

PRIMAL PICTURES LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2012

FRIDAY



L29IG6TE

LD5

31/05/2013

#41

COMPANIES HOUSE

PRIMAL PICTURES LIMITED

CONTENTS

| | Page |
|----------------------------------------------|----------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 - 4 |
| Directors' responsibilities statement | 5 |
| Independent auditor's report | 6 - 7 |
| Profit and loss account | 8 |
| Balance sheet | 9 |
| Notes to the financial statements | 10 - 18 |

PRIMAL PICTURES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

| | |
|--------------|----------------------------|
| I Cameron | (resigned 10 August 2012) |
| D J Carman | (resigned 21 October 2012) |
| R J J Hopley | (appointed 10 August 2012) |
| J Johnston | |
| L M Wiseman | |
| P S Rigby | (appointed 10 August 2012) |
| N E Del Rio | (appointed 10 August 2012) |
| A C Walker | (appointed 10 August 2012) |
| P W Allan | |
| G R Wnght | (appointed 10 August 2012) |

SECRETARY

| | |
|--------------|---------------------------|
| E L Martin | |
| J L Woollard | |
| J Johnston | (resigned 10 August 2012) |

REGISTERED NUMBER

2622298

REGISTERED OFFICE

Mortimer House
37- 41 Mortimer Street
London
W1T 3JH

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

PRIMAL PICTURES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors present their annual report and the audited financial statements for the year ended 31 December 2012. The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of the provision of complete and medically accurate 3D human anatomy software to educators, students and professionals and practitioners.

BUSINESS REVIEW

Turnover for the year was £6,556,255 (2011: £4,125,896) and operating profit was £780,709 (2011: £734,675).

On 10 August 2012 the share capital of the Company was purchased by Informa UK Limited from the individual shareholders.

The Directors are pleased with the Company's performance. The Directors see no reason to alter their expectations that the business will deliver a consistent performance in 2013.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors affect the Company's operating results and financial condition. In common with other information providers, the profitability of the Company depends in part on the prevailing economic environment and the strength of the academic, professional and business customers to which it sells. In addition, it is dependent on maintaining a strong and highly motivated management team, maintaining brand reputation, quality of information and its ability to protect the security of its marketing databases.

The markets in which the Company operates are sensitive to both general economic and business conditions and can be affected by the condition of specific geographies and industries such as the professional, financial services, life sciences, technology, pharmaceuticals, telecommunications and maritime industries. Some of these geographies and some of these industries have in the past been sensitive to various potential disruptions such as government regulation, war, terrorism, disease, natural disaster and other significant adverse events. A general decline in economic conditions or disruptions in specific industries characterised by a fall in spending on published materials could cause a material decline in revenue and profit.

The failure to attract and retain key employees could seriously impede the objectives of the Company. The success of the Company depends to a substantial extent not only on the ability and experience of its senior management but also on the individuals and teams that service its customers and maintain its client relationships. The Directors believe that the Company's future success will depend, to a large degree, on its ability to attract and retain additional highly skilled and qualified personnel and to expand, train, manage and motivate its employees.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as set out in note 1.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks including credit risk and cash flow risk. The Company does not use derivative financial instruments.

Credit risk

The Company's principal financial assets are trade, intercompany and other receivables. The Company's credit risk is primarily attributable to these receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the assets.

PRIMAL PICTURES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates primarily in relation to the US dollar and Euro. A strong sterling compared to other currencies will reduce the sterling reported revenue for services not billed in sterling and also will decrease demand from overseas for services billed in sterling.

DIVIDENDS

The Directors do not recommend the payment of an ordinary dividend for the year ended 31 December 2012 (2011: £nil).

DIRECTORS

The Directors who held office during the year and up to the date of this report, were as follows:

| | |
|--------------|----------------------------|
| I Cameron | (resigned 21 October 2012) |
| D J Carman | (resigned 21 October 2012) |
| R J J Hopley | (appointed 10 August 2012) |
| J Johnston | |
| L M Wiseman | |
| P S Rigby | (appointed 10 August 2012) |
| N E Del Rio | (appointed 10 August 2012) |
| A C Walker | (appointed 10 August 2012) |
| P W Allan | |
| G R Wright | (appointed 10 August 2012) |

DIRECTORS' INDEMNITIES

The Informa group has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Company made no charitable donations or political contributions during the current or prior year.

