

**Company Registration No. 267189**

**Haymarket Media Group Limited  
(formerly Haymarket Publishing Group  
Limited)  
Report and Financial Statements**

**31 December 2006**

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# **Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)**

## **Report and financial statements 2006**

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# **Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)**

## **Report and financial statements 2006**

### **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  
W G Pecover  
N Stimpson

#### **Secretary**

J D Duckworth

#### **Registered office**

174 Hammersmith Road  
London W6 7JP

#### **Bankers**

The Royal Bank of Scotland Plc  
280 Bishopsgate,  
London, EC2M 4RB

#### **Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

#### **Solicitors**

Lewis Silkin LLP  
London

# **Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)**

## **Report and financial statements 2006**

### **Directors' report (continued)**

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

#### **Business review and principal activities**

The principal activities of the company are the provision of editorial content and related services through multiple platforms, including magazines and websites, serving specialist audiences in both the business to consumer and business to business markets. In addition, the company organises events and conferences.

The company has significantly invested in its online activities in order to exploit the commercial opportunities as it looks to meet the demands of its specialist audiences of professionals and enthusiasts online.

#### **Review of developments**

The company's results for the year and state of affairs at 31 December 2006 are shown in the attached financial statements. The profit after tax for the financial year was £117,148,000 (2005: loss of £1,869,000), after a dividend received from a subsidiary of £118,817,000.

On 1 December 2006 the company acquired the trade of two of its major subsidiaries, Haymarket Business Publications Ltd and Haymarket Consumer Media Ltd (formerly Haymarket Magazines Ltd) for a total consideration of £144,622,000.

The company turnover and cost of sales for the current year was as a result of the acquisition of the trade of the two subsidiaries referred to above.

The company also made a number of acquisitions of publishing rights from third parties during the year for a total consideration including costs of £598,000 (2005: £nil).

The directors consider there are no future significant risks or uncertainties to the company.

Details of post balance sheet events are shown in note 17.

No dividends were paid during the year (2005: £nil).

#### **Directors and their interests**

The membership of the Board is set out on page 1. All directors served throughout the year. PV Fuller, resigned on 30 June 2006. P N Osborne resigned on 6 March 2006 and T Schulp resigned on 22 January 2007.

The directors' 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.

# **Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)**

## **Report and financial statements 2006**

### **Directors' report (continued)**

#### **Financial Risk Management**

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

#### **Employees**

Details of the number of employees and related costs can be found in note 3 to the financial statements

The company provides employees with information on matters relevant to them as employees throughout the year as part of its corporate communications strategy

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

#### **Environmental matters**

Haymarket was the first major publishing company to be certified to the ISO14001 environmental standard. The group has had assessments since the original certification to ensure it is maintaining ISO14001 standards and demonstrating its commitment to continual improvement in environmental performance

The company's preference for suppliers with environmental credentials continues to encourage them to take their environmental responsibilities seriously. The company's production suppliers in particular, Herons and Lynhurst, are ISO14001 certified. Grange, Hubbard's, Impact, Lynhurst and Polyprint have applied for ISO14001 certification. On a smaller scale, the company's stationery company has achieved ISO14001 at the group's insistence

In addition, the company is committed to improving its environmental credentials in areas such as water consumption, aluminium recycling, composting, newstrade waste and standardised production

**Haymarket Media Group Limited (formerly Haymarket  
Publishing Group Limited)**

**Report and financial statements 2006**

**Directors' report (continued)**

**Auditors**

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

A resolution to re-appoint Deloitte & Touche LLP as the company's auditors 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

28<sup>th</sup> January 2008

# **Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these 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, 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 disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditors' report to the members of Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)**

We have audited the financial statements of Haymarket Media Group Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheets, the statement of total recognised gains and losses and the related notes 1 to 18. 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 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

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

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **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 judgements 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.



