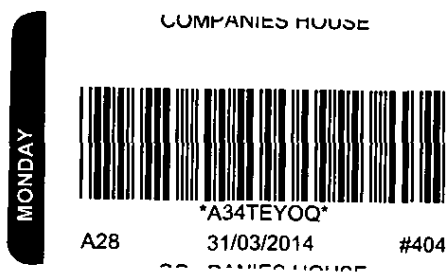


Registration number 00267189

# Haymarket Media Group Limited

Report and Financial Statements

for the period from 1 January 2012 to 30 June 2013



**Haymarket Media Group Limited**  
**Report and financial statements**  
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## **Haymarket Media Group Limited**

### **Company Report and Financial Statements for the period to 30 June 2013**

<b>Directors</b>	J D Duckworth The Rt Hon the Lord Heseltine CH K Costello D B Fraser B J Freeman P Fuller The Hon R W D Heseltine J Macken L A Maniscalco R J McDowell D Prasher S P Tindall
<b>Company secretary</b>	J D Duckworth
<b>Auditor</b>	Deloitte LLP Chartered Accountants London
<b>Bankers</b>	The Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB
<b>Registered office</b>	Teddington Studios Broom Road Teddington Middlesex TW11 9BE
<b>Solicitors</b>	Lewis Silkin LLP London

## **Haymarket Media Group Limited**

### **Directors' Report for the period from 1 January 2012 to 30 June 2013**

The Company changed its year-end to 30 June and the directors present their annual report and financial statements for the 18-month period from 1 January 2012 to 30 June 2013

#### **Business review and principal activity**

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

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

#### **Review of developments**

Company turnover in 18 months to 30 June 2013 was £158.3m (year to 31 December 2011 £108.5m)

Operating profit before expenditure on the launch and development of new activities, exceptional items, asset amortisation and impairments of investments and intangible assets decreased from £11.1m to £7.8m. Statutory operating loss was £135.24m (2011 £2.13m loss)

The results reflect asset impairments of £121.8m (2011 £2.9m) on acquired publishing rights. Under historical cost methods, the balance sheet does not reflect the value of our overall brand portfolio

In response to the economic downturn (in the UK and USA in particular) management have taken various actions that have resulted in further headcount reductions and other cost saving measures. These costs totalled £702,000 (2011 £943,000) and given their materiality, they have again been treated as an exceptional restructuring cost

Due to the continued fragile nature of the UK economy in particular trading in 2013 has to date been below expectations, and certain areas of the company remain under pressure. However, the Directors are cautiously optimistic that a similar outcome can be posted for the current period as compared to 2011

No dividend was paid during the period (2011 £nil)

#### **Directors**

The present membership of the Board is set out on page 1. All directors served throughout the period, Nic Bogs resigned on 9 September 2013

#### **Directors' Indemnity**

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

**Haymarket Media Group Limited**  
**Directors' Report for the period from 1 January 2012 to 30 June 2013 (continued)**

**Financial risk management**

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

The Company's credit risk is primarily attributable to its trade receivables (which are held in a subsidiary company) The Company actively monitors amounts owed by its customers by way of comprehensive and detailed information that is supplied regularly to management The Company has no concentration of credit risk, with its exposure being spread over a large number of clients

The Haymarket 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 As discussed below in this directors' report and in note 1, the Group renegotiated its banking facilities during the period and will do so again prior to 30 June 2015

A proportion of interest rate and currency risk is hedged by a parent company by way of fixed interest and foreign currency bank loans

**Employees**

Details of the number of employees and related costs can be found in note 2 to the financial statements

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

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

**Haymarket Media Group Limited**  
**Directors' Report for the period from 1 January 2012 to 30 June 2013 (continued)**

**Environmental matters**

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

The Company'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.

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, the Group was named "Best Environmentally Sustainable Business" at the Professional Publishers Association Production and Environment Awards in April 2012.

