

WILMINGTON MEDIA LIMITED

Company Registration No 2676810

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

Directors

R B Brookes
M Harrington
A Zahedieh
C Bailey-Wood

Registered Auditor

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Secretary and Registered Office

A Zahedieh
Paulton House
8 Shepherdess Walk
London
N1 7LB



WILMINGTON MEDIA LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2006

The directors have pleasure in presenting their report together with the audited financial statements

Principal activity

The main activity of the company is the publication of trade journals

Overview of financial performance

Revenue from continuing operations increased from £7 811m to £17 127m, of which £9 044m was as a result of businesses transferred to the company on 30th June 2005. The profit before tax was £2 118m against a loss of £2 007m (as restated) in the previous year. The directors are pleased to note that the reorganisation, which took place on 30th June 2005, has proved to be successful with the company achieving an operating profit on continuing operations before amortisation of intangibles of £1 137m against a loss of £1 061m (as restated) in the prior year.

Cashflow and treasury policy

Cash, debt and foreign exchange exposure is managed on a group wide basis by the company's parent company, Wilmington Group plc. The company operates within funding restrictions controlled by the executive directors of the parent company.

Business objectives and strategy

The company's strategy is to deliver sustainable and growing profit from its portfolio of publications in a number of markets through continued commitment to building strong management teams, organisational effectiveness, investment in technology and tight cost control.

Key financial targets

The directors consider the operating profit before amortisation of intangibles and margin improvements as the two main key financial targets against which the portfolio of publications of the company are measured. The company made progress in both targets during the year and the directors expect further improvements in the coming year.

Principal risks and uncertainties

The key challenges arise from the highly competitive and rapidly changing nature of our markets, the increasingly technological nature of our products and services and the impact of economic cycles on advertising and promotional spending. The company reviews its principal risks and uncertainties six monthly in accordance with its parent company's policy and reports its findings.

WILMINGTON MEDIA LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2006
(CONTINUED)

Company people

The directors believe that the only way the company can achieve its level of desired growth is to attract and retain the very best people. It does this by ensuring that the company remains a place where people have the opportunity to challenge themselves, to develop both professionally and personally and where they can benefit from competitive remuneration packages.

Disposals

During the year a profit of £1,224,000 was generated from the disposal of the portfolio of Drinks Magazines and Events which was sold in September 2005. This has been treated as a discontinued activity with the profit on disposal being shown as an exceptional item on the face of the profit and loss account.

Social and community

The board seeks to run a socially responsible company, which has a positive impact on the communities in which it operates. It seeks to employ a workforce that reflects the diversity of both its customers and the communities in which it is located. It does not discriminate on the grounds of age, sex, race, colour, ethnicity, religion, sexual orientation or disability.

Environmental policies

Whilst the company has no manufacturing base and therefore produces no major polluting emissions that affect the environment it remains mindful of its impact on the environment. The principal environmental impacts arise from its usage of paper and the printing and packaging waste generated by suppliers during the course of their provision of services to the company. The company aims to mitigate these impacts by informed purchasing policies and by selecting suppliers with a responsible approach to environmental matters.

Future developments

The directors of the company believe that the return to profitability will continue and anticipate further growth.

DIRECTORS

The directors of the company during the year were as follows -

R B Brookes
M Harrington
A Zahedieh
C Bailey Wood (appointed 14/10/05)

WILMINGTON MEDIA LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2006
(CONTINUED)

DIRECTORS' INTERESTS

None of the directors had any interests in the shares of the company during the year

Wilmington Media Limited is a wholly owned subsidiary of Wilmington Group plc (the ultimate parent undertaking) The interests of R B Brookes in the shares of the company's ultimate parent undertaking are disclosed in the directors' remuneration report of that company
The interests of the other directors in the company's ultimate parent undertaking at the beginning (or date of appointment if later) and end of the year were as follows -

