Company Registration number
2809261

Haymarket Group Limited

Annual Report and Financial Statements

31 December 2011

Haymarket Group Limited

Report and financial statements 2011

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Haymarket Group Limited

Report and financial statements 2011

Officers and professional advisers

Directors
The Rt Hon the Lord Heseltine CH (Chairman)
K Costello
J D Duckworth
D B Fraser
B J Freeman (Appointed 24 April 2012)
M Gibson (Appointed 1 May 2011)
The Hon R W D Heseltine
Lord Levene of Portsoken KBE
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 Lımited
Dırectors' report

The Dırectors present theır annual report and financıal statements for the year ended 31 December 2011

Busıness revıew and principal actıvıtıes

The prıncıpal actıvıtıes of the Group are the provısıon of edıtorıal content and related servıces through multıple platforms, ıncludıng magazınes and websıtes, servıng specıalıst audıences ın both the busıness to consumer and the busıness to busıness markets In addıtıon, the group organıses a number of face-to-face actvıtıes ıncludıng exhıbıtıons, events and conferences ın both markets

The Group operates ın a number of countrıes ıncludıng the UK, USA, Germany, Hong Kong, Indıa and Australıa

The Group has contınued to ınvest ın ıts onlıne actıvıtıes ın order to exploıt the commercıal opportunıtıes as ıt looks to meet the demands of ıts specıalıst audıences of trade professıonals and consumer enthusıasts onlıne

Revıew of results and future developments

The results for the year are set out on page 9

Group turnover ın 2011 decreased by 5 2% from 2010, from £230 7mıllıon to £218 6mıllıon

In spıte of the decrease ın turnover however, adjusted EBITDA remaıned level at £33m Statutory group operatıng profit was up 12% to £18 7m (2010 £16 7m) - see page 9

The Group made no acquısıtıons of publıshıng rıghts and companıes durıng thıs or the prevıous year A number of smaller tıtles were sold ın the year

In response to contınued weak economıc actıvıty (ın the UK and USA ın partıcular) management have taken varıous actıons that have resulted ın further headcount reductıons and other cost savıng measures In 2011 restructurıng costs totalled £1 7m (2010 £2 8m) and gıven theır materıalıty, they have agaın been treated as an exceptıonal restructurıng cost

The results reflect asset ımpaırments of £2 1m (2010 £1 7m) on acquıred publıshıng rıghts Under hıstorıcal cost methods, the balance sheet does not reflect the value of our overall brand portfolıo

Operatıng cash ınflow ıncreased to £23 7m (2010 £18 8m - see note 21) The group's borrowıngs ıncreased durıng the year by £1 5m

Dıvıdends of £2 0m (2010 £2 0m) were paıd durıng the year

Due to the contınued fragıle nature of the UK economy ın partıcular, tradıng ın 2012 has to date been below expectatıons and certaın areas of the Group remaın under pressure However, the Dırectors are cautıously optımıstıc that a sımılar outcome can be posted for the current year as compared to 2011

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's balanced portfolio 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 opportunites and competition feature in many of the Group's 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

The Directors of the Company do not have any interests in the shares of subsidiary undertakings except by

Board

The members of the board are set out on page 1 Mark Gibson was appointed to the Board on 1 May 2011 and Brian Freeman was appointed on 24 April 2012 William Pecover resigned on 13 April 2011 and Alan Kemp resigned on 21 December 2011

It is with the greatest possible sadness that the Board learned of the death of Lindsay Masters, Haymarket's former chairman, who passed away on 30 December 2011 after a long battle with illness The Board would like to register the huge debt and gratitude to him as chief architect in both the creation and subsequent development of the Group over the past 54 years

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

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 continues to improve its environmental credentials in its own office premises In 2011 Haymarket's London office buildings reduced electricity consumption by 12%, and reduced waste sent to landfill by between 25% and 50% in each of its London offices The group has set itself targets for further reductions in 2012

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 continues to work with 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

As a result of the initiatives that were put in place in 2011, the Group was named "Best Environmentally Sustainable Business" at the Professional Publishers Association Production and Environment Awards in April 2012

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 £34,761 (2010 £73,980) It made no political donations (2010 £Nil)

