informa

Leading Global Information Specialists

Annual Report and Financial Statements 2005

informa

Informa plc is a leading provider of specialist information and services to the global academic & scientific, professional and commercial communities. We deploy multiple media formats ranging from conferences and exhibitions through performance improvement services to journals, books and analytical products, delivered both electronically and in hard copy. The Group has more than 150 offices in 43 countries and employs approximately 7,400 staff worldwide.

Contents

Financial Highlights

	2005 £'m	2004 £'m	Reported growth %	Organic growth[1] %
Turnover	**729.3**	449.8	62	6
Operating profit	**91.4**	62.3	47	
Adjusted operating profit[2]	**147.3**	95.4	54	13
Profit before tax	**61.0**	43.0	42	
Adjusted profit before tax[3]	**115.4**	79.6	45	
Diluted earnings per share	**2.8p**	25.3p	(89)	
Adjusted diluted earnings per share	**22.2p**	21.0p	6	

- Good organic growth demonstrates strength of portfolio
- Excellent cash conversion at 113% of adjusted operating profit
- Strong performance and encouraging prospects support recommended total annual dividend increase of 20% to 8.7p
- 2004 merger delivers revenues and cost savings
- Acquisition of IIR extends product and geographic reach
- Focus on exploiting organic growth opportunities within enlarged business
- Confident of prospects for 2006

Revenue by Division (£m)

- Academic & Scientific **£260.5m** (£189.5m)
- Professional **£217.8m** (£93.3m)
- Commercial **£251.0m** (£167.0m)

Adjusted Operating Profit by Division (£m)

- Academic & Scientific **£65.5m** (£52.5m)
- Professional **£45.4m** (£21.2m)
- Commercial **£36.4m** (£21.7m)

1 Excluding currency impacts and acquisitions made in 2005 (which contributed £196.2m to turnover and £32.3m to adjusted operating profit) while including the results of Taylor & Francis from 1 January 2004 to 10 May 2004 (turnover £54.4m and adjusted operating profit £9.2m, after eliminating restructuring costs of £0.7m and goodwill and intangible asset amortisation of £5.0m).

2 Excluding restructuring costs of £8.3m (2004: £9.3m), intangible asset amortisation of £47.6m (2004: £8.8m) and goodwill impairment of £nil (2004: £15.0m). See Note 9 to the consolidated financial statements.

3 Excluding restructuring costs of £8.3m (2004: £9.3m), intangible asset amortisation of £47.6m (2004: £8.8m), goodwill impairment of £nil (2004: £15.0m), non-operating income and expense of £nil (2004: £1.1m) and finance (income)/costs of £(1.6m) (2004: £2.4m). See Note 9 to the consolidated financial statements.

We identify communities of interest and serve their information needs progressively through a variety of delivery formats.

Above Maritime: one of Informa's hundreds of niche communities of interest.

Informa is an integrated portfolio of businesses, founded on the creation and sale of high value information for academic & scientific, commercial and professional communities. Our strategy is to build, maintain and develop a range of product and service formats with diverse and complementary revenue characteristics. The combination is designed to enable us to capture growth quickly during periods of positive conditions in cyclical markets while also demonstrating superior defensive qualities during periods of economic downturn.

We aim to identify communities of interest, often niches of specialist focus, and serve their information needs progressively with a variety of delivery formats. We achieve this through a combination of:

- strong, frequently market-leading brands;
- the extension across the Group of delivery format best practice; and
- our broad geographic reach.

Informa is distinctive within the media peer group in that our content-led product range gives us:

- minimal reliance on client advertising and marketing spend; and
- limited exposure to any one product or market sector.

Combining Market Focus and Best Practice

Our market leadership in areas of each of our core business types (publishing, events and performance improvement) has enabled us to produce and hone best practice metrics, guidelines, tools and methodologies. These models ensure that across many operating units we deliver products and services within each media type to consistent quality standards. By spreading best practice quickly and effectively we ensure client satisfaction, enjoy strong operating margins and maintain our market leadership.

Broad Global Reach, Targeted Local Knowledge

The Group's broad geographic strength allows us to expand winning brands and formats in a range of selected vertical markets and media types globally. Our deep-seated local knowledge helps us stay attuned to what the market values.

Existing infrastructure, including technical, financial and legal support, ensures that our businesses can focus on a fast and effective entry into the market place, rather than dealing with costly and time-consuming logistics. Already established sister companies can provide contacts, cross-selling opportunities and market access.

Informa now has offices in 43 countries and trades in 200. The acquisition in July 2005 of IIR with its strong presence in the Middle East has provided a spring board for further expansion in that region. New and expanding initiatives in China and India suggest significant potential for continued growth across Informa's portfolio of brands, communities of interest and business types.

Our broad geographic strength allows us to expand winning brands and formats globally. Our deep-seated local knowledge ensures that we stay attuned to what the market values.

Broad Geographic Spread

The IIR acquisition accelerates growth in North America.

2005 Pro Forma[1] Revenue
Geographic Mix (%)

- United Kingdom **17%**
- North America **41%**
- Continental Europe **26%**
- Rest of the World **16%**

1 Including revenue from IIR from 1 January 2005.

Informa's Values

At Informa, we ensure that we are much more than just the sum of our parts by embracing and nurturing a distinct corporate identity. This is captured by our value system. The I-N-F-O-R-M-A values support and underpin our market-facing brands, providing the foundation for all that we do and believe in when interacting with customers and each other. They also facilitate the swift and clear integration of merged and acquired companies.

Value	Selected 2005 Initiatives
Innovative	• New academic events format • New electronic networking tool for events • 2,643 new book titles
Non-bureaucratic	• Retained all IIR market-facing brands • Rolled out on-line authorisation tool • Fast tracked IIR and T&F synergies
For profit	• Consolidation of five third-party warehouses into one self-run facility • Growth of event delegates and yield • Media mix optimisation to expand higher ROI telesales
Open	• Open use of all 20m customer and prospect names across the Group • Launched awards for cross-selling and sister company support • Initiated corporate-wide league tables of winning products, productivity and registrations
Rewarding	• Continued extension of profit-share-based remuneration through the Group • Marketing Innovation Awards launched across the Group • Developed Transformed Careers programme for employees
Market focused	• Built global, integrated Life Sciences events team • Initiated government growth initiative using Robbins-Gioia expertise • Integrated IIR into global Telecoms team
About quality	• Launched Fusion, our CRM and sales order processing system, powered by SAP and Salesforce.com • High customer satisfaction e.g. "I continue to believe SuperReturn is the best Private Equity conference anywhere" • Leveraged Large Scale Events model to grow revenues

We operate with the focus and speed of a small company allied to the efficiencies and strengths of a large group.

I am pleased to present my first report as Chairman of Informa plc against a backdrop of tremendous change and exciting developments. 2005 was a notable year for Informa for many reasons, in particular the addition in July of IIR to the Group. It has been most gratifying to see the way in which the various businesses in the Group have responded in a collegiate manner to the challenges, changes and opportunities that have presented themselves.

Much work remains to be done but with the support of the many dedicated colleagues around the Group we are building an even more successful and integrated business, with common goals and shared values.

Integration

The efforts and dedication of our now 7,400 employees, have once again helped to produce excellent results and continue to be the major contributor to the Group's ongoing success. Enthusiasm for our products, services and markets truly underpins the Group's momentum. During the past 12 months great progress has been made in the integration and consolidation of the various offices and teams across the Group as well as in upgrading and standardising our key strategic systems.

Some of the key developments include a new warehouse facility in Kentucky handling all the Group's book distribution in North America, a common CODA accounting platform which is currently being rolled out to our IIR operations, the successful transfer of global journal subscription processing to existing SAP systems and new book production systems implemented in the UK and the US. Many other initiatives are underway across the Group to bring the Informa family closer together and we look forward to a successful roll out during 2006 of our new combined SAP-based Customer Relationship Management and Sales Order Processing system, known as Fusion.

Corporate Strategy

Our strategy is to serve the information needs of our customers through the provision of quality products and services using whichever media format they require. We focus on specialist groups and sectors, seeking to become their information provider of choice and a trusted partner. As a consequence of our specialist market positions, the 2004 merger with Taylor & Francis, the July 2005 acquisition of IIR and the continued emphasis on profitable growth, we are able to operate with the focus and speed of a small company allied to the efficiencies and strengths of a large group.

Coupled to our organic growth is a successful acquisition policy which has also generated opportunities both inside and outside of existing markets. IIR has, for example, given the Group a small but important presence in exhibition businesses as well as an industry-leading position in the fast-growing Performance Improvement field. As a result of acquisitions the Group has operations in a number of adjacent professions and industries that have similar requirements for high quality information. Acquisitions have also helped the Group to continue to expand its position in the important US market as well as developing markets in China, India and the former Soviet Union.

Looking forward the Group will continue to implement this successful strategy of developing its businesses through a combination of organic development and the identification and integration of suitable earnings-enhancing acquisitions. 2006 has started well and we look forward to the rest of the year with confidence.

Richard Hooper
Chairman
13 March 2006

We are a unique media company.
Our results confirm our strength.

I am delighted to report that we start 2006 with great momentum following a year in which our vision for both the merger of T&F and the acquisition of IIR came to fruition. We have broadened our geographical reach, enhanced the resilience of our revenue streams and solidified our market leading positions.

Overview

The Group traded strongly in 2005 benefiting from good organic growth and an encouraging first six months contribution from IIR. Turnover in the year ended 31 December 2005 increased by 62% to £729.3m and operating profit by 47% to £91.4m. Adjusted operating profit increased by 54% to £147.3m.

Turnover, excluding acquisitions made in 2005 and currency impacts, increased organically by 6% on a fully comparable basis. Adjusted operating profit growth on the same organic basis was 13%.

In recognition of the Group's performance and its encouraging prospects, the Board is pleased to recommend a significant increase in the dividend. The total 2005 dividend will grow from 7.26p per share paid in respect of 2004 (after adjusting for the July 2005 Rights Issue) to 8.70p payable in respect of 2005, an increase of 20%.

Informa plc was formed from the merger between Taylor & Francis Group plc (Taylor & Francis) and Informa Group plc on 10 May 2004. Under International Financial Reporting Standards (IFRS) this transaction is accounted for as an acquisition and accordingly the comparative 2004 results shown in these financial statements only include the Taylor & Francis contribution from 10 May 2004, making comparison between 2005 and 2004 difficult. To assist comparability, reference is made in this statement to "organic" results, which include the Taylor & Francis results from 1 January 2004 in the comparative 2004 figures.

The reported 2005 results include IIR from 6 July 2005, the date of its acquisition. In the reporting period IIR contributed £192.5m to turnover and £31.7m to adjusted operating profit. "Organic" results exclude the contribution from IIR to both turnover and adjusted operating profit.

Divisional Results

Academic & Scientific Division

The Academic & Scientific division's reported turnover increased by 37% and adjusted operating profit by 25%. Organic revenue increased by 4% and organic adjusted operating profit by 10%.

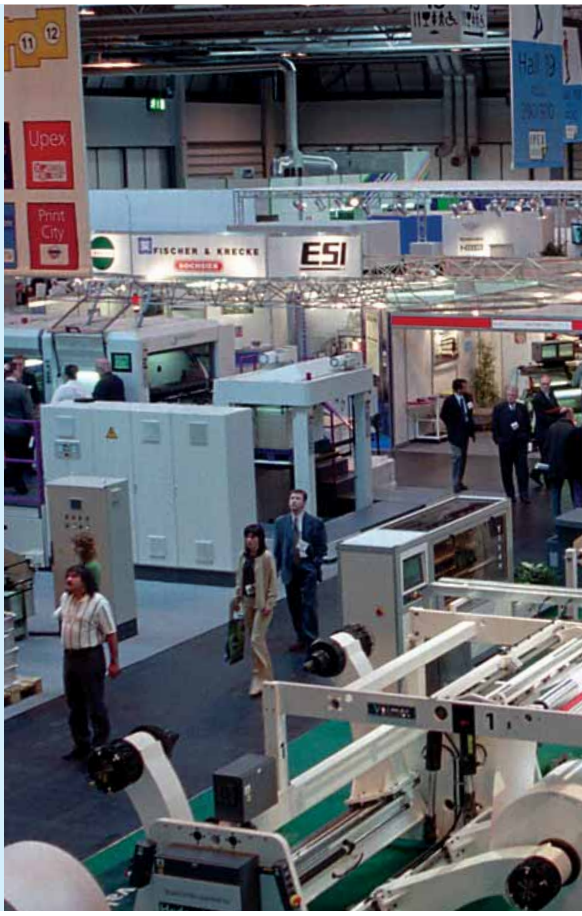
The academic journals subscription business remained resilient, showing an overall increase in organic revenue of 7.5%, with the Humanities & Social Sciences (HSS) subscription business performing particularly well.
As reported at the half year, the academic book publishing business experienced tougher market conditions, particularly in the UK and showed a marginal decline in organic turnover.

Overall our Scientific, Technical & Medical (STM) business showed organic adjusted operating profit growth of 10%, while HSS saw profits grow by 9% on the same basis.

Professional Division

Trading conditions in the markets served by our Professional division were positive during 2005. The division's reported revenue increased by 133% and adjusted operating profit by 114%, driven by good organic growth and a pleasing first contribution from the Performance Improvement businesses acquired with IIR.

The Group strategy is to build, maintain and develop a range of product and service formats with diverse and complementary revenue characteristics.



The Financial Data Analysis business saw strong renewals and increased margins contributing to an increase of 1% in organic revenue and a 13% rise in organic operating profit. The Finance, Insurance, Law & Tax businesses also experienced good organic growth, posting a 6% increase in revenues and a 23% increase in adjusted operating profit, as customer yields increased.

Overall the Professional division enjoyed organic turnover growth of 3% and adjusted organic operating profit growth of 14%.

Commercial Division

The Commercial division reported turnover growth of 50% and adjusted operating profit growth of 68%.

The Regional Events business, which operates across a wide range of geographical markets and vertical sectors, saw both turnover and adjusted operating profit grow organically by 15%.

The Telecoms & Media business achieved strong growth in revenues, with the number of events held almost doubling. Turnover grew organically by 17% and adjusted operating profit by 26%, as third-generation mobile services reached end-users.

The Maritime & Commodities businesses benefited as the world's economies generally remained robust. Organic revenue growth, driven particularly through publications, was 4% and organic adjusted operating profit growth was 23%.

Acquisitions

IIR, acquired in July 2005, produced excellent results in its first period with the Group, reporting turnover of £192.5m and adjusted operating profit of £31.7m. A number of smaller acquisitions of products and businesses contributed a further £3.7m to turnover and £0.6m to adjusted operating profit.

IIR's Performance Improvement (PI) business, which is a new area for the Group, contributed turnover of £106.2m and adjusted operating profit of £17.6m. Another significant area of contribution was in Regional Events, where IIR contributed £60.1m to turnover and £8.9m to adjusted operating profit.

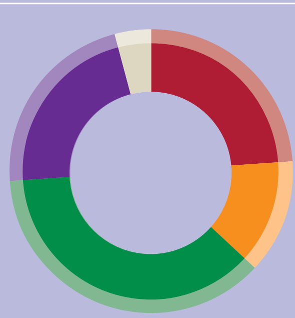
The addition of IIR significantly extends the Group's events presence and fully complements our pre-existing business, with little or no duplication. Through the combination with IIR we have significantly strengthened our geographic reach and vertical market positions. Illustratively we now have critical mass in international financial events and geographically, in the Middle East, through our market leading position in the United Arab Emirates.

The IIR PI businesses, with their respected brands, strong market positions, and good cash generation, give the Group a substantial position in an attractive new market which offers strong recurring revenue streams and exciting growth prospects.
The PI businesses, which are built around specialist proprietary intellectual property,

Dynamic and Resilient Revenue Streams

The introduction of Performance Improvement adds another robust revenue stream.

2005 Pro Forma[1] Revenue Mix by Delivery Format



- Subscriptions **24%**
- Copy Sales **13%**
- Events **37%**
- Performance Improvement **22%**
- Advertising **4%**

1 Including IIR Revenue from 1 January 2005.

Above: IPEX: 130,000 sqm in 11 halls. Exhibitions are just one of Informa's many delivery formats.

follow a similar model to the other Informa businesses. This has facilitated their integration into the Group and we are encouraged by the opportunities this new business brings. We are pursuing a number of initiatives to drive synergies between our PI businesses and publishing operations.

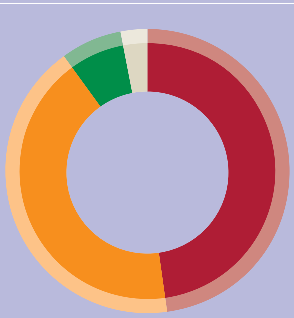
We have successfully executed a detailed 90-day integration plan for the IIR businesses. All the key IIR senior management have been retained and we are pleased with their high calibre, the cultural fit between the organisations, the progress to date and the prospects for the combined business.

Merger Update

The merger of Informa with Taylor & Francis was completed on 10 May 2004. New product development resulting from the merger continues to proceed to plan and we estimate that we have achieved £9m of incremental revenue in 2005 through a combination of new products and the increased sale of existing products driven by improved marketing access. This revenue benefited not only the Academic & Scientific division in terms of additional events and advertising revenue but also businesses such as Finance, Insurance, Law & Tax and Telecoms, through the launch of new publications. £9m of cost savings were also achieved in 2005 from the merger.

Highly Resilient Revenues

Academic & Scientific
2005 Revenue Mix (%)



- Subscriptions **48%**
- Copy Sales **42%**
- Events **7%**
- Advertising **3%**

Divisional Performance

Academic & Scientific Division

The Academic & Scientific division comprises two segments:

- Scientific, Technical & Medical (STM); and
- Humanities & Social Sciences (HSS).

	2005 £'m	2004 £'m	Reported increase %	Organic increase %
Turnover				
STM	**161.8**	121.7	33	2
HSS	**98.7**	67.8	46	7
	260.5	189.5	37	4

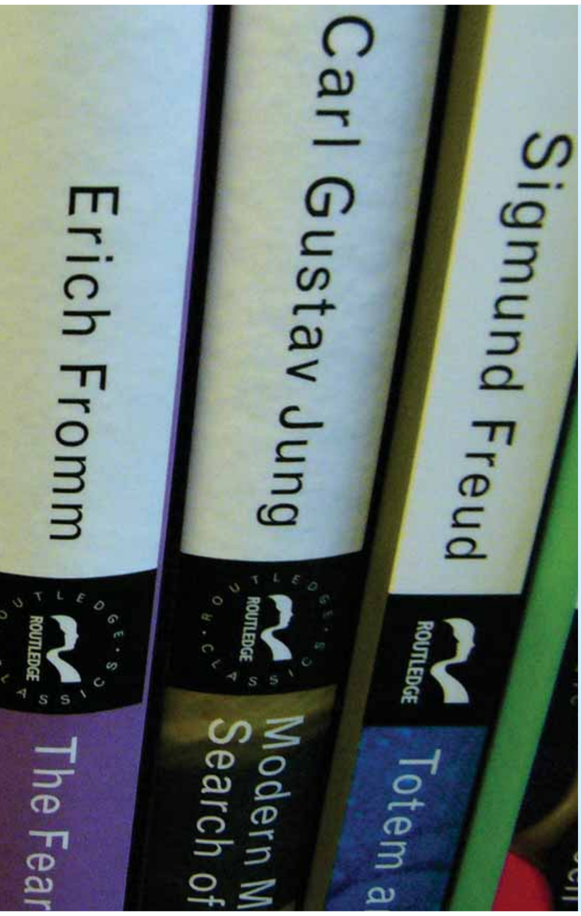
			Adjusted increase %	Organic increase %
Adjusted operating profit				
STM	**43.0**	36.0	19	10
HSS	**22.5**	16.5	36	9
	65.5	52.5	25	10
Adjusted operating margin %	**25.1**	27.7		

Under IFRS the business combination between Taylor & Francis and Informa is treated for accounting purposes as an acquisition of Taylor & Francis by Informa from the transaction date of 10 May 2004. As a consequence, the financial results of Taylor & Francis prior to this date are excluded from the 2004 comparative figures shown above. Turnover for this excluded period was £54.4m, and adjusted operating profit was £9.2m.

For comparative purposes we have shown in the "Organic" column the growth adjusting for acquisitions, discontinued businesses and currency effects, while treating Taylor & Francis as if it were part of the Group from 1 January 2004.

Acquisitions contributed £9.6m to the STM business' reported turnover and £1m to its adjusted operating profit in 2005, of which IIR contributed £5.9m to revenue and £0.4m to adjusted operating profit.

A solid STM journal performance was offset by a marginal reduction in book sales to academic bookshops. Within STM, the Pharmaceutical Information business achieved an encouraging growth in profitability as a result of investments in new products, including written courses, awards and directories. The business saw an increase in overall revenue and improved margins, with the flagship products Scrip and Pharmaprojects at the centre of this growth. The inaugural Scrip Awards, held in December 2005, were a sell out.



Our publishing businesses benefit from strong renewal rates, excellent visibility of earnings and high margins supported by electronic added value.

Above: Routledge is a long-established leading brand in Social Sciences and Humanities.

The HSS business saw good organic growth, with journal subscription renewals at or above the levels of recent years and good content growth in a number of our leading journals. Routledge academic books, the main imprint of Taylor & Francis in the HSS subject areas, encountered the same challenges seen in the STM books business.

During the year a number of new journal sales models were introduced to supplement the existing successful single subscription model, aimed at building sustainable on-line revenues. We also launched Informa World, our own platform, which we developed to store, process, sell and distribute on-line the Group's digital content. Initially Informa World will contain academic on-line information only, but this will be expanded to include more of the Group's content during 2006 and beyond.

We had a successful year for new journal titles and have acquired or are launching an additional 64 titles for 2006 and a further 12 titles are already in hand for 2007.

Technological developments in automated manuscript processing and print-on-demand are helping us to drive efficiencies in the books production process and reduce levels of physical inventory. We now have nearly 6,000 titles available in print-on-demand format, out of a total catalogue of more than 40,000 titles.

As part of a continued focus on the growth potential offered by developing countries, the Academic & Scientific division has opened a new office in Beijing to drive sales of its products in China and a new company has been established in India to develop local publishing initiatives.

The leading brands which make up Informa's new Performance Improvement portfolio:

ROBBINSGIOIA

Omega PERFORMANCE

Huthwaite® Measurable Change. Profitable Outcomes.

ESI INTERNATIONAL an informa business

COMMUNISPOND™

FORUM® where learning means business

achieveglobal

Professional Division

The Professional division includes our US-led Financial Data Analysis businesses together with our specialist publishing and event products for finance, insurance, legal and tax professionals. The Performance Improvement businesses acquired with IIR are also included here.

	2005 £'m	2004 £'m	Reported increase %	Organic increase %
Turnover				
Financial Data Analysis	**60.8**	60.2	1	1
Finance, Insurance, Law & Tax	**50.8**	33.1	53	6
Performance Improvement	**106.2**	–	100	–
	217.8	93.3	133	3

	2005 £'m	2004 £'m	Adjusted increase %	Organic increase %
Adjusted operating profit				
Financial Data Analysis	**17.9**	15.9	13	13
Finance, Insurance, Law & Tax	**9.9**	5.3	86	23
Performance Improvement	17.6	–	100	–
	45.4	21.2	114	14
Adjusted operating margin %	**20.8**	22.7		

The Professional division's reported turnover was up 133% and adjusted operating profit up 114%. The acquisition of the Performance Improvement businesses materially enhanced the overall growth, although underlying performance was also good, with 3% and 14% organic growth achieved in turnover and adjusted operating profit, respectively

IIR contributed £122.0m to the division's revenue and £21.2m to its adjusted operating profit since acquisition.

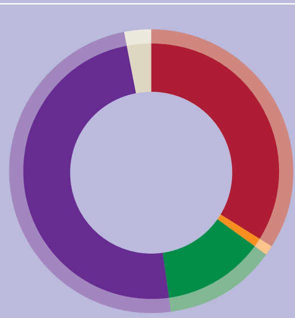
The Financial Data Analysis businesses continued to leverage their strong positions in the fixed income, credit and currency analysis markets. Both businesses in this area, Informa Global Markets and International Insider, performed strongly in 2005 and we are well positioned to take advantage of investments we have made in IT infrastructure and new products.

Market conditions improved within the money fund industry in the second half of the year and the iMoneyNet business continued to grow. Its new product, Analyzer, launched early in 2005, was well received by the industry and provides improved, flexible analysis.

The Finance, Insurance, Law & Tax business had an excellent year supported by good growth in advertising and sponsorship revenue. Subscription revenues grew as a result of on-line product developments throughout 2005, with electronic revenues up 35% on the prior year and the launch of www.i-law.com, a new integrated on-line service

Durable, Resilient and Dynamic Revenue Streams

Professional
2005 Revenue Mix (%)



- Subscriptions **34%**
- Copy Sales **1%**
- Events **13%**
- Performance Improvement **49%**
- Advertising **3%**

Above: A Performance Improvement engagement in action.

aimed at practitioners in the niche sectors of maritime, insurance, construction and intellectual property law.

In 2005 we established a new distance learning business which already has 20 courses in the Finance, Insurance, Law & Tax areas and which moved into profit in its first year.

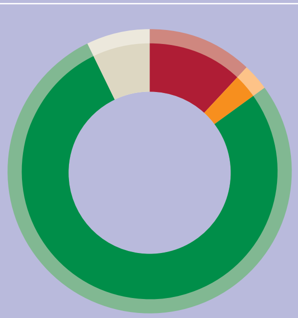
IIR, with its strong portfolio of events, particularly in investment banking, contributed £15.8m to the Finance, Insurance, Law & Tax business' turnover and £3.4m to its operating profit.

The Performance Improvement business traded at the high end of our expectations in the post-acquisition period. Comparing the 12 months ended 31 December 2005 to the 12 months ended 31 December 2004 and excluding the contribution of Robbins Gioia, acquired in July 2004, from both periods, the PI business' revenue grew by 9% and adjusted operating profit by 13%.

All seven of the individual PI business units grew over the prior year, with particularly encouraging results from Robbins Gioia, the largest of the PI businesses, with some 90% of its revenues generated from US government contracts, and from ESI, the project management specialists, which had a record year.

Dynamic Events Revenue Supported by Resilient Subscriptions

Commercial
2005 Revenue Mix (%)



Commercial Division

The Commercial division comprises our Regional Events and the multi-format, market-facing businesses, Telecoms & Media and Maritime & Commodities.

	2005 £'m	2004 £'m	Reported increase %	Organic increase %
Turnover				
Regional Events	**143.1**	71.7	99	15
Telecoms & Media	**48.4**	37.7	28	17
Maritime & Commodities	**59.5**	57.6	3	3
	251.0	167.0	50	12

			Adjusted increase %	Organic increase %
Adjusted operating margin				
Regional Events	**18.6**	8.4	121	15
Telecoms & Media	**12.0**	8.6	40	26
Maritime & Commodities	**5.8**	4.7	23	23
	36.4	21.7	68	21
Adjusted operating margin %	**14.5**	13.0		

The Commercial division's turnover was up 50% and adjusted operating profit up 68%. Overall margins improved across the division and were helped by the addition of higher margin, predominantly large scale events from IIR. IIR contributed £64.6m to the division's revenue and £10.1m to its adjusted operating profit since acquisition.

