

United Advertising Publications Limited

Financial Statements

31 December 2013



Registered No: 01377454

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Directors

UNM Investments Limited
Crosswall Nominees Limited
C S Adrian
A F Crow
A C Siddell
P I Wrangmore
N J Youds

Secretary

Crosswall Nominees Limited

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered office

Ludgate House
245 Blackfriars Road
London
SE1 9UY

Strategic report

Principal activity and review of the business

The principal activity of the company throughout the year continued to be that of a group funding vehicle. No change to the company's activity is expected in the foreseeable future.

The results for the year are set out in the profit and loss account on page 7, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Principal risks and uncertainties

The company has considered the impact of price risk, credit risk, liquidity risk and cash flow risk on the company and they are not deemed to have a material effect.

The cost of providing pension benefits to existing and former employees is subject to changes in pension fund values and changing mortality. Asset returns might be insufficient to cover changes in the schemes' liabilities over time. The group mitigates this by active management of the investment portfolio and additional contributions have been made to the UK schemes. UBM has closed its defined benefit schemes to new members.

By order of the board



For and on behalf of
Crosswall Nominees Limited
Secretary

Date 19 SEP 2014

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2013.

Results and dividends

The loss for the year, after taxation, is £12,284,000 (2012: profit of £3,343,000). The directors do not recommend a final dividend (2012: £nil).

Directors

The directors who served the company during the year were as follows:

UNM Investments Limited
Crosswall Nominees Limited
C S Adrian
A F Crow
A C Siddell
P I Wrankmore
N J Youds

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Laying of reports and accounts

The company has passed an elective resolution dispensing with the requirements to lay reports and accounts before the company's members in a general meeting.

Under the provisions of Sections 495 and 496 of the Companies Act 2006, a member has the right to require the reports and accounts to be laid before the company in a general meeting. The member must deposit notice of intention to exercise such right at the registered office of the company within 28 days of the date of this report.

Going concern

After making enquires, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to the auditors

So far as each director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The company has an elective resolution in force dispensing with the requirement to reappoint auditors annually.

By order of the board



For and on behalf of
Crosswall Nominees Limited
Secretary

Date 19 SEP 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that are sufficient to show and explain the Company's transactions which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Independent Auditor's report

to the members of United Advertising Publications Limited

We have audited the financial statements of United Advertising Publications Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss 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.

Independent Auditor's report

to the members of United Advertising Publications Limited

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.

Ernst & Young LLP

Christine Chua (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: *22/9/14*

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Exceptional items	3	(15,047)	-
<i>(Loss)/profit on ordinary activities before interest and taxation</i>		(15,047)	-
Interest receivable and similar income	6	2,763	3,343
<i>(Loss)/profit on ordinary activities before taxation</i>		(12,284)	3,343
Taxation	7	-	-
<i>Retained (loss)/profit for the year</i>	13	(12,284)	3,343

The results stated above all relate to continuing activities.

There have been no acquisitions or discontinued operations during the year.

There are no recognised gains and losses other than the loss of £12,284,000 attributable to the shareholders for the year ended 31 December 2013 (2012: profit of £3,343,000).

There is no difference between the loss on ordinary activities before taxation and the retained profit for the year above and their historical cost equivalents.

The accounting policies and the notes on pages 9 to 24 form part of these financial statements.

Balance sheet

at 31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	8	197	16,633
		<u>197</u>	<u>16,633</u>
Current assets			
Debtors: amounts falling due within one year	9	121,440	117,451
Cash at bank and in hand		-	150
		<u>121,440</u>	<u>117,601</u>
Creditors: amounts falling due within one year	10	<u>(9,730)</u>	<u>(10,043)</u>
Net current assets		111,710	107,558
Net assets		<u>111,907</u>	<u>124,191</u>
Capital and reserves			
Called up share capital	11	2,422	2,422
Share premium account	12	162	162
Profit and loss account	12	109,323	121,607
	13	<u>111,907</u>	<u>124,191</u>

The financial statements on pages 7 to 24 were approved by the Board of Directors and were signed on its behalf by:

For and on behalf of
UNM Investments Limited
Director

Date 19 SEP 2014

Registered No: 01377454



Notes to the financial statements

at 31 December 2013

1. Accounting policies

Basis of preparation and changes in accounting standards

The financial statements have been prepared on a consistent basis with prior accounting periods.

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards.

