Company Registration number
2809261

Haymarket Group Limited

Annual Report and Financial Statements

31 December 2010

Haymarket Group Limited

Report and financial statements 2010

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Haymarket Group Limited

Report and financial statements 2010

Officers and professional advisers

Directors
The Rt Hon the Lord Heseltine CH (Chairman)
K Costello
J D Duckworth
D B Fraser
M Gibson (Appointed 1 May 2011)
The Hon R W D Heseltine
Dr A S Kemp
Lord Levene of Portsoken KBE
J L Masters
S P Tindall

Secretary
J D Duckworth

Registered office
174 Hammersmith Road
London W6 7JP

Auditor
Deloitte LLP
Chartered Accountants
London

Bankers
The Royal Bank of Scotland plc

Solicitors
Lewis Silkin LLP
London

Haymarket Group Limited
Directors' report

The Directors present their annual report and financial statements for the year ended 31 December 2010

Business review and principal activities

The principal activities of the group 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 the business to business markets In addition, the group organises a number of face-to-face actvities including exhibitions, events and conferences in both markets

The group operates in a number of countries including the UK, USA, Germany, Hong Kong, India and Australia

The group has continued to invest in its online activities in order to exploit the commercial opportunities as it looks to meet the demands of its specialist audiences of trade professionals and consumer enthusiasts online

Review of results and future developments

The results for the year are set out on page 9

Group turnover in 2010 increased by 4 0% over 2009, from £221 8million to £230 7million

Adjusted EBITDA increased by 1 3% to £33 2m from £32 8m in 2009 Statutory group operating profit was up 92% to £16 7m (2009 £8 7m)

The group made no acquisitions of publishing rights and companies during this or the previous year A number of smaller titles were sold in the year

In response to continued weak economic activity (in the UK and USA in particular) management have taken various actions that have resulted in further headcount reductions and other cost saving measures In 2010 these costs totalled £2 8m (2009 £6 8m) and given their materiality, they have again been treated as an exceptional restructuring cost

The results reflect asset impairments of £1 7m (2009 £4 3m) on acquired publishing rights Under historical cost methods, the balance sheet does not reflect the value of our overall brand portfolio

Operating cash inflow decreased to £18 8m (2009 £28 9m - see note 21) due to the payment during the year of provisions for exceptional costs made in 2009 The group's borrowings increased during the year by £8 0m

Dividends of £2 0m (2009 £2 25m) were paid during the year

Trading in 2011 has to date been in line with expectations, and although certain areas of the Group remain under pressure, the Directors are cautiously optimistic that an improved result can be posted for the current year as compared to 2010

Key risks and uncertainties

a) General economic conditions

The group's largest operations are situated in the UK and the USA, where the economic recovery remains fragile However, the group's long-established strategy of holding both business-to-business and business-to-consumer products and services in its portfolio, together with the specialist subject matter of those products and services, means that the directors have confidence that the group is currently dealing with current economic conditions In addition, the Group provides a mix of print, data, online and face-to-face products and services that best suit both the audience's and clients' needs within each market The significant cost reductions achieved over the course of the last 2-3 years has meant that the Group is better prepared for a lower revenue environment

b) Digital

Digital opportunities and competition feature in many of the Groups markets The Group endeavours to invest wisely to take advantage of opportunites and address competitive action

c) Employees

The Group's performance is dependent on its employees and failure to recruit and appropriately develop staff would have an impact on performance The risk is addressed by investment in the recruitment process, staff training and ensuring that the group's compensation and benefits are competitive

d) Financial risks

The financial risks that the Directors consider most applicable to the group and company are credit risk, liquidity risk, interest rate risk and, to a lesser extent, currency risk

The group's principal financial assets are bank balances and cash, trade and other receivables, and investments The group's credit risk is primarily attributable to its trade receivables

The group actively monitors amounts owed by its customers by way of comprehensive and detailed information that is supplied regularly to management The group has no concentration of credit risk, with its exposure being spread over a large number of clients

The group mitigates liquidity risk by assessing working capital requirements against its undrawn facilities to ensure that it has availability of funds for day-to-day operations The group uses a combination of long-term and short-term debt finance to ensure that sufficient funds are available for ongoing operations and future developments

Action has been taken to mitigate any adverse effect of interest rates on the group's profitability, as detailed in note 15 to the accounts

A proportion of currency risk is hedged by way of foreign currency bank loans

Board

The members of the board are set out on page 1 Mark Gibson was appointed to the Board on 1 May 2011 William Pecover resigned on 13 April 2011

Employees

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

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

The Group is an equal opportunities employer and appoints employees without reference to age, sex, ethnic group or religious beliefs It is the Group's policy to give full consideration to suitable applications for employment by disabled persons Where existing employees become disabled, it is the Group's policy wherever practicable, to provide continuing employment under normal terms and conditions and to provide training for positions in the Group where appropriate

The Group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

Haymarket Group Limited
Directors' Report (continued)

Environmental matters

Haymarket was the first major publishing company to be certified to the ISO14001 environmental standard and the group continues to be assessed by the British Standards Institute

