DENNIS PUBLISHING (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2013

DENNIS PUBLISHING (UK) LIMITED

CONTENTS

COMPANY INFORMATION

Directors:	F. Dennis (Deceased 22nd June 2014) I.G.H. Leggett FCA(NZ) CA ACIS B.W. Reynolds CA(NZ) ACA J.A. Tye
Secretary:	I.G.H. Leggett
Auditors:	Bright Grahame Murray 131 Edgware Road London W2 2AP
Bankers:	HSBC Private Bank (UK) Limited 78 St. James's Street London SW1A 1JB National Westminster Bank PLC 15 Bishopsgate London EC2P 2AP
Solicitors:	Messrs. Simons Muirhead and Burton 8-9 Frith Street London W1D 3JB
Registered Office:	30 Cleveland Street London W1T 4JD
Company Number:	03870844

Fair Review of the Company's Business

1. Activities

The Dennis Publishing (UK) Limited Group is engaged in the publication, promotion and sale of magazines, periodicals, posters, mail order merchandise, web sites and digital apps.

2. Business Review

The results for the year are set out on page 9 of these financial statements. We produce a variety of key figures on a monthly basis for each of our businesses to enable us to analyse performance against budget and the prior year. Below we have set out the key performance indicators we measure on a Group basis followed by a narrative setting out the key developments in the business this year.

	2013	2012
Group operating profit before exceptional items		
Group operating profit before exceptional items	**£5.7m**	**£4.9m**
Group operating profit before exceptional items as a % of sales		
Group operating profit before exceptional items as a percentage of Group turnover	**7.4%**	**7.0%**
Group Profit/(Loss) before tax	**£5.0m**	**(£0.6m)**
Group Profit/(Loss) before taxation		
Interest cover	**40x**	**28x**
The ratio of total operating profit before amortisation and exceptional items to interest payable on borrowings.		
Gearing	**10.9%**	**24.1%**
The ratio of total bank borrowings to shareholders funds expressed as a percentage.		

The Group's trading activites continued to improve in 2013. Group turnover was up approximately £6m and Group operating profit before exceptional items was up £0.8m. The Profit before tax was up £5.6m on the previous year. The 2012 figures include an exceptional write off of a loan made to Dennis Publishing Pty Limited, an Australian company owned by Mr Felix Dennis (for full details see note 29). The Group made selective investments in both its print and digital activities during 2013 as outlined below. Consequently, the directors believe the Group is well placed to deliver another strong set of results in 2014.

The Group's investment in its print activities included the acquisition of the trade and assets of Computer Active Magazine, The Group also acquired the remaining 5% share of Evo Publications Limited. Full details of these transactions are given in note 11 to the accounts.

The Group's investment in its digital activities included the acquisition of a 20% shareholding of Contentment Limited, the owner of a platform for creating apps. The Group also made a further investment in Pouncer Media Limited, increasing its shareholding in the company to 38% (2012: 30%). Full details of these transactions are given in note 13(d) to the accounts.

2. Business Review (continued)

In the year, the Group made a £125,000 (2012: £115,000) donation to the "Heart of England Forest" charity.

The Group's Chairman and controlling shareholder, Felix Dennis sadly died on 22nd June 2014. Staff, creditors, customers and advisors have all expressed extreme sadness at his passing. Following his death, the shareholding in the Group is under the control of the Executors of the Felix Dennis Estate. The ownership of this shareholding will be transferred to the "Heart of England Forest" charity after the grant of probate to the Estate. The Directors are very confident that the Group is well placed to continue to prosper in the future, with the overall aim of generating funds for the charity.

The Directors are satisfied with the results for the year and the state of affairs of the Company and Group at the balance sheet date.

3. Principal risks and uncertainties and future prospects

The key risks and uncertainties facing the Group are as set out below.

Competition
There are an increasing number of print magazines and websites in competition with the Group's products. The Group continues to invest in its key products to protect the market position of its products but there is a risk that future results will be affected.

Growth of the internet
Consumers are increasingly turning to the internet for entertainment, information and to buy goods and services. This has resulted in a decline in the copy sales of some magazine titles and a shift in advertising from print magazines to the internet. While the Group is attempting to take advantage of this trend by investing and growing its internet businesses there is a risk that the future decline in revenue from print magazines will be greater than the growth in revenue from the internet.

UK economic situation
Even though the UK economic situation is looking more positive, general trading conditions are still difficult.

Despite these risks the directors are confident about the long-term prospects of the Group.

The Group's risk management policies are set out in note 1 to the accounts.

4. Employees

All employees receive equal opportunities for training and career development. The sole criterion for selection and promotion is the individual's suitability for the position of employment offered. The Group supports the employment of disabled persons wherever appropriate.

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings and the Company Intranet. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

5. Post Balance Sheet Events

The Group's Chairman and controlling shareholder, Felix Dennis sadly died on 22nd June 2014. Staff, creditors, customers and advisors have all expressed extreme sadness at his passing. Following his death, the shareholding in the Group is under the control of the Executors of the Felix Dennis Estate. The ownership of this shareholding will be transferred to the "Heart of England Forest" charity after the grant of probate to the Estate. The Directors are very confident that the Group is well placed to continue to prosper in the future, with the overall aim of generating funds for the charity.

Signed on behalf of the directors

Secretary
IAN LEGGETT

The Directors present their annual report and the audited financial statements of the Company and the Group for the year ended 31st December 2013.

The Directors who served in the year are listed on page 1.

Mr Felix Dennis passed away on 22nd June 2014.

Results and Dividends

The profit after tax for the year amounted to £2.515m.

The Directors declared a dividend of £1m on the 1st August 2013 and a further £1m on the 20th August 2013; Full details of these transactions are given in note 10 to the accounts.