**Going concern basis adopted in preparing financial statements**

The Company is a subsidiary of Haymarket Group Limited and because the Group operates a centralised treasury function, the Company is dependent on the Group for financing. Haymarket Group Limited has confirmed that it will provide, subject to funds being available, either directly or through a subsidiary, such financial support as is necessary to the Company to enable the Company to continue to meet its liabilities as they fall due.

As described in note 1, the Group has agreed new facilities with its bankers which expire on 30 June 2015 and will therefore require review and extension within eighteen months of the date of approval of these financial statements. The directors deliberately entered into short-term arrangements with its bankers in view of the inevitable uncertainty on several planning applications across the Group's freehold office property portfolio. The new facilities assume certain levels of trading and they also assume a significant debt reduction plan. The two Hammersmith applications have now been determined and the first phase of the Group's debt reduction plan of £46.2m implemented, reducing the Group's net indebtedness by one third.

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. The directors believe that, although inherently there is uncertainty in relation to this matter, when it is required to renew its banking facilities with its bankers, a satisfactory outcome will result from negotiations to reshape and extend its facilities and therefore the directors continue to adopt the going concern basis in preparing the financial statements.

**Haymarket Media Group Limited**  
**Directors' Report for the period from 1 January 2012 to 30 June 2013 (continued)**

**Disclosure of information to the auditor**

Each of the persons who was 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

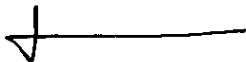
(2) the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

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

**Reappointment 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 the auditor in the absence of an Annual General Meeting

Approved by the Board on 31 March 2014 and signed on its behalf by



J D Duckworth  
Company secretary and director

## **Haymarket Media 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 period. 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 apply them consistently,
- make judgements and 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.



## **Haymarket Media Group Limited**

### **Independent Auditor's Report to the members of Haymarket Media Group Limited**

We have audited the financial statements of Haymarket Media Group Limited for the period from 1 January 2012 to 30 June 2013, which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 June 2013 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter - material uncertainty in relation to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. As described in that note, on 28 June 2013 the Company agreed new facilities with its bankers which expire on 30 June 2015 and which will require renewal by that date. The directors have prepared the financial statements on a going concern basis since they believe that a satisfactory outcome will result from negotiations with the Group's bankers to reshape and extend the facilities, but inherently there remains a material uncertainty in relation to this matter. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

**Haymarket Media Group Limited**  
**Independent Auditor's Report to the members of Haymarket Media Group Limited**  
**(continued)**

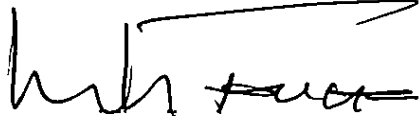
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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 Auditor

London, United Kingdom

31 March 2014

**Haymarket Media Group Limited**  
**Profit and Loss Account**  
**for the Period from 1 January 2012 to 30 June 2013**

	Notes	1 January 2012 to 30 June 2013 £ 000	Year ended 31 December 2011 £ 000
Turnover		153,018	108,545
Cost of sales		<u>(116,091)</u>	<u>(81,622)</u>
Gross profit		36,927	26,923
Operating expenses (net)		<u>(29,100)</u>	<u>(15,842)</u>
Operating profit before amortisation of publishing rights and exceptional items		7,827	11,081
Amortisation of publishing rights	4	(20,911)	(9,323)
Impairment of publishing rights and fixed asset investments		(121,456)	(2,942)
Exceptional restructuring costs	3	<u>(702)</u>	<u>(943)</u>
Operating Loss		(135,242)	(2,127)
(Loss)/profit on sale of investments and publishing rights		(679)	320
Investment income	5	54	86,801
Interest payable and similar charges	6	<u>-</u>	<u>(25)</u>
(Loss)/profit on ordinary activities before taxation		(135,867)	84,969
Tax on (loss)/profit on ordinary activities	7	<u>(1,609)</u>	<u>(2,954)</u>
(Loss)/profit on ordinary activities after taxation	15	<u><u>(137,476)</u></u>	<u><u>82,015</u></u>

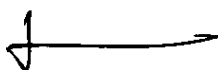
All operations during the period are derived from continuing operations

There are no recognised gains or losses for the current financial period and preceding financial period other than as stated in the profit and loss account. Therefore, a statement of recognised gains and losses has not been produced.