The Group's preference for high environmental standards also extends to external parties It is proactive about encouraging its suppliers to take their environmental responsibilities seriously and all of the group's major production suppliers are currently ISO14001 certified It works with those suppliers to increase the use of water-based varnishes, to reduce paper waste and to target energy reductions

In addition most of Haymarket's polythene postal wrappers are oxybiodegradable or recyclable and all of Haymarket's titles are now printed on paper certified to FSC or PEFC standards

Haymarket also continues to improve its environmental credentials in its own office premises In 2010 Haymarket's London buildings reduced electricity consumption by 5%, average daily water consumption by 4 2% and waste sent to landfill by 3 9% The group has set itself targets for similar reductions in 2011
The Group also encourages alternative travel modes such as car-sharing, cycling and motorbikes The Group operates the Ride To Work scheme which enables staff to purchase discounted bicycles for commuting Improved video and telephone conferencing have also reduced the need for travel to meetings The Group has joined Transport for London's A New Way to Work scheme in order to further develop the Company's site travel plans and promote alternative means of transport The Teddington site was the first to achieve an exceptional award in Richmond council's GoGreenRichmond scheme and our head office in Hammersmith achieved the Mayor of London's "Green 500" Gold Award

In 2008 the Group calculated its first direct emissions carbon footprint in conjunction with the Edinburgh Centre for Carbon Management This project covers the direct emissions associated with its buildings, the embodied emissions of 100 of its printed titles and of 100 of its websites The second and third stages of this project will be completed in 2011 and based on this information carbon reduction strategies will be investigated with our supply partners to reduce the carbon intensity of our products

Share Capital

Details of changes in the Company's share capital are set out in note 17

Donations

During the year the group made charitable donations of £73,980 (2009 £26,000) It made no political donations (2009 £Nil)

Going concern basis adopted in preparing financial statements

A review of the Group's results for the year, and key risks for the coming year are set out above Details of the Group's banking facilities are set out in note 15

In July 2010 the Group completed negotiations to renew its financing facilities with its principal lender, the Royal Bank of Scotland These facilities include an overdraft and 364-day revolving facility to meet day to day requirements that are reviewed annually on 31 March Confirmation has been received that these facilities have been renewed until 31 March 2012 and the Directors know of no reason why these facilities should not be renewed at that time The directors acknowledge the uncertainty inherent in forecasting advertising and other revenue streams in the current economic environment However, they believe that, having drawn up the Group's latest forecasts, which take into account their view of reasonably possible adverse variations in trading performance, the Group will have sufficient cash and covenant headroom under the group's facilities for the foreseeable future

Accordingly, after reviewing the group's current financial projections and available facilities the directors consider that the group has access to sufficient financial resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements

Disclosure of information to the auditors
Each of the persons who is a director at the date of approving this report confirms that

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Re-appointment of auditor
Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

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

J D Duckworth
Secretary
174 Hammersmith Road
London W6 7JP

9 June 2011

Haymarket 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) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent Auditor's report to the members of Haymarket Group Limited

We have audited the financial statements of Haymarket Group Limited for the year ended 31 December 2010 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes 1 to 26 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 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 an express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group and 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

Opinion on financial statements

In our opinion these financial statements

- give a true and fair view of the state of the Group and of the parent company's affairs as at 31 December 2010 and of the group's profit 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 requirement of Companies Act 2006

Independent Auditor's report to the members of Haymarket Group Limited

Opinion on other matters prescribed by 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 the information and explanations we require for our audit

William Touche (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Registered Statutory Auditors
London, United Kingdom
9th June 2011

Haymarket Group Limited
Consolidated profit and loss account
for the year ended 31 December 2010

	Notes	2010 £000	2009 £000
Turnover			
Group and share of joint ventures and associates		234,756	225,950
Less share of joint ventures and associates		(4,095)	(4,197)
Group turnover	2	230,661	221,753
Cost of sales		(189,502)	(189,574)
Gross profit		41,159	32,179
Other operating expenses (net)		(24,679)	(22,955)
Operating profit before depreciation, amortisation of publishing and exhibition rights and exceptional items ("adjusted EBITDA")		33,188	32,774
Depreciation		(5,274)	(4,716)
Amortisation and impairment of publishing and exhibition rights	9	(7,455)	(11,057)
Writedown of freehold properties		(1,153)	(998)
Exceptional restructuring costs	4	(2,826)	(6,779)
Operating profit	4	16,480	9,224
Share of operating profit/(loss) of joint ventures and associates	4	268	(488)
Group operating profit		16,748	8,736
Profit / (loss) on disposal of fixed assets		664	(24)
Other interest receivable and similar income	5	731	507
Interest payable and similar charges	6	(12,990)	(12,905)
Profit / (loss) on ordinary activities before taxation		5,153	(3,686)
Tax charge on profit / (loss) on ordinary activities	7	(861)	(1,093)
Profit / (loss) on ordinary activities after taxation		4,292	(4,779)
Equity minority interests		(76)	(24)
Profit / (loss) for the financial year		4,216	(4,803)

All activities derive from continuing operations

Haymarket Group Limited
Consolidated statement of total recognised gains and losses
for the year ended 31 December 2010

