

Registered number: 01176085

BAUER CONSUMER MEDIA LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2018

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BAUER CONSUMER MEDIA LIMITED

Company Information

Directors	P Keenan S Vickery R Munro-Hall
Company secretary	Bauer Group Secretariat Limited
Registered number	01176085
Registered office	Media House Peterborough Business Park Lynch Wood Peterborough PE2 6EA
Independent auditor	KPMG LLP 15 Canada Square Canary Wharf E14 5GL

BAUER CONSUMER MEDIA LIMITED

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BAUER CONSUMER MEDIA LIMITED

Strategic Report For the Year Ended 31 December 2018

Introduction

The directors present their strategic report for the year ended 31 December 2018.

Business review

The Company is a multimedia business with a portfolio of influential consumer media brands including 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.

In line with the market, the Company has seen continued structural decline in its magazine print business, with newsstand and subscription sales falling in aggregate during the year. Advertising revenue and volumes also declined (see note 4). However the Company outperformed its competitive sets in terms of newsstand and advertising volume declines.

Operating loss was £2,853,000 (2017: profit £9,462,000). As disclosed in note 12 this was impacted by the loss on impairment of intangible assets of £20,435,000 (2017: £18,172,000) and by the loss on impairment of investments of £2,013,000 (2017: Nil). The intangible asset impairment was impacted by the underlying performance of the licensees' business. Excluding these losses, the underlying profitability of the Company was £19,595,000 (2017: £27,508,000).

As part of a Group reorganisation, on 1 January 2019 the Company disposed of its UK Consumer magazine business (Note 25), which comprised approximately 92% of the Company's business, to a sister company, H Bauer Publishing. The proceeds of this disposal, plus surplus cash in the Company's balance sheet at 31 December 2018, enabled the Company to pay interim 2019 dividends of £205,822,000. In future the Company will concentrate on its Business to Business ("B2B") brands. The B2B portfolio spans print, online and events in the Automotive and Rail transport sectors. The Company will have particular strategic focus on growing its events business in this space.

Other operating income was £5,488,000 (2017: £10,835,000). 2017 included £2,145,000 profit on disposal of internally generated intangibles as disclosed in note 5.

On 31 December 2018 the Company sold its investment in The Box Plus Network Limited.

At the year end the Company's net assets increased to £168,085,000 (2017: £165,030,000).

On 26 November 2018 the Company reduced its capital from £119,557,000 to £424,000 by the cancellation of the Company's entire share premium account.

BAUER CONSUMER MEDIA LIMITED

Strategic Report (continued) For the Year Ended 31 December 2018

Principal risks and uncertainties

The Company is exposed to risks associated with the ongoing structural change in the B2B market, fluctuations in advertising spend, the maintenance of key relationships through the UK magazine supply chain, changing paper prices and changes in search algorithms adversely affecting site traffic.

The impact of Brexit has been, and is expected to be minimal to the Group given the majority of revenues are earned within the UK or outside the EU. However, broader macro-economic factors have the potential to impact advertising budgets in the short term.

Although the Company operates wholly within the UK, it is exposed to some foreign currency fluctuations from trading with overseas suppliers, principally of paper, print and transport services. Further its overseas assets and liabilities are similarly exposed. The Company seeks to minimise this risk with the support from the Company's parent.

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.

Financial key performance indicators

The key financial performance indicators are Turnover of £120,322,000 (2017: £128,758,000) and Operating profit before losses on impairment of intangible assets or investments of £19,595,000 (2017: £27,508,000).


Other key performance indicators

The key non-financial performance indicators include the number of staff employed by the Company (Note 8), the gender pay gap, newsstand and subscription copy sales, as published by the Audit Bureau of Circulation on a six monthly or annual basis and advertising market share.

Environmental matters

The Company is committed to promoting good sustainable practices throughout the business. We continue to identify and adopt policies which take into account the need to protect the environment. Where possible we will choose a supplier that has environmental accreditation beyond the minimum required.

This report was approved by the board on 1 August 2019 and signed on its behalf.


.....
S Vickery
Director

BAUER CONSUMER MEDIA LIMITED

Directors' Report For the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £3,055,000 (2017 - £8,229,000).

An interim dividend of £NIL was paid during the year (2017: £NIL). The directors do not recommend the payment of a final dividend (2017: £NIL).

