

Company Registration No. 267189

Haymarket Publishing Group Limited

Report and Financial Statements

31 December 2005



Haymarket Publishing Group Limited

Report and financial statements 2005

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Haymarket Publishing Group Limited

Report and financial statements 2005

Officers and professional advisers

Directors

S P Tindall (Chairman)
E A Verdon-Roe (Managing Director)
K Costello
S F Daukes
J D Duckworth
M Durham
S Farish
D B Fraser
B J Freeman
The Rt Hon the Lord Heseltine CH
The Hon R W D Heseltine
Dr A S Kemp
W Murray
P N Osborne
W G Pecover
A K Schulp
N Stimpson

Secretary

J D Duckworth

Registered office

174 Hammersmith Road
London W6 7JP

Bankers

The Royal Bank of Scotland Plc

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Haymarket Publishing Group Limited

Report and financial statements 2005

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

Principal activity and future prospects

The principal activity of the group is that of holding investments in publishing and exhibition companies. The directors do not anticipate any major changes in the foreseeable future.

Review of developments

The results of the group for the year are set out on page 6.

The group made a retained profit of £11,654,000 in 2005 (2004: £9,086,000).

The group made a number of acquisitions of subsidiaries and publishing rights during the year for total consideration excluding costs of £18,952,000 (net liabilities acquired £952,000), of which £8,166,000 relates to the acquisition of a subsidiary as detailed in note 19.

Details of post balance sheet events are shown in note 23.

No dividend was paid during the year (2004: £nil).

Directors and their interests

The present membership of the Board is set out on page 1. All directors served throughout the year, except for J D Duckworth, who was appointed on 9 February 2005 and P V Fuller who resigned on the 30 June 2006.

The director's interests in the shares of the ultimate parent company, Haymarket Group Limited, are disclosed in the directors' report of that company. None of the directors held any shares in the company or in any other group undertaking except as noted above.

Financial Risk Management

The financial risks that the directors consider most applicable to the company are credit risk, liquidity and currency risk.

The company's credit and liquidity risk is mitigated by the fact that the balances owed to it are owed by fellow group companies which would be able to settle these balances should they need to be repaid, that and each of the companies is funded and supported their parent company, Haymarket Group Limited.

A proportion of currency risk is hedged by a parent company by way of foreign currency bank loans.

Employee involvement

The company provides employees with information on matters of concern to them as employees

Haymarket Publishing Group Limited

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Directors' report (continued)

Employment of disabled persons

The company and its subsidiaries have continued the policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitude and abilities. The company continues to employ, train and support the career development and promotion of employees of the company who have become disabled persons during the period when they were employed by the company and other disabled employees of the company. Donations


Donations

During the year the group made charitable donations of £41,450 (2004: £27,600) and made donations of £25,000 to Conservative Mainstream (2004: £25,000).

Auditors

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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



J D Duckworth
Director and Secretary

11 October 2006

Haymarket Publishing Group Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company and the group in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the group and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Haymarket Publishing Group Limited

We have audited the group and individual company financial statements (the "financial statements") of Haymarket Publishing Group Limited for the year ended 31 December 2005 which comprise the consolidated profit and loss account, the consolidated and individual company balance sheets, the consolidated statement of total recognised gains and losses and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

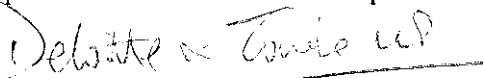
Basis of audit opinion

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

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

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the individual company's affairs as at 31 December 2005 and of the group's profit for the year then ended; and the financial statements have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

12 October 2006

Haymarket Publishing Group Limited

Consolidated profit and loss account Year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
Turnover			
Group and share of joint ventures and associates		234,860	184,751
Less: share of joint ventures and associates		(6,865)	(5,335)
Group turnover	2	227,995	179,416
Cost of sales		(201,708)	(158,145)
Gross profit		26,287	21,271
Amortisation of publishing and exhibition rights	9	(5,907)	(2,783)
Other administrative expenses		(6,764)	(6,580)
Total administrative expenses		(12,671)	(9,363)
Operating profit	4	13,616	11,908
Share of operating profit of joint ventures and associates		786	200
Amortisation of intangibles in respect of joint ventures and associates		(7)	(7)
Profit on disposal of fixed assets		100	-
		879	193
Group operating profit		14,495	12,101
Interest receivable and similar income	5	700	505
Interest payable and similar charges	6	-	(921)
Profit on ordinary activities before taxation		15,195	11,685
Tax on profit on ordinary activities	7	(3,541)	(2,741)
Profit on ordinary activities after taxation		11,654	8,944
Equity minority interests		-	142
Profit for the financial period attributable to the members of Haymarket Publishing Group Limited		11,654	9,086
Retained profit for the group and its share of associates and joint ventures		11,654	9,086

All activities derive from continuing operations.

