

Registered number: 1176085

BAUER CONSUMER MEDIA LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2015

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BAUER CONSUMER MEDIA LIMITED

Company Information

Directors	P Keenan G M Beddard S Vickery
Company secretary	Bauer Group Secretariat Limited
Registered number	1176085
Registered office	Media House Peterborough Business Park Lynch Wood Peterborough PE2 6EA
Independent auditor	Grant Thornton UK LLP Statutory Auditor & Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

BAUER CONSUMER MEDIA LIMITED

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BAUER CONSUMER MEDIA LIMITED

Strategic Report For the Year Ended 31 December 2015

Introduction

The directors present their strategic report for the year ended 31 December 2015.

Business review

The Company is a multimedia business and was organised through a number of fellow subsidiaries who acted as agents for the Company until 30 June 2015. From 1 July 2015 the staff of these subsidiaries were transferred to the Company.

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.

No change in the nature of the Company's activities is anticipated to occur in the future.

Principal risks and uncertainties

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

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.

Although the Company operates wholly within the UK its overseas assets and liabilities are exposed to fluctuations of foreign currency exchange. The Company seeks to minimise this risk with the support from the Company's parent.

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

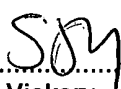
Financial key performance indicators

The Company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial. The key financial performance indicators are Turnover of £152,590,000 (2014: £164,738,000) and Operating profit before intangible and investment impairments of £25,039,000 (2014: £31,713,000).

Other key performance indicators

The key non-financial performance indicators include the number of staff employed by the Company (Note 7), newsstand and subscription copy sales, as published by the Audit Bureau of Circulation on a six monthly or annual basis.

This report was approved by the board on 23 August 2016 and signed on its behalf.


.....
S Vickery
Director

BAUER CONSUMER MEDIA LIMITED

Directors' Report For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements 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; and
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £20,996,000 (2014 - £25,939,000).

An interim dividend of £32,000,000 was paid during the year (2014: £35,000,000). The directors do not recommend the payment of a final dividend (2014: £NIL).

Directors

The directors who served during the year were:

P Keenan
D P Goodchild (resigned 11 May 2016)
G M Beddard
S Vickery

BAUER CONSUMER MEDIA LIMITED

Directors' Report For the Year Ended 31 December 2015

Future developments

The external commercial environment remains competitive in 2016 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 2016 and beyond.

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 - Media Vine - and periodic discussions take place to keep people informed and seek out their ideas and opinions.

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.

Disclosure 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 relevant audit information and to establish that the Company's auditor is aware of that information.


Post balance sheet events

On 1 March 2016 the Company's registered office was changed to Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

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 23 August 2016 and signed on its behalf.


.....
S Vickery
Director

BAUER CONSUMER MEDIA LIMITED

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

We have audited the financial statements of Bauer Consumer Media Limited for the year ended 31 December 2015, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

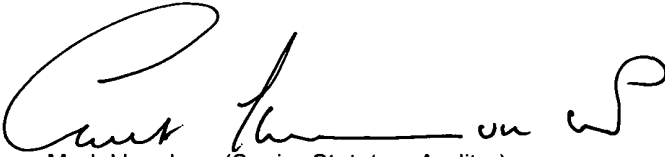
Matters on which we are required to report by exception

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.

BAUER CONSUMER MEDIA LIMITED

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

A handwritten signature in black ink, appearing to read 'Mark Henshaw', followed by a large, stylized flourish.

Mark Henshaw (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
London

23 August 2016

BAUER CONSUMER MEDIA LIMITED

**Statement of Income and Retained Earnings
For the Year Ended 31 December 2015**

	Note	2015 £000	2014 £000
Turnover	4	152,590	164,738
Cost of sales		(55,218)	(59,361)
Gross profit		97,372	105,377
Distribution costs		(11,095)	(11,797)
Administrative expenses		(76,142)	(77,664)
Other operating income	5	11,476	14,054
Operating profit	6	21,611	29,970
Income from shares in group companies		480	-
Income from participating interests		2,750	2,500
Profit on disposal of business		22	50
Interest receivable and similar income	8	425	372
Interest payable and expenses	9	-	(5)
Profit before tax		25,288	32,887
Tax on profit	10	(4,292)	(6,948)
Profit after tax		20,996	25,939
Retained earnings at the beginning of the year		55,408	64,469
		55,408	64,469
Profit for the year		20,996	25,939
Dividends declared and paid		(32,000)	(35,000)
Retained earnings at the end of the year		44,404	55,408

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.


