

UBM Information Limited

Financial Statements

31 December 2012

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Registered No 00370721

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Directors

Crosswall Nominees Limited
UNM Investments Limited
C Adrian
C Corbett
S Foster
B Grover
R Kerr

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

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2012

Results and dividends

The loss for the year, after taxation, is £11,648,000 (2011 loss of £36,203,000) The directors do not recommend a final dividend (2011 £nil)

Principal activity and review of the business

The principal activity of the Company throughout the year continued to be the provision of business to business communication through advertising periodicals, exhibitions, digital products and the provision of media solutions 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 8, and the directors expect that the present level of activity will be sustained for the foreseeable future

The Company operates across a range of sectors including Property, Construction, Health and Safety, Interiors, Security, Safety, Facilities, Leisure, Customer Management, Travel and Healthcare Turnover for the year was £86.8m compared to £101.2m in 2011 Of the £14.4m decrease in total turnover, £13.7m relates to discontinued operations and £0.7m relates to continuing operations

Turnover on 2012 discontinued operations of £2.6m relates to the disposal of the UK agriculture business Farmers Guardian based in Preston and the London based medical general practitioner portfolio Pulse in February 2012 to Briefing Media Group

In 2012 the operating loss for the year was £16.4m compared to a loss of £11.6m in 2011 Across the Company, costs have been tightly controlled through the rationalisation of portfolios, further restructuring, re-negotiation of contracts with venues and major suppliers and tight control of discretionary budgets

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

We cannot predict with certainty the sector changes which may affect the competitiveness of the business or whether technological innovation will render some of our existing products and services partially or wholly obsolete We may be adversely affected by changes in customer behaviour or the emergence of new technologies which increase the competition for some elements of our offering Our scenario planning process identifies emerging behavioural trends which require action We act to differentiate our proposition from the competition and ensure our offering is effective at satisfying our customers' needs and delivering value Our strategy of creating a balanced portfolio of products helps us to meet the changing needs of our customers

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

Directors' report

Directors

The directors who served the Company during the year were as follows

Crosswall Nominees Limited

UNM Investments Limited

S Foster

B Grover (appointed 15/03/2013)

A Barrick (resigned 25/03/2013)

J Risby-Rose (resigned 25/03/2013)

C Adrian (appointed 25/03/2013)

C Corbett (appointed 25/03/2013)

R Kerr (appointed 25/03/2013)

R Carter (resigned 26/03/2013)

P McAleenan (resigned 08/04/2013)

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.

Political and charitable contributions

During the year donations to charitable causes amounted to £10,443 (2011 £50). No contributions were made for political purposes (2011 £nil).

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The board recognises the value of communication with employees at all levels and this is further encouraged by various incentive and share ownership schemes.

Directors' 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.

Events after the balance sheet date

On 26 July 2013 the Company sold European Hotel Design Awards for £240,000.

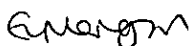
Disclosure of information to the auditors

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 26 SEP 2013

Statement of 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 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 UBM Information Limited

We have audited the financial statements of UBM Information Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 27. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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. 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 2012 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 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 UBM Information 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



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

Date **27 SEP 2013**

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Turnover			
Acquisitions		-	1,442
Continuing operations		84,194	83,425
Discontinued operations		2,569	16,343
Total turnover	2	86,763	101,210
Cost of sales		(25,486)	(35,012)
Gross profit		61,277	66,198
Admin expenses		(77,765)	(77,994)
Operating income		124	210
Exceptional items		-	(13)
Operating (loss) /profit			
Acquisitions		-	517
Continuing operations		(15,205)	(13,388)
Discontinued operations		(1,159)	1,272
Total operating loss	3	(16,364)	(11,599)
Exceptional items	4	9,715	(20,007)
Loss on ordinary activities before interest and taxation		(6,649)	(31,606)
Interest payable and similar charges	7	(4,999)	(4,597)
Loss on ordinary activities before taxation		(11,648)	(36,203)
Taxation	8	-	-
Retained loss for the year	21	(11,648)	(36,203)

Discontinued operations relate to disposals made in 2012 and also 2011 as detailed in note 22

There are no recognised gains and losses other than the loss of £11,648,000 attributable to the shareholders for the year ended 31 December 2012 (2011 loss of £36,203,000)

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

The accounting policies and the notes on pages 10 to 41 form part of these financial statements

Balance sheet

at 31 December 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Intangible assets	9	28,375	47,427
Tangible assets	10	925	1,325
Investments	11	58,809	58,481
		<u>88,109</u>	<u>107,233</u>
Current assets			
Stock	12	94	121
Debtors amounts falling due within one year	13	406,741	380,105
Debtors amounts falling due after one year	13	200	425
Cash at bank and in hand		13	173
		<u>407,048</u>	<u>380,824</u>
Creditors amounts falling due within one year	14	<u>(388,716)</u>	<u>(370,401)</u>
Net current assets		18,332	10,423
Total assets less current liabilities		<u>106,441</u>	<u>117,656</u>
Provisions for liabilities and charges	16	(244)	(153)
Net assets		<u>106,197</u>	<u>117,503</u>
Capital and reserves			
Called up share capital	18	79,370	79,370
Share premium account	19	225,858	225,858
Profit and loss account	19	(199,031)	(187,725)
	21	<u>106,197</u>	<u>117,503</u>

The financial statements on pages 8 to 43 were approved by the Board of Directors and were signed on its behalf by



For and on behalf of

Date 26 SEP 2013

UNM Investments Limited
Director

Registered No 00370721

Notes to the financial statements

at 31 December 2012

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 except for the adoption of the amendment to an existing accounting standard as issued by the Accounting Standards Board

- Amendment to FRS 29 (IFRS 7) Disclosures – Transfers of financial assets

The adoption of the above amendment has not had any impact on the financial position, performance, presentation or disclosures of the Company

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

Goodwill

Goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Intangible assets

Intangible assets are capitalised at cost and amortised on a straight line basis over their estimated useful life as follows

Publishing rights	Shorter of useful life or license period
Brands	10 years
Customer contracts and relationships	1 - 10 years
Trademarks	10 years
Website development costs	3 years

The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 December 2012

1. Accounting policies (*continued*)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged on a straight line basis over the estimated useful life of the asset as follows

Short leasehold property	Term of lease
Plant, machinery and equipment	5 - 20 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

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.