Our Regional Events, comprising domestic language conferences, exhibitions and courses, had an outstanding year benefiting from general improvements in economic conditions. The acquired IIR business also contributed strongly to the businesses' performance.

Regional Events' organic revenue and organic adjusted operating profit both grew by 15%. The key drivers were a 17% increase in delegate numbers and a 10% rise in the number of events staged. Germany, the largest of the Regional Events business units, saw 19% growth in organic revenue, while The Netherlands, the second largest events business in this group, showed an increase of 28%. Scandinavia, Brazil and Australia also achieved encouraging growth. However, our French business sustained continued losses and with no prospect of a turnaround we closed this operation.

The markets served by our Telecoms & Media business continued to rebound strongly and the unit reported a 17% increase in organic turnover and a 26% improvement in organic adjusted operating profit.

IIR's exhibitions and Large Scale Events add further depth and resilience to our dynamic events businesses.

Above: The Monaco Yacht Show, a leading IIR event.

New mobile technologies are providing the business with significant opportunities for new product development from events to a range of publications, including textbooks, with 30 new titles set for publication in 2006.

Telecoms event output more than doubled over 2004 and sector coverage was enhanced still further by the complementary IIR telecoms events. We have developed the premier mobile telecoms events in some of the fastest-growing territories across the world, including in Africa, Asia, the Middle East, Central and Eastern Europe, Russia, India and the Americas. The annual 3GSM World Congress which has been held in Cannes for the last ten years was successfully transferred to Barcelona in February 2006.

The Maritime & Commodities businesses, which encompass the leading daily newspaper *Lloyd's List*, and Agra, our commodities business, grew turnover and adjusted operating profit organically by 3% and 23%, respectively.

The Maritime business enjoyed sustained growth in training programmes including distance learning, classroom courses and bespoke training development, while the Commodities business performed particularly well in events, especially in the growing renewable fuels sector.

Informa operates in 550 niche industry sectors and segments. We have limited exposure to any one product or market.

Financial Review
The Group's annual results are reported under IFRS for the first time in these financial statements. Under IFRS accounting the Group reported an increase in turnover of 62%, to £729.3m from £449.8m. The reported 2005 results include £196.2m in turnover from acquisitions made during the year. Currency had little impact on turnover in 2005 compared to 2004.

Reported operating profit increased by 47% to £91.4m from £62.3m, with acquisitions contributing £3m (inclusive of £29.3m amortisation of intangible assets). Adjusted operating profit, which is presented after removing non-recurring and non-trading items and amortisation, increased by 54% to £147.3m from £95.4m.

Within operating costs amortisation increased from £9.6m to £49.8m, reflecting the impact of increases in intangible assets resulting from acquisitions in 2005.

Finance Costs
Finance costs increased to £36.2m from £20.5m, driven by increased debt associated with acquisitions and increased pension scheme interest costs.

In connection with the acquisition of IIR, the Group's debt facilities have been increased to £965m.

Taxation
Following a detailed review of the impact of the introduction of IFRS, the Board has resolved to write-off deferred tax assets of £35.2m, resulting in a distorted effective tax rate of 82%. However, the underlying tax rate was 25% (2004: 27%), benefiting from a combination of the utilisation of operating losses generated in the US and from profits generated by IIR in relatively low tax jurisdictions.

Earnings Per Share
Adjusted diluted earnings per share, which is stated after removing non-recurring and non-trading items and amortisation, increased by 6% to 22.18p from 20.97p. The increase in adjusted diluted EPS has been adversely affected by the requirement under IFRS to use acquisition accounting for the combination of Informa with Taylor & Francis, whereby the financial results of Taylor & Francis from 1 January to 10 May 2004 have been excluded from the 2004 comparative figures. The result of this was to unevenly distribute reported profits to the post-acquisition period in 2004. Adjusted diluted EPS in 2005 was also affected by the issue of 120m ordinary shares in July 2005 in support of the acquisition of IIR.

Mainly as a result of the write-off of the deferred tax asset referred to above, basic EPS from continuing operations decreased to 2.76p (2004: 25.47p) and diluted EPS from continuing operations decreased to 2.75p (2004: 25.30p).

Dividend
In recognition of the Group's performance and its encouraging prospects, the Directors have recommended a significant increase to the total annual dividend. The Directors have declared a final dividend of 6.00p per ordinary share (2004: 4.76p after adjusting for the Rights Issue in July

The Group has excellent cash flow properties – annual cash conversion is over 100%.

Above: The Commercial division which includes Regional Events enjoyed organic profit growth of 21%.

2005). This dividend is payable on 30 May 2006 to ordinary shareholders registered as of the close of business on 28 April 2006.

Total dividends declared in respect of 2005 are 8.70p which represents an increase of 20% on 2004 of 7.26p (after adjusting for the July 2005 Rights Issue).

Balance Sheet

Goodwill increased by £520.4m to £1,123.4m and other intangible assets by £454.7m to £935.7m, mainly as a result of the acquisition of IIR.

The Group has net pension scheme liabilities of £17.7m in respect of defined-benefit retirement schemes. The pension scheme liabilities mainly relate to UK-based entities.

Net debt increased by £433.5m to £735.4m, mainly due to £812.8m spent on acquisitions, offset by £311m raised in the Rights Issue. Share capital and the share premium account increased as a result of the Rights Issue.

The deferred tax liability at 31 December 2005 increased by £138.5m to £240.4m, largely due to the provision of £146.5m arising on acquired intangible assets in the year.

Trade debtors, trade and other payables and deferred income increased largely due to acquisitions made in the year, reflecting the greater scale of the Group's operations.

Cash Flow

The Group again demonstrated excellent cash generation from operations, with a conversion ratio of 113% of adjusted operating profit into cash (2004: 112%). Overall the Group has negative working capital requirements and relatively low capital expenditure.

Outlook

The Group's strategy of combining organic growth with selective acquisitions has led to considerable growth over the last 18 months, initially through the merger of Taylor & Francis and Informa and now through the acquisition of IIR. The enlarged Group has a strong, well-branded portfolio with leading positions in its selected market sectors. The focus for 2006 is to continue to exploit the opportunities arising from these transactions – developing new product revenue streams and capitalising on the Group's broader geographic presence.

2006 has started well across the three divisions and in line with our expectations, with our academic books unit, Middle-East-based events and Performance Improvement businesses reporting particularly strong trading. As a result, we are confident of meeting our targets and delivering another good financial performance in 2006.

Peter Rigby
Chief Executive
13 March 2006

Managing Director's Strategic Summary

Specialist, research-based, high quality information is the heart of every one of our revenue streams.

Informa's strategy is to assemble and develop a portfolio of revenue streams with diverse but complementary characteristics. We want a combination of high quality information businesses which will be capable of capturing growth opportunity quickly when economic conditions permit but which will also demonstrate superior defensive qualities during periods of economic downturn.

Our three core revenue streams today are Publishing, Performance Improvement and Events. Individually they display strong qualities but taken together these assets gives Informa particular strengths through the economic cycle.

Publishing

Looking at publishing first, this part of our portfolio accounts for around 40% of the Group's total turnover. It is intrinsically high operating margin business and with limited cyclical exposure.

The reason for this is that the greatest part of the publishing profit derives from our subscription businesses – academic journals, specialist information products for the legal, insurance and maritime sectors and detailed data and market intelligence for banks and financial institutions. The majority of these subscription products are already delivered digitally, often with added value interrogation and analytical tools.

Our subscription business is very stable. It renews each year at 90%+ and enjoys considerable visibility because subscribers pay up to one year in advance. Sometimes these products attract additional advertising revenue but this is largely ancillary revenue. Informa is not a B2B publisher built around advertising income. Advertising accounts for only 8% of our publishing sales.

Our other major revenue stream from publishing is books, which amounts to around a third of publishing sales. The great majority of our books are academic – covering a host of topics from science, technology and medicine to social science and humanities. They tend to have a rather lower profit margin than our subscription products because of generally lower price points but they meet a steady and annually refreshing student and institutional information need.

Performance Improvement

Next is Performance Improvement (PI) which amounts to 22% of our sales. We see this as a durable income stream which is hedged over many customer sectors, both corporate and government. Our seven PI businesses each has its own niche focus on one, or two, operational disciplines: among them project management, leadership, sales optimisation and program management. In each case they are founded on proprietary intellectual property built from their own primary research.

Our PI businesses analyse and diagnose their customers' performance challenges and then customise their proprietary IP to meet the specific circumstances identified. Finally they manage and deliver the training necessary to enable clients' staff to achieve the improvement they seek.

PI contracts are usually high value and customer relationships tend to be long lasting. The PI group renews more than 90% of its client revenue each year and 70% of its top 100 customers have been with us for four or more years. Our PI businesses enjoy strong relationships with most of the Fortune 100 companies and they now earn 40% of their combined income from long running government contracts.

The great diversity of the PI customer base means that PI is not exposed unduly to cyclical changes in any one sector, enabling this part of the business to enjoy stable operating margins of 15%+.

Events

Finally, Events. This revenue stream is our fastest growth capturer. It is readily scalable and highly flexible. Conferences are fast to market – we can move from concept to product in as little as 16 weeks and we can gear up our event output quickly when opportunity presents in the external market. This might be when a technological innovation breaks through for example or an important legislation change is announced.

Events are more cyclically exposed than our other revenue streams but Informa's scale as the largest conference organiser in the world gives us significant protection against economic downturn in specific markets. Our 4,500 events a year cover more than 500 industries and sectors in 70 national and regional economies. Our 20 million strong customer database, which we believe is unrivalled anywhere in the media business, enables us both to maximise opportunity within sectors and also to move our focus to more productive areas if individual markets turn down. Because event output can be quickly reduced, if need be, we are not locked into cost.

Events are also not capital intensive. A small event might require only £15k of marketing spend and all but around 5% of the conferences we research and launch each year become profitable contributors in their first incarnation.

The Group has around 100 industry leading events across a range of sectors. These Large Scale Events tend to be very stable in attendance whatever phase of the economic cycle their industry is in. Because of their relative size and the effect of operational gearing these events contribute a substantial portion of the total profits we earn from events. Each year around one third of our total events are branded annuals, another third are repeated iterations of previous successes and the final portion are new targets of opportunity we have identified through our extensive topic research effort.

Our conferences are content-rich, targeted at the specialist and typically delegate-driven. As events grow they tend to attract increasing amounts of sponsorship and related exhibition income but the heart of our events business, just as it is for publishing and performance improvement, is the communication of high value information.

David Gilbertson
Managing Director
13 March 2006

Directors and Advisers

Richard Hooper CBE

Chairman [3] (66)

Richard Hooper was appointed a Non-Executive Director of Lloyd's of London Press (later renamed LLP) in 1997 and became the Senior Non-Executive Director on the Informa Group plc board following the merger of LLP and IBC in 1998. Mr Hooper is currently an independent assessor to the Department of Media, Culture and Sport on Public Appointments, a member of the Advisory Panel of Waste Recycling Group plc and a Non-Executive Director of Yell Group plc. He has previously been the Deputy Chairman of the Office of Communications (Ofcom), the Chairman of the Radio Authority and a Non-Executive Director of Superscape plc and of MAI/United News and Media plc. Upon the merger in May 2004 of Informa Group plc and Taylor & Francis Group plc, Mr Hooper was designated the Company's Senior Non-Executive Director and he was appointed its Chairman on 10 March 2005. He also chairs the Nomination Committee.

Peter Rigby

Chief Executive (50)

After qualifying as an accountant, Peter Rigby joined Metal Box. In 1981 he moved into the media industry joining Book Club Associates, a joint venture between WH Smith and Doubleday. In 1983 he joined Stonehart Publications which was acquired by International Business Communications (later renamed IBC) in 1986. After two years as Finance Director of IBC, Mr Rigby was appointed Deputy Chief Executive and later its Chief Executive, leading IBC's expansion into North America, Asia and Australia. He became Chairman of Informa Group plc at the company's inception upon the merger of IBC and LLP in 1998. Mr Rigby was appointed Chief Executive upon the merger of Informa with Taylor & Francis in May 2004. He is also Non-Executive Chairman of Electric Word plc.

David Gilbertson

Managing Director (49)

David Gilbertson has some 25 years' experience in the information industry having held editorial and management positions with Metal Bulletin, Reuters and Reed Elsevier. He joined LLP in 1987 as Editor of *Lloyd's List*, joining the LLP board in 1992. Mr Gilbertson was a member of the management buy-out team which bought LLP from Lloyd's of London in 1995, becoming its Chief Executive in 1997. He took LLP to flotation on the London Stock Exchange in early 1998 and became Chief Executive of Informa Group plc upon its formation from the merger of LLP and IBC in December 1998. Mr Gilbertson was appointed Managing Director upon the merger of Informa with Taylor & Francis in May 2004. He is also Non-Executive Chairman of John Brown Holdings Limited.

Anthony Foye

Finance Director (43)

Anthony Foye joined the Taylor & Francis Group in 1987 as Group Chief Accountant and Company Secretary after qualifying as a Chartered Accountant. In 1994 he was appointed Finance Director of Taylor & Francis Group plc and was instrumental in the company's flotation on the London Stock Exchange in May 1998. Mr Foye was appointed Finance Director upon the merger of Taylor & Francis and Informa in May 2004. He is also a Non-Executive Director of YouGov plc.

1 Member of Audit Committee

2 Member of Remuneration Committee

3 Member of Nomination Committee




Derek Mapp
Senior Non-Executive Director [1,2,3] (55)

Derek Mapp joined the board of Taylor & Francis Group plc as a Non-Executive Director in 1998. He is currently Non-Executive Chairman of Staffline Recruitment Group plc and Executive Chairman of Imagesound plc, as well as having a number of other private business interests. Mr Mapp has previously been the Executive Chairman of Leapfrog Day Nurseries Limited, the Chairman of the East Midlands Development Agency and the Managing Director of Tom Cobleigh plc. Mr Mapp was appointed as a Non-Executive Director upon the merger of Taylor & Francis and Informa in May 2004 and was designated the Senior Non-Executive Director on 10 March 2005. He is also Chairman of the Audit Committee.

Sean Watson
Non-Executive Director [1,2,3] (57)

A solicitor and Senior Corporate Finance Partner at CMS Cameron McKenna, Sean Watson has extensive experience in all areas of corporate law. In 2000 he was appointed as a Non-Executive Director of Informa Group plc (now Informa plc).

Dr Pamela Kirby
Non-Executive Director [2,3] (52)

Pamela Kirby is currently Chairman of Scynexis Inc., a privately-held chemistry-focused drug discovery and development company based in the US. She is also a Non-Executive Director of Smith & Nephew plc, Oscient Pharmaceuticals Corporation and Curalogic AS. She was previously the Non-Executive Chairman of Oxford Immunotec Limited and was the CEO of US-based Quintiles Transnational Corporation. Prior to joining Quintiles, Dr Kirby held various senior positions in the pharmaceutical industry at Astra AB (now AstraZeneca plc), British Biotech plc (now Vernalis plc) and F. Hoffman-La Roche Limited. She has a PhD in Clinical Pharmacology from the University of London. Dr Kirby was appointed as a Non-Executive Director in September 2004 and from 10 March 2005 also chairs the Remuneration Committee.

John Davis
Non-Executive Director [1,3] (43)

John Davis has been Chief Financial Officer of Yell Group plc since 2000. He previously held senior positions within Pearson Plc, where he was latterly Group Finance Director of the FT Group, and Emap plc, which he joined in 1989, where he was Director of Corporate Finance and Treasury between 1995 and 1997. Mr Davis is a Chartered Accountant, having qualified at Price Waterhouse and has a Masters in Management from the Stanford Graduate School of Business. He was appointed as a Non-Executive Director with effect from 1 October 2005.

Professional Advisers

Auditors
Deloitte & Touche LLP
Chartered Accountants
Abbots House
Abbey Street
Reading
Berkshire RG1 3BD

Registrars
Lloyds TSB Registrars
The Causeway
Worthing
West Sussex BN99 6DA

Stockbrokers
Hoare Govett Limited
250 Bishopsgate
London EC2M 4AA

Merrill Lynch International
Merrill Lynch
Financial Centre
2 King Edward Street
London EC1A 1HQ

Public Relations
Financial Dynamics
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26 Southampton Buildings
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Principal Lawyers
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Mitre House
160 Aldersgate Street
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5 Appold Street
London EC2A 2HA

Registered Office
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37-41 Mortimer Street
London W1T 3JH

Registration
Registered in England and Wales Number 3099067

Directors' Report

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2005.

Principal Activities
Informa plc and its subsidiary undertakings provide specialist information to the academic & scientific, professional and commercial communities through multiple distribution channels.

Business Review
The results for the year are summarised in the Consolidated Income Statement on page 36 and the related Notes. A review of the Group's business and future prospects is set out in the Chief Executive's Review on pages 5 to 15.

Dividends
The Directors recommend that a final dividend of 6.0p per ordinary share be paid on 30 May 2006 to ordinary shareholders registered as at the close of business on 28 April 2006 which, together with the interim dividend of 2.7p per ordinary share paid on 4 November 2005, makes a total for the year of 8.7p per ordinary share.

Directors
The interests of the Directors who held office as at 31 December 2005 in the share capital of the Company are set out in the Directors' Remuneration Report on page 31.

Brief biographical details of the Directors who held office as at 31 December 2005 appear on pages 18 and 19. Those Directors served throughout the year, other than Mr J Davis, who was appointed with effect from 1 October 2005. Mr D Cruickshank resigned on 24 January 2005 and Mr D Smith resigned on 10 March 2005.

Resolutions will be submitted to the Annual General Meeting in accordance with the Company's Articles of Association for the re-appointment of two Directors. The Company's Articles of Association state that any Director who has been appointed by the Company's Directors since the previous Annual General Meeting or who has held office for more than 30 months since last re-elected by the Company in general meeting must retire from office but shall be eligible for re-election. Accordingly Mr J Davis retires and, being eligible, offers himself for election by the shareholders and Mr D Gilbertson retires and, being eligible, offers himself for re-election.

Annual General Meeting
The Annual General Meeting will be held on 16 May 2006 and the notice will be despatched separately.

Charitable and Political Contributions
The Group made charitable donations during the year of £143,000, principally to local charities serving the communities in which the Group operates. No political donations were made.

Supplier Payment Policy
The Company's policy, which is also applied by the Group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are aware of the terms of payment and to abide by the agreed terms, provided that the supplier has provided the goods or services in accordance with the relevant terms and conditions. As at 31 December 2005 trade payables of the Group were on average 46 days' outstanding (2004: 23 days'), based on the year end ageing of the trade payables balance. The Company had no trade payables as at 31 December 2005 and 2004.

Substantial Shareholdings
As at 13 March 2006 the Company had been notified, in accordance with Sections 198 to 208 of the Companies Act 1985, of the following interests of 3% or more of the issued ordinary share capital of the Company:

	Number of shares	% held	Date Company notified
FMR Corp and Fidelity International Limited	33,501,537	7.94	17 Jan 2006
Britannic Investment Managers Limited	13,268,584	3.15	4 Jan 2006
Legal & General Investment Management	43,058,973	10.21	8 Nov 2005
HBOS plc and its subsidiaries	16,851,197	4.00	5 Sep 2005
Standard Life Investments	22,304,218	5.29	4 Aug 2005

Going Concern Basis
After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Employee Consultation
The Group places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved principally through formal and informal meetings, email updates and via the Company's intranet site, which is updated regularly and also includes a facility enabling employees anonymously to ask questions of executive management to which answers are also published. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

From January 2006 all UK employees are eligible to participate in the Company's Share Incentive Plan (SIP), introduced and approved by shareholders in 2005. The SIP is an Inland Revenue Approved All Employee Share Incentive Plan offering UK employees the opportunity to purchase annually up to £1,500 of shares in the Company out of pre-tax salary. During 2006 consideration will be given to rolling-out similar plans to other principal jurisdictions in which the Group operates.

Disabled Employees
Full consideration is given to applicants for employment, the continuing employment, training and career development of disabled persons.

Auditors
Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Jeff Thomasson
Company Secretary
13 March 2006

Corporate Governance

The Company is committed to the principles of corporate governance contained in the Combined Code on Corporate Governance (the Code) for which the Board is accountable to shareholders. Throughout the year ended 31 December 2005 the Company was in compliance with the Code provisions set out in Section 1 of the Code except for the following matters in respect of the number of Board committee members:

- Code provision B.2.1 specifies that the Remuneration Committee of the Board should comprise at least three independent Non-Executive Director members. Following the resignation of Mr D Cruickshank from the Board, for the period from 25 January to 9 March 2005 the Remuneration Committee comprised two independent Non-Executive Director members. This was rectified by the appointment of additional members with effect from 10 March 2005. The membership of the Remuneration Committee during 2005 is shown on page 27.
- Code provision C.3.1 specifies that the Audit Committee of the Board should comprise at least three independent Non-Executive Director members. Following the resignation of Mr D Cruickshank from the Board, for the period from 25 January to 30 September 2005 the Audit Committee comprised two independent Non-Executive Director members. This was rectified by the appointment of an additional member with effect from 1 October 2005. The membership of the Audit Committee during 2005 is shown on page 25.

The paragraphs below and in the Directors' Remuneration Report explain how the Company has applied the Principles of Good Governance set out in Section 1 of the Code.

The Board
The Group is controlled through its Board of Directors. The Board's main roles are to create value for shareholders, to provide leadership of the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable those objectives to be met.

A schedule which sets out the matters reserved for the Board's approval is reviewed and updated annually. The specific responsibilities reserved for the Board include: approving the Group's long-term objectives and commercial strategy; approving the Group's annual operating and capital expenditure budgets; reviewing operational and financial performance; approving major acquisitions, disposals and capital projects; reviewing the Group's systems of internal controls and risk management; reviewing the environmental, health and safety policies of the Group; approving appointments to and removals from the Board and of the Company Secretary; and approving policies relating to Directors' remuneration.

The Board has delegated the following activities to the Executive Directors: the development and recommendation of strategic plans for consideration by the Board that reflect the longer-term objectives and priorities established by the Board; implementation of the strategies and policies of the Group as determined by the Board; monitoring of the operating and financial results against plans and budgets; monitoring the performance of acquisitions and investments against plans and objectives; prioritising the allocation of capital, technical and human resources and developing and implementing risk management systems.

The Roles of the Chairman and Chief Executive
The division of responsibilities between the Chairman of the Board and the Chief Executive is clearly defined.

The Chairman leads the Board and is responsible for organising the business of the Board, setting its agenda and ensuring its effectiveness. The Chairman is also responsible for ensuring that Directors receive accurate, timely and clear information and for effective communication with shareholders. The Chairman facilitates the effective contribution of Non-Executive Directors and constructive relations between the Executive and Non-Executive Directors.

The Chief Executive has direct charge of the Group on a day-to-day basis and is accountable to the Board for its operational and financial performance. The Chief Executive is also primarily responsible for developing and articulating the Company's strategy and for day-to-day dealings with shareholders, particularly following the interim and year-end results announcements.

Senior Independent Director
Mr D Mapp has been designated the Senior Independent Director since 10 March 2005; previously Mr R Hooper was the designated Senior Independent Director. The Senior Independent Director is available to meet shareholders on request and to ensure that the Board is aware of any shareholder concerns not resolved through existing mechanisms for investor communication.

Directors and Directors' Independence
As of 31 December 2005 the Board comprised the Chairman, four independent Non-Executive Directors and three Executive Directors. The names of the Directors, together with their brief biographical details are given on pages 18 and 19. The periods served by each Director during 2005 are set out on page 20.

The Board includes independent Non-Executive Directors who constructively challenge and help develop proposals on strategy and bring strong, independent judgement, knowledge and experience to the Board's deliberations. The independent Directors are of sufficient calibre and number that their views carry significant weight in the Board's decision-making process.

The Board considers all of its Non-Executive Directors to be independent in character and judgement. The Board has considered the independence of Mr S Watson with particular care in view of his position as a partner at the law firm of CMS Cameron McKenna, one of several legal advisers used by the Company. The Board does not consider the relationship between the Company and the law firm to be of a material nature given that the transaction values between the two entities have not exceeded 1% of their respective turnovers during each of the three years ended 31 December 2005. In addition Mr Watson does not lead any transaction or have any significant role in any work undertaken by the law firm on behalf of the Company.

There is an agreed procedure in place for the Directors to obtain independent professional advice, at the Group's expense, should they consider it necessary to do so in order to carry out their responsibilities.

The other significant professional commitments of the Chairman, Mr R Hooper, are summarised on page 18.

Professional Development
On appointment the Directors receive relevant information about the Group, the role of the Board and the matters reserved for its decision, the terms of reference and membership of the principal Board committees and the powers delegated to those committees, the Group's corporate governance policies and procedures and the latest financial information about the Group. This is supplemented by visits to key locations and meetings with key senior executives. On appointment Directors are also advised of their legal and other duties and obligations as a Director of a listed company.

Throughout their period in office the Directors are continually updated on the Group's business and the environment in which it operates, by written briefings and by meetings with senior executives, who are invited to attend and present at Board meetings from time to time. They are also updated on any changes to the legal and governance requirements of the Group and which affect themselves as Directors and are able to obtain training, at the Group's expense, to ensure they are kept up to date on relevant new legislation and changing commercial risks.

Performance Evaluation
The Board utilises a formal and rigorous process, led by the Chairman, for the annual evaluation of the performance of the Board, its principal committees and individual Directors, with particular attention to those who are due for re-appointment. On appointment the Directors are made aware that their performance will be subject to evaluation.

For 2005 the evaluation was performed by the Chairman who conducted a series of focused interviews with each member of the Board in his or her capacity as a Director and, where applicable, as a member or Chairman of a principal committee. The findings and recommendations of the review were presented to the Board as a whole, with a view to implementing any recommendations made to improve the overall effectiveness of the Board during 2006. The Non-Executive Directors, led by the Senior Independent Director, also met without the Chairman present to conduct an evaluation of the Chairman's performance.

Re-election
Subject to the Company's Articles of Association, the Companies Act and satisfactory performance evaluation, Non-Executive Directors are appointed for an initial period envisaged to last three years and thereafter subject to annual review.

The Company Secretary
The Company Secretary is responsible for advising the Board through the Chairman on all governance matters and all Directors have access to the advice and services of the Company Secretary.

Information
Regular reports and papers are circulated to the Directors in a timely manner in preparation for Board and Committee meetings. These papers are supplemented by any information specifically requested by the Directors from time to time.

The Non-Executive Directors receive monthly management reports from the Chief Executive and the Finance Director which enable them to scrutinise the Group's and management's performance against agreed objectives.

Relations with Shareholders
In fulfilment of the Chairman's obligations under the Code, the Chairman provides the Board with feedback on any issues raised with him by shareholders.

