

Registered number 1176085

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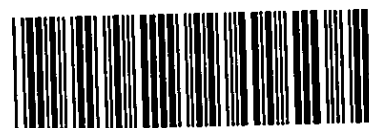
## BAUER CONSUMER MEDIA LIMITED

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Directors' Report and Financial Statements

For the Year Ended 31 December 2011

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**BAUER CONSUMER MEDIA LIMITED**

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**Company Information**

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<b>Directors</b>	P Keenan D P Goodchild G M Beddard G C White
<b>Company secretary</b>	Bauer Group Secretariat Limited
<b>Company number</b>	1176085
<b>Registered office</b>	1 Lincoln Court Lincoln Road Peterborough PE1 2RF
<b>Auditor</b>	Grant Thornton UK LLP Registered Auditor & Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

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**BAUER CONSUMER MEDIA LIMITED**

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**Contents**

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	Page
<b>Directors' Report</b>	<b>1 - 4</b>
<b>Independent Auditor's Report</b>	<b>5</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8 - 21</b>

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## **BAUER CONSUMER MEDIA LIMITED**

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### **Directors' Report For the Year Ended 31 December 2011**

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The directors present their report and the financial statements for the year ended 31 December 2011

#### **Principal activities**

Bauer Consumer Media Limited ("the Company") is a multimedia business organised through a number of fellow subsidiaries who act as agents for the Company

#### **Business review**

Operating profits during the year of £50,549,000 (2010 £52,693,000) delivered an operating margin of 22.2% (2010 21.4%)

The company's portfolio of influential media brands includes many of the best known magazines, websites and events in the UK, which deliver excellent content to our audiences whenever, however and wherever they want

This provides an excellent platform for customers to reach their target audience through effective advertising campaigns

The Company is proud of its reputation as an industry innovator and invested £5.8m (2010 £4.8m) on new product development (including acquisitions) during the year

On 23 November 2011, the Company acquired the entire share capital of Classiccarsforsale Limited, one of the UK's largest classified websites specialising in classic cars. It joins our successful magazines - Classic Car Weekly, Practical Classics and Classic Cars - to form an unparalleled online and print alliance spanning the entire classic car market. Working together as one multi-platform and transactional classic car portfolio will lead to tangible benefits for our business.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £42,087,000 (2010 - £48,805,000)

No interim dividend (2010 £224,000,000) was paid during the year. The Directors do not recommend the payment of a final dividend (2010 £nil).

#### **Directors**

The directors who served during the year were

P Keenan  
D P Goodchild  
G M Beddard  
G C White

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## BAUER CONSUMER MEDIA LIMITED

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### Directors' Report For the Year Ended 31 December 2011

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#### Principal risks and uncertainties

##### Advertising

The Company, along with other businesses in the advertising sector, is exposed to fluctuation in advertising media spend

##### Credit risk

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by obtaining prepayments from new customers, and running credit checks on existing customers. Liquidity and cashflow risks are managed through support from the Company's parent

##### Other

Other key risks include a loss of key personnel and increased competition in the marketplace

#### Key performance indicators ("KPIs")

The Company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial. Key financial performance indicators are turnover and operating profit on continuing operations. The key non-financial performance indicators include the number of staff employed (note 6) by the Company, newsstand and subscription copy sales, as published by the Audit Bureau of Circulation on a six monthly or annual basis.

The key financial performance indicators are set out below

	2011 £'000	2010 £'000
Turnover	228,057	245,776
Operating profit	50,549	52,693

#### Future developments

The external commercial environment remains competitive in 2012 and beyond in all sectors. Future emphasis will continue on investing in existing products, developing new products and migrating existing brands across other platforms. The directors believe that with our strong brands the business is well positioned to face the fast-changing and challenging media environment of 2012 and beyond.

#### Company's policy for payment of creditors

The Company recognises the benefits to be derived from maintaining good relationships with its suppliers. It is the Company policy that payment is made on time, provided suppliers perform in accordance with agreed terms. Trade creditors at the year end represented 11 days (2010: 12 days) of purchases.