**Haymarket Media Group Limited**  
**Balance Sheet**  
**as at 30 June 2013**

		30 June 2013	31 December
	Notes	£ 000	2011
			£ 000
<b>Fixed assets</b>			
Intangible assets	9	88,055	110,187
Investments	10	<u>262,615</u>	<u>377,291</u>
		<u>350,670</u>	<u>487,478</u>
<b>Current assets</b>			
Debtors falling due after more than one year	11	426	792
Creditors Amounts falling due within one year	12	<u>(153)</u>	<u>(192)</u>
Net current assets		<u>273</u>	<u>600</u>
Total assets less net current liabilities		350,943	488,078
Creditors Amounts falling due after more than one year	13	<u>(94,864)</u>	<u>(94,523)</u>
Net assets		<u><u>256,079</u></u>	<u><u>393,555</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	274,501	274,501
Profit and loss account	15	<u>(18,422)</u>	<u>119,054</u>
Total shareholders' funds		<u><u>256,079</u></u>	<u><u>393,555</u></u>

The financial statements of Haymarket Media Group Limited (Company registration number 267189), have been authorised and approved for issue by the Board on 31 March 2014 and signed on its behalf by



J D Duckworth  
Director

**Haymarket Media Group Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2013**

**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared under historical cost convention 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.

**Going concern**

The Company is a subsidiary of Haymarket Group Limited and because the Group operates a centralised treasury function, the Company is dependent on the Group for financing. Haymarket Group Limited has confirmed that it will provide, subject to funds being available, either directly or through a subsidiary, such financial support as is necessary to the Company to enable the Company to continue to meet its liabilities as they fall due.

On 28 June 2013 the Company agreed new facilities with its bankers which expire on 30 June 2015 and which will therefore require renewal and extension within eighteen months of the date of approval of these financial statements. It should be noted that the Group's net indebtedness has fallen by £46.2m since 30 June 2013 as a consequence of the disposal programme. It should also be noted that in early March 2014 a planning application was submitted for the conversion of our Teddington Riverside site to residential use. The Group's bankers have structured the new facilities around the directors' plans to reduce debt and the directors currently believe that the Group has access to sufficient liquidity to enable the Company and the Group to continue to trade and pursue the plans agreed. In due course the directors will enter into negotiations with the Group's bankers to renegotiate and extend the Group's facilities before their expiry.

On this basis, and having given due consideration to the Company's and the Group's forecasts and projections, the directors believe that the Company and the Group will have adequate resources and consider it appropriate to adopt the going concern basis in preparing these financial statements. However, should events not transpire as planned and the financial support of the Group's bankers be discontinued, the Directors have concluded that, in accordance with Accounting Standards and the UK's Financial Reporting Council's Guidance for Directors on Going Concern, there may be a material uncertainty over the going concern basis and the Company and the Group may be unable to realise their assets and discharge their liabilities in the normal course of business, and adjustments would have to be made to reduce the value of assets to their recoverable amount and to provide for further liabilities that may arise and to reclassify fixed assets as current assets.

**Cash flow statement**

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

**Haymarket Media Group Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2013**

**1 Accounting policies (continued)**

**Basis of consolidation**

The consolidated financial statements of the period ended 30 June 2013 have not been produced as Haymarket Media Group Limited is a wholly owned subsidiary of Haymarket Group Limited, a company incorporated in the United Kingdom and registered in England and Wales which itself produces consolidated financial statements. As such the company is exempt from FRS2 and s400 of the Companies act 2006. These financial statements present information about the company as an individual undertaking and not as a group.

**Intangible assets**

Publishing 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, estimated to be between 5 and 20 years. Acquired non-compete agreements are amortised over the effective period of that agreement.