The Company has exercised its entitlement under Sections 400 to 402 of the Companies Act 2006 to dispense with the requirement to prepare group financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent. Consequently the financial statements present information about the Company as an individual undertaking and not about its group.

The directors have prepared these financial statements on the going concern basis, in accordance with applicable accounting standards in the United Kingdom.

Statement of cash flows

The company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows on the grounds that the company is wholly owned and its ultimate parent publishes consolidated financial statements.

Investments

Investments in subsidiaries are stated at cost less provision for any impairment in value.

The Company reviews investments for impairment if events or changes in circumstances indicate that the carrying value may be impaired. The Company assesses whether such indicators exist at each reporting date. Where the recoverable amount of the investments is less than the carrying amount, an impairment is recognised.

Interest and other income

Interest income is recognised as interest accrues using the effective interest rate method.

Pensions

The Company participates in one pension scheme in the UK of both defined benefit type, with benefits accruing based on final salary and length of service, and of defined contribution type. The scheme is the United Magazines Final Salary Scheme ('UMFSS' defined benefit). This scheme was merged on 30 December 2013 into a new scheme, the UBM Pension Scheme (UBMPS). The assets of the schemes are held in separate trustee administered funds.

The Company participates in the UBMPS with other employers in the group. FRS 17 'Retirement Benefits', requires that, where possible, the pension schemes' underlying assets and liabilities are allocated to the entities sponsoring the scheme. For the Company, this allocation could not be done on a consistent and reasonable basis due to the participation of other group companies in these schemes. As a result, the defined benefit schemes have been accounted for as defined contribution schemes in these accounts in accordance with FRS 17.

The cost of a defined contribution scheme is equal to the contributions payable for the accounting period and should be recognised within operating profit in the profit and loss account.

Notes to the financial statements

at 31 December 2013

2. Operating profit

Auditor's remuneration for 2013 of £2,100 (2012: £2,000) was borne by other United Kingdom group undertakings. No amounts were paid to the auditors in respect of non-audit services.

3. Exceptional items

	2013 £'000	2012 £'000
<i>Charged to operating profit</i>		
Impairment of Investment	(16,436)	-
Intercompany balance reinstatement	1,389	-
	<u>15,047</u>	<u>-</u>

4. Staff costs

(a) Employee information

The company had no employees in the year (2012: nil).

(b) Directors' emoluments

Emoluments for the directors of the Company are paid for by the parent undertaking of the Company. The parent company has not recharged any amount to the Company (2012: nil) on the basis that the amount attributable to the company is negligible.

5. Pensions

The Company participates in one pension scheme in the UK of both defined benefit type, with benefits accruing based on final salary and length of service, and of defined contribution type. The scheme is the United Magazines Final Salary Scheme ('UMFSS' defined benefit). This scheme was merged on 30 December 2013 into a new scheme, the UBM Pension Scheme (UBMPS). The assets of the schemes are held in separate trustee administered funds.

The Company participates in the UBMPS with other employers in the group. FRS 17 'Retirement Benefits', requires that, where possible, the pension schemes' underlying assets and liabilities are allocated to the entities sponsoring the scheme. For the Company, this allocation could not be done on a consistent and reasonable basis due to the participation of other group companies in these schemes. As a result, the defined benefit schemes have been accounted for as defined contribution schemes in these accounts in accordance with FRS 17. The deficit as at 31 December 2013 and related FRS 17 disclosure relating to the UK schemes of the group has been provided below.

The pension liability related to the UK defined benefit schemes is valued by independent professionally qualified actuaries using the projected unit method. The projected unit credit method is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. The most recent actuarial valuations were carried out in 2011 and updated to 31 December 2013 for all defined benefit schemes.

The UK schemes are closed to new members, hence under the projected unit credit method, the current service cost (expressed as a percentage of the salaries of the remaining members) will increase as the remaining active members of the scheme approach retirement.

In 2012, the group agreed to make special contributions to the UK pension schemes of £3.5m per annum until 31 January 2018. This contribution schedule remains in place until the 2014

Notes to the financial statements

at 31 December 2013

funding valuations are finalised (expected in the first half of 2015). The group expects that the normal contributions to be paid in 2014 will be consistent with those paid in 2013.