Directors

The directors who served during the year were:

P Keenan
S Vickery
R Munro-Hall

Going concern

Management have assessed the ability of the Company to continue as a going concern. This assessment has included an evaluation of the sale of part of the Company's trade and assets post year end to a related party and the subsequent distribution disclosed in note 25. The Company has positive net assets before and after these transactions and will continue to focus on its B2B business as described in more detail in the Business Review section of the strategic report.

The future cash flow projections are based on the continuing operations and were prepared by directors for 12 months from signing date. The directors 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 day of signing these financial statements.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2017: £NIL).

Future developments

As noted in the Strategic Report, on 1 January 2019 the Company sold its UK Consumer magazines, which represents 92% of its business, to a sister company, H Bauer Publishing. In future the Company will concentrate on its Business to Business ("B2B") brands. The B2B portfolio spans print, online and events in the Automotive and Rail transport sectors. The Company will have particular strategic focus on growing its events business in this space.

BAUER CONSUMER MEDIA LIMITED

Directors' Report (continued) For the Year Ended 31 December 2018

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.

We refer to our approach to diversity and inclusion in the UK business as "Belonging at Bauer". Belonging at Bauer means that we recognise people are at the heart of everything we do. Inclusion is at the core of our values as a business and we celebrate authenticity, valuing the richness difference and diversity bring to our business.

We do everything we can to ensure equality of opportunity for everyone who works at Bauer or wants to work at Bauer, including, but not limited to those from a BAME background, those who have a disability or mental health challenge and those from a lower socio economic background. This approach underpins how we attract and recruit new people into Bauer, as well as the support we provide to develop and progress our staff.

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.

Matters covered in the strategic report

A business review and details of the principal risks and uncertainties faced by the Company has been included in the Strategic Report on pages 1 - 2.

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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 January 2019 the Company disposed of approximately 92% of its UK magazine business to a sister entity, H Bauer Publishing. The proceeds of this disposal, plus surplus cash in the Company's balance sheet at 31 December 2018, enabled the Company to pay interim 2019 dividends of £205,822,000.

Auditor

KPMG LLP has indicated its willingness to continue in office. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

BAUER CONSUMER MEDIA LIMITED

**Directors' Report (continued)
For the Year Ended 31 December 2018**

This report was approved by the board on 1 August 2019 and signed on its behalf.



S Vickery
Director

Media House
Peterborough Business Park
Lynch Wood
Peterborough
PE2 6EA

BAUER CONSUMER MEDIA LIMITED

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements For the Year Ended 31 December 2018

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the *going concern basis of accounting* unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of Bauer Consumer Media Limited ("the Company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of intangibles and investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

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

Strategic report and Directors' report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

The purpose of our audit work and to whom we owe our responsibilities

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.

Adrian Wilcox (Senior Statutory Auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
E14 5GL

2 August 2019

BAUER CONSUMER MEDIA LIMITED

**Profit and Loss Account
For the Year Ended 31 December 2018**

	Note	2018 £000	2017 £000
Turnover	4	120,322	128,758
Cost of sales		(42,791)	(43,742)
Gross profit		77,531	85,016
Distribution costs		(9,732)	(10,043)
Administrative expenses - other	12	(53,692)	(58,174)
Administrative expenses - loss from impairment of intangible assets and fixed asset investments	12	(22,448)	(18,172)
Other operating income	5	5,488	10,835
Operating (loss)/profit	6	(2,853)	9,462
Income from shares in group undertakings		270	900
Profit on disposal of investment		6,134	-
Interest receivable and similar income	10	166	344
Profit before tax		3,717	10,706
Tax on profit	11	(662)	(2,477)
Profit for the financial year		3,055	8,229

The notes on pages 13 to 36 form part of these financial statements.