Turnover recognition

Turnover, which is stated net of discounts, VAT, and other sales related taxes, is recognised as follows

Publishing – advertising turnover is recognised on issue of the publication. Turnover from subscriptions is recognised over the life of the subscription.

Exhibitions – turnover is recognised when the show has been completed. Deposits received in advance are recorded as deferred income in the balance sheet.

Online – turnover is recognised at the point of delivery or fulfilment for single/discrete services and over the life of subscriptions for subscription services.

Stock

Stock is stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows

Raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis

Provisions for liabilities and charges

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

Notes to the financial statements

at 31 December 2012

1. Accounting policies (*continued*)

Deferred tax

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable, and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide hedge against foreign equity investments, which are taken directly to reserves together with exchange differences on the carrying amount of the related investments. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review

Pensions

The Company participates in two pension schemes 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 schemes are the United Group Pension Scheme ("UGPS", defined benefit and defined contribution) and the United Magazines Final Salary Scheme ("UMFSS", defined benefit). The assets of the schemes are held in separate trustee administered funds

The company participates in the UGPS and 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

Notes to the financial statements

at 31 December 2012

1. Accounting policies (*continued*)

Share-based payments

Employees (including directors) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights of shares ('equity settled transactions') to be issued by the ultimate parent Company, UBM plc

Equity settled transactions

The cost of equity settled transactions with employees is measured by reference to the fair value at the grant date of the equity instruments granted. Fair value is determined by an external valuer using an appropriate pricing model.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the periods in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and the directors' best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to market conditions, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account, with a corresponding entry in reserves.

No expense or increase in reserves is recognised for awards that do not ultimately vest. Awards where vesting is conditional upon a market condition are treated as vested irrespective of whether or not the market condition is satisfied providing that all other performance conditions are satisfied.

The group has taken advantage of the transitional provisions of FRS 20 in respect of equity settled awards so as to apply FRS 20 only to those equity settled awards granted after 7 November 2002 that had not vested before 1 January 2006.

2. Turnover and segmental analysis

The Company has elected as permitted under SSAP 25 (amended 2010) not to disclose segmental information, as it is a wholly owned subsidiary of a parent that provides segmental disclosures in accordance with IFRS. In addition, the Company has not carried on substantially different businesses or significantly different markets that would require disclosure under SI 2008 (paragraph 68) of the Companies Act 2006.

Notes to the financial statements

at 31 December 2012

3. Operating loss

This is stated after charging/(crediting)

	2012	2011
	£'000	£'000
Amortisation of goodwill and other intangible assets	19,433	22,158
Depreciation of tangible fixed assets	767	895
Management charges payable	2,130	1,249
Management charges receivable	(1,324)	(2,424)
Operating lease rentals – land and buildings	1,939	1,680
Operating lease rentals – plant and machinery	269	322
Loss on disposal of fixed assets	1	5
Loss on disposal of intangible fixed assets	-	192
Foreign exchange losses	179	110

Auditor's remuneration for 2012 of £17,000 (2011 £13,500) was borne by other United Kingdom group undertakings. No amounts were paid to the auditors in respect of non-audit services.

4. Exceptional items

	2012	2011
	£'000	£'000
<i>Charged to operating loss</i>		
Restructuring charge	-	13
<i>(Credited)/charged to profit before tax</i>		
Reversal of impairment losses	-	(30)
Impairment of goodwill	-	5,412
(Gain)/loss on sale of titles	(9,715)	14,625
	(9,715)	20,007

5. Staff costs

(a) Staff costs

	2012	2011
	£'000	£'000
Wages and salaries	32,265	31,813
Social security costs	3,359	3,660
Other pension costs	806	910
	36,430	36,383

Included in wages and salaries is a total expense of share-based payments of £342,000 (2011 £319,000) all of which arises from transactions accounted for as equity-settled share-based payment transactions.

Included in other pension costs are £806,000 (2011 £910,000) in respect of the defined contribution schemes.

Notes to the financial statements

at 31 December 2012

5. Staff costs (continued)

The average monthly number of employees during the year was made up as follows

	2012 Number	2011 Number
Administration and support	268	242
Editorial	149	184
Production and circulation	9	23
Marketing	56	73
Sales	238	207
Management	36	36
	<u>756</u>	<u>765</u>

(b) Directors' emoluments

	2012 £'000	2011 £'000
Aggregate emoluments in respect of qualifying services	634	718
Aggregate pension contribution	38	36
Aggregate gain on exercise of share options	-	3

	2012 Number	2011 Number
Number of directors who received shares in respect of qualifying services	-	1
Number of directors accruing benefits under defined contribution schemes	2	2
Number of directors who exercised share options	-	1

In respect of the highest paid director:

	2012 £'000	2011 £'000
Aggregate emoluments	241	269
Aggregate pension at the end of the year	-	12

The highest paid director did not exercise share options during the year

Notes to the financial statements

at 31 December 2012

6. Pensions

The Company participates in two pension schemes 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 schemes are the United Group Pension Scheme ('UGPS', defined benefit and defined contribution) and the United Magazines Final Salary Scheme ('UMFSS', defined benefit). The assets of the schemes are held in separate trustee administered funds. The Company also participated in the Builder Group Pension Scheme ('BGPS', defined benefit) during 2008 until it was transferred into the UGPS in April 2008. The assets and liabilities transferred were valued at £9,400,000 and £14,900,000 respectively.

The Company participates in the UGPS and 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 accounts in accordance with FRS 17. The surplus/deficit as at 31 December 2012 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 2012 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 January 2013. This contribution schedule remains in place until the 2014 funding valuations are finalised (expected in the first half of 2015). The Group expects that the normal contributions to be paid in 2013 will be consistent with those paid in 2012.

