

Registered number: 1176085

BAUER CONSUMER MEDIA LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 December 2013

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BAUER CONSUMER MEDIA LIMITED

Company Information

Directors	P Keenan D P Goodchild G M Beddard
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 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £14,016,000 (2012 - £10,149,000).

An interim dividend of £32,000,000 was paid during the year (2012: £NIL). The Directors do not recommend the payment of a final dividend (2012: £NIL).

Directors

The directors who served during the year were:

P Keenan
D P Goodchild
G M Beddard
G C White (resigned 31 August 2013)

Future developments

The external commercial environment remains competitive in 2014 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 2014 and beyond.

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 Strategic Report, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

BAUER CONSUMER MEDIA LIMITED

**Directors' Report
For the Year Ended 31 December 2013**

- 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.

Disclosure of information to auditor

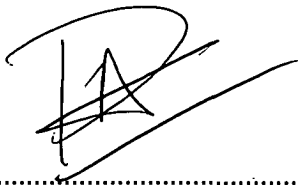
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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 relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 6 August 2014 and signed on its behalf.



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P Keenan
Director

BAUER CONSUMER MEDIA LIMITED

Strategic Report For the Year Ended 31 December 2013

Introduction

The directors present their strategic report for the year ended 31 December 2013.

Business review

The Company is a multimedia business organised through a number of fellow subsidiaries who act as agents for the Company.

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.

On 28 March 2013 the Company increased its share capital by 13,831 ordinary shares of £1 each for £5,000 per share in consideration for the release of Group debt of £61.1m.

No change in the nature of the Company's activities is anticipated to occur in the future.

Principal risks and uncertainties

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

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.

Although the Company operates wholly within the UK its overseas assets and liabilities are exposed to fluctuations of foreign currency exchange. The Company seeks to minimise this risk with the support from the Company's parent.

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

Financial key performance indicators

The Company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial. The key financial performance indicators are Turnover of £181,946,000 (2012: £206,066,000) and Operating profit before exceptional items of £33,063,000 (2012: £38,223,000).

Other key performance indicators

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.

This report was approved by the board on

6 August 2014

and signed on its behalf.



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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 2013, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 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: 12 August 2014

BAUER CONSUMER MEDIA LIMITED

**Profit and Loss Account
For the Year Ended 31 December 2013**

	Note	2013 £000	2012 £000
Turnover	1,2	181,946	206,066
Cost of sales		(66,787)	(81,584)
Gross profit		115,159	124,482
Distribution costs		(13,136)	(13,788)
Administrative expenses		(85,288)	(81,138)
Other operating income	3	16,328	8,667
Operating profit	4	33,063	38,223
Exceptional items			
Amounts written off intangible assets		(16,408)	(25,066)
Foreign exchange loss associated with intangible assets		-	(2,729)
Profit on ordinary activities before interest		16,655	10,428
Income from other participating interests		2,000	2,500
Profit on disposal of business		-	774
Interest receivable and similar income		310	518
Interest payable and similar charges	8	(71)	(297)
Profit on ordinary activities before taxation		18,894	13,923
Tax on profit on ordinary activities	9	(4,878)	(3,774)
Profit for the financial year		14,016	10,149

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

The notes on pages 7 to 21 form part of these financial statements.

BAUER CONSUMER MEDIA LIMITED
Registered number: 1176085

Balance Sheet
As at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Intangible assets	10		108,201		135,395
Tangible assets	11		439		558
Investments	12		26,346		17,196
			<u>134,986</u>		<u>153,149</u>
Current assets					
Stocks	13	921		1,724	
Debtors	14	35,575		24,694	
Investments	15	5,000		-	
Cash at bank		32,205		31,528	
		<u>73,701</u>		<u>57,946</u>	
Creditors: amounts falling due within one year	16	(24,572)		(77,752)	
Net current assets/(liabilities)			<u>49,129</u>		<u>(19,806)</u>
Total assets less current liabilities			<u>184,115</u>		<u>133,343</u>
Creditors: amounts falling due after more than one year	17		(89)		(89)
Provisions for liabilities					
Other provisions	19		-		(401)
Net assets			<u>184,026</u>		<u>132,853</u>
Capital and reserves					
Called up share capital	20		424		410
Share premium account	21		119,133		49,990
Profit and loss account	21		64,469		82,453
Shareholders' funds	22		<u>184,026</u>		<u>132,853</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 August 2014.