Haymarket Publishing Group Limited

Consolidated statement of total recognised gains and losses Year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
Profit for the period attributable to the members of Haymarket Publishing Group Limited		11,654	9,086
Currency translation differences on foreign currency net investments	18	1,346	(8)
Adjustment to pre-acquisition reserves	18	-	(327)
Total recognised gains and losses relating to the period		<u>13,218</u>	<u>8,751</u>

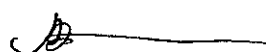
Haymarket Publishing Group Limited

Consolidated balance sheet 31 December 2005

	Notes	2005		2004	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9		236,816		222,726
Tangible assets	10		6,716		5,277
Investments in joint ventures and associates					
- Goodwill		227		234	
- Gross assets		7,011		5,699	
- Gross liabilities		(3,798)		(3,810)	
	11(b)		3,440		2,123
			246,972		230,126
Current assets					
Stocks	12		1,663		1,202
Debtors falling due within one year	13(a)		47,510		46,661
Debtors falling due after more than one year	13(b)		322,738		259,319
Cash at bank and in hand			5,032		5,568
			376,943		312,750
Creditors: amounts falling due within one year	14		(67,244)		(49,205)
Net current assets			309,699		263,545
Total assets less current liabilities			556,671		493,671
Creditors: amounts falling due after more than one year	15		(534,919)		(484,919)
Net assets	2		21,752		8,752
Capital and reserves					
Called up share capital	17		1		1
Profit and loss account	18		21,751		8,751
Equity shareholder's funds			21,752		8,752

These financial statements were approved by the Board of Directors on 11 October 2006.

Signed on behalf of the Board of Directors



J D Duckworth
Director and Secretary

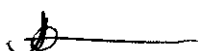
Haymarket Publishing Group Limited

Company balance sheet 31 December 2005

	Notes	2005 £'000	2004 £'000
Fixed assets			
Investments	11	154,500	154,500
Current assets			
Debtors falling due after more than one year	13(b)	1,570	795
Creditors: amounts falling due after more than one year	15	(159,604)	(156,960)
Net liabilities		<u>(3,534)</u>	<u>(1,665)</u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	(3,535)	(1,666)
Equity shareholder's deficit		<u>(3,534)</u>	<u>(1,665)</u>

These financial statements were approved by the Board of Directors on 11 October, 2006.

Signed on behalf of the Board of Directors



J D Duckworth
Director and Secretary

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

1. Accounting policies

The financial statements are prepared in accordance with United Kingdom law and accounting standards. The particular accounting policies adopted by the directors, which have been applied consistently throughout the current and preceding year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as amended by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries for the year ended 31 December 2005.

The group's share in associates is accounted for using the equity method of accounting. The consolidated profit and loss account includes the group's share of the pre-tax profits or losses and attributable taxation.

The group's share of its joint ventures' assets and liabilities have been accounted for using the gross equity method.

The group has taken advantage of the exemption granted by paragraph 3(c) of FRS 8 'Related party disclosures', not to disclose transactions with fellow group companies, or investees of the group qualifying as related parties.

Cash flow statement

A cash flow statement has not been produced as Haymarket Publishing Group Limited is a wholly owned subsidiary of Haymarket Group Limited, which itself produces a publicly available consolidated cash flow statement. Consequently, the company is exempt from producing a cash flow statement under the terms of FRS 1 (Revised).

Acquisitions and goodwill

On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the group's share of net assets. Where the cost of the acquisition exceeds the values attributed to such net assets, the difference is treated as purchased goodwill. Purchased goodwill is capitalised and amortised on a straight line basis at 5% per annum.

