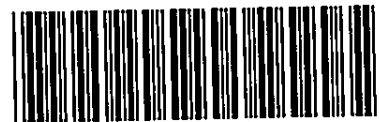


Company Registration No. 06339167 (England and Wales)

PROGRESSIVE MEDIA INTERNATIONAL LIMITED
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

MONDAY



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COMPANIES HOUSE

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors

K Appiah
S Pyper
P Danson

Secretary

K Appiah

Company number

06339167

Registered office

John Carpenter House
John Carpenter Street
London
EC4Y 0AN

Auditors

Smailes Goldie
Regent Court
Princess Street
Hull
Hu2 8BA

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

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PROGRESSIVE MEDIA INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

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

Principal activities and review of the business

The principal activity of the Group and the company during the period was the publication of media titles both in print and online

We continue to invest in editorial content, in research and data and to develop all of our core products and services. The directors regard the investments in these areas as integral to the continuing success of the business and ensuring we provide customer satisfaction.

We expect the commercial environment to remain competitive, with our existing competitors continuing to invest and new entrants emerging. However, we remain confident of the long term profitable prospects of the Group.

Corporate strategy

The strategy of the Group is to deliver sustainable and growing profit from its portfolio of titles and brands in its core market through continued commitment to developing strong management teams, organisation effectiveness, investment in technology and tight cost control.

Principal risks and uncertainties facing the Group include

- an economic downturn that causes a reduction in the marketing and advertising budgets of customers in the markets in which the Group has media titles and brands,
- failure by the Group to implement new product initiatives and improvements to the business processes and
- failure to attract, motivate and retain sales personnel who are key to the business

Results and dividends

The results for the year are set out on page 8. The Group made a loss before tax for the year of £1.4m (2011 £1.9m). No dividends were proposed during the year.

Future developments

The strategy of the Group includes further streamlining of the business through the acquisition and/ or disposal of selected media titles and brands and assets where this is in the interests of the Group.

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Directors

The directors shown below have held office during the whole of the period from 1st January 2012 to the date of this report

K Appiah
S Pyper

Other changes in directors holding office are as follows

P Danson – appointed 4th September 2012

M Danson – resigned 24th August 2012

Financial instruments

The Group uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to group and due to related party undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group operations. The existence of these financial instruments exposes the Group to a number of financial risks, the principal ones of which are credit and liquidity risk

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable short term needs and to invest cash assets safely and profitably. As set out below under 'Going concern', the Group relies on the continuing support of its related parties which manages the liquidity of the Group to ensure that the Group has sufficient liquidity for its operations

Credit risk

The Group's principal financial assets are debtors due from related parties and trade debtors. As set out below under 'Going concern', the Group relies on the continuing support of its related parties. This risk to trade debtors is mitigated by the low dependency of the Group on any one customer, or any small group of customers, and by setting credit limits for individual customers based on an assessment of their credit rating

Auditors

Smales Goldie were appointed auditors to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements the directors are required to

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

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

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

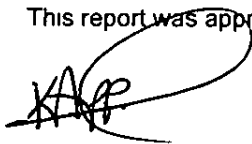
FOR THE YEAR ENDED 31 DECEMBER 2012

Provision of information to auditors

Each of the persons who are directors at the time when this Directors report is approved have confirmed that

- So far as that director is aware, there is no relevant audit information as defined by section 418 of the companies act 2006 of which the Group's auditors are unaware, and
- That director has taken all the necessary steps that ought to have been taken as director in order to be aware of any information needed by the Group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information

This report was approved by the board on 26 September 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'K Appiah', written over a circular stamp or seal.

K Appiah
Director

Independent Auditor's Report to the Members of Progressive Media International Limited

We have audited the financial statements of Progressive Media International Limited for the year ended 31 December 2012 which comprise Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in the accounting policies of the financial statements concerning the company's ability to continue as a going concern. The company has sustained operating losses in the financial statements and further losses have continued since the end of the financial year. These conditions indicate the existence of a material uncertainty which may cast doubt on the ability of the company 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. Our opinion is not qualified in this respect.

