

Registered number 1176085

BAUER CONSUMER MEDIA LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 December 2012

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BAUER CONSUMER MEDIA LIMITED

Company Information

Directors	P Keenan D P Goodchild G M Beddard G C White
Company secretary	Bauer Group Secretariat Limited
Company number	1176085
Registered office	1 Lincoln Court Lincoln Road Peterborough PE1 2RF
Auditor	Grant Thornton UK LLP Registered Auditor & Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

BAUER CONSUMER MEDIA LIMITED

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BAUER CONSUMER MEDIA LIMITED

Directors' Report For the Year Ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

Bauer Consumer Media Limited ("the Company") is a multimedia business organised through a number of fellow subsidiaries who act as agents for the Company

Business review

The company's portfolio of influential media brands includes many of the best known magazines, websites and events in the UK, which deliver excellent content to our audiences whenever, however and wherever they want

This provides an excellent platform for customers to reach their target audience through effective advertising campaigns

The Company is proud of its reputation as an industry innovator and invested £162.7m (2011: £5.8m) on new product development (including acquisitions) during the year including a portfolio of trademarks from NEC Mastheads Pty Ltd for £160m, relating to titles published in Australia and New Zealand

The acquisition was funded through a £50m increase in capital and cash

At 31 December 2012 the Company was in a net current liability position after funding the acquisition of trademarks from NEC Mastheads Pty Ltd. Since the year end the Company has been consistently profit making and has generated cash, adding to its year end cash balance of £31.5m. On 28 March 2013, the Company's parent company released it from a debt of £61.1m in consideration for shares. This eliminated the year end net current liabilities and strengthened the Balance Sheet by increasing shareholders' funds by £61.1m. Consequently at the date of signing of these financial statements the Company has net current assets and the directors have prepared the financial statements on the going concern basis.

Results and dividends

The profit for the year, after taxation, amounted to £10,149,000 (2011: £42,087,000)

The Directors do not recommend the payment of a final dividend (2011: £nil)

Directors

The directors who served during the year were

P Keenan
D P Goodchild
G M Beddard
G C White

Principal risks and uncertainties

Advertising

The Company, along with other businesses in the advertising sector, is exposed to fluctuation in advertising media spend

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by obtaining prepayments from new customers, and running credit checks on existing customers. Liquidity and cashflow risks are managed through support from the Company's parent

BAUER CONSUMER MEDIA LIMITED

Directors' Report For the Year Ended 31 December 2012

Other

Other key risks include a loss of key personnel and increased competition in the marketplace

Key performance indicators ("KPIs")

The Company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial. Key financial performance indicators are turnover and operating profit on continuing operations. The key non-financial performance indicators include the number of staff employed (note 6) by the Company, newsstand and subscription copy sales, as published by the Audit Bureau of Circulation on a six monthly or annual basis.

The key financial performance indicators are set out below

	2012 £'000	2011 £'000
Turnover	206,066	228,057
Operating profit before exceptional costs	38,223	50,549

Future developments

The external commercial environment remains competitive in 2013 and beyond in all sectors. Future emphasis will continue on investing in existing products, developing new products and migrating existing brands across other platforms. The directors believe that with our strong brands the business is well positioned to face the fast-changing and challenging media environment of 2013 and beyond.

Company's policy for payment of creditors

The Company recognises the benefits to be derived from maintaining good relationships with its suppliers. It is the Company policy that payment is made on time, provided suppliers perform in accordance with agreed terms. Trade creditors at the year end represented 8 days (2011: 11 days) of purchases.

Employee involvement

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. Information is communicated through Bauer's Intranet - Media Vine - and periodic discussions take place to keep people informed and seek out their ideas and opinions.

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.

Directors' responsibilities statement

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

BAUER CONSUMER MEDIA LIMITED

Directors' Report For the Year Ended 31 December 2012

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Provision of information to auditor

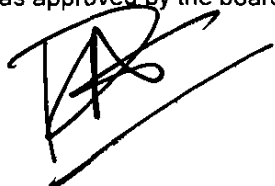
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, has indicated its willingness to continue in office. The Company has elected under section 487 of the Companies Act 2006 not to re-appoint the auditor annually. Therefore the auditor, Grant Thornton UK LLP, is deemed to be re-appointed for the next financial year.

This report was approved by the board on 24 July 2013 and signed on its behalf



P Keenan
Director

BAUER CONSUMER MEDIA LIMITED

Independent Auditor's Report to the Members of Bauer Consumer Media Limited

We have audited the financial statements of Bauer Consumer Media Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 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.