The notes on pages 9 to 31 form part of these financial statements.

BAUER CONSUMER MEDIA LIMITED
Registered number: 1176085

Balance Sheet
As at 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Intangible assets	12	99,216	102,829
Tangible assets	13	424	311
Investments	14	16,666	24,603
		<u>116,306</u>	<u>127,743</u>
Current assets			
Stocks	15	985	868
Debtors: amounts falling due after more than one year	16	96	-
Debtors: amounts falling due within one year	16	49,571	29,271
Cash at bank and in hand.		20,649	40,708
		<u>71,301</u>	<u>70,847</u>
Creditors: amounts falling due within one year	17	(23,120)	(22,869)
Net current assets		<u>48,181</u>	<u>47,978</u>
Total assets less current liabilities		<u>164,487</u>	<u>175,721</u>
Creditors: amounts falling due after more than one year		(431)	-
Provisions for liabilities			
Other provisions	19	(95)	(756)
		<u>(95)</u>	<u>(756)</u>
Net assets		<u>163,961</u>	<u>174,965</u>
Capital and reserves			
Called up share capital	20	424	424
Share premium account		119,133	119,133
Profit and loss account		44,404	55,408
		<u>163,961</u>	<u>174,965</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 August 2016.


S Vickery

BAUER CONSUMER MEDIA LIMITED
Registered number: 1176085

Balance Sheet (continued)
As at 31 December 2015

Director

The notes on pages 9 to 31 form part of these financial statements.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2015

1. General information

Bauer Consumer Media Limited is a private limited company, incorporated in England.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Heinrich Bauer Verlag KG as at 31 December 2015 and these financial statements may be obtained from Burchardstraße 11, 20077 Hamburg, Germany.

2.3 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.4 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the future funding requirements of the business, and based on management forecasts have concluded that the Company will have sufficient funds to ensure that it can meet its financial liabilities as and when they fall due, for a period of at least 12 months from the date of these financial statements.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Income and Retained Earnings.

2.8 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

2.14 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2015

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the accounting policies and the reported amounts of assets, liabilities, income and expenses. These are continually assessed based on factors such as historical experience and likely outcome of future events. The following judgment and estimates have had the most significant effect on amounts recognised in the financial statements.

(a) Turnover

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or 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 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.

(b) Useful economic lives and impairment of intangible assets

The annual amortisation charge and any impairment of intangible assets are sensitive to changes in the estimated useful economic lives and carrying values of these assets. These are reviewed annually and amended when necessary to reflect the current estimates based on current and future net licensing income and business activities.

(c) Impairment of debtors

The Company makes an estimate of the recoverable values of trade and other debtors. The current credit rating of the debtor, the ageing of the debt and historical experience of debtors are used by management in assessing impairment of trade and other debtors.

4. Analysis of turnover

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

Analysis of turnover by country of destination:

	2015 £000	2014 £000
United Kingdom	145,322	153,902
Rest of the world	7,268	10,836
	<u>152,590</u>	<u>164,738</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

5. Other operating income

	2015	2014
	£000	£000
Royalty and licensing income	11,476	14,054
	<u>11,476</u>	<u>14,054</u>

6. Operating profit

The operating profit is stated after charging:

	2015	2014
	£000	£000
Depreciation of tangible fixed assets	188	192
Amortisation of intangible assets, including goodwill	8,152	8,561
Impairment of intangible assets	3,428	-
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	98	95
Exchange differences	951	139
Other operating lease rentals	2,848	3,833
Defined contribution pension cost	531	89
	<u>531</u>	<u>89</u>

During the year, no director received any emoluments (2014 - £NIL).