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

In December 2013 the three main UK schemes (UGPS, UMFSS and UPP) were merged into a single new scheme UBM Pension Scheme (UBMPS). The group agreed to replace guarantees issued to the former schemes with the following new guarantees to the Trustees of the UBMPS:

1. A guarantee from UBM plc of all present and future obligations and liabilities of the UBMPS.
2. A guarantee from UBMG Holdings of all present and future obligations and liabilities of the UBMPS up to a maximum amount equal to the lowest non-negative amount which, when added to the assets of the Scheme, would result in the Scheme being at least 105 per cent. funded on the date on which any liability under this Deed arises, calculated on the basis set out in section 179 of the Pensions Act 2004, were a valuation to be conducted as at that date. This guarantee expires in 2033.
3. A guarantee from UBMi B.V. of all present and future obligations and liabilities of the UBMPS up to a maximum amount of £37 million with this cap reducing by 75p for every £1 of deficit contribution paid. This guarantee expires in 2023.

The Company's pension cost for the defined contribution and defined benefit schemes for the year ended 31 December 2013 is as follows:

	2013 £'000	2012 £'000
Pension cost	-	-

Company employees are members of these schemes as are the employees of other group companies.

The financial assumptions used to calculate the present value of defined benefit scheme liabilities under FRS 17 are:

	2013 %	2012 %	2011 %
All UK Schemes			
Discount rate	4.40	4.00	4.70
Retail price inflation	3.10	2.50	2.60
Consumer price inflation	2.35	1.75	1.85
Rate of increase in salaries	3.75	3.75	3.75
Future pension increases	2.84	2.70	2.60
Expected return on scheme assets			
Equities	8.10	7.50	7.50
Bonds	4.40	4.00	4.70
Gilts	3.60	3.00	3.00
Property	8.10	7.50	7.50
Diversified growth funds	8.10	7.50	7.50
Other	0.50	0.50	0.50

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

The mortality assumptions used at 31 December 2013 for UK schemes are consistent with those used for 31 December 2012. The life expectancy rates used are 110% of the 'SAPS' S1 tables based on the year of birth of scheme members, which is currently on average 1941 for pensioners and 1956 for non-pensioners. Allowances for future improvements in mortality rates are in line with the CMI 2010 projections with a 0.75% p.a. long term trend rate. These projections allow for life expectancy to improve over time due to improvements in medical treatments and other lifestyle factors such that younger members who have not yet reached pensionable age are expected to live longer than current pensioner members.

The assumed average life expectancy of current pensioner members at age 65 is 21.3 years for males and 23.5 years for females (2012: 21.3 years and 23.5 years respectively). For current non-pensioner members aged 45, the assumed average life expectancy at age 65 is 22.2 years for males and 24.6 years for females (2012: 22.2 years and 24.6 years respectively). The average rate of improvement underlying the standard tables is an increase of approximately 0.6 years' life expectancy in every 10 years.

Additional assumptions used for valuing the UK scheme liabilities are an allowance for all non-pensioners to take 15% of pension as tax free cash upon retirement (2012: 15%).

Plan assets mainly consist of equity instruments, gilts and diversified growth funds. The expected rate of return on equities and diversified growth funds at 31 December 2013 are based on an expected long-term out-performance of equities over government bonds of 4.5% p.a. (2012: 4.5%).

The discount rate, assumed salary increases and assumed mortality all have a significant effect on the measurement of the defined benefit obligation. The sensitivity of the valuation to changes in these assumptions is as follows:

	2013	2012
	Impact on	Impact on
	deficit	deficit
	£'000	£'000
All UK Schemes		
0.25 percentage point decrease to discount rate	+19,000	+20,000
0.25 percentage point increase to discount rate	- 18,000	- 19,000
0.25 percentage point increase to inflation (including pension increases linked to inflation)	+9,000	+10,000
0.25 percentage point decrease to inflation (including pension increases linked to inflation)	- 9,000	- 9,000
One year decrease to life expectancy	+17,000	+17,000
One year increase to life expectancy	- 17,000	- 18,000

The following amounts at 31 December 2013 were measured in accordance with the requirements of FRS 17; the deficit for the UBMPS is accounted for in the financial statements of UBM plc. Copies of those financial statements can be obtained from Ludgate House, 245 Blackfriars Road, London, SE1 9UY.

