EMAP International Limited

Annual Report and Financial Statements

For the nine month period ended 31 December 2009

Registered Number: 435820

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Contents

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Report of the Directors for the nine month period ended 31 December 2009

The directors submit their report and financial statements for the nine month period ended 31 December 2009.

Principal activities

EMAP International Limited ("the Company" or "EMAP") and its subsidiaries (together "the Group") operate in the business to business media industry. Principal activities are the publication of business magazines, the provision of information products and services, and the organising of exhibitions, conferences and festivals. The rights to these activities are either owned by the Group or licensed to it.

The Group's ultimate holding company is jointly owned by funds managed by Apax Partners ("Apax") and Guardian Media Group plc ("GMG") and was established to acquire the Group. Its ultimate parent company is Eden 2 & CIE SCA.

Apax Partners is one of the world's leading private equity investment groups. It operates across the United States, Europe, Israel and Asia and has more than 30 years of investing experience. Funds under the management of Apax Partners total $35 billion around the world. These funds provide long-term equity financing to build and strengthen world-class companies.

Guardian Media Group plc is one of the UK's leading multimedia companies. GMG is owned by the Scott Trust, which was created in 1936 to secure the financial and editorial independence of the Guardian Media Group plc in perpetuity.

The senior managers who have oversight of the investment in the Group are:

Apax	**GMG**
Stephen Grabiner	Nick Castro, CFO (resigned 1 October 2009)
Irina Hemmers	Carolyn McCall, CEO
Frank Ehmer	Andrew Miller (appointed 1 October 2009)

Stephen Grabiner
Leads Apax Media sector team globally and the London office. Member of the global Executive Committee and Apax Investment Committee. Joined Apax in 1999. Prior experience at On Digital and The Daily Telegraph. BA in Economics from University of Sheffield. MBA from Manchester Business School.

Irina Hemmers
Joined Apax in 2001. Prior experience at McKinsey. MA in International Economics from University of Innsbruck / Tulane University. MPA in Public Administration from Harvard.

Frank Ehmer
Joined Apax Partners in early 2000. Experience at the hedge fund Highbridge in New York. Diploma from Universität Mannheim, MBA.

Carolyn McCall OBE, Chief Executive GMG
Appointed chief executive in August 2006. She was first appointed to the GMG Board in 2000, having served on the Board of Guardian News & Media since 1995, becoming its chief executive in 2000. She is a Board member of Business in the Community. In 2008 she was named Veuve Clicquot business woman of the year, and awarded the OBE for services to women in business.

Andrew Miller, Group CFO
Joined GMG and was appointed to the Board in 2009. Andrew was previously Group CFO of Trader Media Group, which is jointly owned by GMG and Apax Partners. He has also worked at Pepsico, Bass plc and Procter and Gamble.

The executive directors of the Group are:

David Gilbertson, CEO
David joined EMAP as CEO on the company's acquisition by Apax Partners and GMG in March 2008. He has 30 years' experience in the information industry, including editorial and management positions with Metal Bulletin, Reuters, Reed Elsevier and Informa. He was a member of the 3i-backed management buy-out team which bought LLP from Lloyd's of London in 1995, becoming CEO in 1997. He took LLP to flotation on the London Stock Exchange in early 1998, and, on its merger with IBC, became CEO of Informa Group plc. He was appointed Managing Director on the merger of Informa and Taylor & Francis in May 2004, and was reappointed as Chief Executive of Informa plc in 2007.

Martyn Hindley, CFO
Martyn is responsible for finance and treasury activities together with IT, procurement and legal services. He spent the previous eight years with Northcliffe Media, the regional newspaper division of DMGT plc, as Finance Director with responsibility for IT and procurement activities. He created a shared service centre environment for Northcliffe improving the information flows within the business and led a cost reduction programme removing £50m from the cost base. He led the corporate development programme including the strategic review of the regional newspaper division within DMGT's portfolio.

The directors of the Company during the period are set out below:

Christopher Cole	(resigned 20 April 2009)
Nilema Bhakta-Jones	(resigned 18 May 2009)
David Gilbertson, CEO	
Martyn Hindley, CFO	
Christopher Taylor, CIO	
Emily Gestetner, Deputy Finance Director	(appointed 18 May 2009)

Results and dividends

The Group changed its year end from 31 March to 31 December during this period and has therefore produced financial statements for a nine month period.

The results for the Group are set out in the consolidated income statement on page 14. The results, from continuing operations over the nine month period ended 31 December 2009, show an operating profit before exceptional items of £58m (year ended 31 March 2009: £94m) and sales of £164m (year ended 31 March 2009: £282m).

There were no discontinued operations for the period (year ended 31 March 2009: post-tax profits of £1m). There were no ordinary dividends paid during the period. A preference share dividend of £1m (year ended 31 March 2009: £nil) was paid during the period. The directors do not recommend payment of a final dividend (year ended 31 March 2009: £nil).

Review of the business and future developments

Overview

EMAP is a business-to-business multiplatform media group, whose brands inform, inspire and connect within the sectors they operate in. For businesses across the globe involved in the retail, media, fashion, health, construction, education, government and automotive sectors, EMAP provides essential news, analysis and access.

EMAP maintains an undiluted focus on content and product quality across online and offline publications, conferences, awards, exhibitions, festivals, data and intelligence services. This enables the sharing of best practice, ideas and inspiration, for better, more timely, more informed decisions. EMAP gives business professionals the commercial understanding and access to the people and organisations they need to do their jobs better.

EMAP's ethos is rooted in innovation, in making brave decisions for a better offering that meets and exceeds customer demands intelligently and proactively. We are committed to giving those who rely on us the best in networking, information or stimulation.

We depend on the imagination and passion of our people to invent and develop our brands, and drive our business forward. Personal accountability is at the centre of EMAP, which means EMAP employees are empowered to create the kind of timely, dynamic products our customers find essential.

The Group is structured into four divisions, grouped by product type, and a fifth Middle East operation.

EMAP Inform specialises in industry-leading magazines, up-to-the minute online resources, and award ceremonies. Magazines within the portfolio include Health Service Journal, Nursing Times, Construction News, Drapers and Retail Week.

EMAP Data & Insight produces intelligence, analysis and forecasting tools that enable its clients to build, strengthen and maintain their businesses. Businesses within EMAP Data & Insight include WGSN, Glenigan, Planet Retail, CAP and DeHavilland.

EMAP Connect is a leading trade exhibition and festivals organiser, and brings together buyers and exhibitors at over 25 events including Spring Fair, BETT, Pure London, Recycling and Waste Management and Cannes Lions.

EMAP Networks produces over 225 intensively researched conferences a year, which attract thought leading speakers and some of the best delegate attendance figures in the industry. Key events are World Retail Congress, Patient Safety Congress and World Architecture Festival.

EMAP Middle East is the leading provider of business information and events in the Middle East. It has two key brands, AME Info and MEED.

A corporate function provides marketing and other services to the divisions.

Comparative numbers throughout the review of the business and future developments are pro-forma and based upon the equivalent nine month period in 2008 to facilitate comparison of data on a comparative basis.

	Audited nine month period ended 31 December 2009 £'m	Unaudited nine month period ended 31 December 2008 £'m	Unaudited three month period ended 31 March 2009 £'m	Audited year to 31 March 2009 £'m
Revenue	**164**	200	82	282
Cost	**(104)**	(136)	(48)	(184)
Earnings before exceptional items, interest, tax, depreciation and amortisation	**60**	64	34	98
Depreciation	**(2)**	(3)	(1)	(4)
Underlying operating profit*	**58**	61	33	94

** Profit represents underlying profits excluding exceptional items, amortisation and impairment of intangible assets.*

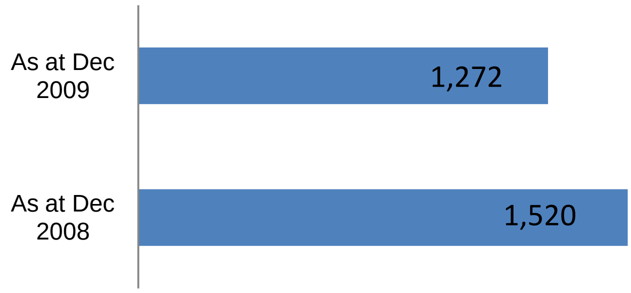
Key Performance Indicators

During the course of the period the Board set operational KPIs which are tracked and reviewed at each Board meeting in order to assess performance.

The charts presented represent KPIs which are tracked and reviewed periodically.

<u>Revenue £ million</u>
Measures the level of continuing operating activity and growth of the business. Revenue for the period is as stated in Note 2 to the financial statement.

<u>EBITDA - £ million</u>
Measures earnings before interest, tax, amortisation, depreciation, impairments and exceptional costs as defined in the accounting policies, and provides a measure of the underlying profitability of the business.



<u>Headcount</u>
This represents the number of full time employees at the end of each financial year and constitutes a major component of the Group's cost base.

<u>Operating and Financial Performance</u>

EMAP traded strongly in the nine months ended 31 December 2009 against the backdrop of the UK's worst post war recession, delivering £60m of earnings before interest, tax, depreciation and amortisation, from sales of £164m. Despite the significant economic pressures, management action on the cost base enabled operating margins to increase year on year by 4% to 35%. We also continued to convert profits strongly into cash and the Group operated within its banking covenants.

Revenues were significantly down year on year with all market sectors impacted by recessionary pressures. The most notable were the Public Sector recruitment revenues which declined by £5m in the period. Cannes Lions, held in June, saw revenues decline by £5m as a result of the pressures on the advertising market.

The Group incurred exceptional items of £18m (year ended 31 March 2009: £29m) as described in Note 4 to the financial statements. These primarily reflect the reorganisation of EMAP following the acquisition by Apax and GMG, outsourcing of the finance, IT and HR functions, and major transformational programmes to reposition the cost base.

In October 2009 the Group acquired 100% of the share capital of Conference Worldwide Ltd for £0.9m. The related goodwill was £0.7m – see Note 30. The business runs three large scale events in the long term care sector – Managing Long Term Conditions and Primary Care Live (London and Manchester).

Net financing expense

The Group's net financing expense was £1m in the year (year ended 31 March 2009: £nil).

Cash flow and debt

Despite the trading conditions, the Group has been cash generative, raising £45m (year ended 31 March 2009: £18m) net cash inflow before financing activities.

The Group generates a high level of operating cash with cash flows from operating activities of £41m (year ended 31 March 2009: £25m).

Balance sheet

The Group's balance sheet is disclosed on page 17 of the financial statements.

In line with International Financial Reporting Standards, the Group undertook a review of its intangible assets and goodwill. As a result of this review, no provision has been made in respect of goodwill.

Working capital has benefited from increased management focus. Due to tighter management of cash by our customers the Group has experienced a delay in settlement of some of these amounts, however the majority of revenue continues to be pre-paid.

Divisional Review

A review of the performance of the five divisions, for the nine month period and their key performance indices is provided below. Comparative numbers are proforma and based upon the equivalent nine month period in 2008.

EMAP Inform

EMAP Inform publishes 19 weekly and monthly business magazines across four market sectors in the UK: public sector, construction, retail and media. Key weekly titles include Construction News, Retail Week, Drapers, Broadcast and Local Government Chronicle, in addition to Health Service Journal and Nursing Times. Harnessing the magazine brands, the business runs 29 content sites and jobs boards and organises 35 industry awards, including the new Healthcare 100, which is set to become the employee satisfaction benchmark for the 1.6 million people who work in health in the UK.

The brands generated revenues of £41m (nine month period ended 31 December 2008: £55m).

During the period the division invested in the key weekly titles and migrated the ten largest titles to a new Content Management platform online. This has significantly improved the user experience and enabled the division to deliver a substantial number of new digital products and services. In the latter part of the period, the business began the process of moving the business model from "free to air" websites to ensuring all digital content is only available to subscribers. This has resulted in an uplift in renewal rates, strong subscriber engagement with the enhanced web offering, and an increase in the level of new subscriptions to the titles.

It was also a strong period editorially. New Civil Engineer produced a supplement on Crossrail which was widely referenced by the London Mayor. Retail Week launched the "Backing British Retail" campaign which won the support of the Prime Minister and Tesco CEO Sir Terry Leahy. Construction News secured the first ever interview with Ray O'Rourke, the most powerful and private individual in construction. Broadcast published an exclusive interview with Sir Michael Lyons, the Chairman of the BBC Trust in which he outlined his planned response to the challenges faced by the BBC. Health Service Journal exclusively revealed the secret government commissioned report that the NHS would have to save £20bn over the next three years, and Local Government Chronicle was the first to identify that Council Tax increases would be set at a record low in 2010.

The sector in which EMAP Inform operates has suffered from deterioration in advertising revenues particularly within the Public Sector where revenues in the division declined £5m over the nine month period year on year. The division's brands continue to remain ahead of their peers and are well positioned for growth when the markets stabilise.

EMAP Data and Insight

The division generated revenues of £59m (nine month period ended 31 December 2008: £60m).

WGSN, the world's leading online fashion and style forecasting service, provides creative intelligence to retailers, brands and manufacturers on key fashion trends and is the largest company in EMAP Data and Insight, EMAP's electronic data division. Its team of 200 experts worldwide define and shape the colours, materials, styles and designs that will create each season's breakthrough trends and winning products.