Haymarket Group Limited

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

The Group's revenues, profits and cash flows have been affected by the economic downturn, particularly the much publicised reduction in advertising In addition, a number of titles have sufferred from competition However the Group has a broad portfolio with offerings to a wide range of sectors in the UK and abroad, and has media properties that are benefitting from the digital world Despite the reductions in revenues, the cost reduction actions taken by the directors have enabled the Group to report adjusted EBITDA of £33m for the year ended 31 December 2011 and at the same level as 2010 The Group benefits from long term financing in the form of equity and has banking facilities which expire in July 2015 These include a £10m 364-day revolving credit facility and a £5m overdraft facility on which the Group relies which are renewable annually on 30 April The directors know of no reason why these will not be renewed for a further 364 days in April 2013

The directors continue to take action to realign the cost base with their view of the revenue outlook and to enable the Group to operate within the terms of its banking facilities However, the directors acknowledge the uncertainty inherent in forecasting revenues, especially in the current economic environment The directors believe that, having drawn up the Group's latest forecasts, which take into account their view of reasonably possible adverse variations in performance and the mitigation actions available to the directors, the Group has sufficient cash and covenant headroom under the Group's banking facilities for the foreseeable future However, the forecasts do not envisage a major economic downturn or an economic shock arising, for example, from a further deterioration of the eurozone crisis

In summary, the directors consider that, in the current challenging environment 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

28 June 2012

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 2011 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's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2011 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 (continued)

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
28 June 2012

Haymarket Group Limited
Consolidated profit and loss account
for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Turnover			
Group and share of joint ventures and associates		223,824	234 756
Less share of joint ventures and associates		(5,229)	(4,095)
Group turnover	2	218,595	230,661
Cost of sales		(178,099)	(189,502)
Gross profit		40,496	41,159
Other operating expenses	4	(22,014)	(24,679)
Operating profit before depreciation, amortisation and impairment of publishing and exhibition rights and exceptional items ("adjusted EBITDA")		33,010	33,188
Depreciation		(5,275)	(5,274)
Amortisation and impairment of publishing and exhibition rights	9	(7,449)	(7,455)
Writedown of freehold properties		(64)	(1,153)
Exceptional restructuring costs	4	(1,740)	(2,826)
Operating profit	4	18,482	16,480
Share of operating profit of joint ventures and associates		211	268
Group operating profit		18,693	16,748
Profit on disposal of fixed assets		333	664
Interest receivable and similar income	5	454	731
Interest payable and similar charges	6	(12,287)	(12,990)
Profit on ordinary activities before taxation		7,193	5,153
Tax charge on profit on ordinary activities	7	(3,144)	(861)
Profit on ordinary activities after taxation		4,049	4,292
Equity minority interests		(102)	(76)
Profit for the financial year		3,947	4,216

All activities derive from continuing operations

Haymarket Group Limited
Consolidated statement of total recognised gains and losses
for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Profit for the year attributable to the members of Haymarket Group Limited		3,947	4,216
Currency translation differences on foreign currency net investments	18	(129)	981
Deferred tax charge relating to foreign currency gains	18	-	(1,005)
Unrealised surplus revaluation of freehold properties	18	138	1,666
Total recognised gains and losses relating to the year		3,956	5,858

Haymarket Group Limited
Consolidated balance sheet
as at 31 December 2011

	Notes		2011		2010
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9		46,949		54,560
Tangible assets	10		54,290		54,712
Investments in joint ventures and associates					
- Gross assets		2,580		3 262	
- Gross liabilities		(1 387)		(1,770)	
	11		1,193		1 492
			102,432		110 764
Current assets					
Stocks			1,971		2,500
Debtors falling due within one year	13 (a)		48,771		48 488
Debtors falling due after more than one year	13 (b)		3,700		3,528
Cash at bank and in hand			9,797		10,003
			64,239		64 519
Creditors amounts falling due within one year	14		(36,579)		(38 787)
Net current assets			27,660		25 732
Total assets less current liabilities			130,092		136 496
Creditors amounts falling due after more than one year	15		(133 844)		(136 129)
Accruals and deferred income	16		(51,525)		(57 612)
Equity minority interests	20		(94)		(82)
Net liabilities			(55,371)		(57 327)
Capital and reserves					
Called up share capital	17		280		283
Capital redemption reserve	18		232		229
Merger reserve	18		6,236		6,236
Revaluation reserve	18		2,722		2 584
Profit and loss account	18		(46 846)		(46 403)
Share redemption reserve	18		(17 995)		(20 256)
Shareholders' deficit	19		(55,371)		(57,327)