In March 2012, the Group agreed to replace previous letters of credit supporting scheme mergers with a guarantee for ten years issued by UBM plc to the trustees of the UGPS. Similarly, in June 2012, the Group agreed to put in place a guarantee for ten years issued by UBM plc and Wenport Limited to the trustees of the UMFSS. Under these guarantees, an amount up to the value of 35% of the aggregate liability of participating employers (on the basis set out in Section 318 of the Pensions Act 2004) could be demanded by the Trustee in certain circumstances. The main conditions under which the guarantees could be called upon relate to events which would imperil the interests of the scheme, such as insolvency, or the Group failing to make agreed payments.

The Company's pension cost for the defined contribution and defined benefit schemes for the year ended 31 December 2012 is as follows:

	2012	2011
	£'000	£'000
Pension cost	806	910

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

Notes to the financial statements

at 31 December 2012

6. Pensions (continued)

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

	2012	2011	2010
	%	%	%
All UK Schemes			
Discount rate	4.00	4.70	5.60
Retail price inflation	2.50	2.60	3.30
Consumer price inflation	1.75	1.85	2.55
Rate of increase in salaries	3.75	3.75	3.75
Future pension increases	2.70	2.60	3.20
Expected return on scheme assets			
Equities	7.50	7.50	8.70
Bonds	4.00	4.70	5.60
Gilts	3.00	3.00	4.20
Property	7.50	7.50	8.70
Diversified growth funds	7.50	7.50	-
Other	0.50	0.50	0.50

The UK Government announced in 2010 its intention to adopt consumer price inflation ('CPI') rather than retail price inflation ('RPI') for statutory minimum pension revaluations/indexation from 1 January 2011. This change impacts the UK schemes where pension revaluation is linked to the statutory minimum. The reduction in liability at 31 December 2010 from applying the CPI assumption was £3.3m for the UGPS and £3.2m for the UMFSS.

The mortality assumptions used at 31 December 2012 for UK schemes are consistent with those used for 31 December 2011. 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 21.1 years for males and 23.3 years for females (2011: 21.1 years and 23.3 years respectively). For current non-pensioner members aged 45, the assumed average life expectancy at age 65 is 22.1 years for males and 24.5 years for females (2011: 22.1 years and 24.5 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 (2011: 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 2012 are based on an expected long-term out-performance of equities over government bonds of 4.5% p.a. (2011: 4.5%).

Notes to the financial statements

at 31 December 2012

6. Pensions (continued)

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

	2012	2011
	<i>Impact on deficit</i>	<i>Impact on deficit</i>
<i>All UK Schemes</i>	<i>£'000</i>	<i>£'000</i>
0.25 percentage point decrease to discount rate	+20,000	+20,000
0.25 percentage point increase to inflation (including pension increases linked to inflation)	+10,000	+10,000
Additional one year increase to life expectancy	+17,000	+20,000

The following amounts at 31 December 2012 were measured in accordance with the requirements of FRS 17, the deficit for the UMFSS and the surplus for the UGPS are 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.

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

<i>UGPS</i>	2012		2011		2010	
	<i>Actual return on assets</i>	<i>Asset allocation</i>	<i>Actual return on assets</i>	<i>Asset allocation</i>	<i>Actual return on assets</i>	<i>Asset allocation</i>
	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Equities		31		40		59
Bonds		10		4		4
Gilts		24		34		28
Property		10		10		9
Diversified growth funds		25		12		-
Total	21,000	100	4,400	100	22,000	100

Notes to the financial statements

at 31 December 2012

Pensions (continued)

UMFSS	2012		2011		2010	
	Actual return on assets	Asset allocation	Actual return on assets	Asset allocation	Actual return on assets	Asset allocation
	£'000	%	£'000	%	£'000	%
Equities		25		34		49
Bonds		21		12		12
Gilts		23		34		27
Property		9		9		9
Insurance policies		2		2		2
Diversified growth funds		20		9		-
Cash		-		-		1
Total	12,600	100	6,100	100	12,600	100

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

(b) Net pension asset/(liability)

2012	UGPS £'000	UMFSS £'000
Total market value of scheme assets	217,800	139,700
Present value of scheme liabilities	(217,200)	(185,400)
Asset/(liability) in the scheme	600	(45,700)
Related deferred tax liability	(100)	-
Net pension asset/(liability)	500	(45,700)

2011	UGPS £'000	UMFSS £'000
Total market value of scheme assets	208,000	129,900
Present value of scheme liabilities	(198,600)	(164,100)
Asset/(liability) in the scheme	9,400	(34,200)
Related deferred tax liability	(2,400)	-
Net pension asset/(liability)	7,000	(34,200)

Notes to the financial statements

at 31 December 2012

6. Pensions (continued)

2010	UGPS £'000	UMFSS £'000
Total market value of scheme assets	214,900	127,300
Present value of scheme liabilities	(203,800)	(142,000)
Asset/(liability) in the scheme	11,100	(14,700)
Related deferred tax liability	(2,900)	-
Net pension asset/(liability)	8,200	(14,700)

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

2012	UGPS £'000	UMFSS £'000
Current service cost	700	-
Past service cost	-	-
	700	-
Curtailments/settlements	-	-
Disposal	-	-
Total operating charge	700	-

2011	UGPS £'000	UMFSS £'000
Current service cost	500	-
Past service cost	-	-
	500	-
Curtailments/settlements	-	-
Disposal	-	-
Total operating charge	500	-

2010	UGPS £'000	UMFSS £'000
Current service cost	300	-
Past service cost	-	-
	300	-
Curtailments/settlements	1,000	-
Disposal	-	-
Total operating charge	1,300	-

Notes to the financial statements

at 31 December 2012

6. Pensions (continued)

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

2012	UGPS £'000	UMFSS £'000
Interest cost on pension scheme obligations	(9,100)	(7,500)
Expected return on pension scheme assets	11,100	7,000
Total financing income/(cost)	2,000	(500)
2011	UGPS £'000	UMFSS £'000
Interest cost on pension scheme obligations	(11,100)	(7,800)
Expected return on pension scheme assets	13,200	7,800
Total financing income	2,100	-
2010	UGPS £'000	UMFSS £'000
Interest cost on pension scheme obligations	(10,400)	(7,600)
Expected return on pension scheme assets	12,800	7,700
Total financing income	2,400	100