#### Employee involvement

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. Information is communicated through Bauer's Intranet - Planetbauer - and periodic discussions take place to keep people informed and seek out their ideas and opinions.

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## **BAUER CONSUMER MEDIA LIMITED**

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### **Directors' Report For the Year Ended 31 December 2011**

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#### **Disabled employees**

Disabled employees are given the same consideration as others and, depending on their skills and abilities, will enjoy the same training, development and prospects as other staff. Employees who become disabled during their employment with the Company will be retained wherever possible and encouraged to develop their careers.

#### **Directors' responsibilities statement**

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. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

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.

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 and other information included in Directors' Reports may differ from legislation in other jurisdictions.

#### **Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

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**BAUER CONSUMER MEDIA LIMITED**

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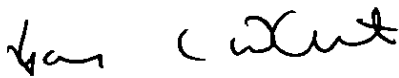
**Directors' Report  
For the Year Ended 31 December 2011**

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**Auditor**

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

This report was approved by the board on 12 July 2012 and signed on its behalf



**G C White**  
Director

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## BAUER CONSUMER MEDIA LIMITED

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### Independent Auditor's Report to the Members of Bauer Consumer Media Limited

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We have audited the financial statements of Bauer Consumer Media Limited for the year ended 31 December 2011, 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matter prescribed by the Companies Act 2006

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

#### 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

Date 12 July 2012



**BAUER CONSUMER MEDIA LIMITED**

**Profit and Loss Account  
For the Year Ended 31 December 2011**

	Note	2011 £000	2010 £000
<b>Turnover</b>	1,2	<b>228,057</b>	245,776
<b>Cost of sales</b>		<b>(89,769)</b>	(95,384)
<b>Gross profit</b>		<b>138,288</b>	150,392
Distribution costs		(13,587)	(13,841)
Administrative expenses		(80,311)	(90,094)
Other operating income	3	6,159	6,236
<b>Operating profit</b>	4	<b>50,549</b>	52,693
Income from shares in group undertakings		-	5,000
Income from other participating interests		2,250	3,625
Profit on disposal of business		4,271	-
Interest receivable and similar income		566	2,283
Interest payable and similar charges	8	(303)	(254)
<b>Profit on ordinary activities before taxation</b>		<b>57,333</b>	63,347
Tax on profit on ordinary activities	9	(15,246)	(14,542)
<b>Profit for the financial year</b>		<b>42,087</b>	48,805

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and Loss Account

The notes on pages 8 to 21 form part of these financial statements

**BAUER CONSUMER MEDIA LIMITED**  
Registered number 1176085

**Balance Sheet**  
**As at 31 December 2011**

	Note	£000	2011 £000	£000	2010 £000
<b>Fixed assets</b>					
Intangible assets	10		4,739		7,023
Tangible assets	11		1,202		1,906
Investments	12		16,946		14,933
			<u>22,887</u>		<u>23,862</u>
<b>Current assets</b>					
Stocks	13	1,830		2,471	
Debtors	14	23,195		20,824	
Investments	15	57,951		34,273	
Cash at bank		51,727		24,955	
		<u>134,703</u>		<u>82,523</u>	
<b>Creditors</b> amounts falling due within one year	16	(83,835)		(74,766)	
<b>Net current assets</b>			<u>50,868</u>		<u>7,757</u>
<b>Total assets less current liabilities</b>			<u>73,755</u>		<u>31,619</u>
<b>Creditors:</b> amounts falling due after more than one year	17		(48)		-
<b>Provisions for liabilities</b>					
Other provisions	19		(1,003)		(1,002)
<b>Net assets</b>			<u>72,704</u>		<u>30,617</u>
<b>Capital and reserves</b>					
Called up share capital	20		400		400
Profit and loss account	21		72,304		30,217
<b>Shareholders' funds</b>	22		<u>72,704</u>		<u>30,617</u>

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

12 July 2012

*G C White*

**G C White**  
Director

The notes on pages 8 to 21 form part of these financial statements

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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2011

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#### 1 Accounting Policies

##### 1.1 Basis of preparation of financial statements

These financial statements 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.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

##### 1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or for services provided, at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration.

