

Caspian Media Limited

Report and Financial Statements

Year Ended

30 June 2013

Company Number 03157774

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Caspian Media Limited

**Report and financial statements
for the year ended 30 June 2013**

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Directors

S Randell
I Gerrard
R Stanhope

Registered office

Unit G4, Harbour Yard, Chelsea Harbour, London SW10 OXD

Company number

03157774

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Caspian Media Limited

Report of the directors for the year ended 30 June 2013

The directors present their report together with the audited financial statements for the year ended 30 June 2013

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the year

The directors do not recommend the payment of any dividends (2012 - £Nil)

Principal activities

The principal activities of the company in the year under review were those of print and digital magazine publishing, contract publishing and conference and events management. There have been no changes in the company's activities in the year under review.

Review of business

Caspian Media is an award winning B2B media agency producing innovative and successful print, digital and event solutions for a range of blue chip clients.

The results for the year and financial position of the company are as shown in the annexed financial statements.

Although turnover fell by 7.5% with market conditions affecting advertising, the reduced cost base was in line with the revenue and the reduction in headcount resulted in a positive EBITDA after adjusting for non-recurring costs.

The management team was restructured at the end of the financial year resulting in non-recurring costs of £193,000.

During the year ended 30 June 2013 Caspian won some exciting new contracts with blue chip clients who will have a significant impact on the next financial year, whilst Caspian's proprietary brands and industry leading events continue to be very successful. On 2nd August 2013 a five year extension to the original publishing contract was signed with PEP Ltd, the publishing arm of the Institution of Mechanical Engineers which generates in excess of £2.5m of revenue per year.

With higher margin online activity and new contracts in play Caspian looks set to achieve a return to profit in 2013/14.

Charitable contributions

During the year the company made charitable contributions of £200 (2012 - £149).

Directors

The directors of the company during the year were

S P Rock	(resigned 30 June 2013)
M J Rock	(resigned 30 June 2013)
S Randell	
I Gerrard	
R Stanhope	

Caspian Media Limited

Report of the directors for the year ended 30 June 2013 (continued)

Principal risks and uncertainties

The company, in common with other publishing companies, is exposed to the possibility of a downturn in the global advertising market as part of a wider economic downturn. Other key risks include the risk of a loss of key contracts and the risk of being unable to attract and retain suitable staff.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on all new customers, accepting only prepayments if necessary and by monitoring payments against contractual agreements.

The company monitors cashflow as part of its day to day control procedures to ensure that appropriate facilities are available to be drawn upon as necessary.

Key Performance Indicators

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators (KPIs).

The key financial performance indicators are turnover, gross profit and margin and EBITDA. The key non-financial performance indicator is the number of staff employed by the company.

The KPIs for the year ended 30 June 2013, with comparatives for the year ended 30 June 2012, are set out below.

	2013	2012
Turnover (£'000s)	7,183	7,769
Gross profit (£'000s)	3,231	3,715
Gross margin (%)	45	47.8
EBITDA (excluding non-recurring costs) (£'000s)	11.7	18.9
Average number of employees	58	67

Directors' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Caspian Media Limited

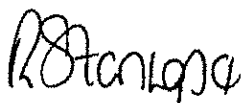
Report of the directors for the year ended 30 June 2013 (continued)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP, have been deemed to have been reappointed in accordance with section 407 of the Companies Act 2006.

On behalf of the Board



R Stanhope
Director

Date 28/11/13

Caspian Media Limited

Independent auditor's report

TO THE MEMBERS OF CASPIAN MEDIA LIMITED

We have audited the financial statements of Caspian Media Limited for the year ended 30 June 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 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 matters prescribed by the Companies Act 2006

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

Caspian Media Limited

Independent auditor's report (*continued*)

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

BDO LLP

David Eagle (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date *29/11/10*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Caspian Media Limited

Profit and loss account for the year ended 30 June 2013

	Note	2013 £	2012 £
Turnover	2	7,183,300	7,769,250
Cost of sales		3,952,660	4,054,208
Gross profit		3,230,640	3,715,042
Administrative expenses		3,515,476	3,995,773
Operating loss	5	(284,836)	(280,731)
Interest receivable and similar income		382	2,187
Interest payable		(10,219)	(13,677)
Loss on ordinary activities before taxation		(294,673)	(292,221)
Taxation on loss on ordinary activities	6	(100,000)	-
Loss for the financial year		(394,673)	(292,221)

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 8 to 16 form part of these financial statements

