

EMAP International Limited

Annual Report and Financial Statements

For the year ended 31 December 2010

Registered Number: 435820

EMAP International Limited

Annual Report and Financial Statements for the year ended 31 December 2010

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EMAP International Limited

Report of the Directors for the year ended 31 December 2010

The directors submit their report and financial statements for the year ended 31 December 2010.

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 provision of intelligence, inspiration and access via a combination of on-line products, including the publication of business magazines, and contact led events such as the organising of exhibitions, conferences and festivals. The rights to these activities are either owned by, or licensed to the Group.

The Group's ultimate holding company is jointly owned by funds managed by Apax Partners Europe Managers Ltd ("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. Committed capital to date for Funds advised by Apax throughout its history total \$33 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 in perpetuity.

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

Apax

Stephen Grabiner (resigned 14 December 2010)
Irina Hemmers
Frank Ehmer

GMG

Carolyn McCall (resigned 30 June 2010)
Andrew Miller

Irina Hemmers

Irina 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

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

Andrew Miller, Group CEO GMG

Andrew joined GMG and was appointed to the Board in 2009 as CFO, before being promoted to CEO in July 2010. 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.

Emap is managed by an executive team of David Gilbertson (CEO) and Martyn Hindley (CFO). Each of the Group's divisions has a separate management team.

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.

David 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.

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Martyn 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 who held office at any time during or since the end of the year are set out below:

David Gilbertson, CEO

Martyn Hindley, CFO

Christopher Taylor, CIO (resigned 7 February 2011)

Emily Gestetner, Deputy Finance Director

Results and dividends

During the prior period the Group changed its year end from the 31 March to 31 December.

The results for the Group are set out in the consolidated income statement on page 15. The results, from continuing operations over the year ended 31 December 2010, show an operating profit before amortisation of intangible assets and exceptional items of £81m, (9 month period ended 31 December 2009: £58m) and sales of £244m (9 month period ended 31 December 2009: £164m).

There were no discontinued operations during the year (9 month period ended 31 December 2009: £nil). There were no ordinary dividends paid during the year. A preference share dividend of £14m was paid during the year (9 month period ended 31 December 2009: £1m). The directors do not recommend payment of a final dividend (9 month period ended 31 December 2009: £nil).

Review of the business and future developments

Overview

EMAP is a business-to-business multiplatform media group, whose brands provide intelligence, inspiration and access. For businesses across the globe involved in the retail, media, fashion, health, construction, education, government and automotive sectors, EMAP delivers products in formats that best suit the user, online and in person.

EMAP's products enable 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 is an increasingly international business, with 40% of revenues outside the UK and seeks to develop brands with a global footprint that can serve existing and new customers wherever they are located.

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 specialist divisions, grouped by product type, and a fifth Middle East operation.

EMAP Inform is responsible for industry-leading magazine brands and their related online-delivered digital resources and intelligence and awards events. Its leading brands include Health Service Journal, Nursing Times, Construction News, Drapers, Retail Week, Screen International and Broadcast.

EMAP Data & Insight produces digitally delivered intelligence, analysis and forecasting tools that enable its clients to build, strengthen and maintain their businesses. The eight 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 & Waste Management and Cannes Lions.

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EMAP Networks produces more than 200 intensively researched conferences a year, which attract thought leading speakers, delegates and sponsors. Key events are World Retail Congress, Patient Safety Congress and World Architecture Festival.

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

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 twelve month period in 2009 to facilitate comparison of data on a comparative basis.

	Audited Year ended 31 December 2010 £'m	Audited 9 month period ended 31 December 2009 £'m	Unaudited 3 month period ended 31 March 2009 £'m	Unaudited 12 month period ended 31 December 2009 £'m
Revenue	244	164	82	246
Cost	(159)	(104)	(48)	(152)
Earnings before exceptional items, interest, tax, depreciation and amortisation	85	60	34	94
Depreciation & amortisation of software	(4)	(2)	(1)	(3)
Underlying operating profit*	81	58	33	91

* Underlying operating profit excludes exceptional items, amortisation and impairment of intangible assets.

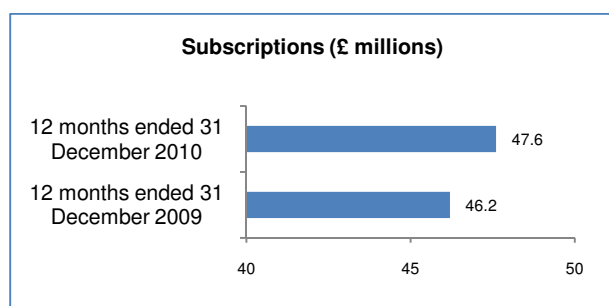
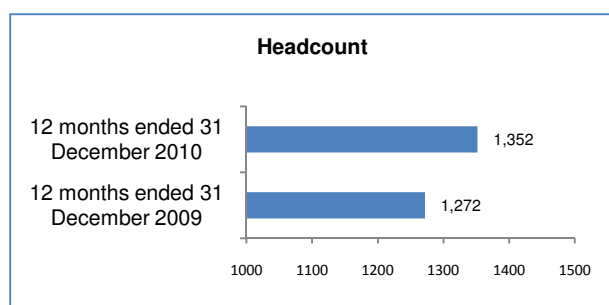
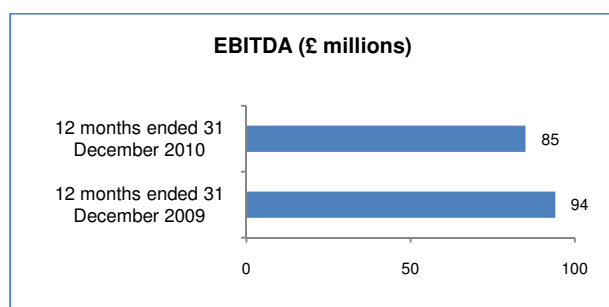
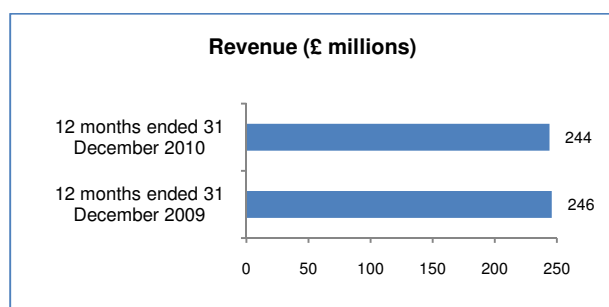
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Report of the Directors for the year ended 31 December 2010

Key Performance Indicators

During the course of the year 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 by senior management.



Revenue

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.

EBITDA

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.

Headcount

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.

Subscription Value

Represents the value of cash received for future subscriptions and provides a measure of the underlying strength of future revenue.

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Operating and Financial Performance

Emap reported earnings before interest, tax, depreciation and amortisation of £85m on revenue of £244m for the year ended 31 December 2010.

In challenging economic conditions the group saw revenue and profit grow in its two largest divisions: online intelligence and exhibitions and festivals. It also saw strong growth in its smaller Middle East unit.

However, these gains were offset by reductions elsewhere relating to spending in the UK public sector, especially in health and local government. This impacted trading in the Group's publishing division which saw a marked year on year reduction in spending in public sector recruitment advertising and in its conference unit which saw lower delegate attendees to its one day event programmes serving public sector interests.

The year on year revenue reduction from these two public sector related sources amounted to £10m. Growth in the rest of the business brought the Group's total revenue back within 1% of the prior year total but major investment in new product across the Group's divisions, mainly in digital development, meant the profit impact of the loss of this marginally high yielding recruitment or delegate revenue was not fully mitigated at the profit line in this year's accounts. However, the investment in new product as part of the Group's ongoing programme provides the platform for growth and expanding profit margins as successful new launches build to critical mass.