Working two years in advance, WGSN identifies the macro trends which form the basis of their creative direction for their seasonal design and product development. From there, they create design packs for each of the sixteen different product areas including womenswear, menswear, footwear and interiors. These all include colour palettes, original prints, graphics and CADs.

WGSN then tracks and develops these trends through the lifecycle of the product, covering what appears on the catwalks and what is eventually sold in store.

Fashion trends are now a global phenomena, and over 85% of WGSN's 2,300 customers are international, served by regional hubs in London, New York and Hong Kong, with sales teams in many more local markets. The product is sold via an annual subscription and is delivered online, with over 200 news stories a week and over 250 in-depth fashion trends reports each year. In addition, WGSN's photographers add 400 new fashion images each week, now searchable via the Image Search capability. Clients use the information to inform their own design work and buying decisions - WGSN influences what appears both on the catwalk and the high street.

Serving mostly fashion retail and consumer sectors, WGSN has not been immune to the effects of the global downturn, and growth slowed in 2009. Despite the downturn, over 578 new customers signed up in the past year including leading fashion firms and an increasing number of manufacturers. In May 2010 the web site is to be re-launched which will enhance the content and product offering, in turn driving more business.

The other EMAP Data & Insight data businesses continue to perform well with underlying profit growth of £1m, despite overall revenue declining. This was achieved through a re-engineering of the cost base at the end of 2008, the full benefits of which have been recognised in 2009.

CAP, our automotive valuation business, continued to perform strongly in the period, in spite of the decline in new car sales. This is a clear example of the value and importance of being embedded into our customer processes. CAP's top line revenue remained flat during the nine month period year on year despite the market challenges.

The re-engineered approach to both Groundsure (property environmental reports) and Glenigan (construction planning data) was essential to counteract the turmoil and sharp reduction in transaction activity in the housing market.

We refocused Planet Retail to concentrate on driving sales growth in mainland Europe, directing the sales force, research team and product enhancement to take advantage of our core expertise: deep knowledge of customers and their markets. This has helped to deliver additional profit against the same period in 2008.

DeHavilland, the political monitoring business where customers can obtain the political intelligence relevant to their particular sector, has been impacted by aggressive competitor pricing and the decline in charity and membership association spending. The business is looking to launch a new service for consultancies and move into offering an EU service to existing customers.

EMAP Connect

The division generated £41m (nine month period ended 31 December 2008: £57m) of revenue.

The performance of EMAP Connect, EMAP's exhibition and festivals division, has been mixed. Whilst there have been significant pressures on revenues across the market sectors, there was growth among some shows. The division has focused on cost efficiencies to counter revenue losses whilst ensuring the exhibitor return on investment is maximised. Investment has also been made in visitor marketing and attendance experience throughout the period.

Cannes Lions, held in June saw revenues decline by £5m from 2008 as a result of fewer award entries and delegates as the advertising industry adjusted to recessionary pressures.

Connect's major home and gift exhibition in the period - Autumn Fair - confirmed its market leading position in challenging economic times, attracting over 28,000 buyers this year, an increase on the previous year. There was however a decline in meterage sold as exhibitors scaled back the size of their stands.

The Pure womenswear exhibition attracted a record number of quality fashion buyers to Olympia in August and drove revenue up against the 2008 show. Pure is famed for its offer of directional and boutique womenswear, accessories and unisex collections. The centrepiece of the event is the Pure catwalk which included sponsored themes from exhibitors.

The Recycling and Waste Management Exhibition (RWM) and Naidex, the leading exhibition for disability, homecare and re-habilitation, also both excelled this year. Both exhibitions are in markets that have shown resilience through recession.

EMAP Networks

The division generated £11m (nine month period ended 31 December 2008: £14m) of revenue.

Every week day, expert speakers, public and private sector delegates and sponsors gather at an EMAP Networks event to discover and debate the latest strategies and techniques in their market. Over 15,000 delegates attended our 225 events in health, education, local government, retail, media, architecture and the built environment. Subjects ranged from World Class Commissioning to Improving Cancer Services; Community Engagement to Patient Safety in the Public Sector; Branded Content to Film Financing in Media; the Fashion Summit to eTailing in Retail; Historic Buildings to the Road Summit in Built Environment.

EMAP Networks produces a variety of event formats. Standard one and two day conferences bring together a dozen expert practitioner speakers and delegates to delve deep into niche topic areas such as Preparing the Public Sector for Carbon Reduction Commitments. Evening dinners, such as the Supply Chain Directors' Club, allow an exclusive group of senior executives to discuss pressing issues confidentially. Large scale summits such as the World Retail Congress act as the meeting place and voice of a global industry with over 120 speakers, 1000+ attendees, 135 countries, an Awards night, a Hall of Fame and student competitions with teams from New York, London and Hong Kong.

Some 534 sponsors and exhibitors this year generated new business; launched new products; positioned themselves as thought leaders; entered new markets and won market share by working with EMAP Networks. Sponsors contributed around one third of Network's £11m revenue.

EMAP Networks operating profit has benefited from the tighter management of its conference operations. Loss making conferences have been curtailed and sponsorship revenues boosted, benefiting average revenue and operating profit per event.

In October 2009, EMAP Networks acquired Conference Worldwide Limited for £0.9m. The company has three events, Managing Long Term Conditions and Primary Care Live (London and Manchester).

EMAP Middle East

Revenues of £12m (nine month period ended 31 December 2008: £14m) were generated by the division.

EMAP Middle East is one of the leading providers of business information to companies doing business in and with the Middle East. Our two brands, MEED and AME Info, deliver news, comment and analysis across 12 countries and 14 industry sectors to more than 1.9m unique users per month online, as well as delivering in-depth data and business intelligence through high value subscription products such as MEED and MEED projects. As well as providing the intelligence to drive more profitable business decisions for our readers, MEED also brings buyers and sellers together at over 30 industry conferences and 12 networking clubs that are held in five different countries. In total, MEED attracted almost 2,000 delegates and 200 sponsors to its conferences, with topics ranging from geographic focus such as the Qatar Conference, through sectors such as Power and Water and Aluminium, to current niche issues such as District Cooling.

MEED also provides customers with detailed project information through its high value subscription product. This has undergone significant improvement in functionality and scale by means of a bolt on asset purchase during the period.

As part of the strategy to improve the efficiency of the Group, common processes and corporate functions have been further centralised and streamlined during the period, delivering cost savings and creating a robust platform for future growth.

Future Outlook

The Group has focussed on streamlining its operations over the past 18 months, generating cost savings of £32m against the same nine month period ended 31 December 2008, which has offset the majority of the revenue decline. At the same time the Group has invested in its employees, existing and new products and systems to re-position it for when the economy recovers.

In the first quarter of 2010 confidence has returned to the retail sector which has resulted in improved performance of the Group's products serving this sector. This was the first sector to see the impacts of recession. There are also green shoots elsewhere, although the lack of clarity over the date and result of the General Election has led to some declines in certain of our public sector products.

Principal Risks and Uncertainties

Economic factors

A significant change in the global economy or more specifically to the economic backdrop to any of the markets served by the Group may lead to a decline in the performance of any of the Group's principal brands, particularly in those divisions more exposed to discretionary spend such as advertising as the major source of revenue. This could have an adverse impact on the Group's results of operations. The Group constantly monitors the performance of all of its brands and is strategically positioned to reduce the dependence on advertising by increasing the level of subscription revenues, as well as revenues from on-line products. Subscription revenue which are typically committed annually account for more than 50% of all Group revenues.

Migration from print

As access to the internet has increased and its use has changed many working practices, the Group has had to adapt to the changing needs of its readers, advertisers and other customers by providing information through a plethora of new media. There is a risk that by doing so the Group potentially cannibalises its own print products, but to ensure that this does not happen the Group's strategy has been to treat all new media as complementary to traditional print delivery, and adapt the content to meet the audience's need depending on the medium. The speed of this transition differs from market to market but each division remains very close to its given market to understand our customers' expectations and whether their needs are being met.

Operational risk

Given the scale and diversity of the Group there is inherent operational risk that the internal systems and processes fail or are inadequate to meet the business needs. The Group has mitigated this risk by outsourcing technology and elements of accounting functions to established external providers. We regularly monitor the performance of these providers against defined service level agreements and key performance indicators to ensure that performance and other targets are adhered to.

Risk Management

Liquidity risk

The Group's objectives are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group's cash and net debt position is monitored and reported by the Treasurer on a daily basis. Cash flow is tightly managed and reported to the Board monthly. All foreign exchange dealings are pre-authorised by the Chief Financial Officer or his nominated alternate.

Foreign Exchange risk

The Group earns currency profits, principally US$ and € and pays currency interest on US$ and € preference shares. The Board approves the Group's hedging strategy. The Group had no hedges in place as at 31 December 2009.

Insurance risk

The Group maintained a Directors' and Officers' liability insurance policy throughout the period. Thus, in accordance with the Company's Articles of Association, and to the extent permitted by the laws of England and Wales, the directors are granted an indemnity from the Group in respect of those liabilities incurred as a result of their office. The Group maintained the usual business insurances to ensure that the activities undertaken by the Group are adequately covered.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to customers.

The Group minimises its risk by dealing with only a limited range of financial institutions with secure credit ratings and ensures that there is no significant concentration of deposits. Counterparty limits are pre-agreed by the Board and monitored on a daily basis.

The Group incurs credit risk in the usual course of business. In the subscription and event businesses credit risk is limited as cash is generally received before the service is provided. Overall the Group considers that it is not exposed to a significant amount of either customer credit or bad debt risk due to the diversified and fragmented nature of the customer base.

Pricing risk

The Group faces pricing risk. This arises from general market pressures in a tougher trading environment and also from pricing tactics of competitors. Senior management manage this risk by maintaining centralised control over pricing strategies and constant monitoring of the external competitive environment.

Capital structure

The Company is financed by its parent undertaking, which in turn is financed by a combination of debt and equity. The Group's major banking facilities are detailed below:

	Facility £'m	Drawn £'m	Final Maturity	Margin over LIBOR %
Loan notes	12.7	12.7	within 1 year	(0.75)
Senior facility A	99.2	99.2	April 2015	3.0
Senior facility B	182.5	182.5	April 2016	3.5
Senior facility C	182.5	182.5	April 2017	4.0
Senior facility D	100.0	11.0	April 2015	3.0
Revolving credit facility	35.0	-	April 2015	3.0
Mezzanine facility	183.0	183.0	April 2018	10.25

At 31 December 2009, total banking facilities amount to £821.9m, of which £697.9m was utilised. Under the Group's banking arrangements, the Group has to comply with four key covenant tests:

(i) Debt cover - ebitda to net debt;
(ii) Interest cover – ebitda to net finance charges;
(iii) Cashflow cover – cashflow to net debt service; and
(iv) Capital expenditure.

On 31 March 2010, as part of their continuing support for the Group, £30m of the Mezzanine debt was unilaterally released by a lender controlled by the shareholders of the Company, the effect of which was that the Group was released from all obligations and liabilities relating to it.

The Group operated within its covenant limits during the period under review.

Employees

In a fast-changing media industry, it is important that we equip ourselves with the capabilities we need both for now and the future.

We are a talent-dependent business requiring excellent people with a passion for their brands and subject matter. So as we track the changing mix of skills that we're going to need today and tomorrow, we're also committed to developing and rewarding our people and creating a culture in which they can thrive.

The Group relies on the imagination and creativity of its people to invent and develop brands and drive the business forward. These brands are critical to a media business whose purpose is to provide content that informs business communities and attracts advertisers.

EMAP is committed to attracting, retaining and developing the most talented people that work within the industry. This means we are focussed on supporting and enabling our people to achieve their potential and career ambitions, and to share in our success.

We believe that our people need to be empowered to make and take decisions and accountability is the key to our continued success. Our values emphasise personal responsibility and the freedom to innovate. The result, not surprisingly, is a devolved organisation. While recognising the benefits of such a culture, we also encourage links between teams and businesses wherever it makes sense to collaborate.

The directors are committed to providing ongoing communication to and with our employees. The CEO writes a weekly internal email communicating the initiatives that are being under taken in the divisions and celebrating the successes as they occur. This is supplemented with our internal intranet, MyEmap, which is the centre of our communication strategy and a resource for our employees. We consult with our people on a regular basis, achieving a common awareness of the business objectives and the financial and economic factors affecting the performance of the Group. We also recognise success through divisional award programmes such as Star of the Month, our monthly Editorial Excellence Awards and a quarterly High Performance Award.

Diversity is what gives us our creativity. EMAP is committed to employing, developing and promoting individuals from diverse backgrounds and from all sections of society.

Given our diversity, it's important to be flexible in our benefits. MyChoice, our flexible benefits package, is designed to reflect this diversity. We also support individuals and teams in finding the right working patterns to meet the needs of the business while achieving a good work/life balance.

We believe in treating all employees fairly and without discrimination throughout recruitment, induction and development. We want our employees to flourish and succeed, the strength and achievement of our employees is reflected in the growth and success of our brands.

The Group is committed to providing equality of opportunity to all existing and prospective employees without unlawful or unfair discrimination. Full support is given to the employment and advancement of disabled people.

Sustainability

During the period EMAP has reduced the majority of its portfolio of titles to A4 size and in doing so have managed to utilise fewer presses and less variance on paper stock than in previous years.

By consolidating print runs and using the same cover and text stock throughout we are able to print back to back and reduce the amount of 'make ready copies' to one on a single press run – across batches of titles. This reduces the amount of paper wastage that occurs from continually printing just one title at a time. By working with our printers we can reduce wastage on paper, ink and plates and in addition aim to purchase the lowest paper volume necessary in using only one or two grades across all titles and supplements.