The financial statements of Haymarket Group Limited (Company registration number 2809261), have been authorised and approved for issue by the Board of Directors on 28 June 2012, 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 2011

	Notes		2011		2010
			£000		£000
Fixed assets					
Investments	11		106,028		107 072
Current assets					
Debtors falling due after more than one year	13	37		21 989	
		37		21,989	
Creditors. amounts falling due within one year	14	(4,000)		(4,000)	
Net current (liabilities)/assets			(3,963)		17 989
Total assets less current liabilities			102,065		125 061
Creditors amounts falling due after more than one year	15		(34,736)		(53 059)
Net assets			67,329		72,002
Capital and reserves					
Called up share capital	17		280		283
Capital redemption reserve	18		232		229
Profit and loss account	18		84,812		91,746
Share redemption reserve	18		(17,995)		(20,256)
Shareholders' funds	19		67,329		72 002

The financial statements of Haymarket Group Limited (Company registration number 2809261), have been authorised and approved for issue by the Board of Directors on 28 June 2012, 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 2011

	Notes	2011		2010	
		£000	£000	£000	£000
Net cash inflow from operating activities	21		23,734		18,789
Dividends received from joint ventures and associated undertakings			487		268
Returns on investments and servicing of finance					
Interest received		64		4	
Interest paid		(11,256)		(10,472)	
Net cash outflow from returns on investments and servicing of finance			(11,192)		(10 468)
Taxation					
UK and overseas corporation tax paid		(2,707)		(1,694)	
Total tax paid			(2,707)		(1,694)
Capital expenditure and financial investment					
Purchase of tangible fixed assets	10	(4,912)		(4,387)	
Payment of deferred considerations		(2,452)		(4,736)	
Proceeds from sale of fixed assets		390		534	
Purchase of investments		-		(63)	
Net cash outflow from capital expenditure and financial investment			(6,974)		(8,652)
Equity dividends paid			(2,000)		(2,000)
Net cash inflow/(outflow) before financing			1,348		(3,757)
Financing					
Payment for redemption of shares		(2,262)		(4,020)	
Bank loans drawdown		2,500		1,250	
Bank loans repaid	22	(5,000)		(3,750)	
Net cash outflow from financing			(4,762)		(6,520)
Decrease in cash	23		(3,414)		(10,277)

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 2011

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 Accounting policies (continued)

Turnover
Turnover represents amounts receivable for goods and services net of sales tax and trade discounts

All revenue arising from magazine publishing is recognised on the date of publication Revenue from face-to-face activities such as exhibitions, conferences and other events is recognised on the date of the event Revenue from website advertising is recognised over the period of the advertising contract

Cost of Sales
Cost of Sales represents amounts payable for goods and services net of sales tax and trade discounts

Costs arising from magazine publishing, other than staff costs, are recognised on the date of publication All costs relating to exhibitions, conferences and other events are recognised on the date of the event Costs relating to website activities are recognised in the period in which they are incurred

Finance Costs
Finance costs are accrued on a time basis, by reference to the direct issue costs and principal amounts outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the direct costs and estimated future cash payments through the expected life of the financial liability to that asset's net carrying amount

Investment income
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established

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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Timing differences are differences between the Group's taxable profits and its results as stated on the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised Deferred tax is not provided on timing differences arising from the revaluation of fixed assets unless there is a binding agreement to sell the revalued assets and the gain or loss on sale has been recognised in the financial statements, and also where assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged only to tax if and when the replacement asset is sold Deferred tax is recognised in respect of earning of overseas subsidiaries and associate undertakings, only to the extent that, dividends have been accrued and a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate 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

Financial instruments
The Group uses financial instruments to reduce exposure to foreign exchange risk and interest rate movements The Group does not hold or issue derivative financial instruments for speculative purposes

Gains and losses arising from forward foreign exchange hedging contracts are deferred and recognised in the profit and loss account upon settlement

The differential on amounts due to and from the Group on interest rate swaps is accrued until settlement date and recognised as an adjustment to the interest expense