(e) Reconciliation of pension scheme assets

2012	UGPS £'000	UMFSS £'000
Pension scheme assets at 1 January	208,000	129,900
Employer contributions	100	3,600
Employee contributions	200	-
Benefit payments	(11,500)	(6,400)
Actual return on assets	21,000	12,600
Pension scheme assets at 31 December	217,800	139,700

Notes to the financial statements

at 31 December 2012

6. Pensions (continued)

2011	<i>UGPS</i> £'000	<i>UMFSS</i> £'000
Pension scheme assets at 1 January	214,900	127,300
Employer contributions	100	3,300
Employee contributions	200	-
Benefit payments	(11,600)	(6,800)
Actual return on assets	4,400	6,100
Pension scheme assets at 31 December	<u>208,000</u>	<u>129,900</u>

2010	<i>UGPS</i> £'000	<i>UMFSS</i> £'000
Pension scheme assets at 1 January	188,800	117,800
Employer contributions	100	3,300
Employee contributions	200	-
Benefit payments	(10,200)	(6,400)
Transfer from OAGPS	14,000	-
Actual return on assets	22,000	12,600
Pension scheme assets at 31 December	<u>214,900</u>	<u>127,300</u>

(f) Reconciliation of pension scheme liabilities

2012	<i>UGPS</i> £'000	<i>UMFSS</i> £'000
Pension scheme liabilities at 1 January	198,600	164,100
Service cost	700	-
Interest cost	9,100	7,500
Employee contributions	200	-
Benefit payments	(11,500)	(6,400)
Actuarial loss on liabilities	20,100	20,200
Pension scheme liabilities at 31 December	<u>217,200</u>	<u>185,400</u>

2011	<i>UGPS</i> £'000	<i>UMFSS</i> £'000
Pension scheme liabilities at 1 January	203,800	142,000
Service cost	500	-
Interest cost	11,100	7,800
Employee contributions	200	-
Benefit payments	(11,600)	(6,800)
Actuarial loss/(gain) on liabilities	(5,400)	21,100
Pension scheme liabilities at 31 December	<u>198,600</u>	<u>164,100</u>

Notes to the financial statements

at 31 December 2012

6. Pensions (continued)

2010	<i>UGPS</i> <i>£'000</i>	<i>UMFSS</i> <i>£'000</i>
Pension scheme liabilities at 1 January	185,300	137,600
Service cost	300	-
Interest cost	10,400	7,600
Employee contributions	200	-
Benefit payments	(10,200)	(6,400)
Transfer from OAGPS	15,000	-
Actuarial loss on liabilities	2,800	3,200
Pension scheme liabilities at 31 December	<u>203,800</u>	<u>142,000</u>

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

2012	<i>UGPS</i> <i>£'000</i>	<i>UMFSS</i> <i>£'000</i>
Actual return less expected return on pension scheme assets	(9,900)	(5,600)
Experience loss/(gain) arising from the scheme liabilities	-	-
Loss on changes in assumptions underlying the value of scheme liabilities	20,100	20,200
Actuarial loss recognised in the statement of total recognised gains and losses	<u>10,200</u>	<u>14,600</u>

2011	<i>UGPS</i> <i>£'000</i>	<i>UMFSS</i> <i>£'000</i>
Actual return less expected return on pension scheme assets	8,800	1,700
Experience loss/(gain) arising from the scheme liabilities	(20,700)	1,700
Loss on changes in assumptions underlying the value of scheme liabilities	15,300	19,400
Actuarial loss recognised in the statement of total recognised gains and losses	<u>3,400</u>	<u>22,800</u>

2010	<i>UGPS</i> <i>£'000</i>	<i>UMFSS</i> <i>£'000</i>
Actual return less expected return on pension scheme assets	(9,200)	(4,900)
Experience loss arising from the scheme liabilities	600	500
Loss on changes in assumptions underlying the value of scheme liabilities	2,200	2,700
Actuarial loss recognised in the statement of total recognised gains and losses	<u>(6,400)</u>	<u>(1,700)</u>

Notes to the financial statements

at 31 December 2012

6 Pensions (continued)

(h) History of experience gains and losses

2012	UGPS £'000	UMFSS £'000
Scheme liabilities	(217,200)	(185,400)
Scheme assets	217,800	139,700
Surplus/(deficit) in pension scheme	600	(45,700)
Difference between the expected and actual return on scheme assets		
Amount	9,900	5,600
As a % of scheme assets at period end	4.5%	4.0%
Experience gains and losses of scheme liabilities		
Amount	-	-
As a % of the present value of the scheme	-	-
2011	UGPS £'000	UMFSS £'000
Scheme liabilities	(198,600)	(164,100)
Scheme assets	208,000	129,900
Surplus/(deficit) in pension scheme	9,400	(34,200)
Difference between the expected and actual return on scheme assets		
Amount	(8,800)	(1,700)
As a % of scheme assets at period end	(4.2%)	(1.3%)
Experience gains and losses of scheme liabilities		
Amount	20,700	(1,700)
As a % of the present value of the scheme	10.4%	(1.0%)
2010	UGPS £'000	UMFSS £'000
Scheme liabilities	(203,800)	(142,000)
Scheme assets	214,900	127,300
Surplus/(deficit) in pension scheme	11,100	(14,700)
Difference between the expected and actual return on scheme assets		
Amount	9,200	4,900
As a % of scheme assets at period end	4.3%	3.8%
Experience gains and losses of scheme liabilities		
Amount	(600)	(500)
As a % of the present value of the scheme	(0.3%)	(0.4%)

Notes to the financial statements

at 31 December 2012

6. Pensions (continued)

2009	UGPS £'000	UMFSS £'000	
Scheme liabilities	(185,300)	(137,600)	
Scheme assets	188,800	117,800	
Surplus/(deficit) in pension scheme	3,500	(19,800)	
Difference between the expected and actual return on scheme assets			
Amount	14,000	5,100	
As a % of scheme assets at period end	7.4%	4.3%	
Experience gains and losses of scheme liabilities			
Amount	(800)	(1,300)	
As a % of the present value of the scheme	(0.4%)	(0.9%)	
 2008	 UGPS £'000	 UMFSS £'000	 BGPS £'000
Scheme liabilities	(139,000)	(115,100)	-
Scheme assets	167,100	114,200	-
Surplus/(deficit) in pension scheme	28,100	(900)	-
Difference between the expected and actual return on scheme assets			
Amount	(39,900)	(21,600)	(2,300)
As a % of scheme assets at period end	(23.9%)	(18.9%)	n/a
Experience gains and losses of scheme liabilities			
Amount	9,100	(2,100)	-
As a % of the present value of the scheme	6.5%	(1.8%)	-

