

The Business Publishing Limited

(Registered Number: 3422257)

Report and Financial Statements

For the Year Ended 31 December 2007

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The Business Publishing Limited

Report of the Directors for the Year Ended 31 December 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activities and future developments

The Company's principal activity is the publication magazines and related internet pages. The Company ceased publication of the weekly business magazine *The Business* on 17 February 2008. In May 2008, the Company commenced publication of the monthly, controlled circulation, business magazine *Spectator Business*. The Company incurred restructuring costs, including redundancies, amounting to £299,000 as a result of this change. This change is not considered a discontinued operation for the purpose of Financial Reporting Standard 3.

Review of business and results

The Company recorded a loss before tax and interest for the period of £3,921,000 (2006 £4,856,000).

The directors recommend that no dividend is paid in the year (2006 nil) and that the loss for the year be transferred to reserves.

Directors and directors' interests

The directors who served during the period were

A S Barclay (Chairman)
R K Mowatt
P L Peters
M Seal

The Company's articles of association do not require the retirement of directors by rotation or the re-election at a general meeting of directors appointed by the board.

None of the directors had a beneficial interest in any contract to which the company was a party during the year.

Employees

The Company has held regular meetings with representatives of its employees at which matters of concern to the employees have been discussed and at which the views of these representatives have been obtained. It is company policy to provide, wherever possible, the same employment opportunities to disabled persons as to others. In the event of an employee becoming disabled every effort is made to ensure that employment with the company continues and appropriate training is arranged.

The Business Publishing Limited

Report of the Directors for the Year Ended 31 December 2007 (Continued)

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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of director's disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information.

Financial instruments

The directors consider that the company's key financial instruments are cash and intercompany balances from other group companies. Financial exposures exist to the extent that a change in the underlying base rate of interest will affect the level of income received or paid on any cash balances, overdrafts. This risk is not considered material and thus the company does not employ the use of hedging instruments.

The Business Publishing Limited

Report of the Directors for the Year Ended 31 December 2007 (Continued)

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the annual general meeting

By Order of the Board
For and on behalf of Broomfield Secretarial Services Limited
Company Secretary



M Seal
Director
6th May 2008

The Business Publishing Limited

Independent Auditors Report to the Members of The Business Publishing Limited

We have audited the financial statements of The Business Publishing Limited for the year ended 31 December 2007 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

Basis of audit opinion

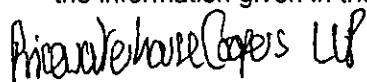
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 31 December 2007 and of its loss 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.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

7 May 2008

The Business Publishing Limited

Profit and Loss Account for the Year Ended 31 December 2007

	Note	2007 £'000	2006 £'000
Turnover		1,523	1,871
Cost of sales		(5,444)	(6,727)
Operating loss		<u>(3,921)</u>	<u>(4,856)</u>
Interest receivable and similar income – bank interest		12	10
Loss on ordinary activities before taxation	2	<u>(3,909)</u>	<u>(4,846)</u>
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
Retained loss for the period		<u>(3,909)</u>	<u>(4,846)</u>

Results for the period arise from continuing operations

There have been no recognised gains or losses other than the profit for the financial period as stated above
The historical cost profit and loss is the same as that shown above

The notes on pages 7 to 11 form part of these financial statements

The Business Publishing Limited

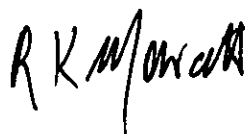
Balance Sheet as at 31 December 2007

	Note	At 31 December 2007 £'000	At 31 December 2006 £'000
Fixed assets			
Tangible assets	5	39	31
Current assets			
Debtors	6	2,517	547
Cash at bank and in hand		<u>339</u>	<u>765</u>
		2,856	1,312
Creditors - amounts falling due within one year	7	<u>(1,086)</u>	<u>(1,624)</u>
Net current assets/(liabilities)		<u>1,770</u>	<u>(312)</u>
Total assets less current liabilities		1,809	(281)
Creditors - amounts falling due after one year	8	<u>-</u>	<u>(64,000)</u>
Net assets/(liabilities)		<u>1,809</u>	<u>(64,281)</u>
Capital and reserves			
Called up share capital	9	70,000	1
Profit and loss account	10	<u>(68,191)</u>	<u>(64,282)</u>
Equity shareholder's funds/(deficit)	11	<u>1,809</u>	<u>(64,281)</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 6th May 2008 and were signed on its behalf by



Director



Director

The Business Publishing Limited

Notes to the Financial Statements for the Year Ended 31 December 2007

1. Principal accounting policies

The principal accounting policies, which have been applied on a consistent basis, are set out below

(a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with Companies Act 1985 and applicable accounting standards, under the historical cost convention

(b) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

(c) Turnover

Turnover represents sales to third parties of magazines (net of returns), advertising space and related goods and services and is stated net of commissions and trade discounts, and excludes value-added tax and other sales taxes. Magazine and advertising revenue is recognised on the date of publication

(d) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation

Depreciation is calculated to write off the cost on a straight-line basis over the expected useful economic lives of the assets, which are as follows

Fixtures and fittings	3-5	years
Computer equipment	3-5	years

(e) Cash flow

On the basis the Company is a small company a cash flow statement has not been presented in the financial statements of the company as permitted by paragraph 5f of the revised Financial Reporting Standard 1

(f) Deferred taxation

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

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of 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

The Business Publishing Limited

Notes to the Financial Statements for the Year Ended 31 December 2007

1. Principal accounting policies (continued)

(g) Pensions

The Company operates a defined contribution pension scheme and contributions to the scheme are charged to the Company's profit and loss account as the company's obligation to pay arises