Publishing and exhibition rights

Publishing and exhibition rights are held at cost less any provision for impairment in value and are amortised on a straight line basis at 5% per annum.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and any provision for impairment. Short leasehold properties are amortised over the period of the lease. No depreciation is usually charged on freehold land. When it has proved impossible to obtain a split between land and buildings for a property then the full cost or valuation has been depreciated. Other assets are depreciated by equal annual instalments over the anticipated lives of the assets, principally at the following rates:

Short leasehold office properties	2%
Vehicles, furniture and equipment	20% - 25%

Freehold properties are revalued every year with the surplus or deficit on book value being transferred to the revaluation reserve.

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

1. Accounting policies (continued)

Investments

Investments are stated at cost less any provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks of magazine back issues are not valued.

Agricultural stock is included at independent professional valuation.

Deferred taxation

Deferred taxation is provided in full on timing differences between the recognition of gains and losses in the financial statements and their recognition in a taxation computation.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiary and associated undertakings and joint ventures where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency

Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the profit and loss account. The financial statements of foreign subsidiary undertakings are translated into sterling at the closing rates of exchange and the differences arising from the translation of the opening net investment in subsidiary undertakings at the closing rates are taken directly to reserves.

Pension costs

The company operates a defined contribution pension scheme. Pension costs are charged to the profit and loss account in the period in which they become payable.

Operating leases

Rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

2. Analysis of turnover, operating profit and net assets

Turnover represents revenue receivable and the value of goods (excluding VAT) sold to third parties. All turnover and profit before tax relates to the group's principal activity.

Geographical analysis by location is as follows:

Turnover by destination	2005 £'000	2004 £'000
United Kingdom	187,025	153,299
Other countries	40,970	26,117
	<u>227,995</u>	<u>179,416</u>

Turnover by source

United Kingdom	166,214	135,695
Other countries	61,781	43,721
	<u>227,995</u>	<u>179,416</u>

Profit on ordinary activities before taxation

An analysis of operating profit by geographical segment has not been included as the directors believe that to do so would be seriously prejudicial to the interests of the group.

Net assets/(liabilities)	2004 £'000	2004 £'000
United Kingdom	2,121	(10,584)
Other countries	20,726	13,570
Group monetary net assets	(1,095)	5,586
	<u>21,752</u>	<u>8,752</u>

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

3. Information regarding directors and employees

	2005 £'000	2004 £'000
Directors' emoluments		
Emoluments	3,614	2,778
Remuneration of highest paid director	466	370

The remuneration of the highest paid director included accumulated bonus relating to prior years.

There are defined contribution pension plans for the benefit of ten (2004: 9) directors. The contributions by the group in the year were £269,000 (2004: £239,000). The highest paid director received contributions of £23,000 (2004: £97,000)

	2005 £'000	2004 £'000
Staff costs during the period (including directors)		
Wages and salaries	67,508	49,125
Social security costs	6,690	4,890
Pension costs	2,766	1,877
	76,964	55,892
	No.	No.
Average number of persons employed (including directors)	1,820	1,539

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

4. Operating profit

	2005 £'000	2004 £'000
Operating profit is after charging:		
Depreciation - owned assets	2,755	2,755
Rentals under operating leases – other	1,772	1,117
Auditors' remuneration - group audit	139	137
- company audit	-	-
- other services	128	282
Amortisation of publishing and exhibition rights	5,907	2,783

5. Interest receivable and similar income

	2005 £'000	2004 £'000
Interest receivable and similar income	352	505
Foreign exchange differences	348	-
	<u>700</u>	<u>505</u>

6. Interest payable and similar charges

	2005 £'000	2004 £'000
Other interest payable	-	826
Foreign exchange differences	-	95
	<u>-</u>	<u>921</u>

7. Tax on profit on ordinary activities

	2005 £'000	2004 £'000
United Kingdom corporation tax at 30% (2004: 30%)	4,715	3,793
Adjustment in respect of prior years	8	(728)
Overseas tax (net of double tax relief)	61	(8)
	<u>4,784</u>	<u>3,057</u>
Total current tax charge	4,784	3,057
Deferred tax credit	(1,243)	(316)
	<u>3,541</u>	<u>2,741</u>
Tax on profit on ordinary activities	3,541	2,741

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

7. Tax on profit on ordinary activities (continued)

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2004: 30%). The current tax charge for the year is more than 30% for the reasons set out in the following reconciliation:

Reconciliation of current tax charge	2005 £'000	2004 £'000
Profit on ordinary activities before tax	15,195	11,685
Tax at 30% thereon	4,559	3,506
Factors affecting charge for the period:		
- Expenses not deductible for tax	676	454
- Other short term timing differences	462	157
- Non-deductible depreciation/amortisation on assets not qualifying for capital allowances	985	893
- Capital allowances in advance of depreciation	154	80
- Unutilised tax losses	175	315
- Losses claimed via group relief for nil consideration	(2,150)	(1,483)
- Non-taxable income	(146)	(137)
- Effect of overseas tax rates	61	-
- Under provision in respect of prior years	8	(728)
Current tax charge for the period	4,784	3,057

8. Profit attributable to members of the company

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the company is not presented as part of these financial statements.