**Independent auditors' report to the members of  
Haymarket Media Group Limited (formerly Haymarket  
Publishing Group Limited) (continued)**

**Opinion**

**In our opinion**

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
London, United Kingdom

31 January 2008

# Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)

## Profit and Loss account Year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Turnover	2	11,967	-
Cost of sales		(8,896)	(2,644)
Gross profit		3,071	(2,644)
Amortisation of publishing rights	7	(204)	-
Other administrative expenses		(5,197)	-
Total administrative expenses		(5,401)	-
Operating loss	4	(2,330)	(2,644)
Dividend received and similar income	5	118,817	-
Profit/(loss) on ordinary activities before taxation		116,487	(2,644)
Tax on profit/(loss) on ordinary activities	6	661	(793)
Profit/(loss) on ordinary activities after taxation	14	117,148	(1,851)

All activities derive from continuing operations. There are no movements in shareholders' funds or recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

# Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)

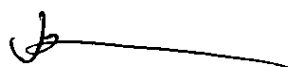
## Balance Sheet

31 December 2006

	Notes	£'000	2006 £'000	£'000	2005 £'000
<b>Fixed assets</b>					
Intangible assets	7		145,016		-
Investments	8		305,181		154,500
			<u>450,197</u>		<u>154,500</u>
<b>Current assets</b>					
Debtors falling due after more than one year	9		7,917		1,570
<b>Creditors: amounts falling due within one year</b>	10		<u>(819)</u>		<u>-</u>
<b>Net current liabilities</b>			<u>(819)</u>		<u>-</u>
<b>Total assets less current liabilities</b>			<u>457,295</u>		<u>156,070</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(343,681)</u>		<u>(159,604)</u>
<b>Net assets</b>			<u>113,614</u>		<u>(3,534)</u>
<b>Capital and reserves</b>					
Called up share capital	13		1		1
Profit and loss account	14		<u>113,613</u>		<u>(3,535)</u>
<b>Shareholders' funds</b>			<u>113,614</u>		<u>(3,534)</u>

These financial statements were approved by the Board of Directors on 28 January 2008

Signed on behalf of the Board of Directors



J D Duckworth  
Director and Secretary

# Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)

## Notes to the accounts 31 December 2006

### 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.

#### Cash flow statement

A cash flow statement has not been produced as Haymarket Media 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).

#### Consolidated financial statements

Consolidated financial statements have not been produced as Haymarket Media Group Limited is a wholly owned subsidiary of Haymarket Group Limited, a company incorporated in Great Britain, which itself produces consolidated financial statements. As such the company is exempt under section 228 of the Companies Act 1985. These financial statements present information about the company as an individual undertaking and not as a group.

#### Publishing rights

Publishing rights are held at cost less any provision for impairment in value and are amortised on a straight line basis at rates between 5% and 20% per annum, based on an assessment of the economic life of the asset at the time of purchase. Any elements of acquisition costs that relate to a non-competition clause are amortised over the effective period of that clause.

#### Investments

Investments are stated at cost less any provision for impairment.

#### Taxation

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

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.

# Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)

## Notes to the accounts 31 December 2006

### 2. Turnover

Turnover represents revenue receivable and the value of goods (excluding VAT) sold to third parties and predominantly arises from the UK in relation to the company's principal activity

Sale of goods are recognised when goods are delivered and title has passed

Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable

### 3. Information regarding directors and employees

	2006 £'000	2005 £'000
<b>Directors' emoluments</b>		
Emoluments	4,178	3,614
Remuneration of highest paid director	673	466

There is a defined contribution pension plans for the benefit of 10 (2005 10) directors. The contributions by the group in the year were £210,000 (2005 £269,000). The highest paid director received contributions of £32,000 (2005 £23,000)

	2006 £'000	2005 £'000
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	3,074	-
Social security costs	132	-
Pension costs	323	-
	3,529	-
	No.	No.
Average number of persons employed (including directors)	1,133	-

Staff are employed under contracts of employment with a fellow subsidiary. Employment expenses are in relation to the acquisition of the trade of two of the company's major subsidiaries Haymarket Business Publications Ltd and Haymarket Consumer Media Ltd (formerly Haymarket Magazines Ltd)

# Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)

## Notes to the accounts 31 December 2006

### 4. Operating loss

	2006 £'000	2005 £'000
Operating loss is after charging:		
Amortisation of publishing rights	204	-

The auditors' remuneration was borne by another group company for this (£6,000) and the preceding financial year (£6,000)

### 5. Interest receivable and similar income

	2006 £'000	2005 £'000
Dividend received from subsidiary	118,817	-

### 6. Tax on profit on ordinary activities

	2006 £'000	2005 £'000
United Kingdom corporation tax at 30% (2005 30%)	73	-
Total current tax charge	73	-
Deferred tax credit	(734)	(793)
Tax credit on profit on ordinary activities	(661)	(793)

# Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)

## Notes to the accounts 31 December 2006

### 6. 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% (2005 30%) The current tax charge for the year is less than 30% for the reasons set out in the following reconciliation