During 2010 several new exhibitions were launched including BETT Middle East in Abu Dhabi in the education technology field and Naidex South, a new event for the independent living and disability market in London. WGSN delivered FONTIS, a complete redesign and technology upgrade of its website and launched HomebuildLife, focusing on the global home and interiors industries, while also extending its brand with the November launch of the Global Fashion Awards in New York. Elsewhere MEED widened its geographical spread across the Middle East and also expanded into new market sectors. Our conference division launched five large scale events, Cancer Care Congress, the Mental Health Congress, the Retail Supply Chain Summit, the E-Commerce Summit and the World Infrastructure Summit, increasing the international reach of the business.

The Group made three acquisitions during the year. In September 2010 100% of the share capital of Best Energy Event Ltd and related magazines was acquired for £2.6m. The company runs the Energy Event, the premier energy event in the UK, and Water, Energy & Environment, a magazine in the same sector. In November 2010 the Group acquired the remaining stake in Broadcast Video Expo for £1.8 million, bringing ownership up to 100%. In December 2010 the Futuresource Event was acquired for £2.1m. Futuresource operates in the same sector as Recycling and Waste Management and the two exhibitions will be combined to create Europe's leading event in the field. Further information on the acquisitions is provided in Note 29.

Emap sold its investment in its Professional Beauty assets to a new joint venture in which it retains a beneficial holding. A loss of £17m was realised on the disposal, however, Emap has retained the brand which is licensed to the new joint venture.

The Group incurred exceptional items of £22m (period ended 31 December 2009: £18m) as detailed in Note 4. These primarily reflect costs incurred in simplification of the group structure, exceptional costs incurred to support acquisitions made during the year and the £17m exceptional loss on the disposal of the Professional Beauty assets.

Net financing expense

The Group's net financing expense was £17m during the year (9 month period ended 31 December 2009: £1m).

Cash flow and debt

The Group remains highly cash generative, generating £53m, (9 month period ended 31 December 2009: £45m) net cash inflow before financing activities. Improvements to our credit control processes accelerated the cash generation in 2010, leading to a higher level of operating cash flows of £78m (9 month period ended 31 December 2009: £41m).

Emap transferred its Professional Beauty assets to a third party vehicle in which it retains a beneficial interest. A loss of £17m was realised in the disposal of the assets which are non-core.

Statement of financial position

The Group's statement of financial position is disclosed on page 18 of the financial statements.

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In line with International Financial Reporting Standards, the Group undertakes a periodic review of its intangible assets and goodwill. As a result of this review, no provision has been made in respect of goodwill and intangible assets during the year (period ended 31 December 2009: £nil impairment charge).

Divisional Review

A review of the performance of the five divisions, for the year and their key performance indices is provided below. Comparative numbers are presented on a proforma basis and are based upon the equivalent twelve month period in 2009.

EMAP Inform

The brands generated revenues of £53m (year ended 31 December 2009: £60m).

Emap Inform publishes 19 weekly and monthly business magazines and their related online output across four market sectors in the UK: health and local government, construction, retail and media. Key weekly titles include Construction News, Retail Week, Drapers, Broadcast, Screen International, Local Government Chronicle, Health Service Journal and Nursing Times. Harnessing the magazine brands, the business runs 29 content sites and jobs boards and organises 40 industry awards.

The reduction in divisional revenue during 2010 was wholly attributed to the health and local government sector where sales declined by £7.5m, (12%) with lower recruitment advertising revenue accounting for the fall. Inform's private sector revenues in retail, media and construction grew by 1%. While health and local government is likely to remain subdued in the immediate future, the division has invested in its key Brands which continue to enjoy industry leading positions.

The impact of raising online subscription barriers during the last quarter of 2009 and early 2010, resulted in a growth of 20% in new subscription business. A number of new digital products have been launched during the period, including The Commissioning Index for Broadcast, Retail Week Knowledge Bank and CN Insight for Construction News. Additionally Screen International moved from a weekly print title to continuous publishing online with in depth analysis and commentary in a monthly printed edition with additional supplementary activity around the film markets and awards seasons.

The Awards business continued to grow in 2010 launching ten new events with increased attendance at our existing events and growth in sponsorship.

EMAP Data and Insight

The division generated revenues of £80m (year ended 31 December 2009: £78m).

EMAP Data and Insight contains market leading brands such as WGSN, CAP and Planet Retail, which provide business intelligence across a variety of industry sectors.

WGSN is the leading online trend-analysis and research service providing creative and business intelligence for the apparel, style, design and retail industries.

WGSN's 150-strong editorial and design staff, noted for significant industry experience, continually travel the globe to deliver insight and creative inspiration, real-time retail coverage, seasonal trend analysis, consumer research and business information. Complemented by a worldwide network of expert freelance analysts, researchers and journalists, staff expertise is the hallmark of WGSN and the foundation of its status as the world's foremost provider of strategic trend information.

In August 2010 WGSN launched WGSN-homebuildlife (HBL), a trend forecasting and product development tool focused specifically on the needs of the global home and interiors industries. HBL provides subscribers with consumer and market intelligence in 14 product categories and across the product development lifecycle. This arms industry professionals and brands with the inspiration, insights, and intelligence to quickly and effectively anticipate and address industry challenges and opportunities.

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In September 2010 WGSN's website was re-launched as FONTIS. FONTIS utilises cloud computing technology to restructure all of WGSN's design packs, images, trend forecasts and market analyses so designers and style executives can search for WGSN's content in a highly personalized and efficient manner.

CAP, our automotive valuations and specification data business, outperformed the market through the period. Business renewal performance remained strong and growth was driven by securing new business.

The ongoing challenges within the construction sector saw a decline in subscriptions to Glenigan, which provides information on planning applications within the UK; however renewal rates rose 3% from 2009. Revenue growth in Groundsure, provider of environmental information was strong despite the UK property market remaining flat with similar property transaction volumes to 2009. Improved profitability came from market share gain and improved operational efficiency.

Planet Retail performed very strongly, increasing its international and sector reach in Retail. Focus on new product development and increased market penetration resulted in another year of strong revenue and operating profit growth.

De-Havilland, the political monitoring business, saw increased competition and the public sector uncertainty result in a reduction in revenues. During 2010, a European service was launched expanding the business' expertise into new markets.

Brad Insight, our marketing and media intelligence brand had a strong year in 2010 delivering budgeted revenues and profit while investing in product development and sales management systems. This focus has led to a significantly improved product offering enabling the business to target an expanded market.

EMAP Connect

The division generated £78m (year ended 31 December 2009: £77m) of revenue.

Connect stages industry leading exhibitions and events and had a strong year of performance in challenging market conditions, while making significant investment in developing new and existing brands. We continue to invest to ensure our events create an engaging and stimulating visitor experience enabling exhibitors to increase their return on investment. New events were launched during the year, which drew on the strength of our existing brands, notably BETT Middle East in Abu Dubai and Naidex South at ExCel in London.

Connect has invested in key brands during 2010, with an emphasis on building successful industry leading events. During the year the BEST and Glee event brands were re-launched and will be further developed in 2011. Exhibitions as a whole performed well although events connected to the public sector such as the Education Show experienced pressure due to the continuing uncertainty within the industry. Success in exhibitions in the Retail, Health and Leisure sectors such as Pure Womenswear and Autumn Fair more than offset the challenges elsewhere.

During the year, Futuresource exhibition was acquired from the Chartered Institute of Wastes Management which will be used to strengthen the existing Recycling and Waste Management exhibition. Connect also acquired the remaining part of the Broadcast Video Expo, which is now wholly owned and the Energy Event. During the year the 'prosumer' (professional consumer) Professional Beauty show was transferred to a joint venture, as management focus on its core business to business activities.

Within the festivals portfolio, Cannes Lions saw delegates returning strongly after the challenges of recession in 2009, proving the core strength of brand even in tough market conditions, with smaller regional festivals such as Eurobest and Dubai Lynx performing well. In conjunction with Haymarket, it re-launched Spikes in Singapore which saw significant growth and is well positioned to become the leading festival in Asia.

EMAP Networks

The division generated £14m (year to 31 December 2009: £17m) of revenue.

Over 14,000 delegates attended 260 events in health, education, local government, retail, media, architecture and the built environment. Subjects ranged from Clinical Coding to Business Management; Social Task Workforce to Patient Safety in the Public Sector; Comedy to Digital Workflows in Media; Supply Chain to eCommerce in Retail; and High Speed Rail to the World Infrastructure Summit in Built Environment.

