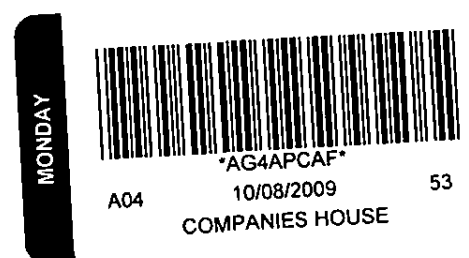


Ocean Media Exhibitions Limited
Annual report and financial statements
for the 52 week period ended 28 December 2008

Registered number: 3546632



Ocean Media Exhibitions Limited

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Ocean Media Exhibitions Limited

Directors and advisors

Directors

Trevor Barratt
Margaret Satchel

Secretary

Margaret Satchel

Registered office

19th Floor
Canary Wharf
One Canada Square
London
E14 5AP

Lawyers

CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Eversheds LLP
1 Wood Street
London
EC2V 7WS

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Ocean Media Exhibitions Limited

Directors' report for the 52 week period ended 28 December 2008

The directors present their annual report and the audited financial statements for the 52 week period ended 28 December 2008.

Review of activities, future prospects and financial position

The principal activity of the company is to act as exhibition organisers and magazine publishers. A number of trade exhibitions are organised for the Bridal industry together with the publication of a number of industry magazines and newsletters to support the exhibitions. A consumer exhibition for the boat and caravan market is also organised on an annual basis. The directors expect this to continue for the foreseeable future.

The company's results for the financial period are set out in the profit and loss account on page 9.

The financial position of the company is set out on page 10.

The directors are satisfied with the performance of the company during the period. The performance of the company in 2009 is expected to be at similar levels to 2008, subject to no further deterioration in trading conditions. Further information is available in the consolidated accounts of the company's parent undertaking Mercury Equity Limited.

The directors do not recommend the payment of a dividend in respect of the 52 week period ended 28 December 2008 (2007: £nil). The retained profit for the 52 week period of £2,169,104 (2007: £1,315,750) has been transferred to reserves.

Going concern

As at 28 December 2008, the Company held significant receivable balances from other group companies within the Mercury Equity Limited group ("the group") and is dependent upon those companies settling their debts in part or in full when due or on demand to remain in a net current asset position. In light of current trading levels the consolidated accounts of Mercury Equity Limited reflect a material uncertainty related to the group's ability to meet certain financial covenants within its Senior Facilities Agreement, to which Ocean Media Exhibitions Limited is a guarantor. In the event of a breach, the bank could require repayment of its borrowings and/or trigger obligations under the cross-guarantees which may limit the ability of the other group companies to settle their liabilities, including those due to the Company. Although the current view of the Directors is that the risk of the group not having sufficient funding is considered to be low, this represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the directors believe that preparing the accounts on the going concern basis is appropriate. Further details are given in Note 1.

Strategy

The company operates in a number of well-defined media markets, with a leading position in most of its selected niches. The company's objective is to maximise long-term growth in the value of the company as an independent entity, as well as developing it as an exhibitions business and market-focussed advertising business.

Growth in the business is expected to be achieved from the following areas:

- Digital development
- Face to face events (both exhibitions and smaller awards and conferences)
- Acquisitions

Ocean Media Exhibitions Limited

Directors' report for the 52 week period ended 28 December 2008 (continued)

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. These risks are monitored on an ongoing basis by the executive management team who report them to the Board.

The key business risks are:

- Competition - the company has a number of well established market leading positions in different media sectors. These are highly competitive market places and require continual focus on customer needs and innovation.
- Economic growth in the UK - as with all media businesses the company derives a significant proportion of income from advertising revenue generated in the UK. This revenue is under some pressure in the global economic downturn currently being experienced.
- Accelerated online migration of recruitment, classified and display advertising revenues, mitigated by the company's development of digital income streams.
- People - the company benefits from an experienced community of editors, business managers, sales executives and other professionals but faces margin exposure if sector wage costs continue to increase at above inflation rates in an environment where media spend tracks general inflation. This is considered to be a low risk at present.
- Disaster recovery - the company operates from 2 sites in Canary Wharf and Coventry and has appropriate back up facilities for key data. Nevertheless it remains exposed to disruption in terms of people, data and systems from an incident affecting either of its sites.
- Contractor pricing - The company is committed to a number of long term contracts with suppliers of venues where annual price increases may increase at above inflation rates. This could give rise to margin exposure in the current climate where media spend and therefore revenues track general inflation.