DISABLED EMPLOYEES

The Company believes in equal opportunity for all employees based on merit and that no employee or job applicant should receive less favourable treatment on the grounds of age, sex, marital status, disability, colour, race, religion, nationality or ethnic origin.

The Company's business operations are all disabled friendly. The Company employment policy is to give full and fair consideration to applications from people with disabilities, having regard to their particular aptitudes and abilities. If an employee becomes disabled, the Company objective is the continued provision of suitable employment, either in the same or an alternative position, with appropriate training being given if necessary. Employees with disabilities share in equal opportunities for training, promotion and career development.

PRIMAL PICTURES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

EMPLOYEE CONSULTATION

The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Informa group. This is achieved principally through formal and informal meetings, email updates and via the Informa group global intranet site, which is regularly updated and includes a facility enabling employees anonymously to ask questions of executive management to which answers are also published. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

All UK employees are eligible to participate in the Informa plc Share Incentive Plan, an Inland Revenue Approved All Employee Share Incentive Plan offering UK employees the opportunity to purchase annually up to £1,500 of shares in Informa plc out of pre-tax salary.

AUDITOR

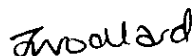
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is 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 has indicated their willingness to be reappointed as auditor and they will be reappointed in accordance with the Companies Act 2006.

Approved by the Board and signed on its behalf by



J L Woollard
Secretary

29 May 2013

Mortimer House
37-41 Mortimer Street
London
W1T 3JH

PRIMAL PICTURES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

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). 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, 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 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.

PRIMAL PICTURES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMAL PICTURES LIMITED

We have audited the financial statements of Primal Pictures Limited for the year ended 31 December 2012, which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

PRIMAL PICTURES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMAL PICTURES LIMITED

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 take advantage of the small companies exemption in preparing the Directors' report

Ian Waller

Ian Waller (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

28 May 2013

PRIMAL PICTURES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

| | Notes | 2012 £ | 2011 £ |
|------------------------------------------------------|-------|-----------------------|-----------------------|
| TURNOVER | 2 | 6,556,255 | 4,125,896 |
| Cost of sales | | <u>(2,742,852)</u> | <u>(770,533)</u> |
| GROSS PROFIT | | 3,813,403 | 3,355,363 |
| Administrative expenses | | <u>(3,032,694)</u> | <u>(2,620,688)</u> |
| OPERATING PROFIT | 4 | 780,709 | 734,675 |
| Interest receivable and similar income | | 32 | 627 |
| Interest payable and similar charges | 3 | <u>(168,755)</u> | <u>(168,099)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 4 | 611,986 | 567,203 |
| Tax (charge)/credit on profit on ordinary activities | 7 | <u>(241,672)</u> | <u>24,503</u> |
| PROFIT FOR THE FINANCIAL YEAR | 15 | <u><u>370,314</u></u> | <u><u>591,706</u></u> |

All results are derived from continuing operations

There are no recognised gains or losses in either the current or prior year other than those shown in the above profit and loss account, accordingly no statement of total recognised gains and losses is presented

PRIMAL PICTURES LIMITED
REGISTERED NUMBER 2622298

BALANCE SHEET
AS AT 31 DECEMBER 2012

| | Notes | £ | 2012 £ | £ | 2011 £ |
|-----------------------------------------------------------------|-------|-----------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 8 | | 163,298 | | - |
| Tangible assets | 9 | | 92,224 | | 35,926 |
| | | | <u>255,522</u> | | <u>35,926</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 10 | 47,011 | | 40,695 | |
| Debtors | 11 | 2,092,512 | | 2,215,564 | |
| Cash at bank and in hand | | 259,009 | | 141,785 | |
| | | | <u>2,398,532</u> | <u>2,398,044</u> | |
| CREDITORS · amounts falling due within one year | 12 | (982,902) | | (262,835) | |
| NET CURRENT ASSETS | | | <u>1,415,630</u> | | <u>2,135,209</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,671,152</u> | | <u>2,171,135</u> |
| CREDITORS · amounts falling due after more than one year | 13 | | (1,517,794) | | (2,508,065) |
| NET ASSETS/(LIABILITIES) | | | <u>153,358</u> | | <u>(336,930)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 14 | | 1,162,188 | | 1,100,513 |
| Share premium account | 15 | | 1,869,349 | | 1,811,050 |
| Profit and loss account | 15 | | (2,878,179) | | (3,248,493) |
| SHAREHOLDERS' FUNDS/(DEFICIT) | 16 | | <u>153,358</u> | | <u>(336,930)</u> |

These financial statements were approved by the board of Directors and authorised for issue on 29 May 2013

They were signed on its behalf by



G R Wright
Director

PRIMAL PICTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted accounting practices).