Mark Henshaw (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

London

Date 25 July 2013

BAUER CONSUMER MEDIA LIMITED

**Profit and Loss Account
For the Year Ended 31 December 2012**

	Note	2012 £000	2011 £000
Turnover	1,2	206,066	228,057
Cost of sales		(81,584)	(89,769)
Gross profit		124,482	138,288
Distribution costs		(13,788)	(13,587)
Administrative expenses		(81,138)	(80,311)
Other operating income	3	8,667	6,159
Operating profit	4	38,223	50,549
Exceptional items			
Amounts written off intangible assets		(25,066)	-
Foreign exchange loss associated with intangible assets		(2,729)	-
Profit on ordinary activities before interest		10,428	50,549
Income from other participating interests		2,500	2,250
Profit on disposal of business		774	4,271
Interest receivable and similar income		518	566
Interest payable and similar charges	8	(297)	(303)
Profit on ordinary activities before taxation		13,923	57,333
Tax on profit on ordinary activities	9	(3,774)	(15,246)
Profit for the financial year		10,149	42,087

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

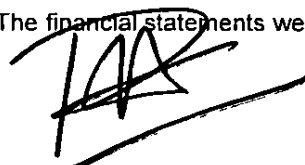
The notes on pages 7 to 22 form part of these financial statements

BAUER CONSUMER MEDIA LIMITED
Registered number 1176085

Balance Sheet
As at 31 December 2012

	Note	£000	2012 £000	£000	2011 £000
Fixed assets					
Intangible assets	10		135,395		4,739
Tangible assets	11		558		1,202
Investments	12		17,196		16,946
			<u>153,149</u>		<u>22,887</u>
Current assets					
Stocks	13	1,724		1,830	
Debtors	14	24,694		23,195	
Investments	15	-		57,951	
Cash at bank		31,528		51,727	
		<u>57,946</u>		<u>134,703</u>	
Creditors amounts falling due within one year	16	(77,752)		(83,835)	
Net current (liabilities)/assets			<u>(19,806)</u>		<u>50,868</u>
Total assets less current liabilities			<u>133,343</u>		<u>73,755</u>
Creditors amounts falling due after more than one year	17		(89)		(48)
Provisions for liabilities					
Other provisions	19		(401)		(1,003)
Net assets			<u>132,853</u>		<u>72,704</u>
Capital and reserves					
Called up share capital	20		410		400
Share premium account	21		49,990		-
Profit and loss account	21		82,453		72,304
Shareholders' funds	22		<u>132,853</u>		<u>72,704</u>

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



24 July 2013

P Keenan
Director

The notes on pages 7 to 22 form part of these financial statements

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 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.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or for services provided, 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. Revenue is measured at the fair value of the consideration.

Magazine news stand circulation and advertising revenue are recognised according to the on-sale date of the publication. A provision is deducted from circulation revenue for expected returns, which is adjusted for actual returns when this is known. Pre-paid subscription revenues are shown as deferred income and released to the income statement over the life of the subscription.

Event income is recognised when the event has taken place.

1.4 Intangible fixed assets and amortisation

Publishing rights, titles and exhibitions are capitalised and amortised through the profit and loss account over their estimated useful economic lives - based on the nature, age and stability of the industry in which the business operates and viewed by the directors as not exceeding 20 years. The net book amounts of intangible fixed assets are reviewed by the directors at the end of the first full financial year after acquisition if there is any event or change in circumstances that indicates that the carrying value may have declined.

Impairment is measured by comparing the carrying value of the asset with the higher of the net realisable value and the value in use. The value in use is measured with reference to discounted cash flows based on future revenue and the Company's weighted average cost of capital. Any impairment charges are recognised in the profit and loss account for the period in which they arise, unless they relate to previously revalued assets.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2012

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short Term Leasehold Property	-	Over the period of the lease
Office equipment and vehicles	-	3 to 5 years

1.6 Investments

Investments in subsidiary, associate and joint venture undertakings are included in the balance sheet at cost. Their value is reviewed annually by the directors and provision is made, where appropriate, for any permanent diminution in value.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.9 Other operating income

Income from royalties and licensing magazine brands to third party publishers is recognised on an accruals basis.