EMAP's contracted print suppliers all hold PEFC, FSC Chain of Custody and are 14001 accredited. EMAP is also in the process of applying for a Chain of Custody number which will allow us to publish respected logos within all printed matter purchased from sustainable forests worldwide, confirming that our already sourced sustainable stock for weekly and monthly titles will now be fully recognised.

EMAP also has a programme to actively reduce carbon foot printing. This follows a criteria of mill assessment rated on product grade, energy consumption per tonne and percentage of recycled fibre content from certified forestry sources.

EMAP is committed to working with all nominated suppliers in an aim to achieving the most economical and environmentally friendly way possible to manufacture all printed matter produced and are currently assessing carbon footprints across the portfolio of titles.

Donations

The Group facilitates giving on the part of employees through a matching scheme and a payroll administered Give As You Earn (GAYE) scheme. In the nine month period ended 31 December 2009 the amount donated by the Group in matching contributions was £9,022 (year ended 31 March 2009: £8,800). The Group has not made any political donations during the period under review.

Creditor payment policy

The Group understands the benefits to be derived from maintaining good relationships with its suppliers and accordingly the Group ensures that, wherever possible, its payments to suppliers for goods and services are made in accordance with the suppliers' terms and conditions. For the nine month period ended 31 December 2009 the Group's creditor days were 42 days.

The Company had no material trade creditors during the year.

Corporate responsibility

EMAP has a commitment to play its part as a leading media organisation in creating a fair society that lives within the means of our planet. Driven by our duty to our readers and communities – we will enable our audiences, customers, employees, advertisers and suppliers to build a more sustainable future.

Corporate responsibility

Emap has a commitment to play its part as a leading media organisation in creating a fair society that lives within the means of our planet. Driven by our duty to our readers and communities – we will enable our audiences, customers, employees, advertisers and suppliers to build a more sustainable future. In partnership with GMG we have created a sustainability vision (the Power of 10) with 10 focus points. This will be reported on quarterly at the Emap Board. These are: 1. Audiences and Customers; 2. Governance; 3. Products and Services; 4. Advertising; 5. Environmental Management; 6. Carbon Management; 7. Procurement; 8. Employee Engagement; 9. Embedding sustainability into the workplace; and 10.
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Contractual arrangements

In common with the industry that the Group operates in, numerous small contractual arrangements are entered into in the normal course of business.

Significant contractual relationships include the outsourcing of all IT services to BT, financial processing to Tata Consultancy Services and payroll processing to Northgate Systems Ltd. These relationships are managed actively with services monitored on a regular basis against agreed KPIs and deliverables.

Our events based businesses have contractual arrangements with venue providers which are essential to our business. Insurance is held to cover the Group against loss of profits should these venues become unavailable.

Going concern

GMG B2B Limited and Eden Debtco 2 Sarl, companies controlled by the shareholders of the company acquired £150m of the mezzanine debt during March and April 2010. As part of their on-going support for the Group, on 31 March 2010, £30m of this mezzanine debt was unilaterally released.

The directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

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 Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company 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 Group and the Company and of the profit or loss of the Group 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 IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively;

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Shanny Looi

S Looi
Company Secretary
22 April 2010

Registered Number: 435820

EMAP International Limited

Independent auditors' report to the members of EMAP International Limited

We have audited the Group financial statements of EMAP International Limited for the period ended 31 December 2009 which comprise the consolidated income statement, Consolidated statement of comprehensive income, Consolidated cash flow statement, Consolidated balance sheet and Consolidated statement of changes in equity. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 12, 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 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of 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 circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements

Opinion on financial statements
In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2009 and of its profit and cash flows for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group financial statements are prepared is consistent with the Group 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 accounts records or 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.

Other matter
We have reported separately on the parent company financial statements of EMAP International Limited for the period ended 31 December 2009.

ARK.

Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
26 April 2010

EMAP International Limited

Consolidated income statement for the nine month period ended 31 December 2009

	Notes	**Nine month period ended 31/12/09 Before exceptional items**	**Nine month period ended 31/12/09 Exceptional items and amortisation and impairment of intangible assets**	**Nine month period ended 31/12/2009**	Year ended 31/03/09 Before exceptional items	Year ended 31/03/09 Exceptional items and amortisation and impairment of intangible assets	Year ended 31/03/2009
				Total			Total
		£'m	**£'m**	**£'m**	£'m	£'m	£'m
Continuing operations							
Revenue	*2*	**164**	-	164	282	-	282
Cost of sales	*3,4*	**(31)**	-	(31)	(71)	-	(71)
Distribution costs	*3,4*	**(3)**	-	(3)	(10)	-	(10)
Administrative expenses	*3,4*	**(72)**	(32)	(104)	(107)	(60)	(167)
Operating profit / (loss)		**58**	(32)	26	94	(60)	34
Finance costs	*6*	**(2)**		(2)	(3)	-	(3)
Finance income	*6*	**1**		1	3	-	3
Profit / (loss) before taxation		**57**	(32)	25	94	(60)	34
Taxation	*7*			1			(48)
Profit/(loss) for the period from continuing operations				26			(14)
Profit for the period from discontinued operations	*14*			-			1
Retained profit / (loss) for the period				**26**			(13)
Attributable to:							
Equity holders of the parent	*28*			26			(13)
Minority interests				-			-
				26			(13)

There are no material differences between the results as disclosed in the income statement and the results on an historical cost basis.

The notes on pages 19 to 50 form part of these financial statements.

EMAP International Limited

Consolidated statement of comprehensive income at 31 December 2009

	Notes	31/12/09 £'m	31/03/09 £'m
Profit / (loss) for the period		**26**	(13)
Other comprehensive income:			
Foreign exchange translation differences	*27, 28*	**(5)**	15
Net income recognised directly in equity		**(5)**	15
Total recognised income and expense for the period		**21**	2
Attributable to:			
Equity holders of the parent		**21**	2

EMAP International Limited

Consolidated cash flow statement for the nine month period ended 31 December 2009

	Notes	**Nine month period ended 31/12/09 £'m**	Year ended 31/03/09 £'m
Cash flow from operating activities			
Cash generated from operations	*8*	**41**	25
Interest paid		**(1)**	(5)
Interest received		**1**	1
Tax received / (paid)		**24**	(2)
Net cash generated from operating activities		**65**	19
Cash flow from investing activities			
Acquisition of subsidiary undertakings, net of cash	*30*	**(1)**	-
Purchase of property, plant and equipment and computer software		**(5)**	(3)
Purchase of other intangible assets		**(2)**	-
Loan to employee benefit trust and senior management	*15*	**(2)**	
Settlement of claim on historic disposal	*8*	**(10)**	-
Disposal of businesses	*14*	**-**	5
Costs of business disposals		**-**	(3)
Net cash generated from / (used in) investing activities		**(20)**	(1)
Cash flows from financing activities			
Issue of preference shares	*26*	**244**	-
Proceeds of loan from parent undertaking		**-**	165
Repayment of loan from parent undertaking		**(149)**	(56)
Loan to parent undertaking		**(130)**	-
Repayment of Sterling Eurobond		**-**	(250)
Repayment of loan notes		**-**	(9)
Gain / (loss) on rollover of foreign currency swaps		**-**	1
Net cash used in financing activities		**(35)**	(149)
Net increase / (decrease) in cash and cash equivalents		**10**	(131)
Cash and cash equivalents at the beginning of the year	*19,22*	**35**	164
Exchange gains on cash and bank overdrafts		**(1)**	2
Cash and cash equivalents at the end of the year	*19,22*	**44**	35
Attributable to:			
Continuing operations		**44**	35

EMAP International Limited

Consolidated balance sheet at 31 December 2009

	Notes	31/12/09 £'m	31/03/09 £'m
Assets			
Non-current assets			
Intangible fixed assets	*11*	**362**	377
Property, plant and equipment	*12*	**9**	8
Investments in joint ventures and associates	*13*	**-**	1
Long term receivables	*15*	**2**	-
Deferred tax assets	*25*	**2**	7
		375	393
Current assets			
Inventories	*16*	**13**	3
Trade and other receivables	*17*	**175**	53
Current tax recoverable		**2**	3
Cash and cash equivalents	*19*	**44**	35
		234	94
Liabilities			
Current liabilities			
Trade and other payables	*20*	**129**	261
Current tax liabilities		**5**	5
Provisions	*24*	**3**	10
		137	276
Non-current liabilities			
Deferred tax liabilities	*25*	**27**	31
Other non-current liabilities	*23*	**1**	1
Preference shares	*26*	**244**	-
Provisions	*24*	**2**	2
		274	34
Net assets		**198**	177
Shareholders' funds			
Capital and reserves			
Called up share capital	*26*	**66**	66
Share premium account	*26*	**327**	327
Capital redemption reserve	*26*	**285**	285
Other reserves	*27*	**15**	20
Profit and loss account	*28*	**(495)**	(521)
Equity shareholders' funds		**198**	177

The financial statements were approved by the Board of Directors on 22 April 2010 and were signed on its behalf by

David Gilbertson, Director

Martyn Hindley, Director

EMAP International Limited

Consolidated statement of changes in equity at 31 December 2009

	Called up share capital £'m	Share premium account £'m	Capital redemption reserve £'m	Other reserves £'m	Profit and loss reserves £'m	Total £'m
At 1 April 2008	65	321	277	5	(508)	**160**
Exercise of share option	1	-	-	-	-	**1**
Premium on share issue	-	6	-	-	-	**6**
Redemption of B shares	-	-	8	-	-	**8**
Exchange Differences arising on translation of foreign operations	-	-	-	15	-	**15**
Loss for the year attributable to equity holders of the parent	-	-	-	-	(13)	**(13)**
At 1 April 2009	66	327	285	20	(521)	**177**
Exchange differences arising on translation of foreign operations	-	-	-	(5)	-	**(5)**
Profit for the period attributable to equity holders of the parent	-	-	-	-	26	**26**
At 31 December 2009	**66**	**327**	**285**	**15**	**(495)**	**198**

1. Principal accounting policies

Authorisation of financial statements

The financial statements of the Group for the period ended 31 December 2009 were authorised for issue by the Board of Directors on 22 April 2010 and the balance sheet was signed on the Board's behalf by David Gilbertson and Martyn Hindley.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee's (IFRIC) interpretations as adopted by the European Union (EU) applicable at 31 December 2009, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These accounts have been prepared under the going concern principle.

For the nine month period ended 31 December 2009, the Group adopted IFRIC 16 'Hedges of a net investment in a foreign operation' which was not mandatory for this accounting period. IFRIC 16 clarifies the following in respect of net investment hedging: net investment hedging relates to differences in functional currency, not presentation currency, hedging instruments may be held anywhere in the Group and the requirements of IAS 21 'The effects of changes in foreign exchange rates', do apply to the hedged item. This interpretation does not have an impact on the Group's financial statements.

The Group has adopted IAS 1 (revised) 'Presentation of financial statements'. As a result, the Group presents in the Consolidated statement of changes in equity, all owner changes in equity, whereas all non-owner changes in equity are presented in the Consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard.

IFRS 7 'Financial instruments – Disclosures' (amendment) is effective for the period. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

IFRS 3 (revised), 'Business combinations' was adopted early by the Group and has been applied prospectively from 1 April 2009. The impact of adopting IFRS 3 (Business Combinations) is not material to the Group's financial statements but has resulted in costs incurred on acquisitions being expensed.

The following revisions and interpretations are effective for this accounting period but are not considered to be relevant to the Group's current activities and operations:

- IAS 23 (Amendment) 'Borrowing costs'
- IAS 31 (Amendment) 'Interests in joint ventures'
- IAS 32 (Amendment) 'Financial instruments: Presentation'
- IFRIC 12 'Service concession arrangements'
- IFRIC 13 'Customer loyalty programmes'
- IFRIC 14 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'
- IFRIC 15 ''Agreements for construction of real estates''

The Group has not yet adopted the following standards and interpretations that are not yet effective:

- IAS 36 (Amendment) 'Impairment of assets'
- IAS 38 (Amendment) 'Intangible assets'
- IAS 39 (Amendment) 'Financial instruments: Recognition and measurement'

The following standards and interpretations are not yet effective and are not considered to be relevant to the Group's current activities and operations:

- IFRS 1 (Amendment) & IAS 27 'First time adoption of IFRS' and 'Consolidated and separate financial statements'
- IFRS 2 (Amendment) 'Share-based payment'
- IFRS 5 (Amendment) 'Non-current assets held-for-sale and discontinued operations'
- IFRS 8 'Operating segments'
- IAS 1 (Amendment) 'Presentation of financial statements'
- IAS 7 (Amendment) 'Cash flow statements': Classification of expenditures on unrecognised assets
- Amendment to IAS 32 'Financial instruments' - Presentation on classification of rights issues
- IAS 27 (Revised) 'Consolidated and separate financial statements'
- IAS 27 (Amendment) 'Consolidated and separate financial statements'
- IAS 28 (Amendment) 'Investments in associates'
- IAS 29 (Amendment) 'Financial reporting in hyperinflationary economies'

- IAS 39 'Eligible hedged items'
- IFRIC 9 'Reassessment of embedded derivatives and IAS 39, 'Financial instruments: Recognition and measurement – embedded derivatives (amendments)
- IFRIC 17 'Distribution of non-cash assets to owners'
- IFRIC 18 'Transfer of assets from customers'

The amendments above have arisen as a result of the IASB's annual improvements project published in May 2008, and have not yet been EU endorsed, and will not be applicable to the Group until next year at the earliest. There are a number of other minor amendments published by the IASB's annual improvements that will not have an impact on the Group's operations.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the fair value revaluation of derivatives. Accounting policies have been applied consistently to both years presented.