		At 30 June 2006	At 30 June 2005 (or date of appointment)	
Wilmington Group plc Ordinary shares of 5p		Number	Number	
Beneficial interests				
M Harrington		1,009,028	1,195,489	
A Zahedieh		1,916,825	2,348,805	
C Bailey-Wood		152,185	152,185	
	Exercise Price	Exercise Period	At 30 June 2006	At 30 June 2005
Options to subscribe for ordinary shares of 5p each of Wilmington Group plc				
Approved Scheme				
M Harrington	£0 615	Jun2006-Jun2010	41,000	41,000
M Harrington	£1 185	Mar2007-Mar2011	4,000	4,000
C Bailey-Wood	£3 845	Jun2003-June2007	7,800	7,800
Unapproved Scheme				
M Harrington	£1 185	Mar2007-Mar2011	26,000	26,000
C Bailey Wood	£3 845	Jun2003-Jun2007	42,200	42,200
C Bailey-Wood	£2 175	Jun2004-Jun2008	30,000	30,000
C Bailey-Wood	£1 465	Nov2004-Nov2008	100,000	100,000
C Bailey-Wood	£1 185	Nov2007-Nov 2011	30,000	30,000

Disclosure of Information to auditors

So far as each director at the date of approval of this report is 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

WILMINGTON MEDIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2006 (CONTINUED)

Financial Instruments

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on a 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

CREDITOR PAYMENT POLICY

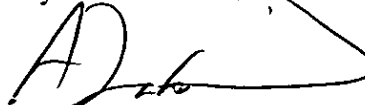
The company endeavours to settle payments to its suppliers in accordance with mutually agreed terms and conditions of business. The estimated time taken to pay suppliers was 43 days (2005 – 55 days).

AUDITORS

A resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming annual general meeting.

Registered office
Paulton House
8 Shepherdess Walk
London N1 7LB

By order of the board,



A Zahedieh, Secretary

21 October 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILMINGTON MEDIA LIMITED

We have audited the financial statements of Wilmington Media Limited for the year ended 30 June 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards ("United Kingdom Generally Accepted Accounting Practice") are set out in the Statement of Directors Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

PKF (UK) LLP
PKF (UK) LLP
Registered Auditors
London, UK

8 November 2006

WILMINGTON MEDIA LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 £'000	2005 As restated £'000
Turnover			
Continuing operations		17,127	7,811
Discontinued operations		<u>266</u>	<u>3,420</u>
	2	17,393	11,231
 Cost of sales	 3	 <u>(4,038)</u>	 <u>(2,873)</u>
 Gross profit		 13,355	 8,358
 Operating expenses	 3	 (12,273)	 (8,341)
Restructuring costs	4	-	(520)
Loss on waiving intercompany debt	4	-	(447)
Amortisation of intangible assets	3/10	<u>(754)</u>	<u>(1,483)</u>
 Operating Profit/(loss)			
Continuing operations		383	(2,544)
Discontinued operations		<u>(55)</u>	<u>111</u>
	4	328	(2,433)
 Exceptional item:			
Profit on disposal of discontinued operations	5	1,224	-
 Income from shares in group undertakings	20	546	575
Net interest	8	<u>20</u>	<u>(149)</u>
Profit/(loss) on ordinary activities before taxation		2,118	(2,007)
Tax on profit/(loss) on ordinary activities	9	<u>(401)</u>	<u>308</u>
 Retained profit/(loss) for the year	 19	 <u>1,717</u>	 <u>(1,699)</u>

The accompanying notes are an integral part of these accounts

WILMINGTON MEDIA LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2006**

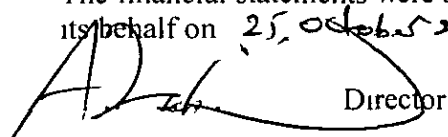
	2006	2005
	£'000	As restated £'000
Profit / (loss) for the year	1,717	(1,699)
Actuarial gain on pension assets and liabilities	96	120
Tax on actuarial gain on pension asset and liabilities	<u>(29)</u>	<u>(36)</u>
Total recognised gains and losses for the year	1,784	<u>(1,615)</u>
Prior year adjustment - (note 1m)	<u>(435)</u>	
Total recognised gains and losses since last annual report	<u>1,349</u>	