In addition, the Executive Directors have frequent discussions with institutional shareholders on a range of issues affecting the Group's performance. These include meetings with the Group's largest institutional shareholders on an individual basis following the announcement of the Group's interim and annual results. In addition the Group responds to individual ad hoc requests for discussions from institutional shareholders. Following meetings held with shareholders after the interim and annual results announcements, the Board receives feedback from each of the Chief Executive, the Group's brokers and its public relations advisers on investor perceptions. External analysts' reports on the Group are also circulated to all Directors, as are monthly reports of significant changes in the holdings of larger investors.

The Annual General Meeting (AGM), for which at least 20 working days' notice is given and where shareholders are invited to ask questions during the meeting and are able to meet with the Directors after the meeting, is normally attended by all the Directors. The number of proxy votes for, against or withheld in respect of each resolution is disclosed at the AGM and a separate resolution is proposed for each item.

The Group's corporate website at www.informa.com contains a wide range of information of interest to both institutional and private investors, including any announcements made by the Company to the London Stock Exchange as well as video recordings of the interim and annual presentations made to analysts.

Internal Control and Risk Management

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. In accordance with the guidance on internal control published in September 1999 (the Turnbull Guidance), the Board regularly reviews this process, which has been in place from the start of the year to the date of approval of this Report.

The Board regularly reviews the effectiveness of the Group's system of financial and non-financial internal controls, including operational and compliance controls, risk management and the Group's high-level internal control arrangements. The Board's monitoring is based principally on reviewing reports from management to consider whether significant risks have been identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. The Board has also performed an assessment for the purpose of this Annual Report. This assessment considers all significant aspects of internal control arising during the period covered by the Report including the work of internal audit. The Audit Committee assists the Board in discharging its review responsibilities.

The Directors view the careful management of risk as a key management activity and steps are being taken to embed internal control and risk management further into the operations of the Group and to deal with any areas of improvement which come to management's and the Board's attention. For example, at the end of 2005 the Group's Business Risk Management and Internal Audit functions were brought under one unified structure, known as Group Internal Control.

Board Committees

The number of scheduled Board meetings and committee meetings attended as a member by each Director during the year was as follows:

	Scheduled Board meetings	Nomination Committee meetings	Remuneration Committee meetings	Audit Committee meetings
R Hooper	7 (8)	1 (1)	2 (2)	1 (1)
P Rigby	8 (8)	–	–	–
D Gilbertson	8 (8)	–	–	–
A Foye	8 (8)	–	–	–
D Mapp	8 (8)	1 (1)	9 (9)	3 (3)
S Watson	8 (8)	1 (1)	7 (7)	2 (2)
P Kirby	8 (8)	1 (1)	7 (7)	–
J Davis (appointed 1 October 2005)	2 (2)	–	–	1 (1)
D Smith (resigned 10 March 2005)	2 (2)	–	–	–
D Cruickshank (resigned 24 January 2005)	–	–	–	–

Figures in brackets indicate the number of meetings held in the period in which the Director was a member.

Nomination Committee

The Company has established a Nomination Committee whose terms of reference, which were updated by the Board in October 2005, are available on the Company's website.

The membership of the Nomination Committee during 2005 was as follows:

	Period of membership 2005
R Hooper (Chairman of Committee)	1 Jan – 31 Dec
D Mapp	10 Mar – 31 Dec
S Watson	1 Jan – 31 Dec
P Kirby	10 Mar – 31 Dec
J Davis	1 Oct – 31 Dec
D Smith	1 Jan – 10 Mar
D Cruickshank	1 Jan – 24 Jan

Mr R Hooper replaced Mr D Smith as Chairman of the Committee from 10 March 2005.

The Nomination Committee considers the mix of skills and experience that the Board requires and seeks the appointment of Directors who meet those requirements to ensure that the Board is effective in discharging its responsibilities.

The Nomination Committee met during 2005 for the purpose of appointing an additional Non-Executive Director to the Board. The process began by identifying the core competencies and attributes required of the candidate to fill the role. An independent professional search firm was then engaged to seek out and identify potential candidates. Following both a long-listing and short-listing process, a selection panel, composed of members of the Committee and other Board members, was held at which three short-listed candidates were interviewed. The selection panel recommended the appointment of Mr J Davis to the Nomination Committee, which in turn recommended Mr Davis' appointment to the full Board and he was appointed by the Board with effect from 1 October 2005.

Remuneration Committee
The membership of the Remuneration Committee is set out in the Directors' Remuneration Report on page 27. The Committee's terms of reference, which were updated by the Board in October 2005, are available on the Company's website. The Committee's principal responsibilities are to:

- set, review and recommend to the Board for approval the remuneration policy and strategy with respect to the Executive Directors;
- set, review and approve the individual remuneration packages of the Executive Directors including terms and conditions of employment and any changes to the packages; and
- approve the introduction and rules of any Group share-based incentive schemes.

Audit Committee
The membership of the Audit Committee during 2005 was as follows:

	Period of membership 2005
D Mapp (Chairman of Committee)	1 Jan – 31 Dec
R Hooper	1 Jan – 9 Mar
S Watson	10 Mar – 31 Dec
J Davis	1 Oct – 31 Dec
D Cruickshank	1 Jan – 24 Jan

The Audit Committee has at least one member possessing recent and relevant experience, as described in the Smith Report appended to the Code. Mr D Mapp has extensive experience of audit committee procedures, and Mr J Davis is a qualified chartered accountant and the Chief Financial Officer of Yell Group plc, a FTSE 100 company. It can also be seen from the Directors' biographical details appearing on pages 18 and 19 that the other members who served on the Committee during the year possess a wide range of high-level experience.

The Audit Committee monitors the integrity of the Group's financial statements and any formal announcements relating to the Group's performance. The Committee is responsible for monitoring the effectiveness of the external audit process and making recommendations to the Board in relation to the appointment, re-appointment and remuneration of the external auditors. It is responsible for ensuring that an appropriate relationship between the Group and the external auditors is maintained, including reviewing non-audit services and fees. The Committee also reviews annually the Group's system of internal controls and the process for monitoring and evaluating the risks faced by the Group. It reviews the effectiveness of the Group Internal Control function (consisting of Business Risk Management and Internal Audit) and is responsible for approving, upon the recommendation of the Chief Executive, the appointment and termination of the head of that function.

The Committee meets as appropriate with the Executive Directors and management, as well as privately with both the external and internal auditors.

In 2005 the Committee discharged its responsibilities primarily by:

- reviewing the Group's draft preliminary and interim results statements prior to Board approval and reviewing the external auditors' detailed reports thereon;
- reviewing the Group's pre-Close Period updates prior to their release;
- reviewing the appropriateness of the Group's accounting policies;
- reviewing regularly the impact on the Group's financial statements of matters such as the adoption of International Financial Reporting Standards;
- recommending to the full Board, which adopted the recommendation, the reappointment of Deloitte & Touche LLP as the Group's external auditors;
- reviewing and approving the audit fee and reviewing non-audit fees payable to the Group's external auditors;
- reviewing the external auditors' plan for the audit of the Group's accounts, which included key areas of scope of work; key risks on the accounts; confirmations of auditor independence and the proposed audit fee and approving the terms of engagement for the audit;
- reviewing the Group's system of controls and its effectiveness;
- reviewing the Group's systems to identify and manage risks;
- reviewing the ongoing reports from Business Risk Management; and
- reviewing post-acquisition reports on integration and performance of significant recent acquisitions compared to plans.

The Audit Committee also monitors the Group's whistle blowing procedures to ensure that appropriate arrangements are in place for employees to be able to raise matters of possible impropriety in confidence, with suitable subsequent follow-up action.

The Audit Committee's terms of reference, which were updated by the Board in October 2005, are available on the Company's website.

Auditor Independence and Objectivity
The Audit Committee regularly monitors the scope of the services and the non-audit services being provided to the Group by its external auditors to review the independence and objectivity of the external auditors, taking into consideration the relevant professional and regulatory requirements, so that these are not impaired by the provision of permissible non-audit services. Any activities that may be perceived to be in conflict with the role of the external auditors must be submitted to the Committee for approval prior to engagement.

Corporate Responsibility

At Informa we endeavour to practise our business with integrity, respecting the different cultures, dignity and rights of individuals everywhere we operate.

2005 was the year that Corporate Responsibility (CR) was formalised at Informa, with the appointment of Mr K Brownlie as CR Director, reporting to Mr P Rigby, Chief Executive. During 2005 four active sub-committees were formed to address CR issues, covering workplace, marketplace, community and environment. The head of each of these sub-committees is a member of the CR Committee, along with Messrs Rigby and Brownlie. The sub-committees meet regularly and have targeted their short, medium and long-term actions, which have been agreed by the CR Committee. Further details are included within the full 2005 CR Report available on the Group's website at www.informa.com.

The Company is delighted to have also been awarded the FTSE4Good accolade during 2005.

While significant strides have been made in the area of Corporate Responsibility during 2005, there remains much internal research to complete, including a global staff satisfaction survey being conducted during 2006, many processes and procedures to create and a good deal to articulate both internally and externally over the coming months and years. We have though completed the first year of formalised CR with a renewed sense of belief in the Group's ability to create positive change for all those involved with Informa.

Introduction
This report has been prepared in accordance with Schedule 7A to the Companies Act 1985. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority. As required by the Act, a resolution to approve the Report will be proposed at the Annual General Meeting.

The Act requires the auditors to report to the Company's members on certain parts of this report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Companies Act 1985. This report has therefore been divided into separate sections for audited and unaudited information.

Unaudited Information
Remuneration Committee
The membership of the Remuneration Committee during 2005 was as follows:

	Period of membership 2005
P Kirby (Chairman of Committee)	10 Mar – 31 Dec
R Hooper	1 Jan – 9 Mar
S Watson	10 Mar – 31 Dec
D Mapp	1 Jan – 31 Dec
D Cruickshank	1 Jan – 24 Jan

Dr P Kirby replaced Mr R Hooper as Chairman of the Committee from 10 March 2005.

None of the members who served on the Committee during the year had any personal financial interest (other than as a shareholder of the Company), conflicts of interests arising from cross-directorships or day-to-day involvement in running the business. The Committee makes recommendations to the Board.

In determining the Executive Directors' remuneration the Committee consulted Mr P Rigby, Chief Executive, about its proposals although no Director played a part in any discussion about his or her own remuneration. The Committee also engaged independent advisers New Bridge Street Consultants LLP (NBS) to provide advice on the structure and operation of Directors' remuneration packages. NBS did not provide any other services to the Company or Group.

Remuneration Policy
The remuneration of the Executive Directors is prudently designed to provide for a competitive compensation package which reflects the Group's performance against financial objectives and personal performance criteria. It rewards above-average performance and is designed to attract, motivate and retain high-calibre executives. The performance measurement of the Executive Directors and the determination of their annual remuneration packages are undertaken by the Committee.

There are five elements of the remuneration package for Executive Directors as follows:

- basic annual salary;
- benefits;
- annual bonus;
- share incentives; and
- retirement and life assurance benefits.

The Company's policy is that a substantial proportion of the remuneration of the Executive Directors should be performance related. As described further below, Executive Directors may earn annual bonus payments of up to 100% of their basic salaries, together with the benefits of participation in performance-based share incentive schemes.

Executive Directors are entitled to accept appointments outside of the Company provided that the Chairman's consent is obtained. During 2005 Mr P Rigby served as Non-Executive Chairman of Electric Word plc, for which he received and retained fees of £9,000 and, through October 2005, as Non-Executive Chairman of Conatus plc, for which no fees were received. From February 2005 Mr D Gilbertson served as Non-Executive Chairman of John Brown Holdings Limited, for which he received and retained fees of £33,000. From March 2005 Mr A Foye served as a Non-Executive Director of YouGov plc, for which he received and retained fees of £12,500.

Basic Salary
The basic salaries of the Executive Directors are reviewed by the Remuneration Committee prior to the beginning of each year and upon a change of position or responsibility. In deciding appropriate levels, the Committee considers pay practices in the Group as a whole and makes reference to objective research which gives current information on appropriate comparator groups of companies.

Following a review at the end of 2004, the basic salaries of the Executive Directors were increased by 3% with effect from 1 January 2005. Following the significant acquisition of IIR in July 2005, the Remuneration Committee considered whether to review again the remuneration packages of the Executive Directors, but chose to defer this review until the regular annual salary review at the end of 2005. The review at the end of 2005 was undertaken with the assistance of independent remuneration consultants NBS and included a comparison of benchmark data from two comparator groups of companies – one drawn from the FTSE All Share Media Index, of which the Company is a constituent company, and the other drawn from the FTSE All Share Index and comprised of companies of a broadly similar size to Informa in terms of market capitalisation, turnover and overseas operations. Following its review the Committee concluded that it was appropriate to increase the basic salaries of the Executive

Directors with effect from 1 January 2006 to the following levels, which reflect the greater scale of the Group's business, the attendant increased responsibilities of the Executive Directors and their continued outstanding performance:

	£'000
P Rigby, Chief Executive	550
D Gilbertson, Managing Director	520
A Foye, Finance Director	310

Benefits
Each of the Executive Directors receives a benefit allowance of £25,000 per annum and private medical insurance cover. In addition Messrs Rigby and Gilbertson receive permanent health insurance cover.

Annual Bonus
Each of the Executive Directors has the opportunity to earn a bonus of up to 100% of basic salary, subject to the achievement of performance criteria set by the Committee.

In respect of the year ended 31 December 2005, as in the previous year, a bonus of up to 80% of basic salary could be earned based on achievement of adjusted diluted earnings per share (EPS) targets and up to 20% based on achievement of personal objectives, covering strategic, financial and operational areas. On the basis of both corporate and individual performance and targets having been achieved, the Remuneration Committee determined that 100% bonuses had been earned by each of the Executive Directors, in a year in which exceptional operational demands had been placed upon them.

The Remuneration Committee continues to consider adjusted diluted EPS to be the most suitable financial measurement to determine performance and align the interests of the Executive Directors with those of the Company's shareholders as this measurement of performance can be directly influenced by the performance of the Executive Directors. Therefore, the existing weightings will continue to apply for the year ending 31 December 2006.

Share Incentives

Share Matching Plan
In 2004 and 2005 the Company has operated a Share Matching Plan in which the Executive Directors could participate. Following approval at the 2004 Annual General Meeting, the Share Matching Plan was amended to introduce a requirement for the Executive Directors to invest at least 50% of their annual bonuses (net of tax and any other deductions), where such bonus exceeded half of annual basic salary, in the Company's shares. Corresponding awards of free matching shares were then made under the Share Matching Plan. In addition, the requirement was introduced for performance criteria to be achieved in order for the free matching shares to vest. The first awards under the amended Share Matching Plan were made in April 2005, as set out on page 31.

Long-Term Incentive Plan
Following a review by the Remuneration Committee and after consultation with the Company's principal institutional shareholders undertaken at the beginning of 2006, the Committee has concluded that the awards made to the Executive Directors in April 2005 should be the last made under the Share Matching Plan. Instead, from 2006 the Executive Directors will be invited to participate in the Company's Long-Term Incentive Plan (LTIP), introduced and approved by shareholders in 2005.

It is intended that the first grant of awards to Executive Directors under the LTIP will be made in 2006, when they will be given the alternative of:

- a maximum award of 100% of basic salary in the Company's shares, provided they are prepared to sacrifice 5% of that year's basic salary; or
- a maximum award of 50% of basic salary in the Company's shares, with no salary sacrifice required.

The purpose of the higher award for a basic salary sacrifice is to encourage participants to share some of the risk for a greater level of potential benefit and also to help mitigate the cost to the Company of the LTIP.

The first awards made under the LTIP will vest subject to continued employment over a three-year performance period, including the year of award, and the satisfaction of performance conditions which will require both that:

- the Company's Total Shareholder Return is at least at the median compared to the companies constituting, at grant, the FTSE All Share Media Index; and
- the Company's average adjusted diluted EPS grows by at least RPI plus 5% per annum (for 20% of the award to vest) increasing to RPI plus 12% per annum (for 100% of the award to vest).

The Remuneration Committee believes that these performance conditions are appropriate as they encourage both the generation of above market returns to shareholders and the delivery of substantial EPS growth. The Committee will continue to review the performance conditions for appropriateness before making future grants under the LTIP. Where applicable the Committee will also take account of the transition to International Financial Reporting Standards when determining the extent to which awards vest, with the overriding aim being to provide a consistent measurement of performance.

Share Incentive Plan

From January 2006 the Executive Directors, along with all other UK employees, are eligible to participate in the Company's Share Incentive Plan (SIP), introduced and approved by shareholders in 2005. The SIP is an Inland Revenue Approved All Employee Share Incentive Plan which offers UK employees the opportunity to purchase up to £1,500 of shares in the Company per annum out of pre-tax salary.

Share Options

Prior to their merger in May 2004, both Taylor & Francis and Informa operated discretionary share option schemes for the benefit of the Executive Directors. In the light of changes to the accounting treatment for share options and changing market practice, the Remuneration Committee decided not to grant options to Executive Directors during 2005 and does not intend to do so in the foreseeable future. Details of subsisting options granted to the Executive Directors in 2004 and earlier are shown on page 32.

Share Ownership Guidelines

During early 2006 the Remuneration Committee introduced formal share ownership guidelines requiring the Executive Directors to build up, over a three-year period and with pre-existing shareholdings taken into account, a holding in the Company's shares equal to at least 1.5 times annual basic salary.

Retirement and Life Assurance Benefits

The Executive Directors are entitled to receive a contribution of 25% of basic salary toward their retirement arrangements.

Mr P Rigby receives a Company contribution of 25% of basic salary to his personal pension plan. He received an additional employer contribution in respect of 2005 of £453,500 (2004: £199,000), as described further on page 31. The Company also provides life assurance cover providing for the payment of a lump sum in the event of the insured's death in service.

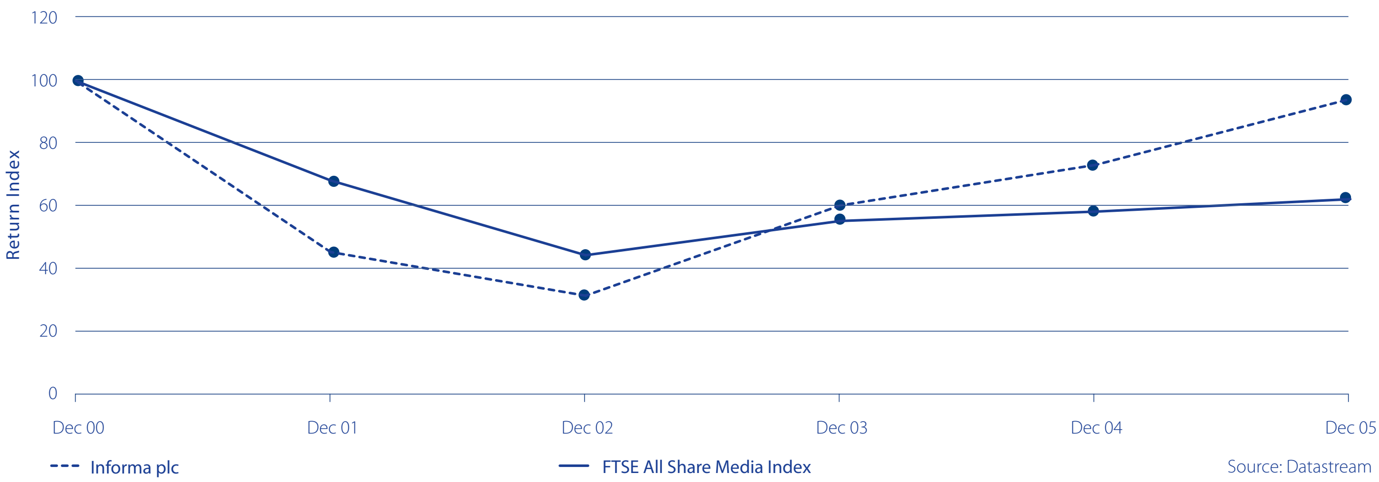
Mr D Gilbertson is a deferred member of the Informa Final Salary Scheme, a defined benefit scheme which provides for a pension on retirement of up to two thirds of final basic salary at the age of 60. Dependants are eligible for dependants' pension and the payment of a lump sum in the event of the member's death in service. Further details of the benefits accrued under the scheme are shown on page 33. Mr Gilbertson also has a personal money purchase pension plan funding his pension above the earnings cap. Through April 2005 the Company contributed to both schemes to the combined entitlement level of 25% of basic salary. In consideration of forthcoming legislative changes, from May 2005 the Company ceased to contribute on Mr Gilbertson's behalf to either pension arrangement and instead began paying him a monthly payment in lieu of pension equal to 25% of basic salary (after deducting any incremental National Insurance costs to the Company).

Mr A Foye was an active member of the Taylor & Francis Group Pension and Life Assurance Scheme throughout the year. This is a defined benefit scheme which provides for a pension on retirement of up to two thirds of final basic salary at the age of 63. Dependants are eligible for dependants' pension and the payment of a lump sum in the event of the member's death in service. Further details of the benefits accrued under the scheme are shown on page 33.

Performance Graph

The graph below shows the Company's performance, measured by total shareholder return, compared with the performance of the FTSE All Share Media Index, also measured by total shareholder return, in the five-year period ended 31 December 2005. The FTSE All Share Media Index has been selected for this comparison because the Company is a constituent company of that index.

Informa plc Total Shareholder Return vs FTSE All Share Media Index 2001-2005



Directors' Contracts
At 31 December 2005 and in accordance with the Company's policy, each of the Executive Directors had service contracts with an indefinite term under which 12 months' notice must be given by the Company or by the Director. In the event of early termination, each of the Executive Directors' contracts provide for compensation equal to basic salary, bonus, benefits allowance and retirement benefit for the notice period.

Each of the Non-Executive Directors has specific terms of appointment, terminable by three months' notice, but envisaged to be initially for three years.

The dates of the Directors' original contracts are shown in the table below, although the contracts have been amended from time to time by letter agreement as required to reflect changes to, for example, salary or fee levels. The contracts, which include details of remuneration, will be available for inspection at the Annual General Meeting.

	Date of original contract		Date of original contract
Executive Directors		**Non-Executive Directors**	
P Rigby	25 Sep 1996	R Hooper	10 May 2004
D Gilbertson	27 Feb 1996	D Mapp	10 May 2004
A Foye	1 Jan 1998	S Watson	10 May 2004
		P Kirby	3 Aug 2004
		J Davis	19 Sep 2005

Non-Executive Directors
The remuneration of the Non-Executive Directors is determined by the Board within the limits set by the Articles of Association. Fees are reviewed annually, including a comparison with the level of fees paid by other companies of similar size and complexity.

From 1 January to 9 March 2005 the basic fee payable to Non-Executive Directors was £35,000 per annum, increasing to £36,000 from 10 March 2005. Also from 10 March 2005, the date of his appointment as Non-Executive Chairman, the basic fee payable to Mr R Hooper was increased to £120,000 per annum.

During 2005 the Non-Executive Directors were also paid £2,000 per annum for the additional work performed by them as members of the Nomination, Remuneration and Audit Committees or £3,000 and £7,500 per annum, respectively, as chairmen of the Remuneration and Audit Committees.

Non-Executive Directors are not eligible to participate in any of the Company's share incentive schemes or join any Company pension scheme.

Audited Information

Aggregate Directors' Remuneration
The total amounts for Directors' remuneration were as follows:

	2005 £'000	2004 £'000
Emoluments	**2,240**	2,829
Compensation for loss of office	**930**	491
Gains on exercise of share options	**524**	1,430
Retirement contributions	**678**	456
	4,372	5,206

Directors' Emoluments and Compensation
The figures shown below for 2004 in respect of Messrs A Foye, D Mapp, D Smith and D Cruickshank include amounts earned as Directors of Taylor & Francis Group plc prior to its merger with Informa in May 2004:

	Basic salary/fees £'000	Bonus accrued £'000	Benefits in kind/ allowance £'000	**Total 2005 £'000**	Total 2004 £'000	Compensation for loss of office £'000
Executive Directors						
P Rigby	453	–	28	**481**	623	–
D Gilbertson	428	428	28	**884**	758	–
A Foye	258	258	26	**542**	466	–
D Smith (resigned 10 March 2005)	78	–	9	**87**	716	930
J Wilkinson (resigned 10 May 2004)	–	–	–	**–**	80	–
	1,217	686	91	**1,994**	2,643	930
Non-Executive Directors						
R Hooper	105	–	–	**105**	39	–
D Mapp	46	–	–	**46**	35	–
S Watson	41	–	–	**41**	34	–
P Kirby (appointed 1 Sep 2004)	40	–	–	**40**	12	–
J Davis (appointed 1 Oct 2005)	10	–	–	**10**	–	–
D Cruickshank	4	–	–	**4**	55	–
E Barton (resigned 10 May 2004)	–	–	–	**–**	11	–
Aggregate emoluments	1,463	686	91	**2,240**	2,829	930

Mr P Rigby waived his contractual right to his bonus of £453,500. An equivalent sum is being paid as an additional employer pension contribution.

Mr D Smith was paid £930,000 compensation for loss of office pursuant to the terms of his service contract, comprising basic salary, benefits allowance, pension entitlement and bonus that would have been earned for the year.

The fees shown above for the services of Mr R Hooper were paid to Hooper Communications and for the services of Mr S Watson to CMS Cameron McKenna.

Aggregate emoluments disclosed above do not include any amounts in respect of the value of share options granted to or held by Directors or of matching awards made under the Company's Share Matching Plan; details of these share-based incentives are given below.

Directors' Share Interests

The Directors who held office at 31 December 2005 had the following beneficial interests in the issued share capital of the Company:

	At 31 December 2005 ordinary shares	At 31 December 2004* ordinary shares
R Hooper	**14,000**	6,508
P Rigby	**575,540**	477,341
D Gilbertson	**598,842**	502,168
A Foye	**355,257**	295,236
D Mapp	**40,496**	28,926
S Watson	**12,950**	9,250
P Kirby	**–**	–
J Davis	**10,000**	–

* Or date of appointment if later.

None of the Directors had any beneficial interests in the shares of other Group companies.

In addition to the beneficial interests in the shares of the Company shown above, Messrs Rigby, Gilbertson and Foye are, for the purposes of the Companies Act 1985, regarded as interested in the 2,842 ordinary shares which Informa QUEST Limited, as trustee of the Informa Group Qualifying Employee Share Ownership Trust holds and in the 632,775 ordinary shares which HSBC Trustee (CI) Limited, as trustee of the Informa Group Employee Share Trust holds. Employees of the Group (including Messrs Rigby, Gilbertson and Foye) are potential beneficiaries under these trusts.

Other than the purchase of 56 Share Incentive Plan shares by each of Messrs Rigby, Gilbertson and Foye, there have been no changes in Directors' share interests from 31 December 2005 to the date of this Report.

The above interests exclude any shares awarded under the Share Matching Plan, shown below.

Share Matching Plan

Set out below are the details of matching awards granted under the Company's Share Matching Plan:

	At 31 December 2004	Granted during year	Rights Issue adjustment*	Vested during year	**At 31 December 2005**	Award date	Vesting date	Expiry date
P Rigby	15,900		1,908	–	**17,808**[1]	13.04.04	13.04.07	13.04.14
	–	94,606	11,352	–	**105,958**[2]	19.04.05	19.04.08	19.04.15
D Gilbertson	14,100		1,692	–	**15,792**[1]	13.04.04	13.04.07	13.04.14
	–	90,634	10,876	–	**101,510**[2]	19.04.05	19.04.08	19.04.15
A Foye	–	55,486	6,658	–	**62,144**[2]	19.04.05	19.04.08	19.04.15

* Adjustment for the bonus fraction element of the July 2005 Rights Issue.