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 group and parent company 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 group and the company and of the profit or loss of the group 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, 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.

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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's websites. It is important to bear in mind that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Strategic Report

The strategic report can be found on pages 2 to 4.

Auditor

A resolution to re-appoint Messrs. Bright Grahame Murray, Chartered Accountants of 131 Edgware Road, London W2 2AP, as auditor to the Company will be proposed at the Annual General Meeting.

The Directors who held office at the date of approval of this Directors' report confirm that,

- so far as they are each aware, there is no relevant audit information of which the auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Signed on behalf of the directors

Secretary
IAN LEGGETT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

DENNIS PUBLISHING (UK) LIMITED

We have audited the financial statements of Dennis Publishing (UK) Limited for the year ended 31st December 2013 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes. 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 (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent 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 Directors' 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 group's and the parent company's affairs as at 31 December 2013 and of the group's 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Bright Graham Murray

MICHELLE COLCLOUGH
For and on behalf of
BRIGHT GRAHAME MURRAY
Chartered Accountants & Statutory Auditor
131 Edgware Road
London
W2 2AP

29 September 2014

DENNIS PUBLISHING (UK) LIMITED

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2013

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
TURNOVER, including share of Joint Ventures					
Continuing operations					
Existing			77,941		77,037
Acquisitions			3,315		-
Discontinued			185		980
Total turnover			81,441		78,017
Less: Share of Joint Ventures			(5,380)		(7,950)
Group turnover	2		76,061		70,067
Cost of sales	3		(34,786)		(31,975)
Gross profit			41,275		38,092
Net operating expenses	3		(35,613)		(33,197)
Exceptional operating expense	4				(6,097)
Operating profit from continuing operations					
Existing		4,661		5,042	
Acquisitions		1,227		-	
Operating loss from discontinued operations		(226)		(6,244)	
GROUP OPERATING PROFIT	4		5,662		(1,202)
Share of operating (loss) of Joint Ventures	13c (i)	(94)		(34)	
Share of operating (loss) of Associates	13d (i)	(575)		(72)	
			(669)		(106)
TOTAL OPERATING PROFIT: GROUP AND SHARE OF JOINT VENTURES AND ASSOCIATES			4,993		(1,308)
Profit on sale of business					
Discontinued operations			183		815
Net interest (payable)/receivable					
Interest receivable - Group	7	17		15	
Interest payable - Group	7	(199)		(250)	
Interest receivable - Joint Ventures	7	11		145	
			(171)		(90)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			5,005		(583)
Tax on profit on ordinary activities	8		(2,490)		(1,975)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			2,515		(2,558)
Equity minority interests	9		-		(22)
PROFIT FOR THE YEAR			2,515		(2,580)

The notes on pages 14 to 38 form part of these financial statements.

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31ST DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Profit/(loss) for the Financial Year			
Group		3,177	(2,484)
Joint Ventures		(106)	(24)
Associates		(556)	(72)
		2,515	(2,580)
Exchange adjustments offset in reserves (translation of overseas foreign investments)		10	18
Total recognised gains and losses for the year		2,525	(2,562)
Group		3,187	(2,466)
Joint Ventures		(106)	(24)
Associates		(556)	(72)
Total recognised gains and losses for the year		2,525	(2,562)

The notes on pages 14 to 38 form part of these financial statements.

GROUP BALANCE SHEET
AT 31ST DECEMBER 2013

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
FIXED ASSETS					
Magazine and other intellectual publishing rights	11a	4,887		5,524	
Goodwill	11a	14,442		13,137	
			19,329		18,661
Tangible Assets	12a		2,420		2,681
Investment in Joint Ventures:					
Share of gross assets	13c (ii)	2,379		10,627	
Share of gross liabilities	13c (ii)	(2,352)		(10,472)	
Goodwill arising on acquisition	13c (ii)	237		410	
			264		565
Investment in Associates	13d (ii)		773		588
			22,786		22,495
CURRENT ASSETS					
Debtors due in less than one year	14	12,067		12,030	
Debtors due in greater than one year	14	650		650	
Cash at bank and in hand		6,611		5,514	
		19,328		18,194	
CREDITORS:					
Amounts falling due within one year	15	25,277		24,806	
NET CURRENT LIABILITIES			(5,949)		(6,612)
TOTAL ASSETS LESS CURRENT LIABILITIES			16,837		15,883
CREDITORS:					
Amounts falling due after more than one year	16	2,487		2,040	
PROVISIONS FOR LIABILITIES	18	145		134	
			2,632		2,174
			14,205		13,709
CAPITAL AND RESERVES					
Called up share capital	19		600		600
Reserves	20a		13,605		13,080
SHAREHOLDERS' FUNDS	22		14,205		13,680
MINORITY INTERESTS	30		-		29
			14,205		13,709

These financial statements were approved by the directors and authorised for issue on 29/9/2014 and are signed on their behalf by:

Director
BRETT REYNOLDS

Director
IAN LEGGETT

Company Registration Number 03870844

The notes on pages 14 to 38 form part of these financial statements.

DENNIS PUBLISHING (UK) LIMITED

COMPANY BALANCE SHEET
AT 31ST DECEMBER 2013

	Notes	2013 £'000	2012 £'000
FIXED ASSETS			
Investments	**13a**	600	600
		600	600
CAPITAL AND RESERVES			
Called up share capital	**19**	600	600
SHAREHOLDERS' FUNDS	**22**	600	600

These financial statements were approved by the directors and authorised for issue on 29/9/2014 and are signed on their behalf by:

Director
BRETT REYNOLDS

Director
IAN LEGGETT

Company Registration Number 03870844

The notes on pages 14 to 38 form part of these financial statements.