Financial risk

The company manages its financial risk by minimising the credit risk relating to its trade debtors, and managing cash flow in order to satisfy its interest and capital repayments and fund working capital requirements. The company does this by means of agreed credit control procedures including monitoring exposure to individual customers against set exposure limits, efficient and timely cash collection, and by short term cash flow forecasting. The company has no material foreign exchange risk at present, and because of its cash management processes and net cash balances is not materially exposed to liquidity and cash flow risk.

Key performance indicators

The executive management team monitors and reports to the Board on a number of key performance indicators, which are:

- growth in sustainable adjusted EBITDA
- growth in sales by product
- growth in profit contribution by product
- contribution margin by product

Ocean Media Exhibitions Limited

Directors' report for the 52 week period ended 28 December 2008 (continued)

Key performance indicators (continued)

- visitor and delegate numbers at exhibitions and conferences
- circulation and subscriber numbers for magazines
- newtrade and subscriber yields for magazines
- page volumes and yields for magazines
- net metres sold and yield for exhibitions
- market share analysis in relevant markets

Research and development

No material research and development activities have taken place during the period.

Employee information

During the period the Company has maintained its obligation to develop and improve arrangements aimed at involving employees in its affairs. Methods of communication include an in-house weekly newsletter, company website, team and company briefings. Employment policies are designed to provide equal opportunities irrespective of age, sexuality, colour, ethnic origin, religion, nationality, sex or marital status. The company endeavours to treat disabled persons equally with others.

Creditor payment policy

The company's policy on the payment of all creditors is to ensure that the terms of payment as specified by, and agreed with, the supplier are not exceeded, providing all trading terms and conditions have been complied with.

Directors' and officers' liability insurance

During the period, the company has maintained cover for its directors and officers under a directors' and officers' liability insurance policy.

Directors

The directors who held office during the 52 week period and up to the date of signing are given below:

Trevor Barratt
Margaret Satchel (also Company Secretary)

Ocean Media Exhibitions Limited

Directors' report for the 52 week period ended 28 December 2008 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 234ZA of the Companies Act 1985 the following applies:

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Ocean Media Exhibitions Limited

Directors' report for the 52 week period ended 28 December 2008 (continued)

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

Approved by the Board of Directors and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'Margaret Satchel', with a stylized, cursive script.

Margaret Satchel
Company Secretary

10 August 2009

Independent auditors' report to the members of Ocean Media Exhibitions Limited

We have audited the financial statements of Ocean Media Exhibitions Ltd for the 52 week period ended 28 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 December 2008 and of its profit for the 52 week period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Independent auditors' report to the members of Ocean Media Exhibitions Limited (continued)

Emphasis of Matter – Going Concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. As at 28 December 2008, the Company held significant receivable balances from other group companies within the Mercury Equity Limited group and is dependent upon those companies settling their debts in part or in full when due or on demand to remain in a net current asset position. In light of current trading levels, the consolidated accounts of Mercury Equity Limited reflect a material uncertainty related to the group's ability to meet certain financial covenants within its Senior Facilities Agreement, to which Ocean Media Exhibitions Limited is a cross-guarantor. In the event of a breach, the bank could require repayment of its borrowings and/or trigger obligations under the cross-guarantees which may limit the ability of the other group companies to settle their liabilities, including those due to the Company. This represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

10 August 2009

Ocean Media Exhibitions Limited

Profit and loss account for the 52 week period ended 28 December 2008

	Note	52 week period ended 2008	52 week period ended 2007
		£	£
Turnover	2	7,290,015	7,669,308
Cost of sales		(4,833,317)	(6,074,335)
Gross profit		2,456,698	1,594,973
Distribution costs		(21,926)	(12,556)
Administrative expenses		(266,667)	(266,667)
Operating profit		2,168,105	1,315,750
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation	3	2,168,105	1,315,750
Tax credit on profit on ordinary activities	5	999	-
Profit for the financial period	10	2,169,104	1,315,750

All results arose from continuing operations.

There were no recognised gains or losses other than the profit for the current and prior period. Accordingly no statement of total recognised gains and losses has been presented.

There is no difference between the reported profit on ordinary activities before taxation and the profit for the 52 week period stated above and their historical cost equivalents.

Ocean Media Exhibitions Limited

Balance sheet as at 28 December 2008

	Note	2008 £	2007 £
Fixed asset			
Intangible assets	6	3,344,444	3,611,111
Current assets			
Debtors	7	6,501,663	5,326,237
Cash at bank and in hand		-	451
		6,501,663	5,326,688
Creditors: amounts falling due within one year	8	(4,323,435)	(5,584,231)
Net current assets / (liabilities)		2,178,228	(257,543)
Total assets less current liabilities		5,522,672	3,353,568
Net assets		5,522,672	3,353,568
Capital and reserves			
Called up share capital	9	18	18
Profit and loss reserve	10	5,522,654	3,353,550
Total shareholders' funds	11	5,522,672	3,353,568

The financial statements on pages 9 to 17 were approved by the Directors on 10 August 2009.