1 Matching award vests on the third anniversary of the date of grant, subject to continued employment on the anniversary date.

2 Matching award granted on 19 April 2005 when the market value of the Company's shares was 405.75p (as adjusted for the July 2005 Rights Issue). The award vests on the third anniversary of the date of grant, subject to continued employment on the anniversary date and on a sliding scale, subject to the achievement of performance targets over the three-year performance period, including the year of grant, as follows:

- one-half share where compound annual adjusted earnings per share growth exceeds the growth in RPI plus 5%;
- two shares where compound annual adjusted earnings per share growth exceeds the growth in RPI plus 12% or more; and
- pro rata on a straight-line basis between these two points.

Directors' Share Options

Set out below are the details of options to acquire shares in Informa plc held by the Directors who served during the year. No options were granted or lapsed during 2005.

	At 31 December 2004	Rights Issue adjustment*	Exercised	Exercise price (p)	Adjusted * exercise price (p)	Market price at date of exercise (p)	**At 31 December 2005**	Exercise period
P Rigby	3,953	474	(4,427)	240.30	214.55	403.00	**–**	
	3,924	470	–	201.50	179.91	–	**4,394**[1]	04.04.00 to 13.04.07
	93,516	11,221	–	401.00	358.04	–	**104,737**[1]	01.10.02 to 30.09.09
	52,272	6,272	–	825.00	736.61	–	**58,544**[1]	20.03.03 to 19.03.10
	81,648	9,797	–	581.00	518.75	–	**91,445**[1]	07.03.04 to 06.03.11
	111,879	13,425	–	282.67	252.38	–	**125,304**[2]	15.03.05 to 14.03.12
	136,234	16,348	–	373.00	333.04	–	**152,582**[3]	04.03.07 to 03.03.14
	483,426	58,007	(4,427)				**537,006**	
D Gilbertson	100,000	11,999	–	219.00	195.54	–	**111,999**[1]	21.08.01 to 20.08.08
	82,294	9,875	–	401.00	358.04	–	**92,169**[1]	01.10.02 to 30.09.09
	46,000	5,520	–	825.00	736.61	–	**51,520**[1]	20.03.03 to 19.03.10
	71,772	8,612	–	581.00	518.75	–	**80,384**[1]	07.03.04 to 06.03.11
	98,347	11,801	–	282.67	252.38	–	**110,148**[2]	15.03.05 to 14.03.12
	119,885	14,386	–	373.00	333.04	–	**134,271**[3]	04.03.07 to 03.03.14
	518,298	62,193	–				**580,491**	
A Foye	75,554	9,066	–	344.11	307.24	–	**84,620**[1]	26.04.04 to 25.04.08
	38,666	4,639	–	375.00	334.82	–	**43,305**[2]	27.05.05 to 26.05.09
	33,901	4,068	–	254.41	227.15	–	**37,969**[4]	30.04.06 to 29.04.10
	33,901	4,068	–	254.41	227.15	–	**37,969**[5]	30.04.06 to 29.04.10
	55,690	6,682	–	341.17	304.16	–	**62,372**[6]	22.03.07 to 21.03.11
	237,712	28,523	–				**266,235**	
D Smith	66,666	–	(66,666)	344.11	–	417.00	**–**	
(resigned 10 March 2005)[7]	66,666	–	(66,666)	344.11	–	417.00	**–**	
	99,415	–	(99,415)	344.11	–	388.00	**–**	
	99,415	–	(99,415)	375.00	–	386.57	**–**	
	48,782	–	(48,782)	375.00	–	415.79	**–**	
	48,782	–	(48,782)	254.41	–	415.79	**–**	
	95,257	–	(95,257)	254.41	–	426.25	**–**	
	524,983	–	(524,983)				**–**	

* Adjusted for the bonus fraction element of the July 2005 Rights Issue by a factor of 1.12.

1 The performance conditions applying to these options had been satisfied as of 31 December 2004 and hence these options have vested.

2 The performance conditions applying to these options had been satisfied as of 31 December 2004 and these options vested and became exercisable during 2005 from the date shown in the exercise period.

3 Options vest if diluted earnings per share growth, excluding non-recurring and non-trading items, amortisation and inflation (Inflation-Adjusted EPS Growth) is at least 9% over the three-year period from the year of grant, subject, if necessary, to re-testing (at 12%) after four years or (at 15%) after five years.

4 Options vest if Inflation-Adjusted EPS Growth under UK GAAP was at least 3% per year in each of the three years ended 31 December 2005. The target having been achieved, these options have vested and become exercisable from 30 April 2006.

5 Options vest if Inflation-Adjusted EPS Growth under UK GAAP was at least 10% per year in each of the three years ended 31 December 2005. The target having been achieved, these options have vested and will become exercisable from 30 April 2006.

6 Options vest if Inflation-Adjusted EPS Growth is at least 3% per year in each of the three years ending 31 December 2006.

7 Upon cessation of employment all options held by Mr D Smith became exercisable.

The market price of the Company's ordinary shares at 31 December 2005 was 433.75p and the range during the year was 329.24p to 433.75p. The daily average market price during the year was 380.99p. Historic share price data prior to 1 July 2005 has been adjusted for the bonus fraction element of the Rights Issue by dividing by a factor of 1.12.

Directors' Pension Entitlements

Two Directors are members of defined benefit pension schemes provided by the Company or its subsidiaries and have accrued entitlements under the schemes as follows:

	Accrued pension 31 December 2004 £'000	Increase in accrued pension in the year £'000	**Accrued pension 31 December 2005 £'000**
D Gilbertson	30	3	**33**
A Foye	81	8	**89**

The following table sets out the transfer values of the Directors' accrued benefits under the schemes calculated in a manner consistent with "Retirement Benefit Schemes – Transfer Values (GN11)" published by the Institute of Actuaries and the Faculty of Actuaries:

	Transfer value 31 December 2004 £'000	Contributions made by the Director £'000	Increase in transfer value in the year net of contributions £'000	**Transfer value 31 December 2005 £'000**
D Gilbertson	295	4	26	**325**
A Foye	424	–	79	**503**

The following additional information is given to comply with the requirements of the Listing Rules of the Financial Services Authority, which differ in some respects from the equivalent statutory requirements:

	Increase in accrued pension in the year in excess of inflation £'000	Transfer value of increase in year less Directors' contributions £'000
D Gilbertson	1	10
A Foye	4	25

The transfer values disclosed above do not represent a sum paid or payable to the individual Director; instead they represent a potential liability of the pension scheme.

Contributions paid by the Company directly to Directors or their nominated retirement investment vehicles in respect of their retirement benefit entitlements were as follows.

	2005 £'000	2004 £'000
P Rigby	**567**	298
D Gilbertson	**92**	72
A Foye	**–**	3
D Smith (resigned 10 March 2005)	**19**	69
J Wilkinson (resigned 10 May 2004)	**–**	14
	678	456

Mr P Rigby waived 100% of his entitlement to a bonus for 2005 (£453,500) and an equivalent sum is being paid as an employer pension contribution. Mr P Rigby waived 50% of his entitlement to a bonus for 2004 (£199,000) and an equivalent sum was paid as an employer pension contribution.

Approval

This Report was approved by the Board of Directors and signed on its behalf by:

Dr Pamela Kirby
Chairman of the Remuneration Committee
13 March 2006

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements. The Directors have chosen to prepare accounts for the Group in accordance with International Financial Reporting Standards adopted by the European Commission (IFRS) and for the Company in accordance with United Kingdom Generally Accepted Accounting Practice.

In the case of UK GAAP accounts, the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed.

In the case of IFRS accounts, International Accounting Standard 1 requires that financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and Presentation of Financial Statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in International Financial Reporting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 1985.

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 differs from legislation in other jurisdictions.

Independent Auditors' Report

Independent Auditors' Report to the Members of Informa plc
We have audited the Group financial statements (the "financial statements") of Informa plc ("the Group") for the year ended 31 December 2005 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense, and the related Notes 1 to 42. These financial statements have been prepared under the accounting policies set out therein.

We have also audited the information in the Directors' Remuneration Report that is described as being audited.

We have reported separately on the individual Company financial statements of Informa plc for the year ended 31 December 2005.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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
The Directors' responsibilities for preparing the Group Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRS) as adopted for use in the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements and the part of the Directors' Remuneration Report described as having been audited, in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and whether the Group financial statements and the part of the Directors' Remuneration Report described as having been audited, have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We report to you if, in our opinion, the Directors' Report is not consistent with the Group financial statements. We also report to you if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' transactions with the Company and other members of the Group is not disclosed.

We also report to you if, in our opinion, the Company has not complied with any of the four directors' remuneration requirements specified for review by the Listing Rules of the Financial Services Authority. These comprise the amount of each element in the remuneration package and information on share options, details of long-term incentive schemes and money purchase and defined benefit schemes. We give a statement, to the extent possible, of details of any non-compliance.

We review whether the Corporate Governance statement reflects the Company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the Directors' Report and the other information contained in the Annual Report for the above year as described in the contents section and we consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRS as adopted for use in the European Union, of the state of the Group's affairs as at 31 December 2005 and of its profit for the year then ended; and
- the Group financial statements and the part of the Directors' Remuneration Report described as having been audited, have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Reading

13 March 2006

Consolidated Income Statement

For the Year Ended 31 December 2005

	Notes	Year ended 2005 £'000	Year ended 2004 £'000
Continuing operations			
Revenue	6	**729,280**	449,845
Change in inventories of finished goods and work in progress		**3,091**	4,447
Raw materials and consumables used		**(239,360)**	(150,028)
Employee benefit expense		**(210,710)**	(139,954)
Depreciation expense		**(8,175)**	(7,059)
Amortisation of intangible fixed assets		**(49,755)**	(9,620)
Goodwill impairment		**–**	(15,000)
Other expenses		**(132,953)**	(70,292)
Operating profit	15	**91,418**	62,339
Non-operating income and expense	9	**(28)**	(1,118)
Finance costs	11	**(36,247)**	(20,534)
Investment income	12	**5,902**	2,308
Profit before tax		**61,045**	42,995
Deferred tax adjustment (released)/recognised on UK restructuring		**(35,224)**	35,386
Other tax		**(15,054)**	(8,545)
Tax	13	**(50,278)**	26,841
Profit for the year from continuing operations		**10,767**	69,836
Discontinued operations			
Loss for the year from discontinued operations	14	**(1,885)**	–
Profit for the year		**8,882**	69,836
Attributable to:			
– Equity holders of the parent		**8,825**	69,862
– Minority interests		**57**	(26)
Earnings per share	17		
From continuing operations:			
– Basic (p)		**2.76**	25.47
– Diluted (p)		**2.75**	25.30
From continuing and discontinued operations:			
– Basic (p)		**2.27**	25.47
– Diluted (p)		**2.26**	25.30

Consolidated Statement of Recognised Income and Expense

For the Year Ended 31 December 2005

	Notes	Year ended 2005 £'000	Year ended 2004 £'000
Actuarial losses on defined benefit pension schemes	39	**(3,766)**	(2,935)
Exchange differences on translation of foreign operations		**4,367**	(6,800)
Cash flow hedges: gains taken to equity		**3,789**	–
Tax on items taken directly to equity	13	**(3,752)**	881
Profit for the year		**8,882**	69,836
Total recognised income and expense for the year		**9,520**	60,982
Attributable to:			
– Equity holders of the parent		**9,463**	61,008
– Minority interests		**57**	(26)
Change in accounting policy to adopt IAS 32 and IAS 39			
Attributable to:			
– Equity holders of the parent	4	**(5,948)**	–
– Minority interests		**–**	–

Consolidated Balance Sheet

At 31 December 2005

	Notes	2005 £'000	2004 £'000
Assets			
Non-current assets			
Goodwill	18	**1,123,418**	603,023
Other intangible assets	19	**935,687**	481,024
Property and equipment	20	**22,868**	21,479
Available for sale investments	23	**10,279**	10,605
Deferred tax assets	25	**13,106**	40,098
		2,105,358	1,156,229
Current assets			
Trade and other receivables	24	**187,699**	98,213
Inventory	26	**31,138**	27,535
Cash and cash equivalents	27(a), 36	**20,654**	19,126
		239,491	144,874
Non-current assets classified as held for sale	42	**4,574**	5,924
Total assets		**2,349,423**	1,307,027
Equity and liabilities			
Capital and reserves			
Called up share capital	28	**42,152**	29,946
Share premium account	29	**496,826**	192,097
Reserve for shares to be issued	29	**1,124**	1,647
Merger reserve	29	**496,400**	496,400
Other reserve	29	**37,398**	37,398
ESOP trust shares	29	**(3,334)**	(4,731)
Hedging and translation reserve	29	**408**	(6,800)
Retained losses	29	**(145,096)**	(114,132)
Equity attributable to equity holders of the parent		**925,878**	631,825
Minority interests	30	**110**	53
Total equity		**925,988**	631,878
Non-current liabilities			
Long-term borrowings	27(a)	**692,500**	305,721
Deferred tax liabilities	25	**240,431**	101,901
Retirement benefit obligation	39	**17,729**	22,535
Provisions	31	**1,847**	53
Trade and other payables	32	**4,852**	465
		957,359	430,675
Current liabilities			
Short-term borrowings	27(a)	**63,521**	15,346
Current tax liabilities		**58,620**	23,141
Provisions	31	**2,014**	607
Trade and other payables	32	**154,476**	81,019
Deferred income	33	**187,445**	124,361
		466,076	244,474
Total liabilities		**1,423,435**	675,149
Total equity and liabilities		**2,349,423**	1,307,027

These financial statements were approved by the Board of Directors on 13 March 2006 and were signed on its behalf by:

P Rigby
Director

A Foye
Director

Consolidated Cash Flow Statement

For the Year Ended 31 December 2005

	Notes	Year ended 2005 £'000	Year ended 2004 £'000
Operating activities			
Cash generated by operations	36	**160,929**	91,942
Income taxes paid		**(12,231)**	(9,419)
Interest element of finance lease payments		**(1)**	(2)
Interest paid		**(32,921)**	(15,029)
Net cash from operating activities		**115,776**	67,492
Investing activities			
Investment income		**4,708**	2,308
Proceeds on disposal of available for sale investments		**–**	11
Proceeds on disposal of property and equipment		**200**	3,220
Purchases of intangible software assets		**(5,605)**	–
Purchases of property and equipment		**(9,511)**	(8,484)
Purchases of available for sale investments		**(89)**	(1,427)
Acquisition of subsidiaries and businesses	35	**(812,787)**	(22,063)
Net cash used in investing activities		**(823,084)**	(26,435)
Financing activities			
Dividends paid		**(27,271)**	(15,822)
Repayments of borrowings		**(617,287)**	(285,981)
New bank loans raised		**1,035,914**	263,316
Repayments of obligations under finance leases		**(23)**	(40)
Proceeds from the issue of share capital		**316,935**	3,412
Net cash from/(used in) financing activities		**708,268**	(35,115)
Net increase in cash and cash equivalents		**960**	5,942
Cash and cash equivalents at beginning of year		**15,125**	9,183
Cash and cash equivalents at end of year		**16,085**	15,125

1 General Information

Informa plc is a company incorporated in the United Kingdom. The Company name was changed following a special resolution from T&F Informa plc on 18 August 2005. The address of the registered office is given on page 19. The nature of the Group's operations and its principal activities are set out in Note 7 and in the Directors' Report on pages 20 to 21.

These financial statements are presented in pounds sterling (GBP) because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 3.

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but have not yet come into effect:

IFRS 6 *Exploration for and Evaluation of Mineral Resources*
IFRS 7 *Financial instruments: Disclosures;* and the related amendment to IAS 1 on capital disclosures
IFRIC 4 *Determining whether an Arrangement contains a Lease*
IFRIS 5 *Right to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group except for additional disclosures on capital and financial instruments when the relevant standards come into effect for periods commencing on or after 1 January 2007. The additional disclosures under IFRS 7 include stating the carrying amount of financial assets and liabilities under each of the classifications in IAS 39 "Financial Instruments: Recognition and Measurement"; an analysis of the age for financial assets that are either past due or impaired; a reconciliation of changes in carrying amounts during a period where impairment is recorded through an allowance account as opposed to a direct reduction to the carrying amount of the financial asset; and additional requirements on providing sensitivity analysis on market risks and how changes in these risks would have impacted profit or loss and equity in the period.

2 Basis of Preparation

On 1 January 2005, Informa plc adopted International Financial Reporting Standards ("IFRS"). Informa plc has elected to adopt the amendments to IAS 19 "Employee Benefits", issued in December 2004, in advance of their effective date of 1 January 2006 and is presenting actuarial gains and losses arising on defined benefit pension schemes in the Consolidated Statement of Recognised Income and Expense.

The comparative figures for the financial year ended 31 December 2004 have been restated from accounting principles generally accepted in the United Kingdom ("UK GAAP") to IFRS. Reconciliations between UK GAAP and IFRS equity as at 1 January 2004 and 31 December 2004 and a reconciliation of profit and loss for the year ended 31 December 2004 are included in Note 42. The IFRS 1 exemptions adopted by the Group along with the key impact analysis between UK GAAP and IFRS on the financial year ended 31 December 2004 are included within the Regulatory Announcement "REG-T&F Informa plc IFRS Statement" released on 13 June 2005.

The Group adopted IAS 32 "Financial Instruments: Presentation and Disclosure" and IAS 39 "Financial Instruments: Recognition and Measurement" on 1 January 2005. The impact on the opening balance sheet as shown in the Regulatory Announcement "REG-T&F Informa plc IFRS Statement" made on 13 June 2005 is set out in Note 4.

The Group believes that adjusted operating profit (Note 9) and adjusted earnings per share (Note 17) provide additional useful information on underlying trends to shareholders. These measures are used for internal performance analysis and incentive compensation arrangements for employees. The term adjusted is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to IFRS measurements of profit. The principal adjustments made are in respect of:

- Restructuring costs – the costs incurred by the Group in reorganising and integrating businesses, notably in relation to acquisitions and closures, are classified as restructuring;

- Amortisation and impairment of acquired intangible fixed assets – the Group continues to amortise these intangible fixed assets and test for impairment of those assets but does not see these charges as integral to underlying trading;

- Non-trading items – for example gains and losses on disposal of fixed assets;

- Bank facility fees written off – capitalised facility fees are amortised over the loan periods but where syndicated loan facilities have been terminated early and new facilities undertaken on funding major acquisitions, the unamortised fees are immediately expensed. This accelerated expense is not viewed as being part of operating activities and is thus excluded from the adjusted results; and

- Discontinuing activities – where the Group is in the process of exiting a major geographical location or line of business, having announced the decision but still being in the process of winding down trade.

The Group's operations are split into three broad market sectors of Academic & Scientific, Professional, and Commercial. These divisions are further analysed in to more specific segments which bring together products in comparable market areas under common business heads. This is how the Group's operational management is structured and its results are reviewed and thus form the primary reporting segments (Note 7).

3 Accounting Policies

Basis of Accounting
The financial statements have been prepared in accordance with IFRS.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments. The principal accounting policies are adopted are set out below. Refer to the reconciliations in Note 42, the Regulatory Announcement "REG-T&F Informa plc IFRS Statement" made on 13 June 2005 and the Interim Report released on 22 September 2005 for the impacts of the transition from UK GAAP to IFRS.

Basis of Consolidation
The consolidated financial statements incorporate the accounts of the Company and all of its subsidiaries and joint ventures. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The results of subsidiaries acquired or sold are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of acquired subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity and consist of the amount of those interests at the date of the original business combination plus their share of changes in equity since that date.

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, which is when the strategic and operating policy decisions require the unanimous consent of the parties sharing control. The arrangements the Group has entered into involve the establishment of a separate entity in which each venturer has an interest. The Group reports its interests using proportionate consolidation and combines its share of the assets, liabilities, income and expense with the equivalent items in the consolidated financial statements on a line-by-line basis.

Revenue
Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, and provisions for returns and cancellations.

Subscription income is deferred and recognised over the term of the subscription. Conference income is deferred and recognised when the conference is held. Income from managed events represents fees earned and is recognised when the event is held. Consulting and training revenues are recognised as services are delivered. Where consultancy services are provided over a period of time, revenue is recognised using the stage of completion method when the outcome of the contract can be measured reliably. The stage to completion is determined with regard to key milestones in the contract being attained and the percentage of services performed under the contract as a percentage of the total services to be performed. Royalties revenue is recognised as the franchisee recognises their revenue.

Interest Income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

Business Combinations
The acquisition of subsidiaries is accounted for using the purchase method. The cost of acquisition is measured at the aggregate of fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for resale in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Goodwill
Goodwill arising on the acquisition of subsidiary companies and businesses is calculated as the excess of purchase consideration over the fair value of net identifiable assets and liabilities at the date of acquisition. It is recognised as an asset at cost, assessed for impairment at least annually and subsequently measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the Income Statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the combination. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. Where an impairment test is performed a discounted cash flow analysis is carried out based on the cash flows of the cash-generating unit compared with the carrying value of that goodwill. Management estimate the discount rates as the risk affected cost of capital for the particular cash-generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

Upon disposal the attributable carrying value of goodwill is included in the calculation of the profit or loss on disposal.

3 Accounting Policies continued

Intangible Assets
Intangible assets are initially measured at cost. For business combinations, cost is calculated based on the Group's valuation methodology, using discounted cash flows. These assets are amortised over their estimated useful lives on a straight-line basis, which are as follows:

Book lists	20 years
Journal titles	20 to 40 years
Database content and intellectual property	Four to ten years
Large scale events and exhibitions	Eight to ten years

Software which is not integral to a related item of hardware is included in intangible assets. Capitalised internal-use software costs include external direct costs of materials and services consumed in developing or obtaining the software, and payroll and payroll-related costs for employees who are directly associated with, and who devote substantial time to, the project. Capitalisation of these costs ceases no later than the point at which the project is substantially complete and ready for its internal purpose. These costs are amortised over their expected useful lives which are deemed to be three to five years.

The expected useful lives of intangible assets are reviewed annually.

Property and Equipment
Property and equipment is recorded at cost less accumulated depreciation and provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets on a straight-line basis over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold property	50 years
Leasehold properties and improvements	Over life of the lease
Equipment, fixtures and fittings	Three to 15 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Income Statement.

Available For Sale Investments
Available for sale investments are held at fair value where movements are taken through equity.

Non-Current Assets Classified as Held For Sale
Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying value and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Inventory
Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and expenses incurred in bringing the inventory to its present location and condition. Net realisable value represents the estimated selling price less marketing and distribution costs expected to be incurred.

Foreign Currencies
Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated at the rates ruling at that date. These translation differences are disclosed in the Income Statement.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Income Statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (see below for details of the Group's accounting policies in respect of such derivative financial instruments).

The balance sheets of foreign subsidiaries are translated into pounds sterling at the closing rates of exchange. The results are translated at an average rate, recalculated for each month between that month's closing rate and the equivalent for the preceding month.

Foreign exchange differences arising from the translation of opening net investments in foreign subsidiaries at the closing rate are taken directly to the hedging and translation reserve. In addition, foreign exchange differences arising from retranslation of the foreign subsidiaries' results from average rate to closing rate are also taken directly to the Group's hedging and translation reserve. Such translation differences are recognised in the Income Statement in the financial year in which the operations are

3 Accounting Policies continued

disposed of. The translation movement on matched long-term foreign currency borrowings, qualifying as hedged under IAS 39, are also taken directly to the hedging and translation reserve.

Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the Income Statement.

Operating lease rentals are charged to the Income Statement in equal annual amounts over the lease term.

Rental income from sub-leasing property space is recognised on a straight-line basis over the term of the relevant lease and is matched with the corresponding payments made under the head lease.

Taxation
The tax expense represents the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax nor accounting profit.

Deferred tax is calculated for all business combinations from the transition date of 31 March 2004 in respect of intangible assets and properties. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, including interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Pension Costs
Certain Group companies operate defined contribution pension schemes for employees. The assets of the schemes are held separately from the individual companies. The pension cost charges associated with these schemes represent contributions payable and are charged as an expense when they fall due.

The Group also operates funded defined benefit schemes for employees. The cost of providing these benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Past service cost is recognised immediately to the extent the benefits are vested, and otherwise are amortised on a straight-line basis over the average period until the benefits become vested. The current service cost and the recognised element of any past service cost are presented within operating profit. The interest cost arising on the pension liability less the interest return on the plan assets is presented within finance costs. Actuarial gains and losses are recognised in full in the period in which they occur, outside of the Income Statement and in the Statement of Recognised Income and Expense. The expected return on plan assets reflects the estimate made by management of the long-term yields that will arise from the specific assets held within the pension plan.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and the fair value of any relevant scheme assets.

3 Accounting Policies continued

Share Based Payments

The Group has applied the requirements of IFRS 2 "Share based Payment". In accordance with transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005.

The Group issues equity settled share based payments to certain employees. A fair value for the equity settled share awards is measured at the date of grant. The fair value of the share options and Long-Term Incentive Plan is measured using the Binomial model of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations. To assign a fair value to share awards granted under the Share Matching Plan where the proportion of the award released is dependent on the level of total shareholder return the Monte Carlo Simulation methodology is considered the most appropriate.

An expense is recognised to spread the fair value of each award over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will actually vest. The estimate of vesting is reviewed annually, with any impact on the cumulative charge being recognised immediately.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade Receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments are classified as either held for trading or available for sale, and are measured at subsequent reporting dates at fair value. Fair values are based on market values for listed investments and discounted future cash flows for non-listed investments. Where securities are held for trading purposes, gains or losses arising from changes in fair value are included in the Income Statement for the period. For available for sale investments, gains or losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the Income Statement for the period. Impairment losses recognised in the Income Statement for equity investments classified as available for sale are not subsequently reversed through the Income Statement. Impairment losses recognised in the Income Statement for debt instruments classified as available for sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible (with a maturity of three months or less) to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Bank Borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade Payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity Instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3 Accounting Policies continued

Derivative Financial Instruments and Hedge Accounting

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The derivative instruments utilised by the Group to hedge these exposures are interest rate swaps, cross currency swaps and spot and forward foreign exchange contracts. The Group does not use derivative contracts for speculative purposes.

The Board sets the Group's treasury policy to ensure that it has adequate financial resources to develop the Group's businesses and to manage the currency and interest risks to which the Group is exposed. All external hedging is performed by the Group Treasury Function. Group Treasury acts as a service centre operating under the clearly defined regulation of the Board. The Group monitors the distribution of its cash assets, borrowings and facilities so as to control exposure to the relative performance of any particular territory, currency or institution.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the Income Statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the Income Statement in the same period in which the hedged item affects net profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Income Statement as they arise.

Amounts payable or receivable in respect of interest rate swaps are recognised as adjustments to interest expense over the period of the contracts.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the Income Statement for the period.