Caspian Media Limited

Balance sheet
at 30 June 2013

Company number 03157774	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	7		164,680		269,452
Investments	8		19		19
			<u>164,699</u>		<u>269,471</u>
Current assets					
Stock		8,486		35,523	
Debtors due within one year	9	932,970		1,439,191	
Debtors due after more than one year	9	1,460,760		1,145,046	
Cash at bank and in hand		609,211		500,558	
		<u>3,011,427</u>		<u>3,120,318</u>	
Creditors, amounts falling due within one year	10	<u>2,761,106</u>		<u>2,525,984</u>	
Net current assets			<u>250,321</u>		<u>594,334</u>
Total assets less current liabilities			<u>415,020</u>		<u>863,805</u>
Creditors: amounts falling due after more than one year	11	<u>12,321</u>		<u>50,433</u>	
Provisions for liabilities	13	<u>64,000</u>		<u>80,000</u>	
			<u>(76,321)</u>		<u>(130,433)</u>
Net assets			<u>338,699</u>		<u>733,372</u>
Capital and reserves					
Called up share capital	14		131,756		131,756
Share premium	15		410,338		410,338
Profit and loss account	15		(203,395)		191,278
Shareholders' funds	17		<u>338,699</u>		<u>733,372</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/11/2013.



R Stanhope
Director

The notes on pages 8 to 16 form part of these financial statements

Caspian Media Limited

Notes forming part of the financial statements for the year ended 30 June 2013

1 Accounting policies

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

The following principal accounting policies have been applied

Turnover

Turnover represents the value, excluding value added tax, of goods sold and services provided to customers. There are four main revenue streams:

- Advertising (print-based and online) where income is recognised when the relevant publication is distributed or the campaign is run
- Subscriptions which are recognised evenly on a time basis over the subscription period
- Event revenues which are recognised in the period the events take place
- Publishing fees which are recognised when the relevant publication is distributed

In each case, customers may be invoiced in advance of income recognition, in which case the proportion of invoiced income relating to subsequent periods is included in deferred income

Tangible fixed assets

Fixed assets are stated at historical cost

Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life, as follows:

Office equipment	-	Over 5 years
Fixtures and fittings	-	Over 5 years
Computer equipment	-	Over 4 years

Fixed asset investments

Fixed asset investments are shown at cost

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Stock

Paper stock is included in the accounts at the lower of cost and net realisable value. Cost is determined on a first in, first out basis.

Caspian Media Limited

Notes forming part of the financial statements for the year ended 30 June 2013 (continued)

1 Accounting policies (continued)

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the purchase value of the assets acquired. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are operating leases and the annual rentals are charged to the profit and loss account on a straight-line basis over the lease term.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Provision for dilapidations

Provisions for leasehold dilapidations are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as a consolidated cash flow statement is included in the financial statements of Caspian Media Holdings Limited.

Group financial statements

Group financial statements are not presented because the company has taken advantage of the exemption under section 400 of the Companies Act 2006.

2 Turnover

	2013 £	2012 £
Turnover consists of		
Proprietary publishing and events (including online)	2,704,765	2,739,887
Contract publishing and events	4,478,535	5,029,363
	<u>7,183,300</u>	<u>7,769,250</u>

All turnover derives from activities undertaken in the United Kingdom

Caspian Media Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)

3 Employees

	2013 £	2012 £
Staff costs consist of		
Wages and salaries	2,414,768	2,903,240
Social security costs	267,692	320,776
Pension costs	18,999	19,124
	<u>2,701,459</u>	<u>3,243,140</u>
	2013 Number	2012 Number
The average number of employees during the year was		
Management and finance	11	12
Editorial and design	25	30
Conference and events	5	7
Sales and marketing	15	16
Online publishing	2	2
	<u>58</u>	<u>67</u>

The above figures include five executive directors for the year (2012 - five)

4 Directors' remuneration

	2013 £	2012 £
Directors' emoluments	441,307	401,195
Compensation for loss of office	193,101	-
Pension costs	4,542	-
	<u></u>	<u></u>
Highest paid director		
Emoluments	<u>102,654</u>	<u>121,407</u>

There were four directors for whom the company made pension contributions during the year.

Caspian Media Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)

5 Operating loss

	2013 £	2012 £
This has been arrived at after charging		
Depreciation		
- owned assets	66,387	106,701
- leased assets	37,080	28,933
Auditors' remuneration - audit services	15,600	15,600
Auditors' remuneration - non audit services	4,860	4,860
Foreign exchange differences	26,564	2,792
Operating leases		
- property	105,733	189,970
- other	30,364	33,613

6 Taxation on loss on ordinary activities

	2013 £	2012 £
<i>Current tax</i>		
UK Corporation tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	100,000	-
Taxation on loss on ordinary activities	100,000	-
Loss on ordinary activities before tax	(294,673)	(292,221)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 23.75% (2012 - 25.5%)	(69,985)	(74,516)
Effects of		
Disallowed expenses	3,029	4,235
Depreciation for the year in excess of capital allowances	12,614	6,061
Other timing differences	(8,404)	(4,616)
Losses carried forward	62,746	68,836
Current tax charge for year	-	-

Caspian Media Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)

