

Registered number: 1176085

BAUER CONSUMER MEDIA LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 December 2014

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BAUER CONSUMER MEDIA LIMITED

Company Information

Directors	P Keenan D P Goodchild G M Beddard S Vickery (appointed 30 September 2014)
Company secretary	Bauer Group Secretariat Limited
Registered number	1176085
Registered office	1 Lincoln Court Lincoln Road Peterborough PE1 2RF
Independent 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 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the year, after taxation, amounted to £25,939,000 (2013 - £14,016,000).

An interim dividend of £35,000,000 was paid during the year (2013: £32,000,000). The Directors do not recommend the payment of a final dividend (2013: £NIL).

Directors

The directors who served during the year were:

P Keenan
D P Goodchild
G M Beddard
S Vickery (appointed 30 September 2014)

Future developments

The external commercial environment remains competitive in 2015 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 2015 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 2014

- 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 auditor, 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 auditor, Grant Thornton UK LLP, are deemed to be re-appointed for the next financial year.

This report was approved by the board on 29 June 2015 and signed on its behalf.


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S Vickery
Director

BAUER CONSUMER MEDIA LIMITED

Strategic Report For the Year Ended 31 December 2014

Introduction

The directors present their strategic report for the year ended 31 December 2014.

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.

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 £165,166,000 (2013: £181,946,000) and Operating profit before exceptional items of £29,970,000 (2013: £33,063,000).

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 29 June 2015 and signed on its behalf.

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S Vickery
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 2014, 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 2014 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

29 June 2015

BAUER CONSUMER MEDIA LIMITED

**Profit and Loss Account
For the Year Ended 31 December 2014**

	Note	2014 £000	2013 £000
Turnover	1,2	165,166	181,946
Cost of sales		<u>(59,789)</u>	<u>(66,787)</u>
Gross profit		105,377	115,159
Distribution costs		(11,797)	(13,136)
Administrative expenses		(77,664)	(85,288)
Other operating income	3	<u>14,054</u>	<u>16,328</u>
Operating profit	4	29,970	33,063
Exceptional items			
Amounts written off intangible assets		<u>-</u>	<u>(16,408)</u>
Profit on ordinary activities before interest		29,970	16,655
Income from other participating interests		2,500	2,000
Profit on disposal of business		50	-
Interest receivable and similar income		372	310
Interest payable and similar charges	8	<u>(5)</u>	<u>(71)</u>
Profit on ordinary activities before taxation		32,887	18,894
Tax on profit on ordinary activities	9	<u>(6,948)</u>	<u>(4,878)</u>
Profit for the financial year		<u>25,939</u>	<u>14,016</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 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 2014

	Note	£000	2014 £000	£000	2013 £000
Fixed assets					
Intangible assets	10		102,829		108,201
Tangible assets	11		311		439
Investments	12		24,603		26,346
			<u>127,743</u>		<u>134,986</u>
Current assets					
Stocks	13	868		921	
Debtors	14	29,271		35,575	
Investments	15	-		5,000	
Cash at bank		40,708		32,205	
		<u>70,847</u>		<u>73,701</u>	
Creditors: amounts falling due within one year	16	(22,869)		(24,572)	
Net current assets			<u>47,978</u>		<u>49,129</u>
Total assets less current liabilities			<u>175,721</u>		<u>184,115</u>
Creditors: amounts falling due after more than one year	17		-		(89)
Provisions for liabilities					
Other provisions	19		(756)		-
Net assets			<u>174,965</u>		<u>184,026</u>
Capital and reserves					
Called up share capital	20		424		424
Share premium account	21		119,133		119,133
Profit and loss account	21		55,408		64,469
Shareholders' funds	22		<u>174,965</u>		<u>184,026</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2015.

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S Vickery
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 2014

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 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the future funding requirements of the business, and based on management forecasts have concluded that the Company will have sufficient funds to ensure that it can meet its financial liabilities as and when they fall due, for a period of at least 12 months from the date of these financial statements.

1.3 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.

1.4 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.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2014

1. Accounting Policies (continued)

1.5 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.

1.6 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

1.7 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 impairment.

1.8 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.

1.9 Operating leases

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

1.10 Other operating income

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

1.11 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.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2014

1. Accounting Policies (continued)

1.12 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.

1.13 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.

1.14 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.