Gains and losses on financial instruments for hedging purposes with maturities beyond the maturity of the underlying hedged exposure are not marked to market, provided the underlying exposure is expected to be renewed

1 Accountıng polıcıes (contınued)

Foreıgn currencıes

Foreıgn currency assets and lıabılıtıes are translated ınto sterlıng at the rates of exchange rulıng at the balance sheet date Exchange dıfferences are recorded ın the profit and loss account The financıal statements of foreıgn subsıdıary undertakıngs are translated ınto sterlıng at the rates of exchange prevaılıng at the balance sheet date and the dıfferences arısıng from the translatıon of the openıng net ınvestment ın subsıdıary undertakıngs at the closıng rates are taken dırectly to reserves

Where foreıgn currency loans finance an overseas net ınvestment the assocıated exchange movement ıs taken to reserves to match the movement on the net ınvestment

Pensıon costs

The Group operates defined contrıbutıon pensıon schemes Pensıon costs are charged to the profit and loss account ın the perıod ın whıch they become payable

Operatıng leases

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

2 Analysıs of turnover, profit/(loss) before taxatıon and net lıabılıtıes

Geographıcal analysıs by locatıon ıs as follows

	Turnover		Profit / (loss) before taxatıon	
	2011	2010	2011	2010
	£000	£000	£000	£000
Unıted Kıngdom	139,207	153,925	313	(77)
USA	44,725	42,581	5,673	2,840
Other countrıes	34,663	34,155	1,207	2,390
	218,595	230,661	7,193	5,153

	Net Lıabılıtıes	
	2011	2010
	£000	£000
Unıted Kıngdom	(97,034)	(98,046)
USA	23,670	20,826
Other countrıes	17,993	19,893
	(55,371)	(57,327)

3 Informatıon regardıng dırectors and employees

	2011	2010
	£000	£000
Staff costs durıng the year (ıncludıng dırectors)		
Wages and salarıes	75,865	79,371
Socıal securıty costs	6,178	6 788
Pensıon costs	1 813	2,553
	83,856	88,712

3 Information regarding directors and employees (continued)

	2011 No	2010 No
Average number of persons employed by the Group (including Directors)	1,876	1,945

The company itself had no employees in 2011 or 2010

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 2011

Directors' emoluments	2011 £000	2010 £000
Emoluments	3,196	4 192
Remuneration of highest paid director	1 100	2,251

Directors' emoluments include £nil in respect of compensation for loss of office (2010 £1,624,000)

There are defined contribution pension plans for the benefit of three Directors (2010 three) The contributions in total for the year were £94,985 (2010 £154,000) Included in the remuneration of the highest paid Director are pension contributions of £nil (2010 £29,000)

4 Operating profit

	2011 £000	2010 £000
This is stated after charging/ (crediting)		
Administrative expenses		
Amortisation and impairment of publishing and exhibition rights	7,449	7,455
Other administrative expenses	14,565	17,224
Total Administrative expenses	22,014	24,679
Depreciation of owned fixed assets (see note 10)	5,275	5 274
Operating lease rentals - land and buildings	2 054	2 103
Fees payable to the company's auditor for the audit of the Group's annual accounts		
- Group	271	245
- company	8	8
Fees payable to the company's auditor for other services to the Group		
- Tax advisory services	594	523
Exceptional restructuring costs	1,740	2,826

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

As a result of these exceptional items the Group's current taxation charge for the year has been reduced by £371,000 (2010 £336,000) and the deferred tax credit has increased by £nil (2010 £650,000)

5 Interest receivable and similar income

	2011 £000	2010 £000
Bank interest receivable and similar income	43	4
Foreign exchange differences	411	727
	454	731

6 Interest payable and similar charges

	2011 £000	2010 £000
Bank loan and overdraft interest	10,071	9,429
Other interest payable	1,185	1,043
Foreign exchange differences on intra-group loans	1,031	2,518
	12,287	12,990