	Notes	2010 £000	2009 £000
Profit/(loss) for the year attributable to the members of Haymarket Group Limited		4,216	(4,803)
Currency translation differences on foreign currency net investments	18	981	(106)
Deferred tax charge relating to foreign currency gains	18	(1,005)	-
Unrealised surplus revaluation of freehold properties	18	1,666	918
Total recognised gains and losses relating to the year		5,858	(3,991)

Haymarket Group Limited
Consolidated balance sheet
as at 31 December 2010

	Notes	2010	2010	2009	2009
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9		54,560		61,144
Tangible assets	10		54,712		55,475
Investments in joint ventures and associates					
- Gross assets		3,262		3,637	
- Gross liabilities		(1,770)		(2,187)	
	11		1,492		1,450
			110,764		118,069
Current assets					
Stocks	12		2,500		1,387
Debtors falling due within one year	13 (a)		48,488		49,036
Debtors falling due after more than one year	13 (b)		3,528		3,630
Cash at bank and in hand			10,003		15,041
			64,519		69,094
Creditors: amounts falling due within one year	14		(38,787)		(34,305)
Net current assets			25,732		34,789
Total assets less current liabilities			136,496		152,858
Creditors amounts falling due after more than one year	15		(136,129)		(149,589)
Accruals and deferred income	16		(57,612)		(64,401)
Equity minority interests	20		(82)		(54)
Net liabilities			(57,327)		(61,185)
Capital and reserves					
Called up share capital	17		283		288
Capital redemption reserve	18		229		224
Merger reserve	18		6,236		6,236
Revaluation reserve	18		2,584		918
Profit and loss account	18		(46,403)		(44,575)
Share redemption reserve	18		(20,256)		(24,276)
Shareholders' deficit	19		(57,327)		(61,185)

The financial statements of Haymarket Group Limited (Company registration number 2809261), have been authorised and approved for issue by the Board of Directors on 9 June 2011, and were signed on behalf of the Board by,

The Rt Hon The Lord Heseltine CH
Chairman

Haymarket Group Limited
Company balance sheet
as at 31 December 2010

	Notes		2010		2009
			£000		£000
Fixed assets					
Investments	11		107,072		107,072
Current assets					
Debtors falling due after one year	13	21,989		22,022	
		21,989		22,022	
Creditors: amounts falling due within one year	14	(4,000)		(2,000)	
Net current assets			17,989		20,022
Total assets less current liabilities			125,061		127,094
Creditors: amounts falling due after more than one year	15		(53,059)		(50,252)
Net assets			72,002		76,842
Capital and reserves					
Called up share capital	17		283		288
Capital redemption reserve	18		229		224
Profit and loss account	18		91,746		100,606
Share redemption reserve	18		(20,256)		(24,276)
Shareholders' funds	19		72,002		76,842

The financial statements of Haymarket Group Limited (Company registration number 2809261), have been authorised and approved for issue by the Board of Directors on 9 June 2011, and were signed on behalf of the Board by,

The Rt Hon The Lord Heseltine CH
Chairman

Haymarket Group Limited
Consolidated cash flow statement
for the year ended 31 December 2010

	Notes	2010		2009 Restated	
		£000	£000	£000	£000
Net cash inflow from operating activities	21		18,789		28,903
Returns on investments and servicing of finance					
Interest received		4		34	
Dividends received from associates		268		(77)	
Interest paid		(10,472)		(10,098)	
Net cash outflow from returns on investments and servicing of finance			(10,200)		(10,141)
Taxation					
UK and overseas corporation tax paid		(1,694)		(1,665)	
Total tax paid			(1,694)		(1,665)
Capital expenditure and financial investment					
Purchase of tangible fixed assets	10	(4,387)		(2,821)	
Payment of deferred considerations		(4,736)		(1,940)	
Proceeds from sale of fixed assets		534		357	
Purchase of investments		(63)		-	
Net cash outflow from capital expenditure and financial investment			(8,652)		(2,464)
Equity dividends paid			(2,000)		(2,250)
Net cash inflow/(outflow) before financing			(3,757)		12,383
Financing					
Payment for redemption of shares		(4,020)		(1,005)	
Bank loans drawdown/(repaid)	22	(2,500)		(450)	
Net cash (outflow)/inflow from financing			(6,520)		(1,455)
(Decrease)/increase in cash	23		(10,277)		10,928

The prior period operating cashflows have been restated to show the £1,005,000 settlement of share redemption creditors as a financing item, to conform to the current year presentation

1 Accounting policies

Basis of preparation

The financial statements have been prepared under historical cost convention as amended for the revaluation of freehold land and buildings in accordance with United Kingdom law and accounting standards The particular accounting policies adopted by the Directors are consistent with the prior year and are described below In preparing the financial statements the directors have adopted the going concern basis, as explained in the Directors' Report

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings for the year ended 31 December 2010

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

Intangible assets

Publishing and exhibition rights, whether acquired as assets or as a business combination, are held at cost less any provision for impairment in value and are amortised on a straight-line basis over the economic life of the asset normally estimated to be between 5 and 20 years Acquired non-compete agreements are amortised over the effective period of that agreement

Tangible 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 has been depreciated Other assets are depreciated by equal annual instalments over the anticipated lives of the assets as follows