Magazine news stand circulation and advertising revenue are recognised according to the on-sale date of the publication. A provision is deducted from circulation revenue for expected returns, which is adjusted for actual returns when this is known. Pre-paid subscription revenues are shown as deferred income and released to the income statement over the life of the subscription.

Event income is recognised when the event has taken place.

##### 1.4 Intangible fixed assets and amortisation

Publishing rights, titles and exhibitions are capitalised and amortised through the profit and loss account over their estimated useful economic lives - based on the nature, age and stability of the industry in which the business operates and viewed by the directors as not exceeding 20 years. The net book amounts of intangible fixed assets are reviewed by the directors at the end of the first full financial year after acquisition if there is any event or change in circumstances that indicates that the carrying value may have declined.

Impairment is measured by comparing the carrying value of the asset with the higher of the net realisable value and the value in use. The value in use is measured with reference to discounted cash flows based on future revenue and the Company's weighted average cost of capital. Any impairment charges are recognised in the profit and loss account for the period in which they arise, unless they relate to previously revalued assets.

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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2011

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#### **1 Accounting Policies (continued)**

##### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short Term Leasehold Property	-	Over the period of the lease
Office equipment and vehicles	-	3 to 5 years

##### **1.6 Investments**

Investments in subsidiary, associate and joint venture undertakings are included in the balance sheet at cost. Their value is reviewed annually by the directors and provision is made, where appropriate, for any permanent diminution in value.

##### **1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### **1.8 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

##### **1.9 Other operating income**

Income from royalties and licensing magazine brands to third party publishers is recognised on an accruals basis.

##### **1.10 Dividend 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.

##### **1.11 Dividend 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.

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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2011

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#### 1 Accounting Policies (continued)

##### 1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### 1.13 Pensions

The Bauer Media Group, of which the Company is a subsidiary, operates a defined contribution pension scheme provided by Scottish Widows known as Bauer Consumer Media Pension scheme for all eligible staff across the Group. The costs of this pension scheme are charged to the profit and loss account as they become payable

#### 2 Turnover

The directors are of the opinion that disclosing the Company's turnover by activity is not in the best interests of the Company

A geographical analysis of turnover is as follows

	2011 £000	2010 £000
United Kingdom	212,969	229,837
Rest of world	15,088	15,939
	<u>228,057</u>	<u>245,776</u>

An analysis of profit on ordinary activities before taxation is given below

	2011 £000	2010 £000
United Kingdom	53,068	59,212
Rest of the World	4,265	4,135
Total	<u>57,333</u>	<u>63,347</u>

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

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An analysis of net assets is given below

	<b>2011 £000</b>	<b>2010 £000</b>
United Kingdom	<b>72,704</b>	<b>30,617</b>

**3. Other operating income**

	<b>2011 £000</b>	<b>2010 £000</b>
Royalty and licensing income	<b>6,159</b>	<b>6,236</b>

**4. Operating profit**

The operating profit is stated after charging

	<b>2011 £000</b>	<b>2010 £000</b>
Amortisation - intangible fixed assets	<b>2,284</b>	<b>2,307</b>
Depreciation of tangible fixed assets		
- owned by the company	<b>725</b>	<b>813</b>
Operating lease rentals		
- plant and machinery	<b>845</b>	<b>784</b>
- other operating leases	<b>3,761</b>	<b>4,158</b>

Some operating leases refer to car leases and there are no commitments at the period end for future rentals

**5. Auditors' remuneration**

	<b>2011 £000</b>	<b>2010 £000</b>
Fees payable to the Company's auditor for the audit of the Company's and its parent and subsidiaries' annual accounts	<b>92</b>	<b>105</b>
Fees payable to the Company's auditor and its associates in respect of		
Other services relating to taxation	<b>2</b>	<b>6</b>
All other services	<b>7</b>	<b>-</b>