Notes to the financial statements

at 31 December 2012

7. Interest payable and similar charges

	2012 £'000	2011 £'000
Group interest payable and similar charges	<u>4,999</u>	<u>4,597</u>

8. Taxation

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2012 £'000	2011 £'000
Current tax:		
UK corporation tax at 24.5% (2011: 26.5%)	-	-
Tax loss on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting the current tax charge

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	<u>(11,648)</u>	<u>(36,203)</u>
Loss on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(2,854)	(9,594)
Expenses not deductible for tax purposes	4,925	10,922
Income not subject to tax	(2,334)	(30)
Origination and reversal of timing differences	25	(72)
Group relief surrendered/(claimed) for nil consideration	<u>238</u>	<u>(1,226)</u>
Total tax charge (note 8(a))	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charge

The UK government has 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 24% from 1 April 2012 and to 23% from 1 April 2013 were enacted during 2011 and 2012 respectively and have therefore been reflected in the Company's financial statements. Each subsequent reduction will be reflected in the appropriate period once substantively enacted.

Notes to the financial statements

at 31 December 2012

9. Intangible fixed assets

	<i>Goodwill</i> £'000	<i>Brands</i> £'000	<i>Customer relationships</i> £'000	<i>Publishing</i> £'000	<i>Website</i> £'000	<i>Total</i> £'000
Cost						
At 1 January 2012	198,772	608	219	241	4,656	204,496
Additions	-	4	-	-	432	436
Disposals	-	(10)	-	-	(350)	(360)
At 31 December 2012	198,772	602	219	241	4,738	204,572
Amortisation						
At 1 January 2012	152,831	219	212	158	3,649	157,069
Provided in the year	18,944	61	4	24	400	19,433
Disposals	-	-	-	-	(305)	(305)
At 31 December 2012	171,775	280	216	182	3,744	176,197
Net book value at 31 December 2012	26,997	322	3	59	994	28,375
Net book value at 1 January 2012	45,941	389	7	83	1,007	47,427

Details of disposals are provided in note 22

10. Tangible fixed assets

	<i>Short leasehold property</i> £'000	<i>Plant, machinery and vehicles</i> £'000	<i>Total</i> £'000
Cost			
At 1 January 2012	587	4,918	5,505
Additions	-	378	378
Disposals	-	(230)	(230)
At 31 December 2012	587	5,066	5,653
Depreciation			
At 1 January 2012	254	3,926	4,180
Charge for the year	81	686	767
Disposals	-	(219)	(219)
At 31 December 2012	335	4,393	4,728
Net book value at 31 December 2012	252	673	925
Net book value at 1 January 2012	333	992	1,325

Notes to the financial statements

at 31 December 2012

11. Investments

	<i>Subsidiaries</i> £'000
Cost	
At 1 January 2012	102,179
Additions	897
At 31 December 2012	<u>103,076</u>
Amounts provided	
At 1 January 2012	(43,698)
Impairment losses	(569)
At 31 December 2012	<u>(44,267)</u>
Net book value at 31 December 2012	<u>58,809</u>
Net book value at 1 January 2012	<u>58,481</u>

In 2012 there was a further investment in International Business Events Limited of £897,287 related to earn-out and acquisition costs

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>
UBM Conferences Limited	England and Wales	Ordinary shares	100%	Dormant
National Engineering Specification Limited	England and Wales	Ordinary shares	100%	Dormant
Wave Exhibitions Limited	England and Wales	Ordinary shares	100%	Dormant
The Thames Gateway Forum Limited	England and Wales	Ordinary shares	100%	Dormant
Mondo Arc Media Limited	England and Wales	Ordinary shares	100%	Dormant
Sleeper Media Limited	England and Wales	Ordinary shares	100%	Dormant

Notes to the financial statements

at 31 December 2012

11. Investments (continued)

Exposure Events UK Limited	England and Wales	Ordinary shares	100%	Dormant
Bar Exhibitions Limited	England and Wales	Ordinary shares	100%	Dormant
Daltons Media Limited	England and Wales	Ordinary and Preference shares	100%	Dormant
ABI Building Data Limited	England and Wales	Ordinary shares	100%	Dormant
Ithaca Holdings Limited	England and Wales	Ordinary, ordinary A and ordinary B shares	100%	Dormant
Event Connexions Limited	England and Wales	Ordinary shares	100%	Dormant
Energy Events UK Limited	England and Wales	Ordinary shares	100%	Dormant
Decorex International Limited	England and Wales	Ordinary shares	100%	Dormant
E Commerce Expo Limited	England and Wales	Ordinary shares	100%	Dormant
Lead-In Research Limited	England and Wales	Ordinary shares	100%	Dormant
Ithaca International Media Limited	England and Wales	Ordinary Shares	100%	Dormant
Ithaca Media Limited	England and Wales	Ordinary shares	100%	Dormant
International Business Events Limited	England and Wales	Ordinary shares	100%	Events organiser
WCN 2 Limited	England and Wales	Ordinary A and ordinary B Shares	100%	Dormant
WCN 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

Notes to the financial statements

at 31 December 2012

12. Stock

	2012 £'000	2011 £'000
Raw materials and consumables	<u>94</u>	<u>121</u>

13. Debtors

	2012 £'000	2011 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	13,836	18,519
Other taxes and social security	122	-
Amounts owed by fellow group undertakings	382,589	353,313
Other debtors	259	169
Prepayments and accrued income	<u>9,935</u>	<u>8,104</u>
	<u>406,741</u>	<u>380,105</u>
<i>Amounts falling due after more than one year:</i>		
Amounts owed by fellow group undertakings	<u>200</u>	<u>425</u>

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

14. Creditors

	2012 £'000	2011 £'000
<i>Amounts falling due within one year:</i>		
Trade creditors	6,036	5,534
Amounts owed to fellow group undertakings	336,954	302,216
Other creditors	7,041	15,939
Other taxes and social security	-	1,593
Accruals and deferred income	<u>38,685</u>	<u>45,119</u>
	<u>388,716</u>	<u>370,401</u>

Included within amounts owed to fellow group undertakings is an amount of £139,410,000 in respect of an intercompany loan with Hirecorp Limited (2011 £134,353,000). Interest accrues on the loans at a rate of LIBOR + 2.5% (2011 LIBOR + 2.5%). The loan is unsecured and repayable on demand.