BAUER CONSUMER MEDIA LIMITED
Registered number:01176085

Balance Sheet
As at 31 December 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	13	16,900	50,333
Tangible assets	14	-	145
Investments	15	9,923	16,516
		<u>26,823</u>	<u>66,994</u>
Current assets			
Stocks	16	25	710
Debtors: amounts falling due after more than one year	17	16	16
Debtors: amounts falling due within one year	17	44,522	38,140
Disposal group held for sale	18	2,602	-
Cash at bank and in hand		113,916	89,405
		<u>161,081</u>	<u>128,271</u>
Creditors: amounts falling due within one year	19	(19,774)	(30,235)
Net current assets		<u>141,307</u>	<u>98,036</u>
Total assets less current liabilities		<u>168,130</u>	<u>165,030</u>
Creditors: amounts falling due after more than one year	20	(45)	-
Net assets		<u><u>168,085</u></u>	<u><u>165,030</u></u>
Capital and reserves			
Called up share capital	22	424	424
Share premium account		-	119,133
Profit and loss account		167,661	45,473
		<u><u>168,085</u></u>	<u><u>165,030</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 August 2019.

.....
S Vickery
Director

The notes on pages 13 to 36 form part of these financial statements.

BAUER CONSUMER MEDIA LIMITED

**Statement of Changes in Equity
For the Year Ended 31 December 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	424	119,133	45,473	165,030
Profit for the year	-	-	3,055	3,055
Capital reduction of share premium	-	(119,133)	119,133	-
At 31 December 2018	424	-	167,661	168,085

The notes on pages 13 to 36 form part of these financial statements.

On 26 November 2018 the Company reduced its capital from £119,557,000 to £424,000 by the cancellation of the Company's entire share premium account.

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	424	119,133	37,244	156,801
Profit for the year	-	-	8,229	8,229
At 31 December 2017	424	119,133	45,473	165,030

The notes on pages 13 to 36 form part of these financial statements.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

1. General information

Bauer Consumer Media Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 01176085 and the registered address is Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

The Company is a multimedia business managing a portfolio of influential media brands, including many of the best known magazines, websites and events in the UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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 Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Bauer Consumer Media Limited acts as a non-disclosed agent for the raising of sales invoices and incurring of expenditure of other companies within the Group. The invoices are raised by the shared service centre administered by another group entity, HBVB. Bauer Consumer Media Limited includes all sales invoices raised and cash receipts within the trade debtor balance in these accounts for all the companies where it acts as undisclosed agent as well as its own sales invoices and cash receipts relating to its revenue. Bauer Consumer Media Limited records a net intercompany creditor/ debtor position in its books and the individual companies process a net corresponding intercompany debtor/ creditor in their accounting records, this includes net impact of trade discounts which are accounted for centrally within HBVB. Bauer Consumer Media Limited and the companies have a legally enforceable right to set off intercompany balances, however the underlying credit and liquidity risk remain with the individual company.

The following principal accounting policies have been applied:

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

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;
- 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 2018 and these financial statements may be obtained from Burchardstraße 11, 20077 Hamburg, Germany.

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.

2.3 Going concern

Management have assessed the ability of the Company to continue as a going concern. This assessment has included an evaluation of the sale of part of the Company's trade and assets post year end to a related party and the subsequent distribution disclosed in note 25. The Company has positive net assets before and after these transactions and will continue to focus on its B2B business as described in more detail in the Business Review section of the strategic report.

The future cash flow projections are based on the continuing operations and were prepared by directors for 12 months from signing date. The directors 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 day of signing these financial statements.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.4 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'.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.5 Revenue

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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Magazine news stand circulation revenue is recognised according to the on-sale date of publication. Pre-paid subscription revenues are shown as deferred income and released to the income statement over the life of the subscription.

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.

Advertising revenue is recognised according to the on-sale date of publication. Event income is recognised when the event has taken place.

2.6 Intangible assets

Expenditure on brands created in-house is recognised in the Profit and Loss Account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the Profit and Loss Account on a straight-line basis over the estimated useful lives of intangible assets.

Intangible assets are amortised from the date they are available for use. 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 ten years.

The range of useful economic life for existing intangible assets is between 3 and 25 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.7 Operating leases: the Company as lessee

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

2.8 Interest income

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

2.9 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.

2.10 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 payment 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.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.11 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 charge 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.

2.12 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 2018

2. Accounting policies (continued)

2.12 Tangible fixed assets (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.

The estimated useful lives range as follows:

- 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 in the Profit and Loss Account.

2.13 Impairment of fixed assets

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.

2.14 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.

2.15 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.16 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.