Signed on behalf of the Board of Directors



Margaret Satchel
Director

Ocean Media Exhibitions Limited

Notes to the financial statements for the 52 week period ended 28 December 2008

1 Accounting policies

These financial statements are prepared on a going concern basis under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below.

Basis of preparing the financial statements – going concern assumption

The financial statements have been prepared on the going concern basis, which assumes that for the foreseeable future the Company will continue to be able to realise its assets and meet its liabilities as they fall due.

At 28 December 2008, the Company has net assets totalling £5,522,672, which included a receivable balance of £2,125,932 due from another group company, and is dependent upon that company settling its debts in part or in full when due or on demand to remain in a net current asset position. In preparing their assessment of going concern the directors have assumed that the receivable balance can be recovered in full and on demand. In light of current trading levels the consolidated accounts of Mercury Equity Limited reflect a material uncertainty related to the group's ability to meet certain financial covenants within its Senior Facilities Agreement, to which Ocean Media Exhibitions Limited is a cross-guarantor. In the event of a breach, the bank could require repayment of its borrowings and/or trigger obligations under the cross-guarantees which may limit the ability of the other group companies to settle their liabilities, including those due to the Company.

The directors recognise that the matter referred to above indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Nonetheless, based on the group's current financial position, projected trading and the supportive approach of the group's lenders and major shareholders, the directors believe that it remains appropriate for the financial statements to be prepared on a going concern basis and consequently the financial statements do not include adjustments that would result if the going concern basis of preparation is inappropriate.

Cash flow statements

The company is not presenting a cash flow statement in accordance with the exemption in FRS 1 (Revised 1996) – 'Cash Flow Statements'. The ultimate parent company has included a consolidated cash flow statement in the group accounts.

Intangible fixed assets

Costs associated with acquiring publishing titles are capitalised as goodwill and amortised on a straight-line basis over its estimated useful life not exceeding 15 years.

Ocean Media Exhibitions Limited

Notes to the financial statements for the 52 week period ended 28 December 2008 (continued)

1 Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using rates enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full at the anticipated tax rates on timing differences arising from the different treatment of items for accounting and taxation purposes. No provision is made for deferred tax on investment revaluations. A deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The company has elected not to discount the deferred tax assets and liabilities.

Pension scheme arrangements

The company operates a defined contribution scheme. For these schemes, the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of advertising revenue, subscriptions, conference and exhibition organisation and sales of general merchandise. Income from exhibitions is recognised only after the exhibition has commenced. Revenue related to a specific issue of a magazine is recognised in the month that the magazine goes on sale.

3 Profit on ordinary activities before taxation

The profit before taxation is stated after charging:

	2008	2007
	£	£
Amortisation of goodwill (see Note 6)	266,667	266,667

The audit fee for both the current and prior period have been borne and not recharged by another group company.

Ocean Media Exhibitions Limited

Notes to the financial statements for the 52 week period ended 28 December 2008 (continued)

4 Employee information

The average monthly number of persons employed by the company during the period was:

	2008	2007
	No.	No.
Publishing and exhibitions	10	9

Staff costs comprised:

	£	£
Wages and salaries	446,618	330,633
Social security costs	49,711	36,099
Other pension costs	19,644	19,461
	515,973	386,193

None of the directors received any emoluments for their services to the company in either the current or previous period on the basis of the limited time spent undertaking these roles. The directors' emoluments relating to T Barratt and M Satchel in their capacity as directors of Ocean Media Group Limited are disclosed in that company's financial statements.

Pensions

The company contributes to Ocean Media Group's Stakeholder's Pension Scheme, a defined contribution scheme for which the pension cost for the year ended 28 December 2008 was £18,900 (2007: £18,600).

The company also maintains life cover for employees that were previously members of a defined benefit scheme provided by Trinity Mirror Plc. The cost for the period was £744 (2007:£861).

Accrued pension costs at 28 December 2008 were £nil (2007: £nil).