The directors of the Company are considered its key management personnel.

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

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

7. Employees

Staff costs were as follows:

	2015	2014
	£000	£000
Wages and salaries	15,162	2,648
Social security costs	1,494	272
Cost of defined contribution scheme	531	89
	<u>17,187</u>	<u>3,009</u>

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

	2015	2014
	No.	No.
UK full-time employees	409	71

The Company's business was organised through a number of fellow subsidiaries who acted as agents for the Company until 30 June 2015. From 1 July 2015 the staff of these subsidiaries were transferred to the Company.

8. Interest receivable

	2015	2014
	£000	£000
Interest receivable from group companies	238	-
Other interest receivable	187	372
	<u>425</u>	<u>372</u>

9. Interest payable and similar charges

	2015	2014
	£000	£000
Other interest payable	-	5
	<u>-</u>	<u>5</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

10. Taxation

	2015	2014
	£000	£000
Corporation tax		
Current tax on profits for the year	4,428	7,328
Adjustments in respect of previous periods	(156)	(339)
	<u>4,272</u>	<u>6,989</u>
	<u>4,272</u>	<u>6,989</u>
Total current tax	<u>4,272</u>	<u>6,989</u>
Deferred tax		
Origination and reversal of timing differences	2	(41)
Changes to tax rates	18	-
	<u>20</u>	<u>(41)</u>
Total deferred tax	<u>20</u>	<u>(41)</u>
	<u>4,292</u>	<u>6,948</u>
Taxation on profit on ordinary activities	<u>4,292</u>	<u>6,948</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	25,288	32,887
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	5,121	7,071
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	24	121
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	392	441
Adjustments to tax charge in respect of prior periods	(211)	(414)
Non-taxable income	(10)	(11)
Dividends from UK companies	(654)	(538)
Tax rate changes	10	-
Other differences leading to an increase in the tax charge	-	677
Transfer pricing adjustments	(380)	(399)
Total tax charge for the year	4,292	6,948

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK reduced from 21% to 20% with effect from 1 April 2015. Accordingly the Company's profits for the current period are taxed at an effective rate of 20.25%.

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill (No 2) 2015 on 18 November 2015. This reduced the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. The deferred tax asset has been restated to reflect the reduced tax rate of 18%.

A further reduction to the UK corporation tax was announced in the March 2016 Budget reducing the main rate to 17% from 1 April 2020. Since this reduction had not been substantively enacted at the balance sheet date no account has been taken of it in these financial statements. The overall effect of the change from 18% to 17% if applied to the deferred tax balance at 31 December 2015 would not be material.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

11. Dividends

	2015 £000	2014 £000
Interim dividend	32,000	35,000
	<u>32,000</u>	<u>35,000</u>

12. Intangible assets

	Trademarks £000
Cost	
At 1 January 2015	185,945
Additions	30
Reclassification	8,217
At 31 December 2015	<u>194,192</u>
Amortisation	
At 1 January 2015	83,116
Charge for the year	8,152
Impairment charge	3,428
Reclassification	280
At 31 December 2015	<u>94,976</u>
Net book value	
At 31 December 2015	<u>99,216</u>
At 31 December 2014	<u>102,829</u>

Following a review of the Company's investments the directors decided to reclass the goodwill costs associated with its car magazine operations to intangible assets.

The directors have considered the carrying value of all intangible fixed assets at 31 December 2015 and a provision for impairment of £3,428,000 was considered necessary (2014: £NIL) on the closure of certain Australian titles and net realisable value reviews. Valuations have been measured by reference to the greater of net realisable value and value in use.