WILMINGTON MEDIA LIMITED

BALANCE SHEET
AS AT 30 JUNE 2006

	Notes	2006 £'000	2005 As restated £'000
Fixed Assets			
Intangible assets	10	5,683	7,338
Tangible assets	11	3,048	2,944
Investments	12	<u>379</u>	<u>379</u>
		<u>9,110</u>	<u>10,661</u>
Current Assets			
Stocks	13	390	418
Debtors	14	6,936	6,371
Cash at bank and in hand		<u>1,485</u>	<u>1,955</u>
		8,811	8,744
Creditors: Amounts falling due within one year	15	<u>(7,811)</u>	<u>(11,061)</u>
Net current assets/(liabilities)		<u>1,000</u>	<u>(2,317)</u>
Total assets less current liabilities		10,110	8,344
Creditors: Amounts falling due after more than one year	16	(7,480)	(9,813)
Provision for liabilities and charges	17	<u>(351)</u>	<u>(282)</u>
		2,279	(1,751)
Net pension liability	22	<u>(178)</u>	<u>(265)</u>
Net assets/(liabilities)		<u>2,101</u>	<u>(2,016)</u>
Capital and reserves			
Called up share capital	18	2,580	247
Share premium account		2,210	2,210
Profit and loss account	19	<u>(2,689)</u>	<u>(4,473)</u>
Shareholders' funds	21	<u>2,101</u>	<u>(2,016)</u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on 25 October 2006

 Director

The accompanying notes are an integral part of these accounts

WILMINGTON MEDIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006****1. ACCOUNTING POLICIES****a) Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to produce group accounts by virtue of Section 228 of the Companies Act 1985. These financial statements therefore present financial information about the company as an individual undertaking and not about its group.

The company meets its day to day working capital requirements from finance provided by its parent company, Wilmington Group plc. The directors of Wilmington Group plc have confirmed that they will continue to provide this finance for the foreseeable future. On that basis the directors consider it appropriate to prepare the financial statements on the going concern basis. The accounts do not include any adjustments that would result if this financial support was withdrawn.

b) Turnover

Turnover represents the invoiced value of goods sold and services provided during the period, stated net of Value Added Tax. Subscription revenue is allocated to the relevant accounting periods covered by the subscription. Event revenue is recognised in the month that the event takes place. Subscriptions and fees in advance are carried forward in creditors. Amounts falling due within one year.

c) Deferred taxation

As required by FRS 19 "Deferred Tax", full provision is made for deferred tax liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised. The deferred tax liability is discounted using an appropriate rate.

d) Foreign currencies

Trading activities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the end of the financial period. Any resultant gain or loss on exchange is shown as part of the company's profit or loss from ordinary activities.

WILMINGTON MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

e) **Investments**

Investments are stated at cost less any impairment in value

f) **Intangible assets and goodwill**

Purchased intangible assets are capitalised and amortised through the profit and loss account over their estimated useful lives not exceeding 20 years. Additional provision is made where there is an indication of an impairment to the carrying value.

Goodwill, representing the excess of the investment over the net assets post hive up, is capitalised at cost and amortised over its useful life not exceeding 20 years.

g) **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is not provided on freehold land. On other assets it is provided at the following rates in order to write off the cost of each asset, on a straight-line basis, over its estimated useful life as follows -

Freehold buildings	2% per annum
Short leasehold properties	Over the unexpired periods of the leases
Plant and equipment	20% - 33% per annum
Motor vehicles	25% per annum
Computer equipment	25% - 33% per annum
Furniture and fittings	10% - 20% per annum

h) **Operating leases**

Rentals incurred in respect of operating leases are charged to the profit and loss account on a straight-line basis.

i) **Stock and work in progress**

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all the further costs to completion and all relevant marketing, selling and distribution costs.

j) **Cashflow statement**

The company has taken advantage of the exemption permitted by Financial Reporting Standard No 1, whereby a cashflow statement need not be prepared by a wholly owned subsidiary undertaking of a parent which publishes consolidated financial statements including a cashflow statement.