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

Notes to the financial statements

at 31 December 2012

15. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Operating leases which expire				
Within one year	186	279	192	6
In two to five years	1,601	1,398	43	331
In over five years	152	262	-	-
	<u>1,939</u>	<u>1,939</u>	<u>235</u>	<u>337</u>

16. Provision for liabilities and charges

	Vacant properties £'000
At 1 January 2012	153
Charge for the year	326
Utilised in the year	(235)
At 31 December 2012	<u>244</u>

Vacant property

The Company has lease obligations in respect of the continuing costs of vacant property, the quantification of which depends upon the ability to exit the leases early or sublet the properties and for dilapidations on certain leasehold properties which are dependent principally on actual reinstatement costs on expiry of the leases. The provision in respect of these obligations at 31 December 2012 has been determined following external professional advice and will be utilised over the period of the leases in question, which range from one to five years. The provision is discounted at an appropriate cost of capital.

17. Deferred tax

Deferred tax accounted for in the financial statements and the amounts not provided are as follows

	2012		2011	
	Amount provided £'000	Amount unprovided £'000	Amount provided £'000	Amount unprovided £'000
Capital allowances in advance of depreciation	-	(581)	-	(629)
Other timing differences	-	(56)	-	(38)
	<u>-</u>	<u>(637)</u>	<u>-</u>	<u>(667)</u>

Notes to the financial statements

at 31 December 2012

18. Allotted and issued share capital

	2012 £'000	2011 £'000
<i>Allotted, called up and fully paid</i>		
317,478,953 ordinary shares of 25p each (2011 317,478,953)	79,370	79,370

19. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2012	225,858	(187,725)
Loss for the year	-	(11,648)
Share based payment	-	342
At 31 December 2012	225,858	(199,031)

As mentioned in Note 6 - Pensions, the Company participates in two pension schemes of defined benefit type (the UGPS and 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:

	UGPS £'000	UMFSS £'000
Surplus/(deficit) in scheme at 31 December 2011	9,400	(34,200)
Surplus/(deficit) in scheme at 31 December 2012	600	(45,700)

Notes to the financial statements

at 31 December 2012

20. Share based payments

Employees of the Company are participants in the following share-based payment schemes where the shares to be issued are provided by the ultimate parent company, UBM plc 2000 Executive Share Option Scheme, 2008 Executive Share Option Scheme, Executive Retention Plan, UK Save As You Earn Option Scheme, Medium Term Incentive Plan, Performance Share Plan and Bonus Investment Plan

Executive Share Option Scheme

On 18 April 2000 the UBM group established a share option program for full-time directors and certain employees Grants are no longer made under the 2000 Executive scheme

On 2 June 2008 the UBM group adopted the 2008 Executive Share Option Scheme (the '2008 Executive scheme') for full-time directors and certain employees All participants in the 2008 Executive scheme must be employed by UBM plc or one of its subsidiaries at the time of granting the options The number of options granted to a participant under the 2008 Executive scheme is at the discretion of the Remuneration Committee

Options for both schemes may be exercised after the third anniversary of the grant date subject to satisfactory completion of performance conditions Options must normally be exercised before the expiry of ten years from the date of the grant Options may be exercised earlier in the event of death or ceasing to be employed due to retirement, injury, disability or redundancy

The number of shares that may be allocated under the 2008 Executive scheme on any day cannot exceed

- 5% of the ordinary share capital of UBM plc in issue immediately before that day, when added to the aggregate of the number of shares allocated in the previous ten years under the 2008 Executive scheme and any other discretionary share plans adopted by UBM plc, and
- 10% of the ordinary share capital of UBM plc in issue immediately before that day, when added to the aggregate of the number of shares allocated in the previous ten years under the 2008 Executive scheme and all other share plans adopted by UBM plc

The exercise price to be paid by a participant when exercising options granted will be determined by the Remuneration Committee The price shall not be lower than the closing middle market price of shares of that class as listed on the London Stock Exchange Daily Official List on the day prior to the grant date or the average closing middle market price of shares of that class on the three days prior to the grant date (if so decided by the Remuneration Committee)

Share options outstanding at the end of the year have the following exercise prices

	2012	2012	2011	2011
	<i>Weighted average remaining life (years)</i>	<i>Number of options</i>	<i>Weighted average remaining life (years)</i>	<i>Number of options</i>
410 1 – 505 8	6 8	239,832	7 2	471,321
565 2 – 582 2	8 1	513,635	8 0	338,638
734 0	3 3	15,000	4 3	15,000

Notes to the financial statements

at 31 December 2012

20. Share based payments (continued)

Executive Retention Plan

In 2005 the UBM group established the Executive Retention Plan ('ERP'), for certain employees. All participants in the ERP must be employed by UBM plc or one of its subsidiaries at the time of granting the awards. The value of awards granted to a participant under the ERP is at the discretion of the Remuneration Committee. Awards are made in special circumstances to individuals as a recruitment or retention tool.

The awards are made in the form of options exercisable on payment of a nominal value of £1. Options must normally be exercised before the expiry of ten years from the date of the grant. Options may be exercised earlier in the event of death.

Awards will generally vest after three years subject to continued employment and are generally not subject to any other performance condition.

Where awards are granted as a monetary value rather than as a number of shares, the number of ordinary shares over which a monetary award is made is calculated by dividing the monetary value of the award by the price of UBM ordinary shares at the time of grant.