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Emap Networks' operating profit was impacted by the pressure on public sector budgets during the year, which reduced delegate attendances and sponsorship opportunities from public bodies. During the last quarter of 2010 Networks restructured operations to focus on developing profitable large scale events and discontinuing smaller, less profitable one day events while rationalising the cost base of the division to fit the new strategy. This restructuring has resulted in the loss of £1.6m of unprofitable revenue together with £1.9m of corresponding costs.

EMAP Middle East

Revenues of £19m (year ended 31 December 2009: £17m) 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 intelligence, analysis and access across 12 countries and 14 industry sectors to more than 2.1m unique users per month online, while delivering in-depth data and business leads to over 6,000 companies through high value subscription products such as MEED and MEED Projects. The information provided by MEED and AME info enables our customers to drive more profitable business decisions.

MEED also brings buyers and sellers together at over 40 industry conferences and networking clubs that are held in six different countries. During 2010, MEED attracted almost 2,000 delegates and 200 sponsors to its conferences, covering topics ranging from geographical focus such as The Abu Dhabi Conference and market sectors such as Power, Water and Aluminium, in addition to contemporary issues such as Qatar Projects and Iraq.

Future Outlook

The improving macroeconomic environment and Emap's international reach leaves the Group well positioned to benefit from revenue growth in 2011. This will be fuelled by the investment made during 2010 and continuing to develop and launch new products and services.

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 operational results. 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 revenues, which are typically committed annually account for more than 38% 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 range of new media. There is a risk that by doing so the Group potentially cannibalises its own print products, but to mitigate this risk 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 needs 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

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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. Treasury policies are pre-approved by the Board and 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 in US dollars and Euros and pays currency interest on US dollar and Euro preference shares. The Board approves the Group's hedging strategy. The Group had no hedges in place as at 31 December 2010.

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.

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Capital structure

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

	Facility £'m	Drawn £'m	Final Maturity	Margin over LIBOR %
Loan notes	8.3	8.3	within 1 year	(0.75)
Senior facility A	89.4	89.4	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	50.0	15.6	April 2015	3.0
Revolving credit facility	15.0	-	April 2015	3.0
Mezzanine facility	86.5	86.5	April 2018	10.25

23% of the drawn facility is held in USD and 12% in Euro to reduce the foreign currency risk of the Group. At 31 December 2010, total banking facilities amount to £614.2m of which £564.8m 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) Cash flow cover – cash flow to net debt service; and
- (iv) Capital expenditure.

During 2010, as part of their continuing support for the Group, £154.6m 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.

In November 2010 Emap agreed certain revisions to its banking facilities and related terms. As part of this Emap cancelled £50m of facility D and £20m of its revolving credit facility, both of which were unrequired and undrawn.

In February 2011, Emap converted \$100m of its US dollar senior debt and £15m of its Sterling senior debt into €90m senior Euro debt on the same terms as existing Euro debt. This was done to better match the currency mix of the Group's profits.

The Group operated within its covenant limits at all times during the year under review, and the directors continue to forecast that the Group will continue to operate within those limits for the foreseeable future.

Employees

The Group relies on the imagination and creativity of its people to invent and develop media brands and drive the business forward. These brands are critical to a 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 in empowering our people to make and take decisions and accountability is the key to our continued success. Our values emphasise personal responsibility and the freedom to innovate while also constantly encouraging 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 communication focussing on the activity and the initiatives that are being undertaken in the businesses, highlighting strategic and inspirational issues and celebrating 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 scheme.

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EMAP is committed to employing, developing and promoting individuals from diverse backgrounds and from all sections of society.

We operate a flexible benefit scheme and 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 year EMAP continued to improve print run efficiency and seeks to utilise fewer presses and less waste on paper stock.

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, ensuring that the paper stock for our weekly and monthly titles is sustainably sourced.

EMAP also has a programme to actively reduce its carbon footprint. 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 year ended 31 December 2010 the amount donated by the Group in matching contributions was £20,000, (9 month period ended 31 December 2009: £9,000). The Group has not made any political donations during the year 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 year ended 31 December 2010 the Group's creditor days was 67 days.

The Group 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. In partnership with GMG we have created a sustainability vision (the Power of 10) with 10 focus points, which are; 1. Audiences and Customers; 2. Governance; 3. Products and Services; 4. Advertising; 5. Environmental Management; 6. Carbon

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Management; 7. Procurement; 8. Employee Engagement; 9. Embedding sustainability into the workplace; and 10. Community.

The sustainability vision is reported on a quarterly basis to the EMAP board, which defines which areas the Group places particular focus.

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

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



S Looi
Company Secretary
22 March 2011

Registered Number: 435820

EMAP International Limited

Statement of Directors' Responsibilities for the year ended 31 December 2010

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.



S Looi
Company Secretary
22 March 2011

Registered Number: 435820

Independent auditors' report for the year ended 31 December 2010

We have audited the financial statements of EMAP International Limited for the year ended 31 December 2010 set out on pages 15 to 53. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements 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 year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Hugh Green (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Chartered Accountants and Registered Auditors
London
22 March 2011

EMAP International Limited

Consolidated Income Statement
For the year ended 31 December 2010

	Note	Year ended 31 December 2010 Before exceptional items, amortisation and impairment of intangible assets	Year ended 31 December 2010 Exceptional items, amortisation and impairment of intangible assets	Year ended 31 December 2010 Total	Period ended 31 December 2009 Before exceptional items, amortisation and impairment of intangible assets	Period ended 31 December 2009 Exceptional items, amortisation and impairment of intangible assets	Period ended 31 December 2009 Total
		£'m	£'m	£'m	£'m	£'m	£'m
Continuing operations							
Revenue	2	244	-	244	164	-	164
Cost of sales	4	(53)	-	(53)	(31)	-	(31)
Distribution costs	4	(4)	-	(4)	(3)	-	(3)
Administrative expenses	4	(106)	(20)	(126)	(72)	(32)	(104)
Operating profit		81	(20)	61	58	(32)	26
Loss on disposal of business		-	(17)	(17)	-	-	-
Finance costs	6	(17)	-	(17)	(2)	-	(2)
Finance income	6	-	-	-	1	-	1
Profit before taxation		64	(37)	27	57	(32)	25
Taxation	7			(11)			1
Retained profit for the year				16			26
Attributable to:							
Equity holders of the parent	27			16			26
Non controlling interests				-			-
				16			26

All profits were from continuing operations.

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

Exceptional items are defined as items which relate to changes in the structure or composition of the Group or derive either from events or transactions that fall outside the usual activities of the Group or events or transactions that in aggregate need to be disclosed separately by virtue of the size or to advise if the financial statements are to give a true and fair view. An analysis of exceptional items is given in note 4.

The notes on pages 20 to 53 form part of these financial statements.

EMAP International Limited

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2010

	Note	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Profit for the year		16	26
Other comprehensive income:			
Foreign exchange translation differences	26	<u>(2)</u>	<u>(5)</u>
Net expense recognised directly in equity		<u>(2)</u>	<u>(5)</u>
Total recognised income and expense for the year		<u><u>14</u></u>	<u><u>21</u></u>
Attributable to:			
Equity holders of the parent		<u><u>14</u></u>	<u><u>21</u></u>

The notes on pages 20 to 53 form part of these financial statements.