DENNIS PUBLISHING (UK) LIMITED

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2013

	Notes	2013 £'000	2012 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	23	12,212	6,764
Dividends received from joint ventures		19	313
Returns on investment and servicing of finance	24	(199)	(257)
Taxation	24	(1,800)	(1,606)
Capital expenditure	24	(872)	(1,027)
		9,360	4,187
Acquisitions and disposals	24	(3,726)	(386)
Equity dividends paid		(3,000)	-
CASH INFLOW BEFORE FINANCING		2,634	3,801
Financing	24	(1,537)	(1,527)
INCREASE IN CASH IN THE PERIOD		1,097	2,274

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

	Notes	2013 £'000	2012 £'000
Increase in cash in the period	25	1,097	2,274
Cash outflow from debt and financing	25	1,537	1,527
Change in net funds resulting from cash flows	25	2,634	3,801
Write off of related party loan	25	-	(6,097)
Movement in net funds/(debt) in the period		2,634	(2,296)
Net (debt)/funds at 1st January	25	(530)	1,766
NET FUNDS/(DEBT) AT 31ST DECEMBER	25	2,104	(530)

The notes on pages 14 to 38 form part of these financial statements.

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Basis of consolidation

The Group financial statements consolidate the financial statements of Dennis Publishing (UK) Limited with all of its subsidiary undertakings, joint ventures and associates.

The subsidiaries of Dennis Publishing (UK) Limited have been accounted for under the acquisition method of accounting. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. On the acquisition of a business, including interests in an associated undertaking or joint venture, fair values are attributable to the Group's share of net tangible assets and the purchase consideration is allocated to assets and liabilities on this basis. Where the cost of acquisition exceeds the value attributable to such net assets, the difference is treated as purchased goodwill and is capitalised. Purchased goodwill is amortised in accordance with the directors' estimate of its useful life (between five and twenty years).

A joint venture is an undertaking in which the Group has a long term interest and over which it exercises joint control. The Group's share of the profits/(losses) of joint ventures is included in the group profit and loss account and its interest in their net assets is included in the group balance sheet, using the gross equity accounting method. The results of Dovetail Services (UK) Limited, a joint venture referred to in note 13(c), has been included using information from unaudited accounts drawn up to 31st December 2013.

An associate is an undertaking in which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the investee. The Group's share of the profits/(losses) of associates is included in the group profit and loss account and its interest in their net assets is included in the group balance sheet, using the gross equity accounting method.

Turnover

Turnover, which excludes value added tax and discounts, represents billings to customers for print and digital advertising, newsstand sales, subscriptions revenues, magbook sales, digital copy sales, events and licensing revenues.

Subscriptions income is recognised in the profit and loss account as turnover on a receivable basis with that portion relating to subsequent periods included in accruals and deferred income.

Intangible fixed assets

In addition to purchased goodwill, intangible assets comprise the historic cost of magazines and other intellectual publishing rights acquired. Such rights are capitalised only where earnings from the relevant titles are separately identifiable and the title can be sold separately from the rest of the business.

1. ACCOUNTING POLICIES (continued)

Intangible fixed assets (continued)

The directors estimate the useful economic life of the magazine titles and other intellectual publishing rights to be between five and twenty years in the form in which they are acquired, and accordingly such costs less estimated residual values are being amortised on this basis from the commencement of economic benefit to the Group, subject to annual impairment reviews being carried out, with any such impairments being reflected in full in the profit and loss account in the year of diminution.

Depreciation and amortisation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Freehold land and buildings	- 2% straight line basis
Leasehold improvements	- 10% straight line basis
Fixtures, fittings and equipment	- 25% straight line basis
Computer software and hardware*	- 12.5% - 50% straight line basis
Intangible assets	- 5% - 20% straight line basis

*Digital apps are included within computer software and hardware. These are depreciated on a 33% - 50% straight line basis.

The Group's policy is to write off the book value of each tangible fixed asset over its estimated remaining life. Reviews are made periodically of the estimated remaining lives of individual assets, taking account of technological obsolescence as well as normal wear and tear.

Investments

Fixed asset investments are stated at cost or valuation less provisions for any impairment in value.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1. **ACCOUNTING POLICIES** (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Exchange gains and losses arising from translation of foreign currency transactions are included in the profit and loss account for the year.

The financial statements of overseas subsidiary undertakings are translated into sterling at the exchange rate ruling at the relevant balance sheet date. Differences arising from the retranslations of opening net assets are dealt with through reserves.

Operating Leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pension costs

The Company offers access to a defined contribution scheme. Contributions are charged to the profit and loss account in the year in which they are payable to the scheme. Any differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Goodwill

Goodwill, which represents the difference between the fair value of purchase consideration and the fair value of the assets and liabilities acquired, is capitalised and subjected to an annual impairment review.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle that obligation at the balance sheet date.

Financial Risk Management

The Group's multinational operations and debt financing expose it to a variety of financial risks. In the course of its business, the Group is exposed to foreign currency risk, interest rate risk, liquidity risk and credit risk. Financial risk management is an integral part of the way that the Group is managed. Financial risk management policies are set by the Board of Directors.

The Group does not hold financial instruments.

1. ACCOUNTING POLICIES (continued)

Financial Risk Management (continued)

(i) Foreign currency risk

Foreign currency risk arises both where sale or purchase transactions are undertaken in currencies other than the respective functional currencies of Group companies (transactional exposures). The Group invariably has some customers or suppliers that transact in a foreign currency. The Group is therefore exposed to the changes in foreign currency exchange rates between a number of different currencies but the Group's primary exposures relate to the US Dollar and to the Euro.

(ii) Interest rate risk

Interest rate risk arising from borrowing at variable rates is not hedged.

(iii) Liquidity risk

Liquidity risk represents the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages this risk by maintaining adequate committed lines of funding.