WILMINGTON MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

k) Related party transactions

The company has taken advantage of the exemption permitted by Financial Reporting Standard No 8 whereby a 90% or more owned subsidiary within a group is not required to disclose related party transactions with other similarly owned subsidiaries

l) Pension scheme

The company operates a defined benefit pension scheme, for a limited number of employees, which requires contributions to be made to a separately administered fund. The company recognises the net assets or liabilities of the scheme in the balance sheet, net of any related deferred tax liability or asset. The changes in the scheme assets and liabilities, based on actuarial advice, are recognised as follows

- The current service cost, based on the most recent actuarial valuation, is deducted in arriving at operating profit
- The interest cost, based on the present value of the scheme liabilities and the discount rate at the beginning of the year and amended for changes in the scheme liabilities during the year, is included as interest
- The expected return on scheme assets, based on the fair value of scheme assets and expected rates of return at the beginning of the year and amended for changes in scheme assets during the year, is included as interest
- Actuarial gains and losses, representing differences between the expected return and actual return on scheme assets, differences between the actuarial assumptions underlying the scheme liabilities and actual experiences during the year, and changes in actuarial assumptions, are recognised in the statement of total recognised gains and losses
- Past service costs are spread evenly over the period in which the increases in benefit vest and are deducted in arriving at operating profit. If an increase in benefits vests immediately, the cost is recognised immediately
- Gains or losses arising from settlements or curtailments not covered by actuarial assumptions are included in operating profit

The company also contributes to a defined contribution pension scheme, the assets of which are held in a separately administered fund. Contributions to this scheme are charged to the profit and loss account in the period in which they fall due

WILMINGTON MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006 (CONTINUED)

m) Changes in accounting policy

Under the provisions of Financial Reporting Standard (FRS) 17 – ‘Retirement Benefits’, which the company adopted in full on 1 July 2005, the company has restated its accounts to reflect the recognition of its defined benefit pension scheme and the resultant changes to deferred tax and amounts recognised in the profit and loss account and statement of total recognised gains and losses. Consequently, the company’s net assets at 30 June 2004 have decreased by £335,000.

In addition, following the introduction of FRS 21 ‘Events after the balance sheet date’ dividends are now recognised when paid rather than when proposed. This has resulted in a prior year adjustment in respect of dividends received and accordingly prior year profit has been decreased by £275,000. The impact on net assets at 30 June 2004 in respect of this is £100,000 as there were proposed dividends receivable as at 30 June 2004 of this amount. The total effect on reserves as at 30 June 2004 of the prior year adjustments is a reduction of £435,000.

2. TURNOVER

The turnover and profit before taxation are attributable to the main activity of the company. The geographical analysis of turnover is as follows -

	2006	2005
	£'000	£'000
United Kingdom	12,929	7,025
Overseas	<u>4,464</u>	<u>4,206</u>
	<u>17,393</u>	<u>11,231</u>

3. OPERATING EXPENSES

	2006			2005 (As restated)		
	Continuing	Discont	Total	Continuing	Discont	Total
	£'000	- inued £'000	£'000	£'000	- inued £'000	£'000
Cost of sales	4,001	37	4,038	2,010	863	2,873
Amortisation of intangible fixed assets	742	12	754	1,409	74	1,483
Selling and distribution	10,811	284	11,095	3,996	2,147	6,143
Administration	1,148	30	1,178	1,973	225	2,198
Waiving of debt	-	-	-	447	-	447
Restructuring costs	-	-	-	<u>520</u>	-	<u>520</u>
	<u>11,959</u>	<u>314</u>	<u>12,273</u>	<u>6,936</u>	<u>2,372</u>	<u>9,308</u>
Total administration costs	<u>1,148</u>	<u>30</u>	<u>1,178</u>	<u>2,940</u>	<u>225</u>	<u>3,165</u>

WILMINGTON MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006
(CONTINUED)**4. OPERATING PROFIT AND EXCEPTIONAL ITEMS**

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

	2006 £'000	2005 £'000
Depreciation of owned fixed assets	362	271
Rentals under operating leases		
Other operating leases	143	40
(Profit)/loss on disposal of tangible fixed assets	(6)	20
Auditors' remuneration		
Audit fees	22	40

Exceptional items:

The exceptional items of £520,000 and £447,000 in 2005 relate to restructuring costs incurred in the year and the waiving of intercompany debt

5. EXCEPTIONAL ITEM

The exceptional item of £1,224,000 relates to the profit on the sale of the drinks and Travel Retail group of magazines. No tax arises on this disposal as the indexed cost of the asset is, equal to at least the proceeds received

6. EMPLOYEE INFORMATION

	2006 Number	2005 Number
The average number of employees for the year was		
Production	114	66
Sales and distribution	78	54
Administration	<u>58</u>	<u>34</u>
	<u>250</u>	<u>154</u>
	2006 £'000	2005 £'000
Employee costs (including directors)		
Wages and salaries	6,920	4,780
Social security	708	480
Employers' pension contributions		
- Defined benefit	86	98
- Defined contribution	<u>9</u>	<u>5</u>
	<u>7,723</u>	<u>5,363</u>

WILMINGTON MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006
(CONTINUED)**

7. DIRECTORS' EMOLUMENTS

	2006 £'000	2005 £'000
Aggregate emoluments	<u>165</u>	<u>261</u>

In 2005 an amount of £100,000 was charged in respect of amounts received or receivable by directors or former directors as compensation for loss of office. This amount is not included in the directors' emoluments figure above.

R B Brookes is a director of the Company's ultimate parent undertaking and his remuneration is disclosed in the financial statements of that company. M Harrington and A Zahedieh were remunerated by Wilmington Business Information Limited, a fellow group undertaking, for the year to 30 June 2006. Their emoluments are disclosed in the financial statements of that company.

	2006	2005
Total number of directors accruing benefits under the defined contribution pension scheme	<u>0</u>	<u>1</u>

8. NET INTEREST

	2006 £'000	2005 As restated £'000
Group loan interest payable	-	145
Bank interest received	(1)	-
Net finance (income)/cost on pension scheme assets and liabilities	<u>(19)</u>	<u>4</u>
Net interest	<u>(20)</u>	<u>149</u>

During the year the convertible loan stock to which the interest in 2005 related was converted to equity – see note 18.

WILMINGTON MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006
(CONTINUED)

9. TAXATION

	2006 £'000	2005 £'000
The taxation charge/(credit) for the year comprises -		
UK Corporation tax on the results of the period	352	(212)
Over provision in previous years	<u>(28)</u>	<u>(41)</u>
Current tax charge/(credit)	324	(253)
Deferred tax charge/(credit) as a result of the origination and reversal of timing differences	<u>77</u>	<u>(55)</u>
Tax on profit/(loss) on ordinary activities	<u>401</u>	<u>(308)</u>

The tax charge/(credit) in the accounts differs from the standard rate of corporation tax in the UK (30%) The differences are analysed below

Reconciliation of tax charge

Profit/(loss) on ordinary activities before tax	<u>2,118</u>	<u>(2,007)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the period of 30% (2005 30%)	635	(602)
Effect of		
Goodwill amortisation not deductible for tax purposes	125	347
Non taxable dividend receipt	(164)	(173)
Expenditure not deductible for tax	25	11
Waiver of intercompany debt	-	134
Capital allowances for the period in excess of depreciation	66	59
Tax adjustment in respect of pension contributions	32	5
Capital gain on sale of intangible asset	-	7
Non taxable gain on disposal of discontinued operation	(367)	
Adjustment to tax charge in respect of previous periods	<u>(28)</u>	<u>(41)</u>
Current tax charge/(credit) for the period as above	<u>324</u>	<u>(253)</u>

WILMINGTON MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006 (CONTINUED)

10. INTANGIBLE ASSETS

	Goodwill £'000	Intellectual Property Rights £'000	Total £'000
Cost			
At 1 July 2005	1,647	13,438	15,085
Disposal	-	(2,156)	(2,156)
At 30 June 2006	<u>1,647</u>	<u>11,282</u>	<u>12,929</u>
Amortisation			
At 1 July 2005	-	7,747	7,747
Charge for the year – amortisation	83	535	618
- impairment	136	-	136
Disposal	-	(1,255)	(1,255)
At 30 June 2006	<u>219</u>	<u>7,027</u>	<u>7,246</u>
Net Book Value			
At 30 June 2006	<u>1,428</u>	<u>4,255</u>	<u>5,683</u>
At 30 June 2005	<u>1,647</u>	<u>5,691</u>	<u>7,338</u>

An annual impairment test has been carried out using discounted cash flows and a weighted average cost of capital of 10%. An adjustment was made accordingly.