Awards outstanding at the end of the year expiring on 11 March 2015, 31 August 2015, 11 November 2020 and 18 March 2021 were 17,500 (2011: 27,500), 17,500 (2011: 7,500), 5,000 (2011: 5,000) and nil (2011: 2,500) respectively.

Save As You Earn Option Schemes

In May 2004, the UBM group established the 2004 Sharesave Scheme ('2004 SAYE') for directors and certain employees. Grants are no longer made under the 2004 SAYE.

In June 2008 the UBM group adopted the 2008 Sharesave Scheme ('2008 SAYE') for directors and certain employees. Under the 2008 SAYE scheme participants must be employed by UBM plc or one of its subsidiaries at the time of granting the options. Options were granted for the first time under the 2008 SAYE in 2009.

The number of shares that may be allocated under the 2008 SAYE scheme on any day cannot, when added to the aggregate of the number of shares allocated in the previous ten years under the 2008 SAYE scheme and any other share plan adopted by the Group, exceed 10% of the ordinary share capital of UBM plc in issue immediately before that day.

Options may be exercised after either the third, fifth or seventh anniversary of the grant date in accordance with each employee's Savings Contract. Options must normally be exercised within six months of the date the options are exercisable or within 12 months in the case of death. Options may be exercised earlier in the event of death, or ceasing to be employed due to retirement, injury, disability or redundancy.

Share options outstanding at the end of the year have the following exercise prices:

	2012	2012	2011	2011
	Weighted average remaining life (years)	Number of options	Weighted average remaining life (years)	Number of options
367.0 – 497.2	1.9	222,770	1.8	307,053

Notes to the financial statements

at 31 December 2012

20. Share based payments (continued)

Medium Term Incentive Plan

Only market-purchased shares may be used for awards under the Medium Term Incentive Plan

Grants are no longer made under the MTIP

Options must normally be exercised before the expiry of seven years from the date of the grant

The exercise price of the share options outstanding as at 31 December 2012 is nil (2011 nil), and the weighted average life of the share options is nil (2011 three years)

Awards outstanding at the end of the year expiring on 20 March 2015 were nil (2011 1,705)

Performance Share Plan

In 2005 the group of the ultimate parent Company established an incentive plan for full-time directors and senior executives. All participants in the Performance Share Plan ('PSP') must be employed by UBM plc or one of its subsidiaries at the time of granting the awards. The value of awards granted to a participant under the PSP is at the discretion of the Remuneration Committee, but may not exceed 1.5 times base salary, save that in exceptional circumstances awards of up to 2 times base salary may be made.

Grants were made during the year under the PSP to full-time directors and senior executives, which requires UBM plc's total shareholder return ('TSR') to outperform a comparator group of companies over a three year period. 25% of the award will vest if TSR is at median position (subject to a maximum value of 25% of base salary) and 100% if TSR outperforms median TSR by 10% pa. In between these positions, the award will vest on a straight line basis.

The awards are made in the form of options exercisable on payment of a nominal value of £1. Options must be exercised before the expiry of ten years from the date of the grant.

The number of ordinary shares over which an award is made is calculated by dividing the monetary value of the award by the price of UBM plc ordinary shares at the time of grant.

The number of ordinary shares over which awards may be granted under the Performance Plan may not result in more than 10% of the ordinary share capital of UBM plc being issued or issuable under UBM plc's incentive plans in any ten year period. It is expected that market purchased shares will generally be used to satisfy awards under the PSP.

Awards outstanding at the end of the year expiring on 31 July 2016 and 27 March 2017 were 10,000 (2011 12,500), 5,880 (2011 6,720).

Bonus Investment Plan

In 2005 the UBM group established the Bonus Investment Plan ('BIP'). This enables participants to defer part of their annual bonus into UBM plc ordinary shares and provides the opportunity to earn further shares. 25% of any annual bonus award will be automatically deferred into shares to be held for three years, and the participant may also elect to defer up to a further 25% into shares for the same period.

For BIP awards made in 2012, 2011 and prior to 2010, at the end of three years if the employee remains in service with the Group then the participant could receive a matching award of up to two additional shares for every share held if UBM plc's adjusted earnings per share have grown by more than an average of at least 9% (2011 awards 10%) per annum above UK retail price index growth over the three year period. A lower ratio of matching shares may be earned if earnings per share have grown by between 5% and 9% (2011 awards 5% and 10%) per annum above UK retail price index growth.

Notes to the financial statements

at 31 December 2012

20. Share based payments (continued)

BIP awards made in 2010 required UBM's total shareholder return ('TSR') to outperform a comparator group of companies over a three year period. 25% of the award will vest if TSR is at median position (subject to a maximum value of 25% of base salary) and 100% if TSR is in the top decile. In between these positions, the award will vest on a straight line basis.

The number of ordinary shares which may be placed under option under the BIP depends on the monetary value of the bonus awarded to an employee during the year. The amount of bonus depends upon employee/Group performance over the prior financial year (the year of performance measurement). For the element which is mandatorily paid in shares, the number is calculated by dividing 25% of the monetary value of the bonus by the average December share price in the year proceeding the year of performance measurement. For any further element which the employee elects to defer into shares, the number is calculated by dividing the relevant monetary value by the share price at the time of the award.

Awards are made in the form of options which are exercisable on payment of a nominal £1. Options, once vested, must normally be exercised before the expiry of ten years from the date of grant. Options may be exercised earlier in the event of death, or ceasing to be employed due to retirement, injury, disability or redundancy.

The number of ordinary shares over which awards may be granted under the BIP may not result in more than 10% of the ordinary share capital being issued or issuable under UBM plc's incentive plans in any ten year period. It is expected that market purchased shares will generally be used to satisfy awards under the BIP.

Awards outstanding at the end of the year expiring 20 March 2018 were nil (2011: nil).