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

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**6 Staff costs**

Staff costs, including directors' remuneration, were as follows

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>3,043</b>	3,083
Social security costs	<b>409</b>	346
Other pension costs	<b>128</b>	157
	<b>3,580</b>	<b>3,586</b>

The average monthly number of employees, including the directors, during the year was as follows

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No</b>
UK full-time employees	<b>72</b>	64

**7. Directors' remuneration**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Emoluments	<b>805</b>	702
Company pension contributions to defined contribution pension schemes	<b>38</b>	89

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £567,000 (2010 - £483,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £18,000 (2010 - £70,000)

**8. Interest payable**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
On loans from group undertakings	<b>303</b>	254

**BAUER CONSUMER MEDIA LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

**9. Taxation**

	<b>2011 £000</b>	<b>2010 £000</b>
<b>Analysis of tax charge in the year</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit for the year	15,270	14,683
Adjustments in respect of prior periods	80	(195)
<b>Total current tax</b>	<b>15,350</b>	<b>14,488</b>
<b>Deferred tax</b>		
Effect of decreased tax rate on opening asset	22	-
Deferred tax - current year	(26)	8
Deferred tax - prior year	(100)	46
<b>Total deferred tax (see note 18)</b>	<b>(104)</b>	<b>54</b>
<b>Tax on profit on ordinary activities</b>	<b>15,246</b>	<b>14,542</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are explained below

	<b>2011 £000</b>	<b>2010 £000</b>
Profit on ordinary activities before tax	57,333	63,347
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	15,193	17,737
<b>Effects of</b>		
Non-tax deductible amortisation of goodwill and impairment	389	439
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	258	318
Depreciation in excess of capital allowances	27	4
Adjustments to tax charge in respect of prior periods	80	(195)
Changes in provisions leading to an increase (decrease) in the tax charge	-	(1,400)
Dividends from UK companies	(597)	(2,415)
<b>Current tax charge for the year (see note above)</b>	<b>15,350</b>	<b>14,488</b>



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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

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**9. Taxation (continued)****Factors that may affect future tax charges**

The standard rate of Corporation Tax in the UK reduced from 28% to 26% with effect from 1 April 2011. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 26.5%.

The March 2011 Budget Announcement proposed that the main rate of corporation tax would be reduced to 26% from 1 April 2011 and 25% from 1 April 2012. As these changes were substantively enacted at the balance sheet date, the deferred tax asset has been restated to reflect the reduced tax rate of 25%. The effect of this in these financial statements is not material.

The March 2012 Budget announcement included a further proposal to reduce the main rate of corporation tax to 24% from 1 April 2012, with further reductions to reduce the rate to 22% by 1 April 2014. As these changes had not been substantively enacted at the balance sheet date no account has been taken of them in these financial statements.

The overall effect of the further changes from 25% to 22% if applied to the deferred tax balance at 31 December 2011 would not be material.

The rate of writing down allowances on the main pool of plant and machinery and on the special rate pool will fall to 18% and 8% respectively with effect from 1 April 2012.

**10. Intangible fixed assets**

	<b>Publishing rights and titles £000</b>
<b>Cost</b>	
At 1 January 2011 and 31 December 2011	<b>22,072</b>
<b>Amortisation</b>	
At 1 January 2011	<b>15,049</b>
Charge for the year	<b>2,284</b>
At 31 December 2011	<b>17,333</b>
<b>Net book value</b>	
At 31 December 2011	<b>4,739</b>
At 31 December 2010	<b>7,023</b>

The directors have considered the carrying value of all intangible fixed assets at 31 December 2011 and no provision for impairment was considered necessary (31 December 2010 £75,000). Valuations have been measured by reference to the greater of net realisable value and value in use.