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Disposal group held for sale

A disposal group held for sale is a cluster of assets and liabilities which the company plans to dispose of as part of a single sales transaction. The assets in the disposal group are carried at the lower of the recoverable value under the applicable section of FRS102 or the proceeds expected from the sale.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Financial instruments

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

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

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. 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 and investments in subsidiaries

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. Details of sensitivity to key inputs is disclosed in note 13 (Intangible assets) and note 15 (Fixed asset investments).

(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.

(d) Sale or return provision

A provision is deducted from circulation revenue for expected returns, based on previous experience, which is adjusted for actual returns when this is known.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

4. Turnover

	2018 £000	2017 £000
Advertising	38,063	43,364
News stand and subscriptions	72,041	74,988
Other	10,218	10,406
	<u>120,322</u>	<u>128,758</u>

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	114,589	122,334
Rest of the world	5,733	6,424
	<u>120,322</u>	<u>128,758</u>

5. Other operating income

	2018 £000	2017 £000
Royalty and licensing income	5,631	8,564
Profit on disposal of internally generated intangibles	-	2,145
(Loss)/profit on disposal of other intangible assets	(143)	126
	<u>5,488</u>	<u>10,835</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets	63	106
Amortisation of intangible assets	4,586	6,572
Impairment of intangible assets	20,435	18,172
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	83	90
Exchange differences	(641)	(2,282)
Other operating lease rentals	852	1,721
Defined contribution pension cost	847	917
	=====	=====

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

7. Auditor's remuneration

	2018	2017
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	85	85
	=====	=====

There were no non-audit fees paid to the Company's auditor.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

8. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	22,865	23,704
Social security costs	2,485	2,479
Cost of defined contribution scheme	847	917
	<u>26,197</u>	<u>27,100</u>

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

	2018 No.	2017 No.
Sales	189	216
Editorial	354	368
Administrative	61	69
	<u>604</u>	<u>653</u>

9. Directors' remuneration

	2018 £000	2017 £000
Directors' remuneration - apportionment	533	503
	<u>533</u>	<u>503</u>

Directors' remuneration is borne by other group entities, HBVB Management Limited and H Bauer Publishing. The amount of directors' remuneration attributable to services provided to Bauer Consumer Media Limited has been apportioned based on time spent.

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

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

10. Interest receivable

	2018	2017
	£000	£000
Interest receivable from group companies	-	166
Other interest receivable	166	178
	<u>166</u>	<u>344</u>
	<u><u>166</u></u>	<u><u>344</u></u>

11. Taxation

	2018	2017
	£000	£000
Corporation tax		
Current tax on profits for the year	635	2,087
Adjustments in respect of previous periods	(29)	404
	<u>606</u>	<u>2,491</u>
	<u><u>606</u></u>	<u><u>2,491</u></u>
Total current tax	<u>606</u>	<u>2,491</u>
Deferred tax		
Origination and reversal of timing differences	18	265
Adjustments in respect of previous periods	38	(279)
	<u>56</u>	<u>(14)</u>
Total deferred tax	<u>56</u>	<u>(14)</u>
	<u><u>56</u></u>	<u><u>(14)</u></u>
Taxation on profit on ordinary activities	<u>662</u>	<u>2,477</u>
	<u><u>662</u></u>	<u><u>2,477</u></u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018	2017
	£000	£000
Profit on ordinary activities before tax	3,717	10,706
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	706	2,061
Effects of:		
Non-tax deductible impairment	382	29
Expenses not deductible for tax purposes, other than impairment	(382)	485
Adjustments to tax charge in respect of prior periods	9	125
Dividends from UK companies	(51)	(173)
Tax rate changes	(2)	(34)
Transfer pricing adjustments	-	(16)
Total tax charge for the year	662	2,477

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1st April 2017) was substantively enacted on 26th October 2015 and a further reduction to 17% (effective 1st April 2020) was substantively enacted on 6th September 2016. This will reduce the Company's future current tax charge accordingly.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

12. Administrative expenses

	2018 £000	2017 £000
Administrative expenses - other	53,692	58,174
Administrative expenses - loss from impairment of intangible assets and fixed asset investments	22,448	18,172
	<u>76,140</u>	<u>76,346</u>

The Company incurred charges of £20,435,000 (2017: £18,172,000) in respect of a provision for the impairment of intangible assets (see note 13). The Company also incurred charges of £2,013,000 (2017: £Nil) in respect of a provision for the impairment of fixed asset investments (see note 15).