Reconciliation of current tax charge	2006 £'000	2005 £'000
Profit/(loss) on ordinary activities before tax	116,487	(2,644)
Tax at 30% thereon	34,946	(793)
Factors affecting charge for the year		
- Expenses not deductible for tax	13	-
- Other short term timing differences	734	775
- Non-deductible depreciation/amortisation on assets not qualifying for capital allowances	25	-
- Losses claimed via group relief for nil consideration		18
- Non-taxable income	(35,645)	-
Current tax charge for the year	73	-

### 7. Intangible assets

	Publishing rights £'000
<b>Cost or valuation</b>	
At 1 January 2006	-
Acquisitions from subsidiary companies	144,622
Other acquisitions	598
At 31 December 2006	145,220
<b>Accumulated amortisation</b>	
At 1 January 2006	-
Charged in the period	204
<b>Net book value</b>	
At 31 December 2006	145,016

The company acquired the publishing rights during the year of two subsidiaries, Haymarket Business Publications Ltd and Haymarket Consumer Media Ltd (formerly Haymarket Magazines Ltd)

# Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)

## Notes to the accounts 31 December 2006

### 8. Investments held as fixed assets

	2006 £'000
Cost	
As at 1 January 2006	154,500
Additions in the year	150,681
	<u>305,181</u>

#### (a) Shares in subsidiary undertakings

The principal subsidiary undertakings, all of which with the exception of Haymarket Media Inc, West Coast Publishing Inc and Haymarket Business Publications Inc (registered and operating in USA), are registered in England and Wales and operate principally in the United Kingdom, are as follows

	Percentage of equity held	Principal Activity
<b>Subsidiary undertakings</b>		
Haymarket Business Media Ltd (formerly Environmental Data Services Limited) *	100%	Magazine publishing
Haymarket Business Publications Limited	100%	Dormant
Haymarket Consumer Media Ltd (formerly Haymarket Magazines Limited)	100%	Magazine publishing
Haymarket Exhibitions Limited	100%	Exhibition organising
Haymarket Publishing Services Limited	100%	Administrative services
Haymarket Network Limited	100%	Contract publishing
Haymarket Media Inc *	100%	Magazine publishing

\* These companies were acquired during the year for a total of £150,681,000

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### 9. Debtors falling due after more than one year

	2006 £'000	2005 £'000
Amounts owed by subsidiaries	5,695	82
Deferred tax (note 12)	2,222	1,488
	<u>7,917</u>	<u>1,570</u>



# Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)

## Notes to the accounts 31 December 2006

### 10. Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Other creditors including taxation and social security		
UK corporation tax	73	-
Other creditors	746	-
	<u>819</u>	<u>-</u>

### 11. Creditors: amounts falling due after more than one year

	2006 £'000	2005 £'000
Amounts owed to fellow subsidiaries	152,507	3,980
Amounts owed to parent companies	191,174	155,624
	<u>343,681</u>	<u>159,604</u>

### 12. Deferred tax

There is a deferred tax asset recognised of £2,222,000 (2005 £1,488,000). This asset relates to the following amounts

	2006 £'000	2005 £'000
Other timing differences	2,222	1,488
	<u>2,222</u>	<u>1,488</u>

	2006 £'000	2005 £'000
Analysis of movement in deferred tax		
At 1 January 2006	1,488	713
Deferred tax credit to profit and loss for the year	734	775
At 31 December 2006	<u>2,222</u>	<u>1,488</u>

### 13. Called up share capital

	2006 and 2005 £
Authorised, allotted, called up and fully paid	
Ordinary shares of £1.00 each	<u>500</u>

# Haymarket Media Group Limited (formerly Haymarket Publishing Group Limited)

## Notes to the accounts 31 December 2006

### 14. Profit and loss account

	2006	2005
	£'000	£'000
At 1 January	(3,535)	(1,684)
Profit/(loss) for the financial year	117,148	(1,851)
At 31 December	113,613	(3,535)

### 15. 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.

The company's pension costs are shown in note 3 to the accounts.

### 16. Contingent liabilities

The company has guaranteed the bank borrowings of certain other group companies. At 31 December 2006 these borrowings amounted to £104,787,000 (2005: £117,834,000).

### 17. Post balance sheet events

The company has acquired publishing rights since the year end for a total consideration of £8,670,000.

### 18. 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.