Other matters

The financial statements of Progressive Media International Limited for the year ended 31 December 2011 were not audited.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012, and of the group's 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.

Shares Goldie

Chartered Accountants



Independent Auditor's Report to the Members of Progressive Media International Limited

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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 of the information and explanations we require for our audit ,

Stephen Bramall BSc ACA (Senior Statutory Auditor)
For and in behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire, HU2 8BA

30 September 2013

Smailes Goldie

Chartered Accountants

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Group turnover	2	10,635	5,996
Cost of sales		(3,831)	(2,125)
Gross profit		6,804	3,871
Administrative expenses		(8,202)	(5,769)
Operating loss	3	(1,398)	(1,898)
Loss on ordinary activities before interest		(1,398)	(1,898)
Investment income		-	-
Loss on ordinary activities before taxation		(1,398)	(1,898)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after tax		(1,398)	(1,898)
Equity Minority Interest	15	102	197
Loss for the Financial Year		(1,296)	(1,701)

The profit and loss account has been prepared on the basis that all operations are continuing operations

The Company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account. The company loss for financial for the financial year was £753,628 (2011 £466,763)

There is no difference between the profits shown above and their historical costs equivalents

The accompanying accounting policies and notes on pages 12 to 23 form part of these financial statements

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2012

		2012		2011	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	6		108		115
Tangible assets	7		73		34
			<u>181</u>		<u>149</u>
Current assets					
Stocks	9	75		61	
Debtors amounts falling due within one year	10	2,480		1,426	
Cash at bank and in hand		74		239	
		<u>2,629</u>		<u>1,726</u>	
Creditors amounts falling due within one year	11	<u>(7,357)</u>		<u>(5,024)</u>	
Net current assets			<u>(4,728)</u>		<u>(3,298)</u>
Total assets less current liabilities			<u>(4,547)</u>		<u>(3,149)</u>
Creditors: amounts falling due after more than one year	12		<u>(2,473)</u>		<u>(2,473)</u>
			<u>(7,020)</u>		<u>(5,622)</u>
Capital and reserves					
Share capital	13		-		-
Profit and loss account	14		(6,588)		(5,292)
Shareholders' funds	16		<u>(6,588)</u>		<u>(5,292)</u>
Minority Interest	15		<u>(432)</u>		<u>(330)</u>
Capital Employed			<u>(7,020)</u>		<u>(5,622)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2013

K Appiah
Director

Company Registered No 06339167

The accompanying accounting policies and notes on pages 12 to 23 form part of these financial statements

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	6		108		115
Tangible assets	7		5		6
Investments	8		1,381		1,381
			<u>1,494</u>		<u>1,502</u>
Current assets					
Debtors amounts falling due within one year	10	3,745		2,240	
Cash at bank and in hand		4		4	
		<u>3,749</u>		<u>2,244</u>	
Creditors amounts falling due within one year	11	(5,696)		(3,445)	
Net current assets			<u>(1,947)</u>		<u>(1,201)</u>
			(453)		301
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	12		(1,381)		(1,381)
Net Assets			<u>(1,834)</u>		<u>(1,080)</u>
Capital and reserves					
Share capital	13		-		-
Profit and loss account	14		(1,834)		(1,080)
Shareholders' funds			<u>(1,834)</u>		<u>(1,080)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2013



K Appiah
Director

Company Registered No. 06339167

The accompanying accounting policies and notes on pages 12 to 23 form part of these financial statements