Freehold properties	50 years
Vehicles, furniture and equipment	4 - 5 years
IT infrastructure and equipment	3-5 years
Website development	1-3 years

Office freehold properties are revalued annually, Surpluses or deficits on individual properties are transferred to the revaluation reserve, except that a deficit which is expected to be permanent or which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account Agricultural and residential properties are shown at cost less accumulated depreciation

Eligible website development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised If there is insufficient evidence on which to base reasonable estimates of the economic benefits website development costs are charged to the profit and loss account as incurred

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

1 Accountıng polıcıes (contınued)

Turnover

Turnover represents amounts receıvable for goods and servıces net of sales tax and trade dıscounts

All revenue arısıng from magazıne publıshıng ıs recognısed on the date of publıcatıon Revenue from face to face actıvıtıes such as exhıbıtıons, conferences and other events ıs recognısed on the date of the event Revenue from websıte advertısıng ıs recognısed over the perıod of the advertısıng contract

Cost of Sales

Cost of Sales represents amounts payable for goods and servıces net of sales tax and trade dıscounts

Costs arısıng from magazıne publıshıng, other than staff costs, are recognısed on the date of publıcatıon All costs relatıng to exhıbıtıons, conferences and other events are recognısed on the date of the event Costs relatıng to websıte actıvıtıes are recognısed ın the perıod ın whıch they are ıncurred

Fınance Costs

Fınance costs are accrued on a tıme basıs, by reference to the dırect ıssue costs and prıncıpal amounts outstandıng and at the effectıve ınterest rate applıcable, whıch ıs the rate that exactly dıscounts the dırect costs and estımated future cash payments through the expected lıfe of the financıal lıabılıty to that asset's net carryıng amount

Investment ıncome

Dıvıdend ıncome from ınvestments ıs recognısed when the shareholders rıghts to receıve payment have been establıshed

Taxatıon

Current tax, ıncludıng UK corporatıon tax and foreıgn tax, ıs provıded at amounts expected to be paıd (or recovered) usıng the tax rates and laws that have been enacted or substantıvely enacted by the balance sheet date

Deferred taxatıon ıs recognısed ın respect of all tımıng dıfferences that have orıgınated but not reversed at the balance sheet date where transactıons or events that result ın an oblıgatıon to pay more tax ın the future or a rıght to pay less tax ın the future have occurred at the balance sheet date

Tımıng dıfferences are dıfferences between the Group's taxable profits and ıts results as stated on the financıal statements that arıse from the ınclusıon of gaıns and losses ın tax assessments ın perıods dıfferent from those ın whıch they are recognısed Deferred tax ıs not provıded on tımıng dıfferences arısıng from the revaluatıon of fixed assets unless there ıs a bındıng agreement to sell the revalued assets and the gaın or loss on sale has been recognısed ın the financıal statements, and also where assets are sold and ıt ıs more lıkely than not that the taxable gaın wıll be rolled over, beıng charged only to tax ıf and when the replacement asset ıs sold Deferred tax ıs recognısed ın respect of earnıng of overseas subsıdıarıes and assocıate undertakıngs, only to the extent that, dıvıdends have been accrued and a bındıng agreement to dıstrıbute past earnıngs ın future has been entered ınto by the subsıdıary or assocıate Deferred tax assets are recognısed to the extent that ıt ıs regarded as more lıkely than not that they wıll be recovered Deferred tax assets and lıabılıtıes are not dıscounted

Fınancıal ınstruments

The Group uses financıal ınstruments to reduce exposure to foreıgn exchange rısk and ınterest rate movements The Group does not hold or ıssue derıvatıve financıal ınstruments for speculatıve purposes

Gaıns and losses arısıng from forward foreıgn exchange hedgıng contracts are deferred and recognısed ın the profit and loss account upon settlement

The dıfferentıal on amounts due to and from the Group on ınterest rate swaps ıs accrued untıl settlement date and recognısed as an adjustment to the ınterest expense

Gaıns and losses on financıal ınstruments for hedgıng purposes wıth maturıtıes beyond the materıalıty of the underlyıng hedged exposure are not marked to market, provıded the underlyıng exposure ıs expected to be renewed

1 Accounting policies (continued)

Foreign currencies

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 rates of exchange prevailing at the balance sheet date and the differences arising from the translation of the opening net investment in subsidiary undertakings at the closing rates are taken directly to reserves

Where foreign currency loans finance an overseas net investment the associated exchange movement is taken to reserves to match the movement on the net investment

Pension costs

The Group operates defined contribution pension schemes 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

2 Analysis of turnover, operating profit/(loss) and net assets

Geographical analysis by location is as follows

	Turnover		Profit / (loss) before taxation	
	2010	2009	2010	2009
	£000	£000	£000	£000
United Kingdom	153,925	151,381	(77)	(5,924)
USA	42,581	40,836	2,840	2,006
Other countries	34,155	29,536	2,390	232
	230,661	221,753	5,153	(3,686)

	Net Liabilities	
	2010	2009
	£000	£000
United Kingdom	(98,046)	(104,950)
USA	20,826	25,304
Other countries	19,893	18,461
	(57,327)	(61,185)