EMAP International Limited

Consolidated Cash Flow Statement
For the year ended 31 December 2010

	Note	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Cash flow from operating activities			
Cash generated from operations	8	78	41
Interest paid		(14)	(1)
Interest received		-	1
Tax received		2	24
Net cash generated from operating activities		<u>66</u>	<u>65</u>
Cash flow from investing activities			
Acquisition of subsidiary undertakings, net of cash	29	(6)	(1)
Purchase of computer software		(8)	(3)
Purchase of property, plant and equipment		-	(2)
Purchase of other intangible assets		-	(2)
Loan to employee benefit trust and senior management	14	-	(2)
Loans to associated undertakings		1	-
Settlement of claim on historic disposal	8	-	(10)
Net cash used in investing activities		<u>(13)</u>	<u>(20)</u>
Cash flows from financing activities			
Issue of preference shares	25	-	244
Repayment of loan from parent undertaking		-	(149)
Loan to group undertakings		(47)	(130)
Net cash used in financing activities		<u>(47)</u>	<u>(35)</u>
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	18,21	44	35
Exchange gains on cash and bank overdrafts		-	(1)
Cash and cash equivalents at the end of the year	18,21	<u>50</u>	<u>44</u>

The notes on pages 20 to 53 form part of these financial statements.

EMAP International Limited

Consolidated Statement of Financial Position as at 31 December 2010

	Note	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Assets			
Non-current assets			
Intangible fixed assets	11	343	362
Property, plant and equipment	12	6	9
Investments in joint ventures and associates	13	-	-
Long term receivables	14	2	2
Deferred tax assets	24	4	2
		<u>355</u>	<u>375</u>
Current assets			
Inventories	15	15	13
Trade and other receivables	16	279	175
Current tax recoverable		-	2
Cash and cash equivalents	18	50	44
		<u>344</u>	<u>234</u>
Liabilities			
Current liabilities			
Trade and other payables	19	208	129
Current tax liabilities		4	5
Provisions	23	2	3
		<u>214</u>	<u>137</u>
Non-current liabilities			
Deferred tax liabilities	24	24	27
Other non-current liabilities	22	1	1
Financial instruments	25	247	244
Provisions	23	1	2
		<u>273</u>	<u>274</u>
Net assets		<u>212</u>	<u>198</u>
Shareholders' funds			
Capital and reserves			
Called up share capital	25	66	66
Share premium account	25	327	327
Capital redemption reserve	25	285	285
Other reserves	26	13	15
Retained earnings	27	(479)	(495)
Equity shareholders' funds		<u>212</u>	<u>198</u>

The financial statements were approved by the Board of Directors on 22 March 2011 and were signed on its behalf by



David Gilbertson, Director



Martyn Hindley, Director

The notes on pages 20 to 53 form part of these financial statements.

EMAP International Limited

Consolidated Statement of Changes in Equity as at 31 December 2010

	Called up share capital £'m	Share premium account £'m	Capital redemption reserve £'m	Other reserves £'m	Retained earnings £'m	Total £'m
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
<hr/>						
At 1 January 2010	66	327	285	15	(495)	198
Exchange Differences arising on translation of foreign operations	-	-	-	(2)	-	(2)
Profit for the year attributable to equity holders of the parent	-	-	-	-	16	16
<hr/>						
At 31 December 2010	66	327	285	13	(479)	212

The notes on pages 20 to 53 form part of these financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

1. Principal accounting policies

Authorisation of financial statements

The financial statements of the Group for the year ended 31 December 2010 were authorised for issue by the Board of Directors on 22 March 2011 and the statement of financial position 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 2010, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These accounts have been prepared under the going concern principle, as discussed in the directors' report at page 12. The Group operated within its covenant limits at all times during the year under review, and the directors continue to forecast that the Group will continue to operate within those limits for the foreseeable future.

Application of new or amended EU endorsed accounting standards

The following standards and interpretations have been adopted for the first time in these financial statements:

Amendments to IAS27 *Consolidated and Separate Financial Statements*, IAS28 *Investments in Associates*, IAS31 *Interests in Joint Ventures*, IFRS2 *Share-based Payment* and IAS38 *Intangible Assets* – the amendments are effective prospectively. The amendments had no impact on the Company's or Group's result or financial position but will be effective for any future business combinations.

IFRS1 *First Time Adoption of International Financial Reporting Standards (revised)* – the amendments had no impact on the Group's financial statements.

IAS39 *Financial Instruments: Recognition and Measurement (revised)* – the amendments had no impact on the Group's financial statements.

IFRS2 *Share-based Payment (revised)* – the amendments had no impact on the Group's financial statements.

Annual Improvements to IFRS 2009, IFRIC17 *Distributions of Non-cash Assets to Owners*, IFRIC18 *Transfers of Assets from Customers* and amendments to IFRIC9 *Reassessment of Embedded Derivatives*, IFRIC16 *Hedges of a Net Investment in a Foreign Operation*, IFRS5 *Non-current Assets Held for Sale and Discontinued Operations*, IAS7 *Statement of Cash Flows*, IAS17 *Leases*, IAS18 *Revenue* and IAS36 *Impairment of Assets* – these had no impact on the Group's financial statements.

At the date of approval of these financial statements, the following standards, interpretations and amendments were issued but not yet mandatory for the Group and early adoption has not been applied.

International Financial Reporting Standards ("IFRS")

IFRS9, *Financial Instruments*

International Financial Reporting Interpretations Committee ("IFRIC") interpretations

IFRIC19, *Extinguishing Financial Liabilities with Equity Instruments*

Amendments to existing standards

Amendment to IAS24, *Related Party Disclosures*

Amendment to IAS32, *Classification of Rights Issues*

Amendment to IFRS7, *Financial Instruments: Disclosure*

Amendment to IFRIC14, *Prepayments of a Minimum Funding Requirement*

Annual Improvements to IFRSs 2010

It is considered that the above standards, amendments and interpretations will not have a significant effect on the results or net assets of the Group.

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

All the IFRSs, IFRIC interpretations and amendments to existing standards are endorsed by the EU at the date of approval of these financial statements with the exception of IFRS9, the amendment to IFRS7 and the Annual Improvements to IFRSs 2010.

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 year ended 31 December 2010. 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. 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 statement of financial position 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.

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

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 reporting 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

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

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 year 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 reporting 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.

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into Sterling at the rate of exchange applicable at the reporting 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 reporting 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 reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

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 reporting 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 reporting 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 reporting 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 reporting 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.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

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:

- i). restructuring and reorganisation of businesses, including major transformational programmes and the implementation of outsourcing arrangements;
- ii). provision against impairment of fixed assets, including investments, intangible assets and goodwill;
- iii). costs relating to asset purchases and disposals including acquisition and disposal of investments and business operations;
- iv). settlement of material claims;
- v). expenses relating to the wind down of the old "plc" operations, including related corporate initiatives to streamline the corporate structure and the costs of the property portfolio that was surplus to the Group's requirements on its acquisition by Eden Acquisition 5 Limited; and
- vi). expenses relating to negotiations on debt financing arrangements.

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 reporting date the likely amount of Good Leavers at the date that vesting conditions are met. A provision is created on the statement of financial position 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 reporting 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 statement of financial position.

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

Critical accounting assumptions and judgements

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

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 year to 31 December 2010 is from continuing operations.

	Year ended 31 December 2010	Period ended 31 December 2009
	£'m	£'m
Cost		
United Kingdom	147	103
Rest of the World	97	61
Total	244	164

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

	Year ended 31 December 2010	Period ended 31 December 2009
	£'m	£'m
Sale of goods	94	70
Rendering of services	150	94
Total	244	164

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

Rendering of services includes barter revenue arising from the exchange of goods or services of £1m (9 months period ended 31 December 2009: £1m).

3. Operating segments

The Group has five reportable segments, as described below, which are the Group's divisions. The divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the divisions, the Group's CEO (the chief operating decision maker) reviews internal management reports on a periodic basis. The following summary describes the operations in each of the Group's reportable segments:

- EMAP Inform specialises in magazines, online resources and intelligence and award ceremonies.
- EMAP Data & Insight produces intelligence, analysis and forecasting tools.
- EMAP Connect is a trade exhibition and festivals organiser.
- EMAP Networks produces over 200 intensively researched conferences a year.
- EMAP Middle East provides business information and events in the Middle East.
- A corporate function (Central) provides finance, management and marketing services to the segments.

The Group has no other aggregated segments that do not individually meet the reporting thresholds. Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Information regarding reportable segment assets and liabilities is not reported to the Group's CEO.