The company's retained loss for the year was £1,869,000 (2004: £1,666,000).

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

9. Intangible assets

Group

Publishing and exhibition rights £'000

Cost or valuation

At 1 January 2005	248,699
Additions during the year:	
on acquisition of subsidiary	7,214
Other	10,786
Transfer from minority interest	337
Foreign exchange translation differences	2,213
At 31 December 2005	269,249

Accumulated amortisation

At 1 January 2005	25,973
Charged in the period	5,907
Foreign exchange translation differences	553
At 31 December 2005	32,433

Net book value

At 31 December 2005	236,816
At 31 December 2004	222,726

The group made a number of acquisitions during the year for total consideration excluding costs of £18,952,000 (net liabilities acquired £952,000). For further details see note 19.

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

10. Tangible assets

Group	Short leasehold properties £'000	Vehicles, furniture, equipment £'000	Total £'000
Cost or valuation			
At 1 January 2005	1,520	21,692	23,212
Additions	-	4,201	4,201
On acquisition of subsidiary	-	55	55
Disposals	-	(2,042)	(2,042)
Foreign exchange translation differences	23	180	203
At 31 December 2005	1,543	24,086	25,629
Accumulated depreciation			
At 1 January 2005	1,364	16,571	17,935
Charge for the year	64	2,633	2,697
Disposals	(6)	(1,830)	(1,836)
Foreign exchange translation differences	11	106	117
At 31 December 2005	1,433	17,480	18,913
Net book value			
At 31 December 2005	110	6,606	6,716
At 31 December 2004	156	5,121	5,277

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

11. Investments held as fixed assets

Company

	2005 £'000	2004 £'000
Shares in subsidiary undertakings (a)	154,500	154,500
	<u>154,500</u>	<u>154,500</u>

(a) Shares in subsidiary undertakings

The principal subsidiary undertakings, all of which with the exception of Haymarket Media Inc., (registered and operating in USA), and AJB Publishing Pty Limited, (registered and operating in Australia), are registered in England and Wales and operate principally in the United Kingdom, are as follows:

Subsidiary undertakings	Percentage of equity held	Principal Activity
AJB Publishing Pty Limited	100%	Magazine publishing
Environmental Data Services Limited	100%	Magazine publishing
Haymarket Business Publications Limited	100%	Magazine publishing
Haymarket Medical Publications Limited*	100%	Magazine publishing
Haymarket Magazines Limited	100%	Magazine publishing
Haymarket Exhibitions Limited	100%	Exhibition organising
Haymarket Publishing Services Limited	100%	Administrative services
Haymarket Worldwide Limited	100%	Holding company
Haymarket Media Inc.**	100%	Holding company
Haymarket Network Limited	100%	Magazine publishing
* Shares held by Haymarket Business Publications Limited		
** Shares held by Haymarket Worldwide Limited		

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

11. Investments held as fixed assets (continued)

(b) Joint ventures and associated undertakings

Group	Joint ventures £'000	Associated undertakings £'000	Total £'000
Share of net assets			
At 1 January 2005	1,889	-	1,889
Additions		1,469	1,469
Dividend received	(688)		(688)
Share of retained profits	352	191	543
At 31 December 2005	1,553	1,660	3,213
Goodwill cost			
At 1 January 2005	-	249	249
Additions	-	-	-
At 31 December 2005	-	249	249
Goodwill amortisation			
At 1 January 2005	-	(15)	(15)
Charged in the year	-	(7)	(7)
At 31 December 2005	-	(22)	(22)
Net book value			
At 31 December 2005	1,553	1,887	3,440
At 31 December 2004	1,889	234	2,123

The amortisation of publishing rights above brings the accounting policies of the joint ventures and associates into line with that of the group. For certain associated undertakings, Haymarket Publishing Group Limited's partners can require the company to purchase their remaining shares at a price to be determined based on average profits for certain years.