1.10 Dividend receivable

Dividends receivable are recognised as income in the profit and loss account in the period in which they are approved by the shareholders of the investment company. Interim dividends receivable are recorded in the period in which they are paid.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

1. Accounting Policies (continued)**1.12 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

1.13 Pensions

The Bauer Media Group, of which the Company is a subsidiary, operates a defined contribution pension scheme provided by Scottish Widows known as Bauer Consumer Media Pension scheme for all eligible staff across the Group. The costs of this pension scheme are charged to the profit and loss account as they become payable

2. Turnover

The directors are of the opinion that disclosing the Company's turnover by activity is not in the best interests of the Company

A geographical analysis of turnover is as follows

	2012 £000	2011 £000
United Kingdom	192,194	212,969
Rest of world	13,872	15,088
	206,066	228,057

An analysis of profit on ordinary activities before taxation is given below

	2012 £000	2011 £000
United Kingdom	10,093	53,068
Rest of the World	3,830	4,265
Total	13,923	57,333

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

An analysis of net assets is given below

	2012	2011
	£000	£000
United Kingdom	132,766	72,704

3. Other operating income

	2012	2011
	£000	£000
Royalty and licensing income	8,667	6,159

4. Operating profit

The operating profit is stated after charging

	2012	2011
	£000	£000
Amortisation - intangible fixed assets	4,962	2,284
Depreciation of tangible fixed assets		
- owned by the company	693	725
Operating lease rentals		
- plant and machinery	769	845
- other operating leases	3,450	3,761
Difference on foreign exchange	1,611	983

Some operating leases refer to car leases and they have no commitments at the period end for future rentals

5 Auditors' remuneration

	2012	2011
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's and its parent and subsidiaries' annual accounts	107	92
Fees payable to the Company's auditor and its associates in respect of		
Taxation compliance services	3	2
All other non-audit services not included above	15	7

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

6. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £000	2011 £000
Wages and salaries	4,034	3,043
Social security costs	520	409
Other pension costs	156	128
	<u>4,710</u>	<u>3,580</u>

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

	2012 No.	2011 No.
UK full-time employees	<u>80</u>	<u>66</u>

7 Directors' remuneration

	2012 £000	2011 £000
Emoluments	<u>843</u>	<u>805</u>
Company pension contributions to defined contribution pension schemes	<u>21</u>	<u>38</u>

During the year retirement benefits were accruing to 1 director (2011 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £603,000 (2011 - £567,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2011 - £18,000)

8 Interest payable

	2012 £000	2011 £000
On loans from group undertakings	285	303
Other interest payable	12	-
	<u>297</u>	<u>303</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

9. Taxation

	2012	2011
	£000	£000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	8,666	15,270
Adjustments in respect of prior periods	(61)	80
Total current tax	<u>8,605</u>	<u>15,350</u>
Deferred tax		
Effect of decreased tax rate on opening asset	29	22
Deferred tax - current year	(4,921)	(26)
Deferred tax - prior year	61	(100)
Total deferred tax (see note 18)	<u>(4,831)</u>	<u>(104)</u>
Tax on profit on ordinary activities	<u>3,774</u>	<u>15,246</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012	2011
	£000	£000
Profit on ordinary activities before tax	<u>13,923</u>	<u>57,333</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	3,411	15,193
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	626	389
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	258
Depreciation in excess of capital allowances	5,242	27
Adjustments to tax charge in respect of prior periods	(61)	80
Dividends from UK companies	(613)	(597)
Current tax charge for the year (see note above)	<u>8,605</u>	<u>15,350</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

9 Taxation (continued)

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK reduced from 26% to 24% with effect from 1 April 2012. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 24.5%.

The rate of writing down allowances on the main pool of plant and machinery and on the special rate pool fell from 20% and 10% to 18% and 8% respectively with effect from 1 April 2012.

The March 2012 Budget Announcement proposed that the main rate of corporation tax would be reduced to 24% from 1 April 2012 and 23% from 1 April 2013, with a further reduction of the rate to 21% by 1 April 2014. As the rate changes for 2012 and 2013 were substantively enacted at the balance sheet date, the deferred tax asset has been restated to reflect the reduced tax rate of 23%. The effect of this in these financial statements is not material.

The March 2013 Budget announcement included a further proposal to reduce the main rate of corporation tax to 20% from 1 April 2015. As this change or the reduction to 21% from 1 April 2014 had not been substantively enacted at the balance sheet date no account has been taken of them in these financial statements.