3 Information regarding directors and employees

	2010	2009
	£000	£000
Staff costs during the year (including directors)		
Wages and salaries	79,371	77,302
Social security costs	6,788	6,664
Pension costs	2,553	2,685
	88,712	86,651

3 Information regarding directors and employees (continued)

	2010 No	2009 No
Average number of persons employed by the group (including directors)	1,945	2,053

The company itself had no employees in 2010 or 2009

The principal pension 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 There were no unpaid contributions as at 31 December 2010

Directors' emoluments		
Emoluments	4,192	2,134
Remuneration of highest paid director	2,251	1,287

Directors' emoluments include £1,624,000 in respect of compensation for loss of office (2009 £940,000)

There are defined contribution pension plans for the benefit of three directors (2009 three) The contributions in total for the year were £154,000 (2009 £73,000) Included in the remuneration of the highest paid director are pension contributions of £29,000 (2009 £37,000)

4 Operating profit

	2010 £000	2009 £000
This is stated after charging/ (crediting)		
Administrative expenses		
Amortisation and impairment of publishing and exhibition rights	7,455	11,057
Other administrative expenses	17,224	11,898
Total Administrative expenses	24,679	22,955
Depreciation of owned fixed assets (see note 10)	5,274	4,716
Operating lease rentals - land and buildings	2,103	1,982
Fees payable to the company's auditor for the audit of the group's annual accounts		
- group	245	264
- company	8	8
Fees payable to the company's auditor for other services to the group		
- Tax services	523	179
Exceptional restructuring costs	2,826	6,779

The exceptional restructuring costs in both years arose as a result of a review of underperforming activities and include reductions in staffing levels and office space

As a result of thes exceptional items the group's current taxation charge for the year has been reduced by £336,000 (2009 £1,316,000) and the deferred tax credit has increased by £650,000 A deferred tax credit of £467,000 arose in 2009

5 Other interest receivable and similar income

	2010 £000	2009 £000
Bank interest receivable and similar income	4	34
Foreign exchange differences	727	473
	731	507

6 Interest payable and similar charges

	2010 £000	2009 £000
Bank loan and overdraft interest	9,429	8,769
Other interest payable	1,043	1,329
Foreign exchange differences	2,518	2,807
	12,990	12,905

7 Tax

(a) Tax on profit / (loss) on ordinary activities

The tax is made up as follows	2010 £000	2009 £000
Current tax		
UK corporation tax @ 28% (2009 28%)	1,043	1,833
Adjustments in respect of UK previous periods	(236)	40
Overseas taxation	924	706
Adjustments in respect of overseas previous periods	173	-
Group share of tax on profits of Joint Ventures	-	29
Total current tax	1,904	2,608
Deferred tax		
Effect of reduction in statutory tax rate on opening asset	55	-
Deferred tax charge/(credit)	(1,098)	(1,515)
Total deferred tax charge/(credit)	(1,043)	(1,515)
Tax on profit / (loss) on ordinary activities	861	1,093

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 28 0% (2009 28%) The current tax charge for the year is greater than this rate for the reasons set out in the following reconciliation

	2010 £000	2009 £000
Profit / (loss) on ordinary activities before tax	5,153	(3,686)
Tax at 28 0% (2009 28 0%) thereon	1,443	(1,032)
Factors affecting charge for the current year		
- Expenses not deductible for tax purposes	172	1,541
- Accelerated capital allowances /other timing differences	(460)	250
- Other short term timing differences	-	169
- Non-deductible depreciation/amortisation on assets not qualifying for capital allowances	1,584	1,981
- Tax deductible depreciation / amortisation	-	(95)
- Non-taxable income	(67)	(91)
- Unutilised tax losses	118	
- US state and city taxes	377	457
- Effect of overseas tax rates	(19)	-
- Adjustment in respect of prior years	(63)	40
Overseas losses b/fwd	(1,181)	(612)
Current tax charge for the year	1,904	2,608

7 Tax (continued)

(b) Deferred tax

There is a group net deferred tax asset recognised of £3,527,000 (2009 £3,489,000) and a company asset of £348,000 (2009 £381,000) These assets relate to the following amounts

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Accelerated capital allowances	87	(288)	-	-
Other timing differences	1,232	1,877	348	381
US tax losses and deferred interest deductions	2,208	1,900		
	3,527	3,489	348	381

The movement on the net deferred tax asset recognised during the year was as follows

	Group £000	Company £000
Balance at 1 January 2010	3,489	381
Deferred tax credit/(charge) - included in profit & loss account	1,043	(33)
- included in STRGL	(1,005)	-
Balance at 31 December 2010	3,527	348

The above net deferred tax asset has been recognised as it is considered to be more likely than not that the group will generate sufficient future taxable profits in the jurisdictions against which these items can be recovered

The Finance Act (No 2) 2010 which provides for a reduction in the main rate of UK corporation tax from 28% to 27% effective from 1 April 2011, was substantively enacted on 21 July 2010 Deferred tax assets and liabilities have therefore been recognised at 27% in these financial statements The 2011 Budget (delivered on 23 March 2011) announced a further reduction of 1% to the UK corporation tax rate, meaning the rate will be 26% effective from 1 April 2011 The Government has also indicated that it intends to introduce further reductions in the main tax rate, with the rate falling by 1% each year down to 23% by 1 April 2014 These further reductions to the tax rates have not been substantively enacted at the balance sheet date and are therefore not reflected in these financial statements