**BAUER CONSUMER MEDIA LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

**11. Tangible fixed assets**

	Short Term Leasehold Property £000	Office equipment and vehicles £000	Total £000
<b>Cost</b>			
At 1 January 2011	1,231	3,707	4,938
Additions	-	21	21
At 31 December 2011	1,231	3,728	4,959
<b>Depreciation</b>			
At 1 January 2011	839	2,193	3,032
Charge for the year	76	649	725
At 31 December 2011	915	2,842	3,757
<b>Net book value</b>			
At 31 December 2011	316	886	1,202
At 31 December 2010	392	1,514	1,906

**12. Fixed asset investments**

On 23 November 2011 the Company acquired the entire share capital of Classiccarsforsale Limited. Classiccarsforsale Limited is one of the UK's largest classified websites specialising in classic cars.

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2011	23,106
Additions	2,013
At 31 December 2011	25,119
<b>Impairment</b>	
At 1 January 2011 and 31 December 2011	8,173
<b>Net book value</b>	
At 31 December 2011	16,946
At 31 December 2010	14,933

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

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**12 Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Bauer Active Limited	Ordinary	100%
Bauer Automotive Limited	Ordinary	100%
Bauer East Limited	Ordinary	100%
Bauer London Lifestyle Limited	Ordinary	100%
Bauer Esprit Limited	Ordinary	100%
Bauer Pop Limited	Ordinary	100%
Horse Deals Limited	Ordinary	100%
Classiccarsforsale Limited	Ordinary	100%

<b>Name</b>	<b>Business</b>	<b>Registered office</b>
Bauer Active Limited	Agency	England
Bauer Automotive Limited	Agency	England
Bauer East Limited	Agency	England
Bauer London Lifestyle Limited	Agency	England
Bauer Esprit Limited	Agency	England
Bauer Pop Limited	Non-trading	England
Horse Deals Limited	Publishing	England
Classiccarsforsale Limited	Website trading	England

**Joint ventures**

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Box Television Limited	England	Ordinary	50%	Television broadcasting

**Joint ventures**

<b>Name</b>	<b>Aggregate of share capital and reserves £000</b>	<b>Profit/(loss) £000</b>
Box Television Limited	<u>3,993</u>	<u>3,109</u>

The carrying value of the Company's investment is reviewed for impairment when there are indications that the asset may be impaired. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flows from the investments.

In the opinion of the directors the value of investments is not less than the aggregate amount at which they are stated in the balance sheet.

**BAUER CONSUMER MEDIA LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

**13. Stocks**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Raw materials	<b>1,830</b>	1,505
Finished goods and goods for resale	-	966
	<u><b>1,830</b></u>	<u><b>2,471</b></u>

In the opinion of the directors, the replacement value of stocks at 31 December 2011 and at 31 December 2010 are not materially different from their book value at those dates

**14. Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>17,722</b>	15,097
Other debtors	<b>620</b>	620
Prepayments and accrued income	<b>4,456</b>	4,814
Deferred tax asset (see note 18)	<b>397</b>	293
	<u><b>23,195</b></u>	<u><b>20,824</b></u>

**15. Current asset investments**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Listed investments	<b>7,470</b>	-
Unlisted investments	<b>50,481</b>	34,273
	<u><b>57,951</b></u>	<u><b>34,273</b></u>

**Listed investments**

The market value of the listed investments at 31 December 2011 was £7,504,613 (2010: £NIL)

Included in unlisted investments is cash placed on deposit which matured during January 2012 (2010: 14 January 2011)

**BAUER CONSUMER MEDIA LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

**16 Creditors.**  
**Amounts falling due within one year**

	2011 £000	2010 £000
Payments received on account	9,380	10,111
Trade creditors	2,664	3,193
Amounts owed to group undertakings	51,663	35,804
Corporation tax	1,469	4,211
Social security and other taxes	1,390	195
Other creditors	1,143	283
Accruals and deferred income	16,126	20,969
	<u>83,835</u>	<u>74,766</u>

Amounts due to other group undertakings are unsecured, have no fixed date of repayment and bear interest at the SONIA rate