Year Ended 31 December 2010

	Note	Inform £'m	Data & Insight £'m	Connect £'m	Networks £'m	Middle East £'m	Central £'m	Total £'m
Revenue	2	53	80	78	14	19	-	244
Depreciation & amortisation of software		-	2	-	-	-	2	4
Operating Profit		14	33	29	1	5	(1)	81
Exceptional items and amortisation	4	-	-	-	-	-	(20)	(20)
Loss on disposal of business		-	-	-	-	-	(17)	(17)
Finance costs	6	-	-	-	-	-	(14)	(14)
Profit before tax		14	33	29	1	5	(52)	30

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

9 month period ended 31 December 2009

	Note	Inform £'m	Data & Insight £'m	Connect £'m	Networks £'m	Middle East £'m	Central £'m	Total £'m
Revenue	2	41	59	41	11	12	-	164
Depreciation & amortisation of software		-	1	-	-	-	1	2
Operating Profit		12	25	15	1	2	3	58
Exceptional items and amortisation	4	-	-	-	-	-	(32)	(32)
Finance costs	6	-	-	-	-	-	(2)	(2)
Finance income	6	-	-	-	-	-	1	1
Profit before tax		12	25	15	1	2	(30)	25

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Exceptional items, amortisation and impairment of intangible assets are detailed in note 4. Finance costs, finance income, exceptional items and income tax are not allocated to segments, as this type of activity is driven by the central function. The Group does not have any customers from which revenue exceeds 10% of Group revenue.

The Group has no non-current assets located outside of the United Kingdom.

4. Operating costs by nature

Operating expenses for continuing operations comprise:

	Note	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Staff costs	28	66	43
Depreciation of property, plant and equipment	12	2	2
Amortisation of capitalised software	11	2	-
Utilisation of inventory		1	1
Operating lease rentals		5	6
Other		87	54
Costs before exceptional items, amortisation and impairment of intangibles		163	106
Amortisation of intangible fixed assets	11	15	14
Exceptional items			
- Costs relating to acquisition activities		1	-
- Outsourcing costs		-	4
- Redundancy costs and transformation programmes		1	3
- Expenses occurring as a result of the shareholder debt buy-back &		2	-
- Settlement of claim on historic subsidiary disposal		-	7
- Impairment of investment		-	1
- Other		1	3
Total		183	138

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'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	0.1	0.2
Fees paid to auditors for taxation services	-	0.5
Total	0.3	0.9

5. Net foreign exchange losses

Exchange losses of £nil (9 month period ending 31 December 2009: £2m) in relation to trading activities have been debited to administrative expenses in the income statement.

6. Finance costs and finance income

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Interest expense on loan from parent undertaking	-	(1)
Exchange loss on preference shares	(3)	-
Preference share dividends	(14)	(1)
Finance costs	(17)	(2)
Interest income on short term deposits	-	1
Finance income	-	1

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

7. Tax on profit on ordinary activities

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

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
UK Corporation tax		
Current tax on income for the period at 28%	14	11
Adjustments in respect of prior periods	2	(13)
	<hr/>	<hr/>
Total current tax	16	(2)
Deferred tax – movement in the period		
Current period	(4)	1
Adjustments in respect of prior periods	(1)	-
	<hr/>	<hr/>
Total tax charge / (credit)	11	(1)
	<hr/>	<hr/>
	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Tax on items charged to equity		
Corporation tax: foreign exchange hedging and financial instruments taken to reserves	-	1
Deferred tax: foreign exchange gain on intangible assets taken to reserves	-	(1)
	<hr/>	<hr/>
Total	-	-
	<hr/>	<hr/>

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

The tax impact of the loss on exceptional items, amortisation and impairment of intangible assets of £37m, (9 month period ended 31 December 2009: £32m) is a tax credit of £4m, (9 month period ended 31 December 2009: tax credit of £7m).

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

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Total charge/(credit) to tax as shown in the financial statements	11	(1)
Profit before tax, multiplied by the UK standard rate of 28%	4	7
	<hr/>	<hr/>
Difference	7	(8)
	<hr/>	<hr/>
The difference is principally due to:		
Intangible assets: non-deductible amortisation	3	3
Intangible assets: release of deferred liability	(3)	(3)
Non deductible / taxable expenses / income	5	2
Current year tax losses unutilised and unprovided	-	5
Current year unprovided deferred tax	(2)	(2)
Non-taxable exceptional capital losses	4	-
Impact of rate changes	(1)	-
Adjustments to prior periods	1	(13)
	<hr/>	<hr/>
	7	(8)
	<hr/>	<hr/>

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

8. Cash generated from operations

	Note	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Profit before tax		27	25
Adjustments for:			
Amortisation of intangible fixed assets	11	17	14
Disposal of intangible fixed assets	11	17	-
Disposal of investment	13	-	1
Depreciation of tangible fixed assets	12	2	2
Settlement of claim on historic subsidiary disposal (gross of £3m accrual)	4	-	10
Finance costs	6	17	2
Finance income	6	-	(1)
(Increase) in inventories	15	(2)	(10)
Decrease in receivables	16	-	9
Increase in payables	19	4	-
(Decrease) / increase in provisions	23	(2)	(6)
Other working capital movements		(2)	(5)
		<hr/>	<hr/>
Net cash inflow from operating activities		78	41
		<hr/> <hr/>	<hr/> <hr/>

9. Financial instruments

a) Financial instruments: categories

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m	Year ended 31 December 2010 Other financial liabilities £'m	Period ended 31 December 2009 Other financial liabilities £'m
Financial assets				
Trade and other receivables	45	177	-	-
Cash and cash equivalents	50	44	-	-
Total	95	221	-	-
Financial liabilities				
Trade and other payables	-	-	45	44
Preference shares	-	-	247	244
Total	-	-	292	288

The fair value of each category of the Group's financial instruments approximates their carrying value in the Group's statement of financial position.

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

b) Derivative financial instruments

The Group had no derivative financial instruments included in current assets and liabilities as at 31 December 2010 (year ended 31 December 2009: £nil).

Foreign exchange swaps - net investment hedge

During the year ended 31 December 2010 the Group had no foreign exchange swaps to provide net investment hedge. Fair value gains of £nil (December 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 no currency swaps and forward contracts to provide economic hedges against interest payments in those currencies on debt. At 31 December 2010 the Group had no contracts outstanding (31 December 2009: no contracts).

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 has 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 income statement. At 31 December 2010 the Group had no outstanding contracts (31 December 2009 no contracts).

At the reporting date, there were no outstanding forward foreign exchange contracts to which the Group was committed.

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. The Group is also exposed to foreign currency retranslation risk on preference shares it has issued in Euros and USD, as they are retranslated at each period end.

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 maintain a similar proportion of currency debt in proportion to its currency earnings in order to maintain natural offsets in managing its debt covenant positions. 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. The Group continues to maintain 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 statement of financial position as disclosed in Note 9a.

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Notes to the Financial Statements for the year ended 31 December 2010

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 2010 the following limits were in place for investments held with banks and financial institutions:

Counterparty	Year ended 31 December 2010		Period ended 31 December 2009	
	Credit limit	Utilised	Credit limit	Utilised
	£'m	£'m	£'m	£'m
Institutions rated AA or better	50	21	50	12
Institutions rated A or better but less than AA	51	29	51	32
	101	50	101	44

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 reporting date:

	Less than one month	Between one and three months	Between three and twelve months	In one to two years	In two to five years	In more than five years
	£'m	£'m	£'m	£'m	£'m	£'m
<u>Non derivative financial liabilities</u>						
Trade and other payables	45	-	-	-	-	-
At 31 December 2010	45	-	-	-	-	-
<u>Non derivative financial liabilities</u>						
Trade and other payables	44	-	-	-	-	-
At 31 December 2009	44	-	-	-	-	-

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

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 2010 and 31 December 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 statement of financial position 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.