The following summarises the principal accounting policies adopted by the directors, which have been adopted consistently.

a) Basis of consolidation

The Group financial statements consolidate the accounts of the Company and its subsidiary undertakings for the period ended 31 December 2009. A subsidiary is an entity (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than 50% of the voting rights. The results of each subsidiary are included from the date that control transferred to the Group and are adjusted to align accounting policies with the Group's accounting policies. Subsidiaries are no longer consolidated from the date that control ceases. All intercompany balances and transactions are eliminated in full.

Acquisitions are accounted for using the purchase method of accounting. The cost of an acquisition is the cash paid together with the fair value of other assets given, equity instruments issued and liabilities incurred or assumed. Costs directly attributable to the acquisition have been expensed as exceptional items. Under historic accounting standards acquisition costs were capitalised within cost of acquisition. The impact of the change is not material to the financial statements. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition, irrespective of the extent of any minority interest. Independent expert valuers are used to ascertain the fair values of acquired intangible assets if material. The excess of the cost of acquisition over the fair value of net assets assumed is recorded as goodwill.

Minority interests represent the portion of profit or loss and net assets in subsidiaries that are not held by the Group.

b) Investments in associates and joint ventures

An associate is an entity over which the Group is in a position to exercise significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. A joint venture is an entity over which the Group exercises joint control, usually through a contractual arrangement. The Group's investments in associates and joint ventures are recognised using the equity method of accounting.

Investments in associates and joint ventures are initially recognised at cost and thereafter are carried in the balance sheet at cost less any impairment in value, and include the carrying value of related goodwill and the Group's share of changes in the associate or joint venture's net assets since acquisition. The income statement reflects the Group's share of an associate or joint venture's profit after tax. Where the Group's share of losses in an associate or joint venture exceeds its investment, the Group ceases to recognise further losses unless an obligation exists for the Group to fund the losses. Where a change in net assets has been recognised directly in the associate or joint venture's equity, the Group recognises its share of those changes in the statement of changes in equity when applicable.

Adjustments are made to align the accounting policies of the associate or joint venture with the Group's and to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its associates and joint ventures.

c) Investments

Investments are held at cost less provision for impairment.

d) Intangible fixed assets

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible decline in the carrying value.

Impairment is determined by comparing the recoverable amount of the cash-generating unit or group of cash-generating units which are expected to benefit from the acquisition in which the goodwill arose, to the carrying value of the goodwill. The recoverable amount is the greater of an asset's value in use and its fair value less costs to sell. Value in use is calculated by discounting the future cash flows expected to be derived from the asset or group of assets in a cash-generating unit at the Group's cost of capital, adjusted for risk in a specific market if relevant. Where the recoverable amount is less than the carrying value, the goodwill is considered impaired and is written down through the income statement to its recoverable amount.

Intangible assets acquired as part of a business acquisition are capitalised at fair value at the date of acquisition. Intangible assets purchased separately are capitalised at cost. After initial recognition, all intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible fixed assets which have been assigned a finite life are amortised and tested for impairment if events or changes in circumstances indicate that the carrying value may have declined. This is done on a similar basis to the testing of goodwill, either for individual assets or at the level of a cash-generating unit. Useful lives are examined every year and adjustments are made, where applicable, on a prospective basis.

Amortisation is charged on assets with finite lives on a systematic basis over the asset's useful life, which in all cases is a maximum period of 20 years.

Where an intangible asset has been assigned an indefinite useful life, it is not amortised and is reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible decline in the carrying value.

Purchase of software or direct costs relating to internal development of software are capitalised and amortised over their anticipated useful lives.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated in such a way as to write-off the cost of an asset, less its residual value, on a straight-line basis over its estimated useful life – as follows:

- Short leasehold property – over the period of the lease to a maximum of 50 years; and
- Office equipment and vehicles – one to 15 years

Estimated useful lives and residual values are reviewed at each balance sheet date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate these values may not be recoverable. If there is an indication that impairment does exist the carrying values are compared to the estimated recoverable amounts of the assets concerned. The recoverable amount is the greater of an asset's value in use and its fair value less the cost of selling it. Value in use is calculated by discounting the future cash flows expected to be derived from the asset. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement.

An item of property, plant or equipment is written off either on disposal or when there is no expected future economic benefit from its continued use. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the income statement in the year the item is de-recognised.

f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents purchase cost, including attributable overheads, and is determined using a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Prepaid costs relating to exhibitions are deferred within inventories at the lower of cost or net realisable value. These costs are charged to the income statement when the exhibition takes place.

g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Specific provisions are made and charged to the income statement when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Collective provisions are made based on estimated losses inherent within receivables, based on the overall level of receivables past due. These provisions are developed over time based on the review of aged debt, the type of debt and experience.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the income statement.

h) Cash and cash equivalents

Cash and cash equivalents includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents are as defined, net of outstanding bank overdrafts.

i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Where borrowings are designated in an effective fair value hedge relationship which qualifies for hedge accounting treatment, the hedged portion of the borrowing is revalued to fair value with all gains and losses taken to the income statement to offset against the gains and losses on the hedging instrument. Hedge accounting is adopted where derivatives such as ‘fixed to floating’ interest rate swaps are held as fair value hedges against fixed interest rate borrowings. For hedge accounting treatment to apply, the hedge must be fully documented and be highly effective.

j) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised only when it is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the time value of money has a material effect on quantifying the provision, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance charge.

k) Preference shares

Preference shares are recorded at the fair value of the consideration received on their issue. Preference shares with fixed rights to the participation in the profits of the Company are recorded within borrowings and the related preference dividends within finance charges.

l) Dividends

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the Company’s shareholders or, in the case of an interim dividend, in the period in which it is paid. Distributions to shareholders are not recognised in the income statement, but are disclosed as a component of the movement in shareholders’ equity.

m) Foreign currency translation

The functional and presentation currency of EMAP International Limited is Sterling (£). The functional currency of subsidiaries, associates and joint ventures is the currency of the primary economic environment in which they operate.

Transactions in foreign currencies are initially recorded at the functional currency rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange in force at the balance sheet date. All differences are taken to the income statement except for those on foreign currency borrowings that provide a hedge against an investment in a foreign entity. These are taken directly to equity until the disposal of the investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in force at the date of the initial transaction.

As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into Sterling at the rate of exchange applicable at the balance sheet date and their income statements are translated at the average exchange rates for the year. The exchange differences arising from the retranslation of foreign operations are taken directly to a separate component of equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

n) Leases

Leases where most of the risks and benefits of owning the asset remain with the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The benefit of any lease incentives is recognised as a reduction in rental expense on a straight-line basis over the life of the lease.

o) Revenue

Revenue for goods sold is recognised when the significant risks and rewards of ownership have been transferred to a third party, or for services provided, at the point when it is probable that the economic benefits will flow to the Group and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, net of discounts, customs duties and sales taxes. Revenue is only recognised for barter transactions which are considered dissimilar to each other in nature, and a corresponding amount is included in operating costs.
The following recognition criteria also apply in specific cases:

Exhibition income is recognised when the event has taken place. Information product subscription revenues are recognised in the income statement evenly over the life of the subscription. All advertising revenue and pre-sold circulation revenue for directories are recognised on the date of publication.

Magazine newsstand circulation and advertising revenue are recognised according to the on-sale date of the publication. A provision is deducted from circulation revenue for expected returns, and is adjusted for actual returns when this is known.

Pre-paid subscription revenues are shown as deferred income and released to the income statement over the life of the subscription.

Income from licensing magazine brands to third party publishers is recognised on an accruals basis and is included in revenue.

p) Finance costs and income

Finance costs are recognised on an effective yield basis. Finance income is recognised on the accruals basis.

q) Pension and other post-employment benefits

The Group operated a defined contribution pension scheme during the year. For the defined contribution scheme, contributions payable are charged to the income statement and included in staff costs as an operating expense as incurred.

r) Income tax

Income tax on the profit or loss for the period comprises current tax and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is tax payable based on taxable profits for the period, using tax rates that have been enacted or substantively enacted at the balance sheet date along with any adjustment relating to tax payable in previous periods. Taxable profit differs from net profit in the income statement in that income or expense items that are taxable or deductible in other years are excluded – as are items that are never taxable or deductible. Current tax assets relate to payments on account not offset against current tax liabilities.
Using the liability method, deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are not provided for the following temporary differences:

- goodwill that is not deductible for tax purposes; and
- the initial recognition of assets or liabilities in a transaction that is not a business combination and which affect neither accounting nor taxable profit.

Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. The deferred tax assets and liabilities are not offset when they relate to different countries.

s) Derivatives and other financial instruments

Derivatives, including currency options and swaps, forward exchange contracts and swaps, and interest rate swaps are initially recognised and subsequently measured at fair value. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item has a maturity of less than 12 months. Derivatives that do not qualify for hedge accounting are classified as a current asset or liability. The fair value is determined by using market data and the use of established estimation techniques such as discounted cashflow and option valuation models.

The Group may designate certain of its derivative instruments as hedges of investments in foreign operations (net investment hedges). Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as net investment hedges is recognised in equity. To qualify for hedge accounting treatment, the hedging relationship must be expected to be effective and be designated and documented at its inception. Gains and losses accumulated in equity are included in the income statement when the corresponding foreign operation is disposed of. Gains or losses relating to the ineffective portion are recognised immediately in finance income or finance costs in the consolidated income statement.

Derivatives which are not designated as hedging instruments or do not meet the criteria for hedge accounting are measured at fair value. Movements in their fair value are recognised in the consolidated income statement immediately.

The Group undertakes cash flow hedging for certain currency profit flows. Any foreign exchange differences arising on these cash flows hedges are recognised through equity until the hedged items are recognised.

Available for sale financial assets include investments in other entities which do not qualify for treatment as a subsidiary, associate or joint venture, over which the Group has no ability to exercise influence, and money-market deposits with no fixed maturity date. These are initially recognised at fair value, and measured at fair value thereafter, with changes in fair value being taken to equity until the asset is sold, at which time any gains or losses previously recognised in equity are included in any profit or loss on sale. Where an active market for the asset does not exist, after initial recognition at fair value, it is measured at cost. They are included in non-current assets unless the Group intends to dispose of the asset within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sells the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment testing of trade receivables is described in Note 1g.

t) Exceptional items, amortisation and impairment

Exceptional items and amortisation and impairment of intangible assets (other than software) are excluded from underlying results in order to provide a better understanding of the trading performance of the Group. The Group defines exceptional items as those which derive either from events or transactions that it considers fall outside the ordinary activities of the Group, or from events or transactions that in aggregate need to be disclosed separately by virtue of their size or incidence if the financial statements are to give a true and fair view. Examples of events or transactions that may be classified as exceptional items include: restructuring and reorganisation of businesses; , property, plant and equipment and investments; substantial asset disposals including disposal of investments and business operations; settlement of material claims and refinancing.

u) Share based payments

The cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the employees become fully entitled to the award. Fair value is determined using an IFRS compliant pricing model.

'Good leavers' and 'Bad leavers'. A Bad Leaver is an employee who leaves the Group by voluntarily resigning or constructive dismissal. All other leavers are Good Leavers.

Bad Leavers are entitled to a cash payment. Provision is made for the cash to which Bad Leavers are entitled.

The Group provides for the expected cost of Good Leavers which are settled in cash by estimating at each balance sheet date the likely amount of Good Leavers at the date that vesting conditions are met. A provision is created on the balance sheet and a corresponding charge is made to the income statement. The actual cost of Good Leavers in the period is charged against the provision brought forward.

v) Discontinued operations and assets held for sale

Where the Group expects to recover the carrying amount of a group of assets through a sale transaction rather than through continuing use, and a sale is considered to be highly probable at the balance sheet date, the assets are classified as held for sale and measured at the lower of cost and fair value less costs to sell.

IFRS 5 "Non-current assets held for sale and discontinued operations" defines a discontinued operation as a component of an entity that either has been disposed of, or that is classified as held for sale, and:

(i) represents a separate major line of business or geographical area of operations;

(ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or;

(iii) is a subsidiary acquired exclusively with a view to resale.

If the group of assets falls within this definition it is classified as a discontinued operation. The results of discontinued operations are presented separately in the profit and loss account and the assets associated with these operations are included within non-current assets held for sale in the balance sheet.

No depreciation or amortisation is charged in respect of non-current assets classified as held for sale.

Critical accounting assumptions and judgements

The preparation of accounts under IFRS requires the use of certain critical accounting assumptions, and requires management to exercise its judgement and to make estimates in the process of applying the Group's accounting policies. The areas requiring a higher degree of judgement, or areas where assumptions and estimates are significant to the consolidated financial statements are discussed below.

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

b) Intangible fixed assets

The Group uses forecast cash flow information and estimates of future growth to both value the intangible assets and goodwill on acquisition and to assess whether goodwill and intangible assets are impaired, and to determine the useful economic lives of its intangible assets. If the results of operations in a future period are adverse to the estimates used for impairment testing, an impairment may be triggered at that point, or a reduction in useful economic life may be required.

c) Taxation

The Group is primarily subject to Corporation tax in the UK and the US, and judgement and estimates of future profitability are required to determine the Group's deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the income statement, unless the tax relates to an item charged to equity in which case the changes in tax estimates will also be reflected in equity.