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P Keenan
Director

The notes on pages 7 to 21 form part of these financial statements.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

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 2013

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 Dividend payable

Dividend distributions to the Company's shareholders are recognised as a liability either in the period in which the dividends are approved by the Company's shareholders or, in the case of interim dividends when the dividend is paid.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

1. Accounting Policies (continued)

1.12 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.

1.13 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.

1.14 Pensions

The Bauer Media Group (the Group), of which the Company is a subsidiary, has operated a defined contribution pension scheme known as the Bauer Consumer Media Pension scheme for all eligible staff across the Group. The Scheme was provided by Scottish Widows up to May 2013 and by Aviva from 1 June 2013. From 1 November 2013 the Group has also operated an auto-enrolment pension scheme for all eligible staff as required by current legislation. The costs of these pension schemes are charged to the profit and loss account as they become payable.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

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:

	2013 £000	2012 £000
United Kingdom	169,504	192,194
Rest of world	12,442	13,872
	181,946	206,066

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

	2013 £000	2012 £000
United Kingdom	15,595	10,093
Rest of the World	3,299	3,830
Total	18,894	13,923

An analysis of net assets is given below:

	2013 £000	2012 £000
United Kingdom	184,026	132,853

3. Other operating income

	2013 £000	2012 £000
Royalty and licensing income	16,328	8,667

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

4. Operating profit

The operating profit is stated after charging/(crediting):

	2013 £000	2012 £000
Amortisation - intangible fixed assets	10,786	4,962
Depreciation of tangible fixed assets:		
- owned by the company	310	693
Operating lease rentals:		
- plant and machinery	662	769
- other operating leases	3,347	3,450
Difference on foreign exchange	1,551	1,611
	<u> </u>	<u> </u>

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

5. Auditors' remuneration

	2013 £000	2012 £000
Fees payable to the Company's auditor for the audit of the Company's and its parent and subsidiaries' annual accounts	100	107
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	-	3
All other non-audit services not included above	-	15
	<u> </u>	<u> </u>

6. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013 £000	2012 £000
Wages and salaries	2,928	4,034
Social security costs	378	520
Other pension costs	118	156
	<u> </u>	<u> </u>
	3,424	4,710
	<u> </u>	<u> </u>

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

	2013 No.	2012 No.
UK full-time employees	72	80
	<u> </u>	<u> </u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

7. Directors' remuneration

	2013	2012
	£000	£000
Remuneration	289	843
Company pension contributions to defined contribution pension schemes	4	21

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £213,000 (2012 - £603,000).

8. Interest payable

	2013	2012
	£000	£000
On loans from group undertakings	59	285
Other interest payable	12	12
	71	297

9. Taxation

	2013	2012
	£000	£000
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	5,255	8,666
Adjustments in respect of prior periods	(5,462)	(61)
Total current tax	(207)	8,605
Deferred tax		
Deferred tax - current year	(79)	(4,921)
Deferred tax - prior year	4,482	61
Deferred tax - impact of rate changes	682	29
Total deferred tax (see note 18)	5,085	(4,831)
Tax on profit on ordinary activities	4,878	3,774

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	18,894	13,923
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	4,393	3,411
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	231	626
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	303	-
Depreciation in excess of capital allowances	92	5,242
Adjustments to tax charge in respect of prior periods	(5,462)	(61)
Dividends from UK companies	(465)	(613)
Other differences leading to an increase (decrease) in the tax charge	701	-
Current tax (credit)/charge for the year (see note above)	(207)	8,605

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK reduced from 24% to 23% with effect from 1 April 2013. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 23.25%.

