



**NEXUS BUSINESS MEDIA  
LIMITED**

**FINANCIAL STATEMENTS**

**For the Year ended  
31 December 2009**

Company no 1993193

**NEXUS BUSINESS MEDIA LIMITED****FINANCIAL STATEMENTS**For the year ended 31<sup>st</sup> December 2009

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Company registration number	1993193
Registered office	Building 17 Dunsfold Park Stovolds Hill Cranleigh Surrey GU6 8TB
Director	W T Comfort A Gibbons
Secretary	F Bird
Bankers	Barclays Bank PLC 1st Floor 27 Soho Square London W1D 3QR
Solicitors	Lee & Thompson Greengarden House 15-22 St Christopher's Place London W1U 1NL
Auditor	Grant Thornton UK LLP Registered Auditor Chartered Accountants The Explorer Building Fleming Way Crawley RH10 9GT

**NEXUS BUSINESS MEDIA LIMITED**  
FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> December 2009

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

**Principal activity**

The principal activity of the company during 2009 was the publishing of magazines, and running of tradeshow

**Business review**

The company has undergone internal restructuring exercise to allow focus of effort and resource into the Queens Award magazine and the ECOC exhibition

There was a profit for the year after taxation amounting to £142,646 (2008:£1,432,855)

The directors do not recommend the payment of a dividend (2008:£nil)

**Directors**

The following directors have served as directors during the year:

A R Salter (resigned 30 April 2009)  
R P Dummett (resigned 5 February 2010)  
N Thackray (resigned 6 February 2009)  
P C Satchwill (resigned 7 February 2009)  
A. Gibbons (appointed 6 August 2009).  
WT Comfort (appointed 5 February 2010)

WT Comfort is a director of Nexus Holdings Limited

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

## **NEXUS BUSINESS MEDIA LIMITED**

### **REPORT OF THE DIRECTORS**

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The directors are responsible for keeping adequate accounting records that 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 may differ from legislation in other jurisdictions.

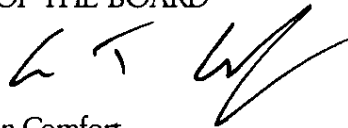
#### **Auditors**

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 485 of the Companies Act 2006.

#### **Small company exemptions**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

ON BEHALF OF THE BOARD



William Twyman Comfort  
Director

3rd November 2010

### **Independent Auditor's Report To The Members Of Nexus Business Media Limited**

We have audited the financial statements of Nexus Business Media Limited for the year ended 31 December 2009 which comprise the principal accounting policies, 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

Grant Thornton UK LLP

Nicholas Page  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Gatwick

12 November 2010

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), other than for the application of a true and fair override from the Companies Act 2006 with respect to the carrying value of intangible assets where the Directors are of the opinion assets have an indefinite economic life. See Intangible assets note below

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent, Nexus Holdings Limited includes the cash flows of the company in its own published consolidated financial statements

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

**Going concern**

The financial statements have been prepared on a going concern basis which assumes the continuing financial support of the ultimate parent company. The directors have received confirmation that this financial support will continue to be provided for the foreseeable future to enable the company to continue as a going concern and to settle its liabilities as and when they fall due.

**Turnover**

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax

Book sales and advertising revenues are recognised on the despatch date of the relevant business publication

Subscription revenue is recognised over the period of the subscription

Internet revenue is recognised over the period of the contract or on a "click through" basis dependent on the contract terms

**Intangible assets**

Where the directors are of the opinion that intangible assets of the Company have an indefinite economic life given the acquired business' historic ability to sustain long term profitability, their position within their market sector and the Group's commitment to continue to invest in the long-term development of that business then, in accordance with FRS 10 and FRS 11, the carrying value of these intangible assets is reviewed annually for impairment on the basis stipulated in FRS 11 and adjusted to the recoverable amount should this be required. This policy departs from the requirement of companies' legislation to amortise goodwill over a finite period in order to give a true and fair view, for the reasons outlined above

Where the directors are of the opinion that intangible assets of the Company do not have an indefinite economic life then the goodwill on each acquisition is considered by the directors and amortised on a straight line basis over its useful economic life (which is generally estimated to be between five and twenty years).



**Tangible fixed assets and depreciation**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Furniture and equipment	10% per annum on a straight-line basis
Computer equipment	25% per annum on a straight-line basis

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Taxation**

Corporation tax is provided on the taxable profit at the current rate.

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not discounted.

**Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

**Pension costs**

Pensions are provided to certain employees through defined contribution schemes and the group has a stakeholder pension scheme available to employees. The assets of the funded defined contribution schemes are held independently by insurance companies.

The amount charged to the profit and loss account is the amount of contributions payable in the period. The company does not operate any defined benefit schemes.