11. TANGIBLE ASSETS

	Freehold Land and Buildings £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 July 2005	2,288	879	785	331	4,283
Additions	-	22	415	44	481
Disposals	-	(4)	(356)	(54)	(414)
At 30 June 2006	<u>2,288</u>	<u>897</u>	<u>844</u>	<u>321</u>	<u>4,350</u>
Depreciation					
At 1 July 2005	151	451	591	146	1,339
Charge for the year	34	83	170	75	362
Disposals	-	(2)	(350)	(47)	(399)
At 30 June 2006	<u>185</u>	<u>532</u>	<u>411</u>	<u>174</u>	<u>1,302</u>
Net Book Value:					
At 30 June 2006	<u>2,103</u>	<u>365</u>	<u>433</u>	<u>147</u>	<u>3,048</u>
At 30 June 2005	<u>2,137</u>	<u>428</u>	<u>194</u>	<u>185</u>	<u>2,944</u>

Included in freehold land and buildings is an amount of £570,000 (2005 £570,000) of non depreciated land

WILMINGTON MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006
(CONTINUED)**

12. INVESTMENTS

Shares in
subsidiary
undertakings
£'000

Cost

At 1 July 2005 and 30 June 2006

379

At 30 June 2006 the company has the following subsidiary undertakings, all of which only have ordinary share capital, and are incorporated in England and Wales -

	% owned
Adline Publishing Limited (Holding Company)	100%
ETP Limited (Dormant from 1 July 2005)	76 25%
W D I S Limited (Circulation Bureau Services)	100%
Waterlow Information Services Limited (Dormant)	100%
Limerent Limited (Dormant)	100%
Decision Publishing Limited (Dormant)	100%
Polygon Media Limited (Dormant from 1 July 2005)	100%
Office Solutions Media Limited (Publishing)	75%

13. STOCK AND WORK IN PROGRESS

	2006	2005
	£'000	£'000
Raw materials	91	91
Work in progress	<u>299</u>	<u>327</u>
	<u>390</u>	<u>418</u>

14. DEBTORS

	2006	2005
		As restated
	£ 000	£'000
Trade debtors	3,212	3,593
Amounts owed by group undertakings	3,425	1,761
Corporation tax	-	212
Other debtors	28	533
Prepayments and accrued income	<u>271</u>	<u>272</u>
	<u>6,936</u>	<u>6,371</u>

WILMINGTON MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006
(CONTINUED)**

15. CREDITORS : Amounts falling due within one year	2006	2005
	£'000	£'000
Trade creditors	1,474	1,598
Amounts owed to group undertakings	2,750	5,823
Other taxation and social security	486	537
Other creditors	314	113
Subscriptions and fees in advance	1,534	1,769
Accruals	901	1,221
Corporation tax	<u>352</u>	<u>-</u>
	<u>7,811</u>	<u>11,061</u>

16. CREDITORS : Amounts falling due after one year	2006	2005
	£'000	£'000
Interest free group loan	7,480	7,480
Amounts owed to group undertakings- (1995 Convertible loan stock)	<u>-</u>	<u>2,333</u>
	<u>7,480</u>	<u>9,813</u>

During the year the convertible loan stock was converted into ordinary share capital – see note 18

17. PROVISION FOR LIABILITIES AND CHARGES

The liability for deferred taxation is as follows -

	2006	2005
	£'000	£'000
Accelerated capital allowances	<u>425</u>	<u>352</u>
Undiscounted liability carried forward	425	352
Discount	<u>(74)</u>	<u>(70)</u>
Discounted provision for deferred tax	<u>351</u>	<u>282</u>
Provision at 1 July 2005	282	293
Deferred tax charge/(credit) in the profit and loss account for the period	69	(55)
Group transfer	<u>-</u>	<u>44</u>
Provision at 30 June 2006	<u>351</u>	<u>282</u>