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.

**Fixed asset investments**

Fixed asset investments are shown at cost less any provision for impairment.

**Related party transactions**

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with 100% owned companies in the Haymarket group.

**Taxation**

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

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

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

**Haymarket Media Group Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2013**

**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 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. Revenue is mainly from UK based operations.

**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 conferences and other events are recognised on the date of the event.

**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 accounts.

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

**Haymarket Media Group Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2013**

**2 Information regarding directors and employees**

**Directors' emoluments**

	<b>1 January 2012 to 30 June 2013</b>	<b>Year ended 31 December 2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Emoluments	<u>5,913</u>	<u>2,385</u>
Remuneration of highest paid Director	<u>1,758</u>	<u>843</u>

There are defined contribution pension plans for the benefit of eight directors (Year ended 31 December 2011 thirteen). The contributions in total for the period were £429,775 (Year ended 31 December 2011 £118,000). The highest paid director received contributions of £nil (Year ended 31 December 2011 £30,283).

**Staff costs during the period/year (including Directors)**

	<b>1 January 2012 to 30 June 2013</b>	<b>Year ended 31 December 2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	51,464	34,367
Social security costs	5,663	3,581
Pension costs	<u>2,007</u>	<u>992</u>
	<u>59,134</u>	<u>38,940</u>
	<b>No</b>	<b>No.</b>
Average number of persons employed by the Company (including Directors)	<u>881</u>	<u>893</u>

**3 Exceptional costs**

	<b>1 January 2012 to 30 June 2013</b>	<b>Year ended 31 December 2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Exceptional restructuring costs	<u>702</u>	<u>943</u>

The Company's current taxation charge for the period to 30 June 2013 was reduced by £169,664 (year to 31 December 2011 £245,292) as a result of these exceptional items.



**Haymarket Media Group Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2013**

**4 Operating loss**

This is stated after charging

	<b>1 January 2012 to 30 June 2013 £ 000</b>	<b>Year ended 31 December 2011 £ 000</b>
Amortisation of publishing rights	12,756	9,323
Provision for impairment of publishing rights	<u>8,155</u>	<u>2,400</u>
	<u><b>20,911</b></u>	<u><b>11,723</b></u>

Fees payable to the Company's auditor for the period were £55,000 (Year to 31 December 2011 £55,000) for the audit of the Company's annual accounts

**5 Investment income**

	<b>1 January 2012 to 30 June 2013 £ 000</b>	<b>Year ended 31 December 2011 £ 000</b>
Dividend received from subsidiary	-	86,784
Foreign exchange gains	<u>54</u>	<u>17</u>
	<u><b>54</b></u>	<u><b>86,801</b></u>

**6 Interest payable and similar charges**

	<b>1 January 2012 to 30 June 2013 £ 000</b>	<b>Year ended 31 December 2011 £ 000</b>
Foreign exchange losses	<u>-</u>	<u>25</u>
	<u><b>-</b></u>	<u><b>25</b></u>

**Haymarket Media Group Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2013**

**7 Tax on profit on ordinary activities**

The tax is made up as follows

	<b>1 January 2012 to 30 June 2013 £ 000</b>	<b>Year ended 31 December 2011 £ 000</b>
<b>Current tax</b>		
UK corporation tax @ 24 2% (2011 26 5%)	152	190
Amount paid for group relief	915	2,459
Adjustments in respect of previous periods	25	61
Overseas taxation	<u>151</u>	<u>92</u>
Total current tax	1,243	2,802
<b>Deferred tax</b>		
Deferred tax charge (see note 8)	<u>366</u>	<u>152</u>
Tax on (loss)/profit	<u><u>1,609</u></u>	<u><u>2,954</u></u>

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 24 2% (2011 - 26 5%) The current tax charge for the period differs from 24 2% for the reasons set out in the following reconciliation

