

Bauer Consumer Media (Holdings) Limited

Financial Statements

For the year ended 31 December 2010

Company Registered No. 4327348

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Bauer Consumer Media (Holdings) Limited
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For the year ended 31 December 2010

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Bauer Consumer Media (Holdings) Limited
Directors, officers and auditor

Directors	D Goodchild G Beddard
Company Secretary	Bauer Group Secretariat Limited
Registered Office	1 Lincoln Court Lincoln Road Peterborough PE1 2RF
Company Number	4327348
Auditor	Grant Thornton UK LLP Registered Auditor Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

Bauer Consumer Media (Holdings) Limited

Directors' Report

For the year ended 31 December 2010

The directors submit their report and the accounts for the year ended 31 December 2010

Results and dividends

The profit for the year after taxation amounted to £224,113,000 (2009 £742,000). An interim dividend was paid during the year of £230,000,000 (2009 £nil). The directors do not recommend the payment of a final dividend (2009 £nil).

Principal activity, review of the business and future developments

The Company's principal activity is, and it is intended that it will continue to be, that of an investment holding company.

Post balance sheet events

On 1 April 2011, the Company brought its company secretariat in house, and changed its registered office to 1 Lincoln Court, Lincoln Road, Peterborough PE1 2RF.

Principal risks and uncertainties

The Company is a non-trading investment holding undertaking and its key business risk is the performance of its fixed asset investment, Bauer Consumer Media Limited, which along with similar businesses in the advertising sector is exposed to the possibility of a downturn in advertising revenue as part of the wider economic downturn.

Key performance indicators ("KPIs")

Given the principal activity of the business is to operate as a non-trading investment company, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or the position of the business.

Directors

The current directors are shown on page 1. The directors who served during the year were:

D Goodchild
G Beddard

Insurance of directors

Directors' and Officers' liability insurance has been maintained by the Company for the year.

Employees

The Directors attach great importance to keeping staff fully informed of the Company's financial progress to involve them as much as possible in the activities of the Company. Consultations take place regularly with the results being disseminated through the Group's intranet. Periodic surveys seeking staff views on communications and benefits are conducted.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

Bauer Consumer Media (Holdings) Limited

Directors' Report

For the year ended 31 December 2010

Statement of directors' responsibilities (continued)

In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are 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

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

Auditors

BDO LLP resigned as auditors of the Company during the year and Grant Thornton UK LLP, were appointed as auditors by the directors to fill a vacancy in accordance with section 485 of the Companies Act 2006.

Grant Thornton UK LLP, have indicated their willingness to continue in office. The Company has elected under section 487 of the Companies Act 2006 not to re-appoint auditors annually. Therefore the auditors, Grant Thornton UK LLP, are deemed to be re-appointed for the next financial year.

Approved by the board of directors on **30** June, 2011



G Beddard
Director

Bauer Consumer Media (Holdings) Limited
Independent Auditor's Report
For the year ended 31 December 2010

Independent auditor's report to the members of Bauer Consumer Media (Holdings) Limited

We have audited the financial statements of Bauer Consumer Media (Holdings) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet 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 auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

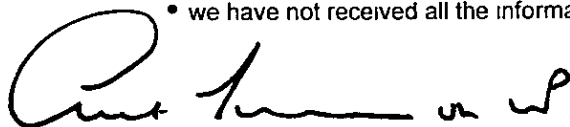
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark Henshaw
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

30 June 2011

Bauer Consumer Media (Holdings) Limited
Profit and Loss Account
For the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Administrative expenses		(121)	-
Operating loss	2	(121)	-
Income from shares in group undertakings		224,000	-
Interest receivable and similar income		277	1,030
Profit on ordinary activities before taxation		224,156	1,030
Tax on profit on ordinary activities	3	(43)	(288)
Profit for the year	10	224,113	742

All activities relate to continuing operations

The Company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the reported profits and historical cost profits on ordinary activities before taxation for both years being reported

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

Bauer Consumer Media (Holdings) Limited
Balance Sheet
At 31 December 2010
Company Registered No. 4327348

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments	5	836,000	836,000
Current assets			
Debtors	6	60,672	66,519
Cash at bank and in hand		3	-
		<u>60,675</u>	<u>66,519</u>
Creditors amounts falling due within one year	7	(43)	-
		<u>60,632</u>	<u>66,519</u>
Net current assets			
		<u>60,632</u>	<u>66,519</u>
Net assets		<u>896,632</u>	<u>902,519</u>
Capital and reserves			
Called up share capital	8	388,245	388,245
Share premium account	9	507,220	507,220
Profit and loss account	9	1,167	7,054
		<u>896,632</u>	<u>902,519</u>
Shareholders' funds	10	<u>896,632</u>	<u>902,519</u>

The financial statements were approved by the Board of Directors and authorised for issue on June, 2011



G Beddard
Director

The notes on pages 7 to 11 form part of these accounts

Bauer Consumer Media (Holdings) Limited

Notes to the Accounts

For the year ended 31 December 2010

1 Accounting policies

Accounting convention

These accounts have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The directors, in accordance with the Financial Reporting Standard 18, "Accounting Policies" ("FRS 18"), confirm that the accounting policies used by the Company are the most appropriate, consistently applied and adequately disclosed. A summary of the more important accounting policies is set out below.

Consolidation

As the Company is a wholly owned subsidiary of Heinrich Bauer Verlag Beteiligungs GmbH, a company registered in Germany, advantage has been taken of s400 of the Companies Act 2006 not to prepare group accounts. Bauer Consumer Media (Holdings) Limited is included within the consolidated accounts of Heinrich Bauer Verlag Beteiligungs GmbH, which are publicly available.