13. Intangible assets

	Trademarks £000
Cost	
At 1 January 2018	184,138
Disposals	(4,331)
Reclassified to held for sale	(8,217)
At 31 December 2018	<u>171,590</u>
Amortisation	
At 1 January 2018	133,805
Charge for the year	4,586
On disposals	(3,075)
Reclassified to held for sale	(1,061)
Impairment charge	20,435
At 31 December 2018	<u>154,690</u>
Net book value	
At 31 December 2018	<u>16,900</u>
At 31 December 2017	<u>50,333</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

13. Intangible assets (continued)

Impairment tests for intangible assets

At 31 December 2018, the Directors considered there to be an indication of impairment relating to the expected future royalty stream in respect of the carrying amount of certain trademarks, and therefore tested for impairment at 31 December 2018. The impairment test resulted in an impairment charge of £20,435,000 (2017: £18,172,000).

Changes to royalty rates, the underlying performance of licensees' business and exchange rate fluctuations may affect the estimate of recoverable amounts.

Other assumptions that influence estimated recoverable amounts at 31 December 2018 are set out below:

Growth rate to perpetuity: 0%

Post-tax discount rate: 9.1% - 9.4%

Sensitivity of recoverable amounts

At 31 December 2018 the analysis of the recoverable amounts gave rise to the following assessments of sensitivity:

If the actual revenue for 2019 was -5% from forecast, and all other factors remain constant, an additional impairment of £1,440,000 would be required.

If the growth rate to perpetuity was -5% a further £800,000 impairment would be required.

If post-tax discount rates were increased to 11% a further £1,300,000 impairment would be required.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

14. Tangible Fixed Assets

	Short term leasehold property £000	Office equipment and vehicles £000	Total £000
Cost or valuation			
At 1 January 2018	1,080	869	1,949
Additions	-	114	114
Reclassified to held for sale	-	(983)	(983)
At 31 December 2018	<u>1,080</u>	<u>-</u>	<u>1,080</u>
Depreciation			
At 1 January 2018	1,080	724	1,804
Charge for the year on owned assets	-	63	63
Reclassified to held for sale	-	(787)	(787)
At 31 December 2018	<u>1,080</u>	<u>-</u>	<u>1,080</u>
Net book value			
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>-</u>	<u>145</u>	<u>145</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

15. Fixed asset investments

	Investments in subsidiaries/ joint venture companies £000	Unlisted investments £000	Total £000
Cost or valuation			
At 1 January 2018	26,302	45	26,347
Additions	523	-	523
Disposals	(5,103)	-	(5,103)
At 31 December 2018	<u>21,722</u>	<u>45</u>	<u>21,767</u>
Impairment			
At 1 January 2018	9,786	45	9,831
Charge for the period	2,013	-	2,013
At 31 December 2018	<u>11,799</u>	<u>45</u>	<u>11,844</u>
Net book value			
At 31 December 2018	<u>9,923</u>	<u>-</u>	<u>9,923</u>
At 31 December 2017	<u>16,516</u>	<u>-</u>	<u>16,516</u>

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

15. Fixed asset investments (continued)**Direct subsidiary undertakings**

The following were subsidiary undertakings of the Company:

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

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Seymour International Limited	Ordinary	72 %	Sales, marketing and distribution
Seymour Distribution Limited	Ordinary	72 %	Sales, marketing and distribution
USM Magazine Distribution Limited	Ordinary	100 %	Dormant
Routes to Retail Limited	Ordinary	72 %	Sales, marketing and distribution
Gold Key Media Limited	Ordinary	72 %	Sales, marketing and distribution

The registered office of all Direct subsidiary undertakings and Indirect subsidiary undertakings is the same as the Company: Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

15. Fixed asset investments (continued)**Joint venture companies**

The Company's investment of 50% of the Ordinary shareholding of The Box Plus Network Limited was sold on 31 December 2018.

Impairment tests for investments

At 31 December 2018, the Directors reviewed the carrying value of investments and considered there to be no indicators of impairment, other than in respect of Classiccarsforsale Limited, where the trade and assets of the entity were disposed on 1 January 2019 at a third party valuation which was less than the carrying value of the Company's investment. The Directors prepared detailed impairment assessments and concluded that a provision for impairment of £2,013,000 was considered necessary at 31 December 2018 (2017: £NIL).