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

(a) The assets in the scheme and actual return on assets were:

UBMPS

	2013	
	Actual return on assets* £'000	Asset allocation %
Equities	-	28
Bonds	-	11
Gilts	-	21
Property	-	9
Diversified growth funds	-	22
Cash	-	7
Insurance policies	-	2
Total	-	100

UMFSS

	2013		2012		2011	
	Actual return on assets £'000	Asset allocation* %	Actual return on assets £'000	Asset allocation %	Actual return on assets £'000	Asset allocation %
Equities	-	-	25	34	-	-
Bonds	-	-	21	12	-	-
Gilts	-	-	23	34	-	-
Property	-	-	9	9	-	-
Insurance policies	-	-	2	2	-	-
Diversified growth funds	-	-	20	9	-	-
Total	14,100	-	12,600	100	6,100	100

The scheme assets do not include any shares in UBM plc or any property occupied by UBM plc or any of its subsidiaries.

*Transfer to UBMPS

In December 2013, the assets and liabilities of the UMFSS were transferred to the UBMPS. As a result, the actual return on assets was recognised in the two historic schemes but an asset allocation has been made in UBMPS.

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

(b) Net pension (liability)

2013	UBMPS £'000
Total market value of scheme assets	451,200
Present value of scheme liabilities	(479,900)
Liability in the scheme	(28,700)
Related deferred tax liability	-
Net pension liability	<u>(28,700)</u>

2012	UMFSS £'000
Total market value of scheme assets	139,700
Present value of scheme liabilities	(185,400)
(Liability) in the scheme	(45,700)
Related deferred tax liability	-
Net pension (liability)	<u>(45,700)</u>

2011	UMFSS £'000
Total market value of scheme assets	129,900
Present value of scheme liabilities	(164,100)
(Liability) in the scheme	(34,200)
Related deferred tax liability	-
Net pension (liability)	<u>(34,200)</u>

(c) Analysis of amount charged to operating profit in respect of defined benefit scheme

2013	UMFSS £'000
Current service cost	-
Past service cost	-
	-
Curtailments/settlements	-
Disposal	-
Total operating charge	<u>-</u>

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

2012	UMFSS £'000
Current service cost	-
Past service cost	-
	-
Curtailments/settlements	-
Disposal	-
Total operating charge	-

2011	UMFSS £'000
Current service cost	-
Past service cost	-
	-
Curtailments/settlements	-
Disposal	-
Total operating charge	-

(d) Analysis of amount taken to financing income/(costs) in respect of defined benefit scheme

2013	UMFSS £'000
Interest cost on pension scheme	(7,300)
Expected return on pension scheme assets	7,700
Total financing income	400

2012	UMFSS £'000
Interest cost on pension scheme	(7,500)
Expected return on pension scheme assets	7,000
Total financing (cost)	(500)

2011	UMFSS £'000
Interest cost on pension scheme	(7,800)
Expected return on pension scheme assets	7,800
Total financing income/(cost)	-

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

(e) Reconciliation of pension scheme assets

2013	UMFSS £'000	UBMPS* £'000
Pension scheme assets at 1 January	139,700	-
Employer contributions	3,700	-
Employee contributions	-	-
Benefit payments	(6,900)	-
Actual return on assets	14,100	-
Transfer to UBMPs	(150,600)	451,200
Pension scheme assets at 31 December	-	451,200

2012	UMFSS £'000
Pension scheme assets at 1 January	129,900
Employer contributions	3,600
Employee contributions	-
Benefit payments	(6,400)
Actual return on assets	12,600
Pension scheme assets at 31 December	139,700

2011	UMFSS £'000
Pension scheme assets at 1 January	127,300
Employer contributions	3,300
Employee contributions	-
Benefit payments	(6,800)
Actual return on assets	6,100
Pension scheme assets at 31 December	129,900

***Transfer to UBMPs**

In December 2013, the assets and liabilities of the UMFSS were transferred to the UBMPs alongside the UGPS and UPP assets and liabilities. The total assets of this new combined scheme represent the transfer to UBMPs described above.