(iv) Credit risk

Credit risk arises because a counterparty may fail to perform its obligations. The Group is exposed to credit risk on financial assets such as cash balances, trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts recognised in the balance sheet are net of appropriate allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. Trade receivables are subject to credit limits and control and approval procedures in the operating companies. Due to its large geographic base and number of customers, the Group is not exposed to material concentrations of credit risk on its trade receivables. Credit risk associated with cash balances is managed by transacting with financial institutions with high quality credit ratings. Accordingly the Group's associated credit risk is limited. The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Group balance sheet.

2. TURNOVER AND SEGMENTAL ANALYSIS

Principal activity

The Group's principal area of activity is the publication of magazines, websites and app's.

Analysis of Group turnover by geographical market

	2013			
	United Kingdom	Europe	Other	Total
Sales to third parties	**£'000**	**£'000**	**£'000**	**£'000**
Continuing	63,645	5,374	8,922	77,941
Acquisitions	3,088	82	145	3,315
Discontinued	119	16	50	185
Share of Joint Ventures	(5,380)	-	-	(5,380)
Total continuing	61,472	5,472	9,117	76,061

	2012			
	United Kingdom	*Europe*	*Other*	*Total*
Sales to third parties	***£'000***	***£'000***	***£'000***	***£'000***
Continuing	*64,452*	*3,738*	*8,847*	*77,037*
Acquisitions	-	-	-	-
Discontinued	*713*	*134*	*133*	*980*
Share of Joint Ventures	*(7,950)*	-	-	*(7,950)*
Total continuing	*57,215*	*3,872*	*8,980*	*70,067*

3. COST OF SALES AND NET OPERATING EXPENSES

	2013			
	Acquisitions	**Continuing**	**Discontinued**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cost of sales	1,621	32,890	275	34,786
Net operating expenses				
Distribution costs	171	5,013	18	5,202
Administrative expenses	296	29,997	118	30,411
	467	35,010	136	35,613

	2012			
	Acquisitions	*Continuing*	*Discontinued*	*Total*
	£'000	*£'000*	*£'000*	*£'000*
Cost of sales	-	*31,339*	*636*	*31,975*
Net operating expenses				
Distribution costs	-	*5,698*	*37*	*5,735*
Administrative expenses	-	*27,008*	*454*	*27,462*
Exceptional operating expense (see note 4)	-	-	*6,097*	*6,097*
	-	*32,706*	*6,588*	*39,294*

4. OPERATING PROFIT

This is stated after charging:	2013 £'000	2012 £'000
Depreciation of owned assets	1,133	835
Amortisation of goodwill	2,289	1,632
Amortisation of intellectual property rights	637	637
Operating lease rentals - land and buildings	1,403	1,403
Exceptional write off of related party loan*	-	6,097

*See note 29 for further details.

During the year, the Group obtained the following services from the Company's auditor.

	2013 £'000	2012 £'000
Fees payable to the company auditor for the audit of the parent company and consolidated accounts	46	46
Fees payable to the company auditor for the audit of the subsidary companies	12	12
Fees payable to the company auditor for other services: Tax services	18	18
	76	76

The audit fee stated above is the agreed fee with the Group's auditors.

5. DIRECTORS' EMOLUMENTS

	2013 £'000	2012 £'000
Emoluments	942	888
Highest paid director		
Emoluments	435	424

These emoluments relate to amounts received by the directors of Dennis Publishing (UK) Limited.

There were no Company pension arrangements or any other benefits requiring disclosure in respect of any of the directors during the financial year or preceding year.

6. STAFF COSTS (including directors)

	2013 £'000	2012 £'000
Wages and salaries	19,283	17,375
Social security costs	2,139	1,799
Pension contributions	277	280
	21,699	19,454

Average number of monthly employees during the year	2013 No.	2012 No.
Administrative and editorial	308	291
Sales and distribution	81	82
	389	373

7. INTEREST PAYABLE & RECEIVABLE

	2013 £'000	2012 £'000
Group interest receivable	17	15
	17	15
Interest payable on bank loans and overdrafts	(77)	(128)
Interest payable on loan from related party	(122)	(122)
Group interest and similar charges payable	(199)	(250)
Share of joint venture interest receivable	42	194
Share of joint venture interest payable	(31)	(49)
Net joint venture interest receivable	11	145

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013 £'000	2012 £'000
(a) Current taxation		
UK Corporation tax based on the results for the year	2,475	2,001
Adjustments in respect of prior periods	30	(26)
	2,505	1,975
Double taxation relief	(15)	-
Taxation on profit on ordinary activities	2,490	1,975

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Included in current taxation is £2k (2012 £23k) attributable to joint ventures and associates.

(b) Factors affecting the current taxation charge for the period

The standard rate of taxation for the year, based upon the UK standard rate of Corporation Taxation is 23.25% (2012 24.5%). The actual charges for the current and previous periods differ from the standard rate for the reasons set out in the following reconciliation:

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	5,005	(583)
Taxation on profit on ordinary activities at standard rate	1,164	(143)
Factors affecting the current taxation charge for the period		
Capital allowances less than/(in excess of) depreciation	29	59
Utilisation of taxation losses	(41)	(47)
Other timing differences	42	-
Expenses not deductible for taxation purposes	727	1,714
Amortisation	439	419
Double taxation relief	(15)	-
Losses carried forward	115	(1)
Adjustments in respect of prior periods	30	(26)
Total actual amount of current taxation	2,490	1,975

(c) Factors that may affect future taxation charges

Deferred taxation assets have not been recognised in respect of certain timing differences and revenue losses carried forward for relief against future trading profits. There was no material deferred tax asset at 31st December 2013 or 2012.