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly-owned subsidiary and the Company's voting rights are controlled within the Group headed by Informa plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of Informa plc, within which this Company is included, can be obtained from the address given in note 18.

Going concern

The Company is a 100% subsidiary of Informa plc. In reaching their decision to prepare the accounts on a going concern basis, the Directors have considered the impact of the current economic climate on both the Company and also the Group of which it is a member.

Having given due consideration to the above factors and the anticipated future performance of the Company, taking into account reasonably possible changes in trading performance in light of uncertainty related to current unfavourable economic conditions, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Tangible fixed assets

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:

| | | |
|----------------------------------|---|---------|
| Fixtures, fittings and equipment | - | 3 years |
| Software | - | 5 years |

Residual value is calculated on prices prevailing at the date of acquisition.

Stocks

Stocks are stated at the lower of cost and net realisable value. Costs include material and direct labour appropriate to the relevant stage of production. Net realisable value is based on the estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for obsolete, slow-moving or defective items where appropriate.

PRIMAL PICTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax 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

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, 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 is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Revenue on subscription-based products is deferred and recognised in turnover over the period of the subscription. Revenue from consulting is deferred and recognised over the period of the arrangement based on the percentage of completion

On acquisition of Primal Pictures, the revenue recognition policies were changed to align them to the Informa Group. The changes have been applied retrospectively throughout the year ended 31 December 2012. Changes in the policy would lead to a change in the prior year comparatives with Revenue increasing by £3,299,000, Cost of sales increasing by £3,329,000 and operating profit decreasing by £30,000. The prior year period comparatives have not been restated to reflect the change in accounting policy

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. The translation differences are reported in the Profit and loss account

Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project

PRIMAL PICTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. ACCOUNTING POLICIES (continued)

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. TURNOVER

| | 2012 £ | 2011 £ |
|-------------------------------|------------------|------------------|
| By geographical market | | |
| United Kingdom | 498,773 | 433,036 |
| United States | 5,165,396 | 2,792,580 |
| Continental Europe | 544,629 | 442,155 |
| Rest of World | 347,457 | 458,125 |
| | <u>6,556,255</u> | <u>4,125,896</u> |

Turnover originates principally from the United Kingdom.

3. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2012 £ | 2011 £ |
|------------------------|----------------|----------------|
| Other interest payable | <u>168,755</u> | <u>168,099</u> |

Other interest payable relates to interest on preference shares. See note 14.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

| | 2012 £ | 2011 £ |
|----------------------|---------------|----------------|
| Depreciation | 11,783 | 17,277 |
| Exchange loss/(gain) | <u>25,300</u> | <u>(5,949)</u> |

The fees payable to the Company's auditor for the audit of the financial statements of £5,948 were borne by another group company. In 2011 the audit fee of £18,940 was borne by the Company itself.

PRIMAL PICTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

5 STAFF COSTS

The average monthly number of employees (including executive Directors) was

| | 2012 Number | 2011 Number |
|-------------------------------|----------------|----------------|
| Management and administration | 34 | 35 |

Their aggregate remuneration comprised

| | 2012 £000 | 2011 £000 |
|-----------------------------|------------------|------------------|
| Wages and salaries | 1,778,997 | 1,776,584 |
| Social security costs | 179,687 | 168,869 |
| Pension costs (see note 17) | 65,394 | 46,703 |
| | <u>2,024,078</u> | <u>1,992,156</u> |

6 DIRECTORS' REMUNERATION

| | 2012 £ | 2011 £ |
|--------------------------------------------------------|----------------|----------------|
| Emoluments | 389,304 | 445,836 |
| Company contributions to money purchase pension scheme | 4,036 | - |
| | <u>393,340</u> | <u>445,836</u> |

| | 2012 Number | 2011 Number |
|------------------------------------------------|----------------|----------------|
| The number of Directors who | | |
| Are members of a money purchase pension scheme | 3 | - |

The emoluments of the highest paid Director were £154,000 (2011 £161,000), of this £1,718 (2011 £nil) represents company pension contributions made to a defined contribution scheme on their behalf. The highest paid Director exercised share options of £11,800 during the year (2011 £nil).

The Directors appointed on 10 August 2012 are employed and remunerated by other companies in the Informa plc group and do not receive any remuneration specifically for their services as directors of the Company.