There is also an unrecognised net deferred tax asset in the group of £2,233,000 (2009 £2,959,000) comprising the following

	2010 £000	2009 £000
Unutilised overseas tax losses	601	1,380
Unutilised UK tax losses	762	709
Gain deferred by rollover relief	(540)	(540)
Capital losses	1,410	1,410
	2,233	2,959

Deferred tax has not been provided for potential gains on the disposal of revalued properties 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 realised in respect of these assets

No tax liability would be expected on the disposal of properties at their revalued amounts as no gain would arise for tax purposes

Deferred tax has not been provided for part of the group's unutilised losses, as there is insufficient evidence that these losses will be offset against future taxable profits

8 Loss attributable to members of the company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these financial statements

The company's loss for the year was £2,840,000 (2009 loss £1,277,000)

9 Intangible assets

	Publishing and exhibition rights
	£000
Cost	
At 1 January 2010	121,737
Disposals	(4,174)
Foreign exchange translation differences	1,344
At 31 December 2010	118,907
Accumulated amortisation	
At 1 January 2010	60,593
Provided during the year	5,726
On disposals	(4,111)
Impairment losses	1,729
Foreign exchange translation differences	410
At 31 December 2010	64,347
Net book value	
At 31 December 2010	54,560
At 31 December 2009	61,144

10 Tangible fixed assets

	Freehold properties	Short leasehold properties	Website development costs	Vehicles, furniture and equipment	Total
	£000	£000		£000	£000
Cost					
At 1 January 2010	50,022	820	5,219	31,405	87,466
Foreign exchange translation differences	-	64	0	224	288
Additions	339	101	1,484	2,463	4,387
Revaluations	512	-	0	(248)	264
Disposals	(33)	-	0	(3,065)	(3,098)
At 31 December 2010	50,840	985	6,703	30,779	89,307
Accumulated depreciation					
At 1 January 2010	3,928	582	2,206	25,275	31,991
Foreign exchange translation differences	-	80	-	153	233
Provided during the year	945	143	2,015	2,171	5,274
On disposals	-	-	-	(2,903)	(2,903)
At 31 December 2010	4,873	805	4,221	24,696	34,595
Net book value					
At 31 December 2010	45,967	180	2,482	6,083	54,712
At 31 December 2009	46,094	238	3,013	6,130	55,475

10 Tangible fixed assets (continued)

Freehold properties at 31 December 2010 comprise freehold office properties at open market value as determined by Colliers CRE, external professional valuers, of £34,700,000 (2009 £34,750,000) and residential and agricultural freehold properties at depreciated cost of £11,267,000 (2009 £11,344,000)

The net book value of freehold properties comprises land of £3,239,000 (2009 £3,239,000) and properties for which no split can be obtained of £42,728,000 (2009 £42,855,000)

	Freehold office properties £000
The comparable amounts for properties at valuation determined according to the historical cost convention	
Cost	42,254
Accumulated depreciation	(8,143)
Net book value at 31 December 2010	34,111
Net book value at 31 December 2009	35,076

11 Investments held as fixed assets

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Shares in subsidiary undertakings (a)	-	-	107,072	107,072
Investments in joint ventures and associated undertakings (b)	1,492	1,450	-	-
	1,492	1,450	107,072	107,072

a) Shares in subsidiary undertakings

The principal subsidiary undertakings, all of which (unless noted otherwise below) are registered in England and Wales and operate principally in Great Britain, are as follows

Subsidiary undertaking	Country where incorporated and operating	Percentage of equity held	Principal activity
Haymarket Media Group Limited [1]		100%	Holding company
Haymarket Exhibitions Limited [2]		100%	Magazine publishing
Haymarket Publishing Services Limited [2]		100%	Magazine publishing
Thenhurst Agricultural Ltd [1]		100%	Agriculture and horticulture
Haymarket Network Limited [2]		100%	}
Haymarket India Pvt Ltd		100%	}
Haymarket SAC Pvt Ltd		75%	}
Haymarket Media Inc [3]	USA	100%	}
Haymarket Media Ltd [4]	Hong Kong	100%	} Magazine and online } publishing
Haymarket Media GmbH [5]	Germany	100%	}
Haymarket Media Pty Ltd [5]	Australia	100%	}

11 Investments held as fixed assets (continued)

[1] Shares held by Haymarket Finance Limited
[2] Shares held by Haymarket Media Group Limited
[3] Shares held by Haymarket Medical Publications Limited
[4] Shares held by Haymarket Media Asia Limited
[5] Shares held by Haymarket Worldwide Limited

b) Joint venture and associated undertakings

Group

	£000
Share of net assets	
At 1 January 2010	1,450
Share of retained profit	42
At 31 December 2010	1,492

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

Associates

	Country where incorporated, registered and operating	Percentage of equity held	Principal activity
Wanderlust Publications Limited	Great Britain	25%	Magazine publishing
Frontline Limited	Great Britain	Ordinary 'A' shares 5% Ordinary 'C' shares 100% Ordinary 'E' shares 25% Ordinary 'F' shares 17%	Distribution of magazines

