended 31 March 2007

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**10 Reconciliation of movement in shareholders' funds**

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Result for the financial year	-	-
Share options - value of employee services	<b>340</b>	412
	<hr/>	<hr/>
Net increase in shareholders' funds	<b>340</b>	412
Opening shareholders' funds	<b>(1,989)</b>	(2,401)
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>(1,649)</b>	(1,989)
	<hr/> <hr/>	<hr/> <hr/>

**11 Ultimate parent company**

The immediate parent company is Emap Consumer Media Limited

The ultimate parent company and controlling party is Emap plc, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of Emap plc's consolidated financial statements can be obtained from the Registered Office at 40 Bernard Street, London WC1N 1LW