7 Tax

(a) Tax on profit on ordinary activities

The tax is made up as follows

	2011 £000	2010 £000
Current tax		
UK corporation tax @ 26 5% (2010 28%)	1,632	1 043
Adjustments in respect of UK previous periods	314	(236)
Overseas taxation	1,320	924
Adjustments in respect of overseas previous periods	50	173
Group share of tax on profits of Joint Ventures	-	-
Total current tax	3,316	1,904
Deferred tax		
Effect of reduction in statutory tax rate on opening asset	66	55
Deferred tax charge/(credit)	929	(1,098)
Adjustments in respect of previous periods	(1,167)	-
Total deferred tax charge/(credit)	(172)	(1,043)
Tax on profit on ordinary activities	3,144	861

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 26 5% (2010 28%) The current tax charge for the year is greater than this rate for the reasons set out in the following reconciliation

	2011 £000	2010 £000
Profit on ordinary activities before tax	7,193	5,153
Tax at 26 5% (2010 28 0%) thereon	1,905	1,443
Factors affecting charge for the current year		
- Expenses not deductible for tax purposes	533	172
- Accelerated capital allowances /other timing differences	(540)	(460)
- Non-deductible depreciation/amortisation on assets not qualifying for capital allowances	1,710	1 584
- Non-taxable income	(11)	(67)
- Unutilised tax losses	51	118
- US state and city taxes	865	377
- Effect of overseas tax rates	(59)	(19)
- Adjustment in respect of prior years	364	(63)
- Overseas losses b/fwd	(1,502)	(1,181)
Current tax charge for the year	3,316	1,904

7 Tax (continued)

(b) Deferred tax

There is a Group net deferred tax asset recognised of £3,699,000 (2010 £3,527,000) and a Company asset of £37,000 (2010 £348,000) These assets relate to the following amounts

	Group 2011 £000	Group 2010 £000	Company 2011 £000	Company 2010 £000
Accelerated capital allowances	894	87	-	-
Other timing differences	1,630	1,232	37	348
US tax losses and deferred interest deductions	1,175	2,208		
	3,699	3,527	37	348

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

	Group £000	Company £000
Balance at 1 January 2011	3,527	348
Deferred tax credit - included in profit & loss account	172	(311)
Balance at 31 December 2011	3,699	37

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

Deferred tax assets or liabilities have been recognised at 25% in these financial statements, being the tax rate that was enacted at the balance sheet date to have effect from 1 April 2012

The 2012 budget (delivered on 21 March 2012) announced a further reduction of 1% to the UK corporation tax rate, meaning the rate will be 24% effective from 1 April 2012 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 22% 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 £2,577,000 (2010 £2,233,000) comprising the following

	2011 £000	2010 £000
Unutilised overseas tax losses	608	601
Unutilised UK tax losses	737	762
Gain deferred by rollover relief	(482)	(540)
Capital losses	1,714	1 410
	2,577	2,233

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 £2,673,000 (2010 loss £2,840,000)

9 Intangible assets

	Publishing and exhibition rights
	£000
Cost	
At 1 January 2011	118,907
Disposals	(33)
Foreign exchange translation differences	(205)
At 31 December 2011	118,669
Accumulated amortisation	
At 1 January 2011	64,347
Provided during the year	5,387
On disposals	(13)
Impairment losses	2,062
Foreign exchange translation differences	(63)
At 31 December 2011	71,720
Net book value	
At 31 December 2011	46,949
At 31 December 2010	54 560

In accordance with Group policy, management conducted an impairment review of its intangible assets using a discount rate of 10 7% The review indicated a net impairment loss of £2,062,000

10 Tangible fixed assets

	Freehold properties	Short leasehold properties	Website development costs	Vehicles, furniture and equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2011	50,840	985	6,703	30,779	89 307
Foreign exchange translation differences	-	10	-	(285)	(275)
Additions	356	37	1,958	2,561	4,912
Revaluations	75	-	-	-	75
Disposals	-	(262)	(2,587)	(2,203)	(5,052)
At 31 December 2011	51,271	770	6,074	30,852	88 967
Accumulated depreciation					
At 1 January 2011	4,873	805	4,221	24,696	34,595
Foreign exchange translation differences	-	(5)	-	(186)	(191)
Provided during the year	949	131	1,910	2 285	5,275
On disposals	-	(263)	(2,587)	(2,152)	(5,002)
At 31 December 2011	5,822	668	3,544	24,643	34,677
Net book value					
At 31 December 2011	45,449	102	2,530	6,209	54,290
At 31 December 2010	45,967	180	2,482	6,083	54 712