**NEXUS BUSINESS MEDIA LIMITED**  
**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2009

	Note	2009 £ Discontinued	2009 £ Continuing	2009 £ Total	2008 £
Turnover	1	52,998	1,303,610	1,356,608	8,771,045
Cost of Sales		(9,592)	(1,072,313)	(1,081,905)	(5,853,026)
Gross Profit		43,406	231,297	274,703	2,918,019
Other administrative expenses		(618,021)	(192,010)	(810,031)	(3,159,671)
Exceptional items	1	(396,500)	-	(396,500)	(964,224)
Operating loss		(971,115)	39,287	(931,828)	(1,205,876)
Profit on disposal of operations	2	770,029	-	770,029	2,530,943
Interest receivable and similar income		-	3,765	3,765	82,783
(Loss)/profit on ordinary activities before taxation	1	(201,086)	43,052	(158,034)	1,407,850
Tax credit on (loss)/profit on ordinary activities	4	256,498	44,182	300,680	25,005
Profit on ordinary activities after taxation and retained profit for the year transferred to reserves	11	55,412	87,234	142,646	1,432,855

There were no recognised gains or losses other than the profit for the financial year

The accompanying accounting policies and notes form an integral part of these financial statements


**NEXUS BUSINESS MEDIA LIMITED**  
BALANCE SHEET AT 31 DECEMBER 2009

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Intangible assets	5	-	1,138,245
Tangible assets	6	<u>9,800</u>	<u>30,681</u>
		9,800	1,168,926
<b>Current assets</b>			
Stocks	7	-	4,979
Debtors	8	139,471	1,319,974
Cash at bank and in hand		<u>773,965</u>	<u>1,298,225</u>
		913,436	2,623,178
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,835,589)</u>	<u>(4,847,103)</u>
<b>Net current liabilities</b>		<u>(922,153)</u>	<u>(2,223,925)</u>
<b>Total assets less current liabilities</b>		<u>(912,353)</u>	<u>(1,054,999)</u>
<b>Capital and reserves</b>			
Called up share capital	10	50,000	50,000
Profit and loss account	11	<u>(962,353)</u>	<u>(1,104,999)</u>
<b>Shareholders' funds</b>	12	<u>(912,353)</u>	<u>(1,054,999)</u>

Company Number: 1993193

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

The financial statements were approved by the Board of Directors on 3rd November 2010



William Twyman Comfort - Director

The accompanying accounting policies and notes form an integral part of these financial statements

**NEXUS BUSINESS MEDIA LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

**1 Turnover and (loss)/profit on ordinary activities before taxation**

The turnover and (loss)/profit on ordinary activities before taxation is attributable to Geographical market as follows

	2009 £	2008 £
<b>Geographical market - destination:</b>		
United Kingdom	192,619	5,856,299
Rest of Europe	1,163,989	1,830,766
Other markets	-	1,083,980
	<u>1,356,608</u>	<u>8,771,045</u>

The (loss)/ profit on ordinary activities before taxation is stated after

	2009 £	2008 £
<b>Auditor's remuneration:</b>		
Audit services	25,000	15,000
Non-audit services	10,000	162,600
Operating leases		
Land and buildings	12,000	-
Depreciation		
Tangible fixed assets owned	6,240	91,465
Amortisation of intangible assets	10,644	195,859

**Exceptional items:**

Restructuring and redundancy costs	-	497,092
Write off of tangible assets due to restructuring of business	-	132,432
Write off excess stocks	-	20,417
Impairment of intangible assets	396,500	314,283
	<u>396,500</u>	<u>964,224</u>

For the year ended 31 December 2009

**1 Turnover and (loss)/profit on ordinary activities before taxation (continued)**

Profit and loss account showing continuing and discontinued operations for year ended 31 December 2008

	Note	2008 £ Discontinued	2008 £ Continuing	2008 £ Total
Turnover	1	1,727,195	7,043,850	8,771,045
Cost of sales		(1,099,255)	(4,753,771)	(5,853,026)
Gross profit		627,940	2,290,079	2,918,019
Other administrative expenses		-	(3,159,671)	(3,159,671)
Exceptional items	1	-	(964,224)	(964,224)
Operating loss		627,940	(1,833,816)	(1,205,876)
Profit on disposal of operations	2	2,530,943	-	2,530,943
Interest receivable and similar income		-	82,783	82,783
Profit on ordinary activities before taxation	1	3,158,883	(1,751,033)	1,407,850
Tax credit on profit on ordinary activities	4	-	25,005	25,005
Profit on ordinary activities after taxation and retained profit for the year transferred to reserves		<u>3,158,883</u>	<u>(1,726,028)</u>	<u>1,432,855</u>

**2 Profit on disposal of operations**

	2009 Metropolis £	2009 Purple Media £	2009 Travel £	2009 Total £	2008 Total £
Disposal proceeds of sales	650,000	136,000	1,050,000	1,836,000	3,225,000
Less cost of sale	(135,854)	-	-	(135,854)	(227,377)
Net proceeds	514,146	136,000	1,050,000	1,700,146	2,997,623
NBV of assets sold	(650,000)	(81,100)	(199,017)	(930,117)	(466,680)
Profit on disposal	<u>(135,854)</u>	<u>54,900</u>	<u>850,983</u>	<u>770,029</u>	<u>2,530,943</u>