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Net cash outflow from operating activities	19	(79)	195
Capital expenditure	20	(69)	(69)
		<u>(148)</u>	<u>126</u>
Financing		-	-
Decrease in cash in the year	21	<u>(148)</u>	<u>126</u>
Reconciliation of net cash flow to movement in net debt			
		2012 £'000	2011 £'000
Increase /(Decrease) in cash in the year		(148)	126
Cash outflow/(inflow) from decrease/(increase) in debt		-	-
Debt acquired with subsidiary undertakings		-	-
Opening net debt		<u>(2,284)</u>	<u>(2,410)</u>
Closing net debt	21	<u>(2,432)</u>	<u>(2,284)</u>

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The accounts are prepared under the historical cost convention and are in accordance with applicable United Kingdom law and accounting standards and have been applied consistently in the current and preceding period

1.2 Going Concern

The financial statements are prepared on a going concern basis as the Company continues to receive support from its ultimate controlling shareholder. A letter of support has been received from the ultimate controlling shareholder, indicating that he will provide continued financial support to the Company for at least twelve months from the date of approval of these financial statements

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2012. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents the invoiced value goods sold and services provided during the year, stated net of Value Added Tax. Subscription revenue is allocated to relevant accounting periods covered by the subscription. Event revenue is recognised in the month that the event takes place. Subscription and fees in advance are carried forward in creditors. Amounts falling due within one year.

1.5 Publishing rights

Publishing rights and other intangible fixed assets acquired are stated at cost or fair value at the date of acquisition less any provision for impairment. They are amortised over the useful economic life. The directors regard 20 years as a reasonable estimate for the useful economic life of the publishing rights. Provision is made for any impairment.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33%
--------------------	-----

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies (continued)

1 7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is determined using a weighted average method.

1 8 Pensions

i) Defined Contribution Scheme

The Group contributes to a defined contribution pension scheme, the assets of which are held in a separately administered fund. Contributions to this scheme are charged to the profit and loss account in the period in which they fall due.

1.9 Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

A net deferred tax asset is recognised only if it can be regarded as more than 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 assets and liabilities are calculated at the rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are discounted.

1 10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1 11 Investments

Investments in subsidiaries are recorded at cost including directly attributable costs and are subsequently valued at cost less provision for permanent diminution in value.

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

2 Turnover

The directors have not disclosed the group's turnover by geographical location, as it is considered this would seriously prejudice the group's interests

The directors consider the activities of the business to constitute a single class of business

3 Operating loss	2012	2011
	£'000	£'000
Operating loss is stated after charging		
Amortisation of Intangible assets and goodwill	7	7
Depreciation of tangible assets	28	25
Loss on foreign exchange transactions	37	(108)
Auditors' remuneration for subsidiaries (including expenses and benefits in kind)	7	-
Auditors' remuneration for the Company (including expenses and benefits in kind)	7	-
	<u>7</u>	<u>-</u>

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

4	Taxation	2012 £'000	2011 £'000
	Domestic current year tax		
	U K corporation tax	-	-
	Total current tax	-	-
	Deferred tax		
	Deferred tax charge/ (credit)	-	-
	Impact of change in tax rate and laws	-	-
		-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(1,398)	(1,898)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.5% (2011 – 26.500%)	(343)	(503)
	Effects of		
	Expenditure not deductible for tax	32	-
	Depreciation of the period in excess of capital allowances	-	-
	Losses not recognised	252	221
	Overseas losses not recognised	90	282
	Utilisation of brought forward tax losses	(31)	-
	Adjustment to tax charge in respect of previous periods	-	-
		-	-
	Current tax charge for the year		

The standard rate of Corporation Tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 24.5%. Further reductions to the standard rate of Corporation Tax have been enacted, reducing the rate by 1% to 23% as at 1 April 2013 and by a further 2% to 21% as at 1 April 2014. At the balance sheet date only the reduction to 23% had been substantively enacted and accordingly deferred tax balances at 31 December 2012 have been calculated at this rate.