Finance Costs

Finance costs of debts are capitalised against the debt value on first drawdown of the debt and are recognised in the Income Statement at a constant rate over the life of the debt.

ESOP Trust Shares

Own shares deducted in arriving at shareholders' funds represent the cost of the Company's ordinary shares acquired by the Employee Share Option Plan (ESOP) trusts in connection within certain of the Group's employee share schemes.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the Balance Sheet date, and are discounted to present value where the effect is material.

Restructuring provisions are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to the affected parties.

4 IAS 32 and IAS 39

The Group adopted IAS 32 ”Financial Instruments: Presentation and Disclosure” and IAS 39 ”Financial Instruments: Recognition and Measurement” from 1 January 2005. In the preparation of its financial statements in accordance with IFRS for the year ended 31 December 2004, the Group continued to apply the hedge accounting rules of UK GAAP, taking advantage of the exemption available within IFRS 1 ”First-Time Adoption of IFRS”.

The Group is required to recognise transitional adjustments in accounting for its financial instruments in accordance with the measurement requirements of IAS 39 at 1 January 2005. The financial impact of the adoption is detailed in the Statement of Recognised Income and Expense.

IFRS 1 requires the Group to recognise various transitional adjustments to account for those hedging relationships at 1 January 2005. The accounting for those hedging relationships at transition depends on the nature of the hedged item and the hedged risk.

The Group's interest rate swaps and forward exchange contracts and similar instruments that were fair value hedges of interest and foreign exchange risk on borrowings under UK GAAP were not previously accounted for on the Balance Sheet at their full fair value. In these cases, the difference between the derivative's fair value and its previously reported carrying value has been recognised directly in opening equity (hedging and translation reserve). This has the effect of increasing trade and other receivables (prepayments) by £1,503,000 and increasing trade and other payables (accruals) by £2,451,000. Future adjustments to hedged borrowings will be recognised in earnings on an amortised basis.

4 IAS 32 and IAS 39 continued

All derivative instruments will continue to be recognised on the Balance Sheet at fair value with future gains and losses being recognised immediately in earnings, except when the cash flow hedging requirements of IAS 39 are met, in which case the effective portion of gains and losses are deferred in equity and are recycled through the Income Statement at the time the hedged item affects the Income Statement.

In accordance with IAS 39 the Group has increased trade and other payables (accruals) by £5,000,000 to provide for sales ledger credits which are potentially repayable under local country legislation and relevant statutes.

5 Key Sources of Estimation Uncertainty

Key Sources of Estimation Uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of Share Based Payments
In order to determine the value of share based payments, management are required to make an estimation of the effects of non-transferability, exercise restrictions, and behavioural considerations. The expected volatility is determined by calculating the historical volatility of the Group's share price calculated over one, two and three years back from the date of grant. The list of inputs used in the Binomial and Monte Carlo Simulation models to calculate the fair values are provided in Note 40.

Valuation of Financial Instruments at Fair Value
Management has made a number of assumptions with regards to the models used to value financial instruments at their fair value at year end. Note 27(c) details the methods used to value the primary financial instruments held or issued to finance the Group's borrowing requirements and the derivative financial instruments held to manage the interest rate profile.

Impairment of Goodwill and Other Intangible Assets
There are a number of assumptions management have considered in performing impairment reviews of goodwill and intangible assets. Note 18 details the assumptions that have been applied.

Pension Assumptions
There are a number of assumptions management have considered by use of actuaries which have an impact on the results of the valuation of the pension scheme liabilities at year end. The most significant assumptions are those relating to the rate of return on investments and the rates of increase in salaries and pensions. Note 39 details the assumptions which have been applied.

Vacant Property Provision
The Group has assumed that vacant properties will not be sub-let and has provided in full to the end of the relevant leases (Note 31).

6 Revenue

An analysis of the Group's income is as follows:

	2005 £'000	2004 £'000
Sale of goods	**342,013**	306,624
Rendering of services	**385,262**	143,221
Royalties	**2,005**	–
	729,280	449,845
Investment income (Note 12)	**5,902**	2,308
Discontinued operations – revenue (Note 14)	**1,554**	–
	736,736	452,153

7 Business and Geographical Segments

Business Segments
For management purposes, the Group is currently organised into three operating divisions, Academic & Scientific, Professional and Commercial. These divisions are the basis on which the Group reports its primary segment information. The principal activities are as follows:

Academic & Scientific – provides a portfolio of publications, events and data services for academic and commercial users in the Scientific, Technical & Medical areas and Humanities & Social Science areas.

Professional – this division comprises Financial Data Analysis, which focuses on the electronic delivery of news, data and information solutions to the global financial services industry; Performance Improvement, which provides performance analysis, diagnostics and customised training for corporate and government organisations; and Finance, Insurance, Law & Tax based in the UK and Holland, which contains the finance, legal, media, insurance and banking publications and their related conference and course activity.

7 Business and Geographical Segments continued

Commercial – this division consists of two market facing units, which provide print, electronic and consultancy services and events to the Telecom & Media markets and the Maritime & Commodities industries. The division also contains the Group's regional events businesses (those outside the UK and US).

Analysis by Market Sector

	Revenue		Operating profit/(loss)	
	2005 £'000	2004 £'000	**2005 £'000**	2004 £'000
Academic & Scientific division				
Scientific, Technical & Medical	**161,747**	121,737	**28,059**	24,881
Humanities & Social Sciences	**98,790**	67,754	**14,889**	9,546
	260,537	189,491	**42,948**	34,427
Professional division				
Financial Data Analysis	**60,767**	60,212	**17,074**	15,908
Finance, Insurance, Law & Tax	**50,813**	33,136	**5,085**	1,099
Performance Improvement	**106,179**	–	**5,508**	–
	217,759	93,348	**27,667**	17,007
Commercial division				
Regional Events	**143,066**	71,732	**12,845**	8,406
Telecoms & Media	**48,441**	37,695	**2,352**	8,010
Maritime & Commodities	**59,477**	57,579	**5,606**	(5,511)
	250,984	167,006	**20,803**	10,905
Total from continuing operations	**729,280**	449,845	**91,418**	62,339

	Adjusted operating profit	
	2005 £'000	2004 £'000
Academic & Scientific division		
Scientific, Technical & Medical	**42,997**	35,985
Humanities & Social Sciences	**22,466**	16,508
	65,463	52,493
Professional division		
Financial Data Analysis	**17,938**	15,908
Finance, Insurance, Law & Tax	**9,860**	5,311
Performance Improvement	**17,613**	–
	45,411	21,219
Commercial division		
Regional Events	**18,622**	8,406
Telecoms & Media	**12,011**	8,648
Maritime & Commodities	**5,822**	4,639
	36,455	21,693
Adjusted operating profit (Note 9)	**147,329**	95,405

7 Business and Geographical Segments continued

Other Information

	Capital additions (Notes 18, 19 & 20)		Depreciation and amortisation (Notes 19 & 20)		Impairment (Note 18)	
	2005 £'000	2004 £'000	**2005 £'000**	2004 £'000	**2005 £'000**	2004 £'000
Academic & Scientific division						
Scientific, Technical & Medical	**97,018**	531,659	**15,187**	6,670	**–**	–
Humanities & Social Sciences	**7,331**	289,381	**8,435**	3,366	**–**	–
	104,349	821,040	**23,622**	10,036	**–**	–
Professional division						
Financial Data Analysis	**2,318**	1,278	**1,532**	1,460	**–**	–
Finance, Insurance, Law & Tax	**148,590**	59	**4,570**	175	**–**	4,212
Performance Improvement	**323,304**	–	**11,545**	–	**–**	–
	474,212	1,337	**17,647**	1,635	**–**	4,212
Commercial division						
Regional Events	**406,502**	643	**3,778**	825	**–**	–
Telecoms & Media	**29,219**	–	**9,718**	352	**–**	638
Maritime & Commodities	**284**	106	**401**	644	**–**	10,150
	436,005	749	**13,897**	1,821	**–**	10,788
Unallocated corporate amounts*	**2,240**	3,321	**2,764**	3,187	**–**	–
Consolidated total	**1,016,806**	826,447	**57,930**	16,679	**–**	15,000

* Unallocated includes shared service centres and corporate balances.

Balance Sheet

	Assets		Liabilities	
	2005 £'000	2004 £'000	**2005 £'000**	2004 £'000
Academic & Scientific division				
Scientific, Technical & Medical	**764,426**	710,265	**15,584**	50,816
Humanities & Social Sciences	**305,789**	314,079	**27,184**	25,915
	1,070,215	1,024,344	**42,768**	76,731
Professional division				
Financial Data Analysis	**92,733**	77,189	**30,400**	14,888
Finance, Insurance, Law & Tax	**159,692**	14,502	**2,421**	2,825
Performance Improvement	**369,164**	–	**51,616**	–
	621,589	91,691	**84,437**	17,713
Commercial division				
Regional Events	**451,177**	25,216	**82,412**	24,736
Telecoms & Media	**49,379**	19,760	**–**	–
Maritime & Commodities	**38,066**	35,101	**6,125**	5,776
	538,622	80,077	**88,537**	30,512
Unallocated corporate amounts*	**118,997**	110,915	**1,207,693**	550,193
Consolidated total	**2,349,423**	1,307,027	**1,423,435**	675,149

* Unallocated includes shared service centres and corporate balances, including the Group's net debt and taxation (current and deferred) positions. Some Taylor & Francis Group plc assets and liabilities that were previously included in the Academic & Scientific division have now been included in the unallocated corporate section following the consolidation of the back office functions into the shared service centres.

The discontinued operations (Note 14) relate to Euroforum France E.U.R.L. and have been excluded from the segmental analysis for 2005. Euroforum France E.U.R.L. previously formed part of the Regional Events segment and in 2005 had revenues of £1,554,000, a net loss of £1,885,000 and an adjusted operating loss of £500,000. In 2004 the results were included in the segmental analysis and revenue was £2,276,000, with a net loss of £275,000 and an adjusted operating loss of £156,000.

7 Business and Geographical Segments continued

Geographical Segments

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue by geographical market	
	2005 £'000	2004 £'000
United Kingdom	**116,225**	86,558
North America	**277,180**	142,364
Continental Europe	**211,869**	147,612
Rest of the World	**124,006**	73,311
	729,280	449,845

Revenue from the Group's discontinued operations was derived from Continental Europe (Euroforum France E.U.R.L.) (2005: £1,554,000, 2004: £2,276,000).

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Capital additions (Notes 18, 19 & 20)	
	2005 £'000	2004 £'000	**2005 £'000**	2004 £'000
United Kingdom	**1,053,122**	504,291	**184,361**	337,869
North America	**1,033,691**	756,424	**607,682**	486,838
Continental Europe	**136,972**	24,108	**103,504**	1,374
Rest of the World	**125,638**	22,204	**121,259**	366
	2,349,423	1,307,027	**1,016,806**	826,447

8 Restructuring Costs

The acquisitions of IIR Holdings Limited in July 2005 and Taylor & Francis Group plc in May 2004 led to the re-organisation of the Group, particularly in relation to the merging of back office functions. To the extent that employees could not be redeployed, termination terms were agreed. In 2005, there were also costs associated with Board-level changes and £1,008,000 of vacant property costs which relate to a dormant overseas subsidiary and additional provisions in respect of the 2004 US book reorganisation.

	2005 £'000	2004 £'000
Board level changes	**1,200**	–
Acquisition and integration	**6,069**	9,285
Vacant property	**1,008**	–
	8,277	9,285

In the year ended 31 December 2005, acquisition and integration costs comprise reorganisation costs of £3,436,000, redundancies of £2,126,000 and vacant property provisions of £507,000. These items are included in the other expenses line on the Income Statement except for redundancies which are included in employee benefit expense. Board level changes costs are also included within employee benefit expense. Restructuring and re-organisation costs of £9,285,000 in the year ended 31 December 2004 consist of costs of re-organising book publications operations in the UK and US of £4,200,000, redundancy costs of £3,657,000, property move costs of £762,000 and other reorganisation costs of £666,000.

9 Adjusted Figures – Continuing Operations

	2005 £'000	2004 £'000
Reconciliation of operating profit to adjusted operating profit:		
Operating profit	**91,418**	62,339
Adjusting operating profit items		
Restructuring and re-organisation costs (Note 8)	**8,277**	9,285
Intangible asset amortisation[1]	**47,634**	8,781
Goodwill impairment	**–**	15,000
Adjusting operating profit items	**55,911**	33,066
Adjusted operating profit	**147,329**	95,405
Reconciliation of profit before tax to adjusted profit before tax:		
Profit before tax	**61,045**	42,995
Adjusting operating profit items	**55,911**	33,066
Non-operating income and expense[2]		
Loss on disposal of fixed assets	**–**	921
Loss on sale of businesses	**–**	(3)
Impairment of other investment	**–**	200
	–	1,118
Finance (income)/costs		
Gain on exchange contract	**(3,426)**	–
Bank facility fees written off on acquisition of business	**1,827**	2,415
	(1,599)	2,415
Adjusting profit before tax items	**54,312**	36,599
Adjusted profit before tax	**115,357**	79,594
Reconciliation of profit for the year to adjusted profit for the year from continuing operations:		
Profit for the year from continuing operations	**10,767**	69,836
Adjusted profit before tax items	**54,312**	36,599
Deferred tax adjustment (released)/recognised on UK restructuring	**35,224**	(35,386)
Prior year tax adjustments	**–**	(6,964)
Attributable tax expense on adjusting items	**(13,802)**	(6,188)
	21,422	(48,538)
Adjusting profit items for the year	**75,734**	(11,939)
Adjusted profit for the year from continuing operations	**86,501**	57,897

[1] Excludes software amortisation.
[2] An amount of £28,000 is shown in the Income Statement in 2005 as a non-operating expense, but has been excluded from the above anaylsis, as it is not an adjusting item as defined in Note 2.

10 Staff Numbers and Costs

The monthly average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees 2005	2004
Academic & Scientific division	**1,798**	1,627
Professional division	**1,994**	1,489
Commercial division	**1,769**	884
	5,561	4,000

Their aggregate remuneration comprised:

	2005 £'000	2004 £'000
Wages and salaries	**183,512**	117,716
Social security costs	**20,204**	13,739
Pension costs charged to operating profit (Note 39)	**4,982**	4,037
Redundancy costs	**2,012**	4,462
	210,710	139,954

The remuneration of Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures". Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Report on pages 27 to 33.

	2005 £'000	2004 £'000
Short-term employee benefits	**2,153**	2,607
Post-employment benefits	**659**	432
Termination benefits	**1,200**	491
Share based payment	**524**	1,430
	4,536	4,960

11 Finance Costs

	2005 £'000	2004 £'000
Interest on bank overdrafts and loans	**31,728**	15,979
Bank loan facility fees expensed on business combination*	**1,827**	2,415
Finance lease charges	**1**	3
Interest on pension scheme liabilities (Note 39)	**2,691**	2,137
	36,247	20,534

* On 6 July 2005, certain bank facilities expired on the acquisition of IIR Holdings Limited and the unamortised element of the related fees was written off at that date. On 10 May 2004, certain bank facilities available to Taylor & Francis Group plc and Informa Group plc expired on the business combination. The unamortised element of the related fees was written off at that date.

12 Investment Income

	2005 £'000	2004 £'000
Interest on bank deposits	**269**	1,117
Gain on exchange contract	**3,426**	–
Return on pension scheme assets (Note 39)	**1,999**	1,191
Profit on disposal of non-current assets classified as held for sale	**208**	–
	5,902	2,308

13 Tax

The tax charge comprises:

	Continuing operations		Discontinued operations		Total	
	2005 £'000	2004 £'000	**2005 £'000**	2004 £'000	**2005 £'000**	2004 £'000
Current tax:						
UK corporation tax	**18,912**	8,116	**–**	–	**18,912**	8,116
Foreign tax	**4,863**	8,325	**8**	–	**3,457**	8,325
Adjustments in respect of prior years	**–**	(6,964)	**–**	–	**1,414**	(6,964)
	23,775	9,477	**8**	–	**23,783**	9,477
Deferred tax (Note 25):						
Current year	**(8,729)**	(932)	**–**	–	**(8,729)**	(932)
Recognition of deferred tax asset	**35,224**	(35,386)	**–**	–	**35,224**	(35,386)
Total tax	**50,270**	(26,841)	**8**	–	**50,278**	(26,841)

UK corporation tax is calculated at 30% (2004: 30%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total tax charge for the year can be reconciled to the accounting profit as follows:

	2005		2004	
	£'000	**%**	£'000	%
Profit before taxation:				
Continuing operations	**61,045**		42,995	
Discontinuing operations	**(1,885)**		–	
	59,160		42,995	
Tax at the UK corporation tax rate of 30% (2004: 30%)	**17,748**	**30**	12,899	30
Prior-year adjustments	**–**	**–**	(6,964)	(16)
Tax effect of expenses that are not deductible in determining taxable profit	**7,418**	**12**	2,595	6
Foreign exchange not previously recognised	**–**	**–**	(130)	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(3,716)**	**(6)**	1,422	3
Deferred tax not previously recognised	**(6,396)**	**(11)**	(1,343)	(3)
Deferred tax asset (Note 25)	**35,224**	**60**	(35,386)	(82)
Other	**–**	**–**	66	–
Tax expense and effective rate for the year	**50,278**	**85**	(26,841)	(62)

On the transfer of the trade and assets of PJB Publications Limited to T&F Informa UK Limited on 1 September 2004, a deferred tax asset of £35,386,000 was recognised, with a resultant credit to the Income Statement. While management still believe the asset to be recoverable this cannot be said to be certain. The balance of £35,224,000 has therefore been charged to the Income Statement during the year.

Of the charge to current tax, approximately £8,000 (2004: £nil) related to discontinued operations arising in the Regional Events division, which was disposed of during the year. No tax charge or credit arose on the disposal of the relevant subsidiary.

In addition to the income tax expense charged to the Income Statement, a tax credit of £3,752,000, of which £3,808,000 relates to current tax and £(55,000) relates to deferred tax (Note 25) (2004: £nil) has been recognised in equity during the year.

14 Discontinued Operations

On 17 June 2005, the Group made the decision to close the operations of Euroforum France E.U.R.L. which carried out all of the Group's French operations. The disposal was effected due to business performance.

The results of the discontinued operations which have been included in the consolidated income statement were as follows:

	2005 £'000	2004 £'000
Revenue	**1,554**	–
Expenses	**(2,054)**	–
Operating loss	**(500)**	–
Loss attributable to discontinued operations	**(1,393)**	–
Loss before tax	**(1,893)**	
Attributable tax expense	**8**	–
Net loss attributable to discontinued operations	**(1,885)**	–

During the year, discontinued operations contributed £1,773,000 (2004: £nil) to the Group's net operating cash flows, paid £nil (2004: £nil) in respect of investing activities and paid £nil (2004: £nil) in respect of financing activities.

The effect of discontinued operations on segment results for both 2005 and 2004 is disclosed in Note 7.

15 Operating Profit

Operating profit has been arrived at after charging/(crediting):

	2005 £'000	2004 £'000
Net foreign exchange gains	**(2,075)**	(3,285)
Auditors' remuneration for audit services (see below)	**975**	520

Amounts payable to Deloitte & Touche LLP and their associates by the Company and its UK subsidiary undertakings in respect of non-audit services were £785,000 (2004: £881,000). A more detailed analysis of auditors' remuneration on a worldwide basis is provided below:

	2005		2004	
	£'000	%	£'000	%
Audit	**975**	**53**	520	36
Audit-related regulatory reporting	**85**	**5**	25	2
IFRS conversion assistance	**160**	**9**	–	–
Taxation compliance	**–**	**–**	45	3
Taxation advisory	**75**	**4**	144	10
Assistance with acquisitions (capitalised)	**494**	**26**	587	41
Other	**56**	**3**	105	8
	1,845	**100**	1,426	100

In addition to the amounts shown above, the auditors received fees of £12,000 (2004: £12,000) for the audit of the Group pension scheme.

A description of the work of the Audit Committee is set out in the Corporate Governance Statement on pages 22 to 25 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditors.

16 Dividends

	2005 £'000	2004 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2003 of 4.94p per share (ex-Rights Issue 4.41p)	–	7,480
Interim dividend for the year ended 31 December 2004 of 2.80p per share (ex-Rights Issue 2.50p)	–	8,342
Final dividend for the year ended 31 December 2004 of 5.33p per share (ex-Rights Issue 4.76p)	**15,926**	–
Interim dividend for the year ended 31 December 2005 of 2.70p per share (ex-Rights Issue 2.41p)	**11,345**	–
	27,271	15,822
Proposed final dividend for the year ended 31 December 2005 of 6.00p (2004: 5.33p ex-Rights Issue 4.76p) per share	**25,292**	15,926

Holders of 635,617 ordinary shares of 10p each have waived their rights to receive dividends.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

17 Earnings Per Share

Basic
The basic earnings per share calculation is based on a profit attributable to equity shareholders of the parent of £8,825,000 (2004 profit: £69,862,000). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those non-vested shares held by employee share ownership trusts) which is 388,230,732 (2004: 274,319,229*).

Diluted
The diluted earnings per share calculation is based on the basic earnings per share calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the Balance Sheet date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 390,003,685 (2004: 276,104,452). In 2004, in accordance with IAS 33 the weighted average number of shares includes the estimated maximum number of shares payable to the vendors of Routledge Publishing Holdings Limited. This liability was settled in cash during 2005.

The table below sets out the adjustment in respect of dilutive potential ordinary shares:

	2005	2004*
Weighted average number of shares used in basic earnings per share calculation	**388,230,732**	274,319,229
Effect of dilutive share options	**1,772,953**	1,449,594
Shares potentially to be issued or allotted	–	335,629
Weighted average number of shares used in diluted earnings per share calculation	**390,003,685**	276,104,452

*The weighted average number of shares at 31 December 2004 has been adjusted for the effects of the Rights Issue at 25 July 2005.

Adjusted Earnings Per Share
The basic and diluted adjusted earnings per share calculations have been made to allow shareholders to gain a further understanding of the trading performance of the Group. It is based on the basic and diluted earnings per share calculations above except that profits are based on continuing operations only, before minority interests, and are adjusted for items that are not perceived by management to be part of the underlying trends in the business (Note 2) and the tax effect of those adjusting items as follows:

	2005 £'000	2004 £'000
Profit for the financial year from continuing operations	**10,767**	69,836
Adjusting items net of attributable taxation (Note 9)	**75,734**	(11,939)
Adjusted profit for the year from continuing operations	**86,501**	57,897

	2005	2004
Earnings per share:		
From continuing operations		
– Adjusted basic (p)	**22.28**	21.11
– Adjusted diluted (p)	**22.18**	20.97

18 Goodwill

	£'000
Cost	
At 1 January 2004	307,414
Recognised on acquisition of subsidiaries	331,044
Exchange differences	(20,435)
At 1 January 2005	618,023
Recognised on acquisition of subsidiaries	501,801
Additional goodwill recognised during the year relating to prior year acquisitions	4,641
Exchange differences	13,953
At 31 December 2005	1,138,418
Accumulated impairment losses	
At 1 January 2004	–
Impairment losses for the year*	(15,000)
At 1 January 2005	(15,000)
Impairment losses for the year	–
At 31 December 2005	(15,000)
Carrying amount	
At 31 December 2005	1,123,418
At 31 December 2004	603,023

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. The CGUs are consistent with the segments as identified in Note 7. The carrying amount of goodwill had been allocated as follows:

	2005 £'000	2004 £'000
Academic & Scientific division		
Scientific, Technical & Medical	**398,571**	340,337
Humanities & Social Sciences	**128,581**	121,646
	527,152	461,983
Professional division		
Financial Data Analysis	**70,890**	69,386
Finance, Insurance, Law & Tax	**101,616**	17,771
Performance Improvement	**141,555**	–
	314,061	87,157
Commercial division		
Regional Events	**209,223**	515
Telecoms & Media	**39,116**	33,220
Maritime & Commodities	**33,866**	20,148
	282,205	53,883
Consolidated total	**1,123,418**	603,023

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the cash-generating units are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates for the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash-generating units. The growth rates are based on industry growth forecasts and long-term growth in gross domestic product.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next year and extrapolates cash flows for the following five years based on estimated growth rates of between 3% and 6% and a further 15 years based on estimated long growth in gross domestic product of 2.5%. The rates do not exceed the average long-term growth rate for the relevant markets. The rates used to discount the cash flows for all cash-generating units are between 7% and 10%.

*At 31 December 2004, specific goodwill balances were identified as being impaired at a charge of £15,000,000 based on future projected cash flows. At 31 December 2004 and 31 December 2005, the carrying amounts of goodwill for cash-generating units were impairment tested and deemed not to be impaired. These were calculated based on future projected cash flows discounted at a rate of between 7% and 10% (2004: 7% and 10%), which represented the Group's weighted average cost of capital plus a premium for risk. The weighted average cost of capital for the Group at 31 December 2005 was estimated as 7.58% (2004: 7.85%).

19 Other Intangible Assets

	Book lists and journal titles £'000	Database content and intellectual property £'000	Large scale events and exhibitions £'000	Subtotal £'000	Intangible software assets £'000	Total £'000
Cost						
At 1 January 2004	–	–	–	–	8,392	8,392
Additions	483,892	–	–	483,892	–	483,892
At 1 January 2005	483,892	–	–	483,892	8,392	492,284
Additions	10,433	369,300	115,515	495,248	5,605	500,853
Asset transfer*	–	–	–	–	3,565	3,565
At 31 December 2005	494,325	369,300	115,515	979,140	17,562	996,702
Amortisation						
At 1 January 2004	–	–	–	–	(1,640)	(1,640)
Charge for the year	(8,781)	–	–	(8,781)	(839)	(9,620)
At 1 January 2005	(8,781)	–	–	(8,781)	(2,479)	(11,260)
Charge for the year	(18,424)	(23,008)	(6,202)	(47,634)	(2,121)	(49,755)
At 31 December 2005	(27,205)	(23,008)	(6,202)	(56,415)	(4,600)	(61,015)
Carrying amount						
At 31 December 2005	467,120	346,292	109,313	922,725	12,962	935,687
At 31 December 2004	475,111	–	–	475,111	5,913	481,024

* In 2005, additional software items were identified and reclassified as an intangible asset (Note 20). There were no material acquisitions of intangible software items in 2004.