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

11. Investments held as fixed assets (continued)

(b) Joint ventures and associated undertakings (continued)

Details of investments representing more than 10% of the company's issued share capital:

Associates	Country of registration and principal place of operation	Percentage of equity held	Principal activity
Frontline Limited	England and Wales	Ordinary 'A' shares 5% Ordinary 'C' shares 100% Ordinary 'E' shares 25% Ordinary 'F' shares 17%	Distribution of magazines
FinanceAsia.com Limited	Hong Kong	50%	Magazine publisher
Joint ventures			
BBC Haymarket Exhibitions Limited	England and Wales	50%	Organisation of exhibitions
Haymarket SAC Publishing (India) Private Limited	India	50%	Magazine publisher

During the year, the group increased its holding in FinanceAsia.com Limited from 20% to 50%.

All shares are held by subsidiary undertakings.

(c) Joint ventures and associated undertakings

Frontline Limited is the group's agent in relation to the sale of publications to third parties. Distribution services totalling £4,039,175 (2004: £3,831,237) were provided to the group by Frontline Limited.

During the year the group provided the following services to BBC Haymarket Exhibitions Limited:

	2005 £'000	2004 £'000
Administrative services	498	356

Amounts owed by and to associated undertakings are shown in notes 13 and 14 to the accounts.

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

12. Stocks

	2005 £'000	2004 £'000
Group		
Paper	1,663	1,202

In the directors' opinion, the replacement cost of paper stock does not differ significantly from the value included in the financial statements.

13. Debtors

(a) Falling due within one year

	2005 £'000	2004 £'000
Group		
Trade debtors	30,370	27,569
Amounts owed by subsidiary undertakings	-	2,944
Amounts owed by associated undertakings	2,659	2,066
Other debtors	5,165	2,922
Prepayments and accrued income	9,316	11,160
	47,510	46,661

(b) Falling due after more than one year

	Group		Company	
	2005 £'000	2004 £'000	2004 £'000	2004 £'000
Amounts owed by fellow subsidiaries	320,240	257,828	82	82
Deferred tax (note 16)	2,498	1,255	1,488	713
Minority interest	-	236	-	-
	322,738	259,319	1,570	795

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

14. Creditors: amounts falling due within one year

Group	2005 £'000	2004 £'000
Bank loans and overdrafts	6,127	-
Trade creditors	8,042	5,767
Other creditors including taxation and social security	13,670	9,373
Accruals and deferred income	39,405	34,065
	<u>67,244</u>	<u>49,205</u>
Other creditors including taxation and social security:		
Amounts owed to associated undertakings	699	744
UK corporation tax	2,598	1,252
Other taxation and social security	3,540	2,582
Other creditors	6,833	4,795
	<u>13,670</u>	<u>9,373</u>

At the end of the year no balances were owed to any director.

During the year the group entered into the following transactions with its directors:

	Lord Heseltine £	S P Tindall £
2005		
Personal costs paid for by the group and fully reimbursed	140,500	176,600
2004		
Personal costs paid for by the group and fully reimbursed	151,900	186,000

15. Creditors: amounts falling due after more than one year

	Group		Company	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Amounts owed to fellow subsidiaries	526,829	481,016	159,604	156,960
Accruals	8,090	3,903	-	-
	<u>534,919</u>	<u>484,919</u>	<u>159,604</u>	<u>156,960</u>

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

16. Deferred tax

Group deferred taxation

There is a deferred tax asset recognised of £2,498,000 (2004: £1,255,000). This asset relates to the following amounts:

	2005 £'000	2004 £'000
Capital allowances in excess of depreciation	(218)	(375)
Other timing differences	2,716	1,630
	<u>2,498</u>	<u>1,255</u>

	2005 £'000	2004 £'000
Analysis of movement in deferred tax:		
At 1 January 2005	1,255	-
Deferred tax credit to profit and loss for the period	1,243	316
Deferred tax asset acquired on consolidation	-	939
	<u>2,498</u>	<u>1,255</u>
At 31 December 2005		

There is also an unrecognised deferred tax asset of £5,029,000 (2004: £5,548,000). The unprovided deferred tax asset comprises:

	2005 £'000	2004 £'000
Unutilised overseas tax losses	2,049	2,507
Unutilised UK tax losses	223	366
Gain deferred by rollover relief	(570)	(455)
Capital losses	3,327	3,130
	<u>5,029</u>	<u>5,548</u>

Deferred tax has not been provided for potential gains on the disposal of listed investments or gains rolled over into replacement assets as there are no binding sale agreements in place at the balance sheet date and gains or losses have not yet been recognised in respect of these assets.