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

(f) Reconciliation of pension scheme liabilities

2013	UMFSS £'000	UBMPS* £'000
Pension scheme liabilities at 1 January	185,400	-
Service cost	-	-
Interest cost	7,300	-
Employee contributions	-	-
Curtailment (gain) / loss	-	-
Benefit payments	(6,900)	-
Actuarial gain on liabilities	(5,700)	-
Transfer to UBMPS	(180,100)	479,900
Pension scheme liabilities at 31 December	-	479,900
2012	UMFSS £'000	
Pension scheme liabilities at 1 January	164,100	
Service cost	-	
Interest cost	7,500	
Employee contributions	-	
Benefit payments	(6,400)	
Actuarial loss on liabilities	20,200	
Pension scheme liabilities at 31 December	185,400	
2011	UMFSS £'000	
Pension scheme liabilities at 1 January	142,000	
Service cost	-	
Interest cost	7,800	
Employee contributions	-	
Benefit payments	(6,800)	
Actuarial loss on liabilities	21,100	
Pension scheme liabilities at 31 December	164,100	

*Transfer to UBMPS

In December 2013, the assets and liabilities of the UMFSS were transferred to the UBMPS alongside the UGPS and UPP assets and liabilities. The total assets of this new combined scheme represent the transfer to UBMPS described above.

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

(g) Analysis of amount recognised in the statement of total recognised gains and losses

2013	UMFSS £'000
Actual return less expected return on pension scheme assets	6,400
Experience loss/(gain) arising from the scheme liabilities	-
Gain on changes in assumptions underlying the value of scheme liabilities	(5,700)
Actuarial loss recognised in the statement of total recognised gains and losses	700

2012	UMFSS £'000
Actual return less expected return on pension scheme assets	(5,600)
Experience loss/(gain) arising from the scheme liabilities	-
Loss on changes in assumptions underlying the value of scheme liabilities	20,200
Actuarial loss recognised in the statement of total recognised gains and losses	14,600

2011	UMFSS £'000
Actual return less expected return on pension scheme assets	1,700
Experience loss arising from the scheme liabilities	1,700
Loss on changes in assumptions underlying the value of scheme liabilities	19,400
Actuarial loss recognised in the statement of total recognised gains and losses	22,800

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

(h) History of experience gains and losses

2013 **UBMPS**
£'000

Scheme liabilities	(479,900)
Scheme assets	451,200
Deficit in pension scheme	(28,700)
Difference between the expected and actual return on scheme assets:	
Amount	(5,500)
As a % of scheme assets at period end	1.2%
Experience gains and losses of scheme liabilities:	
Amount	-
As a % of the present value of the scheme	-

2012 **UMFSS**
£'000

Scheme liabilities	(185,400)
Scheme assets	139,700
(Deficit) in pension scheme	(45,700)
Difference between the expected and actual return on scheme assets:	
Amount	5,600
As a % of scheme assets at period end	4.0%
Experience gains and losses of scheme liabilities:	
Amount	-
As a % of the present value of the scheme	-

2011 **UMFSS**
£'000

Scheme liabilities	(164,100)
Scheme assets	129,900
(Deficit) in pension scheme	(34,200)
Difference between the expected and actual return on scheme assets:	
Amount	(1,700)
As a % of scheme assets at period end	(1.3%)
Experience gains and losses of scheme liabilities:	
Amount	(1,700)
As a % of the present value of the scheme	(1.0%)

Notes to the financial statements

at 31 December 2013

5. Pensions (continued)

2010	UMFSS £'000
Scheme liabilities	(142,000)
Scheme assets	127,300
(Deficit) in pension scheme	(14,700)
Difference between the expected and actual return on scheme assets:	
Amount	4,900
As a % of scheme assets at period end	3.8%
Experience gains and losses of scheme liabilities:	
Amount	(500)
As a % of the present value of the scheme	(0.4%)
 2009	 UMFSS £'000
Scheme liabilities	(137,600)
Scheme assets	117,800
(Deficit) in pension scheme	(19,800)
Difference between the expected and actual return on scheme assets:	
Amount	5,100
As a % of scheme assets at period end	4.3%
Experience gains and losses of scheme liabilities:	
Amount	(1,300)
As a % of the present value of the scheme	(0.9%)

Notes to the financial statements

at 31 December 2013

6. Interest receivable and similar income

	2013 £'000	2012 £'000
Group interest receivable	<u>2,763</u>	<u>3,343</u>

7. Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2013 £'000	2012 £'000
Current tax:		
UK corporation tax at 23.25% (2012: 24.50%)	<u>-</u>	<u>-</u>

(b) Factors affecting the current tax charge

	2013 £'000	2012 £'000
(Loss)/profit on ordinary activities before tax	<u>(12,284)</u>	<u>3,343</u>
(Loss)/profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.50%)	(2,856)	819
Income not taxable	(323)	-
Expense not deductible for tax purposes	3,821	-
Group relief claimed for nil consideration	<u>(642)</u>	<u>(819)</u>
Total current tax charge (note 7(a))	<u>-</u>	<u>-</u>