7 Tangible assets

	Office equipment £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>				
At 1 July 2012	68,752	38,090	883,478	990,320
Additions	-	-	3,724	3,724
Disposals	(29,035)	(38,090)	(429,466)	(496,591)
At 30 June 2013	<u>39,717</u>	<u>-</u>	<u>457,736</u>	<u>497,453</u>
<i>Depreciation</i>				
At 1 July 2012	33,040	38,090	649,738	720,868
Charge for the year	8,157	-	95,310	103,467
Disposals	(29,035)	(38,090)	(424,437)	(491,562)
At 30 June 2013	<u>12,162</u>	<u>-</u>	<u>320,611</u>	<u>332,773</u>
<i>Net book value</i>				
At 30 June 2013	<u>27,555</u>	<u>-</u>	<u>137,125</u>	<u>164,680</u>
At 30 June 2012	<u>35,712</u>	<u>-</u>	<u>233,740</u>	<u>269,452</u>

The net book value of computer equipment above includes an amount of £82,098 (2012 - £119,178) in respect of assets held under finance leases. The related depreciation charge on these assets was £101,597 (2012 - £125,393).

Caspian Media Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)

8 Fixed asset investments

	Unlisted investments £
<i>Cost and net book value</i>	
At 1 July 2012 and 30 June 2013	19

The undertakings in which the company's interest at the year end is 20% or more are as follows

	Country of incorporation	Proportion of voting rights held	Nature of business
Real Business Limited	UK	100%	Dormant
Real Deals Limited	UK	100%	Dormant
Real Finance Limited	UK	100%	Dormant
Real Business Events Limited	UK	100%	Dormant
Real Business Conferences Limited	UK	100%	Dormant
Caspian Conferences Limited	UK	100%	Dormant
Real IR Limited	UK	100%	Dormant
Real Investor Relations Limited	UK	100%	Dormant
Real Publishing Limited	UK	100%	Dormant
Real FD Limited	UK	100%	Dormant

9 Debtors

	2013 £	2012 £
<i>Amounts due within one year</i>		
Trade debtors	625,608	876,501
Other debtors	30,000	30,000
Deferred tax asset	40,000	140,000
Prepayments and accrued income	237,362	201,412
Amounts owed by group undertakings	-	191,278
	932,970	1,439,191
<i>Amounts due after one year</i>		
Amounts owed by group undertakings	1,460,760	1,145,046
<i>Deferred tax asset</i>		£
At 1 July 2012		140,000
Charged to the profit and loss account		(100,000)
At 30 June 2013		40,000

The above deferred tax asset relates to trading losses which has been recognised as the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. At 30 June 2013 the company had an unrecognised deferred tax asset in respect of losses of £213,609 (2012 - £89,451)

Caspian Media Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)

10 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	810,515	679,715
Other taxation and social security	91,202	130,442
Other creditors	58,358	7,573
Deferred income	1,163,231	1,031,973
Accrued expenses	599,688	627,042
Obligations under finance lease	38,112	49,239
	<u>2,761,106</u>	<u>2,525,984</u>

11 Creditors: amounts falling due after one year

	2013 £	2012 £
Obligations under finance lease	<u>12,321</u>	<u>50,433</u>

12 Loans

An analysis of the maturity of loans is given below

	2013 £	2012 £
Amounts falling due within one year or on demand		
Obligations under finance lease	<u>38,112</u>	<u>49,239</u>
Amounts falling due between one and two years		
Obligations under finance lease	<u>12,321</u>	<u>38,112</u>
Amounts falling due between two and five years		
Obligations under finance lease	<u>-</u>	<u>12,321</u>

13 Provisions for liabilities

	Dilapidations £
At 1 July 2012	80,000
Charged to the profit and loss account	64,000
Utilised in year	<u>(80,000)</u>
At 30 June 2013	<u>64,000</u>

Caspian Media Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)

14 Share capital

	2013 Number	2012 Number	2013 £	2012 £
<i>Allotted, issued and fully paid</i> Ordinary shares of £1 each	131,756	131,756	131,756	131,756

15 Reserves

	Profit and loss account £	Share premium £	Total £
At 1 July 2012	191,278	410,338	601,616
Retained loss for year	(394,673)	-	(394,673)
At 30 June 2013	(203,395)	410,338	206,943

16 Commitments under operating leases

As at 30 June 2013, the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 £	Other 2012 £
Operating leases which expire Between two and five years	137,600	25,576	88,200	25,276

17 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Loss for the financial year	(394,673)	(292,221)
Net reduction of shareholders' funds	(394,673)	(292,221)
Opening shareholders' funds	733,372	1,025,593
Closing shareholders' funds	338,699	733,372

Caspian Media Limited

**Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)**

18 Contingent liabilities

There is a cross guarantee with Caspian Media Holdings Limited. The debenture holders in Caspian Media Holdings Limited hold a fixed and floating charge over Caspian Media Limited's assets.

19 Related parties

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Caspian Media Holdings Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

20 Immediate and ultimate parent company

At 30 June 2013 the company's immediate and ultimate parent company was Caspian Media Holdings Limited, which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements of Caspian Media Holdings Limited are available from Companies House.