

**FIPP LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2010**



**FIPP LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2010**

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The directors present their report and the financial statements for the year ended 31 December 2010

On 2 December 2010 the company changed its name from The International Federation of the Periodical Press Limited to FIPP Limited

**PRINCIPAL ACTIVITY**

In the year under review the company's principal activity was the promotion of the interests of the periodical press throughout the world

**DIRECTORS**

The directors who served during the year were as follows

**Chairman**

Aroon Purie, Chairman and Editor in Chief, The India Today Group, India

**Vice Chairman**

David Hill, President and CEO, International Publishing Services, IDG (International Data Group), USA

**Treasurer**

Erwin Fidelis Reisch, CEO, Alfons W. Gentner Verlag GmbH & Co. KG, Germany

**Immediate Past Chairman**

Pierre Lamunière, Chairman, Edipresse Group, Switzerland

**President & CEO**

Chris Llewellyn, President & CEO, FIPP, UK

**Advisory Board**

Akira Nagata, Special Advisor, Akira Nagata, Japan

Axel Ganz, President, Axel Ganz Communication, France

Thomaz Souto Corrêa, Member of the Board of Abril Group, Editora Abril S/A, Brazil

George Green, Consultant, Hearst Corporation, USA

Hubert Burda, Chairman of the Board and Publisher, Hubert Burda Media Holding GmbH & Co. Kommanditgesellschaft, Germany

**Directors**

Phil Scott, Managing Director, ACP Magazines Ltd, Australia

William T. Kerr, President & CEO (& FIPP Past Chairman), Arbitron Inc, USA

Roberto Briglia, Chief Content Officer, Arnoldo Mondadori Editore SpA, Italy

Ralph Buchi, President Axel Springer International, Axel Springer AG, Germany

Eckart Bollmann, Executive Board Member Bauer Media Group, Bauer Media Group, Germany

Peter Phippen, Managing Director, BBC Magazines, BBC Worldwide Ltd, UK

Ulrika Saxon, CEO, Bonnier Tidskrifter AB, Sweden

Shi Feng, President, China Periodicals Association (CPA), China

Alfredo Ogawa, Editorial Services Director, Editora Abril S/A, Brazil

Jacques Louvet, President, Fédération Nationale de la Presse d'Information Spécialisée (FNPS), France

Torsten-Joern Klein, President, G+J International, Gruner + Jahr AG & Co. KG, Germany

Victor Shkulev, Chairman of the Board, Hachette Filipacchi Shkulev/InterMediaGroup, Russia

Rupert Heseltine, Chairman, Haymarket Media Group Ltd, UK

Duncan Edwards, President and CEO, Hearst Magazines Intl., Hearst Magazines International, USA

Fabrizio D'Angelo, Managing Director, Hubert Burda Media Holding GmbH & Co. Kommanditgesellschaft, Germany

**FIPP LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2010**

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**Directors (continued)**

Joseph Frenkel, Chairman, Israel Association of Periodical Press (IAPP), Israel  
Young Chull Kim, Chairman and Group Publisher, Kaya Media Corporation, Korea South  
Jean de Boisdeffre, Deputy CEO International, Lagardère Active, France  
Antonios Liberis, President, Liberis Media Group, Liberis Publications S A , Greece  
John Relihan, CEO, Media24 Magazines, Media24, South Africa  
Stephen M. Lacy, Chairman of the Board, Meredith Corporation, USA  
Nina Link, President & CEO, MPA - The Association of Magazine Media, USA  
Alexander Lindholm, CEO, Otavamedia Ltd, Finland  
Barry McIlheney, CEO, PPA, UK  
Svida Alisjahbana, Director, PT Gaya Favorit Press (Femina Group), Indonesia  
Enrique Iglesias, CEO, RBA Revistas, Spain  
Brian Segal, President and CEO, Rogers Publishing Limited, Canada  
Eija Ailasmaa, President and CEO, Sanoma Media B V , The Netherlands  
Koos Guis, CEO Sanoma Magazines International (FIPP Past Chairman), Sanoma Media B V , The Netherlands  
Wiluck Lohtong, President (& Secretary General TMAT), Siam Sport Syndicate Public Co , Ltd , Thailand  
Alan Heng Loon Chan, Chairman, SPH Magazines Pte Ltd, Singapore  
Lisa Gokongwei-Cheng, President, Summit Media, Philippines  
James L. Jacovides, Vice President, International Licensing & Development, Time Inc , USA  
Wolfgang Furstner, Managing Member of the Executive Board, Verband Deutscher Zeitschriftenverleger (VDZ), Germany

**Ex Officio**

Enrique Micheli, Executive Director, Asociación Argentina de Editores de Revistas (AAER), Argentina