The March 2012 Budget announcement proposed that the main rate of corporation tax would be reduced to 23% from 1 April 2013, with a further reduction of the rate to 21% by 1 April 2014.

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 was substantively enacted at the balance sheet date, the deferred tax asset has been restated to reflect the reduced tax rate of 20%.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

10. Intangible fixed assets

	Publishing rights and titles £000
Cost	
At 1 January 2013 and 31 December 2013	182,756
Amortisation and impairment	
At 1 January 2013	47,361
Charge for the year	10,786
Impairment charge	16,408
At 31 December 2013	74,555
Net book value	
At 31 December 2013	108,201
At 31 December 2012	135,395

The directors have considered the carrying value of all intangible fixed assets at 31 December 2013 and a provision for impairment of £16,408,000 was considered necessary (31 December 2012: £25,066,000). Valuations have been measured by reference to the greater of net realisable value and value in use.

The value in use reflects the fact that significant license income is received in Australian Dollars and the exchange rate fell 19% during the year affecting the Company's future expected incomes. In accordance with FRS11 the impairment will be reversed if exchange rate movements improve.

11. Tangible fixed assets

	Short Term Leasehold Property £000	Office equipment and vehicles £000	Total £000
Cost			
At 1 January 2013	1,231	3,777	5,008
Additions	-	191	191
At 31 December 2013	1,231	3,968	5,199
Depreciation			
At 1 January 2013	989	3,461	4,450
Charge for the year	72	238	310
At 31 December 2013	1,061	3,699	4,760
Net book value			
At 31 December 2013	170	269	439
At 31 December 2012	242	316	558

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

12. Fixed asset investments

On 5 April 2013 the Company acquired the entire share capital of Frontline Publishing Servicing Limited and 72% interest in Frontline Limited for consideration of £9,400,000.

During the year the Company acquired 210,000 unquoted secured convertible loan notes of £1 each with interest at 10% above base rate, redeemable at the earlier of an event of default, 31 March 2015 or a trigger event. Any conversion to A shares will be at the option of the Company otherwise the balance of the loans and interest are repayable in full on redemption.

	Investments in subsidiary companies £000	Investments in associates £000	Unlisted investments £000	Loans to associates £000	Total £000
Cost or valuation					
At 1 January 2013	25,119	250	-	-	25,369
Additions	9,400	8	50	210	9,668
At 31 December 2013	34,519	258	50	210	35,037
Impairment					
At 1 January 2013	8,173	-	-	-	8,173
Charge for the year	-	258	50	210	518
At 31 December 2013	8,173	258	50	210	8,691
Net book value					
At 31 December 2013	26,346	-	-	-	26,346
At 31 December 2012	16,946	250	-	-	17,196

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 %
Frontline Publishing Services Limited	Ordinary	100 %
Frontline Limited	Ordinary (various classes)	72 %

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

12. Fixed asset investments (continued)

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
Frontline Publishing Services Limited	Agency	England
Frontline Limited	Sales, marketing and distribution	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	3,417	1,419

Associates

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Storkup Limited	(62)	(109)

The carrying value of the Company's investment is reviewed for impairment when there are indications that the assets may be impaired. A provision for impairment of £518,000 was considered necessary at 31 December 2013 (2012: £NIL). 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.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

13. Stocks

	2013	2012
	£000	£000
Raw materials	921	1,724

In the opinion of the directors, the replacement value of stocks at 31 December 2013 and at 31 December 2012 are not materially different from their book value at those dates.

14. Debtors

	2013	2012
	£000	£000
Trade debtors	12,541	12,488
Amounts owed by group undertakings	9,704	-
Other debtors	9,986	3,347
Prepayments and accrued income	3,201	3,631
Deferred tax asset (see note 18)	143	5,228
	35,575	24,694

Amounts owed by other group undertakings are unsecured, repayable on demand and bore interest at the SONIA rate to 31 March 2013 and interest free from 1 April 2013 (2012: SONIA rate).