9. MINORITY INTERESTS – EQUITY

	2013 £'000	2012 £'000
Minority interest in the results for the year	-	22

10. DIVIDENDS

	2013 £'000	2012 £'000
Equity dividends paid on ordinary shares	2,000	1,000

11. INTANGIBLE FIXED ASSETS

	Goodwill	Magazine and other Intellectual Publishing Rights	Total
	£'000	£'000	£'000
Cost:			
At 1st January 2013	25,783	13,242	39,025
Additions	3,594	268	3,862
Disposals	(273)	(268)	(541)
At 31st December 2013	29,104	13,242	42,346
Amortisation:			
At 1st January 2013	12,646	7,718	20,364
Provided during the year	2,289	637	2,926
Disposals	(273)	-	(273)
At 31st December 2013	14,662	8,355	23,017
Net book value:			
At 31st December 2013	14,442	4,887	19,329
At 31st December 2012	13,137	5,524	18,661

Magazine and other Intellectual Property Rights

All intangible assets are being amortised on a straight line basis over periods of between five and twenty years, such periods in the opinion of the directors, representing prudent estimates of their useful economic benefit to the Group.

During the year the Group purchased the Intellectual Property rights to publish Computer Active magazine. These rights were subsequently sold to Mr Felix Dennis.

11. INTANGIBLE FIXED ASSETS (continued)

Goodwill

Goodwill has resulted from the difference between the fair value of the assets acquired in certain group companies and stand-alone titles and the fair value of the consideration

(i) On 5th February 2013, Dennis Publishing Limited purchased the trade and assets of Computer Active magazine. The investment can be analysed as follows:

	Book/Fair Value £'000
Intangible Asset	268
Debtors	11
Creditors	(667)
Net assets	(388)
Additional goodwill arising on acquisition	2,908
	2,520
Satisfied by:	
Cash consideration	2,500
Legal and professional fees	20
Total cost	2,520

In the opinion of the directors there were no material adjustments required to restate the book values of assets and liabilities to their fair values.

(ii) On 18th December 2013, the Group increased its shareholding in Evo Publications Limited from 95% to 100%. The additional investment can be analysed as follows:

	Book/Fair Value £'000
Tangible fixed assets	5
Debtors	50
Creditors	(42)
Net assets	13
Additional goodwill arising on acquisition	686
	699
Satisfied by:	
Cash consideration	695
Legal and professional fees	4
Total cost	699

In the opinion of the directors there were no material adjustments required to restate the book values of assets and liabilities to their fair values.

12. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Leasehold Improvements	Fixtures, Fittings and Equipment	Computer Software and Hardware	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1st January 2013	260	1,935	965	9,684	12,844
Additions	-	140	7	725	872
At 31st December 2013	260	2,075	972	10,409	13,716
Depreciation:					
At 1st January 2013	79	1,361	932	7,791	10,163
Charge for the year	-	178	17	938	1,133
At 31st December 2013	79	1,539	949	8,729	11,296
Net book value:					
At 31st December 2013	181	536	23	1,680	2,420
At 31st December 2012	*181*	*574*	*33*	*1,893*	*2,681*

13. FIXED ASSET INVESTMENTS

(a) Company

	Shares in subsidiary undertakings
	£'000
Cost:	
At 1st January 2013 and at 31st December 2013	*600*

13. FIXED ASSET INVESTMENTS (continued)

(b) At 31st December 2013 the Company held 20% or more of the share capital of the following companies, all of whom have prepared financial statements made up to that date, apart from, Dovetail Services (UK) Limited and Pouncer Media Limited, which have a 31st March accounting reference date and Contentment Limited, which has a 31st January accounting reference date. The companies listed are the key trading subsidiaries, joint ventures and associates of the company.

Name of company	Shares held class	Proportion of voting Rights and Shares held	Nature of Business
Dennis Publishing Limited	Ordinary	100%	Publishers
The Week Limited	Ordinary	100%	Publishers
I Feel Good (Holdings) Limited	Ordinary	100%	Publishing and service activities
I Feel Good Limited	Ordinary	100%	Publishing and service activities
Choice Publishers Limited	Ordinary	100%	Publishing and service activities
Octane Media Holdings Limited	Ordinary	100%	Holding company
Octane Media Limited	Ordinary	100%	Publishing and service activities
Halo Publishing Limited	Ordinary	100%	Publishers
Evo Publications Limited	Ordinary	100%	Publishing
The Golden Gate Production Company Limited	Ordinary	100%	Publishers
Three PM Limited	Ordinary	100%	Publishing and service activities
First Post Newsgroup Limited	Ordinary	100%	Publishers
Dovetail Services (UK) Limited	Ordinary	50%	Subscription fulfilment
Pouncer Media Limited	Ordinary	38%	Internet business
Contentment Limited	Preference	20%	Software Publisher
Dennis Interactive Inc.	Ordinary	100%	Publishers

Apart from Dennis Publishing Limited, these are all held via subsidiary undertakings. All of the above companies are incorporated in England and Wales with the exception of Dennis Interactive Inc. which is incorporated in the U.S.A.

13. FIXED ASSET INVESTMENTS (continued)

(c) On 8th April 2005 the Group entered into a joint venture with BBC Worldwide Limited acquiring a 50% interest in the ordinary share capital of Dovetail Services Holdings (UK) Limited, the principal activity of which is magazine subscription fulfilment. On 1st November 2011 BBC Worldwide Limited sold their 50% share to Immediate Media Company London Limited.