20 Property and Equipment

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Total £'000
Cost				
At 1 January 2004	8,783	4,820	49,934	63,537
Acquisition of subsidiaries	–	–	4,253	4,253
Additions	–	180	8,987	9,167
Disposals	(1,944)	(997)	(11,968)	(14,909)
Revaluation increase[1]	1,132	–	–	1,132
Reclassified[1]	(6,728)	–	–	(6,728)
Exchange differences	–	(149)	(1,468)	(1,617)
At 1 January 2005	1,243	3,854	49,738	54,835
Additions[2]	–	817	8,694	9,511
Acquisition of subsidiaries	–	2,481	22,431	24,912
Disposals	(100)	(257)	(6,918)	(7,275)
Reclassified[3]	200	315	(3,880)	(3,365)
Exchange differences	–	107	1,512	1,619
At 31 December 2005	1,343	7,317	71,577	80,237
Depreciation				
At 1 January 2004	(1,122)	(2,012)	(34,619)	(37,753)
Arising from acquisitions	–	–	(1,352)	(1,352)
Charge for the year	(116)	(319)	(6,624)	(7,059)
Eliminated on disposals	213	638	10,009	10,860
Reclassified[1]	804	–	–	804
Exchange differences	–	75	1,069	1,144
At 1 January 2005	(221)	(1,618)	(31,517)	(33,356)
Eliminated on disposal	98	255	6,591	6,944
Charge for the year	(31)	(638)	(7,506)	(8,175)
Arising from acquisitions	–	(1,991)	(19,730)	(21,721)
Reclassified[3]	–	(70)	70	–
Exchange differences	–	(64)	(997)	(1,061)
At 31 December 2005	(154)	(4,126)	(53,089)	(57,369)
Net book value				
At 31 December 2005	1,189	3,191	18,488	22,868
At 31 December 2004	1,022	2,236	18,221	21,479

[1] Freehold property acquired on the acquisition of PJB Publications Limited was revalued in the prior year to reflect market value at the time of acquisition. These properties were subsequently reclassified in 2004 to non-current assets held for sale.
[2] Of the £9,511,000 (2004: £9,167,000) additions to tangible fixed assets, £9,511,000 (2004: £8,484,000) represents cash paid, £nil (2004: £26,000) represents additions via finance leases and £nil (2004: £657,000) has been accrued for.
[3] During 2005 additional software items were identified and reclassified as intangible assets to the value of £3,565,000. Miscellaneous items with a cost of £315,000 and accumulated depreciation of £70,000 were reclassified from equipment, furniture and fittings to leasehold land and buildings. In 2005 an amount of £200,000 was reclassified from non-current assets as held for sale to freehold land and buildings.

Note 38 discloses the contractual commitments for the acquisition of property, plant and equipment the Group had entered into as at 31 December 2005.

The net book value of assets held under finance leases and hire purchase contracts included in tangible fixed assets in the Group was £40,000 (2004: £49,000). The depreciation charge on these assets in the year was £24,000 (2004: £31,000).

21 Subsidiaries

The listing below shows the principal subsidiary undertakings as at 31 December 2005 which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted. A full list of the subsidiaries will be included in the Company's annual return:

Company	Country of registration and incorporation	Principal activity	Ordinary shares held
Taylor & Francis, Group LLC	USA	Publishing	100%
Taylor and Francis Group Ltd	England and Wales	Holding Company	100%
Taylor & Francis AS	Norway	Publishing	100%
Taylor & Francis AB	Sweden	Publishing	100%
Agra Informa Limited	England and Wales	Conference organisation and publishing	100%
Euroform BV	Netherlands	Conference organisation and publishing	100%
Euroform Deutschland GmbH	Germany	Conference organisation and publishing	100%
IBC Asia (S) Pts Limited	Singapore	Conference organisation and publishing	100%
Informa USA Inc	USA	Conference organisation and publishing	100%
T&F Informa UK Limited[1]	England and Wales	Conference organisation and publishing	100%
Informa QUEST Limited	England and Wales	Qualifying employee share trust	100%
Informa Limited	England and Wales	Holding company	100%
MMS Group Holding Limited	England and Wales	Holding company	100%
PJB Publications Limited	England and Wales	Holding company	100%
IIR Holdings Limited	Bermuda	Holding company	100%
Robbins-Gioia LLC[2]	USA	Performance improvement	100%
AchieveGlobal Inc	USA	Performance improvement	100%
ESI Inc	USA	Performance improvement	100%
IIR Limited	England and Wales	Conference organisation	100%
Institute for International Research Inc	USA	Conference organisation	100%
The Forum Company of North America	USA	Performance improvement	100%
Huthwaite Inc	USA	Performance improvement	100%
IIR Deutschland GmbH	Germany	Conference organisation	100%
IIR BV	Netherlands	Conference organisation	100%

Of the above only Informa Limited, MMS Group Holdings Limited, PJB Publications Limited, Informa QUEST Limited, Taylor & Francis Group Ltd and IIR Holdings Limited are directly owned by Informa plc. The proportion of voting power held is the same as the proportion of ownership interest. The consolidated financial statements incorporate the financial statements of all entities controlled by the Company as at 31 December each year. Refer to Note 3, for further description of the method used to account for investments in subsidiaries.

1 Name changed to Informa UK Limited on 3 January 2006.
2 The holding in Robbins-Gioia is structured by proxy agreement with certain powers retained by the proxy holders to, among others, protect the national security interests of the government of the United States of America.

22 Joint Ventures

The Group has a 50% interest in two joint ventures, as detailed below, as at the year end.

Informanews Iberia SA
The Group has a 50% interest in Informanews Iberia SA (name changed on 31 January 2006, formerly Alcaron Barreta Y Associados SA), whose principal activity is publishing. Included in the consolidated financial statements are the following items that represent the Group's interest in the assets and liabilities, revenues and expenses of the joint venture:

	2005 £'000	2004 £'000
Current assets	**123**	108
Income	**458**	441
Expenses	**(443)**	(332)
	15	109

Falconbury Limited
The Group has a 50% interest in Falconbury Limited, whose principal activity is training courses. Included in the consolidated financial statements are the following items that represent the Group's interest in the assets and liabilities, revenues and expenses of the joint venture:

	2005 £'000	2004 £'000
Current liabilities	**(141)**	(50)
Income	**719**	–
Expenses	**(810)**	(50)
	(91)	(50)

Expomedia Group plc
Further, the Group had a 50% interest in a joint venture with Expomedia Group plc, whose principal activity is staging events. Included in the consolidated financial statements are the following items that represent the Group's interest in the assets and liabilities, revenues and expenses of the joint venture:

	2005 £'000	2004 £'000
Current liabilities	**–**	(330)
Income	**626**	–
Expenses	**(868)**	(330)
	(242)	(330)

The joint venture with Expomedia Group plc was terminated on 28 December 2005 effective from 31 August 2005.

23 Available For Sale Investments

	Total £'000
At 1 January 2005	10,605
Exchange differences	(59)
Disposals	(577)
Reclassification	310
At 31 December 2005	10,279

The investments comprise holdings in both listed equity securities and non-listed equity securities that present the Group with the opportunity for return through dividend and trading gains. They have no fixed maturity or coupon rate. The fair values of listed securities are based on quoted market prices.

In February 2006, the Group disposed of its shares in Expomedia Group plc at cost (Note 41).

24 Trade and Other Receivables

	2005 £'000	2004 £'000
Trade receivables	**144,209**	69,515
Other receivables	**16,340**	12,979
Prepayments and accrued income	**15,782**	8,554
Conference costs in advance	**11,368**	7,165
	187,699	98,213

The average credit period taken on sales of goods is 30 days. An allowance has been made for estimated irrecoverable amounts from the sale of goods of £13,563,000 (2004: £8,716,000). This allowance has been determined by references to past default experience. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Credit Risk

The Group's principal financial assets are cash and cash equivalents, trade and other receivables, prepayments and accrued income, derivative financial instruments and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade and other receivables, and prepayments and accrued income. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

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 large number of counterparties and customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

25 Deferred Tax

	Accelerated tax depreciation £'000	Intangibles £'000	Goodwill £'000	Provision for liabilities £'000	Pensions £'000	Other IFRS £'000	Losses £'000	Total £'000
At 1 January 2004	2,699	1,602	–	(1,014)	(4,168)	(554)	–	(1,435)
Credit to equity for the year	–	–	–	–	(881)	–	–	(881)
Acquisition of Taylor & Francis Group plc	–	101,901	–	–	(1,464)	–		100,437
Acquisition of PJB trade and assets	–	–	(35,386)	–	–	–	–	(35,386)
Charge/(credit) to profit or loss for the year	(1,821)	(352)	2,047	816	(248)	(1,374)	–	(932)
At 1 January 2005	878	103,151	(33,339)	(198)	(6,761)	(1,928)	–	61,803
Credit to equity for the year	143	–	–	–	1,577	(1,775)	–	(55)
Acquisition of subsidiaries	–	146,500	–	–	–	–	(7,418)	139,082
Charge/(credit) to profit or loss for the year	573	(12,700)	35,224	198	(135)	(363)	3,698	26,495
At 31 December 2005	1,594	236,951	1,885	–	(5,319)	(4,066)	(3,720)	227,325

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for balance sheet purposes:

	2005 £'000	2004 £'000
Deferred tax liability	**240,431**	101,901
Deferred tax asset	**(13,106)**	(40,098)
	227,325	61,803

At 31 December 2005, the Group has unused tax losses of £8,856,000 (2004: £nil) available for offset against future profits. A deferred tax asset of £3,720,000 (2004: £nil) has been recognised in respect of these losses.

On the combination of Informa Group plc and Taylor & Francis Group plc on 10 May 2004 a deferred tax liability of £101,901,000 in respect of intangible and other assets, excluding goodwill, was recognised with a corresponding increase in goodwill. During 2005, a further deferred tax liability of £146,500,000 was recognised in respect of the acquisitions of IIR Holdings Limited (£143,370,000) and Ashley Publications Limited (£3,130,000).

At the Balance Sheet date, the aggregate amount of post-acquisition undistributed earnings for which deferred tax liabilities have not been recognised was £161,894,000. No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Temporary differences arising in connection with interests in associates and joint ventures are insignificant.

26 Inventories

	2005 £'000	2004 £'000
Raw materials	**1,778**	1,266
Work in progress	**3,555**	5,744
Finished goods and goods for resale	**25,805**	20,525
	31,138	27,535

27 Financial Instruments

The Group's activities expose it mainly to the financial risks of changes in foreign currency exchange rates and changes in interest rates. The Group's policy is to hedge these exposures as explained further below using primarily interest rate swaps, cross currency swaps and spot and forward foreign exchange contracts.

Treasury Policy
The Board sets the Group's treasury policy to ensure that it has adequate financial resources to develop the Group's businesses and to manage the currency and interest risks to which the Group is exposed. The Group mainly uses foreign exchange forward and spot contracts and interest rate swap contracts to hedge these exposures. All external hedging is performed by the Group Treasury Function. The Group does not use derivative financial instruments for speculative purposes. Where a derivative (in whole or in part) cannot be designated in an effective hedge relationship any gain or loss arising on the undesignated portion of the derivative is immediately recognised in the Income Statement. Those derivative financial instruments (or portions thereof) that are not designated in a hedge relationship are classified as held for trading. Group Treasury acts as a service centre operating under the clearly defined regulation of the Board. The Group monitors the distribution of its cash assets, borrowings and facilities so as to control exposure to the relative performance of any particular territory, currency or institution.

Funding and Cash Management
The Group primarily borrows at short-term variable rates under its multi-currency loan facilities. These borrowings are guaranteed on the results of certain subsidiary companies. In connection with the acquisition of IIR, in May 2005 the Group arranged for a new five year loan agreement, becoming effective upon the acquisition of IIR in July 2005 and comprising three facilities:

- A – Term loans of GBP 250 million and USD 500 million;
- B – Multi-currency revolving facilities of GBP 400 million; and
- C – Equity bridge facility of GBP 300 million.

The previously existing loan facility was cancelled at the same time. Facility C was repaid and cancelled in July 2005 following the Rights Issue. In 2001, the Group raised USD 50 million on the US private placement market. The 7.35% Guaranteed Senior Unsecured Notes in respect of the Private Placement are due in seven equal annual instalments from August 2005 to August 2011.

Operationally, cash pooling arrangements have been organised in GBP, EUR, USD to minimise interest payable on net overdrafts and/or maximise interest receivable on net surplus balances.

Cash Flows
Historically and for the foreseeable future the Group has been and is expected to continue to be in a net borrowing position. The Group's policy is to fulfil its borrowing requirements by borrowing in the currencies in which it operates, principally GBP, USD and EUR; thereby providing a natural hedge against projected future surplus USD and EUR cash inflows as well as spreading the Group's interest rate profile across a number of currencies. In addition, GBP denominated borrowings serve to reduce the exposure of the debt to EBITDA banking covenant to movements in exchange rates in respect of currency denominated debt. Therefore the Group seeks to maintain GBP denominated borrowings in the range of 25% to 50% of total borrowings, including where necessary, the selling of USD and EUR for GBP on a regular basis.

In addition, if a significant foreign currency denominated future transaction or cash flow is projected, then the Group may utilise forward foreign exchange contracts to help hedge the associated risk.

Foreign Currency Risk
Allied to the Group's above policy on the hedging of surplus foreign currency cash inflows, the Group will usually seek to finance its net investment in its principal overseas subsidiaries by borrowing in those subsidiaries' functional currencies, primarily EUR and USD. This policy has the effect of protecting the Group's consolidated balance sheet from movements in those currencies to the extent that the associated net assets exceed the net foreign currency borrowings.

Interest Rate Risk
The Group seeks to minimise its exposure to fluctuations in interest rates by using interest rate swaps as cash flow hedges to hedge up to 90% of forecast interest payments over a period of up to five years, based on forecast net debt levels by currency during that period. This policy provides a level of certainty of future interest costs by swapping floating to fixed interest payments which in turn assists the predictability of achieving interest based loan covenants.

27 Financial Instruments continued

27 (a) Maturity Profile of Group Financial Assets and Liabilities

Financial Liabilities

	2005 Less than one year £'000	2005 One to two years £'000	2005 Two to five years £'000	2005 More than five years £'000	2005 Total £'000	2004 Less than one year £'000	2004 One to two years £'000	2004 Two to five years £'000	2004 More than five years £'000	2004 Total £'000
Current										
Overdrafts	**4,569**	**–**	**–**	**–**	**4,569**	4,001	–	–	–	4,001
Loan notes	**293**	**–**	**–**	**–**	**293**	6,189	–	–	–	6,189
Bank loans	**58,659**	**–**	**–**	**–**	**58,659**	5,156	–	–	–	5,156
Total current	**63,521**	**–**	**–**	**–**	**63,521**	15,346	–	–	–	15,346
Non-current										
Bank loans	**–**	**50,318**	**636,990**	**5,192**	**692,500**	–	5,155	292,455	8,111	305,721
Derivative financial instruments	**–**	**–**	**–**	**–**	**–**	(894)	91	1,330	29	556
Other financial liabilities	**–**	**4,852**	**–**	**–**	**4,852**	–	238	227	–	465
Total non-current	**–**	**55,170**	**636,990**	**5,192**	**697,352**	(894)	5,484	294,012	8,140	306,742
Total	**63,521**	**55,170**	**636,990**	**5,192**	**760,873**	14,452	5,484	294,012	8,140	322,088

The Group had the following committed undrawn borrowing facilities at 31 December:

Expiry date	2005 £'000	2004 £'000
In one year or less	**–**	18,987
In more than one year but not more than two years	**–**	–
In more than two years	**217,408**	155,112
	217,408	174,099

Financial Assets

	2005 Less than one year £'000	2005 One to two years £'000	2005 Two to five years £'000	2005 More than five years £'000	2005 Total £'000	2004 Less than one year £'000	2004 One to two years £'000	2004 Two to five years £'000	2004 More than five years £'000	2004 Total £'000
Current										
Cash and cash equivalents	**20,654**	**–**	**–**	**–**	**20,654**	19,126	–	–	–	19,126
Other financial assets (Note 23)	**10,279**	**–**	**–**	**–**	**10,279**	10,605	–	–	–	10,605
Total current	**30,933**	**–**	**–**	**–**	**30,933**	29,731	–	–	–	29,731
Non-current										
Derivative financial instruments	**–**	**2,425**	**–**	**–**	**2,425**	–	–	–	–	–
Total non-current	**–**	**2,425**	**–**	**–**	**2,425**	–	–	–	–	–
Total	**30,933**	**2,425**	**–**	**–**	**33,358**	29,731	–	–	–	29,731

27 Financial Instruments continued

27 (b) Interest Rate Profile

The following interest rate and currency profile of the Group's financial liabilities and assets is after taking into account any interest rate and cross currency swaps entered into by the Group.

Financial Liabilities

	2005				2004			
	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
GBP	(187,020)	(123,817)	(5,125)	(315,962)	(83,262)	(90,998)	–	(174,260)
USD	(256,676)	(88,871)	–	(345,547)	(23,829)	(71,619)	–	(95,448)
EUR	(61,262)	(28,119)	–	(89,381)	(41,928)	117	(448)	(42,259)
Other European currencies	–	(104)	–	(104)	–	(179)	–	(179)
Other worldwide currencies	(9,805)	(74)	–	(9,879)	(9,942)	–	–	(9,942)
	(514,763)	(240,985)	(5,125)	(760,873)	(158,961)	(162,679)	(448)	(322,088)
Of which: Gross borrowings				(756,021)				(321,067)
Derivative financial instruments				–				(556)
Other financial liabilities				(4,852)				(465)
				(760,873)				(322,088)

The Group draws down on its borrowing facilities at floating rates of interest. A portion of those are then swapped to fixed rates in line with the treasury policy. The first portion of these swaps mature within 12 months (£25,840,000), the second portion mature in a period greater than one year but less than two years (£148,358,000) and the final portion mature between two and five years (£340,565,000).

Interest on floating rate liabilities is based on the relevant national inter-bank rates.

Financial Assets

	2005				2004			
	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
GBP	(1,352)	2,950	10,288	11,886	–	7,961	239	8,200
USD	3,945	9,348	818	14,111	–	6,160	411	6,571
EUR	(81)	–	1,215	1,134	–	1,475	63	1,538
Other European currencies	–	402	396	798	–	504	234	738
Other worldwide currencies	(87)	4,250	1,266	5,429	–	795	11,889	12,684
	2,425	16,950	13,983	33,358	–	16,895	12,836	29,731
Of which: Cash and cash equivalents				20,654				19,126
Derivative financial instruments				2,425				–
Other financial assets				10,279				10,605
				33,358				29,731

Interest on floating rate bank deposits is based on the relevant national inter-bank rate and may be fixed in advance for up to one month. There were no fixed rate deposits as at 31 December 2005 or 2004.

The interest rate profile of fixed rate financial liabilities and the weighted average maturity period of interest-free financial liabilities is analysed below:

	2005			2004		
	Weighted average effective interest rate %	Weighted average for period for which the rate is fixed	Weighted average years to maturity for non-interest liabilities years	Weighted average effective interest rate %	Weighted average for period for which the rate is fixed	Weighted average years to maturity for non-interest liabilities years
GBP	4.8	3.2	–	5.2	3.4	–
USD	4.2	2.6	–	3.6	2.4	–
EUR	3.0	2.0	2.0	3.6	2.3	3.0
YEN	1.9	0.3	–	1.9	1.3	–
Gross financial liabilities	3.9	2.6	2.0	4.3	2.8	3.0

27 **Financial Instruments** continued

27 (b) **Interest Rate Profile** continued

Net Foreign Currency Monetary Assets/(Liabilities)

The net debtors and creditors position (excluding overdrafts and loans) held in different currencies are analysed below:

	Sterling £'000	US Dollar £'000	Euro £'000	Other £'000	Total £'000
As at 31 December 2004					
GBP	–	3,902	2,686	458	7,046
USD	(301)	–	763	40,007	40,469
EUR	–	–	–	–	–
Other	15	357	–	25	397
	(286)	4,259	3,449	40,490	47,912
As at 31 December 2005					
GBP	–	2,312	1,729	(307)	3,734
USD	(649)	–	346	1,485	1,182
EUR	–	–	–	–	
Other	192	–	–	–	192
	(457)	2,312	2,075	1,178	5,108

The main functional currencies of the subsidiaries of the Group are GBP, USD and EUR. After taking into account foreign currency borrowings of £441,133,000 (2004: £147,380,000) used to hedge against net investments in foreign subsidiaries, the remaining monetary assets and liabilities are in the same currency as the functional currency of the operations involved. Further explanation is given in the Directors' Report on pages 20 to 21.

27 (c) Fair Values of Financial Assets and Liabilities

The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value. The fair value of these financial instruments was:

Primary Financial Instruments Held or Issued to Finance the Group's Operations

	2005 Book value £'000	**2005 Estimated fair value £'000**	2004 Book value £'000	2004 Estimated fair value £'000
Bank loans and overdrafts (including current portion of long-term borrowing)	**(63,228)**	**(63,228)**	(9,157)	(9,157)
Loan notes due in less than one year	**(293)**	**(293)**	(6,189)	(6,189)
Long-term borrowings	**(692,500)**	**(692,500)**	(305,721)	(305,721)
Cash deposits	**20,654**	**20,654**	19,126	19,126
Other financial assets	**10,279**	**10,279**	10,605	10,605
Other financial liabilities	**(4,852)**	**(4,852)**	(465)	(410)

The carrying value of primary financial instruments approximates to fair value due to the short maturity of the instruments or because they bear interest at rates approximate to the market. The fair value of the other financial assets is calculated based on the quoted market price where applicable, excluding any transaction costs.

Derivative Financial Instruments Held to Manage the Interest Rate Profile

	2005		2004	
	Carrying amount £'000	**Estimated fair value £'000**	Carrying amount £'000	Estimated fair value £'000
Interest rate swaps (Note 27 (b))	**2,425**	**2,425**	(556)	(3,007)
Forward exchange deals and similar instruments	**–**	**–**	–	1,503

The fair value of derivative financial instruments is based on year end listed market prices. In line with IFRS 1, the derivative financial instruments were brought onto the balance sheet as at 1 January 2005 at fair value. The carrying amount of the interest rate swaps comprise £(1,352,000) in GBP, £3,945,000 in USD, £(81,000) in EUR and £(87,000) in other worldwide currencies. Refer to Note 4 for further details as to the early adoption of IAS 32 and IAS 39.

28 Share Capital

	2005 £'000	2004 £'000
Authorised		
600,000,000 (2004: 500,000,000) ordinary shares of 10p each*	**60,000**	50,000

* During the year an additional 100 million ordinary shares of 10p (2004: 320 million ordinary shares of 10p) each were authorised on the acquisition of IIR Holdings Limited by Informa Group plc (2004: authorised on the acquisition of Taylor & Francis Group plc).

Issued and fully paid		
421,521,110 ordinary shares of 10p each (2004: 299,462,868 of 10p each)	**42,152**	29,946

	2005 £'000	2004 £'000
At 1 January	**29,946**	15,195
Options exercised	**176**	117
Issue of share capital	**12,030**	14,634
At 31 December	**42,152**	29,946

Movements in Called Up Share Capital
During the year the Group issued 1,763,165 (2004: 1,178,885) ordinary shares of 10p for a consideration of £5,248,000 (2004: £2,989,000) with a nominal value of £176,000 (2004: £117,000) as a result of the exercise of share options.

On 25 July 2005, the Group issued 120,300,000 ordinary shares as part of a two-for-five Rights Issue, with a nominal value of £12,030,000 and a fair value of £311,700,000 to shareholders to partially fund the acquisition of IIR Holdings Limited.

On 10 May 2004, the Group issued 146,300,000 ordinary shares with a nominal value of £14,630,000 and a fair value of £511,000,000 to Taylor & Francis Group plc shareholders under the terms of the business combination of Informa Group plc and Taylor & Francis Group plc.

28 Share Capital continued

Share Options

As at 31 December 2005, outstanding options to subscribe for ordinary shares of 10p were as follows:

Number	Exercise price per share (pence)	Exercise period
16,128	9.77	25.04.00 to 24.05.07
13,081	9.77	07.05.00 to 06.05.07
1,792	16.74	01.10.00 to 30.09.07
229,597	195.54	21.08.01 to 20.08.08
56,455	179.91	14.04.00 to 13.04.07
106,607	243.79	21.04.01 to 20.04.08
92,466	215.20	01.10.01 to 30.09.08
2,072	277.23	23.04.02 to 22.04.09
40,421	358.03	01.10.02 to 30.09.09
243,104	358.03	01.10.02 to 30.09.09
140,608	736.61	20.03.03 to 19.03.10
1,366,650	564.73	25.04.03 to 24.04.10
137,196	672.59	02.11.03 to 01.11.10
219,538	518.75	07.03.04 to 06.03.11
13,439	518.75	07.03.04 to 06.03.11
61,600	252.36	15.03.05 to 14.03.07
894,558	252.36	15.03.05 to 14.03.12
376,932	333.04	04.03.07 to 03.04.14
30,294	330.09	15.09.07 to 14.09.14
80,135	277.23	23.04.02 to 22.04.09
33,600	100.00	13.04.07 to 13.04.14
2,473	214.55	01.07.05 to 31.12.05
9,321	499.11	01.07.05 to 31.12.05
123,851	214.55	01.07.07 to 31.12.07
269,612	100.00	19.04.08 to 19.04.15
293,900	307.24	26.04.04 to 25.04.08
89,597	267.86	01.11.04 to 31.10.08
115,485	325.10	26.04.05 to 25.04.09
267,303	334.82	27.05.05 to 26.05.09
26,495	224.53	03.10.05 to 02.10.09
22,839	246.98	01.01.06 to 30.06.06
778,012	227.15	30.04.06 to 29.04.07
22,967	233.19	10.07.06 to 09.07.10
11,185	264.45	01.01.07 to 30.06.07
971,979	304.62	22.03.07 to 21.03.11
7,161,292		

The above options will be satisfied by the issue of new shares in the company except for the 635,617 shares already in issue (Note 29). Share options held by directors as at 31 December 2005 are disclosed in the Director's Remuneration report on pages 27 to 33.

29 Reserves

	Share capital (Note 28) £'000	Share premium £'000	Reserves for shares to be issued £'000	Merger reserve £'000	Other reserves £'000	ESOP trust shares £'000	Hedging and translation reserve £'000	Retained losses £'000
At 1 January 2004	15,195	184,494	–	–	37,399	(3,641)	–	(166,118)
Recognised income and expense	–	–	–	–	–	–	–	67,808
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(6,800)	–
Acquisition of subsidiary	–	4,342	1,267	496,400	–	–	–	–
Dividends to shareholders	–	–	–	–	–	–	–	(15,822)
Share award issue	–	–	–	–	–	(3,269)	–	–
Share award expense	–	–	380	–	–	2,179	–	–
Issue of share capital	14,634	–	–	–	–	–	–	–
Premium arising on options exercised during year	117	3,261	–	–	(1)	–	–	–
At 31 December 2004	29,946	192,097	1,647	496,400	37,398	(4,731)	(6,800)	(114,132)
Implementation of IAS 39 (Note 4)	–	–	–	–	–	–	(948)	(5,000)
At 1 January 2005	29,946	192,097	1,647	496,400	37,398	(4,731)	(7,748)	(119,132)
Recognised income and expense in the year	–	–	–	–	–	–	–	1,307
Exchange differences on translation of foreign operations	–	–	–	–	–	–	4,367	–
Increase in fair value hedging of derivatives	–	–	–	–	–	–	3,373	–
Transfer to income	–	–	–	–	–	–	416	–
Issue of share capital (net of £7,095,000 transaction costs)	12,030	299,657	–	–	–	–	–	–
Dividends to shareholders	–	–	–	–	–	–	–	(27,271)
Share award expense	–	–	744	–	–	1,397	–	–
Options exercised	176	–	–	–	–	–	–	–
Premium arising on options exercised during year	–	5,072	–	–	–	–	–	–
Settlement of deferred consideration	–	–	(1,267)	–	–	–	–	–
At 31 December 2005	42,152	496,826	1,124	496,400	37,398	(3,334)	408	(145,096)

The Reserve for Shares to be Issued at 31 December 2004 includes £1,267,000 of deferred consideration payable to the vendors of Routledge Publishing Holdings Limited if no claims are made against warranties given on the sale of that company. The balance was settled in cash during 2005.