2. Revenue

The revenue analysis in the table below is based on the location of the customer which is not materially different from the location where the order is received and where the assets are located. All revenue in the period to 31 December 2009 is from continuing operations.

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Cost		
United Kingdom and Republic of Ireland	**140**	249
Rest of the World	**24**	33
Total	**164**	282

An analysis of the Group's revenue by category, all from continuing operations, is as follows:

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Sale of goods	**70**	91
Rendering of services	**94**	191
	164	282

Rendering of services includes barter revenue arising from the exchange of goods or services of £1m (year ended 31 March 2009: £1m).

3. Operating costs by function

An analysis of the Group's costs before exceptional items, amortisation and impairment of intangible assets, all for continuing operations, is as follows:

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Cost of sales	**31**	71
Distribution costs	**3**	10
Administrative expenses	**72**	107
Total	**106**	188

Total operating costs include the £106m costs (year ended 31 March 2009: £188m) outlined above, together with £32m of exceptional items, amortisation and impairment (year ended 31 March 2009: £60m) which are considered wholly administrative expenses (see Note 4). These include the amortisation of intangible fixed assets, the impairment of intangible fixed assets, profits or losses on business disposals, restructuring, post-acquisition reorganisation costs and settlement of material claims. Restructuring and reorganisation costs include the costs of vacant properties, redundancies and related consultancy costs.

4. Operating costs by nature

Operating expenses for continuing operations comprise:

	Notes	**Nine month period ended 31/12/09 £'m**	Year ended 31/03/09 £'m
Staff costs	*29*	**43**	70
Depreciation of property, plant and equipment	*12*	**2**	3
Amortisation of capitalised software		**-**	1
Utilisation of inventory		**1**	2
Operating lease rentals		**6**	7
Other		**54**	105
Costs before exceptional items, amortisation and impairment of intangibles		**106**	188
Amortisation of intangible fixed assets	*11*	**14**	18
Impairment of intangible fixed assets	*11*	**-**	13
Exceptional items			
- Outsourcing costs		**4**	11
- Redundancy costs		**3**	7
- Loss of sale of fixed assets		**-**	2
- Other restructuring		**-**	7
- Settlement of claim on historic subsidiary disposal		**7**	-
- Impairment of investment		**1**	-
- Other		**3**	2
Total		**138**	248

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Fees paid to auditors for audit of the consolidated accounts	**0.2**	0.2
Fees paid to auditors for audit of the Group's subsidiaries	**0.2**	0.3
Fees paid to auditors for taxation services	**0.5**	0.2
Total	**0.9**	0.7

5. Net foreign exchange gains

Exchange losses of £2m (year ending 31 March 2009: £5m) in relation to trading activities have been debited to administrative expenses in the income statement.

6. Finance costs and finance income

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Interest expense on loan from parent undertaking	**(1)**	(3)
Preference share dividends	**(1)**	-
Finance costs	**(2)**	(3)
Interest income on foreign exchange contracts	**-**	1
Interest income on short term deposits	**1**	2
Finance income	**1**	3

7. Tax on profit on ordinary activities

The tax charged in the Consolidated income statement for continuing operations is analysed as follows:

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
UK Corporation tax		
Current tax on income for the period at 28%	**11**	36
Adjustments in respect of prior periods	**(13)**	5
	(2)	41
Foreign tax		
Current tax on income for the period	**-**	2
Adjustments in respect of prior periods	**-**	(1)
Total current tax	**(2)**	42
Deferred tax – movement in the period		
Current period	**1**	3
Adjustments in respect of prior periods	**-**	3
Total tax (credit) / charge	**(1)**	48

Tax on items charged to equity	**Nine month period ended 31/12/09 £'m**	Year ended 31/03/09 £'m
Corporation tax: foreign exchange hedging and financial instruments taken to reserves	**1**	-
Deferred tax: foreign exchange gain on intangible assets taken to reserves	**(1)**	-
Total	**-**	-

The tax impact of the loss on exceptional items, amortisation and impairment of intangible assets of £32m (year ended 31 March 2009: loss of £60m) is a tax credit of £7m (year ended 31 March 2009: tax credit of £15m).

The difference between tax as charged in the financial statements and tax at the UK standard rate is explained below:

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Total charge to tax as shown in the financial statements	**(1)**	48
Profit before tax, multiplied by the UK standard rate of 28%	**7**	10
Difference	**(8)**	38
The difference is principally due to:		
Intangible assets: non-deductible amortisation	**3**	5
Intangible assets: release of deferred liability	**(3)**	(7)
Intangible assets: non-deductible impairment of goodwill	**-**	4
P&L: non deductible / taxable expenses / income	**2**	-
P&L: current year tax losses unutilised and unprovided	**5**	-
P&L: current year unprovided deferred tax	**(2)**	23
Brought forward deferred tax written off as a current year item	**-**	6
P&L: prior period items	**(13)**	7
	(8)	38

8. Reconciliation of profit on ordinary activities before taxation to net cash inflow from operating activities

	Notes	**31/12/09 £'m**	31/03/09 £'m
Profit on ordinary activities before tax			
- Continuing operations		**25**	34
- Discontinued operations	*14*	**-**	1
Profit on ordinary activities before tax – Group Total		**25**	35
Adjustments for:			
Amortisation of intangible fixed assets	*11*	**14**	19
Impairment of intangible fixed assets	*11*	**-**	13
Impairment of investment	*13*	**1**	-
Depreciation of tangible fixed assets	*12*	**2**	3
Loss on sale of fixed assets		**-**	2
Settlement of claim on historic subsidiary disposal (gross of £3m accrual)	*4*	**10**	-
Finance costs	*6*	**2**	3
Finance income	*6*	**(1)**	(3)
(Increase) in inventories	*16*	**(10)**	(3)
Decrease in receivables	*17*	**9**	58
(Decrease) in payables	*20*	**-**	(105)
(Decrease) / increase in provisions	*24*	**(6)**	1
Other working capital movements		**(5)**	2
Net cash inflow from operating activities		**41**	25

9. Financial instruments

a) Financial instruments: categories

	31/12/09 Loan and receivables £'m	31/03/09 Loan and receivables £'m	**31/12/09 Other financial liabilities £'m**	31/03/09 Other financial liabilities £'m
Financial assets				
Trade and other receivables	**177**	52	**-**	-
Cash and cash equivalents	**44**	35	**-**	-
Total	**221**	87	**-**	-
Financial liabilities				
Trade and other payables	**-**	-	**44**	184

The fair values of each category of the Group's financial instruments approximates their carrying value in the Group's balance sheet.

b) Derivative financial instruments

The Group had no derivative financial instruments included in current assets and liabilities as at 31 December 2009 (year ended 31 March 2009: £nil).

Foreign exchange swaps - net investment hedge
During the year ended 31 March 2008 the Group had Indian Rupee non-deliverable forward contracts which were used as a hedge of the Group's investment in Next Gen Publishing Ltd prior to its disposal in the year ended 31 March 2009. Fair value gains of £nil (year ended 31 March 2009: £nil) have been recognised in the net investment hedge reserve in equity from foreign exchange swaps and forward foreign exchange contracts held throughout the period in a net investment hedge.

Foreign exchange swaps - non-qualifying hedge
During the period the Group had Euro and US Dollar foreign currency swaps and forward contracts which were used to provide economic hedges against interest payments in those currencies on debt. Euro and US Dollar amounts remitted by Euro and US Dollar denominated subsidiary companies were swapped forward to relevant interest payment dates. Fair value movements have been recognised in the income statement. At 31 December 2009 the Group had no contracts outstanding (year ended 31 March 2009: nominal value of outstanding contracts was £1m).

Forward foreign exchange contracts - cash flow hedges
During the period forward contracts were used as a hedge against highly probable future foreign exchange receipts of the Cannes Lions business. Cash flow hedge accounting as been applied to these contracts and as such all fair value movements were recognised in the cash flow hedge reserve until settlement at which point the realised gain was recognised in the profit and loss account. At 31 December 2009 the Group had no outstanding contracts (year ended 31 March 2009: Euro contracts with a nominal value of £12m).

Foreign exchange swaps - cash flow hedges
Forward foreign exchange contracts were used to hedge the sale proceeds of Uppercase Media (Pty) Ltd in the year ended 31 March 2008. Fair Value movements were initially recognised in the cashflow hedge reserve. On the sale of Uppercase Media during the year ended 31 March 2009 the amounts in the reserve were recycled to the income statement to be recognised together with the profit on disposal.

At the balance sheet date, the total notional amount of outstanding forward foreign exchange contracts to which the Group is committed are as follows:

	31/12/09 £'m	31/03/09 £'m
Foreign exchange swaps used as a hedge of monetary items	**-**	(1)
Forward foreign exchange contracts used as cashflow hedges	**-**	(12)
Total	**-**	(13)

The fair value of the foreign exchange contracts in this table is £nil (year ended 31 March 2009: £nil).

10. Financial risk factors

a) Market risk

i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Near term foreign exchange risk arises as a result of the surplus or deficit in currency that is created when operational currency flows are netted with interest and finance changes in those same currencies. EMAP's policy is to hedge only the net cashflow and to do so by use of forward foreign exchange contracts as appropriate. Treasury policy is to review currency exposures on a rolling twelve month basis based upon information provided by the divisions with those operating exposures and to cover whatever it considers to be material exposures.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. From 31 March 2008, the Group adopted a policy of seeking to match the currency operating revenues with interest flows in those currencies and setting a level of foreign currency denominated debt accordingly. This will mean that the foreign currency liability in the accounts of the Group will not be the same as the accounting valuation of the underlying asset.

b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. The maximum exposure to credit risk at the reporting date is the fair value of the financial assets in the balance sheet as disclosed in Note 9a.

i) Treasury related credit risk

Counterparty risk arises from the investment of surplus funds and from the use of derivative instruments. The level of risk is evaluated by reference to corporate credit ratings as ascertained by Standard & Poor's and Moodys corporations. EMAP's policy is to limit the exposure to organisations that have a credit rating of at least BBB-, with different limits depending on credit quality. As at 31 December 2009 the following limits were in place for investments held with banks and financial institutions:

	31/12/09		31/03/2009	
Counterparty	**Credit limit £'m**	**Utilised £'m**	Credit limit £'m	Utilised £'m
Institutions rated AA or better	**50**	**12**	50	12
Institutions rated A or better but less than AA	**51**	**32**	101	23
	101	**44**	151	35

In accordance with the Group's treasury policies and exposure management practices, counterparty credit exposure limits are continually monitored and no individual exposure is considered significant in the ordinary course of treasury management activity. Management does not expect any significant losses from non-performance by these counterparties.

ii) Trading risk

Risk arises principally from payment default by customers. The general policy of the Group is not to risk assess all new customers and so retail credit risk information has not been included in these financial statements. Management does not, however, expect any significant losses of receivables that have not been provided for as shown in Note 16.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity in the form of sufficient cash or funding from adequate credit facilities to meet such liabilities under both normal and stressed conditions.

The following is an analysis of the contractual undiscounted cash flows payable under financial and derivative assets and liabilities as at the balance sheet date:

	Less than one month £'m	Between one and three months £'m	Between three and twelve months £'m	In one to two years £'m	In two to five years £'m	In more than five years £'m
Non derivative financial liabilities						
Trade and other payables	44	-	-	-	-	-
At 31 December 2009	**44**	**-**	**-**	**-**	**-**	**-**
Non derivative financial liabilities						
Trade and other payables	159	-	-	-	-	-
Derivative financial liabilities						
Derivative contracts – receipts	(3)	(8)	-	-	-	-
Derivative contracts – payments	3	8	-	-	-	-
At 31 March 2009	**159**	**-**	**-**	**-**	**-**	**-**

d) Sensitivity analysis

Financial instruments affected by market risk include deposits and derivative financial instruments. The following analysis, required by IFRS 7, is intended to illustrate the sensitivity to changes in market variables, being the UK interest rate, and the Euro to Sterling and USD to Sterling exchange rates, on the Group's financial instruments.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives portfolio and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2009 and 31 March 2009, respectively. As a consequence, this sensitivity analysis relates to the positions at those dates and not through the course of the years then ended, as the composition of the relative ratios and proportions varied within those periods.
The following assumptions were made in calculating the sensitivity analysis:

(1) The balance sheet sensitivity to interest rates relates only to derivative financial instruments, as debt and other deposits are carried at amortised cost and so their carrying value does not change as interest rates move.

(2) The sensitivity of accrued interest to movements in interest rates is calculated on net floating rate exposures on deposits and derivative instruments.

(3) Changes in the carrying value of derivative financial instruments designated as net investment hedges from movements in interest rates are recorded in the income statement. The impact of movements in the US dollar to Sterling and Euro to Sterling exchange rates is recorded directly in equity. The impact on equity is netted by a corresponding credit / charge resulting from the translation of the hedged net investment.

(4) Changes in the carrying value of derivative financial instruments not in hedging relationships only affect the income statement. The foreign exchange revaluation credit or charge on monetary assets is netted with the corresponding impact of revaluing monetary asset hedges.

(5) Debt with a maturity below one year is floating rate for the accrued interest part of the calculation.