10 Tangible fixed assets (continued)

Freehold properties at 31 December 2011 comprise freehold office properties at open market value as determined by Colliers CRE, external professional valuers, of £34,350,000 (2010 £34,700,000) and residential and agricultural freehold properties at depreciated cost of £11,099,000 (2010 £11,267,000)

The net book value of freehold properties comprises land of £3,239,000 (2010 £3,239,000) and properties for which no split can be obtained of £42,210,000 (2010 £47,728,000)

	Freehold office properties £000
The comparable amounts for properties at valuation determined according to the historical cost convention	
Cost	42 516
Accumulated depreciation	(9,112)
Net book value at 31 December 2011	33,404
Net book value at 31 December 2010	34,111

11 Investments held as fixed assets

	Group 2011 £000	Group 2010 £000	Company 2011 £000	Company 2010 £000
Shares in subsidiary undertakings (a)	-	-	106,028	107,072
Investments in joint ventures and associated undertakings (b)	1,193	1,492	-	-
	1,193	1,492	106,028	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 2011	1,492
Share of retained loss	(299)
At 31 December 2011	1,193

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 £2,224,000 (2010 £2 061,000) were provided to the Group by Frontline Limited

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

	2011 £000	2010 £000
Administrative services	952	886

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

12 Stocks

	2011 £000	2010 £000
Group		
Raw materials and consumables	1,971	2,500

Raw materials and consumables include £297,000 (2010 £256,000) 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	
	2011 £000	2010 £000
(a) Amounts due within one year		
Trade debtors	30 107	31 285
Amounts owed by joint ventures and associated undertakings	2,352	2,071
Other debtors	3,696	3,120
Prepayments and accrued income	12,616	12 012
	48,771	48,488

Prepayments and accrued income include £1,272,000 (2010 £960,000) owed by Frontline Limited

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
(b) Amounts due after more than one year				
Amounts owed by subsidiary undertakings	-	-	-	21,641
Other debtors	1	1	-	-
Deferred tax (note 7b)	3,699	3,527	37	348
	3,700	3,528	37	21,989

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	
	2011 £000	2010 £000	2011 £000	2010 £000
Bank overdrafts	11,002	7,796	-	-
Bank loans	5,750	8,000	-	-
Bank loans and overdrafts	16,752	15,796	-	-
Trade creditors	7,323	8,563	-	-
Other creditors including taxation and social security	12,504	14,428	4,000	4,000
	36,579	38,787	4,000	4,000

Other creditors including taxation and social security				
Amounts owed to associated undertakings	-	227	-	-
UK corporation tax	3,551	2,518	-	-
Other taxation and social security	3,129	3,002	-	-
Amounts owed on share redemptions	4,000	4,000	4,000	4,000
Other creditors	1,824	4,681	-	-
	12,504	14,428	4,000	4,000

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 £
2011	302 000	87 000
2010	315,000	94,000

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

15 Creditors amounts falling due after more than one year

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
Bank loans				
due between one and two years	6,000	5,000	-	-
due between two and five years	111,758	112,822	-	-
Total bank loans	117,758	117,822	-	-
Amounts owed on share redemptions	13,994	16,256	13,994	16,256
Amounts owed to associated undertakings	2,092	2,051	-	-
Amounts owed to subsidiary undertakings	-	-	20,742	36,803
	133,844	136,129	34,736	53,059

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

The Group's loan facilities as at 31 December 2011 totalled £129,700,000, made up of amortising repayment loans with an expiry date of 30 June 2015 A property loan accounts for £26,250,000 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, both of which fall due for renewal annually on 31 March 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 maturity of some of these instruments extends beyond the expiry of the bank facilities as the Directors expect to obtain new facilities The notional principal at 31 December 2011 totals £115,000,000 A valuation of these instruments was carried out as at 31 December 2011 to calculate their market value Fair value is based on market price of comparable instruments at the balance sheet date

Fair value liability	**2011 £000**	**2010 £000**
Interest rate swaps	15,075	13,684

16 Accruals and deferred income

	Group	
	2011 £000	**2010 £000**
Due within one year	50,283	51,320
Due after more than one year	1,242	6,292
	51,525	57 612