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Notes to the Financial Statements for the year ended 31 December 2010

	31 December 2010		31 December 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	(6)	-	(7)	-
GBP 10% stronger against Euro	5	-	6	-
GBP 10% weaker against USD	(18)	3	(17)	2
GBP 10% stronger against USD	15	(2)	14	(2)

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 2009	322	212	68	73	10	685
Exchange movements	(6)	-	-	-	-	(6)
Additions	1	-	-	2	2	5
At 1 January 2010	317	212	68	75	12	684
Additions	4	-	4	2	8	18
Disposals	(14)	-	(3)	(3)	(2)	(22)
Write off	-	-	-	-	(7)	(7)
Exchange movements	(3)	-	-	-	-	(3)
At 31 December 2010	304	212	69	74	11	670
Amortisation / impairment						
At 1 April 2009	(66)	(201)	(5)	(28)	(8)	(308)
Amortisation provided during the year	-	(5)	(2)	(6)	(1)	(14)
At 1 January 2010	(66)	(206)	(7)	(34)	(9)	(322)
Amortisation provided during the period	-	(3)	(3)	(9)	(2)	(17)
Disposals	-	-	1	3	1	5
Write off	-	-	-	-	7	7
At 31 December 2010	(66)	(209)	(9)	(40)	(3)	(327)
Net book value						
At 31 December 2010	238	3	60	34	8	343
At 31 December 2009	251	6	61	41	3	362

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

Goodwill and indefinite life intangible assets

The Group tests goodwill and intangible assets annually for impairment, or more frequently if there are indications of impairment. 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 Business to Business 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% (period ended 31 December 2009: 0% to 4.0%). The cash flows have been discounted at pre-tax discount rates in the range of 8.3% to 10.8% (period ended 31 December 2009: 12.3% to 13.6%).

An impairment of £nil (9 month period ended 31 December 2009: £nil) of goodwill and indefinite life intangibles assets has been recognised in the period.

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 year ended 31 December 2010					
Long term growth rate	2.0%	2.5%	4.0%	3.0%	4.0%
Pre-tax discount rate	9.3%	10.5%	9.1%	10.2%	11.6%
For the 9 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%

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.

Management have sensitised the key assumptions, including the discount rate, and under both base case and sensitised case no indicators of impairment exist. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

The most significant amounts of goodwill allocated to separate CGUs are £159m (9 month period ended 31 December 2009: £159m) allocated to the group of assets which generate cash flows from Data & Insight activities and £46m (9 month period ended 31 December 2009: £60m) 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 (9 month period ended 31 December 2009: £32m), are individually significant to the Group's total goodwill balance.

Brand value includes £45m (9 month period ended 31 December 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.

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

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 made several acquisitions.

In September 2010, it acquired 100% of the share capital of Best Energy Limited and the related assets of the Water, Energy & Environment magazines for £3m. The associated goodwill was £1m.

In November 2010 the Group increased its shareholding in Broadcast Video Forum Limited from 45% to 100% at a cost of £2m and associated goodwill of £1m.

The assets of Futuresource were acquired in December 2010 at a cost of £2m which has been included within intangible assets.

Emap Professional Beauty Limited license was acquired at a cost of £2m. During the period, the Group transferred the assets of Professional Beauty to a new joint venture, Trade Exhibitions Ltd for a fair value consideration of £200,000, generating £17m loss on disposal of the goodwill and intangible assets.

12. Property, plant and equipment

	Short leasehold property £'m	Office equipment & vehicles £'m	Total £'m
Cost			
At 1 April 2009	5	9	14
Additions	-	3	3
Disposals	-	(1)	(1)
At 1 January 2010	5	11	16
Additions	-	-	-
Disposals	-	(1)	(1)
At 31 December 2010	5	10	15
Depreciation			
At 1 April 2009	(2)	(4)	(6)
Provided during the period	(1)	(1)	(2)
Disposals	-	1	1
At 1 January 2010	(3)	(4)	(7)
Provided during the year	-	(2)	(2)
At 31 December 2010	(3)	(6)	(9)
Net book value			
At 31 December 2010	2	4	6
At 31 December 2009	2	7	9

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

13. Investments

	Year ended 31 December 2010	Period ended 31 December 2009
	£m	£m
Cost		
Opening balance 1 January /1 April	1	1
Disposals	(1)	-
Closing balance 31 December	-	1
Impairment		
Opening balance 1 January/1 April	1	-
Disposals	(1)	-
Impairment during period	-	1
Closing balance 31 December	-	1
Net book value at 31 December	-	-

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.

During the period ended 31 December 2009, the Group acquired 50% of Trades Exhibitions Limited for a fair value consideration of £200,000. The investment is held at cost.

Details of the Group's associates at 31 December 2010 are as follows:

Name of associated undertaking	Proportion held at 31 December 2010	Nature of business	Country of operation and registration
Asian Advertising Festival (Spikes Asia) Pte Limited	50%	Exhibitors	Singapore

All holdings are of ordinary shares.

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

14. Long term receivables

	Year ended 31 December 2010	Period ended 31 December 2009
	£'m	£'m
Loans to senior management and employee benefit trust	2	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.

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Notes to the Financial Statements for the year ended 31 December 2010

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 no employees (9 months period ended 31 December 2009: one employee) left the Group and no shares (31 December 2009: 41,759 shares) were repurchased by the Employee Benefit Trust.

Total key management

Loan	2010 £m	2009 £m
At beginning of period	1	-
Amount issued	-	1
Amount outstanding at 31 December 2010	1	1

During the nine month period ended 31 December 2009 Emap International Limited provided an interest free loan of £0.6m to the Employee Benefit Trust on behalf of Eden 2 & Cie SCA. There was no movement in this loan during the year ended 31 December 2010.

15. Inventories

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Raw materials, consumables and deferred exhibition costs	15	13

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

16. Receivables and prepayments

	Year ended 31 December 2010	Period ended 31 December 2009
	£'m	£'m
Amounts falling due within one year		
Trade receivables	40	41
Provision for doubtful debts	(2)	(3)
Amounts due from parent undertaking	234	130
Other receivables	2	1
Prepayments and accrued income	5	6
	<hr/>	<hr/>
Total	279	175
	<hr/> <hr/>	<hr/> <hr/>

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 at 31 December 2010, the provision for impaired trade receivables was £2m (9 month period ended 31 December 2009: £3m). Of this, £nil relates to trade receivables impaired and fully provided for. The balance of the provision of £2m 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 year (9 month period ended 31 December 2009: £1m release) as a result of improved credit control processing improving the aging of the receivables.

As at 31 December 2010, trade receivables of £23m (9 month period ended 31 December 2009: £22m) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	Year ended 31 December 2010	Period ended 31 December 2009
	£'m	£'m
Amounts less than one year overdue:		
Up to 3 months past due	17	15
3 to 6 months past due	4	5
Over 6 months past due	2	2
	<hr/>	<hr/>
Total	23	22
	<hr/> <hr/>	<hr/> <hr/>

Amounts due from parent undertaking include an amount of £234m (9 month period ended 31 December 2009: £130m) which bears interest at LIBOR + 0.3%.

17. 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 16).

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.

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

18. Cash and cash equivalents

Cash and cash equivalents of £50m (9 month period ended 31 December 2009: £44m) 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.

19. Trade and other payables - current

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Payments received on account	48	51
Trade payables	4	4
Amounts owed to parent undertaking	93	19
Other payables	4	3
Other taxes and social security costs	4	3
Accruals and deferred income	55	49
	<hr/>	<hr/>
Total	208	129
	<hr/> <hr/>	<hr/> <hr/>

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.

20. Borrowings

The Group's borrowing limit at 31 December 2010 calculated in accordance with the Articles of Association was £993m (9 month period ended 31 December 2009: £993m).

At 31 December 2010, the Group had no material banking facilities. All facilities are arranged via a parent undertaking, Eden Acquisition 5 Limited.

Details of the preference shares issued by the company, which are classified as financial instruments, are included in note 25.

21. Reconciliation of movement in net debt

	Net cash £'m	Short term deposits £'m	Net debt £'m
At 1 January 2010	20	24	44
Net cash movement	(14)	20	6
	<hr/>	<hr/>	<hr/>
At 31 December 2010	6	44	50
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

22. Other non-current liabilities

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Deferred income	1	1

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

23. Provisions

	Property provisions £'m	Other provisions £'m	Total provisions £'m
At 1 January 2010	2	3	5
Utilised in the year	-	(2)	(2)
At 31 December 2010	2	1	3

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

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Current	2	3
Non-current	1	2
Total	3	5

The property provisions relate to ongoing commitments on vacant properties. These commitments extend to 2018. Other provisions include onerous contracts of £1m (9 month period ended 31 December 2009: £2m).

