

Company Registration No. 2349434

**Polestar Magazines & Catalogues
Limited**

Report and Financial Statements

30 September 2009



Polestar Magazines & Catalogues Limited

Report and financial statements 2009

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

Polestar Magazines & Catalogues Limited

Report and financial statements 2009

Officers and professional advisers

Directors

B A Hibbert

C A Hearn

R Timmins (resigned 9 April 2009)

P D Johnston (appointed 9 April 2009)

A Goodwin

Registered Office

1 Apex Business Centre

Boscombe Road

Dunstable

LU5 4SB

Auditors

Deloitte LLP

Chartered Accountants & Registered Auditors

London

Polestar Magazines & Catalogues Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 30 September 2009.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section s417 of the Companies Act 2006.

Principal activities

The company has ceased to trade and its principal activity is now as a holding company.

Review of business and future developments

The principal activity of the company during the year continued to be that of a holding company.

The directors of The Polestar Company Limited manage the group's risks at a group level. The principal risks and uncertainties of The Polestar Company Limited group are discussed in the group's annual report and discussed in more detail in note 1. The Company relies on the financial support of The Polestar Company Limited and the directors have received confirmation that such support will be provided, as necessary, for a period of not less than 12 months from the date of this annual report.

Results and dividends

The company's result for the financial year was £nil (2008: £193,516,000 loss). The profit and loss account for the year is set out on page 6.

The directors are unable to recommend the payment of a dividend (2008: £nil).

Directors

The directors of the company during the year, together with their dates of appointment or resignation, where applicable, were:

B A Hibbert

C A Hearn

R Timmins (resigned 9 April 2009)

P D Johnston (appointed 9 April 2009)

A Goodwin

Polestar Magazines & Catalogues Limited

Directors' report (continued)

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors. Elective Resolutions have been passed dispensing with the need to hold an Annual General Meeting and reappoint auditors annually. Deloitte LLP will continue to act as auditors of the Company.

Approved by the Board of Directors
and signed on behalf of the Board



A Goodwin
Director

25 January 2010

Polestar Magazines & Catalogues 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- state whether applicable UK Accounting Standards have been followed; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Independent auditors' report to the members of Polestar Magazines & Catalogues Limited

We have audited the financial statements of Polestar Magazines & Catalogues Limited for the year ended 30 September 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of directors' responsibilities and the related notes 1 to 14. 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 sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its result 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.

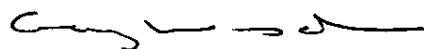
Opinion on other matter prescribed by the Companies Act 2006

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.



Craig Wisdom (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
St Albans, UK

27 January 2010

Polestar Magazines & Catalogues Limited

Profit and loss account Year ended 30 September 2009

	Notes	2009 £'000	2008 £'000
Net operating expenses	4	-	(106,416)
Amounts written off fixed asset investments	7	-	(87,100)
Results on ordinary activities before taxation	5	-	(193,516)
Tax on results on ordinary activities	6	-	-
Results for the financial year		-	(193,516)

There are no recognised gains or losses other than the results above and therefore no separate statement of total recognised gains or losses has been presented.

The result for the year is from continuing operations.

The accounting policies and the notes on pages 8 to 11 form part of these financial statements.

Polestar Magazines & Catalogues Limited

Balance sheet 30 September 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments	7	<u>193,646</u>	<u>193,646</u>
Creditors: amounts falling due within one year	8	<u>(145,916)</u>	<u>(145,916)</u>
Net current liabilities		<u>(145,916)</u>	<u>(145,916)</u>
Total assets less current liabilities		<u>47,730</u>	<u>47,730</u>
Capital and reserves			
Called up share capital	9	215,000	215,000
Share premium account	10	83,391	83,391
Profit and loss account	10	<u>(250,661)</u>	<u>(250,661)</u>
Shareholders' funds	11	<u>47,730</u>	<u>47,730</u>

The financial statements of Polestar Magazines & Catalogues Limited, registered number "2349434" were approved by the Board of Directors on *25 January* 2010.

Signed on behalf of the Board of Directors


A Goodwin
Director

Polestar Magazines & Catalogues Limited

Notes to the accounts Year ended 30 September 2009

1. Accounting policies

Accounting convention

The 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.

The principal accounting policies are set out below:

Basis of preparation – going concern

The ability of the company to continue as a going concern relies on the continuing financial support of The Polestar Company Limited. The Polestar Company Limited has confirmed that it will provide financial support to the Company for a period of 12 months from the date of approval of the financial statements.

As described in the Group's annual report, the economic and market conditions during the year were challenging and the Group has reported an operating loss for the year. Current economic conditions create further uncertainty around sales volume and pricing. However energy and other input costs are becoming more favourable and the Group is benefiting from the weakness in sterling in the UK and other European markets. The Group has also continued to grow its contractual base of sales. The difficult market conditions will also be impacting the Group's competitors and the Group's strong market position means that it is well placed to take advantage from that.