PRIMAL PICTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2012 £ | 2011 £ |
|---------------------------------------------------|----------------|-----------------|
| UK corporation tax | | |
| Current tax on profit for the year | 85,143 | 127 |
| Total current tax | <u>85,143</u> | <u>127</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 155,477 | (24,630) |
| Rate adjustment | (19,748) | - |
| Adjustments in respect of prior years | 20,800 | - |
| Total deferred tax | <u>156,529</u> | <u>(24,630)</u> |
| Total tax on profit on ordinary activities | <u>241,672</u> | <u>(24,503)</u> |

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than (2011 lower than) the standard rate of corporation tax in the UK of 24.5% (2011 20.25%). The differences are explained below

| | 2012 £000 | 2011 £000 |
|----------------------------------------------|---------------|--------------|
| Current tax reconciliation | | |
| Profit on ordinary activities before tax | 611,986 | 567,203 |
| Current tax at 24.5% (2011 20.25%) | 149,936 | 114,859 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 100,823 | 2,586 |
| Capital allowances in excess of depreciation | (1,121) | (4,179) |
| Research and development tax relief | - | (55,405) |
| Utilisation of tax losses | (164,495) | (57,734) |
| Total current tax charge | <u>85,143</u> | <u>127</u> |

Following its acquisition by Informa UK Limited on 10 August 2012, the Company ceased to qualify for the Small Profits Rate of corporation tax in the UK

In March 2012 UK government announced its intention to reduce the main rate of corporation tax from 26% to 22% by April 2014. The rate was reduced to 24% with effect from 1 April 2012 and was due to be followed by further reductions of 1% per annum until the target was met. In December 2012 an additional reduction of 1% was announced to reduce the rate to 21% with effect from 1 April 2014. The legislation to reduce the corporation tax rate for the year commencing 1 April 2013 to 23% was substantively enacted on 3 July 2012. Further reductions in the rate were not enacted or substantively enacted at the balance sheet date. Deferred tax has therefore been calculated at the reduced rate of 23%.

PRIMAL PICTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

8 INTANGIBLE FIXED ASSETS

| | Product development £ |
|-----------------------|--------------------------|
| Cost | |
| At 1 January 2012 | - |
| Additions | 163,298 |
| At 31 December 2012 | 163,298 |
| Net book value | |
| At 31 December 2012 | 163,298 |
| At 31 December 2011 | - |

Additions in the year relate to product development that will be ready for use in 2013

9 TANGIBLE ASSETS

| | Fixtures, fittings and equipment £ | Software £ | Total £ |
|-----------------------|---------------------------------------------|---------------|------------|
| Cost | | | |
| At 1 January 2012 | 195,736 | - | 195,736 |
| Additions | - | 68,081 | 68,081 |
| Disposals | (108,399) | - | (108,399) |
| At 31 December 2012 | 87,337 | 68,081 | 155,418 |
| Depreciation | | | |
| At 1 January 2012 | 159,810 | - | 159,810 |
| Charge for the year | 11,783 | - | 11,783 |
| On disposals | (108,399) | - | (108,399) |
| At 31 December 2012 | 63,194 | - | 63,194 |
| Net book value | | | |
| At 31 December 2012 | 24,143 | 68,081 | 92,224 |
| At 31 December 2011 | 35,926 | - | 35,926 |

Additions in the year relate to internally generated software that will be ready for use in 2013

10 STOCKS

| | 2012 £ | 2011 £ |
|----------------|-----------|-----------|
| Finished goods | 47,011 | 40,695 |

PRIMAL PICTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

11 DEBTORS

| | 2012 £ | 2011 £ |
|--------------------------------------------|------------------|------------------|
| Amounts falling due within one year | | |
| Trade debtors | 1,446,170 | 613,552 |
| Amounts owed by group undertakings | 497,456 | - |
| VAT | 1,978 | - |
| Other debtors | - | 192,039 |
| Prepayments and accrued income | 146,908 | 1,257,516 |
| Deferred tax asset | - | 152,457 |
| | <u>2,092,512</u> | <u>2,215,564</u> |

Of the amounts owed by group undertakings £497,456 (2011 £nil) bears interest at LIBOR minus 0.5%