**Company Secretary**

Helen, Bland, Company Secretary & Information Services Director, FIPP, UK

**The following directors were appointed during the year:**

Alexander Lindholm, Chairman, FPPA & CEO, United Magazines, Finland  
(appointed 3 March 2010)  
Alfredo Ogawa, Editorial Services Director, Editora Abril, Brazil  
(resigned 3 March 2010)  
Barry McIlheney, CEO, PPA, UK  
(appointed 3 March 2010)  
Phil Scott, Group Publishing Director, ACP, Australia  
(appointed 12 May 2010)  
Wiluck Lohtong, CEO, Inspire Entertainment Co Ltd and Secretary General of The Magazine Association of Thailand  
(appointed 1 October 2010)  
Stephen Lacy, Chairman and CEO of Meredith Corporation, USA  
(appointed 1 October 2010)

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**FIPP LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2010**

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**The following directors resigned during the year:**

Raili Makinen, Chairman, FPPA & President, Sanoma Magazines, Finland

(resigned 3 March 2010)

Giancarlo Civita, Chairman, Editora Abril, Brazil

(resigned 3 March 2010)

Michael A. Brennan, President, Europe, The Reader's Digest Association, USA

(resigned 3 March 2010)

Thanachai Theerapattanavong, Chairman & CEO, Nation Multimedia Group Co. Ltd and Chairman  
The Magazine Association of Thailand, Thailand

(resigned 12 May 2010)

Gordon T. Hughes II, President & CEO, American Business Media (ABM), USA

(resigned 1 October 2010)

**Alain Chastagnol:**

The board reports with regret the passing away of Alain Chastagnol during January 2010. Alain, former deputy CEO international of Lagardere Active – France, joined the FIPP Management Board in 1997 and served as its Vice Chairman between 2001 and 2009. Alain stepped down as Vice Chairman in 2009 and subsequently remained a member of the Advisory Board.

**AUDITOR**

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware and we have taken all of the steps we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

In preparing this report the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By Order of the Board



HELEN BLAND

Company Secretary

1 March 2011

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## **THE INTERNATIONAL FEDERATION OF THE PERIODICAL PRESS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- 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.

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## **Independent Auditor's Report to the Members of FIPP Limited**

We have audited the financial statements of FIPP Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 10

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the company's members, as a body, in accordance with Sections 495 to 496 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, 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 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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



David Devon  
Senior Statutory Auditor  
for and on behalf of  
Crowe Clark Whitehill LLP  
Chartered Accountants  
Statutory Auditor

St Bnede's House  
10 Salisbury Square  
London EC4Y 8EH

1 March 2011

**FIPP LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2010**

|  | Notes | 2010<br>£             | 2009<br>£             |
|--|-------|-----------------------|-----------------------|
| <b>TURNOVER</b>                                      | 2     | <b>1,380,713</b>      | <b>1,273,474</b>      |
| Administrative expenses                              |       | <u>(1,254,174)</u>    | <u>(1,200,104)</u>    |
| <b>OPERATING PROFIT</b>                              | 3     | <b>126,539</b>        | <b>73,370</b>         |
| Interest receivable and similar income               |       | <u>254</u>            | <u>312</u>            |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | <b>126,793</b>        | <b>73,682</b>         |
| Tax on profit on ordinary activities                 | 4     | <u>(3,000)</u>        | <u>(1,829)</u>        |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 |       | <b>123,793</b>        | <b>71,853</b>         |
| Retained profit brought forward                      |       | <u>295,403</u>        | <u>223,550</u>        |
| <b>RETAINED PROFIT CARRIED FORWARD</b>               |       | <u><b>419,196</b></u> | <u><b>295,403</b></u> |

There are no recognised gains and losses other than the profit for the financial year for the current year and previous year. The profit for the financial year represents the only movement in members' funds during those years.

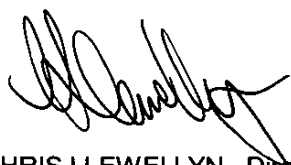
**The related notes 1 to 10 form part of these financial statements.**

**FIPP LIMITED**  
**BALANCE SHEET**  
**31 DECEMBER 2010**  
COMPANY NUMBER 1006977

|  | Notes | 2010<br>£        | 2009<br>£        |
|--|-------|------------------|------------------|
| <b>FIXED ASSETS</b>                                    |       |                  |                  |
| Investment in subsidiary undertaking                   | 5     | 20,000           | 20,000           |
| Tangible assets  | 6     | <u>20,863</u>    | <u>2,289</u>     |
|  |       | <u>40,863</u>    | <u>22,289</u>    |
| <b>CURRENT ASSETS</b>                                  |       |                  |                  |
| Debtors  | 7     | 106,675          | 171,102          |
| Cash at bank and in hand                               |       | <u>780,693</u>   | <u>437,752</u>   |
|  |       | 887,368          | 608,854          |
| <b>CREDITORS</b> , amounts falling due within one year | 8     | <u>(509,035)</u> | <u>(335,740)</u> |
| <b>NET CURRENT ASSETS</b>                              |       | <u>378,333</u>   | <u>273,114</u>   |
| <b>NET ASSETS</b>                                      |       | <u>419,196</u>   | <u>295,403</u>   |
| <b>CAPITAL AND RESERVES</b>                            |       |                  |                  |
| Profit and loss account                                |       | <u>419,196</u>   | <u>295,403</u>   |

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board on 1 March 2011 and were signed on its behalf by



CHRIS LLEWELLYN Director

The related notes 1 to 10 form part of these financial statements



**FIPP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2010**

**1. ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare consolidated financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**b) Turnover**

Turnover represents amounts receivable from membership dues and the sale of publications, net of VAT.