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

24. Deferred tax

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

	Tax losses £'m	Depreciation vs tax allowances £'m	Other temporary differences £'m	Intangible assets £'m	Total £'m
At 1 April 2009	2	3	2	(31)	(24)
(Charge) / credit to income statement for the period	(2)	(2)	(1)	4	(1)
Other					
At 31 December 2009	-	1	1	(27)	(25)
Credit to income statement for the year	-	1	-	4	5
At 31 December 2010	-	2	1	(23)	(20)

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 statement of financial position purposes:

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Deferred tax assets	4	2
Deferred tax liabilities	(24)	(27)
Total	(20)	(25)

The Group has net deferred tax liabilities provided across the categories set out above totalling £20m (9 month period ended 31 December 2009: £25m) of which £1m (9 month period ended 31 December 2009: £2m) is due within one year and £19m (9 month period ended 31 December 2009: £23m) is due after more than one year.

Of the total net deferred tax liability of £20m (9 month period ended 31 December 2009: £25m), £4m (9 month period ended 31 December 2009: £2m) is disclosed as a non-current asset and £24m (9 month period ended 31 December 2009: £27m) is disclosed as a non-current liability.

The Group has tax trading losses in the US totalling £134m (9 month period ended 31 December 2009: £137m) carried forward at 31 December 2010. Due to uncertainties in utilising these losses in future periods, no deferred tax asset is recognised in the statement of financial position.

The Group has un-provided deferred tax asset on tax trading losses totalling £263m (9 month period ended 31 December 2009: £269m) of which £134m (9 month period ended 31 December 2009: £137m) is held in the US, £129m (9 month period ended 31 December 2009: £130m) in the UK and £nil m (9 month period ended 31 December 2009: £2m) 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.

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

The Group has not recognised a deferred tax asset on UK capital losses totalling £333m (9 month period ended 31 December 2009: £333m) which can be carried forward indefinitely. The Group has also deferred indefinitely UK capital gains totalling £12m (9 month period ended 31 December 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.

25. Share capital, share premium and capital redemption reserve

	Number of ordinary shares m	Ordinary shares £'m	Share premium £'m	Capital redemption reserve £'m	Preference shares £'m
At 1 January 2010	218.8	66	327	285	244
Foreign exchange loss	-	-	-	-	3
At 31 December 2010	218.8	66	327	285	247

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

The total number of authorised preference shares is 150,000,000 €1.00 shares and 300,000,000 US\$1.00 shares. At 31 December 2010 87,000,000 €1.00 and 270,300,000 US\$1.00 shares were on issue to the 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 are classified as financial instruments. While the preference shares are redeemable with 3 days notice, the Company has agreed with the holder of these shares, its immediate parent undertaking Eden Bidco Limited, that repayment remains at the option of the Company for a period of not less than 12 months from the date of finalisation of these financial statements

The preference shares rank ahead of the ordinary shares.

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

26. Other reserves

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Opening balance	15	20
Exchange differences arising on translation of foreign operations	(2)	(5)
	<hr/>	<hr/>
Closing balance	13	15

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.

27. Retained earnings

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Opening balance	(495)	(521)
Profit for the year attributable to equity holders of the parent	16	26
	<hr/>	<hr/>
Closing balance	(479)	(495)

28. Staff numbers and costs

(a) Average monthly number of staff

	Year ended 31 December 2010	Period ended 31 December 2009
(i) By geographical region		
United Kingdom	1,133	1,131
Rest of the World	219	182
	<hr/>	<hr/>
Total	1,352	1,313

	Year ended 31 December 2010	Period ended 31 December 2009
(ii) By category		
Sales	466	424
Content	394	407
Operational	286	292
Support	206	190
	<hr/>	<hr/>
Total	1,352	1,313

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

Of the total average monthly number of staff, 1,352 (9 month period ended 31 December 2009: 1,313) relate to continuing operations and nil (9 month period ended 31 December 2009: nil) to discontinued operations.

(b) Staff costs

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Wages and salaries	60	39
Social security costs	5	3
Other pension costs	1	1
Total	66	43

(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 year the total Group charge amounted to £1.2m (9 month period ended 31 December 2009: £0.9m) with £nil (9 month period ended 31 December 2009: £0.2m) outstanding at the year end.

29. Acquisitions

2010

(a) Best Energy Event Limited

On 1 September 2010 Emap Limited, a wholly owned subsidiary of the Company, acquired the entire share capital of Best Energy Event Limited and its related magazine assets for a cash consideration of £2.6m.

The impact of the acquisition on the consolidated statement of financial position was:

	Net book values £m	Fair value adjustments £m	Fair value £m
Intangible fixed assets	-	2.0	2.0
Current assets	0.1	-	0.1
Current liabilities	(0.6)	-	(0.6)
Cash and cash equivalents	0.5	-	0.5
Fair value of assets acquired			2.0
Goodwill			0.6
Fair value of consideration			2.6
Comprising: Net cash			2.6

None of the £0.6m 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 Best Energy Event Limited and its related magazine assets.

These notes form part of the financial statements.

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Notes to the Financial Statements for the year ended 31 December 2010

In the 4 months to 31 December 2010, the subsidiary contributed net profit of £0.35m to the consolidated net profit for the year. If the acquisition had occurred on 1 January 2010, the contribution to Group revenue would have been an estimated £1m and net profit would have been an estimated £0.45m. In determining these amounts management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on 1 January 2010.

(b) Broadcast Video Forum Limited

On 11 November 2010 Emap Limited, a wholly owned subsidiary of the Company, acquired 45% of the share capital of Broadcast Video Forum Ltd for a cash consideration of £1.8m, bringing its total shareholding to 100%.

The impact of the acquisition on the consolidated statement of financial position was:

	Net book values £m	Fair value adjustments £m	Fair value £m
Intangible fixed assets	-	1.2	1.2
Current assets	-	-	-
Current liabilities	-	-	-
Cash and cash equivalents	-	-	-
Fair value of assets acquired			1.2
Goodwill			2.4
Fair value of consideration			3.6
Comprising:			
Net cash			1.8
Fair value of existing shareholding			1.8
			3.6

None of the £2.4m 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 Broadcast Video Forum Limited.

In the 2 months to 31 December 2010, the additional 45% ownership of the subsidiary contributed no material revenue to the consolidated net profit for the year. If the acquisition had occurred on 1 January 2010, the contribution to Group revenue would have been an estimated £1.3m and net profit would have been an estimated £0.2m. In determining these amounts management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on 1 January 2010.

(c) Futuresource

On 22 December 2010 Emap Limited, a wholly owned subsidiary of the Company, acquired the assets of the Futuresource exhibition for a cash consideration of £2.1m.

The impact of the acquisition on the consolidated statement of financial position was:

	Net book values £m	Fair value adjustments £m	Fair value £m
Intangible fixed assets	-	2.1	2.1
Fair value of assets acquired			2.1
Goodwill			-
Fair value of consideration			2.1
Comprising:			
Net cash			2.1

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All of the £2.1m of intangible assets acquired are expected to be deductible for tax purposes. The intangibles acquired represent the fair value of the brand, customer base, and ongoing relationship with The Chartered Institute of Wastes Management. The subsidiary's assets were absorbed into already existing exhibitions, so the purchase of this subsidiary did not contribute separately identifiable revenue and profit to the results of the Group.