(6) The floating leg of any swap or any floating-rate debt is treated as not having any interest rate already set, therefore a change in interest rates affects a full 12 month period for the accrued interest portion of the sensitivity calculations.

(7) Trade receivables and trade payables are included in the calculation of sensitivity to foreign exchange movements where foreign denominated amounts are recorded in an entity's ledger when those currencies are not the functional currency of that entity. Trade receivables, payables and finance leases are not considered sufficiently material to warrant inclusion in the interest rate sensitivity calculations.

Using the above assumptions, the following table shows the illustrative effect on the income statement and items that are recognised directly in equity that would result from reasonably possible movements in the UK interest rate, the Sterling to Euro exchange rate and the Sterling to US Dollar exchange rate before the effects of tax.

	31 December 2009		31 March 2009	
	Income statement	**Equity**	Income statement	Equity
	Gain/(loss) £'m	**Gain/(loss) £'m**	Gain/(loss) £'m	Gain/(loss) £'m
UK interest rate + 0.5%	**1**	**-**	-	-
GBP 10% weaker against Euro	**1**	**-**	(1)	1-
GBP 10% stronger against Euro	**(1)**	**-**	1	(1)
GBP 10% weaker against USD	**1**	**2**	(2)	(2)
GBP 10% stronger against USD	**(1)**	**(2)**	1	1

11. Intangible fixed assets

	Goodwill	Publishing rights, titles & exhibitions	Brand Value	Customer Relationships & Databases	Computer software	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Cost						
At 1 April 2008	304	213	67	72	10	666
Exchange movements	18	(1)	1	1	-	19
Additions	-	-	-	-	1	1
Disposals	-	-	-	-	(1)	(1)
At 1 April 2009	322	212	68	73	10	**685**
Additions	1	-	-	2	2	**5**
Exchange movements	(6)	-	-	-	-	(6)
At 31 December 2009	**317**	**212**	**68**	**75**	**12**	**684**
Amortisation / impairment						
At 1 April 2008	(63)	(183)	(3)	(18)	(7)	(274)
Exchange movements	(1)	-	-	(1)	-	(2)
Amortisation provided during the year	-	(7)	(2)	(9)	(1)	(19)
Provision for impairment	(2)	(11)	-	-	-	(13)
At 1 April 2009	(66)	(201)	(5)	(28)	(8)	**(308)**
Amortisation provided during the period	-	(5)	(2)	(6)	(1)	**(14)**
At 31 December 2009	**(66)**	**(206)**	**(7)**	**(34)**	**(9)**	**(322)**
Net book value						
At 31 December 2009	**251**	**6**	**61**	**41**	**3**	**362**
At 31 March 2009	256	11	63	45	2	377

Goodwill and indefinite life intangible assets

The Group tests goodwill and indefinite life intangible assets annually for impairment, or more frequently if there are indications that goodwill or intangible assets might be impaired. The cash generating units ("CGU") for the purposes of valuing goodwill were altered during the prior year to be consistent with the Group's new operating structure. The CGUs are Data & Insight activities (web based B2B information services), Connect activities (trade exhibitions and festivals), Inform activities (B2B magazines), Networks activities (conferences) and Middle East activities. There have been no changes in the current period.

When testing for impairment, recoverable amounts for all of the Group's CGUs are measured at their value in use by discounting the future expected cash flows from the assets in the CGUs. These calculations use cash flow projections based on management approved budgets and expectations. Cash flows beyond the initial five year period are extrapolated using long-term growth rates in the range of 2% to 4.0% (year ended 31 March 2009: nil-4.0%). The cash flows have been discounted at pre-tax discount rates in the range of 12.3% to 13.6% (year ended 31 March 2009: 11.9% to13.8%).

An impairment of £nil (year ended 31 March 2009: £2m) of goodwill and indefinite life intangibles assets has been recognised in the period. The impairment of goodwill in the year ended 31 March 2009 is in relation to the Group's investment in Groundsure. The goodwill has been written off in conjunction with other intangibles that relate to Groundsure as explained below.

The key assumptions used for value-in-use calculations are as follows:

	EMAP Inform	EMAP Connect	EMAP Data & Insight	EMAP Networks	EMAP Middle East
For the nine month period ended 31 December 2009					
Long term growth rate	2.0%	2.5%	4.0%	2.0%	4.0%
Pre-tax discount rate	13.1%	12.8%	12.3%	12.9%	13.6%
For the year ended 31 March 2009					
Long term growth rate	0.0%	2.5%	2.5%	2.0%	4.0%
Pre-tax discount rate	13.8%	12.7%	11.9%	12.8%	13.7%

The measurement of value in use is sensitive to changes in these key assumptions, and in the assumptions about economic growth and market penetration that underpin the cash flow projections.

The most significant amounts of goodwill allocated to separate CGUs are £159m (year ended 31 March 2009: £159m) allocated to the group of assets which generate cash flows from Data & Insight activities and £60m (year ended 31 March 2009: £64m) allocated to the group of assets which generate cash flows from Connect activities. The Data & Insight activities include WGSN, CAP, Glenigan, Planet Retail and Groundsure amongst others. The Connect activities include Cannes Lions and several smaller assets. The key assumptions in the value in use calculation for the Data & Insight and Connect CGUs are revenue and profit growth respectively, based on historical performance and expectations about future performance. No other goodwill balances allocated to other CGUs totalling £32m (year ended 31 March 2009: £33m), are individually significant to the Group's total goodwill balance.

Brand value includes £45m (year ended 31 March 2009: £45m) with an indefinite life which is not being amortised. This relates to the acquisition in 2004 of Cannes Lions International Advertising Festival. This brand has an indefinite life due to the strength of its recognition and is tested annually for impairment.

Other intangible assets

Intangible assets include direct costs associated with internally generated assets and computer software.

These intangibles all have a finite life and are being amortised over their useful lives.

The impairment charge of £13m in the year ended 31 March 2009 relates to the Group's investment in Groundsure which provides environmental search services in the housing market. The demand for these services declined during 2008 and 2009 as a result of the general decline in the housing market.

During the period, the Group reviewed the appropriateness of the remaining useful economic lives for its other intangible assets and no changes were deemed necessary. The useful economic lives for the Group's intangible assets range from five to 20 years.

During the period the Group acquired 100% of the share capital of Conference Worldwide Limited at a cost and associated goodwill of £1m.

12. Property, plant and equipment

	Long leasehold property £'m	Short leasehold property £'m	Office equipment & vehicles £'m	Total £'m
Cost				
At 1 April 2008	1	4	15	20
Additions	-	1	1	2
Disposals	(1)	-	(7)	(8)
At 1 April 2009	-	5	9	**14**
Additions	-	-	3	**3**
Disposals	-	-	(1)	**(1)**
At 31 December 2009	**-**	**5**	**11**	**16**
Depreciation				
At 1 April 2008	(1)	(2)	(6)	(9)
Provided during the year	-	-	(3)	(3)
Disposals	1	-	5	6
At 1 April 2009	-	(2)	(4)	**(6)**
Provided during the period	-	(1)	(1)	**(2)**
Disposals	-	-	1	**1**
At 31 December 2009	**-**	**(3)**	**(4)**	**(7)**
Net book value				
At 31 December 2009	**-**	**2**	**7**	**9**
At 31 March 2009	-	3	5	8

Comparative figures have been restated to show opening cost gross of £3m of depreciation. Net book value is unchanged.

13. Investments

	31/12/09 £'m	31/03/09 £'m
Cost		
At 1 April 2009 and 31 December 2009	**1**	1
Impairment		
At 1 April 2009	**-**	-
Impairment during the period	**1**	-
At 31 December 2009	**1**	-
Net book value at 31 December 2009	**-**	1

On 26 March 2010 the investment in NEC was repaid for £590,000. The discount of £358,000 reflected the current fair value of the loans, taking account of prevailing interest rates. A provision was made at 31 December 2009 to reduce the carrying value to the amount repaid.

Details of the Group's associates at 31 December 2009 are as follows:

Name of associated undertaking	**Proportion held at 31 December 2009**	**Nature of business**	**Country of operation and registration**
The National Exhibition Centre (Developments) plc	43%	Building development company	UK

All holdings are of ordinary shares.

The National Exhibition Centre (Developments) plc has a year end of 31 March.

The share of results and net assets of the associated undertaking are not considered material for disclosure.

14. Discontinued operations, assets held for sale and continuing operations business disposals

Discontinued operations
During the period £nil profit (year ended 31 March 2009: £1m) has been disclosed as discontinued.

During the year ended 31 March 2009, the Group disposed of Uppercase Media (Pty) Ltd and Next Gen Publishing Limited. Uppercase Media (Pty) Ltd was sold on 30 October 2008 for a cash consideration of ZAR 17m (£1m) resulting in a profit on disposal of £1m. Next Gen Publishing Limited was sold on 22 January 2009 for a cash consideration of £4m, which resulted in a £1m profit on disposal.

Continuing operations business disposals
In May 2008 the Group disposed of its interest in a number of redundant properties, held through its subsidiaries, Ingrid Properties One limited (formerly EMAP Properties limited), Ingrid Properties Two Limited (formerly EMAP National Publications Limited) and Right PR Limited (formerly MotorCycle News Limited) which resulted in no gain or loss on disposal.

15. Long term receivables

	31/12/09	31/03/09
	£'m	£'m
Loans to senior management and employee benefit trust	**2**	-

In June 2009, a number of the Group's senior management were invited to subscribe for either C shares or C and D shares in the Group's ultimate parent company, Eden 2 & Cie SCA (see note 35). 684,847 C and 7,933 D shares were issued at a price equivalent to that paid by Apax and GMG on the acquisition of Emap plc in March 2008. The shares are held by the Employee Benefit Trust set up and sponsored by Eden 2 & Cie SCA.

The purchase of shares was funded partially by management and partially by a non recourse, non interest bearing loan from Emap International Limited.

The terms of the investment define 'Good leavers' and 'Bad leavers' where a bad leaver is an employee leaving the group by voluntarily resignation or constructive dismissal. All other leavers are Good leavers.

A bad leaver receives the lower of subscription price and market value. A good leaver receives the higher of market value or subscription price. Where the market value falls below the subscription price any outstanding amount on the loan will be waived.

Other than as a result of the good and bad leaver provisions, the arrangements do not place any obligation or expectation on the Company that they will be settled in cash. The awards are therefore regarded as 'equity settled'.

The charge relating to the arrangement is not material and as such no charge has been recognised in the period.

During the year one employee (41,759 shares) left the Group and the shares were repurchased by the Employee Benefit Trust.

Loan	**Directors**	**Total key management**
	£'m	£'m
Amount issued in June 2009	0.8	1.4
Amount repaid	-	(0.1)
Amount outstanding at 31 December 2009	**0.8**	**1.3**

During the period Emap International Limited provided a loan of £0.6m to the Employee Benefit Trust on behalf of Eden 2 & Cie SCA.

16. Inventories

	31/12/09	31/03/09
	£'m	£'m
Raw materials, consumables and deferred exhibition costs	**13**	3

17. Receivables and prepayments

Amounts falling due within one year	**31/12/09**	31/03/09
	£'m	£'m
Trade receivables	**41**	48
Provision for doubtful debts	**(3)**	(4)
Amounts due from parent undertaking	**130**	-
Other receivables	**1**	1
Prepayments and accrued income	**6**	8
Total	**175**	53

The carrying amounts of trade and other receivables are denominated primarily in Sterling. The directors consider that the carrying amount of receivables and prepayments approximates their fair value.

As of 31 December 2009, the provision for impaired trade receivables was £3m (year ended 31 March 2009: £4m). Of this, £nil relates to trade receivables impaired and fully provided for. The balance of the provision of £3m is a collective provision based on estimated losses that exist within the portfolio based on the overall level of receivables past due and taking account of the current economic environment. These provisions are developed over time based on the review of aged debt, the type of debt and experience. £1m was released to the income in the period (period ended 31 March 2009: £1m charge).

As at 31 December 2009, trade receivables of £22m (year ended 31 March 2009: £28m) were past due but not impaired.

The ageing analysis of these trade receivables is as follows:

Amounts falling due within one year	**31/12/09**	31/03/09
	£'m	£'m
Up to 3 months past due	**15**	22
3 to 6 months past due	**5**	4
Over 6 months past due	**2**	2
Total	**22**	28

Amounts due from parent undertaking include an amount of £130m (year ended 31 March 2009: £nil) which bears interest at LIBOR + 0.3%.

18. Financial assets

The Group's principal financial assets are bank balances and cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables (see Note 17).

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

19. Cash and cash equivalents

Cash and cash equivalents of £44m (year ended 31 March 2009: £35m) relate purely to bank balances, including short term deposits with an original maturity date of less than three months, and cash held by the Group.

20. Trade and other payables - current

	31/12/09 £'m	31/03/09 £'m
Payments received on account	**51**	61
Trade payables	**4**	4
Amounts owed to parent undertaking	**19**	148
Other payables	**3**	3
Other taxes and social security costs	**3**	4
Accruals and deferred income	**49**	41
Total	**129**	261

The directors consider that the carrying amount of trade payables approximates their fair value. Interest is being charged on the amounts owed to the parent undertaking at SONIA and is repayable on demand.

21. Borrowings

The Group's borrowing limit at 31 December 2009 calculated in accordance with the Articles of Association was £993m (year ended 31 March 2009: £993m).