**c) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows: Computers, fixtures and fittings are depreciated at 33% per annum on the straight line basis.

**d) Operating leases**

Rentals payable under operating leases are charged against income on a straight-line basis over the term of the lease.

**e) Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

**f) Investments**

Fixed asset investments are stated at cost, less provision for any impairment in value.

**g) Pension costs**

The cost of the company's defined contributions into the personal pension plans of certain employees is charged to the profit and loss account as incurred.

**2. TURNOVER**

The turnover of the company has been derived from its principal activity undertaken in the following regions:

|               | 2010       | 2009       |
|---------------|------------|------------|
|               | %          | %          |
| Europe        | 61         | 66         |
| North America | 15         | 13         |
| South America | 3          | 3          |
| Africa        | 1          | 1          |
| Oceania       | 2          | 1          |
| Middle East   | 2          | 4          |
| Far East      | 16         | 12         |
|               | <u>100</u> | <u>100</u> |

**FIPP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2010**

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|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| <b>3. OPERATING PROFIT</b>            | <b>2010</b>       | <b>2009</b>       |
|                                       | <b>£</b>          | <b>£</b>          |
| Is stated after charging              |                   |                   |
| Depreciation of tangible fixed assets | <b>2,394</b>      | 2,233             |
| Directors' emoluments aggregate       | <b>192,500</b>    | 97,917            |
| Auditors' remuneration                | <b>3,600</b>      | 3,500             |
|                                       | <u>          </u> | <u>          </u> |

No directors received pension contributions during the year

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

**Analysis of tax charge**

|  |                   |                   |
|--|-------------------|-------------------|
| UK Corporation tax                           |                   |                   |
| - Current year                               | <b>3,000</b>      | 1,957             |
| - Over-provision in respect of previous year | <u>-</u>          | <u>(128)</u>      |
|  | <b>3,000</b>      | 1,829             |
|  | <u>          </u> | <u>          </u> |

**5 INVESTMENT IN SUBDIARY UNDERTAKING**

£

|                                       |               |
|---------------------------------------|---------------|
| Cost                                  |               |
| 1 January 2010 and 31 December 2010   | <u>65,520</u> |
| Provision                             |               |
| 1 January 2010 and 31 December 2010   | <u>45,520</u> |
| Net book value                        |               |
| 31 December 2010 and 31 December 2009 | <u>20,000</u> |

At 31 December 2010 the company owned 100% of the issued ordinary share capital of Worldwide Magazine Marketplace Limited ("WMM")

At 31 December 2010, the date of WMM's last available financial statements, WMM had capital and reserves of £20,000 (2009 £20,000) and was dormant during the year then ended and previous year

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**FIPP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2010**

**6 TANGIBLE ASSETS: COMPUTERS, FIXTURES AND FITTINGS**

|                         |                      |
|-------------------------|----------------------|
|                         | £                    |
| Cost                    |                      |
| 1 January 2010          | 26,779               |
| Disposals               | (25,982)             |
| Additions               | <u>21,442</u>        |
| <b>31 December 2010</b> | <b><u>22,239</u></b> |
| Depreciation            |                      |
| 1 January 2010          | 24,490               |
| Disposals               | (25,508)             |
| Charge for the year     | <u>2,394</u>         |
| <b>31 December 2010</b> | <b><u>1,376</u></b>  |
| <b>Net book value</b>   |                      |
| <b>31 December 2010</b> | <b><u>20,863</u></b> |
| <i>31 December 2009</i> | <u>2,289</u>         |

**7 DEBTORS**

|               | 2010<br>£             | 2009<br>£             |
|---------------|-----------------------|-----------------------|
| Trade debtors | 61,924                | 108,097               |
| Other debtors | <u>44,751</u>         | <u>63,005</u>         |
|               | <b><u>106,675</u></b> | <b><u>171,102</u></b> |

**8. CREDITORS: amounts falling due within one year**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Trade creditors                        | 64,774                | 20,067                |
| Amounts owed to subsidiary undertaking | 20,000                | 20,000                |
| Other taxes and social security        | 22,539                | 37,217                |
| Corporation tax                        | 3,000                 | 1,957                 |
| Other creditors                        | <u>398,722</u>        | <u>256,499</u>        |
|  | <b><u>509,035</u></b> | <b><u>335,740</u></b> |

**9. SHARE CAPITAL**

The company is limited by guarantee and has no share capital

**10 OPERATING LEASES**

The company is obliged under a land and buildings operating lease expiring in 2013 to pay £44,000 (2009 £49,000) during the forthcoming year