During the year a major restructuring of the parent company's finances was agreed with the parent company's lenders. The Group's forecasts and projections, which the directors believe take account of reasonably possible changes in trading performance, show that the Group should be able to operate within the terms of its new facilities.

Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Investments

Investment in subsidiary undertakings in the company's balance sheet are stated at original cost plus subsequent amounts advanced by the company, less any provision for impairment in value where this is considered to be permanent by the directors. Group accounts have not been prepared as the company is wholly owned subsidiary of The Polestar Company Limited, a company incorporated in the Cayman Islands.

Cash flow

The company is a wholly-owned subsidiary of The Polestar Company Limited and is included in the consolidated financial statements of The Polestar Company Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of the FRS 1 (revised 1996).

Polestar Magazines & Catalogues Limited

Notes to the accounts

Year ended 30 September 2009

2. Directors' remuneration

Messrs B A Hibbert, P D Johnston, A Goodwin, R Timmins and Mrs. C A Hearn received no remuneration for their services as directors of the company. They are directors of Polestar UK Print Limited and their remuneration is dealt with in the financial statements of that company. It is not practicable to allocate their remuneration between their services as directors to companies within the group.

3. Employee information

The company has no employees and hence there are no employee costs (2008: £nil).

4. Net operating expenses

	2009 £'000	2008 £'000
Amounts written off balances due from fellow group undertaking	-	(106,416)

5. Profit and loss account

The costs of audit are borne by Polestar UK Print Limited, a fellow group undertaking. The audit fee attributable to this company is £1,000 in respect of the audit of the annual accounts.

6. Tax on results on ordinary activities

There is no liability (2008: £nil) to UK corporation tax as a result of losses surrendered by fellow group companies for no consideration.

Reconciliation of effective tax rate on results on ordinary activities is as follows:

	2009 %	2008 %
UK Corporate tax rate	(28.0)	(29.0)
Provision against amounts due from fellow group companies disallowed	28.0	29.0
Effective tax rate	-	-

There are no foreseen circumstances which will affect the overall rate of taxation charge for the foreseeable future.

There is no provided or unprovided liability for deferred taxation.

Polestar Magazines & Catalogues Limited

Notes to the accounts Year ended 30 September 2009

7. Investments

	Shares £'000
At 1 October 2008 and 30 September 2009	193,646

At 30 September 2009 the company owned the whole of the issued ordinary share capital of the following companies, all of which are incorporated in England and Wales.

Name of company	Nature of business
Polestar East Kilbride Limited	Dormant
Polestar Watford Limited	Dormant
Polestar East Kilbride Bindery Limited	Dormant
Polestar Petty Bindery Limited	Dormant
Polestar Specialist Colour Limited	Dormant
Polestar Watford Bindery Limited	Dormant
Polestar Petty Limited	Dormant
Polestar UK Print Limited	Printing

8. Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed to fellow group undertakings	145,916	145,916

Amounts owed to fellow group undertakings are unsecured, interest free and payable on demand.

9. Called up share capital

	2009 £	2008 £
Authorised		
215,001,000 ordinary shares of £1 each	215,001,000	215,001,000
Called up, allotted and fully paid		
215,000,003 ordinary shares of £1 each	215,000,003	215,000,003

10. Reserves

	Share premium £'000	Profit and loss account £'000
At 1 October 2008 and 30 September 2009	83,391	(250,661)

Polestar Magazines & Catalogues Limited

Notes to the accounts Year ended 30 September 2009

11. Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Opening shareholders' funds	47,730	241,246
Results for the year	-	(193,516)
Closing shareholders' funds	47,730	47,730

12. Charges on assets and undertakings of the company

Fixed and floating charges over the assets and undertakings of the company have been granted to the group's principal bankers and the company has given joint and several guarantees covering the group's borrowings. See also note 14.

13. Related party transactions

The company has taken advantage of the exemptions under FRS 8 not to disclose transactions with fellow group undertakings. There are no other related party transactions.

14. Ultimate parent undertaking and shareholders' related parties

The immediate parent undertaking and controlling party is The British Printing Company Limited, a company registered in England and Wales. 100% of the share capital of The British Printing Company Limited is owned by The Polestar Company Limited, a company incorporated in the Cayman Islands but controlled and managed in the U.K. 100% of the share capital of The Polestar Company Limited is held by Ink Acquisitions Limited, a company registered in the Cayman Islands, which is considered to be the ultimate parent undertaking and controlling party. The Group's principle bankers are considered to be related parties as a result of their significant interests in Ink Acquisitions Limited, held either directly or by funds managed by JP Morgan Chase & Co, Contrarian Asset Management LLC and BlueBay Asset Management plc.

The results of the company are also reported within the consolidated accounts of The Polestar Company Limited. Copies of these consolidated accounts can be obtained from the Company Secretary at 1 Apex Business Centre, Boscombe Road, Dunstable, LU5 4SB. The Polestar Company Limited is the smallest and largest group in which the results are consolidated.