No tax liability would be expected on the disposal of properties or listed investments at their revalued amounts due to the excess capital losses carried forward in the group and because the group would expect rollover relief to be available in certain cases.

Deferred tax has not been provided for the majority of unutilised losses, as there is insufficient evidence that these losses will be offset against taxable profits in the near future. However, a deferred tax asset has been recognised in relation to German tax losses following the acquisition of a subsidiary during the year.

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

17. Called up share capital

	2005 No.	2004 £
Authorised, allotted, called up and fully paid		
Ordinary shares of £1.00 each	500	500

	2005 No.	2004 £
Authorised, allotted, called up and fully paid		
Ordinary shares of £1.00 each	500	500

18. Profit and loss account

	2005 Group £'000
At 1 January	8,751
Profit for the period	11,654
Currency translation differences on foreign currency net investments	1,346
At 31 December	21,751

	Company £'000
At 1 January	(1,666)
Loss for the financial year	(1,869)
At 31 December	(3,535)

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

19. Acquisitions of subsidiary undertakings

The group (through Haymarket Media GmbH) acquired one subsidiary, Thalacker Medien GmbH, on 1 January 2005. Its principal activity is publishing magazines.

	Net assets acquired £'000
Tangible fixed assets	55
Investments	736
Intangible fixed assets	648
Stock	380
Debtors	326
Cash	(83)
Creditors	(1,110)
	<hr/> 952
Intangible fixed assets	<hr/> 7,214
Consideration paid:	
Cash	7,766
Deferred	400
	<hr/> 8,166

No fair value adjustments were required.

The results of the acquisitions included in the 31 December 2005 accounts have been as follows:

	1 January 2005 to 31 December 2005 £'000
Turnover	5,615
Cost of sales	(4,187)
Gross profit	<hr/> 1,428
Profit before taxation	<hr/> 706

Haymarket Publishing Group Limited

Notes to the accounts 31 December 2005

20. Capital commitments

There were no capital commitments at 31 December 2005 (2004: £6,133,000) relating to the group and none (2004: £nil) relating to the company.

21. Operating lease commitments

As at 31 December 2005 the group was committed to making the following payments during the next year in respect of non-cancellable operating leases (2004: £nil):

Group

	Other £'000	Land and buildings £'000	Total £'000
Leases which expire:			
Within one year	-	203	203
Within two to five years	1	1,164	1,165
After five years	-	404	404
	<hr/>	<hr/>	<hr/>
As at 31 December 2004	1	1,771	1,772
	<hr/>	<hr/>	<hr/>

Group

	Other £'000	Land and buildings £'000	Total £'000
Leases which expire:			
Within one year	-	58	58
Within two to five years	1	470	471
After five years	-	681	681
	<hr/>	<hr/>	<hr/>
As at 31 December 2005	1	1,209	1,210
	<hr/>	<hr/>	<hr/>

22. Pension scheme

The principal scheme operated by the group is a defined contribution scheme in which eligible employees participate in personal pension plans to which the company contributes 8% - 12.5% and the employees contribute a minimum of 5% of relevant earnings. The assets of the individual plans are held separately from those of the company in independently administered funds.

23. Post balance sheet events

The group has acquired publishing and business assets for consideration of £4,902,000 since year end.

24. Contingent liabilities

The company has guaranteed the bank borrowings of certain other group companies. At 31 December 2005 these borrowings amounted to £113,332,248 (2004: £109,033,293).

Haymarket Publishing Group Limited

Notes to the accounts

31 December 2005

25. Ultimate parent company

In the opinion of the directors, the company's ultimate parent company and controlling party is Haymarket Group Limited, a company incorporated in Great Britain and registered in England and Wales, in which The Rt. Hon. the Lord Heseltine CH and his family have the controlling interest. Haymarket Group Limited is the largest and smallest group in which the company is consolidated. Copies of the group accounts of Haymarket Group Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.