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.

16. Stocks

	2018 £000	2017 £000
Raw materials and consumables	25	682
Finished goods and goods for resale	-	28
	25	710

In the opinion of the directors, the replacement value of stocks at 31 December 2018 and 31 December 2017 are not materially different from their book values at those dates.

Stocks to the value of £594,000 have been reclassified as Disposal group held for sale (see Note 18).

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

17. Debtors

	2018	2017
	£000	£000
Due after more than one year		
Other debtors	16	16
	16	16
	2018	2017
	£000	£000
Due within one year		
Trade debtors	15,157	17,340
Amounts owed by group undertakings	8,512	10,327
Other debtors	20,472	6,819
Prepayments and accrued income	266	3,483
Deferred taxation	115	171
	44,522	38,140

An amount of £7,326,000 (2017: £8,188,000) included in trade debtors relates to balances for which related parties (see note 24) are responsible for collecting the funds in an agency capacity.

All other amounts owed by other group undertakings are unsecured, interest free and repayable on demand.

18. Disposal group held for sale

	2018	2017
	£000	£000
Intangible assets	7,156	-
Tangible fixed assets	196	-
Stock	594	-
Prepayments	2,072	-
Accrued income	2,533	-
Deferred income	(9,949)	-
	2,602	-

This has not been presented as a discontinued operation under FRS102 as it was not sold until after 31 December 2018.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

19. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Payments received on account	3	8,108
Trade creditors	1,633	991
Amounts owed to group undertakings	12,548	13,158
Other taxation and social security	450	738
Other creditors	344	326
Accruals and deferred income	4,796	6,914
	<u>19,774</u>	<u>30,235</u>

20. Creditors: Amounts falling due after more than one year

	2018 £000	2017 £000
Other creditors	45	-
	<u>45</u>	<u>-</u>

21. Deferred taxation

	2018 £000	2017 £000
At beginning of year	171	157
(Released)/Charged to profit or loss	(56)	14
At end of year	<u>115</u>	<u>171</u>

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Depreciation in advance of capital allowances	115	171
	<u>115</u>	<u>171</u>

The deferred tax asset is not expected to reverse in 2019.

BAUER CONSUMER MEDIA LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

22. Called up share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
423,931 (2017 - 423,931) ordinary shares of £1.00 each	424	424
	<u>424</u>	<u>424</u>

There is a single class of ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

There are no restrictions on the distribution of dividends and the repayment of capital.

23. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Land and buildings		
Not later than 1 year	604	664
Later than 1 year and not later than 5 years	1,951	2,416
Later than 5 years	-	139
	<u>2,555</u>	<u>3,219</u>
	<u>2,555</u>	<u>3,219</u>
Other		
Not later than 1 year	222	201
Later than 1 year and not later than 5 years	148	-
	<u>370</u>	<u>-</u>
	<u>370</u>	<u>-</u>

BAUER CONSUMER MEDIA LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

24. Related party transactions

The Company received a dividend of £270,000 from Frontline Limited (2017: £900,000). During the year, the Company paid carriage and net sundry costs of £1,707,000 (2017: £1,766,000) to Frontline Limited, and £121,000 (2017: £130,000) to Seymour International Limited.

The distribution of the Company's magazines to newsstand is carried out on an agency basis 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 debtor balances shown below consist of cash due from third party wholesalers in relation to copies sold at retail.

	2018 £000	2017 £000
Included in trade debtors		
Frontline Limited	4,553	4,954
Seymour International Limited	2,773	3,234
	<u>7,326</u>	<u>8,188</u>

25. Post balance sheet events

On 1 January 2019 the Company disposed of approximately 92% of its UK magazine business to a sister entity, H Bauer Publishing. The proceeds of this disposal, plus surplus cash in the Company's balance sheet at 31 December 2018, enabled the Company to pay interim 2019 dividends of £205,822,000.

26. Controlling party

The immediate parent undertaking is HBVB, registered at Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

Heinrich Bauer Verlag KG, established at Burchardstraße 11, 20077 Hamburg, 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 from Burchardstraße 11, 20077 Hamburg, Germany.