As at 31 December 2005 the Informa Employee Share Trust held 632,775 (2004: 632,775) ordinary shares in the Company at a cost of £3,641,000 (2004: £3,641,000) (market value £2,744,000). Informa Quest Ltd held 2,842 (2004:171,285) ordinary shares at a book cost of £nil (2004: £nil) (market value £12,000). The Taylor & Francis Group Employee Benefit Trust held nil (2004: 935,279) ordinary shares at a book cost of £nil (2004: £1,090,000). These shares have not yet been allocated to individuals and accordingly, dividends on these shares have been waived.

At 31 December 2005 the Group held 0.2% (2004: 0.6%) of its own called up share capital.

30 Minority Interests

The Group's minority interest in 2005 and 2004 was composed entirely of equity interests and represents the minority shares of Euroforum HandelsZeitung Konferenz AG and Agra CEAS.

31 Provisions

	Property lease £'000
1 January 2005	660
Increase in year	2,039
Additions on acquisition of IIR Holdings Limited	2,009
Utilisation	(847)
At 31 December 2005	3,861
Included in current liabilities	2,014
Included in non-current liabilities	1,847

The property lease provision represents the estimated excess of rent payable on surplus property leases, plus dilapidation provisions where they exist, less rent received via sub-leases.

32 Trade and Other Payables

	2005 £'000	2004 £'000
Current		
Deferred consideration payable for purchase of subsidiary undertakings and businesses	**2,351**	463
Trade creditors	**20,757**	11,634
Accruals	**106,160**	59,720
Net obligations under finance leases	**23**	29
Other creditors	**25,185**	9,173
Total current	**154,476**	81,019
Non-current		
Net obligations under finance leases	**20**	17
Deferred consideration payable for purchase of subsidiary undertakings and businesses	**4,832**	448
Total non-current	**4,852**	465
Total	**159,328**	81,484

The bank loans are guaranteed by material subsidiaries of the Company. An analysis of the maturity of debt is given in Note 27 (a).

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 46 days.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

33 Deferred Income

	2005 £'000	2004 £'000
Subscriptions and event fees received in advance	**187,445**	124,361

34 Obligations under Finance Leases

	Minimum lease payments		Present value of minimum lease payments	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Amounts payable under finance leases:				
– Within one year	**24**	30	**23**	29
– In the second to fifth years inclusive	**20**	17	**20**	17
	44	47	**43**	46
Less: future finance charges	**(1)**	(1)	**N/A**	N/A
Present value of lease obligations	**43**	46		
Less: amount due for settlement within 12 months (shown under current liabilities)			**(23)**	(29)
Amount due for settlement after 12 months			**20**	17

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is three to four years. For the year ended 31 December 2005, the average effective borrowing rate was 1% (2004: 3%). Interest rates are fixed at the contract date. All leases are on a fixed prepayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in sterling.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the lessors' rights over the leased assets.

35 Business Combinations

2005 acquisitions:		Date acquired
Triangle Journals Limited	Journal publishing	29 April 2005
Metro Mortgage Guide	Financial information provider	6 May 2005
Medic-to-Medic	Medical IT services	24 May 2005
Ashley Publications Limited	Journal publishing	26 May 2005
Australian Bulk Handling Review	Journal publishing	26 June 2005
The Book List of IOP Publishing Limited	Book publishing	30 June 2005
IIR Holdings Limited	Conferences, training & exhibitions	6 July 2005
Mark Two Communications BV	Medical training programs	11 July 2005
Agra FNP Pesquisas Ltd	Agricultural conferences	8 September 2005

Various other book and journal titles were also purchased during the year.

Cash Paid on Acquisition Net of Cash Acquired

	2005 £'000	2004 £'000
Current-year acquisitions		
Triangle Journals Limited[1]	**1,500**	–
Metro Mortgage Guide[1]	**177**	–
Medic-to-Medic	**6,491**	–
Ashley Publications Limited	**16,415**	–
Australian Bulk Handling Review[1]	**531**	–
The Book List of IOP Publishing Limited[1]	**2,000**	–
IIR Holdings Limited	**777,951**	–
Mark Two Communications BV[1]	**388**	–
Agra FNP Pesquisas Ltd[1]	**1,117**	–
Other Publishing[1]	**804**	–
Prior-year acquisitions		
Taylor & Francis Group plc[2]	**–**	15,703
PJB Publications Limited[3]	**–**	5,787
Cass[4]	**3,028**	–
Dekker[5]	**1,371**	–
Other	**1,014**	573
	812,787	22,063

1 These acquisitions are covered by the 'Other acquisitions' table which follows below. All other current year acquisitions are detailed below. Where goodwill is provisional, a best estimate of fair value has been made but these will be reviewed and adjusted in the next year should it be necessary.
2 Total consideration paid in cash for Taylor & Francis Group plc represents costs incurred relating to the business combination between Informa Group plc and Taylor & Francis Group plc.
3 Cash paid in relation to the December 2003 acquisition of PJB Publications Limited is in respect of accrued costs brought forward.
4 In respect of the Cass acquisition, an increase of £3,028,000 was made to goodwill as a result of an earnout payment being made during 2005.
5 In respect of the Dekker acquisition, an increase of £1,371,000 was made on resolution of the dispute with the vendor over the valuation of the acquisition balance sheet during 2005.

The combined impact on the Group's profit after tax from the newly acquired businesses for 2005 amounted to £24,471,000 on revenues of £196,260,000. The total assets of newly acquired businesses amounted to £327,381,000 as at 31 December 2005.

All acquisitions, except for Taylor & Francis Group plc in 2004, were paid for in cash and in all acquisitions full control over the business has been acquired, either by acquiring 100% of the ordinary issued share capital or by means of an asset purchase deal. All transactions have been accounted for by the purchase method of accounting.

35 Business Combinations continued

Ashley Publications Limited

On May 26, 2005, the Group acquired 100% of the issued share capital of Ashley Publications Limited for cash consideration of £18,145,000.

Net assets acquired	Book value £'000	Accounting policy adjustments (Note 25) £'000	Fair value adjustments £'000	Fair value £'000
Property and equipment	42	–	–	42
Debtors	424	–	(11)	413
Creditors	(1,687)	–	–	(1,687)
Deferred tax liability	–	(3,130)	–	(3,130)
Investments	3	–	(3)	–
Cash and cash equivalents	1,730	–	–	1,730
Provisions for liabilities and charges	(6)	–	–	(6)
	506	(3,130)	(14)	(2,638)
Intangible assets	–	–	10,433	10,433
Net assets				7,795
Provisional goodwill				10,350
Total consideration				18,145
Satisfied by:				
Cash				18,000
Directly attributable costs				145
				18,145
Net cash outflow arising on acquisition:				
Cash consideration				18,145
Cash and cash equivalents acquired				(1,730)
				16,415

The goodwill amount is provisional and subject to change following completion of a fair value exercise.

Goodwill of £10,350,000 represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired, and is not deductible for tax purposes. The goodwill arising on the acquisition is attributable to the anticipated profitability of products as included into the existing medical portfolio of publications.

Ashley Publications Limited generated revenues of £1,916,000 and net income (based on assumed tax rate of 30%) of £444,000 in the post acquisition period from 26 May 2005 to 31 December 2005. The results of Ashley Publications Limited are included in the Scientific, Technical & Medical market sector.

If the acquisition of Ashley Publications Limited had taken place on the first day of the financial year, Group revenues for the period would have been £917,000 higher and the Group profit after tax attributable to Equity shareholders would have been £287,000 higher.

35 Business Combinations continued

Medic-to-Medic

On 24 May 2005, the Group acquired the trading assets of Medic-to-Medic for a cash consideration of £6,491,000 and further consideration contingent on revenues in 2006. Total consideration will not exceed £14,716,000.

Net assets acquired	Book value £'000	Fair value adjustments £'000	Fair value £'000
Property and equipment	11	–	11
Debtors	261	–	261
Creditors	(126)	–	(126)
	146	–	146
Intangible assets	–	10,470	10,470
Net assets			10,616
Provisional goodwill			75
Total consideration			10,691
Satisfied by:			
Cash			6,200
Deferred consideration			4,200
Directly attributable costs			291
			10,691
Net cash outflow arising on acquisition:			
Cash consideration			6,491
Cash and cash equivalents acquired			–
			6,491

Goodwill of £75,000 represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired, and is not deductible for tax purposes. Goodwill may be increased by a further contingent consideration of £4,316,000 dependent on revenue in 2006. The goodwill arising on the acquisition is attributable to the anticipated profitability of the medical database in generating future revenues.

Medic-to-Medic generated revenues of £1,874,000 and net income (based on assumed tax rate of 30%) of £104,000 in the post acquisition period from 24 May 2005 to 31 December 2005. The results of Medic-to-Medic are included in the Scientific, Technical & Medical market sector.

If the acquisition of Medic-to-Medic had taken place on the first day of the financial year, Group revenues for the period would have been £1,600,000 higher and the Group profit after tax attributable to Equity shareholders would have been £140,000 higher.

35 Business Combinations continued

IIR Holdings Ltd

On 6 July 2005, the Group acquired 100% of the issued share capital of IIR Holdings Ltd for a cash consideration of £793,731,000.

Net assets acquired	Book value £'000	Accounting policy adjustments (Note 25) £'000	Fair value adjustments* £'000	Fair value £'000
Property and equipment	3,086	–	–	3,086
Trade and other receivables	78,547	–	(4,068)	74,479
Inventory	1,232	–	–	1,232
Cash and cash equivalents	15,780	–	–	15,780
Deferred tax assets	7,103	–	202	7,305
Trade and other payables	(48,627)	–	(3,761)	(52,388)
Deferred income	(48,192)	–	–	(48,192)
Deferred tax liability	–	(143,370)	–	(143,370)
Current tax liabilities	(14,674)	–	(8,081)	(22,755)
	(5,745)	(143,370)	(15,708)	(164,823)
Intangible assets	–	–	474,345	474,345
Net assets				309,522
Provisional goodwill				484,209
Total consideration				793,731
Satisfied by:				
Cash				789,056
Directly attributable costs				4,675
				793,731
Net cash outflow arising on acquisition:				
Cash consideration				793,731
Cash and cash equivalents acquired				(15,780)
				777,951

* The book value of the assets and liabilities of IIR Holdings Limited have been adjusted to fair value in accordance with IFRS 3. These fair value adjustments include the expensing of deferred promotional expenditure of £4,068,000, provision for vacant properties and other onerous contracts of £3,085,000, provision for a defined pension deficit of £675,000 and provision for taxes at source of £8,081,000.

Provisional goodwill of £484,209,000 represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired, and is partially deductible for tax purposes. The goodwill arising on the acquisition is attributable to the anticipated profitability of IIR Holdings Limited's products and services in existing and new markets as they are added to the Group's existing range.

IIR generated revenues of £192,470,000 and net income (based on assumed tax rate of 30%) of £23,923,000 in the post-acquisition period from 6 July 2005 to 31 December 2005. The results of IIR Holdings Limited are allocated across all segments except Humanities & Social Sciences.

If the acquisition of IIR had taken place on the first day of the financial year, Group revenues for the period would have been £192,830,000 higher and the Group profit after tax attributable to equity shareholders would have been £23,523,000 higher. In total, including IIR for the whole year would have contributed revenue of £385,300,000 and adjusted operating profit of £64,100,000.

35 Business Combinations continued

Other Business Combinations

The Group acquired the trading assets or 100% of the issued share capital of Triangle Journals Limited, Metro Mortgage Guide, Australian Bulk Handling Review, The Book List of IOP Publishing Limited, Mark Two Communications BV, Agra FNP Pesquisas Ltda and various other publishing titles. Total cash consideration of £6,517,000 was made in 2005. Including deferred consideration, total consideration will not exceed £6,752,000.

Net assets acquired	Book value £'000	Fair value adjustments £'000	Fair value £'000
Property and equipment	22	30	52
Trade and other receivables	224	–	224
Cash and cash equivalents	229	–	229
Creditors	(920)	–	(920)
	(445)	30	(415)
Intangible assets	–	–	–
Net assets			(415)
Provisional goodwill			7,167
Total consideration			6,752
Satisfied by:			
Cash			6,517
Deferred consideration			235
Directly attributable costs			–
			6,752
Net cash outflow arising on acquisition:			
Cash consideration			6,746
Cash and cash equivalents acquired			(229)
			6,517

Goodwill of £7,167,000 represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired, and is not deductible for tax purposes. The goodwill amount is provisional and subject to change following completion of a fair value exercise. The goodwill arising on these acquisitions is attributable to anticipated profitability as they are integrated into the Group.

36 Notes to the Cash Flow Statement

	2005 £'000	2004 £'000
Operating profit – continuing operations	**91,418**	62,339
Discontinued operations	**(1,885)**	–
Profit from operations	**89,533**	62,339
Adjustments for:		
Depreciation of property and equipment	**8,175**	7,059
Amortisation of intangible assets	**49,755**	9,620
Impairment of goodwill	–	15,000
Loss/(gain) on disposal of property and equipment	**100**	(92)
Operating cash flows before movements in working capital	**147,563**	93,926
(Increase)/decrease in inventories	**(2,421)**	500
Increase in receivables	**(5,637)**	(7,381)
Increase in payables	**19,451**	3,347
Movement in other operating items	**1,973**	1,550
Cash generated by operations	**160,929**	91,942

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

36 Notes to the Cash Flow Statement continued

Adjusted Cash Generated by Operations

	2005 £'000	2004 £'000
Adjusted operating profit (Note 9)	**147,329**	95,405
Cash generated by operations	**160,929**	91,942
Restructuring costs (Note 8)	**8,277**	9,285
Adjusting items on a cash flow basis	**169,206**	101,227
Accrued in prior year	**2,500**	8,000
Accrued at year end	**(4,426)**	(2,500)
Adjusted cash generated by operations	**167,280**	106,727

	2005 %	2004 %
Percentage of adjusted operating profit converted to adjusted cash generated by operations	**113**	112

Analysis of Net Debt

	At 1 January 2005 £'000	Non-cash items £'000	Cash flow £'000	Exchange movement £'000	At 31 December 2005 £'000
Cash at bank and in hand	19,126	–	1,528	–	**20,654**
Overdrafts	(4,001)	–	(568)	–	**(4,569)**
Net cash	15,125	–	960	–	**16,085**
Bank loans due in less than one year	(5,156)	(5,192)	(48,313)	2	**(58,659)**
Loan notes due in less than one year	(6,189)	–	5,896	–	**(293)**
Bank loans due in more than one year	(305,721)	2,594	(376,211)	(13,162)	**(692,500)**
Finance leases due in less than one year	(29)	(17)	23	–	**(23)**
Finance leases due in more than one year	(17)	(3)	–	–	**(20)**
	(301,987)	(2,618)	(417,645)	(13,160)	**(735,410)**

37 Operating Lease Arrangements

	2005 £'000	2004 £'000
Minimum lease payments under operating leases recognised in income for the year	**15,660**	11,951

At the Balance Sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2005		2004	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
– Within one year	**20,995**	**1,371**	10,213	845
– Within two to five years	**80,753**	**3,568**	32,571	1,672
– After five years	**35,698**	**–**	21,275	–
	137,446	**4,939**	64,059	2,517

Operating lease payments represent rentals payable by the Group for certain of its properties. Leases are negotiated for an average term of 11 years and rentals are fixed for an average of six years.

38 Commitments

	2005 £'000	2004 £'000
Commitments for the acquisition of property, plant and equipment	**2,870**	2,118

39 Retirement Benefit Schemes

As explained in the accounting policies set out in Note 3, in the UK the Group operates three defined benefit pension schemes, the Informa Final Salary Scheme, the Taylor & Francis Group Pension and Life Assurance Scheme and the Achieve Learning (UK) Pension and Benefits Scheme for all qualifying UK employees providing benefits based on final pensionable pay (the "Scheme"). The assets of the schemes are held in separate trustee administered funds. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of contributions over employees' working lives with the Group. Contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method to reflect the fact that the schemes are closed to new entrants.

The most recent actuarial valuation of the Informa Final Salary Scheme was at 31 December 2005. Employees who are members contribute 10% of pensionable pay; the Group's contribution over the year was 18.9% of pensionable pay. The market value of the scheme's assets as at 31 December 2005 was £34,452,000, which represented 75% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The assumptions adopted are:

	2005	2004
Rate of return on investments after retirement	**4.8% p.a.**	5.5% p.a.
Rate of return on investments before retirement	**4.8% p.a.**	6.5% p.a.
Rate of increase in pensions in payment	**3.0% p.a.**	2.7% p.a.
Rate of increase in salaries	**4.5% p.a.**	4.2% p.a.

The most recent actuarial valuation of the Taylor & Francis Group Pension and Life Assurance Scheme was at 31 December 2005. Employees who are members contribute 3% of pensionable pay; the Group's contribution over the year was 33.6% of pensionable pay. The market value of the scheme's assets as at 31 December 2005 was £10,273,000, which represented 67% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The assumptions adopted are:

	2005	2004
Rate of return on investments	**4.8% p.a.**	9.0% p.a.
Rate of increase in pensions in payment	**3.0% p.a.**	4.5% p.a.
Rate of increase in salaries	**4.5% p.a.**	6.5% p.a.

As part of the acquisition of IIR Holdings Limited, the Group acquired the Achieve Learning (UK) Pension & Benefits Scheme. The most recent actuarial valuation of the scheme was at 31 December 2005. The scheme was closed to future accrual of pensions at the time of the acquisition of IIR Holdings limited. The market value of the scheme's assets as at 31 December 2005 was £4,262,000, which represented 80% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The assumptions adopted are:

	2005	2004
Expected long-term rate of return on scheme assets	**6.2%**	–
Rate of increase in pensions in payment	**3.0%**	–
Rate of increase in salaries	**N/A**	–

The pension charge for the schemes in the income statement for the year was £2,052,000 (2004: £2,346,000), of which £1,360,000 (2004: £1,400,000) was charged to operating profit.

The Group also operates defined contribution schemes. Contributions charged to the income statement during the year were £3,622,000 (2004: £2,637,000), all of which (2004: all) was charged to operating profit.

39 Retirement Benefit Schemes continued

A full valuation of the Group's schemes was undertaken by qualified independent actuaries at 31 December 2005. The major assumptions used by the actuaries were as follows:

	At 31 December 2005	At 31 December 2004
Rate of increase in salaries		
IIR	**N/A**	–
Taylor & Francis	**4.50% p.a.**	6.50% p.a.
Informa	**4.50% p.a.**	4.40% p.a.
Limited price indexation pension increases		
IIR	**–**	–
Taylor & Francis	**3.00% p.a.**	2.90% p.a.
Informa	**3.00% p.a.**	2.90% p.a.
Discount rate		
IIR	**4.90% p.a.**	–
Taylor & Francis	**4.75% p.a.**	5.30% p.a.
Informa	**4.75% p.a.**	5.30% p.a.
Inflation assumption		
IIR	**3.00% p.a.**	–
Taylor & Francis	**3.00% p.a.**	2.90% p.a.
Informa	**3.00% p.a.**	2.90% p.a.

Amounts recognised in respect of these defined benefit schemes are as follows:

	Year ended 31 December 2005	Year ended 31 December 2004
Analysis of the amount charged to operating profit		
Current service cost	**(1,360)**	(1,400)
Past service cost	**–**	–
Total operating charge	**(1,360)**	(1,400)
Analysis of the amount debited to other finance income/(expense)		
Expected return on pension scheme assets	**1,999**	1,191
Interest cost on pension scheme liabilities	**(2,691)**	(2,137)
Net finance cost	**(692)**	(946)
Analysis of amount recognised in the consolidated statement of recognised income and expense		
Actual return less expected return on scheme assets	**6,515**	15
Experience loss	**(294)**	(118)
Change in actuarial assumptions	**(9,987)**	(2,832)
Actuarial loss	**(3,766)**	(2,935)
Movement in deficit during the year		
Deficit in schemes at beginning of year	**(22,535)**	(13,894)
Additions on acquisition of Taylor & Francis Group Ltd	**–**	(4,879)
Additions on acquisition of IIR Holdings Limited	**(978)**	–
Current service cost	**(1,360)**	(1,400)
Contributions	**11,602**	1,519
Other finance costs	**(692)**	(946)
Actuarial loss	**(3,766)**	(2,935)
Deficit in schemes at end of year	**(17,729)**	(22,535)

The amount recognised in the balance sheet in respect of the Group's defined benefit retirement schemes is as follows:

	2005 £'000	2004 £'000
Present value of defined benefit obligations	**(66,716)**	(48,130)
Fair value of scheme assets	**48,987**	25,595
Deficit in scheme	**(17,729)**	(22,535)
Liability recognised in the balance sheet	**(17,729)**	(22,535)

39 Retirement Benefit Schemes continued

Changes in the present value of defined benefit obligations are as follows:

	2005 £'000	2004 £'000
Opening defined benefit obligation	**(48,130)**	(31,883)
Additions on acquisition of Taylor & Francis Group Ltd	**–**	(9,889)
Additions on acquisition of IIR Holdings Limited	**(4,811)**	–
Service cost	**(1,360)**	(1,400)
Interest cost	**(2,691)**	(2,137)
Contributions from scheme members and benefits paid	**557**	99
Actuarial gains and losses	**(10,281)**	(2,920)
Closing defined benefit obligation	**(66,716)**	(48,130)

Changes in the fair value of scheme assets are as follows:

	2005 £'000	2004 £'000
Opening fair value of plan assets	**25,595**	17,989
Additions on acquisition of Taylor & Francis Group Ltd	**–**	5,010
Additions on acquisition of IIR Holdings Limited	**3,833**	–
Expected return on scheme assets	**1,999**	1,191
Actuarial gains and losses	**6,515**	(15)
Contributions from the sponsoring companies	**11,602**	1,519
Contributions from scheme members and benefits paid	**(557)**	(99)
Closing fair value of plan assets	**48,987**	25,595

The assets of the Taylor & Francis Group Pension and Life Assurance Scheme are held in managed funds and cash funds operated by Henderson Investment Managers. The assets of the Informa Final Salary Scheme are held in managed funds and cash funds operated by Skandia Investment Management. The assets of the Achieve Learning (UK) Pension and benefits plan are managed by Schroder Investment Management Ltd. The fair value of the assets held and the expected rates of return assumed are as follows:

	Expected rate of return year commencing 31 December 2005 %	Fair value at 31 December 2005 £'000	Expected rate of return year commencing 31 December 2004 %	Fair value at 31 December 2004 £'000
Equities and property				
IIR	**6.60**	**3,669**	–	–
Taylor & Francis	**6.60**	**4,315**	7.00	3,212
Informa	**6.60**	**28,940**	7.00	17,216
Bonds				
IIR	**4.25**	**405**	–	–
Taylor & Francis	**4.40**	**308**	5.00	306
Informa	**4.40**	**4,134**	5.00	2,460
Cash				
IIR	**4.50**	**188**	–	–
Taylor & Francis	**4.00**	**5,650**	4.00	1,581
Informa	**4.00**	**1,378**	4.00	820
		48,987		25,595

The plan assets do not include any of the Group's own financial instruments, occupied property or other assets used by the Group.

39 Retirement Benefit Schemes continued

The history of the schemes for the current and prior year is as follows:

	2005 £'000	2004 £'000
Present value of defined benefit obligations	**(66,716)**	(48,130)
Fair value of scheme assets	**48,987**	25,595
Deficit in the schemes	**(17,729)**	(22,535)
Related deferred tax assets	**5,319**	6,761
Deficit net of deferred tax assets	**(12,410)**	(15,774)
Experience adjustments on scheme liabilities:		
Amount (£'000)	**(294)**	(118)
Percentage of scheme liabilities (%)	**0.44**	0.25
Experience adjustments on scheme assets:		
Amount (£'000)	**6,515**	74
Percentage of scheme assets (%)	**13.30**	0.29

In accordance with the transitional provisions for the amendments to IAS 19 "Employee Benefits" in December 2004, the disclosures above are determined prospectively from the 2004 reporting period.

The estimated amount of contributions expected to be paid to the schemes during the current financial year is £1,758,000.

40 Share-Based Payments

The Group Share Options, Share Matching and Long-Term Incentive Plans provide for a grant price equal to the average quoted market price of the Group shares on the date of grant. The vesting period is generally three years. The options expire if they remain unexercised after the exercise period has lapsed. Furthermore, options are forfeited if the employee leaves the Group before the options vest. The options are equity settled.

	2005		2004	
	Options	**Weighted average exercise price (in £)**	Options	Weighted average exercise price (in £)
Outstanding at beginning of year	**8,454,232**	**380.49**	4,934,033	426.58
Granted during the year	**241,143**	**100.00**	1,535,667	341.98
T&F options rollover[1]	**–**	**–**	3,216,591	280.47
Forfeited/lapsed during the year	**(327,789)**	**416.32**	(386,544)	500.39
Exercised during the year	**(2,060,924)**	**285.66**	(845,515)	144.23
Rights Issue adjustment[2]	**854,630**	**339.81**	–	–
Outstanding at the end of the year	**7,161,292**	**346.85**	8,454,232	380.49
Exercisable at the end of the year	**5,273,833**		7,398,281	

[1] On acquisition of Taylor & Francis Group plc on 10 May 2004, options in the T&F plan were converted to an equivalent number of options in Informa plc, with the exercise price also adjusted accordingly.

[2] On acquisition of IIR Holdings Limited on 6 July 2005, share options were adjusted for a two for five Rights Issue.

The weighted average share price at the date of exercise for share options exercised during the year was 285.66p. The options outstanding at 31 December 2005 had a weighted average remaining contractual life of 4.34 years (2004: 3.76 years) ranging from 9.77p to 736.61p (Note 28).

40 Share-Based Payments continued

Inputs used to calculate those fair values and the method of calculation are set out in the following tables:

Share Options – Binomial Model

Date of grant	Estimated fair value	Share price	Exercise price	Expected volatility	Expected life (years)	Risk free rate	Expected dividends
4 March 2004	£1.18	£3.76	£3.73	32.33%	5.00	4.76%	2.00%
22 March 2004/ 10 May 2004 (Executive)	£1.08	£3.49	£3.41 (adjusted)*	32.77%	4.87	4.62%	2.00%
22 March 2004/ 10 May 2004 (Employee)	£0.93	£3.49	£3.41 (adjusted)*	32.77%	3.50	4.21%	2.00%
15 September 2004	£1.16	£3.71	£3.70	30.59%	5.00	4.95%	2.00%

* Adjusted for the business combination in 2004 of Taylor & Francis Group plc and Informa Group plc, and in 2005 for a Rights Issue.

