

Registered Number: 915840

ARCHANT LEISURE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2009

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COMPANIES HOUSE

ARCHANT LEISURE LIMITED

Registered Number 915840

DIRECTORS

B G McCarthy
A D Jeakings

SECRETARY

J O Ellison

AUDITORS

Ernst & Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

REGISTERED OFFICE

Prospect House
Rouen Road
Norwich
NR1 1RE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2009

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £116,397 (2008 loss £112,047) An interim dividend of £nil (2008 £nil) was paid during the year The directors do not recommend the payment of a final dividend

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is to own and licence magazine titles

DIRECTORS

The names of the directors who served during the year are detailed below

A D Jeakings
B G McCarthy

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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 the 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 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 assume that the company will continue in business

The directors are responsible for keeping proper 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

ARCHANT LEISURE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving this report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that

- to the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditors are unaware, and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

GOING CONCERN

The Company's business activities are described in the Principal Activities and Business Review on page 3.

The Group has considerable financial resources available, together with long-term contracts with principal suppliers. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors have continued to adopt the going concern basis in preparing the accompanying financial statements.

AUDITORS

Ernst & Young LLP are deemed re-appointed as the company's auditor in accordance with section 487(2) Companies Act 2006.

By order of the Board,



J O Ellison
Secretary
19 July 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCHANT LEISURE LIMITED

We have audited the financial statements of Archant Leisure Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements 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 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 (APB'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.

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 2009 and of the loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

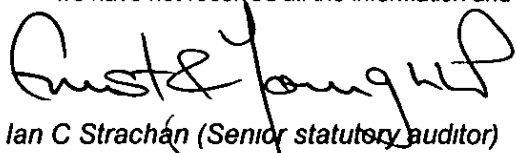
Opinion on other matter prescribed by the Companies Act 2006

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.



Ian C Strachan (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Cambridge

2 July 2010

ARCHANT LEISURE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
ROYALTIES RECEIVABLE		50,813	57,250
Operating costs	2	152,982	152,982
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(102,169)	(95,732)
Tax on loss on ordinary activities	3	(14,228)	(16,315)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	8	(116,397)	(112,047)

All revenue and expenses included in the profit and loss account relate to continuing operations

The loss for the financial year and the corresponding year includes all recognised gains and losses in the year

There is no difference between the losses calculated on an historical cost basis and those presented above

The notes on pages 8 to 10 form part of these financial statements

ARCHANT LEISURE LIMITED

BALANCE SHEET - 31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Intangible fixed assets	4	<u>2,378,967</u>	<u>2,531,949</u>
CURRENT ASSETS			
Debtors	5	174,969	140,471
CREDITORS: amounts falling due within one year	6	<u>(14,228)</u>	<u>(16,315)</u>
NET CURRENT ASSETS		<u>160,741</u>	<u>124,156</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,539,708	2,656,105
NET ASSETS		<u><u>2,539,708</u></u>	<u><u>2,656,105</u></u>
CAPITAL AND RESERVES			
Called up share capital	7	990,100	990,100
Profit and loss account	8	1,549,608	1,666,005
SHAREHOLDERS' FUNDS	8	<u><u>2,539,708</u></u>	<u><u>2,656,105</u></u>

Approved by the Board on 19 July 2010


B G McCarthy

The notes on pages 8 to 10 form part of these financial statements

ARCHANT LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are prepared under the historical cost convention and are drawn up in accordance with United Kingdom Generally Accepted Accounting Practice

(b) Magazine titles

The company's magazine titles have been acquired from fellow subsidiary companies and are stated at cost less accumulated amortisation

Magazine titles are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years

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

2 OPERATING COSTS

	2009 £	2008 £
Amortisation of intangible fixed assets	152,982	152,982

3 TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 £	2008 £
UK corporation tax current year	14,228	16,315

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the effective standard rate of corporation tax in the UK of 28% (2008 - 28.5%). The differences are reconciled below

Loss on ordinary activities before tax	(102,169)	(95,732)
Loss on ordinary activities multiplied by effective standard rate of corporation tax in the UK of 28% (2008 - 28.5%)	(28,607)	(27,281)
Non qualifying amortisation of intangible fixed assets	42,835	43,596
Total current tax above	14,228	16,315

Factors that may affect future tax charges

In his budget of 22 June 2010, the Chancellor of the Exchequer announced tax changes which will have a significant effect on the company's future tax position. The budget proposed a decrease in the rate of UK corporation tax from 28% to 24%. The reduction will be made in 1% steps over four years from 1 April 2011, which will be enacted annually.

The above change to tax rates will impact the amount of future tax payments

ARCHANT LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

4 INTANGIBLE FIXED ASSETS

	2009 £	2008 £
Cost		
At 1 January and at 31 December	3,059,632	3,059,632
Amortisation		
At 1 January	527,683	374,701
Provided during the year	152,982	152,982
At 31 December	680,665	527,683
Net book value		
At 31 December	2,378,967	2,531,949

5 DEBTORS

	2009 £	2008 £
Balance due from fellow subsidiary undertakings	174,969	140,471

6 CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Corporation tax payable	14,228	16,315

7 CALLED UP SHARE CAPITAL

	2009 £	2008 £
Allotted, called up and fully paid 990,100 ordinary shares of £1 each	990,100	990,100

ARCHANT LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit & loss account £	Shareholders' funds £
At 31 December 2007	990,100	1,778,052	2,768,152
Loss for the year	-	(112,047)	(112,047)
At 31 December 2008	990,100	1,666,005	2,656,105
Loss for the year	-	(116,397)	(116,397)
At 31 December 2009	990,100	1,549,608	2,539,708

9 CONTINGENT LIABILITY

The company, together with certain other companies in the Archant Group, has provided a floating charge over the undertaking, property, assets and rights of the company, and a cross guarantee to secure sums drawn by the Archant Group under the revolving credit facilities with The Royal Bank of Scotland plc. Details of the RBS facility are contained in the Archant Limited Group financial statements.

10 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption in paragraph 3 of FRS 8 "Related Party Disclosures" not to disclose transactions with entities that are part of the Archant Limited group and its associates.

11 STATEMENT OF CASH FLOWS

The Company has taken advantage of the dispensation under FRS 1 Section 8 (c) not to publish a cash flow statement. The cash flow statement of the Group is published in the financial statements of Archant Limited.

12 ULTIMATE PARENT UNDERTAKING

At 31 December 2009, the parent undertaking for which group financial statements are drawn up and of which the company was a member was Archant Limited, registered in England and Wales. Copies of that company's financial statements can be obtained from The Registrar, Companies House, Crown Way, Mandy, Cardiff.