The company sold its travel trade to another group company during 2009

**NEXUS BUSINESS MEDIA LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

**3 Directors and employees**

Staff costs during the year were as follows

	2009 £	2008 £
Wages and salaries	452,459	3,552,140
Social security costs	41,882	394,507
Other pension costs	23,306	88,316
	<u>517,647</u>	<u>4,034,963</u>

The average number of employees of the company during the year was

	2009 Number	2008 Number
Sales and marketing	4	41
Administration and editorial	7	52
	<u>11</u>	<u>93</u>

The directors received total emoluments of £349,414 (2008 £444,916) from another group company in the year

**4 Tax credit on (loss)/profit on ordinary activities**

The tax credit is based on the (loss)/ profit for the year and represents

	2009 £	2008 £
United Kingdom corporation tax at 28% (2008 28%)	(300,680)	(25,005)
Total current tax credit	<u>(300,680)</u>	<u>(25,005)</u>
(Loss) / profit on ordinary activities before tax	<u>(158,034)</u>	<u>1,407,850</u>
UK corporation tax at 28%	(44,250)	394,198
Effect of:		
Expenses not deductible for tax purposes	124,461	94,285
Profit on intangible and asset disposals	(215,608)	(759,283)
Group relief	-	25,005
R&D credit	(256,498)	-
Unutilised losses	91,215	220,790
Company current tax credit for period	<u>(300,680)</u>	<u>(25,005)</u>

The company surrendered its research and development tax losses during 2009 for a tax credit. The R&D was incurred on the development of an alternative internet search engine.

**NEXUS BUSINESS MEDIA LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

**5 Intangible fixed assets**

	Publishing rights £
Cost	
At 1 January 2009	9,514,947
Disposals	(9,514,947)
At 31 December 2009	-
Amortisation	
At 1 January 2009	8,376,702
Amortisation charge in year	10,644
Impairment charge in year	396,500
Disposals	(8,783,846)
At 31 December 2008	-
Net book amount at 31 December 2009	-
Net book amount at 31 December 2008	1,138,245

**6 Tangible fixed assets**

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 January 2009	21,727	31,592	53,319
Additions	-	9,800	9,800
Transfers	-	(8,242)	(8,242)
Disposals	(21,727)	(23,350)	(45,077)
At 31 December 2009	-	9,800	9,800
Depreciation			
At 1 January 2009	12,396	10,242	22,638
Charge for the year	1,549	4,691	6,240
Disposals	(13,945)	(14,933)	(28,878)
At 31 December 2009	-	-	-
Net book amount at 31 December 2009	-	9,800	9,800
Net book amount at 31 December 2008	9,331	21,350	30,681

**NEXUS BUSINESS MEDIA LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2009

**7 Stocks**

	2009 £	2008 £
Finished goods and goods for resale	-	4,979

There is no material difference between the balance sheet value of stocks and their replacement cost

**8 Debtors**

	2009 £	2008 £
Trade debtors	-	946,907
Group relief	44,182	66,275
Other debtors	-	23,671
Prepayments and accrued income	95,289	283,121
	<u>139,471</u>	<u>1,319,974</u>

**9 Creditors: amounts falling due within one year**

	2009 £	2008 £
Trade creditors	-	577,754
Amounts owed to group undertakings	1,602,920	3,170,396
Social Security and other taxes	48,986	167,820
Other creditors	8,517	-
Accruals and deferred income	175,166	931,133
	<u>1,835,589</u>	<u>4,847,103</u>

**10 Share capital**

	2009 £	2008 £
Authorised, allotted, called up and fully paid 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**11 Shareholders funds**

	Share Capital £	Profit and loss account £	Total £
At 1 January 2009	50,000	(1,104,999)	(1,054,999)
Retained profit for the year	-	142,646	142,646
At 31 December 2009	<u>50,000</u>	<u>(962,353)</u>	<u>(912,353)</u>



**NEXUS BUSINESS MEDIA LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

**12 Reconciliation of movements in shareholders' funds**

	2009 £	2008 £
Profit for the financial year	142,646	1,432,855
Shareholders' funds at 1 January 2009	(1,054,999)	(2,487,854)
Shareholders' funds at 31 December 2009	<u>(912,353)</u>	<u>(1,054,999)</u>

**13 Capital commitments**

The company had no capital commitments at 31 December 2009 or 31 December 2008.

**14 Contingent assets/liabilities**

There were no contingent assets/ liabilities at 31 December 2009 or 31 December 2008

**15 Leasing commitments**

	Land and buildings	
	2009 £	2008 £
Operating leases which expire In one year or less	12,000	35,000

**16 Transactions with directors and other related parties**

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

There are no other related party transactions

**17 Ultimate parent company and controlling party**

The parent undertaking of the company is Nexus Holdings Limited a company incorporated in England and Wales

The parent undertaking of the smallest group, which includes the company and for which group financial statements are prepared is Nexus Holdings Limited

The ultimate parent company is Ergo Science Corporation, a company incorporated in the United States of America