(h) Related party transactions

Only material related party transactions have been disclosed during the period. All related party transactions were undertaken on an arms length basis

2. Loss on ordinary activities before taxation

	2007 £'000	2006 £'000
The loss on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets	18	23
Auditors' remuneration	21	18

3. Taxation

	2007 £'000	2006 £'000
UK corporation tax at 30% (2006 30%)	-	-
Deferred tax charge for the current year	-	-

The current tax charge for the year is higher (2006 higher) than the standard rate of corporation tax in the UK (30%) (2006 30%). The differences are explained below

Loss on ordinary activities before tax	(3,909)	(4,846)
Tax at current rate 30% (2006 30%)	(1,172)	(1,454)
Expenses not deductible for tax	(38)	70
Capital allowances in excess of depreciation	(31)	(45)
Losses available	(4)	1,429
Group relief surrendered	1,245	-
Tax on loss on ordinary activities	-	-

Unrecognised deferred tax asset

The Company has unrelieved tax losses at the year end amounting to £34.4 million (2006 £32.2 million). The potential deferred tax asset of £10.3 million (2006 £9.7 million) has not been recognised in the accounts as the directors consider it unlikely that the Company will generate sufficient taxable profits in the foreseeable future against which these losses will be recoverable.

The Business Publishing Limited

Notes to the Financial Statements for the Year Ended 31 December 2007

4. Employee Information

(a) Directors Emoluments

None of the director's of the Company received emoluments in respect of their services to the Company in the year (2006 *nil*)

(b) Average number of persons employed

	2007	2006
Full time	24	25

(c) Employee costs - all employees including directors.

	2007 £'000	2006 £'000
Wages and salaries	1,171	1,297
National insurance contributions	130	111
Pension contributions	31	13
	<u>1,332</u>	<u>1,421</u>

5. Tangible fixed assets

	Plant & equipment £'000	Fixtures and fittings £'000	Total £'000
Cost:			
At 1 January 2007	55	18	73
Additions	26	-	26
At 31 December 2007	<u>81</u>	<u>18</u>	<u>99</u>
Depreciation:			
At 1 January 2007	26	16	42
Charge for the year	16	2	18
At 31 December 2007	<u>42</u>	<u>18</u>	<u>60</u>
Net book value:			
At 31 December 2007	<u>39</u>	<u>-</u>	<u>39</u>
At 1 January 2007	<u>29</u>	<u>2</u>	<u>31</u>

6. Debtors

	2007 £'000	2006 £'000
Trade debtors	194	373
Amounts owed by group undertakings	2,250	17
Taxation & social security	16	66
Prepayments and accrued income	57	91
	<u>2,517</u>	<u>547</u>

Amounts owed by group undertakings include an interest free loan of £2,250,000 (2006 *nil*) to the Company's immediate parent company, Press Holdings Limited. There are no fixed terms for the repayment of this loan.

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Notes to the Financial Statements for the Year Ended 31 December 2007

7. Creditors - amounts falling due within one year

	2007 £'000	2006 £'000
Trade creditors	445	743
Other taxation & social security	35	36
Accruals and deferred income	601	833
Amounts due to group undertakings	5	12
	<u>1,086</u>	<u>1,624</u>

The amounts due to group undertakings relate to the Company's fellow subsidiary The Spectator (1828) Limited and arise from the settlement of the Company's charges by The Spectator (1828) Limited

8. Creditors: amounts falling due after more than one year

	2007 £'000	2006 £'000
Amount owed to immediate parent company	<u>-</u>	<u>64,000</u>

The amount owed to the immediate parent company was interest free

9. Called up share capital

	2007 £'000	2006 £'000
Authorised.		
70,000,000 (2006 1,000) Ordinary shares of £1 each	<u>70,000</u>	<u>1</u>
Called up, allotted, and fully paid.		
70,000,000 (2006 1,000) Ordinary shares of £1 each	<u>70,000</u>	<u>1</u>

At a meeting of the board of directors on 26 September 2007 the authorised issued share capital was raised to £70,000,000 by the creation of 69,999,000 ordinary shares of £1 each. On 26 September 2007, 69,999,000 ordinary shares of £1 each were issued and fully paid at par

10. Profit and loss account

	£'000
At 1 January 2007	(64,282)
Loss for the financial year	(3,909)
At 31 December 2007	<u>(68,191)</u>

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Notes to the Financial Statements for the Year Ended 31 December 2007

11 Reconciliation of movement in shareholder's funds/(deficit)

	2007	2006
	£'000	£'000
Opening shareholder's deficit	(64,281)	(59,435)
Issue of share capital	69,999	-
Loss for the financial year	(3,909)	(4,846)
Closing shareholder's funds/(deficit)	<u>1,809</u>	<u>(64,281)</u>

12. Pensions

The Company operates a defined contribution scheme for employees. At the year end, contributions of £31,000 (2006 nil) were due to the scheme.

13. Post Balance Sheet Event

The Company' ceased publication of *The Business* on 17 February 2008 and in May 2008, commenced publication of the monthly, controlled circulation, business magazine *Spectator Business*. The Company incurred restructuring costs, including redundancies, amounting to £299,000 as a result of this change.

14. Ultimate controlling party

The immediate Parent company is Press Holdings Limited, a company incorporated in Jersey, Channel Islands which the directors regard as being ultimately controlled by the Trustees of the David and Frederick Barclay Family Settlements.