Ocean Media Exhibitions Limited

Notes to the financial statements for the 52 week period ended 28 December 2008 (continued)

5 Tax credit / (charge) on profit for the period

	2008	2007
	£	£
Current tax:		
UK corporation tax (credit) / charge for current period	-	-
Adjustment in respect of prior period	999	-
Tax credit / (charge) on profit on ordinary activities	999	-

Reconciliation of current tax charge

The tax assessment for the period is lower (2007: lower) than the standard effective rate of corporation tax in the UK for the 52 week period ended 28 December 2008 of 28.5% (2007: 30%). The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before tax	2,168,105	1,315,750
Profit on ordinary activities multiplied by standard rate in the UK 28.5% (2007: 30%)	617,910	394,725
Effects of:		
Non-deductible amortisation of intangible fixed assets	76,189	80,000
Non-deductible permanent disallowables	-	60,955
Adjustment to prior period	999	-
Group relief	(694,099)	(535,680)
Current tax credit for the period	999	-

Factors affecting future tax charges

From 1 April 2008, the rate of corporation tax was reduced from 30 per cent to 28 per cent. This will reduce the tax charge going forward.

No deferred tax was recognised or unrecognised during the period (2007: £nil).

Ocean Media Exhibitions Limited

Notes to the financial statements for the 52 week period ended 28 December 2008 (continued)

6 Intangible assets

	Intellectual Property
	£
Cost	
At 30 December 2007	4,000,000
Additions	-
At 28 December 2008	4,000,000
Amortisation	
At 30 December 2007	(388,889)
Charge for the period	(266,667)
At 28 December 2008	(655,556)
Net book amount	
At 28 December 2008	3,344,444
At 30 December 2007	3,611,111

7 Debtors

	2008	2007
	£	£
Trade debtors	2,537,410	1,458,018
Amounts owed by group undertakings	2,125,932	2,017,067
Other debtors	21,443	8,779
Prepayments and accrued income	1,816,878	1,842,373
	6,501,663	5,326,237

Amounts owed by group undertakings are unsecured, interest-free and payable on demand.

Ocean Media Exhibitions Limited

Notes to the financial statements for the 52 week period ended 28 December 2008 (continued)

8 Creditors: amounts falling due within one year

	2008	2007
	£	£
Amounts owed to group undertakings	5,726	798,594
Taxation and social security	130	117,278
Accruals and deferred income	4,317,579	4,668,359
	4,323,435	5,584,231

Amounts owed to group undertakings are unsecured, interest-free and payable on demand.

9 Called up share capital

	2008	2007
	£	£
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Called up, allotted and fully paid		
18 ordinary shares of £1 each	18	18

10 Profit and loss reserve

	2008
	£
At beginning of period	3,353,550
Retained profit for the 52 week period ended 28 December 2008	2,169,104
At end of period	5,522,654

Ocean Media Exhibitions Limited

Notes to the financial statements for the 52 week period ended 28 December 2008 (continued)

11 Reconciliation of movements in total shareholders' funds

	2008	2007
	£	£
Opening shareholders' funds	3,353,568	2,037,818
Profit for the financial period	2,169,104	1,315,750
Closing shareholders' funds	5,522,672	3,353,568

12 Financial commitments

The company is committed to payments in respect of venue hire for future shows. At 28 December 2008 this commitment amounted to £1,095,550 (2007: £271,490) in respect of shows to be held in the course of the next financial period.

Capital commitments

At 28 December 2008, the company had no capital commitments (2007: £nil).

13 Contingent liabilities

The company has given a cross guarantee in respect of the bank borrowings of a fellow subsidiary which amounted to £60,724,000 at 28 December 2008 (see note 1).

14 Ultimate parent company and immediate parent undertaking

The company's immediate parent undertaking is Ocean Media Magazines Limited, a company registered in England & Wales.

The parent undertaking of the smallest and largest group to consolidate these financial statements is Mercury Equity Limited. Copies of Mercury Equity Limited consolidated financial statements can be obtained from the Company Secretary at 19th Floor, Canary Wharf, One Canada Square, London E14 5AP.

The ultimate parent undertaking is AAC Capital NEBO Sub LP which is a limited partnership fund registered in England. The majority investor in this fund is AAC Capital NEBO NL Feeder BV, which is ultimately owned by RFS Holdings BV, incorporated in the Netherlands. AAC Capital NEBO Feeder Limited (the general partner of AAC Capital Sub LP) is regarded as the direct controlling party of the company, and AAC Capital Partners Holding BV (incorporated in the Netherlands) is regarded as the ultimate controlling party of the company. The financial statements of Mercury Equity Limited are not consolidated into the accounts of any other entity.

15 Related party transactions

The company is a wholly owned subsidiary within the Group, and utilises the exemption contained in Financial Reporting Standard 8 - "Related Party Disclosures", not to disclose any transactions with entities that are part of the Group.