On 31st January 2007 a 50% interest in the ordinary share capital of Seymour Distribution Limited was acquired by the Group, the principal activity of which is magazine distribution. On 31st July 2013 the Group exited the joint venture, disposing of its 50% interest in the ordinary share capital of Seymour Distribution Limited.

i) Details of the Group's share of operating profit and losses attributable to the joint ventures are disclosed on the face of the profit and loss account. This is broken down in more detail below:

	Dovetail	Seymour	Total
	£'000	**£'000**	**£'000**
Share of JV turnover	4,725	655	5,380
Share of JV cost of sales	(4,636)	(665)	(5,301)
Share of JV operating profit/(loss) for the year before interest, tax and dividends	89	(10)	79
Less:			
Amortisation	(119)	(54)	(173)
Share of operating profit/(loss) of Joint Ventures in 2013	**(30)**	**(64)**	**(94)**
Share of operating profit/(loss) of Joint Ventures in 2012	12	(46)	(34)

All of the above are held by subsidiary undertakings.

13. FIXED ASSET INVESTMENTS (continued)

ii) The Group's share of the Dovetail Services (UK) Limited (Dovetail) and Seymour Distribution Limited (Seymour) assets and liabilities at 31st December 2013 was as follows:

	Dovetail £'000	Seymour £'000	Total £'000
Assets			
Fixed Assets	1,294	-	1,294
Current Assets	1,085	-	1,085
Total share of group assets	2,379	-	2,379
Liabilities			
Liabilities due within one year	1,217	-	1,217
Liabilities due after one year or more	1,135	-	1,135
Total share of gross liabilities	2,352	-	2,352
Goodwill			
Arising on acquisition	1,184	1,642	2,826
Less: Amortisation since acquisition	(947)	(1,642)	(2,589)
	237	-	237
Investment in Joint Venture at 31st December 2013	**264**	-	**264**
Investment in Joint Venture at 31st December 2012	*339*	*226*	*565*

All of the above are held by subsidiary undertakings.

13. FIXED ASSET INVESTMENTS (continued)

iii) The amount at which the Dovetail Services (UK) Limited and Seymour Distribution Limited joint venture are stated in the Group balance sheet is as follows:

	Dovetail £'000	Seymour £'000	Total £'000
Cost			
At 1st January 2013	1,184	1,820	3,004
Disposal of investment	-	(1,820)	(1,820)
At 31st December 2013	1,184	-	1,184
Amortisation			
At 1st January 2013	828	1,588	2,416
Charge for the year	119	54	173
Disposal of investment	-	(1,642)	(1,642)
At 31st December 2013	947	-	947
Share of post acquisition profits/(losses)			
At 1st January 2013	(17)	(6)	(23)
Share of profits/(losses) after taxation*	44	6	50
At 31st December 2013	27	-	27
Net Book Value at 31st December 2013	**264**	**-**	**264**
Net Book Value at 31st December 2012	*339*	*226*	*565*

All of the above are held by subsidiary undertakings.
*The group's share of the joint ventures profits/(losses) after taxation is broken down as follows:

	Dovetail £'000	Seymour £'000	Total £'000
Share of Joint Venture profits/(losses)	89	(10)	79
Tax	(14)	(7)	(21)
Interest receivable/(payable)	(31)	42	11
Dividends	-	(19)	(19)
Share of post acquisition profits/(losses) in 2013	**44**	**6**	**50**
Share of post acquisition profits/(losses) in 2012	*40*	*(42)*	*(2)*

13. FIXED ASSET INVESTMENTS (continued)

(d) On 20th August 2012 and 4th December 2012 the Group acquired shares in Pouncer Media Limited, giving them a 30% interest in its ordinary share capital, the principal activity of which is web based.
On 8th May 2013 and 23rd July 2013 the Group acquired further shares in Pouncer Media Limited, giving them a total interest in its ordinary share capital of 38.14% as at 31st December 2013.

On 18th February 2013 the Group acquired shares in Contentment Limited, giving them a 20% interest in its ordinary share capital, the principal activity of which is software development.

i) Details of the Group's share of operating profit and losses attributable to the Associates are disclosed on the face of the profit and loss account. This is broken down in more detail below:

	Pouncer Media Limited £'000	Contentment Limited £'000	Total £'000
Share of Associate operating profit/(loss) for the year before interest, tax and dividends	(263)	(124)	(387)
Less:			
Amortisation	(140)	(48)	(188)
Share of operating profit/(loss) of Associate in 2013	**(403)**	**(172)**	**(575)**
Share of operating profit/(loss) of Associate in 2012	(72)	-	(72)

ii) The Group's share of Pouncer Media Limited's and Contentment Limited's assets and liabilities at 31st December 2013 was as follows:

	Pouncer Media Limited £'000	Contentment Limited £'000	Total £'000
Assets			
Fixed Assets	44	5	49
Current Assets	72	17	89
Total share of Group assets	116	22	138
Liabilities			
Liabilities due within one year	13	18	31
Liabilities due after one year or more	-	72	72
Total share of gross liabilities	13	90	103
Goodwill			
Arising on acquisition	659	285	944
Less: Amortisation since acquisition	(158)	(48)	(206)
	501	237	738
Investment in Associate at 31st December 2013	**604**	**169**	**773**
Investment in Associate at 31st December 2012	588	-	588

All of the above are held by subsidiary undertakings.

13. FIXED ASSET INVESTMENTS (continued)

iii) The amount at which Pouncer Media Limited and Contentment Limited is stated in the Group balance sheet is as follows:

	Pouncer Media Limited £'000	Contentment Limited £'000	Total £'000
Cost			
At 1st January 2013	660	-	660
Additions	400	341	741
At 31st December 2013	1,060	341	1,401
Amortisation			
At 1st January 2013	18	-	18
Charge for the year	140	48	188
At 31st December 2013	158	48	206
Share of post acquisition profits/(losses)			
At 1st January 2013	(54)	-	(54)
Share of profits/(losses) after taxation	(244)	(124)	(368)
At 31st December 2013	(298)	(124)	(422)
Net Book Value			
At 31st December 2013	**604**	**169**	**773**
At 31st December 2012	588	-	588

All of the above are held by subsidiary undertakings.