15. Current asset investments

	2013	2012
	£000	£000
Unlisted investments	5,000	-

The unlisted investments is cash placed on deposit which matured during March 2014.

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

	2013	2012
	£000	£000
Payments received on account	9,281	9,419
Trade creditors	945	1,790
Amounts owed to group undertakings	-	49,347
Other taxation and social security	1,264	662
Other creditors	650	1,415
Accruals and deferred income	12,432	15,119
	24,572	77,752

Amounts due to other group undertakings are unsecured, repayable on demand and bore interest at the SONIA rate to 31 March 2013 and interest free from 1 April 2013 (2012: SONIA rate).

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

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

	2013	2012
	£000	£000
Payments received on account	<u>89</u>	<u>89</u>

18. Deferred tax asset

	2013	2012
	£000	£000
At beginning of year	5,228	397
(Charge for)/released during year (P&L)	(5,085)	4,831
At end of year	<u>143</u>	<u>5,228</u>

The deferred tax asset is made up as follows:

	2013	2012
	£000	£000
Depreciation in advance of capital allowances	143	5,216
short term timing differences	-	12
	<u>143</u>	<u>5,228</u>

19. Provisions

	Property provision £000
At 1 January 2013	401
Amounts used	(401)
At 31 December 2013	<u>-</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.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

20. Share capital

	2013	2012
	£000	£000
Allotted, called up and fully paid		
423,931 (2012 - 410,100) ordinary shares of £1 each	424	410

On 28 March 2013, the Company allotted and issued 12,231 ordinary shares of £1 each for a total consideration of £61,156,712.

On 5 April 2013, the Company allotted and issued 1,600 ordinary shares of £1 each for a total consideration of £8,000,000.

21. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2013	49,990	82,453
Profit for the financial year	-	14,016
Dividends: Equity capital	-	(32,000)
Premium on shares issued during the year	69,143	-
At 31 December 2013	119,133	64,469

22. Reconciliation of movement in shareholders' funds

	2013	2012
	£000	£000
Opening shareholders' funds	132,853	72,704
Profit for the financial year	14,016	10,149
Dividends (Note 23)	(32,000)	-
Shares issued during the year	14	10
Share premium on shares issued (net of expenses)	69,143	49,990
Closing shareholders' funds	184,026	132,853

23. Dividends

	2013	2012
	£000	£000
Dividends paid on equity capital	32,000	-

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

24. Pension commitments

The Company has participated in a defined contribution pension scheme, the Bauer Consumer Media Pension Scheme. The pension charge represents contributions due from the employer and during the year it amounted to £118,708 (2012: £155,504).

25. Operating lease commitments

At 31 December 2013 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013	2012	2013	2012
	£000	£000	£000	£000
Expiry date:				
Within 1 year	11	1,137	-	-
Between 2 and 5 years	2,814	2,210	222	237
After more than 5 years	-	604	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

26. 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 £2,000,000 (2012: £2,500,000). 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 £586,000 (2012: £2,174,000). There were no purchases from Box TV during the year (2012: £10,000). The Company's total other sales to Box TV was £2,820,000 (2012: £2,630,000). Sales include commission on the sale of television advertising, central support services and brand royalties.

	2013	2012
	£000	£000
Included in debtors		
Balances with Box TV	571	409

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Notes to the Financial Statements For the Year Ended 31 December 2013

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 £2,511,000 (2012: £2,356,000)

	2013 £000	2012 £000
Included in debtors		
Balances with Frontline group undertakings	11,944	12,827

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.

27. Post balance sheet events

On 28 February 2014, the Company acquired a portfolio of trademarks from APN Holdings NZ Limited, APN Specialist Publications NZ Limited and Wilson & Horton Finance Pty Limited for £3.2m.

28. 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.