WILMINGTON MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006

(CONTINUED)

18. CALLED UP SHARE CAPITAL

	Number	Authorised £'000	Allotted, Issued and fully paid £'000
At 30 June 2005			
Ordinary shares of £0.10 each	40,000,000	4,000	247
Conversion of loan stock		-	<u>2,333</u>
At 30 June 2006		<u>4,000</u>	<u>2,580</u>

During the year the convertible loan stock was converted into 23,330,000 ordinary shares of 10p each

19. PROFIT AND LOSS ACCOUNT

	2006 £'000	2005 As restated £'000
Opening balance – as previously reported	(4,473)	(2,423)
Prior year adjustment (note 1m)	-	(435)
Profit/(loss) for the financial period	1,717	(1,699)
Actuarial gain on pension scheme net of tax	<u>67</u>	<u>84</u>
Closing balance	<u>(2,689)</u>	<u>(4,473)</u>

The profit and loss account includes £178,000 (2005 £265,000), stated after deferred taxation of £76,000 (2005 £113,000) in respect of pension scheme liabilities of the pension fund

20. DIVIDENDS

	2006 £'000	2005 As restated £'000
Dividends received from group undertakings	<u>546</u>	<u>575</u>

WILMINGTON MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006
(CONTINUED)**

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
		As restated
	£'000	£'000
Opening shareholders' funds – as previously reported	(2,016)	34
Prior year adjustment (note 1m)	-	(435)
Conversion of loan stock (note 18)	2,333	-
Other recognised gains for the year	67	84
Profit/(loss) for the financial period	<u>1,717</u>	<u>(1,699)</u>
Closing shareholders' funds	<u>2,101</u>	<u>(2,016)</u>

22. PENSION AND SIMILAR ARRANGEMENTS

Defined Benefit Scheme

FRS 17 Disclosures

The company operates a defined benefit pension scheme (the Wilmington Media Limited Pension Scheme) for a limited number of employees. Total membership of the Scheme at 30 June 2006 was 16. The benefits under the Scheme accrue from 6 March 1992 and are based on final salary. The Scheme is funded by payment of contributions to a separately administered trust fund.

The pension costs are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit method. The most recent valuation, which was conducted as at 31 March 2004, has been updated by the same qualified independent actuaries to provide the following details:

Main assumptions	30 June 2006	30 June 2005	30 June 2004
	Percent per annum		
Discount rate	5.3	5.2	5.7
Price inflation	3.0	2.6	3.0
Rate of increase in salaries	4.2	3.8	4.2
Rate of increase in pensions in payment	3.0	2.6	3.0

WILMINGTON MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006
(CONTINUED)

22. PENSION AND SIMILAR ARRANGEMENTS (continued)

The assets and liabilities of the scheme and the expected rates of return were

	30 June 2006		30 June 2005		30 June 2004	
	Long term rate of return expected per cent	Value £'000	Long term rate of return expected per cent	Value £'000	Long term rate of return expected per cent	Value £'000
Equities	7.5	2,268	7.5	1,762	7.5	1,459
Bonds	5.0	136	5.0	118	5.3	120
Cash and other assets	4.5	69	4.5	153	4.0	94
Total market value of assets		2,473		2,033		1,673
Present value of scheme liabilities		<u>(2,727)</u>		<u>(2,411)</u>		<u>(2,151)</u>
Pension liability before deferred tax		(254)		(378)		(478)
Related deferred tax asset		76		113		143
Net pension liability		<u>(178)</u>		<u>(265)</u>		<u>(335)</u>
Amounts recognised in income statement.						
				June 2006 £'000		June 2005 £'000
Recognised within operating expenses						
Current service costs				86		98
Recognised within finance costs						
Expected return on assets				147		120
Interest on liabilities				<u>(128)</u>		<u>(124)</u>
				<u>19</u>		<u>(4)</u>
Movement in deficit during the year						
Deficit at 1 July 2005				(378)		(478)
Current service costs				(86)		(98)
Employer contributions				95		82
Interest income/(cost)				19		(4)
Actuarial gain recognised in STRGL				96		120
Deficit at 30 June 2006				<u>(254)</u>		<u>(378)</u>