Dividends receivable

Dividends receivable are recognised as income in the Profit and Loss account in the period in which they are approved by the shareholders of the investment company. Interim dividends receivable are recorded in the period in which they are paid.

Dividends payable

Dividend distributions to the Company's shareholders are recognised as a liability either in the period in which the dividends are approved by the Company's shareholders or, in the case of interim dividends when the dividend is paid.

Fixed asset investments

Investments in Group undertakings are stated at cost less provision for permanent diminution in value.

The Company's principal activity is that of an investment holding company and therefore the income from the fixed asset investment is treated as operating income.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 have occurred at the balance sheet date.

A net deferred tax asset is recognised 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 an undiscounted basis.

Bauer Consumer Media (Holdings) Limited

Notes to the Accounts

For the year ended 31 December 2010

1 Accounting policies (continued)

Cash flow statement and related party transactions

The Company is a wholly owned subsidiary of Heinrich Bauer Verlag Beteiligungs GmbH and is included in the consolidated financial statements of Heinrich Bauer Verlag Beteiligungs GmbH, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 "Cash Flow Statements" (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Transactions" from disclosing related party transactions with entities that are part of the Heinrich Bauer Verlag Beteiligungs GmbH group as it is a wholly owned subsidiary and included within the consolidated accounts of Heinrich Bauer Verlag Beteiligungs GmbH, which are publicly available.

2 Operating loss

Fees for the audit of the Company were borne by Bauer Consumer Media Limited. These fees have not been recharged.

There were no fees paid to the Company's auditor, Grant Thornton UK LLP, for any non audit services to the Company (2009: BDO LLP: £nil).

The Company employed no staff during the year other than the directors (2009: nil). None of the directors received any payment for their services as directors of the Company (2009: £nil).

3 Tax on profit on ordinary activities

	2010 £'000	2009 £'000
UK corporation tax on profit for the year at 28%	(43)	(288)
Corporation tax charge	(43)	(288)

The tax assessed for the year is lower (2009: equal) than the standard rate of corporation tax in the UK.

	2010 £'000	2009 £'000
Profit before tax	224,156	1,030
Tax charge at 28%	(62,764)	(288)
Non-taxable income	62,721	-
Current tax charge for the year	(43)	(288)

4 Dividends

	2010 £'000	2009 £'000
Interim dividend of 59.24p per ordinary share of £1 each and preference share of £1 each (2009: £nil)	230,000	-

Bauer Consumer Media (Holdings) Limited
Notes to the Accounts
For the year ended 31 December 2010

5 Fixed asset investments

Subsidiaries
£'000

At 1 January and 31 December 2010

836,000

Fixed asset investments represent the Company's 100% holding in the ordinary share capital of Bauer Consumer Media Limited, a Company registered in England and Wales. There is no difference between cost and net book value.

6 Debtors

2010 **2009**
£'000 **£'000**

Amounts owed by other Group undertakings

60,672 **66,519**

Amounts owed by other Group undertakings are unsecured, bore interest between SONIA rate and 0.44% for the year (2009 between SONIA RATE and 1.54%) and have no fixed date of repayment.

7 Creditors - amounts falling due within one year

2010 **2009**
£'000 **£'000**

Corporation tax

43 **-**

Bauer Consumer Media (Holdings) Limited
Notes to the Accounts
For the year ended 31 December 2010

8 Called up share capital - equity

The Company's share capital comprised

	2010 £'000	2009 £'000
Allotted, issued and fully paid		
9,999 Ordinary shares of £1 each	10	10
388,235,294 Preference shares of £1 each	388,235	388,235
	<hr/>	<hr/>
	388,245	388,245
	<hr/>	<hr/>

Preference shares rank *pari passu* with the ordinary shares in the capital of the Company on any distribution of income

On a return of capital on winding-up or capital reduction the holders of the preference shares shall be entitled in priority to any other holders to repayment of £1 per preference share. There are no further rights of participation in the profits or assets of the Company and preference share holders have no rights to receive notice of, attend, speak or vote at any general meeting of the Company, except where the resolution proposed is one abrogating, varying or modifying any of the rights or privileges of the holders of the preference shares. They then only have rights in respect of that particular resolution.

9 Reserves

	Share Premium £'000	Profit & Loss account £'000
At 1 January 2010	507,220	7,054
Retained loss for the financial year (note 10)	-	(5,887)
	<hr/>	<hr/>
At 31 December 2010	507,220	1,167
	<hr/>	<hr/>

Bauer Consumer Media (Holdings) Limited
Notes to the Accounts
For the year ended 31 December 2010

10 Reconciliation of movement on shareholders' funds

	2010 £'000	2009 £'000
Profit for the year	224,113	742
Dividends	(230,000)	-
Retained (loss)/profit for the financial year	(5,887)	742
Opening shareholders' funds	902,519	901,777
Closing shareholders' funds	896,632	902,519

11 Ultimate controlling parties and related party transactions

The immediate parent company is Bauer UK Magazine GmbH

The only parent undertaking for which Group accounts are drawn up is Heinrich Bauer Verlag Beteiligungs GmbH, a company registered in Germany. Copies of Heinrich Bauer Verlag Beteiligungs GmbH accounts are publicly available.

Heinrich Bauer Verlag KG, established in Germany, is regarded by the directors as the Company's ultimate controlling party as it is the controlling party of Heinrich Bauer Verlag Beteiligungs GmbH.

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with wholly owned group undertakings.

12 Post balance sheet events

On 1 April 2011, the Company brought its company secretariat in house, and changed its registered office to 1 Lincoln Court, Lincoln Road, Peterborough PE1 2RF.