The group's interests in associates are held by a subsidiary undertaking

Joint ventures

BBC Haymarket Exhibitions Limited	England and Wales	49%	Organisation of exhibitions

The group's interest in BBC Haymarket Exhibitions Limited is held by a subsidiary undertaking

c) Transactions with associated undertakings and joint ventures

Frontline Limited is the group's agent in relation to the sale of publications to third parties Distribution services totalling £2,061,000 (2009 £2,583,000) were provided to the group by Frontline Limited

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

	2010 £000	2009 £000
Administrative services	886	828

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

12 Stocks

	2010 £000	2009 £000
Group		
Raw materials and consumables	2,500	1,387

Raw materials and consumables include £256,000 (2009 £237,000) of agricultural stocks which are included at independent professional valuation

The balance represents stocks of paper for which, in the directors' opinion, the replacement cost does not differ significantly from the value included in the financial statements

13 Debtors

	Group	
	2010 £000	2009 £000
(a) Amounts due within one year		
Trade debtors	31,285	30,967
Amounts owed by joint ventures and associated undertakings	2,071	1,586
Other debtors	3,120	2,871
Prepayments and accrued income	12,012	13,612
	48,488	49,036

Prepayments and accrued income include £960,000 (2009 £1,100,000) owed by Frontline Limited

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
(b) Amounts due after more than one year				
Amounts owed by subsidiary undertakings	-	-	21,641	21,641
Other debtors	1	141	-	-
Deferred tax (note 7b)	3,527	3,489	348	381
	3,528	3,630	21,989	22,022

The amounts owed by subsidiary undertakings are interest-free and repayable after more than one year with no fixed repayment date

14 Creditors amounts falling due within one year

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Bank overdraft	7,796	2,557	-	-
Bank loans	8,000	5,000	-	-
Bank loans and overdrafts	15,796	7,557	-	-
Trade creditors	8,563	10,993	-	-
Other creditors including taxation and social security	14,428	15,755	4,000	2,000
	38,787	34,305	4,000	2,000

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Other creditors including taxation and social security				
Amounts owed to associated undertakings	227	718	-	-
UK corporation tax	2,518	2,786	-	-
Other taxation and social security	3,002	2,905	-	-
Amounts owed on share redemptions	4,000	2,000	4,000	2,000
Other creditors	4,681	7,346	-	-
	14,428	15,755	4,000	2,000

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

Personal costs paid for by the group and fully reimbursed	Lord Heseltine £	S P Tindall £
2010	315,000	94,000
2009	239,000	103,000

Details of agreements for share purchases from directors by the company are disclosed in note 17

15 Creditors: amounts falling due after one year

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Bank loans				
due between one and two years	5,000	5,000	-	-
due between two and five years	112,822	18,969	-	-
due after more than five years	-	99,092	-	-
Total bank loans	117,822	123,061	-	-
Amounts owed on share redemptions	16,256	22,276	16,256	22,276
Amounts owed to associated undertakings	2,051	1,844	-	-
Amounts owed to subsidiary undertakings	-	-	36,803	27,976
Deferred consideration	-	2,408	-	-
	136,129	149,589	53,059	50,252

15 Creditors: amounts falling due after one year (continued)

The bank loans and overdrafts are secured by a floating charge over the assets of the group

Revised loan facilities with Royal Bank of Scotland plc were agreed in June 2010 The group's loan facilities as at 31 December 2010 totalled £137,750,000, made up of amortising repayment loans with an expiry date of 30 June 2015 A property loan accounts for £27,250,000 of the loan facility with the balance available for general corporate purposes In addition the group has an overdraft facility of £5,000,000 and a 364-day Revolving Credit Facility of £10,000,000 The loans and overdraft bear interest at a variable rate with margins of between 2 50% and 3 0%

The amounts owed in respect of share redemptions are fully described in note 17

The group has a policy of fixing the interest cost of at least 50% of its long-term debt For this reason the group has entered into a number of interest rate hedging instruments for periods between three and eight years The notional principal totals £125,000,000 A valuation of these instruments was carried out as at 31 December 2010 to calculate their market value Fair value is based on market price of comparable instruments at the balance sheet date

	Fair value liability £000
Interest rate swaps	13,684

16 Accruals and deferred income

	Group 2010 £000	2009 £000
Due within one year	51,320	58,148
Due after more than one year	6,292	6,253
	57,612	64,401

Accruals and deferred income includes deferred income of £27,740,000 (2009 £27,812,000), all of which is due within one year

17 Authorised and issued share capital

	2010 and 2009 No.	2010 and 2009 £000
Authorised		
Ordinary shares of 1p each	52,000,000	520

	No	£000
Allotted, called up and fully paid		
Ordinary shares of 1p each		
At 1 January 2010	28,800,935	288
Redeemed during the year	(485,079)	(5)
At 31 December 2010	28,315,856	283