Notes to the financial statements

at 31 December 2012

20. Share based payments (continued)

A reconciliation of option movements over the year for all plans is as follows

	2012 Executive		2012 SAYE		2012 MTIP	
	Number of options '000s	Weighted average exercise price (p)	Number of options '000s	Weighted average exercise price (p)	Number of options '000s	Weighted average exercise price (p)
At 1 January 2012	825	514.8	307	419.3	2	-
Granted	321	582.2	100	478.3	-	-
Exercised	(294)	448.9	(112)	378.1	(2)	-
Forfeited	(57)	550.2	(32)	458.3	-	-
Expired	(10)	441.9	(40)	452.3	-	-
Transferred	(17)	1,019.4	-	428.5	-	-
At 31 December 2012	768	555.4	223	454.9	-	-
Exercisable at 31 December 2012	110	539.4	-	-	-	-

	2012 PSP		2012 BIP		2012 ERP	
	Number of options '000s	Weighted average exercise price (p)	Number of options '000s	Weighted average exercise price (p)	Number of options '000s	Weighted average exercise price (p)
At 1 January 2012	19	-	-	-	43	-
Granted	-	-	-	-	-	-
Exercised	(17)	-	-	-	-	-
Forfeited	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Transferred	14	-	-	-	(3)	-
At 31 December 2012	16	-	-	-	40	-
Exercisable at 31 December 2012	16	-	-	-	-	-

There are periodic share option exercises throughout the year and the average UBM plc share price in 2012 was 630.0p (2011: 551.2p)

Notes to the financial statements

at 31 December 2012

20. Share based payments (continued)

	2011 <i>Executive</i>		2011 <i>SAYE</i>		2011 <i>MTIP</i>	
	<i>Number of options '000s</i>	<i>Weighted average exercise price (p)</i>	<i>Number of options '000s</i>	<i>Weighted average exercise price (p)</i>	<i>Number of options '000s</i>	<i>Weighted average exercise price (p)</i>
At 1 January 2011	733	487.9	307	396.4	-	-
Granted	268	580.8	126	468.5	-	-
Exercised	-	-	(67)	405.5	-	-
Expired	(299)	507.3	(56)	425.2	-	-
Transferred	123	513.3	(3)	330.5	2	-
At 31 December 2011	825	514.8	307	419.3	2	-
Exercisable at 31 December 2011	136	564.4	-	-	2	-

	2011 <i>PSP</i>		2011 <i>BIP</i>		2011 <i>ERP</i>	
	<i>Number of options '000s</i>	<i>Weighted average exercise price (p)</i>	<i>Number of options '000s</i>	<i>Weighted average exercise price (p)</i>	<i>Number of options '000s</i>	<i>Weighted average exercise price (p)</i>
At 1 January 2011	27	-	3	-	30	-
Granted	-	-	-	-	3	-
Exercised	(5)	-	-	-	-	-
Expired	(3)	-	(3)	-	-	-
Transferred	-	-	-	-	10	-
At 31 December 2011	19	-	-	-	43	-
Exercisable at 31 December 2011	19	-	-	-	-	-

Notes to the financial statements

at 31 December 2012

20. Share based payments (continued)

Valuation of share-based payments

Options granted under the 2008 Executive Share Option Scheme and the SAYE plans were valued using the Black-Scholes option-pricing models. Nil cost options and restricted shares (excluding the PSP awards and the 2010 BIP match awards with TSR-based performance conditions) were valued based on the share price at grant date less the value of any dividends foregone during the period to exercise. The following table provides the most significant assumptions made during the year ended 31 December

	2012	2011
Dividend yield	5.0%	5.0%
Expected volatility	30.0%	30.0%
Risk-free rate	0.6%	1.7%
Forfeiture assumptions		
All plans excluding SAYE	5.0%	5.0%
SAYE	10.0%	10.0%
Weighted average share price at grant date		
Options	603p	583p
Nil cost options/share awards without TSR condition	610p	592p
Nil cost options/awards with TSR condition	606p	588p
Weighted average fair value at grant date		
Options	94p	94p
Nil cost options/share awards without TSR condition	626p	478p
Nil cost options/awards with TSR condition	418p	275p
Expected life	Equal to vesting period	Equal to vesting period

The expected volatility is based on management's view of future expectations and consideration of the Group's historic average volatility.

A Monte Carlo simulation model was used for valuing PSP awards and 2010 BIP awards which have a performance condition based on the ranking of UBM plc TSR growth relative to a group of media-related comparator companies. The additional assumptions made for this purpose are that the average correlation of TSR growth between companies is 29% (2011: 28%) and the average of the individual volatility assumptions used for each comparator Company is 35% (2011: 45%).

Notes to the financial statements

at 31 December 2012

21. Reconciliation of movements in shareholders funds

	2012 £'000	2011 £'000
Loss for the financial year	(11,648)	(36,203)
Reserve credit for share-based payment schemes	342	319
	(11,306)	(35,884)
Shareholders funds at the beginning of the year	117,503	153,387
Shareholders funds at the end of the year	106,197	117,503

22. Disposals

On 19 March 2012, the Company disposed of its business and assets relating to the publication of Pulse magazine and Practical Commissioning newsletter to Pulse Media Ltd for £2.9m, a profit of £2.7m was recognised on disposal, including income release and directly attributable costs

On 19 March 2012, the Company disposed of its business and assets relating to the publication of Farmers Guardian, Dairy, Tractor & Machinery Showcase and Machinery in Motion to Farmers Guardian Limited for £6.7m, a profit of £7.0m was recognised on disposal, including income release and directly attributable costs

The net gain on disposal of the above titles is £9.7m, reported within the Company's operations

	All disposals 2012 £'000
Property, plant and equipment	(66)
Trade and other payables	725
Identifiable net assets	659
Costs associated with disposal	(556)
Gain on disposal	(9,715)
Consideration received	9,612

Notes to the financial statements

at 31 December 2012

23. Events after the balance sheet date

On 26 July 2013 the Company sold European Hotel Design Awards for £240,000

24. Capital commitments

The Company does not have any capital commitments (2011 £nil)

25. Contingent liabilities

The Company has a cap on costs within a trade agreement entered into during the ordinary course of business, the cap was exceeded and a potential liability might arise estimated at £111,000. Legal advice taken indicates that this clause may not be enforced, thereby resulting in no liability arising. The Company has no other contingent liabilities (2011 £102,000)

26. 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

27. Ultimate parent undertaking and controlling party

The immediate parent undertaking is CMPI Group Limited, which is registered in England Wales

The ultimate parent undertaking and controlling party is UBM plc which is 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