**Reconciliation of current tax charge**

	<b>1 January 2012 to 30 June 2013 £ 000</b>	<b>Year ended 31 December 2011 £ 000</b>
(Loss)/profit on ordinary activities before tax	<u>(135,867)</u>	<u>84,969</u>
Corporation tax at standard rate of 24 2% (2011 26 5%)	(32,880)	22,517
Capital allowances in excess of depreciation	(2)	(2)
Short term timing differences	(312)	(73)
Non-deductible impairment loss/disposals	29,429	755
Non-taxable income	(57)	(23,002)
Expenses not deductible for tax purposes	124	158
Non-tax deductible amortisation of goodwill and impairment	4,944	2,388
Adjustment for prior periods	25	61
Double taxation relief	(151)	(92)
Overseas withholding tax	151	92
Group relief surrendered by group companies	<u>(28)</u>	<u>-</u>
Total current tax	<u><u>1,243</u></u>	<u><u>2,802</u></u>

**Haymarket Media Group Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2013**

**8 Deferred tax**

	<b>1 January 2012 to 30 June 2013 £ 000</b>	<b>Year ended 31 December 2011 £ 000</b>
Difference between accumulated depreciation and amortisation and capital allowances	13	17
Other timing differences	413	775
	<u>426</u>	<u>792</u>

In the opinion of the directors, it is considered more likely than not that the deferred tax asset will be recovered in light of the expected future trading results of the company

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

	<b>1 January 2012 to 30 June 2013 £ 000</b>
Opening balance	792
Charged to the profit and loss account	<u>(366)</u>
Closing balance	<u>426</u>

There is also an unrecognised deferred tax asset of £376,349 (2011 £465,323) in respect of unutilised capital losses carried forward. This asset has not been recognised, as there is insufficient evidence that these losses will be offset against future capital profits.

Deferred tax assets or liabilities have been recognised at 23% in these financial statements, being the tax rate that was enacted at the balance sheet date and was in effect from 1 April 2013.

The UK Government has announced a further reduction of 2% to the UK corporation tax rate, meaning the rate will be 21% effective from 1 April 2014 and a further reduction of 1% to 20% from 1 April 2015. These further reductions to the tax rates had not been substantively enacted at the balance sheet date and are therefore not reflected in these financial statements.

**Haymarket Media Group Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 June 2013**

**9 Intangible fixed assets**

	<b>Publishing rights £ 000</b>
<b>Cost</b>	
At 1 January 2012	193,501
Disposals	<u>(1,627)</u>
At 30 June 2013	<u>191,874</u>
<b>Accumulated amortisation</b>	
At 1 January 2012	83,314
Charge in the period	12,756
On disposals	(406)
Provision for impairment	<u>8,155</u>
At 30 June 2013	<u>103,819</u>
<b>Net book value</b>	
At 30 June 2013	<u>88,055</u>
At 31 December 2011	<u>110,187</u>

Provisions for impairments on intangible assets totalling £8,155,000 (Year ended 31 December 2011 £2,400,000) were made during the period. In accordance with Group policy, management conducted an impairment review of its intangible assets using a 5-year discounted cashflow analysis with a terminal value, assuming a weighted average cost of capital of 10.12% and a growth rate of 3%.

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**10 Investments held as fixed assets**

	Shares in associated undertakings £ 000	Shares in subsidiary undertakings £ 000	Loans to subsidiary undertakings £ 000	Loans to parent undertakings £ 000	Total £ 000
<b>Cost</b>					
At 1 January 2012	502	353,553	72,704	20,742	447,501
Movements	-	-	6,919	(139)	6,780
At 30 June 2013	502	353,553	79,623	20,603	454,281
<b>Provision for impairment</b>					
At 1 January 2012 and 30 June 2013	502	69,138	570	-	70,210
Charge for period	-	121,456	-	-	121,456
At 30 June 2013	502	190,594	570	-	191,666
<b>Net book value</b>					
At 30 June 2013	-	162,959	79,053	20,603	262,615
At 31 December 2011	-	284,415	72,134	20,742	377,291