The value in use reflects the fact that significant license income is received in Australian Dollars. Exchange rate fluctuations affect the Company's future expected sterling income.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

13. Tangible fixed assets

	Short Term Leasehold Property £000	Office equipment and vehicles £000	Total £000
Cost or valuation			
At 1 January 2015	1,231	4,027	5,258
Additions	-	301	301
Disposals	(151)	(750)	(901)
At 31 December 2015	<u>1,080</u>	<u>3,578</u>	<u>4,658</u>
Depreciation			
At 1 January 2015	1,133	3,814	4,947
Charge for the period	72	116	188
Disposals	(151)	(750)	(901)
At 31 December 2015	<u>1,054</u>	<u>3,180</u>	<u>4,234</u>
Net book value			
At 31 December 2015	<u>26</u>	<u>398</u>	<u>424</u>
At 31 December 2014	<u>98</u>	<u>213</u>	<u>311</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

14. Fixed asset investments

	Investments in subsidiary companies £000	Investments in associates £000	Unlisted investments £000	Loans to associates £000	Total £000
Cost or valuation					
At 1 January 2015	34,519	258	50	210	35,037
Disposals	-	-	(5)	-	(5)
Reclassification as intangible assets	(8,217)	-	-	-	(8,217)
At 31 December 2015	26,302	258	45	210	26,815
Impairment					
At 1 January 2015	9,916	258	50	210	10,434
Disposals	-	-	(5)	-	(5)
Reclassification as intangible assets	(280)	-	-	-	(280)
At 31 December 2015	9,636	258	45	210	10,149
Net book value					
At 31 December 2015	16,666	-	-	-	16,666
At 31 December 2014	24,603	-	-	-	24,603

Following a review of the Company's investments the directors decided to reclassify the goodwill costs associated with its car magazine operations to intangible assets.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

14. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Bauer Active Limited	England	Ordinary	100 %	Dormant
Bauer Automotive Limited	England	Ordinary	100 %	Dormant
Bauer East Limited	England	Ordinary	100 %	Dormant
Bauer London Lifestyle Limited	England	Ordinary	100 %	Dormant
Bauer Esprit Limited	England	Ordinary	100 %	Dormant
Bauer Pop Limited	England	Ordinary	100 %	Dormant
Horse Deals Limited	England	Ordinary	100 %	Publishing
Classiccarsforsale Limited	England	Ordinary	100 %	Website trading
Frontline Publishing Services Limited	England	Ordinary	100 %	Agency
Frontline Limited	England	Ordinary (various classes)	72 %	Sales, marketing and distribution

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Seymour International Limited	England	Ordinary	100 %	Sales, marketing and distribution
Seymour Distribution Limited	England	Ordinary	100 %	Sales, marketing and distribution
USM Magazines Distribution Limited	England	Ordinary	100 %	Dormant

Participating interests

Joint ventures

Name	Country of incorporation	Class of shares	Holding	Principal activity
The Box Plus Network Limited	England	Ordinary	50%	Television broadcasting

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

14. Fixed asset investments (continued)

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Storkup Limited	Scotland	Ordinary	33%	Non-trading

The carrying value of the Company's investments are reviewed for impairment when there are indications that the assets may be impaired. No provision for impairment was considered necessary at 31 December 2015 (2014: £1,743,000). 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.

15. Stocks

	2015	2014
	£000	£000
Raw materials and consumables	985	868

In the opinion of the directors, the replacement value of stocks at 31 December 2015 and 31 December 2014 are not materially different from their book values at those dates.

16. Debtors

	2015	2014
	£000	£000
Due after more than one year		
Other debtors	96	-
	2015	2014
	£000	£000
Due within one year		
Trade debtors	12,250	11,373
Amounts owed by group undertakings	24,866	7,758
Other debtors	9,222	7,242
Prepayments and accrued income	3,069	2,714
Deferred taxation	164	184
	49,571	29,271

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

16. Debtors (continued)

Included in amounts owed by group undertakings is a loan of £14,749,000 (2014: £NIL) that is unsecured, interest at 4% per annum and is repayable on demand. All other amounts owed by other group undertakings are unsecured, interest free and repayable on demand.

17. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Payments received on account	8,123	8,599
Trade creditors	713	1,140
Taxation and social security	593	303
Other creditors	455	537
Accruals and deferred income	13,236	12,290
	<u>23,120</u>	<u>22,869</u>

18. Deferred taxation

	Deferred tax £000
At 1 January 2015	184
Charged to the profit or loss	(20)
At 31 December 2015	<u>164</u>

The deferred tax asset is made up as follows:

	2015 £000	2014 £000
Accelerated capital allowances	121	156
Short term timing differences	43	28
	<u>164</u>	<u>184</u>

The deferred tax asset is not expected to reverse in 2016.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

19. Provisions

	Property provision £000
At 1 January 2015	756
Charged to the profit or loss	(145)
Utilised in year	(516)
At 31 December 2015	95

The property provision relates to the net costs of reletting a floor of one of the Company's properties. A property lease disposal was completed during the year. The provision represents the best estimate of the future net cash outflow, expected to be incurred on either disposal of, or net rent shortfall incurred on each lease.

20. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
423,931 ordinary shares of £1 each	424	424

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

21. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
Land and buildings		
Not later than 1 year	2,814	2,814
Later than 1 year and not later than 5 years	1,238	4,059
Total	<u>4,052</u>	<u>6,873</u>
	2015 £000	2014 £000
Other		
Not later than 1 year	189	189
Later than 1 year and not later than 5 years	296	485
Total	<u>485</u>	<u>674</u>

22. Related party transactions

The Company owns a 50% joint interest in The Box Plus Network Limited (Box TV).

During the year, the Company received a dividend of £2,750,000 (2014: £2,500,000). The Company's total revenue arising from Box TV was £2,533,000 (2014: £2,214,000) for commission on the sale of television advertising, central support services and brand royalties.

	2015 £000	2014 £000
Included in debtors		
Balances with Box TV	<u>673</u>	<u>416</u>

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

The Company received a dividend of £480,000 (2014: £NIL). During the year, the Company paid for carriage and net sundry costs of £2,235,000 (2014: £2,308,000).

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

	2015	2014
	£000	£000
Included in debtors		
Balances with Frontline group undertakings	10,503	11,108

The Company has taken advantage of the exemption in Financial Reporting Standard 102 section 33.1A "Related party disclosures" and has not disclosed transactions with wholly owned group undertakings.

23. Post balance sheet events

On 1 March 2016 the Company's registered office was changed to Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

24. Controlling parties

The immediate parent company is HBVB.

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

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

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

25. First time adoption of FRS 102

	As previously stated 1 January 2014 £000	Effect of transition 1 January 2014 £000	FRS 102 (as restated) 1 January 2014 £000	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Note						
Fixed assets	134,986	-	134,986	127,743	-	127,743
Current assets	73,701	-	73,701	70,847	-	70,847
Creditors: amounts falling due within one year	(24,572)	-	(24,572)	(22,869)	-	(22,869)
Net current assets	49,129	-	49,129	47,978	-	47,978
Total assets less current liabilities	184,115	-	184,115	175,721	-	175,721
Creditors: amounts falling due after more than one year	(89)	-	(89)	-	-	-
Provisions for liabilities	-	-	-	(756)	-	(756)
Net assets	184,026	-	184,026	174,965	-	174,965
Capital and reserves	184,026	-	184,026	174,965	-	174,965

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

25. First time adoption of FRS 102 (continued)

	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Note			
Turnover	1 165,166	(428)	164,738
Cost of sales	1 (59,789)	428	(59,361)
	<hr/>	<hr/>	<hr/>
	105,377	-	105,377
Distribution expenses	(11,797)	-	(11,797)
Administrative expenses	(77,664)	-	(77,664)
Other operating income	14,054	-	14,054
	<hr/>	<hr/>	<hr/>
Operating profit	29,970	-	29,970
Income from shares in group undertakings	2,500	-	2,500
Amounts written off investments	50	-	50
Interest receivable and similar income	372	-	372
Interest payable and similar charges	(5)	-	(5)
Taxation	(6,948)	-	(6,948)
	<hr/>	<hr/>	<hr/>
Profit on ordinary activities after taxation and for the financial year	25,939	-	25,939

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

25. First time adoption of FRS 102 (continued)

Explanation of changes to previously reported profit and equity:

- 1 FRS102 does not allow the recognition of barter transactions in revenue where services are exchanged for services of a similar nature. This has resulted in a reduction of turnover and cost of sales of £428,000.