**17 Creditors**  
**Amounts falling due after more than one year**

	2011 £000	2010 £000
Payments received on account	<u>48</u>	<u>-</u>

**18. Deferred tax asset**

	2011 £000	2010 £000
At beginning of year	293	347
Released during/(charged for) year	104	(54)
At end of year	<u>397</u>	<u>293</u>

The deferred tax asset is made up as follows

	2011 £000	2010 £000
Depreciation in advance of capital allowances	320	293
short term timing differences	77	-
	<u>397</u>	<u>293</u>

**BAUER CONSUMER MEDIA LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

**19. Provisions**

	Property provision £000
At 1 January 2011	1,002
Additions	642
Amounts used	(641)
At 31 December 2011	<u>1,003</u>

**Property provision**

The provision relates to the reletting of three floors of a property occupied by the Company. The provision represents the best estimate of the future net cash outflow, expected to be incurred on the net rent shortfall from this lease.

**20 Share capital**

	2011 £000	2010 £000
<b>Allotted, called up and fully paid</b>		
400,100 ordinary shares of £1 each	<u>400</u>	<u>400</u>

**21 Reserves**

	Profit and loss account £000
At 1 January 2011	30,217
Profit for the year	42,087
At 31 December 2011	<u>72,304</u>

**22 Reconciliation of movement in shareholders' funds**

	2011 £000	2010 £000
Opening shareholders' funds	30,617	205,812
Profit for the year	42,087	48,805
Dividends (Note 23)	-	(224,000)
Closing shareholders' funds	<u>72,704</u>	<u>30,617</u>

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2011**

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**23. Dividends**

	<b>2011 £000</b>	<b>2010 £000</b>
Dividends paid on equity capital	<u>-</u>	<u>224,000</u>

**24. Pension commitments**

The Company has participated in a defined contribution pension scheme, the Bauer Consumer Media Pension Scheme operated by Scottish Widows. The pension charge represents contributions due from the employer and during the year it amounted to £128,418 (2010: £157,554).

**25. Operating lease commitments**

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>			<b>Other</b>
	<b>2011 £000</b>	<b>2010 £000</b>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Expiry date</b>				
Within 1 year	23	18	-	-
Between 2 and 5 years	2,035	2,026	237	257
After more than 5 years	<u>2,210</u>	<u>2,210</u>	<u>-</u>	<u>-</u>

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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2011

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#### 26. Related party transactions

Box Television Limited (Box TV), a 50% owned joint venture company of Bauer Consumer Media Limited is registered in England and Wales

During the year, the Company received a dividend of £2,250,000 (2010 £3,625,000). The Company takes part in barter advertising deals with Box TV, the value of which are included in both turnover and cost of sales. The value of these transactions in the year amounted to £760,000 (2010 £NIL). There were no other purchases from Box TV during the year (2010 £41,000). The Company's total other sales to Box TV was £2,493,000 (2010 £1,140,000). Sales include commission on the sale of television advertising, central support services and brand royalties.

	2011 £000	2010 £000
<b>Included in debtors</b>		
Balances with Box TV	2,902	317
<b>Included in creditors</b>		
Balances with Box TV	763	-

The distribution of the Company's magazines is carried out by Frontline group undertakings consisting of Frontline Limited, a 72% subsidiary of Bauer UK Magazine GmbH, a parent company of the Company and Seymour International Limited, a 100% subsidiary of Frontline Limited.

The Company paid for carriage and marketing charges of £3,924,000 (2010 £3,313,000).

	2011 £000	2010 £000
<b>Included in debtors</b>		
Balances with Frontline group undertakings	14,099	16,622
<b>Included in creditors</b>		
Balances with Frontline group undertakings	344	-

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.

#### 27. Ultimate controlling parties

The immediate parent company is Bauer Consumer Media (Holdings) Limited.

The only parent undertaking for which Group accounts are drawn up is Heinrich Bauer Verlag Beteiligungs GmbH, 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.