12 CREDITORS amounts falling due within one year

| | 2012 £ | 2011 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 47,697 | 84,823 |
| Amounts owed to group undertakings | 554,187 | - |
| Corporation tax | 85,143 | 127 |
| Other taxation and social security | - | 12,014 |
| Deferred tax | 4,072 | - |
| Accruals and deferred income | 283,169 | 154,441 |
| Other creditors | 8,634 | 11,430 |
| | <u>982,902</u> | <u>262,835</u> |

Of the amounts owed to group undertakings £554,187 (2011 £nil) is non-interest bearing

| | 2012 £ | 2011 £ |
|---------------------------------------------------|----------------|----------------|
| Deferred tax: | | |
| At 1 January | 152,457 | 127,827 |
| (Charged)/credited to the profit and loss account | (156,529) | 24,630 |
| At 31 December | <u>(4,072)</u> | <u>152,457</u> |
| The deferred tax provision is made up of | | |
| Accelerated capital allowances | (4,072) | (3,040) |
| Tax losses carried forward | - | 155,497 |
| | <u>(4,072)</u> | <u>152,457</u> |

PRIMAL PICTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

13 CREDITORS

Amounts falling due after more than one year

| | 2012 £ | 2011 £ |
|---------------------------------------------------|------------------|------------------|
| Accruals and deferred income | - | 659,026 |
| Cumulative redeemable preference shares (note 14) | 1,517,794 | 1,849,039 |
| | <u>1,517,794</u> | <u>2,508,065</u> |

The cumulative redeemable preference shareholders are entitled to a preferential dividend of 0.05% per annum of the total subscription price. The shares are redeemable in cash at the earlier of a new share issue or when sufficient distributable profits are obtained, provided that appropriate cash reserves are available.

These preference shares were due for redemption on 20 December 2004. The redemption price is £1 for each share together with a redemption premium equal to 10% compound per annum of the nominal value and accrued premium calculated from issue to 30 September 2001 and 16.5% compound per annum of the nominal value and accrued premium calculated from 1 October 2001 to 20 December 2004 and then 10% compound per annum of the nominal value and accrued premium until redemption. The redemption premium is subject to review by the holders of the cumulative redeemable preference shares annually on 21 November.

14 CALLED UP SHARE CAPITAL

| | 2012 £ | 2011 £ |
|-----------------------------------------------------------|------------------|------------------|
| Allotted, called up and fully paid | | |
| 2,324,376 (2011: 2,201,025) ordinary shares of £0.50 each | <u>1,162,188</u> | <u>1,100,513</u> |

On 10 April 2012, 138,375 preference shares of £1 each were redeemed for £500,000. During the year £168,755 of interest on the preference shares had been accrued.

The allotted, called up and fully paid preference shares are disclosed in note 13.

Prior to the acquisition by Informa UK Ltd, the Company issued 123,351 ordinary shares of £0.50 each, at a premium of £0.47 each.

With effect from 1 January 2002 the ordinary shares shall have a right to receive a cumulative dividend of a cash sum equal to 25% of net profit of the financial year in which the distribution is made.

15 RESERVES

| | Share premium account £ | Profit and loss £ |
|--------------------------------|----------------------------------|-------------------------|
| At 1 January 2012 | 1,811,050 | (3,248,493) |
| Profit for the year | - | 370,314 |
| Share premium on shares issued | 58,299 | - |
| At 31 December 2012 | <u>1,869,349</u> | <u>(2,878,179)</u> |

PRIMAL PICTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/DEFICIT

| | 2012 £ | 2011 £ |
|---------------------------------------|-----------|-------------|
| Opening shareholders' deficit | (336,930) | (2,029,149) |
| Profit for the year | 370,314 | 591,706 |
| Shares issued during the year | 61,675 | 1,100,513 |
| Share premium on shares issued | 58,299 | - |
| | <hr/> | <hr/> |
| Closing shareholders' funds/(deficit) | 153,358 | (336,930) |
| | <hr/> | <hr/> |

17 RETIREMENT BENEFIT SCHEMES

Defined contributions schemes

The Company's employees participate in pension schemes operated by the group for their employees

The total cost charged for the year under the group defined contribution scheme was £65,394 (2011 £46,703). There were no contributions that were due in respect of the current reporting period that had not been paid over to the scheme (2011 £nil).

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent undertaking of the Company is Informa UK Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent undertaking and controlling party is Informa plc, a company incorporated in Jersey under the Companies (Jersey) Law 1991. This is the smallest and largest group into which the Company is consolidated. Copies of the group financial statements for Informa plc are available at its principal place of business at Informa plc, Gubelstrasse 11, CH-6300, Zug, Switzerland.