17 Authorised and issued share capital (continued)

On 27 April 2006 the company entered into an agreement whereby on various dates between 28 April 2006 and 5 January 2013 it is required to purchase 4,693,325 ordinary shares of 1p each in the company, in which shares S P Tindall has an interest, for a total consideration of £38 8m Payments totalling £19 6m have been made up to 31 December 2010 leaving £20 3m due at 31 December 2010, with a further payment of £2 0m having been made on 5 January 2011 Concurrent with the bank arrangements entered into in 2010, see note 15, the payment terms to S P Tindall have been amended These arrangements include annual payments of a minimum of £2m The total outstanding balance is due to be paid by 5 January 2016, but up to an additional £3m could be paid in any one year, provided such payments conform to the new bank arrangements and that funds and distributable reserves are available These payments have not been discounted as they carry a commercial rate of interest

The Rt Hon the Lord Heseltine and his family have a controlling interest in the company

18 Statement of movement on reserves

Group

	Capital redemption reserve £000	Merger reserve £000	Revaluation reserve £000	Profit and loss account £000	Share redemption reserve £000
At 1 January 2010	224	6,236	918	(44,575)	(24,276)
Profit for the financial year	-	-	-	4,216	-
Dividends paid	-	-	-	(2,000)	-
Currency translation differences on foreign currency net investments	-	-	-	(24)	-
Revaluation of freehold properties	-	-	1,666	-	-
Redemption of share capital	5	-	-	(4,020)	4,020
At 31 December 2010	229	6,236	2,584	(46,403)	(20,256)

Company	Capital redemption reserve £000	Profit and loss account £000	Share redemption reserve £000
At 1 January 2010	224	100,606	(24,276)
Loss for the financial year	-	(2,840)	-
Dividends paid	-	(2,000)	-
Redemption of share capital	5	(4,020)	4,020
At 31 December 2010	229	91,746	(20,256)

The merger reserve has arisen on the acquisition of subsidiary companies in prior years

The directors consider that £53,578,000 of the company's profit and loss account is not distributable

19 Reconciliation of movements in equity shareholders' (deficit)/funds

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Profit/(loss) for the financial year	4,216	(4,803)	(2,840)	(1,277)
Other recognised gains and losses relating to the year (net)	1,642	812	-	-
Dividends	(2,000)	(2,250)	(2,000)	(2,250)
Net increase/(reduction) in shareholders' funds	3,858	(6,241)	(4,840)	(3,527)
Opening shareholders' (deficit)/funds	(61,185)	(54,944)	76,842	80,369
Closing shareholders' (deficit)/funds	(57,327)	(61,185)	72,002	76,842

20 Minority interests

	£000
At 1 January 2010	54
Profit on ordinary activities after taxation	76
Dividend paid to minority shareholder	(48)
At 31 December 2010	82

21 Reconciliation of operating profit to net cash inflow from operating activities

	2010 £000	2009 restated £000
Operating profit	16,480	9,224
Depreciation	5,274	4,716
Writedown of freehold properties	1,153	998
Amortisation and impairment of publishing and exhibition rights	7,455	6,726
Decrease in debtors	967	1,707
(Increase)/decrease in stocks	(1,113)	541
(Decrease) / Increase in creditors	(11,427)	4,991
Net cash flow from operating activities	18,789	28,903

The prior period operating cashflows have been restated to show the £1,005,000 settlement of share redemption creditors as a financing item, to conform to the current year presentation

22 Analysis of changes in financing during the year

	Bank loans 2010 £000	Bank loans 2009 £000
Balance at 1 January	128,061	130,124
Cash outflow from financing	(2,500)	(450)
Foreign exchange movement	261	(1,613)
Balance at 31 December	125,822	128,061

23 Reconciliation of net cash flow to movement in net debt

	2010 £000	2009 £000
(Decrease) / Increase in cash in the year	(10,277)	8,988
Cash inflow/(outflow) from debt financing	2,239	2,063
Change in net debt resulting from cash flows	(8,038)	11,051
Movement in net debt in the year	(8,038)	11,051
Net debt at 1 January	(115,577)	(126,628)
Net debt at 31 December	(123,615)	(115,577)

24 Analysis of net debt

	At 1 January 2010	Cash flow	Foreign exchange movement	At 31 December 2010
	£000	£000	£000	£000
Cash at bank and in hand	15,041	(5,038)	-	10,003
Overdrafts	(2,557)	(5,239)	-	(7,796)
Bank loans due within one year	(5,000)	(3,000)	-	(8,000)
	7,484	(13,277)	-	(5,793)
Debt due after one year Bank loans	(123,061)	5,500	(261)	(117,822)
	(115,577)	(7,777)	(261)	(123,615)

25 Capital commitments

There were no capital commitments at 31 December 2010 (2009 £nil) relating to the group or the company

Details of the share buy back commitments are shown in note 17

26 Operating lease commitments

As at 31 December 2010 the group was committed to making the following payments during the next year in respect of non-cancellable operating leases

2010	Plant and Machinery £000	Land and buildings £000	Total £000
Leases which expire			
Within one year	-	940	940
Within two to five years	41	596	637
After five years	-	143	143
As at 31 December 2010	41	1,679	1,720

2009	Plant and Machinery £000	Land and buildings £000	Total £000
Leases which expire			
Within one year	16	110	126
Within two to five years	21	1,615	1,636
After five years	1	250	251
As at 31 December 2009	38	1,975	2,013