Impairments on intercompany loans, held as fixed assets, and deemed irrecoverable were £nil (2011 £445,912)

Loans to subsidiary and parent undertakings are unsecured, interest free and repayable after more than one year with no fixed repayment date

The principal subsidiary undertakings, all of which (unless otherwise noted 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 Network Limited	United Kingdom	100%	Contract Publishing
Haymarket Exhibitions Limited	United Kingdom	100%	Event Organising
Haymarket Publishing Services Limited	United Kingdom	100%	Administrative Services
Windpower Monthly A/S	Denmark	100%	Magazine and Online Publishing
Haymarket Media Inc 1	USA	100%	Magazine and Online Publishing

**Haymarket Media Group Limited**  
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**10 Investments held as fixed assets (continued)**

Haymarket Media Limited 2	Hong Kong	100%	Magazine Publishing	and	Online
Haymarket Media GmbH 3	Germany	100%	Magazine Publishing	and	Online
Haymarket Media Pty Ltd 3	Australia	100%	Magazine Publishing	and	Online
Haymarket Media India Pvt Ltd 3	India	100%	Magazine Publishing	and	Online
Frontline Limited	United Kingdom	Ordinary 'A' shares 5% Ordinary 'C' shares 100% Ordinary 'E' shares 25% Ordinary 'F' shares 17%	Distribution of magazines		

[1] Shares held by Haymarket Medical Publications Limited

[2] Shares held by Haymarket Media Asia Limited

[3] Shares held by Haymarket Worldwide Limited

**11 Debtors**

**Amounts due after more than one year**

	<b>30 June 2013</b>	<b>31 December 2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Deferred tax (see note 8)	<u>426</u>	<u>792</u>

**12 Creditors Amounts falling due within one year**

	<b>30 June 2013</b>	<b>31 December 2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Corporation tax	152	190
Other creditors	<u>1</u>	<u>2</u>
	<u>153</u>	<u>192</u>

**Haymarket Media Group Limited**  
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**13 Creditors: Amounts falling due after more than one year**

	<b>30 June 2013</b>	<b>31 December</b>
	<b>£ 000</b>	<b>2011</b>
		<b>£ 000</b>
Amounts owed to group undertakings	94,864	87,011
Amounts owed to parent undertakings	-	7,512
	<u>94,864</u>	<u>94,523</u>

The £94,088,000 loans from Parent undertakings and Subsidiary undertakings are unsecured, interest free and are not due for repayment before 1 July 2014

**14 Issued share capital**

	<b>31 December</b>
	<b>2011 and 30</b>
	<b>June 2013</b>
	<b>£000</b>
Authorised, allotted, called up and fully paid	
274,500,500 Ordinary Shares of £1 each	<u>274,501</u>

**15 Profit and loss account**

	<b>2013</b>
	<b>£ 000</b>
At 1 January 2012	119,054
Loss for the financial period	<u>(137,476)</u>
At 30 June 2013	<u>(18,422)</u>

**16 Reconciliation of movement in shareholders' funds**

	<b>30 June 2013</b>	<b>31 December</b>
	<b>£ 000</b>	<b>2011</b>
		<b>£ 000</b>
At 1 January	393,555	311,540
(Loss)/profit for the Financial period/year	<u>(137,476)</u>	<u>82,015</u>
At end of period	<u>256,079</u>	<u>393,555</u>

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**17 Contingent liability**

The company has provided a financial guarantee over other group companies. As at the balance sheet date, the borrowings under guarantee amounted to £131,337,251 (2011: £127,839,960).

**18 Pension scheme**

The principal scheme operated by the group is a defined contribution scheme in which eligible employees participate in personal pension plans to which the company contributes 8% - 12.5% and the employees contribute a minimum of 5% of relevant earnings. The assets of the individual plans are held separately from those of the company in independently administered funds. There were no unpaid contributions as at 30 June 2013. Details of pension costs are shown in note 2.

**19 Ultimate parent company**

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