The overall effect of the further changes from 23% to 20% if applied to the deferred tax balance at 31 December 2012 would not be material.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

10. Intangible fixed assets

	Publishing rights and titles £000
Cost	
At 1 January 2012	22,072
Additions	160,684
At 31 December 2012	182,756
Amortisation	
At 1 January 2012	17,333
Charge for the year	4,962
Impairment charge	25,066
At 31 December 2012	47,361
Net book value	
At 31 December 2012	135,395
At 31 December 2011	4,739

On 30 September 2012, the Company acquired a portfolio of trademarks from NEC Mastheads Pty Ltd for £160,684,000 relating to titles published in Australia and New Zealand

The directors have considered the carrying value of all intangible fixed assets at 31 December 2012 and a provision for impairment of £25,066,000 was considered necessary (31 December 2011 £NIL) Valuations have been measured by reference to the greater of net realisable value and value in use

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

11. Tangible fixed assets

	Short Term Leasehold Property £000	Office equipment and vehicles £000	Total £000
Cost			
At 1 January 2012	1,231	3,728	4,959
Additions	-	49	49
At 31 December 2012	1,231	3,777	5,008
Depreciation			
At 1 January 2012	915	2,842	3,757
Charge for the year	74	619	693
At 31 December 2012	989	3,461	4,450
Net book value			
At 31 December 2012	242	316	558
At 31 December 2011	316	886	1,202

12. Fixed asset investments

In September 2012, the Company acquired 33.33% holding Storkup Limited, a digital brand in the parenting market. Storkup Limited is a social community for parents to recommend, find and buy child related products.

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
Cost or valuation			
At 1 January 2012	25,119	-	25,119
Additions	-	250	250
At 31 December 2012	25,119	250	25,369
Impairment			
At 1 January 2012 and 31 December 2012	8,173	-	8,173
Net book value			
At 31 December 2012	16,946	250	17,196
At 31 December 2011	16,946	-	16,946

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Bauer Active Limited	Ordinary	100 %
Bauer Automotive Limited	Ordinary	100 %
Bauer East Limited	Ordinary	100 %
Bauer London Lifestyle Limited	Ordinary	100 %
Bauer Esprit Limited	Ordinary	100 %
Bauer Pop Limited	Ordinary	100 %
Horse Deals Limited	Ordinary	100 %
Classiccarsforsale Limited	Ordinary	100 %

Name	Business	Registered office
Bauer Active Limited	Agency	England
Bauer Automotive Limited	Agency	England
Bauer East Limited	Agency	England
Bauer London Lifestyle Limited	Agency	England
Bauer Esprit Limited	Agency	England
Bauer Pop Limited	Non-trading	England
Horse Deals Limited	Publishing	England
Classiccarsforsale Limited	Website trading	England

Joint ventures

Name	Country of incorporation	Class of shares	Holding	Principal activity
Box Television Limited	England	Ordinary	50%	Television broadcasting

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Storkup Limited	Scotland	Ordinary	33%	Website trading

Joint ventures

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Box Television Limited	3,919	2,448

Associates

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Storkup Limited	55	(9)

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

12 Fixed asset investments (continued)

The carrying value of the Company's investment is reviewed for impairment when there are indications that the asset may be impaired. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flows from the investments.

In the opinion of the directors the value of investments is not less than the aggregate amount at which they are stated in the balance sheet.

13. Stocks

	2012 £000	2011 £000
Raw materials	1,724	1,830

In the opinion of the directors, the replacement value of stocks at 31 December 2012 and at 31 December 2011 are not materially different from their book value at those dates.

14 Debtors

	2012 £000	2011 £000
Trade debtors	12,488	17,722
Other debtors	3,347	620
Prepayments and accrued income	3,631	4,456
Deferred tax asset (see note 18)	5,228	397
	24,694	23,195

15. Current asset investments

	2012 £000	2011 £000
Listed investments	-	7,470
Unlisted investments	-	50,481
	-	57,951

Listed investments

The market value of the listed investments at 31 December 2012 was £NIL (2011: £7,504,613).

Included in 2011 unlisted investments is cash placed on deposit which matured during January 2012.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

**16. Creditors:
Amounts falling due within one year**

	2012	2011
	£000	£000
Payments received on account	9,419	9,380
Trade creditors	1,790	2,664
Amounts owed to group undertakings	49,347	51,663
Corporation tax	-	1,469
Social security and other taxes	662	1,390
Other creditors	1,415	1,143
Accruals and deferred income	15,119	16,126
	<u>77,752</u>	<u>83,835</u>

Amounts due to other group undertakings are unsecured, have no fixed date of repayment and bear interest at the SONIA rate

**17. Creditors
Amounts falling due after more than one year**

	2012	2011
	£000	£000
Payments received on account	<u>89</u>	<u>48</u>

18. Deferred tax asset

	2012	2011
	£000	£000
At beginning of year	397	293
Released during year	4,831	104
At end of year	<u>5,228</u>	<u>397</u>

The deferred tax asset is made up as follows

	2012	2011
	£000	£000
Depreciation in advance of capital allowances	5,216	320
short term timing differences	12	77
	<u>5,228</u>	<u>397</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

19. Provisions

	Property provision £000
At 1 January 2012	1,003
Additions	249
Amounts used	(851)
At 31 December 2012	<u>401</u>

Property provision

The provision relates to the reletting of three floors of a property occupied by the Company. The provision represents the best estimate of the future net cash outflow, expected to be incurred on the net rent shortfall from this lease.

20. Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
410,100 (2011 - 400,100) ordinary shares of £1 each	<u>410</u>	<u>400</u>

On 18 September 2012, the Company allotted and issued 10,000 Ordinary shares of £1 each for a total consideration of £50,000,000.

21. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2012	-	72,304
Profit for the year	-	10,149
Premium on shares issued during the year	49,990	-
At 31 December 2012	<u>49,990</u>	<u>82,453</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

22 Reconciliation of movement in shareholders' funds

	2012	2011
	£000	£000
Opening shareholders' funds	72,704	30,617
Profit for the year	10,149	42,087
Shares issued during the year	10	-
Share premium on shares issued (net of expenses)	49,990	-
	<hr/>	<hr/>
Closing shareholders' funds	132,853	72,704
	<hr/>	<hr/>

23. Pension commitments

The Company has participated in a defined contribution pension scheme, the Bauer Consumer Media Pension Scheme operated by Scottish Widows. The pension charge represents contributions due from the employer and during the year it amounted to £155,504 (2011: £128,418).

24. Operating lease commitments

At 31 December 2012 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2012	2011	2012	2011
	£000	£000	£000	£000
Expiry date				
Within 1 year	1,137	23	-	-
Between 2 and 5 years	2,210	2,035	237	237
After more than 5 years	604	2,210	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

25. Related party transactions

Box Television Limited (Box TV), a 50% owned joint venture company of Bauer Consumer Media Limited is registered in England and Wales

During the year, the Company received a dividend of £2,500,000 (2011 £2,250,000). The Company takes part in barter advertising deals with Box TV, the value of which are included in both turnover and cost of sales. The value of these transactions in the year amounted to £2,174,000 (2011 £760,000). There were £10,000 purchases from Box TV during the year (2011 £NIL). The Company's total other sales to Box TV was £2,630,000 (2011 £2,493,000). Sales include commission on the sale of television advertising, central support services and brand royalties.

	2012 £000	2011 £000
Included in debtors		
Balances with Box TV	409	2,902
Included in creditors		
Balances with Box TV	-	763

The distribution of the Company's magazines is carried out by Frontline group undertakings consisting of Frontline Limited, a 72% subsidiary of the Company and Seymour International Limited, a 100% subsidiary of Frontline Limited.

The Company paid for carriage of £2,356,000 (2011 £2,786,000).

	2012 £000	2011 £000
Included in debtors		
Balances with Frontline group undertakings	12,827	14,099
Included in creditors		
Balances with Frontline group undertakings	-	344

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with wholly owned group undertakings.

26. Post balance sheet events

On 28 March 2013, the Company issued 12,231 ordinary shares of £1 each for £5,000 per share.

On 28 March 2013, the Company's parent company released it from a debt of £61.1m in consideration for shares. This eliminated the year end net current liabilities and strengthened the Balance Sheet by increasing shareholders' funds by £61.1m. Consequently at the date of signing of these financial statements the Company has net current assets and the directors have prepared the financial statements on the going concern basis.

On 5 April 2013 the Company's entire share capital was acquired by HBVB.

On 5 April 2013 the Company acquired the entire share capital of Frontline Publishing Limited and 72% interest in Frontline Limited.

On 5 April 2013 the Company issued 1,600 ordinary shares of £1 each for £5,000 per share.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2012**

27. Ultimate controlling parties

The immediate parent company is HBVB from 5 April 2013 and was Bauer Consumer Media (Holdings) Limited prior to this period

The only parent undertaking for which Group accounts are drawn up is Heinrich Bauer Verlag Beteiligungs GmbH, registered in Germany. Copies of Heinrich Bauer Verlag Beteiligungs GmbH accounts are publicly available.

Heinrich Bauer Verlag KG, established in Germany, is regarded by the directors as the Company's ultimate controlling party as it is the controlling party of Heinrich Bauer Verlag Beteiligungs GmbH.