Accruals and deferred income includes deferred income of £27,740,000 (2010 £27,740,000) all of which is due within one year

17 Authorised and issued share capital

	2011 and 2010 No	**2011 and 2010 £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 2011	28,315,856	283
Redeemed during the year	(271,699)	(3)
At 31 December 2011	28,044,157	280

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 £20 8m have been made up to 31 December 2011 leaving £18 0m due at 31 December 2011, with a further payment of £2 0m having been made on 5 January 2012 Concurrent with bank arrangements entered into in 2010, 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 Group's 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 2011	229	6,236	2,584	(46,403)	(20 256)
Profit for the financial year	-	-	-	3,947	-
Dividends paid	-	-	-	(2,000)	-
Currency translation differences on foreign currency net investments	-	-	-	(129)	-
Revaluation of freehold properties	-	-	138	-	-
Redemption of share capital	3	-	-	(2,261)	2,261
At 31 December 2011	232	6,236	2,722	(46,846)	(17 995)

Company	Capital redemption reserve £000	Profit and loss account £000	Share redemption reserve £000
At 1 January 2010	229	91,746	(20 256)
Loss for the financial year	-	(2,673)	-
Dividends paid	-	(2,000)	-
Redemption of share capital	3	(2,261)	2 261
At 31 December 2011	232	84,812	(17,995)

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	
	2011 £000	2010 £000	2011 £000	2010 £000
Profit/(loss) for the financial year	3,947	4,216	(2,673)	(2,840)
Other recognised gains and losses relating to the year (net)	9	1,642	-	-
Dividends	(2,000)	(2,000)	(2,000)	(2,000)
Net increase/(reduction) in shareholders' funds	1,956	3,858	(4,673)	(4,840)
Opening shareholders' (deficit)/funds	(57,327)	(61,185)	72,002	76,842
Closing shareholders' (deficit)/funds	(55,371)	(57,327)	67,329	72,002

20 Minority interests

	£000
At 1 January 2011	82
Profit on ordinary activities after taxation	102
Dividend paid to minority shareholder	(90)
At 31 December 2011	94

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

	2011 £000	2010 £000
Operating profit	18,482	16,480
Depreciation	5,275	5,274
Writedown of freehold properties	64	1,153
Amortisation and impairment of publishing and exhibition rights	7,449	7,455
(Increase)/decrease in debtors	(273)	967
Decrease/(Increase) in stocks	529	(1 113)
(Decrease) / Increase in creditors	(7 792)	(11 427)
Net cash flow from operating activities	23,734	18,789

22 Analysis of changes in financing during the year

	Bank loans 2011 £000	Bank loans 2010 £000
Balance at 1 January	125,822	128 061
Cash outflow from repayment of financing	(2,500)	(2,500)
Foreign exchange movement	186	261
Balance at 31 December	123,508	125,822

23 Reconciliation of net cash flow to movement in net debt

	2011 £000	2010 £000
Decrease in cash in the year	(3,414)	(10,277)
Foreign exchange movement	(186)	(261)
Cash inflow from debt financing	2,500	2,500
Change in net debt resulting from cash flows	(1,100)	(8,038)
Movement in net debt in the year	(1,100)	(8,038)
Net debt at 1 January	(123,615)	(115,577)
Net debt at 31 December	(124,715)	(123,615)

24 Analysis of net debt

	At 1 January 2011	Cash flow	Foreign exchange movement	At 31 December 2011
	£000	£000	£000	£000
Cash at bank and in hand	10,003	(208)	-	9 795
Overdrafts	(7,796)	(3,206)	-	(11,002)
Bank loans due within one year	(8,000)	2,250	-	(5,750)
	(5,793)	(1,164)	-	(6 957)
Debt due after more than one year Bank loans	(117,822)	250	(186)	(117,758)
	(123,615)	(914)	(186)	(124,715)

25 Capital commitments

There were no capital commitments at 31 December 2011 (2010 £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 2011 the Group was committed to making the following payments during the next year in respect of non cancellable operating leases

2011	Plant and Machinery £000	Land and buildings £000	Total £000
Leases which expire			
Within one year	32	981	1,013
Within two to five years	38	813	851
After five years	-	93	93
As at 31 December 2011	70	1,887	1,957

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