(c) Factors affecting future tax charge

The UK government has previously announced that there will be a phased decrease in the UK rate of corporation tax until it reaches 20% from 1 April 2015. Reductions to 21% from 1 April 2014 and to 20% from 1 April 2015 were enacted during 2013 and have therefore been reflected in the company's financial statements

Notes to the financial statements

at 31 December 2013

8. Investments

	£'000
Cost	
At 1 January 2013 and 31 December 2013	19,919
Amounts provided	
At 1 January 2013	3,286
Impairment losses	16,436
At 31 December 2013	19,722
Net book value at 1 January 2013	197
Net book value at 31 December 2013	16,633

The impairment losses in the year relate to The Publican Publishing Limited. In 2011, the trade and assets of this entity were sold so we have impaired the carrying value to reflect the fact that this entity no longer has any assets or liabilities.

Details of the investments in which the company holds a portion of the nominal value of the share capital are as follows:

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Daltons.co.uk Limited	England and Wales	Ordinary shares	100%	Dormant
MAI Luxembourg (UK) Limited	England and Wales	Ordinary shares	100%	Dormant
The Publican Publishing Limited	England and Wales	Ordinary and preferred ordinary shares	100%	Dormant
This Caring Business Limited	England and Wales	Ordinary shares	100%	Dormant

In the opinion of the directors the aggregate value of the company's interest in its subsidiary undertakings is not less than the amount stated in the balance sheet.

9. Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Amounts owed by fellow group undertakings	121,440	117,451

Included within amounts owed by fellow group undertakings is an amount of £107,016,770 in respect of an intercompany loan with United Finance Limited (2012: £104,252,350).

Notes to the financial statements

at 31 December 2013

9. Debtors (continued)

Interest accrues on the loans at a rate of LIBOR + 2% (2012: LIBOR + 2%). The loans are unsecured and repayable on demand.

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

10. Creditors

	2013 £'000	2012 £'000
<i>Amounts falling due within one year:</i>		
Amounts owed to fellow group undertakings	9,730	10,043

Amounts owed to fellow group undertakings are unsecured, interest free and repayable on demand.

11. Allotted and issued share capital

	2013 £'000	2012 £'000
<i>Allotted, called up and fully paid</i>		
12,109,268 ordinary shares of 20p each (2012: 12,109,268)	2,422	2,422

12. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2013	162	121,607
Loss for the year	-	(12,284)
At 31 December 2013	162	109,323

As mentioned in Note 5 - Pensions, the company participates in one pension scheme of defined benefit type (the UMFSS) with other employers in the group. FRS 17 'Retirement Benefits' requires that, where possible, the pension schemes' underlying assets and liabilities are allocated to the entities sponsoring the scheme. For the company, this allocation could not be done on a consistent and reasonable basis due to the participation of other group companies in these schemes. As a result, the defined benefit schemes have been accounted for as defined contribution schemes in these financial statements in accordance with FRS 17. If the whole of the pension schemes' underlying assets and liabilities were allocated to the company, the effect on distributable reserves of the company as a result of recognising the respective pension schemes' surpluses or deficits would be an increase or reduction as follows:

Notes to the financial statements

at 31 December 2013

12. Reserves (continued)

	UMFSS £'000
Surplus/(deficit) in scheme at 31 December 2013	(28,700)
Surplus/(deficit) in scheme at 31 December 2012	(45,700)

13. Reconciliation of movements in shareholders funds

	2013 £'000	2012 £'000
Loss for the financial year	(12,284)	3,343
Shareholders funds at the beginning of the year	124,191	120,848
Shareholders funds at the end of the year	111,907	124,191

14. Events after the balance sheet date

There have been no material events since the balance sheet date.

15. Capital commitments

The company does not have any capital commitments (2012: £nil).

16. Contingent liabilities

The Company does not have any contingent liabilities (2012: £nil).

17. Related party transactions

The Company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the UBM group, or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial statements.

18. Ultimate parent undertaking and controlling party

The immediate parent undertaking is UBMG Holdings which is registered in England and Wales.

The ultimate parent undertaking and controlling party is UBM plc registered in Jersey and resident in the United Kingdom. UBM plc is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements for UBM plc can be obtained from the secretary at Ludgate House, 245 Blackfriars Road, London, SE1 9UY.