1.15 Pensions

The Bauer Media Group (the Group), of which the Company is a subsidiary, has operated a defined contribution pension scheme provided by Aviva known as the Bauer Consumer Media Pension scheme for all eligible staff across the Group. The Group also operates an auto-enrolment pension scheme 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 2014**

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:

	2014 £000	2013 £000
United Kingdom	154,330	169,504
Rest of world	10,836	12,442
	<u>165,166</u>	<u>181,946</u>

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

	2014 £000	2013 £000
United Kingdom	30,481	15,595
Rest of the World	2,406	3,299
Total	<u>32,887</u>	<u>18,894</u>

An analysis of net assets is given below:

	2014 £000	2013 £000
United Kingdom	<u>174,965</u>	<u>184,026</u>

3. Other operating income

	2014 £000	2013 £000
Royalty and licensing income	<u>14,054</u>	<u>16,328</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

4. Operating profit

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

	2014	2013
	£000	£000
Amortisation - intangible fixed assets	8,561	10,786
Depreciation of tangible fixed assets:		
- owned by the company	192	310
Operating lease rentals:		
- plant and machinery	584	662
- other operating leases	3,248	3,347
Difference on foreign exchange	139	1,551

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

5. Auditors' remuneration

	2014	2013
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's and its parent and subsidiaries' annual accounts	95	100

6. Staff costs

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

	2014	2013
	£000	£000
Wages and salaries	2,648	2,928
Social security costs	272	378
Other pension costs	89	118
	3,009	3,424

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

	2014	2013
	No.	No.
UK full-time employees	71	72

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

7. Directors' remuneration

	2014 £000	2013 £000
Remuneration	-	289
Company pension contributions to defined contribution pension schemes	-	4

During the year retirement benefits were accruing to no directors (2013 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £NIL (2013 - £213,000).

8. Interest payable

	2014 £000	2013 £000
On loans from group undertakings	-	59
Other interest payable	5	12
	5	71

9. Taxation

	2014 £000	2013 £000
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	7,328	5,255
Adjustments in respect of prior periods	(339)	(5,462)
Total current tax	6,989	(207)
Deferred tax		
Deferred tax - current year	32	(79)
Deferred tax - prior year	(73)	4,482
Deferred tax - impact of rate changes	-	682
Total deferred tax (see note 18)	(41)	5,085
Tax on profit on ordinary activities	6,948	4,878

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	<u>32,887</u>	<u>18,894</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	7,071	4,393
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	121	231
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	441	303
(Accelerated capital allowances)/depreciation in excess of capital allowances	(34)	92
Adjustments to tax charge in respect of prior periods	(339)	(5,462)
Non-taxable income	(11)	-
Dividends from UK companies	(538)	(465)
Other differences leading to an increase (decrease) in the tax charge	677	701
Transfer pricing adjustments	(399)	-
Current tax charge/(credit) for the year (see note above)	<u>6,989</u>	<u>(207)</u>

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK reduced from 23% to 21% with effect from 1 April 2014. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 21.5%.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

10. Intangible fixed assets

	Publishing rights and titles £000
Cost	
At 1 January 2014	182,756
Additions	3,189
At 31 December 2014	185,945
Amortisation and impairment	
At 1 January 2014	74,555
Charge for the year	8,561
At 31 December 2014	83,116
Net book value	
At 31 December 2014	102,829
At 31 December 2013	108,201

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.

The directors have considered the carrying value of all intangible fixed assets at 31 December 2014 and no provision for impairment was considered necessary (2013: £16,408,000). 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 in 2013 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.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

11. Tangible fixed assets

	Short Term Leasehold Property £000	Office equipment and vehicles £000	Total £000
Cost			
At 1 January 2014	1,231	3,968	5,199
Additions	-	76	76
Transfers intra group	-	(5)	(5)
Disposals	-	(12)	(12)
At 31 December 2014	<u>1,231</u>	<u>4,027</u>	<u>5,258</u>
Depreciation			
At 1 January 2014	1,061	3,699	4,760
Charge for the year	72	120	192
Transfers intra group	-	(2)	(2)
On disposals	-	(3)	(3)
At 31 December 2014	<u>1,133</u>	<u>3,814</u>	<u>4,947</u>
Net book value			
At 31 December 2014	<u>98</u>	<u>213</u>	<u>311</u>
At 31 December 2013	<u>170</u>	<u>269</u>	<u>439</u>