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5 Employees

Employment costs	2012 £'000	2011 £'000
Wages and salaries	4,130	2,905
Social security costs	302	205
Employers pension contribution	16	3
	<u>4,448</u>	<u>3,113</u>

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Productions	39	36
Sales and distribution	27	24
Administration	15	13
	<u>81</u>	<u>73</u>

Directors' remuneration	2012 £'000	2011 £'000
Remuneration for qualifying services excluding pension contributions	323	166
Company pension contributions to defined contribution scheme	10	10
	<u>333</u>	<u>176</u>

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

6 Intangible fixed assets

Group	Group Publishing rights £'000	Company Publishing rights £'000
Cost		
At 1 January 2012 and 31 December 2012	133	133
Amortisation		
At 1 January 2012	(18)	(18)
Charge for the year	(7)	(7)
At 31 December 2012	(25)	(25)
Net book value		
At 31 December 2012	108	108
At 31 December 2011	115	115

7 Tangible fixed assets

Group	Group Plant and machinery £'000	Company Plant and machinery £'000
Cost		
At 1 January 2012	59	11
Additions	68	2
At 31 December 2012	127	13
Depreciation		
At 1 January 2012	(25)	(5)
Charge for the year	(29)	(3)
At 31 December 2012	(54)	(8)
Net book value		
At 31 December 2012	73	5
At 31 December 2011	34	6

PROGRESSIVE MEDIA INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

8 Investments In Subsidiary Undertakings

	<u>Group</u>	<u>Company</u>
Cost		
As at 1 January 2012 and 31 December 2012	-	1,381
Net book value at 31 December 2011 and 31 December 2012	-	1,381
As at 31 December 2011 and 31 December 2012	-	1,381

Company	Country of registration and operation	Principal Activity	Percentage of ordinary shares held
Elite Luxury Publishing Inc	US	Publishing	80%
Progressive Customer Publishing Limited	UK	Publishing	100%
Progressive Luxury Publishing Limited	UK	Investing Business	90%
Spears Publishing Limited	UK	Investing Business	90%
Sisphyus Media Limited	UK	Dormant	100%
Elandeal Limited	UK	Dormant	100%

Progressive Luxury Publishing Limited owns Progressive Spears Publishing Limited Spears Publishing limited owns Sisphyus Media Limited Sisphyus Media Limited owns Elandeal Limited

9 Stocks and work in progress

	Group		Company	
Group	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Raw materials and consumables	75	61	-	-
	<u>75</u>	<u>61</u>	<u>-</u>	<u>-</u>

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

10 Debtors	2012	Group	2012	Company
	£'000	2011 £'000	£'000	2011 £'000
Trade debtors	1,328	1,212	186	45
Amounts owed by Group Undertakings	-	-	3,067	2,024
Amounts owed by related parties	209	138	228	201
Other debtors	493	63	214	12
Prepayments and accrued income	450	13	50	(42)
	<u>2,480</u>	<u>1,426</u>	<u>3,745</u>	<u>2,240</u>
11 Creditors amounts falling due within one year	2012	Group	2012	Company
	£'000	2011 £'000	£'000	2011 £'000
Bank loans and overdrafts	33	50	33	50
Trade creditors	597	415	98	60
Other Creditors	7	41	8	13
Amount owed to Group undertakings	-	-	259	(71)
Amount owed to related parties	5,058	2,683	4,786	2,485
Other taxes and social security costs	384	191	204	81
Accruals and deferred income	1,278	1,644	308	827
	<u>7,357</u>	<u>5,024</u>	<u>5,696</u>	<u>3,445</u>
12 Creditors: amounts falling more than one year	2012	Group	2012	Company
	£'000	2011 £'000	£'000	2011 £'000
Shareholder loan	<u>2,473</u>	<u>2,473</u>	<u>1,381</u>	<u>1,381</u>

The Company was issued a loan from Michael Danson totalling £1,381,250. In addition within the group is a loan in Progressive Luxury Publishing from Mike Danson. These loans are interest free, have no set repayment date and are repayable on demand. The loan note is convertible at any time at the option of the loan note holder to ordinary shares of value equivalent to any outstanding balance on the loan.