The group's share of the associates profits/(losses) after taxation is broken down as follows:

	Pouncer Media Limited £'000	Contentment Limited £'000	Total £'000
Share of associate profits/(losses)	(263)	(124)	(387)
Tax	19	-	19
Share of post acquisition profits/(losses) in 2013	**(244)**	**(124)**	**(368)**
Share of post acquisition profits/(losses) in 2012	(54)	-	(54)

14. DEBTORS

	Group	
	2013	**2012**
Amounts due within one year:	**£'000**	**£'000**
Trade debtors	5,583	5,231
Other debtors	987	1,154
Prepayments and accrued income	5,497	5,645
	12,067	12,030
Amounts due after more than one year:		
Other debtors	650	650
	650	650

15. CREDITORS: amounts falling due within one year

	Group	
	2013	**2012**
	£'000	**£'000**
Bank loans and overdrafts	1,547	1,746
Trade creditors	3,639	4,031
Corporation tax	1,511	849
Other taxes and social security costs	675	680
Other creditors*	1,332	3,422
Accruals and deferred income	16,573	14,078
	25,277	24,806

*includes a loan received from Seymour Distribution Limited (see note 29).

16. CREDITORS: amounts falling due after more than one year

	Group	
	2013	**2012**
	£'000	**£'000**
Bank loans and overdrafts	-	1,547
Other creditors*	2,240	240
Accruals and deferred income	247	253
	2,487	2,040

*includes a loan received from Seymour Distribution Limited (see note 29).

17. BORROWINGS

	Group 2013 £'000	Group 2012 £'000
Bank loans and overdrafts	1,547	3,293
Analysis of repayments:		
Within one year	1,547	1,746
In one to two years	-	1,547
In three to five years	-	-
	1,547	3,293

Security on these loans is detailed in note 27.

18. PROVISIONS FOR LIABILITIES

STAFF SABBATICAL PROVISION

	Group £'000
At 1st January 2013	134
Utilised during the year	(134)
Adjustment to provision	145
At 31st December 2013	145

All employees, whose employment with the Company commenced before 1st January 2008, are entitled to paid sabbatical leave after every five years of full service. Employees who started after 1st January 2008 are entitled to one sabbatical after the first five years full service. This provision reflects the amount likely to be paid to employees becoming eligible for the scheme in the foreseeable future. The exact amount to be paid is reliant upon employees meeting the criteria of five years service.

19. SHARE CAPITAL

	Group 2013 £'000	Group 2012 £'000
Alloted, called up and fully paid		
600,000 Ordinary Shares of £1 each	600	600
	600	600

20. RESERVES

(a) GROUP

	Profit and loss account £'000	Share premium £'000	Other reserves £'000	Total £'000
At 1 January 2013	5,557	5,850	1,673	13,080
Net exchange adjustments	10	-	-	10
Profit for the year	2,515	-	-	2,515
Dividends payable	(2,000)	-	-	(2,000)
At 31 December 2013	6,082	5,850	1,673	13,605

(b) COMPANY

	Profit and loss account £'000	Share premium £'000	Revaluation reserve £'000	Total £'000
At 1 January 2013	-	-	-	-
Profit for the year	2,000	-	-	2,000
Dividends payable	(2,000)	-	-	(2,000)
At 31 December 2013	-	-	-	-

21. PROFIT AND LOSS ACCOUNT

In accordance with the exemption allowed by Section 408 of the Companies Act 2006 the Company has not presented its own profit and loss account. The profit after tax for the year, dealt with in the financial statements of the Company was £2,000,000 (2012 £1,000,000).

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Opening shareholders' funds	13,680	17,242	600	600
Profit/(loss) for the year	2,515	(2,580)	-	(6,097)
Dividends received	-	-	2,000	7,097
Dividends paid	(2,000)	(1,000)	(2,000)	(1,000)
Other recognised gains and (losses) relating to the year (shown in STRGL)	10	18	-	-
Closing shareholders' funds	14,205	13,680	600	600

23. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2013 £'000	2012 £'000
Operating profit	5,662	(1,202)
Depreciation and amortisation charges	4,059	3,104
Loss on disposal of tangible fixed assets	-	15
(Increase)/Decrease in debtors	(275)	7,192
Increase/(Decrease) in creditors	1,272	(2,329)
Increase/(Decrease) in provisions	1,494	(16)
Net cash flow from operating activities	12,212	6,764

Net cash inflow from operating activities comprises

	2013 £'000	2012 £'000
Continuing operating activities	12,392	7,104
Discontinued operating activities	(180)	(340)
	12,212	6,764

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

Returns on investment and servicing of finance

	2013 £'000	2012 £'000
Interest received	17	15
Interest paid	(199)	(250)
Dividends paid to minority shareholders	(17)	(22)
Net cash flow from operating activities	(199)	(257)

Taxation

	2013 £'000	2012 £'000
UK Corporation Tax paid	(1,800)	(1,606)

Capital expenditure

	2013 £'000	2012 £'000
Payments to acquire tangible fixed assets	(872)	(1,027)

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT (continued)

Acquisitions and disposals

	2013 £'000	2012 £'000
Purchases of subsidiary undertakings	(3,239)	(777)
Cash received from businesses sold	238	850
Sale of interest in a joint venture	(34)	-
Purchase of interest in an associate	(691)	(459)
	(3,726)	(386)

Financing

	2013 £'000	2012 £'000
Repayment of short term bank borrowings	(1,746)	(1,046)
Repayment of other short term borrowings	-	-
Repayment/(issue) of loan from/to related party	209	(481)
	(1,537)	(1,527)