12. Fixed asset investments

	Investments in subsidiary companies £000	Investments in associates £000	Unlisted investments £000	Loans to associates £000	Total £000
Cost or valuation					
At 1 January 2014 and 31 December 2014	<u>34,519</u>	<u>258</u>	<u>50</u>	<u>210</u>	<u>35,037</u>
Impairment					
At 1 January 2014	8,173	258	50	210	8,691
Charge for the year	1,743	-	-	-	1,743
At 31 December 2014	<u>9,916</u>	<u>258</u>	<u>50</u>	<u>210</u>	<u>10,434</u>
Net book value					
At 31 December 2014	<u>24,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,603</u>
At 31 December 2013	<u>26,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,346</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

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

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
The Box Plus Network Limited	England	Ordinary	50%	Television broadcasting

Associates

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

Joint ventures

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
The Box Plus Network Limited	3,063	2,236

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

12. Fixed asset investments (continued)

The carrying value of the Company's investments are reviewed for impairment when there are indications that the assets may be impaired. A provision for impairment of £1,743,000 was considered necessary at 31 December 2014 (2013: £518,000). 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

	2014 £000	2013 £000
Raw materials	868	921

In the opinion of the directors, the replacement value of stocks at 31 December 2014 and at 31 December 2013 are not materially different from their book value at those dates.

14. Debtors

	2014 £000	2013 £000
Trade debtors	11,373	12,541
Amounts owed by group undertakings	7,758	9,704
Other debtors	7,242	9,986
Prepayments and accrued income	2,714	3,201
Deferred tax asset (see note 18)	184	143
	<u>29,271</u>	<u>35,575</u>

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

15. Current asset investments

	2014 £000	2013 £000
Unlisted investments	-	5,000

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

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

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

	2014	2013
	£000	£000
Payments received on account	8,599	9,281
Trade creditors	1,140	945
Other taxation and social security	303	1,264
Other creditors	537	650
Accruals and deferred income	12,290	12,432
	<u>22,869</u>	<u>24,572</u>

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

	2014	2013
	£000	£000
Payments received on account	-	89
	<u>-</u>	<u>89</u>

18. Deferred tax asset

	2014	2013
	£000	£000
At beginning of year	143	5,228
Released during/(charged for) year (P&L)	41	(5,085)
	<u>184</u>	<u>143</u>

The deferred tax asset is made up as follows:

	2014	2013
	£000	£000
Depreciation in advance of capital allowances	156	143
Short term timing differences	28	-
	<u>184</u>	<u>143</u>

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**Notes to the Financial Statements
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19. Provisions

	Property provision £000
At 1 January 2014	-
Additions	903
Amounts used	(147)
At 31 December 2014	<u>756</u>

Property provision

The provision relates to the reletting of a floor of a property occupied by the Company and a property lease disposal. 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

	2014 £000	2013 £000
Allotted, called up and fully paid		
423,931 ordinary shares of £1 each	<u>424</u>	<u>424</u>

21. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2014	119,133	64,469
Profit for the financial year	-	25,939
Dividends: Equity capital	-	(35,000)
At 31 December 2014	<u>119,133</u>	<u>55,408</u>

22. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	184,026	132,853
Profit for the financial year	25,939	14,016
Dividends (Note 23)	(35,000)	(32,000)
Shares issued during the year	-	14
Share premium on shares issued (net of expenses)	-	69,143
Closing shareholders' funds	<u>174,965</u>	<u>184,026</u>

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23. Dividends

	2014	2013
	£000	£000
Dividends paid on equity capital	35,000	32,000

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 £89,131 (2013: £118,708).

25. Operating lease commitments

At 31 December 2014 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£000	£000	£000	£000
Expiry date:				
Within 1 year	11	11	-	-
Between 2 and 5 years	2,814	2,814	189	222

26. Related party transactions

The Company owns a 50% joint venture interest in The Box Plus Network Limited (formerly Box Television Limited) (Box TV). This company is registered in England and Wales.

During the year, the Company received a dividend of £2,500,000 (2013: £2,000,000). 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 £417,000 (2013: £586,000). The Company's total other sales to Box TV were £2,214,000 (2013: £2,820,000). Sales include commission on the sale of television advertising, central support services and brand royalties.

	2014	2013
	£000	£000
Included in debtors		
Balances with Box TV	416	571

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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 and sundry costs of £2,308,000 (2013: £2,511,000).

	2014 £000	2013 £000
Included in debtors		
Balances with Frontline group undertakings	11,108	11,944

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. Ultimate controlling parties

The immediate parent company is HBVB.

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

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