2009

(a) Conference Worldwide Limited

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 statement of financial position 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
			<hr/>
Fair value of assets acquired			0.3
Goodwill			0.6
			<hr/>
Fair value of consideration			0.9
			<hr/>
Comprising: Net cash			0.9
			<hr/>

None of the £0.6m 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.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

30. Operating leases

The Group had total future minimum lease payments under non-cancellable operating leases at 31 December 2010 as set out below:

	Land and buildings	Land and buildings	Other assets	Other assets
	Year ended 31 December 2010	Period ended 31 December 2009	Year ended 31 December 2010	Period ended 31 December 2009
	£'000	£'000	£'000	£'000
Not later than 1 year	4	4	-	-
Later than 1 year but not more than 5	7	10	-	1
More than 5 years	1	2	-	-
Total	12	16	-	1

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.

31. Commitments and contingencies

- (a) Commitments for capital expenditure

Contracted commitments for capital expenditure at 31 December 2010 total £nil (9 month period ended 31 December 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. These contracts will expire in three years.

32. 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 2010	December 2009
	£'000	£'000
Purchase of goods and services		
GMG	1	48
Sales of goods and services		
GMG	-	45

At 31 December 2010 the Group owed £nil to GMG (31 December 2009 £36,000).

- (b) Remuneration of key management personnel

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Salaries and other short term employee benefits	2.6	2.2
Termination benefits	-	0.4
Post employment benefits	-	0.1
Total	2.6	2.7

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:

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Emoluments for services to the Company	1.3	0.9
Compensation for loss of office	-	-
Total	1.3	0.9

Retirement benefits for four directors were accrued under a money purchase scheme (9 month period ended 31 December 2009: five directors).

The remuneration of the highest paid director was as follows:

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Emoluments for services to the Company	0.6	0.5
Total	0.6	0.5

33. Events after the reporting period

On 4 February 2011 Eden Bidco Ltd redeemed \$110m of its investment in Emap International Limited US dollar preference shares and invested a further €89m of Euro preference shares.

These notes form part of the financial statements.

EMAP International Limited

Notes to the Financial Statements for the year ended 31 December 2010

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
GroundSure Limited
Planet Retail 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.

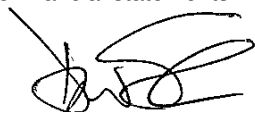
EMAP International Limited

Parent Company Balance Sheet

Notes to the financial statements for the year ended 31 December 2010

		Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Fixed assets	Note		
Investments in Group undertakings	3	2,495	3,000
Long term receivables	4	2	2
		<u>2,497</u>	<u>3,002</u>
Current assets			
Debtors	5	130	131
Cash at bank and in hand		44	37
		<u>174</u>	<u>168</u>
Net current assets			
Creditors: amounts falling due within one year	6	(1,474)	(1,945)
		<u>(1,300)</u>	<u>(1,777)</u>
Net current liabilities			
		(1,300)	(1,777)
Total assets less current liabilities		1,197	1,225
Preference shares	9	(247)	(244)
Provisions for liabilities	7	-	(3)
		<u>950</u>	<u>978</u>
Net assets		950	978
Capital and reserves			
Called up share capital	9	66	66
Share premium account	9	327	327
Capital redemption reserve	9	285	285
Profit and loss account	9	272	300
		<u>950</u>	<u>978</u>
Equity shareholders' funds		950	978

The financial statements were approved by the Board of Directors on 22 March 2011 and were signed on its behalf by



David Gilbertson, Director



Martyn Hindley, Director

The notes on pages 55 to 61 form part of these financial statements.

EMAP International Limited

Parent Company Notes to the Financial Statements

Notes to the financial statements for the year ended 31 December 2010

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 2010. 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 statement of financial position 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 year 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 reporting 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 year. Contributions payable are charged to the profit and loss account and included in staff costs as an operating expense as incurred.

These notes form part of the financial statements.

EMAP International Limited

Parent Company Notes to the Financial Statements

Notes to the financial statements for the year ended 31 December 2010

(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 reporting date the likely amount of Good Leavers at the date that vesting conditions are met. A provision is created on the statement of financial position 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 2010. 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 2010.

Going concern

The directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future.

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 year was £28m (9 month period ended 31 December 2009: loss of £20m).

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

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'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
Fees paid to the auditor for other services	-	-
Total	0.1	0.5

These notes form part of the financial statements.

EMAP International Limited

Parent Company Notes to the Financial Statements

Notes to the financial statements for the year ended 31 December 2010

Fees paid to the auditor for other services includes £nil (9 month period ended 31 December 2009: £nil) for services provided pursuant to legislation.

Details of Executive and Non-Executive directors' emoluments are shown in Note 32 of the Group financial statements.

3. Fixed asset investments

	Subsidiary undertakings £'m
Cost	
At 1 January 2010	3,881
Additions	4
Capital distribution by subsidiaries	(1,252)
	<hr/>
At 31 December 2010	2,633
	<hr/>
Provisions	
At 1 January 2010	881
Reduction associated with distribution of capital by subsidiaries	(743)
	<hr/>
At 31 December 2010	138
	<hr/>
Net book value	
At 31 December 2010	2,495
	<hr/>
At 31 December 2009	3,000
	<hr/>

During the year, the Company instigated a legal entity restructuring exercise to simplify its group structure. As part of this transaction, certain of the Company's subsidiary undertakings underwent capital restructuring, and the resulting distributable reserves were returned to the Company. These amounts have been netted against the cost of the investment. 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
EMAP Group Holdings Ltd	England and Wales	Ordinary	100%	Investment holding
EMAP Limited	England and Wales	Ordinary	100%	Information and events
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

These notes form part of the financial statements.

EMAP International Limited

Parent Company Notes to the Financial Statements

Notes to the financial statements for the year ended 31 December 2010

4. Long term receivable

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Loans to senior management and employee benefit trust	2	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 year.

There were no changes to ownership of the shares in 2010. In 2009 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 outstanding at 31 December 2009	0.8	1.3
Amount repaid	-	-
Amount outstanding at 31 December 2010	0.8	1.3

In 2009 Emap International Limited provided a loan of £0.6m to the Employee Benefit Trust on behalf of Eden 2 & Cie. There was no movement in this loan during the year ended 31 December 2010.

These notes form part of the financial statements.

EMAP International Limited

Parent Company Notes to the Financial Statements

Notes to the financial statements for the year ended 31 December 2010

5. Debtors

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Amounts receivable from Group undertakings	130	130
Other debtors	-	1
Total	130	131

In 2009, amounts receivable from Group undertakings included a loan for £130m to a parent undertaking bearing interest at LIBOR + 0.3%.

6. Creditors

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Amounts payable to Group undertakings	1,468	1,939
Accruals and deferred income	4	4
Trade creditors	-	1
Other taxes and social security	2	1
Total	1,474	1,945

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 balance with Eden Bidco Ltd and all other inter-company balances are charged at SONIA. The loan of £418m from EMAP Radio Financing Limited was charged at GBP 3 month LIBOR plus 5%.

These notes form part of the financial statements.

EMAP International Limited

Parent Company Notes to the Financial Statements

Notes to the financial statements for the year ended 31 December 2010

7. Provisions for liabilities

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Opening balance	3	5
Provided in the year	-	-
Utilised in the year	(3)	(2)
	<hr/>	<hr/>
Closing balance	-	3
	<hr/> <hr/>	<hr/> <hr/>

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

8. Staff costs

(a) Average monthly number of staff

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

(b) Staff costs

	Year ended 31 December 2010 £'m	Period ended 31 December 2009 £'m
Wages and salaries	-	0.4
Social security costs	-	0.1
Other pension costs	-	(0.1)
	<hr/>	<hr/>
Total	-	0.4
	<hr/> <hr/>	<hr/> <hr/>

These notes form part of the financial statements.

EMAP International Limited

Parent Company Notes to the Financial Statements

Notes to the financial statements for the year ended 31 December 2010

9. 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
At 1 January 2010	66	327	285	300	978
Retained loss for the year	-	-	-	(28)	(28)
At 31 December 2010	66	327	285	272	950

Details of the Company's share capital and share premium are set out in Note 25 to the Group accounts.

10. 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.

11. Related party transactions

During the year the Company had purchases with Guardian News & Media of £1,000 (period ended 31 December 2009: £48,000) and sales of £nil (period ended 31 December 2009: £45,000).

12. 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.

These notes form part of the financial statements.