At 31 December 2009, the Group had no material banking facilities. All facilities are arranged via a parent undertaking, Eden Acquisition 5 Limited.

22. Reconciliation of movement in net debt

	Net cash £'m	Short term deposits £'m	**Net debt £'m**
At 1 April 2009	8	27	**35**
Net cash movement	12	(3)	**9**
At 31 December 2009	20	24	**44**

23. Other non-current liabilities

	31/12/09 £'m	31/03/09 £'m
Deferred income	**1**	1

The directors consider that the carrying amount of other non-current liabilities approximates their fair value.

24. Provisions

	Restructuring provisions	Property provisions £'m	Other provisions £'m	**Total provisions £'m**
At 1 April 2009	1	4	7	**12**
Released during the period	-	(1)	-	**(1)**
Utilised in the year	(1)	(1)	(4)	**(6)**
At 31 December 2009	**-**	**2**	**3**	**5**

Provisions have been analysed between current and non-current as follows:

	31/12/09 £'m	31/03/09 £'m
Current	**3**	10
Non-current	**2**	2
Total	**5**	12

The property provisions relate to ongoing commitments on vacant properties. These commitments extend to 2018. Other provisions include onerous contracts of £2m (year ended 31 March 2009: £3m).

25. Deferred tax

The major deferred tax liabilities and assets recognised by the Group, and the movements in the year are set out below:

	Retirement benefit obligations £'m	**Tax losses £'m**	**Depreciation vs tax allowances £'m**	**Other temporary differences £'m**	**Intangible assets £'m**	**Total £'m**
At 1 April 2008	8	9	-	3	(37)	(17)
(Charge) / credit to income statement for the year	(8)	(7)	3	(1)	7	(6)
Other	-	-	-	-	(1)	(1)
At 31 March 2009	**-**	2	3	2	(31)	(24)
(Charge) / credit to income statement for the period	-	(2)	(2)	(1)	4	**(1)**
At 31 December 2009	**-**	**-**	**1**	**1**	**(27)**	**(25)**

Certain deferred tax assets and liabilities have been offset against each other where they relate to the same tax jurisdiction. The following is the analysis of the deferred tax balances (after offset) for continuing operations for balance sheet purposes:

	31/12/09	31/03/09
	£'m	£'m
Deferred tax assets	**2**	7
Deferred tax liabilities	**(27)**	(31)
Total	**(25)**	(24)

The Group has net deferred tax liabilities provided across the categories set out above totalling £25m (year ended 31 March 2009: £24m) of which £2m (year ended 31 March 2009: £nil) is due within one year and £23m (year ended 31 March 2009: £24m) is due after more than one year.

Of the total net deferred tax liability of £25m (year ended 31 March 2009: £24m), £2m (year ended 31 March 2009: £7m) is disclosed as a non-current asset and £27m (year ended 31 March 2009: £31m) is disclosed as a non-current liability.

The Group has tax trading losses in the US totalling £137m (year ended 31 March 2009: £104m) carried forward at 31 December 2009. Due to uncertainties in utilising these losses in future periods, no deferred tax asset is recognised in the balance sheet.

The Group has un-provided deferred tax asset on tax trading losses totalling £269m (year ended 31 March 2009: £195m) of which £137m (year ended 31 March 2009: £104m) is held in the US, £130m (year ended 31 March 2009: £90m) in the UK and £2m (year ended 31 March 2009: £1m) in other overseas territories. The US losses can be carried forward for a period of 20 years from the date they arose. The US losses have varying expiry dates from 2016 to 2025. The UK losses can be carried forward indefinitely.

The Group has not recognised a deferred tax asset on UK capital losses totalling £333m (year ended 31 March 2009: £333m) which can be carried forward indefinitely. The Group has also deferred indefinitely UK capital gains totalling £12m (year ended 31 March 2009: £12m) arising on the disposal of business assets, which have been rolled into the acquisition cost of new businesses, and on the incorporation of WGSN Inc. The Group has not recognised a deferred tax liability, as the relevant assets are not anticipated to be sold in the foreseeable future.

No deferred tax liability is recognised on unremitted earnings of continuing overseas subsidiaries and joint ventures as these are considered permanently employed in the businesses of these companies.

26. Share capital, share premium and capital redemption reserve

	Number of ordinary shares	**Ordinary shares**	**Share premium**	**Capital redemption reserve**	**Preference shares**
	m	**£'m**	**£'m**	**£'m**	**£'m**
At 1 April 2009	218.8	66	327	285	-
Issue: €87,000,000 preference shares	-	-	-	-	76
Issue: US$270,300,000 preference shares	-	-	-	-	168
At 31 December 2009	**218.8**	**66**	**327**	**285**	**244**

The total authorised number of ordinary shares is 286.0 million shares (31 March 2009: 286.0 million shares) with a par value of £0.30 per share (31 March 2009: £0.30 per share). All issued ordinary shares are allotted, called up and fully paid.

On 8 December 2009 the Company increased its authorised share capital by 150,000,000 of €1.00 preference shares and by 300,000,000 of US$1 preference shares. At the same time it issued 87,000,000 of €1.00 preference shares and 270,300,000 of US$1.00 preference shares at par to a parent undertaking.

The preference shares are recorded within liabilities. The associated dividends are included within financing charges.

Rights and restrictions attaching to ordinary and preference shares

Ordinary shares
Holders of ordinary shares are entitled to participate in the payment of dividends pro rata to their holdings. The Board may propose and pay interim dividends and recommend a final dividend, in respect of any accounting period, out of the profits available for distribution under English law. A final dividend may be declared by the shareholders in general meeting by ordinary resolution, but no dividend may be declared in excess of the amount recommended by the Board.

Rights conferred by ordinary shares - at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. On a show of hands every member, or his duly appointed proxy, at a general meeting of the Company shall have one vote. On a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

Preference shares
Holders of preference shares are entitled to a dividend of 5% pa. The preference shares are redeemable at par, at the option of the holder, by giving 3 days' notice to the Company, at any time.

The preference shares rank ahead of the ordinary shares.

27. Other reserves

	31/12/09	31/03/09
	£'m	£'m
Opening balance	**20**	5
Exchange differences arising on translation of foreign operations	**(5)**	15
Closing balance	**15**	20

The translation reserve arises on the translation into Sterling of the net assets of the Group's foreign operations, offset by changes in fair value of financial instruments used to hedge this exposure.

28. Retained earnings

	31/12/09	31/03/09
	£'m	£'m
Opening balance	**(521)**	(508)
Profit / (loss) for the period attributable to equity holders of the parent	**26**	(13)
Closing balance	**(495)**	(521)

29. Staff and their pay and benefits

(a) Average monthly number of staff

(i) By geographical region	**Nine month period ended 31/12/09**	Year ended 31/03/09
United Kingdom	**1,131**	1,252
Rest of the World	**182**	222
Total	**1,313**	1,474

(ii) By category	**Nine month period ended 31/12/09**	Year ended 31/03/09
Sales	**424**	430
Content	**407**	415
Operational	**292**	342
Support	**190**	287
Total	**1,313**	1,474

Of the total average monthly number of staff, 1,313 (year ended 31 March 2009: 1,474) relate to continuing operations and nil (year ended 31 March 2009: nil) to discontinued operations.

(b) Staff costs

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Wages and salaries	**39**	63
Social security costs	**3**	5
Other pension costs	**1**	2
Total	**43**	70

(c) Retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held by independent custodians and are kept entirely separate from the assets of the Group. No loans have been made by the scheme to any Group company and no shareholdings of the scheme have been used as security for any loans to any Group company. The pension charge represents contributions due from the employer. During the period the total Group charge amounted to £0.9m (year ended 31 March 2009: £1.7m) with £0.2m (year ended 31 March 2009: £0.1m) outstanding at the year end.

30. Acquisitions

(a) 2009

On 30 October 2009 EMAP Limited, a wholly owned subsidiary of the Company, acquired the entire share capital of Conference Worldwide Limited for a cash consideration of £0.9m.

The impact of the acquisition on the consolidated balance sheet was:

	Network values £'m	Fair value adjustments £'m	**Fair value £'m**
Intangible fixed assets	-	0.2	**0.2**
Current assets	0.2	-	**0.2**
Current liabilities	(0.3)	-	**(0.3)**
Cash and cash equivalents	0.2	-	**0.2**
Fair value of assets acquired			**0.3**
Goodwill			**0.6**
Fair value of consideration			**0.9**
Comprising: Net cash			0.9

None of the £0.6m (year ended 31 March 2009: £886m) of goodwill on acquisition is expected to be deductible for tax purposes. The intangibles acquired represent the fair value of the brand and customer base of Conference Worldwide Limited.

(b) 2008

There were no acquisitions during the year ended 31 March 2009.

31. Operating leases

The Group had total future minimum lease payments under non-cancellable operating leases at 31 December 2009 as set out below:

	Land and buildings 31/12/09 £'000	Land and buildings 31/03/09 £'000	**Other assets 31/12/09 £'000**	Other assets 31/03/09 £'000
Not later than 1 year	**4**	5	**3**	3
Later than 1 year but not more than 5	**10**	13	**10**	10
More than 5 years	**2**	2	**-**	2
Total	**16**	20	**13**	15

The Group leases various offices under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. Contingent rents are determined by the current contractual obligations of the parties. The Group also leases other equipment under non-cancellable operating lease agreements.

32. Commitments and contingencies

(a) Commitments for capital expenditure

Contracted commitments for capital expenditure at 31 December 2009 total £nil (year ended 31 March 2009:£nil).

(b) Other commitments

The Group's commitments under its pension scheme are described in Note 29(c).

The Group has commitments under non-cancellable contracts as part of the Group’s outsourcing of its IT operations and Human Resource processing functions. The Group is committed to five year contracts with a total annual charge of £3m.

33. Related party transactions

Details of transactions between the Group and other related parties are disclosed below.

(a) Sales and purchases of goods and services to/from joint ventures, associates, and shareholders.

	December 2009 £'000	March 2009 £'000
Purchase of goods and services		
GMG	**48**	-
Sales of goods and services		
GMG	**45**	-

At 31 December the Group owed £36,000 to GMG (31 March 2009: £nil).

(b) Remuneration of key management personnel

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Salaries and other short term employee benefits	**2.2**	2.8
Termination benefits	**0.4**	1.5
Post employment benefits	**0.1**	0.1
Total	**2.7**	4.4

Key management personnel primarily comprise the Chief Executive Officers of each division plus directors of the Company.

Loans to key management and Directors – see note 15.

(c) Directors' remuneration

The aggregate remuneration of the directors of the Company was as follows:

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Emoluments for services to the Company	**0.9**	1.1
Compensation for loss of office	**-**	0.6
Total	**0.9**	1.7

Retirement benefits for five directors were accrued under a money purchase scheme (year ended 31 March 2009: five directors).

The remuneration of the highest paid director was as follows:

	Nine month period ended 31/12/09 £'m	Year ended 31/03/09 £'m
Emoluments for services to the Company	**0.5**	0.6
Total	**0.5**	0.6

34. Principal subsidiary undertakings

All subsidiary undertakings are registered in England and Wales and operate in the United Kingdom, except where indicated otherwise. All holdings are of ordinary shares and all subsidiary undertakings are 100% indirectly owned except where indicated otherwise. A full list of subsidiary undertakings, and information relating to them (as shown below) is filed with the Company's annual return. All subsidiaries are included in the Group consolidation. In the opinion of the directors, the principal subsidiary undertakings that affect Group trading results and net assets are as follows:

AME Info FZ-LLC (Dubai)
EMAP Limited
EMAP Public Sector Limited
GroundSure Limited
Planet Retail Limited
Torcello Publishing Limited
Trades Exhibitions Limited
WGSN Inc (USA)
Worth Global Style Network Limited

35. Company details and ultimate parent undertaking

The Company is registered in England and Wales as a limited company. Its registered office is Greater London House, Hampstead Road, London NW1 7EJ.

Eden Bidco Limited is the Company's parent undertaking at the year end. Eden 2 & CIE SCA, incorporated in Luxembourg, is regarded by the directors as the Company's ultimate parent undertaking. This is a joint venture between the Apax Europe VII Fund, which is managed by Apax Partners Europe Managers Ltd, incorporated in England and Wales, and Guardian Media Group plc, incorporated in England and Wales. All the ordinary shares of Guardian Media Group plc are owned by the Scott Trust. The directors regard Eden 2 & CIE SCA as the ultimate controlling party.

Eden Bidco is established in the Cayman Islands, and Eden 2 & CIE SCA is established in Luxembourg. No group accounts have been prepared for these companies or for any other intermediate holding company.

EMAP International Limited

Parent Company Financial Statements

Independent auditors' report to the members of EMAP International Limited

We have audited the parent company financial statements of EMAP International Limited for the period ended 31 December 2009 which comprise the Company Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 12, 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 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the parent company financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2009;
- 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.

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 parent company financial statements are prepared is consistent with the parent company 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 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.

Other matter
We have reported separately on the Group financial statements of EMAP International Limited for the period ended 31 December 2009.