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

13	Share capital			2012	2011
				£	£
	Allotted, called up and fully paid				
	100 Ordinary Share of £1 each			100	100
				<u> </u>	<u> </u>
14	Profit and loss reserve			2012	2012
				£'000	£'000
				Group	Company
	Balance at 1 January 2012			5,292	1,080
	Loss for the year			1,296	754
				<u> </u>	<u> </u>
	Balance at 31 December 2012			6,588	1,834
				<u> </u>	<u> </u>
15	Minority Interest			2012	2011
				£'000	£'000
				Group	Group
	Balance at 1 January 2012			330	133
	Loss for the year			102	197
				<u> </u>	<u> </u>
	Balance at 31 December 2012			432	330
				<u> </u>	<u> </u>
16	Reconciliation of movement in shareholders' funds	2012	2011	2012	2011
		£'000	£'000	£'000	£'000
		Group	Group	Company	Company
	Loss for the financial year	(1,296)	(1,701)	(754)	(467)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Net reduction to shareholders' funds	(1,296)	(1,701)	(754)	(467)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Opening shareholders' funds	(5,292)	61	(1,080)	(613)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Closing shareholders' funds	(6,588)	(5,292)	(1,834)	(1,080)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

17 Related party relationships and transactions

During the period, the company made supplies to and received supplies from a large number of other entities under common control. All amounts supplied and received were recharged between the parties at cost, and the net value of the transactions is included within administrative expenses.

Amounts owed by related parties

	31 December 2012	31 December 2011
	£000's	£000's
SPG Media Group Limited	22	33
Progressive Recruitment Limited	9	-
Global Intelligence & Media Korea	74	-
Estel Investment Property No 3 Limited	5	23
Progressive Innovations Limited	88	82
Progressive Global Media Limited	6	-
World Market Intelligence Limited	5	-
Total	209	138

Amounts owed to related parties

	31 December 2012	31 December 2011
	£000's	£000's
New Statesman Limited	189	220
Progressive Digital Media Group PLC	343	347
Estel Property Investments Limited	43	128
Progressive Media Group Limited	1,304	478
World market Intelligence Limited	3,112	1,510
Financial News Publishing Limited	44	-
ICD Research Limited	23	-
Total	5,058	2,683

PROGRESSIVE MEDIA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

18 Ultimate Controlling Party

The ultimate controlling party is Mike Danson by virtue of his 100% shareholding

19 Reconciliation of operating loss to net cash outflow from operating activities	2012	2011
	£'000	£'000
Operating loss	(1,399)	(1,897)
Depreciation of tangible assets	29	18
Amortisation of intangible assets	7	7
Foreign exchange rate movements	60	62
Other non cash P&L movements	(59)	21
(Increase)/ decrease in stocks	(14)	2
(Increase)/ decrease in debtors	(1,054)	18
(Decrease)/Increase in creditors within one year	2,351	1,964
Net cash outflow from operating activities	(79)	195

20 Analysis of Cash Flows for Headings Netted in the Cash Flow Statements	2012	2011
	£'000	£'000
Capital Expenditure		
Purchase of Tangible fixed assets	(69)	(69)
Net cash outflow for capital expenditure	(69)	(69)
Financing		
Loan Repayment in the year	-	-
Amount introduced by directors	-	-
Net cash outflow from financing	-	-

PROGRESSIVE MEDIA INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

21 Analysis of changes in net debt	1 January 2012	Cash flow	Other non- cash changes	31 December 2012
	£'000	£'000	£'000	£'000
Net cash				
Cash at bank and in hand	239	(165)	-	74
Bank overdrafts	(50)	17	-	(33)
	<u>189</u>	<u>(148)</u>	<u>-</u>	<u>41</u>
Shareholder Loan	(2,473)	-	-	(2,473)
Net Debt	<u>(2,284)</u>	<u>(148)</u>	<u>-</u>	<u>(2,432)</u>