WILMINGTON MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006
(CONTINUED)**

22. PENSION AND SIMILAR ARRANGEMENTS (continued)

Analysis of Statement of total recognised gains and losses (STRGL)

	Year ended 30 June 2006		Year ended 30 June 2005		
	£'000		£'000		
Actual return less expected return on assets	231		166		
Experience gains and losses arising on liabilities	2		-		
Changes in assumptions	<u>(137)</u>		<u>(46)</u>		
Actuarial gain recognised in STRGL	<u>96</u>		<u>120</u>		
History of experience gains and losses	2006	2005	2004	2003	2002
Difference between the expected and actual return on Scheme assets					
Amount (£'000)	231	166	62	(181)	(419)
Per cent of Scheme assets	9.3%	8.2%	3.7%	(12.7)%	(29.7)%
Experience gains/(losses) on Scheme liabilities					
Amount (£'000)	2	0	402	125	(15)
Per cent of the present value of Scheme liabilities	0.0%	0.0%	18.7%	5.7%	(0.8)%
Total amount recognised in statement of total recognised gains and losses					
Amount (£'000)	96	120	311	(322)	434
Per cent of the present value of Scheme liabilities	3.5%	5.0%	14.5%	(14.7)%	23.5%
Defined benefit obligations	2,473	2,033	1,673	1,421	1,412
Scheme assets	<u>(2,727)</u>	<u>(2,411)</u>	<u>(2,151)</u>	<u>(2,194)</u>	<u>(1,843)</u>
Deficit	<u>(254)</u>	<u>(378)</u>	<u>(478)</u>	<u>(773)</u>	<u>(431)</u>

Future contributions in respect of the current year have been agreed at 18.7% of pensionable pay

Defined contribution scheme

The company contributes to a defined contribution pension scheme. Total contributions to the scheme during the year were £9,000 (2005 £5,000)

WILMINGTON MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006
(CONTINUED)**

23. LEASING COMMITMENTS

	2006 Land and buildings £'000	2005 Land and buildings £'000
Annual commitments payable under non cancellable operating leases expiring Between one and five years	<u>128</u>	<u>143</u>

24. CAPITAL COMMITMENTS

At the year end the company had no capital expenditure commitments (2005 nil)

25. CONTINGENT LIABILITIES

The company has entered into an unlimited cross – guarantee with the Group's bankers in respect of the net £16 million overdraft facilities extended to certain of the company's subsidiaries and parent company. At 30 June 2006, the company's gross contingent liability in respect of this facility was £4,548,328 (2005 £7,414,936), although the net liability was £nil (2005 £nil)

The company has also entered into a cross guarantee in respect of a committed bank facility of £25,000,000 expiring in September 2008. At the year end, the company had a contingent liability of £16,000,000 (2005 £10,000,000) in respect of a draw down of this facility

WILMINGTON MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2006 (CONTINUED)

26. RELATED PARTY TRANSACTIONS

The company is a wholly-owned subsidiary of Wilmington Group plc which together with other wholly-owned subsidiaries offer certain group-wide purchasing facilities to the company's fellow group undertakings whereby the actual costs are recharged. However, the following other services were provided by fellow group undertakings during the year for which appropriate charges, as set out below, were made

	2006 £'000	2005 £'000
Provision of production and circulation services to Office Solutions Media Limited	35	31

At the balance sheet date amounts owing (to)/from group companies (which were not eligible for the exemption included in FRS 8 for 90 per cent or more owned subsidiaries) are as follows

	2006 £'000	2005 £'000
Office Solutions Media Limited	33	20
Beechwood House Publishing Limited	3	10

27. ULTIMATE PARENT UNDERTAKING

The directors regard Wilmington Group plc, a company registered in England and Wales, as the company's ultimate parent undertaking. Copies of the accounts of Wilmington Group plc, the smallest and largest group for which accounts are prepared, may be obtained from the registered office at Paulton House, 8 Shepherdess Walk, London N1 7LB