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1st January 2013 £'000	Cash flow £'000	Non cash Changes £'000	At 31st December 2013 £'000
Cash in hand, at bank	5,514	1,097	-	6,611
Debt due after one year	(1,547)	-	(453)	(2,000)
Debt due within one year	(1,746)	1,746	(2,547)	(2,547)
Loan received from related party	(3,000)	-	3,000	-
(Repayment)/issue of loan from/to related party	249	(209)	-	40
	(6,044)	1,537	-	(4,507)
Total	(530)	2,634	-	2,104

26. OTHER FINANCIAL COMMITMENTS

At the year end the Group had annual commitments under non-cancellable operating leases relating to land and buildings as set out below:-

	Group	
	2013	2012
	£'000	£'000
Operating leases which expire:		
Within one year	72	-
Between two and five years	1,279	1,277
After more than five years	-	123
	1,351	1,400

27. CONTINGENT LIABILITIES

Certain Group bank borrowings are secured by way of fixed and floating charges over certain of the Company's assets.

The bank has a legal charge over the trademark to certain magazines of the Company which were licensed by Mr. Felix Dennis during the year ended 31 December 2013.

Mr. Felix Dennis had also provided a personal guarantee to secure the Company's long term bank borrowings.

The maximum amount of indebtedness at 31 December 2013 was £1,546,334 (2012 £3,292,656).

These charges were satisfied in March 2014.

28. TRANSACTIONS WITH DIRECTORS

At the balance sheet date, Mr. Felix Dennis, the chairman and controlling shareholder of the parent Company and Group, owned the copyright to certain of the Company's magazines and licensed the publication rights of these to the Group. In accordance with a Licence Agreement between certain Group companies and Mr. Felix Dennis, royalties amounting to £3,530,643 (2012 £3,158,547) were paid to Mr. Felix Dennis by the Group in respect of the year ended 31st December 2013.

Upon Mr Dennis' death, these rights are now under the control of The Executors of the Felix Dennis Estate. Mr I. G. H. Leggett is an Executor of the Felix Dennis Estate.

Unsecured interest free loans of £347,000, repayable on 31st December 2015, were made to certain directors of group companies in 2011. No repayments were made during this year.

In the year, a dividend of £2m (2012: £1m) was declared to the chairman and controlling shareholder of the ultimate parent company and Group, Mr Felix Dennis.

29. RELATED PARTIES

During the year the Group entered into transactions, at arm's length prices, with the following companies in which it has or had a material interest as shareholder: Seymour Distribution Limited, Dovetail Services (UK) Limited, Pouncer Media Limited and Contentment Limited.

During the year the Group made copy sales totalling £12,265,021 (2012: £12,036,106) to Seymour Distribution Limited and were charged £885,939 (2012: £954,040) for delivery and promotion costs.

Included within short and long term creditors is a loan provided to Dennis Publishing Limited by Seymour Distribution Limited of £3,000,000 (2012: £3,000,000). Interest of £122,110 (2012: £122,447) was paid on this loan in the year.

On 31st July 2013 the Company exited the Joint Venture with Seymour Distribution Limited disposing of the 50% interest in the ordinary share capital of Seymour Distribution Limited.

Subscription bureau and other subscription cost charges of £1,191,198 (2012: £1,234,305) were made by Dovetail Services (UK) Limited to the Group.

In October 2012, Dennis Publishing Pty Limited, a company which was 100% owned by Mr. Felix Dennis was placed into administration by its Directors. At the time Dennis Publishing (UK) Limited held a loan of £6,096,823, the full value of which was written off. This is shown as an exceptional operating expense on page 9.

The company made a £125,000 (2012: £115,000) donation to the 'Heart of England Forest' charity. Mr I.G.H. Leggett acts as a trustee for this charity, as did Mr Dennis until his death.

The total amounts due from and owed to related parties by the Group at 31st December 2013 were as follows: -

	2013 £'000	2012 £'000
Included within other debtors:		
Dovetail Services (UK) Limited	650	650
The Week Publications Inc.*	40	249
Included within other creditors:		
First Post Newsgroup IPR Limited	35	35
Pouncer Media Limited	129	-
Included within trade creditors:		
Dovetail Services (UK) Limited	69	115

* A company 100% owned by the Executors of the Felix Dennis Estate.

During the period Dennis Publishing Limited recharged expenditure of £132,263 (2012: £135,290) to Evo Publications Limited.

29. RELATED PARTIES (continued)

Evo Publications Limited paid dividends of £311,362 (2012: £425,248) to Dennis Publishing Limited in the year.

On 18th December 2013 the Group acquired the remaining 5% interest in the ordinary share capital of Evo Publications Limited (see note 11).

30. MINORITY INTERESTS

	2013 £'000	2012 £'000
At 1st January 2013	29	34
Share of profit on ordinary activities after taxation	-	17
Dividends paid	(17)	(22)
Reduction of minority interest on acquisition of shares	(12)	-
At 31st December 2013	-	29

31. POST BALANCE SHEET EVENTS

The Group's Chairman and controlling shareholder, Felix Dennis sadly died on 22nd June 2014. Staff, creditors, customers and advisors have all expressed extreme sadness at his passing. Following his death, the shareholding in the Group is under the control of the Executors of the Felix Dennis Estate. The ownership of this shareholding will be transferred to the "Heart of England Forest" charity after the grant of probate to the Estate. The Directors are very confident that the Group is well placed to continue to prosper in the future, with the overall aim of generating funds for the charity.

32. CONTROLLING PARTY

The ultimate controlling party was Mr. Felix Dennis until his death on 22nd June 2014, from which point the control rests with The Executors of the Felix Dennis Estate.