ABK

Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
26 April 2010

EMAP International Limited

Parent Company Financial Statements

Company Balance Sheet for the nine month period ended 31 December 2009

	Notes	**31/12/09 £'m**	31/03/09 £'m
Fixed assets			
Investments in Group undertakings	*3*	**3,000**	2,950
Long term receivables	*4*	**2**	-
		3,002	2,950
Current assets			
Debtors	*5*	**131**	232
Cash at bank and in hand		**37**	27
Net current assets		**168**	259
Creditors: amounts falling due within one year	*6*	**(1,945)**	(2,206)
Net current liabilities		**(1,777)**	(1,947)
Total assets less current liabilities		**1,225**	1,003
Preference shares	*10*	**(244)**	-
Provisions for liabilities and charges	*7*	**(3)**	(5)
Net assets		**978**	998
Capital and reserves			
Called up share capital	*10*	**66**	66
Share premium account	*10*	**327**	327
Capital redemption reserve	*10*	**285**	285
Profit and loss account	*10*	**300**	320
Equity shareholders' funds		**978**	998

The financial statements were approved by the Board of Directors on 22 April 2010 and were signed on its behalf by

David Gilbertson, Director

Martyn Hindley, Director

The notes on pages 53 to 59 form part of these financial statements.

1. Principal accounting policies

Accounting convention

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention except for derivative financial instruments which have been measured at fair value and in accordance with United Kingdom Accounting Standards and law.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the fair value revaluation of derivatives.

The following summarises the principal accounting policies adopted by the directors, which have been applied consistently to both periods.

(a) Fixed asset investments

Fixed asset investments are stated at cost less provisions for impairment.

(b) Foreign currencies

Exchange differences arising on foreign currency borrowings and derivative financial instruments which are used to provide a hedge against foreign currency investments are also taken to reserves to the extent that they match exchange differences on the investments to which they relate.

Other transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates ruling at 31 December 2009. All such exchange differences are taken to the profit and loss account.

(c) Derivatives and other financial instruments

Derivatives, including currency options and swaps, forward exchange contracts and swaps, and interest rate swaps are initially recognised at fair value. Derivatives are subsequently re-measured at their fair value, and classified as current or non-current within the balance sheet based on maturity date. The fair value is determined by using market data and the use of established estimation techniques such as discounted cash-flow and option valuation models.

The Company may designate certain of its derivative instruments as hedges of the fair value of its borrowings (fair value hedges) or hedges of investments in foreign operations (investment hedges). Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Derivatives which are not designated as hedging instruments or do not meet the criteria for hedge accounting are measured at fair value. Movements in their fair value are recognised in the profit and loss account immediately.

(e) Taxation

The charge for taxation is based on the profit for the period and takes account of taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Tax deferred or accelerated by the effect of timing differences is accounted for to the extent that a transaction or event that has occurred at the balance sheet date gives rise to an obligation to pay more tax or a right to pay less tax, in the future.

Deferred tax assets are recognised only to the extent that, based on available evidence, it is more likely than not that suitable taxable profit will arise from which the reversal of the asset can be deducted. The Company does not discount deferred tax assets or liabilities.

(f) Retirement benefits

The Group operated a defined contribution pension scheme during the period. Contributions payable are charged to the profit and loss account and included in staff costs as an operating expense as incurred.

(g) Preference shares

Preference shares are recorded at the fair value of the consideration received on their issue. Preference shares with fixed rights to the participation in the profits of the Company are recorded within borrowings and the related preference dividends within finance charges

(h) Share based payments

The cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the employees become fully entitled to the award. Fair value is determined using an FRS 20 compliant pricing model.

'Good leavers' and 'Bad leavers'. A Bad Leaver is an employee who leaves the Group by voluntarily resigning or constructive dismissal. All other leavers are Good Leavers.

Bad Leavers are entitled to a cash payment. Provision is made for the cash to which Bad Leavers are entitled.

The Group provides for the expected cost of Good Leavers which are settled in cash by estimating at each balance sheet date the likely amount of Good Leavers at the date that vesting conditions are met. A provision is created on the balance sheet and a corresponding charge is made to the income statement. The actual cost of Good Leavers in the period is charged against the provision brought forward.

(i) Exemptions

The Company has taken advantage of the exemptions available in FRS 1 'Cash Flow Statements' and FRS 8 'Related Party Disclosures' from presenting a cash flow statement and details of transactions with related parties on the basis that the cash flows of the Company are consolidated in the cash flows in the EMAP International Limited consolidated accounts for the year ended 31 December 2009. The Company has also taken advantage of the exemptions available in FRS 25 'Financial Instruments: Disclosure and Presentation' and in FRS 29 'Financial Instruments: Disclosures' from disclosing information on financial instruments on the basis that these disclosures are set out in the consolidated accounts of EMAP International Limited for the year ended 31 December 2009.

2. Profit and loss account of EMAP International Limited

EMAP International Limited has taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present its profit and loss account. The loss for the period was £20m (year ended 31 March 2009: loss of £82m).

Fees paid to the auditor during the year are as follows:

	Nine month period ended 31/12/09 £'m	year ended 31/03/09 £'m
Fees paid to the auditor for audit of the company accounts	**0.1**	0.1
Fees paid to the auditor for taxation services	**0.4**	0.2
Fees paid to the auditor for other services	**-**	-
Total	**0.5**	0.3

Fees paid to the auditor for other services includes £nil (year ended 31 March 2009: £nil) for services provided pursuant to legislation.

Details of Executive and Non-Executive directors' emoluments are shown in Note 33 of the Group financial statements.

3. Fixed asset investments

	Subsidiary undertakings £'m
Cost	
At 1 April 2009	3,243
Additions	638
At 31 December 2009	**3,881**
Provisions	
At 1 April 2009	293
Provided during the period	588
At 31 December 2009	**881**
Net book value	
At 31 December 2009	**3,000**
At 31 March 2009	2,950

The additions in the year of £638m relate to an increase in the Company's investment in EMAP Group Holdings Ltd of £401m, and in EMAP Publishing (Netherlands) BV of £237m.

A provision of £200m was made during the period (year ended 31 March 2009: £63m) against the Company's carrying value in its investment in EMAP Group Holdings Limited.

During the period 100% of Conference Worldwide Ltd was acquired on 30 October 2009 and EMAP Publishing (Nederland) BV transferred ownership from EMAP Overseas Ltd to EMAP International Ltd.

The investments in subsidiary undertakings are principally in the following companies, as indicated:

Name of Company	Country of registration	Class of shares held	Percentage held	Nature of business
Planet Retail Ltd	England and Wales	Ordinary	100%	Information services
Groundsure Ltd	England and Wales	Ordinary	100%	Information services
Torcello Publishing Ltd	England and Wales	Ordinary	100%	Information services
EMAP Professional Beauty Ltd	England and Wales	Ordinary	100%	Events services
Conference Worldwide Ltd	England and Wales	Ordinary	100%	Events services
EMAP Group Holdings Ltd	England and Wales	Ordinary	100%	Investment holding
EMAP Limited	England and Wales	Ordinary	100%	Information and
WGSN Ltd	England and Wales	Ordinary	100%	Information services
Ame Info FZ - LLC	UAE	Ordinary	100%	Advertising services
EMAP Information Ltd	England and Wales	Ordinary	100%	Investment holding
EMAP Publishing (Nederland) BV	The Netherlands	Ordinary	100%	Information services
EMAP America (Holdings) Ltd	England and Wales	Ordinary	100%	Investment holding
EMAP Jersey Financing Ltd	England and Wales	Ordinary	100%	Investment holding
EMAP America Ltd	England and Wales	Ordinary	100%	Investment holding
EMAP Support Services Ltd	England and Wales	Ordinary	100%	Service company

4. Long term receivable

	31/12/09 **£'m**	31/03/09 £'m
Loans to senior management and employee benefit trust	**2**	-

In June 2009, a number of the Group's senior management were invited to subscribe for either C shares or C and D shares in the Group's ultimate parent company, Eden 2 & Cie SCA (see note 13). 684,847 C and 7,933 D shares were issued at a price equivalent to that paid by Apax and GMG on the acquisition of Emap plc in March 2008. The shares are held by the Employee Benefit Trust set up and sponsored by Eden 2 & Cie SCA.

The purchase of shares was funded partially by management and partially by a non recourse, non interest bearing loan from Emap International Limited.

The terms of the investment define 'Good leavers' and 'Bad leavers' where a bad leaver is an employee leaving the group by voluntarily resignation or constructive dismissal. All other leavers are Good leavers.

A bad leaver receives the lower of subscription price and market value. A good leaver receives the higher of market value or subscription price. Where the market value falls below the subscription price any outstanding amount on the loan will be waived.

Other than as a result of the good and bad leaver provisions, the arrangements do not place any obligation or expectation on the Company that they will be settled in cash. The awards are therefore regarded as 'equity settled'.

The charge relating to the arrangement is not material and as such no charge has been recognised in the period.

During the year one employee (41,759 shares) left the Group and the shares were repurchased by the Employee Benefit Trust.

Loan

	Directors **£'m**	**Total key management** £'m
Amount issued in June 2009	0.8	1.4
Amount repaid	-	(0.1)
Amount outstanding at 31 December 2009	**0.8**	**1.3**

During the period Emap International Limited provided a loan of £0.6m to the Employee Benefit Trust on behalf of Eden 2 & Cie.

5. Debtors

	31/12/09	31/03/09
	£'m	£'m
Amounts receivable from Group undertakings	**130**	231
Other debtors	**1**	-
Taxation recoverable	**-**	1
Total	**131**	232

Amounts receivable from Group undertakings include a loan for £130m to a parent undertaking which bears interest at LIBOR + 0.3%.

6. Creditors

	31/12/09	31/03/09
	£'m	£'m
Amounts payable to Group undertakings	**1,939**	2,196
Accruals and deferred income	**4**	9
Trade creditors	**1**	1
Other taxes and social security	**1**	-
Total	**1,945**	2,206

The directors consider that the carrying amount of trade payables approximates their fair value. Interest is charged on the amounts owed to Group undertakings at a variety of rates. Sterling denominated loans are at SONIA less 0.125% while Euro loans are at EONIA less 0.125% and US dollar loans are at USD BBA LIBOR less 0.125%. The loan of £418m from EMAP Radio Financing Limited is charged at GBP 3 month LIBOR plus 5%. The loan balance with Eden Bidco Ltd and all other inter-company balances are charged at SONIA.

7. Provisions for liabilities and charges

	31/12/09	31/03/09
	£'m	£'m
Opening balance	**5**	7
Provided in the period	**-**	3
Utilised in the period	**(2)**	(5)
Closing balance	**3**	5

Provisions relating to ongoing commitments in respect of onerous contracts are £2m (year ended 31 March 2009: £2m). Other provisions are £1m (year ended 31 March 2009:£3m).

8. Retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held by independent custodians and are kept entirely separate from the assets of the Company. No loans have been made by any scheme to the Company or any of its subsidiaries and no shareholdings of the schemes have been used as security for any loans to the Company or any of its subsidiaries. The pension charge represents contributions due from the employer. During the year it amounted to £nil (year ended 31 March 2009: £0.1m).

9. Staff costs

(a) Average monthly number of staff

The total average monthly number of staff was nil during the period (2009: 14). All staff were transferred to a subsidiary in May 2009.

(b) Staff costs

	Year ended 31/12/09 £'m	Year ended 31/03/09 £'m
Wages and salaries	**0.4**	1.4
Social security costs	**0.1**	0.1
Other pension costs	**(0.1)**	-
Total	**0.4**	1.5

10. Parent company share capital and reserves

	Share Capital £'m	Share premium account £'m	Capital redemption reserve £'m	Profit & loss account £'m	Equity shareholders' funds £'m	Preference shares £'m
At 1 April 2009	66	327	285	320	998	-
Issue: €87,000,000 preference shares	-	-	-	-	-	76
Issue: US$270,300,000 preference shares	-	-	-	-	-	168
Retained profit for the period	-	-	-	(20)	(20)	-
At 31 December 2009	**66**	**327**	**285**	**300**	**978**	**244**

Details of the Company's share capital and share premium are set out in Note 26 to the Group accounts. Profits available for distribution at 31 December 2009 amounted to £300m (year ended 31 March 2009: £320m).

11. Commitments and contingencies

The Company has guaranteed the performance of obligations and associated payments due by certain of its subsidiary undertakings under the banking arrangements entered into on 12 May 2008. The Company and certain of its subsidiaries acceded to the banking arrangements of Eden Acquisition 5 Limited and Eden Bidco Limited. Under these arrangements, the Company and those subsidiaries have access to the funding provided, and have in turn provided security over assets and investment, and are jointly and severally required to meet the performance obligations and associated payments, and to comply with the covenants, defined in the facility agreements.

12. Related party transactions

During the period the Company had purchases with Guardian News & Media of £48,000 (year ended 31 March 2009: £nil) and sales of £45,000 (year ended 31 March 2009: £nil).

13. Company details and ultimate parent undertaking

The Company is registered in England and Wales as a limited company. Its registered office is Greater London House, Hampstead Road, London NW1 7EJ.

Eden Bidco Limited is the Company's parent undertaking at the year end. Eden 2 & CIE SCA, incorporated in Luxembourg, is regarded by the directors as the Company's ultimate parent undertaking. This is a joint venture between the Apax Europe VII Fund, which is managed by Apax Partners Europe Managers Ltd, incorporated in England and Wales, and Guardian Media Group plc, incorporated in England and Wales. All the ordinary shares of Guardian Media Group plc are owned by the Scott Trust. The directors regard Eden 2 & CIE SCA as the ultimate controlling party.

Eden Bidco is established in the Cayman Islands, and Eden 2 & CIE SCA is established in Luxembourg. No Group accounts have been prepared for these companies or for any other intermediate holding company.