Share Matching – Monte Carlo Simulation Model

Date of grant	Estimated fair value	Share price	Exercise price	Expected volatility	Expected life (years)	Risk free rate	Expected dividends
13 April 2004	£3.32	£3.53	n/a	n/a	n/a	n/a	2.00%
19 April 2005	£3.44	£3.80	n/a	n/a	n/a	n/a	1.66%

Long-Term Incentive Plan – Binomial Model

Date of grant	Estimated fair value	Share price	Exercise price	Expected volatility	Expected life (years)	Risk free rate	Expected dividends
3 November 2005	£2.55	£4.20	n/a	28.91%	3.00	4.49%	1.66%

Expected volatility was determined by calculating the historical volatility of the Group's share price over one, two and three years back from the date of grant. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Group recognised total expenses of £1,834,000 and £2,559,000 related to equity-settled share-based payment transactions in 2005 and 2004 respectively.

A complete listing of all options outstanding as at 31 December 2005 is included in Note 28.

41 Events after the Balance Sheet Date

In February 2006, as part of the termination of a joint venture agreement, Expomedia Group plc have exercised their call option to buy back shares valued at £2,040,000 (Note 23). A long-term non-interest-bearing loan for the equivalent value, receivable in ten years' time, has now arisen as part of the transaction. In February 2006, the Group purchased Expomedia Group plc's 50% share in their jointly-owned event "3GSM Russia" for €566,000.

The following acquisitions were made subsequent to year end. The consideration amounts disclosed are based on completion accounts and are subject to change.

CDI
On 16 January 2006, the Group purchased an intangible asset, comprising the right to use business performance analysis intellectual property, from CDI for £1,446,000.

41 Events after the Balance Sheet Date continued

Cavendish Publishing Limited

On January 4 2006, the Group acquired 100% of the issued share capital of Cavendish Publishing Limited, a legal book publishing business, for a cash consideration of £6,000,000.

Net Assets Acquired	Book value £'000	Fair value adjustments £'000	Fair value £'000
Property and equipment	26	–	26
Trade receivables	323	–	323
Trade payables	(399)	(25)	(424)
Intangible assets	186	(186)	–
Cash and cash equivalents	1	–	1
Inventory	321	–	321
Net assets	458	(211)	247
Provisional goodwill			5,753
Total consideration			6,000
Satisfied by cash			6,000
Net cash outflow arising on acquisition:			
Cash consideration			6,000
Cash and cash equivalents acquired			(1)
			5,999

Goodwill of £5,753,000 represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired, ahead of the acquisition being reviewed and any intangible assets being identified, and is not deductible for tax purposes. The goodwill arising on the acquisition is attributable to the anticipated profitability of products as they are included into the existing legal portfolio of publications.

M Solutions

On 6 February 2006, the Group acquired the trading assets of M Solutions, a provider of data and information solutions to the global financial services industry, for a cash consideration of £11,229,000.

Net Assets Acquired	Book value £'000	Fair value adjustments £'000	Fair value £'000
Property and equipment	208	–	208
Trade and other receivables	806	–	806
Trade and other payables	(2,707)	–	(2,707)
Cash and cash equivalents	561	–	561
Net assets	(1,132)	–	(1,132)
Provisional goodwill			12,361
Total consideration			11,229
Satisfied by cash			11,229
Net cash outflow arising on acquisition:			
Cash consideration			11,229
Cash and cash equivalents acquired			(561)
			10,668

Goodwill of £12,361,000 represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired, ahead of the acquisition being reviewed and any intangible assets being identified, and is not deductible for tax purposes. The goodwill arising on the acquisition is attributable to the anticipated profitability of products as included into the existing financial data analysis portfolio.

41 Events after the Balance Sheet Date continued

Cordial Events Limited

On February 7 2006, the Group acquired 100% of the issued share capital of Cordial Events Limited, a legal exhibition provider, for a cash consideration of £1,402,000 and a deferred contingent consideration not exceeding £150,000. Total consideration will not exceed £1,552,000.

Net Assets Acquired

	Book value £'000	Fair value adjustments £'000	Fair value £'000
Trade and other receivables	25	–	25
Trade and other payables	(75)	–	(75)
Cash and cash equivalents	242	–	242
Net assets	192	–	192
Provisional goodwill			1,360
Total consideration			1,552

Satisfied by:	
Deferred contingent consideration	150
Cash	1,402
	1,552

Net cash outflow arising on acquisition:	
Cash consideration	1,402
Cash and cash equivalents acquired	(242)
	1,160

Goodwill of £1,360,000 represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired, and is not deductible for tax purposes. The goodwill arising on the acquisition is attributable to the anticipated future profitability of the exhibition.

42 Explanation of Transition to IFRS

This is the first year that the Company has presented its financial statements under IFRS. The last financial statements under UK GAAP were for the year ended 31 December 2004 and the date of transition to IFRS was therefore 1 January 2004. For further detail on the transition to IFRS refer to the regulatory announcement "REG – T&F Informa plc IFRS Statement" released on 13 June 2005, which is available on the Group's website.

Reconciliation of Profit for the Year Ended 2004

	Notes	UK GAAP balances in IFRS format £'000	T&F acquisition adjustments (Note 1) £'000	IFRS adjustments £'000	IFRS £'000
Revenue		504,666	(54,821)	–	449,845
Share of revenue of joint ventures	2	(441)	–	441	–
Change in inventories of finished goods and work in progress	3	1,042	4,366	(961)	4,447
Raw materials and consumables used		(158,646)	8,618	–	(150,028)
Employee benefit expense	4, 5	(150,645)	14,077	(3,386)	(139,954)
Depreciation expense	6	(8,818)	920	839	(7,059)
Amortisation of intangible fixed assets	6	(34,741)	4,965	20,156	(9,620)
Goodwill impairment		(15,000)	–	–	(15,000)
Other expenses		(88,507)	18,215	–	(70,292)
Share of result of joint ventures	2	(271)	–	271	–
Operating profit		48,639	(3,660)	17,360	62,339
Merger costs		(15,703)	15,703	–	–
Non-operating income and expense		(1,118)	–	–	(1,118)
Finance costs	5	(20,551)	2,154	(2,137)	(20,534)
Investment income	5	1,117	–	1,191	2,308
Profit before tax		12,384	14,197	16,414	42,995
Tax on profit on ordinary activities	7	(12,284)	1,528	37,597	26,841
Profit for the year from continuing operations		100	15,725	54,011	69,836
Less: minority interest		26	–	–	26
Profit attributable to equity holders of the parent		126	15,725	54,011	69,862

Notes on significant items:

1 Under former UK GAAP the business combination of Informa Group plc and Taylor & Francis Group plc was accounted for using merger accounting. In accordance with IFRS, the purchase accounting method has been used, meaning that the results of Taylor & Francis pre-merger have been eliminated. This reduces revenue by £54,821,000, operating profit by £3,660,000, profit before tax by £1,506,000 and tax is increased by £1,528,000. In addition, certain costs, treated as merger costs under UK GAAP, have been reclassified as costs of acquisition and added to goodwill in the balance sheet, resulting in a £15,703,000 reduction in costs for the year ending 31 December 2004. This increased profit before tax in total by £14,197,000.

2 Under IFRS the Group's share of the result of its joint ventures is not disclosed separately on the face of the income statement and its share of revenue is included in Group revenue.

3 IAS 38 "Intangible Assets" states that deferred promotional costs, which had previously been capitalised as inventory, must be written off as incurred. An amount of £4,000,000 was written off from the opening balance sheet at 1 January 2004. A further, £961,000 was written off in the year ending 31 December 2004 from both the Income Statement and Balance Sheet.

4 Under former UK GAAP, there was no requirement for an expense to be recognised in the financial statements in relation to equity instruments granted, based on their "fair value" at the date of grant. In accordance with IFRS 2 "Share-Based Payments", this expense, which is primarily in relation to employee option and performance share schemes, is then recognised over the vesting period of the relevant scheme. The charge to the income statement for the year ending 31 December 2004 is £2,560,000.

5 The Group has elected to adopt early the amendment to IAS 19, "Employee Benefits" issued by the IASB on 16 December 2004 which allows for all actuarial gains and losses to be charged or credited to equity. The incremental net charge on the Group's income statement is £826,000 for the year ending 31 December 2004. The transitional adjustment of £13,894,000 to opening reserves comprises the reversal of entries in relation to UK GAAP less the recognition of the net liabilities of the Group's and associated undertakings' defined benefit schemes. The adjustment to the 31 December 2004 Balance Sheet is a further £3,762,000.

6 IAS 38 states that goodwill should not be amortised, but instead subjected to an annual impairment review. The goodwill amortisation charge previously calculated under UK GAAP has been credited to the profit and loss account. However, IAS 38 does require the Group to amortise intangible fixed assets over their estimated useful lives. Further, computer software is considered an intangible asset and therefore the resulting reduction in value of this asset is taken through the amortisation line in the Income Statement. The resultant net credit to the Group's Income Statement is £20,156,000 for the year ending 31 December 2004, which comprises a reduction of £8,534,000 in intangible fixed assets, an increase of £29,529,000 in goodwill, and the software amortisation amount of £839,000.

7 On the transfer of the trade and assets of PJB Publications Limited to T&F Informa UK Limited on 1 September 2004, a deferred tax asset of £35,386,000 has been recognised with a resultant credit to the Income Statement. The balance of £3,739,000 is the attributable taxation effect of the above adjustments.

42 Explanation of Transition to IFRS continued

Reconciliation of Equity at 1 January 2004

	Notes	UK GAAP balances in IFRS format £'000	IFRS adjustments £'000	IFRS £'000
ASSETS				
Non-current assets				
Goodwill	6	306,131	1,283	307,414
Other intangible assets	8	–	6,752	6,752
Property and equipment	8	27,262	(6,752)	20,510
Available-for-sale investments	12	3,252	–	3,252
		336,645	1,283	337,928
Current assets				
Trade and other receivables	11	56,164	(1,066)	55,098
Inventory	3	7,419	(4,000)	3,419
Cash and cash equivalents		10,454	–	10,454
		74,037	(5,066)	68,971
Total assets		410,682	(3,783)	406,899
EQUITY AND LIABILITIES				
Capital and reserves				
Called up share capital		15,195	–	15,195
Share premium account		184,494	–	184,494
Reserve for shares to be issued		1	–	1
Other reserve		37,398	–	37,398
ESOP trust shares	12	(3,641)	–	(3,641)
Hedging and translation reserve		(2,358)	–	(2,358)
Retained losses		(157,289)	(6,471)	(163,760)
Equity attributable to equity holders of parent		73,800	(6,471)	67,329
Minority interests		79	–	79
Total equity		73,879	(6,471)	67,408
Non-current liabilities				
Long-term borrowings		177,245	–	177,245
Deferred tax liabilities	7, 5	3,900	(4,922)	(1,022)
Retirement benefit obligation	5	–	14,830	14,830
Provisions		660	–	660
Trade and other payables		5,923	–	5,923
		187,728	9,908	197,636
Current liabilities				
Short-term borrowings		5,472	–	5,472
Current taxation liabilities		18,033	–	18,033
Provisions		6,343	–	6,343
Trade and other payables	9, 10	17,191	(7,220)	9,971
Deferred income		102,036	–	102,036
		149,075	(7,220)	141,855
Total liabilities		336,803	2,688	339,491
Total equity and liabilities		410,682	(3,783)	406,899

Notes on significant items:

8 Under IAS "Intangible Fixed Assets", only computer software that is integral to a related item of hardware can be included as property and equipment. Accordingly, £6,752,000 of computer software has been reclassified from property and equipment to other intangible assets. As at 31 December 2004 this amount is £5,931,000.

9 Under IAS 10 "Events After Balance Sheet Date", dividends to shareholders declared after the balance date but before the financial statements are authorised for issue are not recognised as a liability at the balance sheet date but disclosed separately in the notes. Under former UK GAAP such dividends were previously recognised as a liability. The change results in an increase in equity of £8,389,000 at 31 December 2004 (£7,480,000 as of 1 January 2004).

10 Previously, under former UK GAAP the Group did not recognise a provision for holiday pay, as required under IAS 19 "Employee Benefits". The Group has recognised a liability of £468,000 in the opening balance sheet.

11 Previously deferred costs of £1,066,000 have been written off to align accounting policies as a result of the business combination between Informa Group plc and Taylor & Francis Group plc.

12 Note that the 2004 Financial Statements had opening balances restated on the adoption of UITF 38 "Accounting for ESOP Trusts", with the cost of shares now shown as a reduction to shareholders' funds (of £3,641,000). This adjustment is consistent with IFRS presentation.

42 Explanation of Transition to IFRS continued

Reconciliation of Equity at 31 December 2004

	Notes	UK GAAP balances in IFRS format £'000	T&F acquisition adjustments (Note 1) £'000	IFRS adjustments £'000	IFRS £'000
ASSETS					
Non-current assets					
Goodwill	6	497,986	75,508	29,529	603,023
Other intangible assets	6, 8	6,258	477,387	(2,621)	481,024
Property and equipment	8, 13	33,400	(84)	(11,837)	21,479
Available-for-sale investments		10,605	–	–	10,605
Deferred tax asset		414	39,684	–	40,098
		548,663	592,495	15,071	1,156,229
Current assets					
Trade and other receivables		98,853	(640)	–	98,213
Inventory	3	35,473	(2,977)	(4,961)	27,535
Cash and cash equivalents		19,126	–	–	19,126
		153,452	(3,617)	(4,961)	144,874
Non-current assets classified as held for sale	13	–	–	5,924	5,924
Total assets		702,115	588,878	16,034	1,307,027
EQUITY AND LIABILITIES					
Capital and reserves					
Called up share capital		29,946	–	–	29,946
Share premium account		187,755	4,342	–	192,097
Reserve for shares to be issued		1,267	380	–	1,647
Merger reserve		34,540	461,860	–	496,400
Other reserve		37,398	–	–	37,398
ESOP trust shares		(3,641)	(1,090)	–	(4,731)
Hedging and translation reserve		(6,800)	–	–	(6,800)
Retained losses		(149,278)	(19,240)	54,386	(114,132)
Equity attributable to equity holders of parent		131,187	446,252	54,386	631,825
Minority interests		53	–	–	53
Total equity		131,240	446,252	54,386	631,878
Non-current liabilities					
Long-term borrowings		305,721	–	–	305,721
Deferred tax liabilities	7	5,901	140,121	(44,121)	101,901
Retirement benefit obligation	5	–	4,879	17,656	22,535
Provisions		53	–	–	53
Trade and other payables		465	–	–	465
		312,140	145,000	(26,465)	430,675
Current liabilities					
Short-term borrowings		15,346	–	–	15,346
Current taxation liabilities		22,420	–	721	23,141
Provisions		607	–	–	607
Trade and other payables	5, 9	96,001	185	(15,167)	81,019
Deferred income		124,361	–	–	124,361
		258,735	185	(14,446)	244,474
Total liabilities		570,875	145,185	(40,911)	675,149
Total equity and liabilities		702,115	591,437	13,475	1,307,027

Notes on significant items:

13 Under IFRS, assets held for resale have been separately disclosed. Under former UK GAAP these assets, comprising of properties for sale and valued at £5,924,000, were disclosed as part of property and equipment. As at 31 December 2005 the remaining property (£4,574,000) is expected to be sold within the next 12 months.

42 Explanation of Transition to IFRS continued

Explanation of Material Adjustments to the Cash Flow Statement for 2004

The major impact on the Cash Flow Statement for 2004 relates to the business combination of Informa Group plc and Taylor & Francis Group plc. As noted previously, under IFRS the acquisition method has been used, rather than merger accounting. This has not resulted in a change to the net cash position of the Company, but has impacted the way cash flow items have been disclosed. The impact was a decrease in cash from operating activities by £20,692,000 to £67,492,000. This also impacts the acquisition of subsidiaries and movements on financing amounts.

Independent Auditors' Report to the Members of Informa plc

We have audited the individual Company financial statements (the "financial statements") of Informa plc ("the Company") for the year ended 31 December 2005 which comprise the Balance Sheet and the related Notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

The Corporate Governance Statement and the Directors' Remuneration Report are included in the Group Annual Report of Informa plc for the year ended 31 December 2005.

We have reported separately on the Group financial statements of Informa plc for the year ended 31 December 2005 and on the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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
The Directors' responsibilities for preparing the annual report and the individual Company financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We report to you if, in our opinion, the Directors' Report is not consistent with the financial statements. We also report to you if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and the other information contained in the Annual Report for the above year and described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Reading

13 March 2006

Company Balance Sheet

At 31 December 2005

	Notes	2005 £'000	Restated 2004 £'000
Fixed assets			
Tangible assets	2	**594**	612
Investments	3	**1,381,922**	576,295
		1,382,516	576,907
Current assets			
Debtors due within one year	4	**582,349**	571,455
Cash at bank and in hand		**–**	5,710
		582,349	577,165
Creditors: amounts falling due within one year	5	**(395,891)**	(358,637)
Accruals	6	**(12,535)**	(6,482)
Net current assets		**173,923**	212,046
Total assets less current liabilities		**1,556,439**	788,953
Creditors: amounts falling due after more than one year	7	**(692,500)**	(305,721)
Provisions for liabilities and charges	8	**(998)**	(237)
Net assets		**862,941**	482,955
Capital and reserves			
Called up share capital	9	**42,152**	29,946
Share premium account	10	**492,484**	187,755
ESOP trust shares	10	**(3,334)**	(3,641)
Hedging and translation reserve	10	**15,268**	–
Reserve for own shares	10	**1,124**	380
Profit and loss account	11	**315,247**	268,555
Equity shareholders' funds		**862,941**	482,995

These financial statements were approved by the Board of Directors on 13 March 2006 and were signed on its behalf by:

P Rigby
Director

A Foye
Director

1 Accounting Policies

Basis of Accounting
The separate financial statements of the Company are presented as required by the Companies Act 1985. They have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and law.

The Directors' Report, Corporate Governance Statement and Directors' Remuneration Report disclosures are included in the Group Annual Report of Informa plc.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, with the exception of the implementation of FRS 20 "Share-Based Payment", FRS 21 "Events after the Balance Sheet Date", FRS 25 "Financial Instruments: Disclosure and Presentation" and FRS 26 "Financial Instruments: Measurement", the impact of which is detailed in Notes 10, 11 and 12. The comparative information has been disclosed in accordance with FRS 13 "Derivatives and other financial investments: Disclosure".

Interest Income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Tangible Fixed Assets
Tangible fixed assets are recorded at cost less accumulated depreciation and provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets in equal instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold properties and improvements	Over life of the lease
Equipment, fixtures and fittings	3 to 15 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Share Based Payments
The Company has applied the requirements of FRS 20 "Share Based Payment". In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005.

The Company issues equity settled share based payments to certain employees. A fair value for the equity settled share awards is measured at the date of grant. The fair value is measured using the Binomial model of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations. To assign a fair value to share awards granted under the Share Matching Plan where the proportion of the award released is dependent on the level of total shareholder return the Monte Carlo Simulation methodology is considered the most appropriate.

An expense is recognised to spread the fair value of each award over the vesting period on a straight line basis, after allowing for an estimate of the share awards that will actually vest. The estimate of vesting is reviewed annually, with any impact on the cumulative charge being recognised immediately.

Investments
Investments held as fixed assets are stated at cost less provision for any impairment in value. Investments held by the Company in subsidiaries and joint ventures denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date.

Financial Instruments
The Company has adopted FRS 26 "Financial Instruments: Measurement" with effect from 1 January 2005.

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Investments
Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible (with a maturity of three months or less) to a known amount of cash and are subject to an insignificant risk of changes in value.

1 Accounting Policies continued

Financial Liabilities and Equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Bank Borrowings
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the Profit and Loss Account using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Equity Instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative Financial Instruments and Hedge Accounting
The Company's holding activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The derivative instruments utilised by the Company to hedge these exposures are interest rate swaps, cross currency swaps and spot and forward foreign exchange contracts. The Company does not use derivative contracts for speculative purposes.

The Board set the Company's treasury policy to ensure that it has adequate financial resources to develop the Company's businesses and to manage the currency and interest risks to which the Company is exposed. All external hedging is performed by the Company Treasury Function. Company Treasury acts as a service centre operating under the clearly defined regulation of the Board. The Company monitors the distribution of its cash assets, borrowings and facilities so as to control exposure to the relative performance of any particular territory, currency or institution.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the Profit and Loss Account. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the Profit and Loss Account in the same period in which the hedged item affects net profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Profit and Loss Account as they arise.

Amounts payable or receivable in respect of interest rate swaps are recognised as adjustments to interest expense over the period of the contracts.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the Profit and Loss Account for the year.

Finance Costs
Finance costs of debts are capitalised against the debt value on first drawdown of the debt and are recognised in the Profit and Loss Account at a constant rate over the life of the debt.

ESOP Trust Shares
Own shares deducted in arriving at shareholders' funds represent the cost of the Company's ordinary shares acquired by the Employee Share Option Plan (ESOP) trusts in connection with certain of the Company's employee share schemes.

Provisions
Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the Balance Sheet date, and are discounted to present value where the effect is material.

Current tax
Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where the transactions or events that give rise to an obligation to pay more or less tax in the future have occured by the Balance Sheet date.

A deferred tax asset is recognised only when it is considered more likely than not that it will be recovered.

2 Tangible Fixed Assets

	Leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2005	254	2,924	3,178
Additions	187	108	295
At 31 December 2005	441	3,032	3,473
Depreciation			
At 1 January 2005	(135)	(2,431)	(2,566)
Charge for year	(16)	(297)	(313)
At 31 December 2005	(151)	(2,728)	(2,879)
Net book value			
At 31 December 2005	290	304	594
At 31 December 2004	119	493	612

3 Investments

	Shares in subsidiary undertakings £'000	Available-for-sale investments £'000	Total £'000
At 1 January 2005	573,511	2,784	576,295
Additions	807,178	–	807,178
Exchange differences	(1,025)	–	(1,025)
Disposals	(526)	–	(526)
At 31 December 2005	1,379,138	2,784	1,381,922

The listing below shows the principal subsidiary undertakings as at 31 December 2005:

Company	Country of registration and incorporation	Principal activity	Ordinary shares held
Taylor and Francis Group Ltd	England and Wales	Holding Company	100%
Informa Holdings Limited	England and Wales	Holding Company	100%
Informa QUEST Limited	England and Wales	Qualifying employee share trust	100%
MMS Group Holding Limited	England and Wales	Holding company	100%
PJB Publications Limited	England and Wales	Holding company	100%
IIR Holdings Limited	Bermuda	Holding company	100%

The proportion of voting power held is the same as the proportion of ownership interest.

4 Debtors Due Within One Year

	2005 £'000	2004 £'000
Amounts owed by subsidiary undertakings	**567,560**	564,381
Other debtors	**14,508**	6,754
Prepayments and accrued income	**281**	320
	582,349	571,455

5 Creditors: Amounts Falling Due Within One Year

	2005 £'000	Restated 2004 £'000
Bank loans	**53,715**	5,156
Loan notes	**–**	5,774
Bank overdraft	**30**	–
Amounts owed to subsidiary undertakings	**340,952**	345,055
Other creditors	**1,194**	2,652
	395,891	358,637

6 Accruals

	2005 £'000	2004 £'000
Accruals	**12,535**	6,482

7 Creditors: Amounts Falling Due After More Than One Year

	2005 £'000	2004 £'000
Bank loans	**692,500**	305,721

The bank loans are guaranteed by material subsidiaries of the Company. An analysis of the maturity of debt is given in Note 17 (a).

8 Provisions for Liabilities and Charges

	Property lease £'000
At 1 January 2005	237
Provided in year	899
Utilised in year	(138)
At 31 December 2005	998

The property lease provision represents the estimated excess of rent payable on surplus property leases, dilapidation provisions where they exist, less rent received via sub-leases.

9 Share Capital

Company	2005 £'000	2004 £'000
Authorised		
600,000,000 (2004: 500,000,000) ordinary shares of 10p each*	**60,000**	50,000

* During the year an additional 100,000,000 ordinary shares of 10p (2004: 320,000,000 ordinary shares of 10p) each were authorised on the acquisition of IIR Holdings Limited by Informa Group plc (2004: authorised on the acquisition of Taylor & Francis Group plc).

	2005 £'000	2004 £'000
Issued and fully paid		
421,521,110 ordinary shares of 10p each (2004: 299,462,868 of 10p each)	**42,152**	29,946

	2005 £'000	2004 £'000
At 1 January	**29,946**	15,195
Options exercised	**176**	117
Issue of share capital	**12,030**	14,634
At 31 December	**42,152**	29,946

Movements in Called Up Share Capital

During the year the Company issued 1,763,165 (2004: 1,178,885) ordinary shares of 10p for a consideration of £5,248,274 (2004: £2,989,000) with a nominal value of £176,000 (2004: £117,000) as a result of the exercise of share options.

On 25 July 2005, the Company issued 120,300,000 ordinary shares as part of a two-for-five Rights Issue, with a nominal value of £12,030,000 and a fair value of £311,700,000 to shareholders to partially fund the acquisition of IIR Holdings Limited.

On 10 May 2004, the Company issued 146,300,000 ordinary shares with a nominal value of £14,630,000 and a fair value of £511,000,000 to Taylor & Francis Group plc shareholders under the terms of the business combination of Informa Group plc and Taylor & Francis Group plc.

10 Reserves

Company	Hedging and translation reserve £'000	Reserve for own shares £'000	Share premium £'000	ESOP Trust shares £'000
At 31 December 2004	–	380	187,755	(3,641)
Implementation of FRS 26	(2,451)	–	–	–
At 1 January 2005	(2,451)	380	187,755	(3,641)
Recognised in income and expense in the year	17,303	–	–	–
Issue of share capital (net of £7,095,000 transaction costs)	–	–	299,657	–
Premium arising on options exercised during year	–	–	5,072	–
Transfer to income	416	–	–	–
Share award expense	–	744	–	307
At 31 December 2005	15,268	1,124	492,484	(3,334)

As at 31 December 2005 the Informa Employee Share Trust held 632,775 (2004: 632,775) ordinary shares in the Company at a cost of £3,641,000 (2004: £3,641,000) (market value £2,744,000). Informa Quest Ltd held 2,842 (2004: 171,285) ordinary shares at a book cost of £nil (2004: £nil) (market value £12,000). The Taylor & Francis Group Employee Benefit Trust held nil (2004: 935,279) ordinary shares at a book cost of £nil (2004: £1,090,000). These shares have not yet been allocated to individuals and accordingly, dividends on these shares have been waived.

As at 31 December 2005 the Group held 0.2% (2004: 0.6%) of its own called up share capital.

11 Profit and Loss Account

	2005 £'000	Restated 2004 £'000
At 1 January	**268,555**	295,830
Profit/(loss) after taxation (Note 12)	**73,963**	(11,393)
Equity dividends	**(27,271)**	(15,882)
At 31 December	**315,247**	268,555

Included in the Profit and Loss Account of the Company at 31 December 2005 are non-distributable reserves of £203,344,000, (2004: £203,344,000).

As permitted by Section 230 of the Companies Act 1985, the Profit and Loss Account of the parent Company is not presented as part of these accounts. The parent Company's profit, before the payment of dividends for the financial year, amounted to £73,963,000 (2004: loss of £11,393,000).

For the year ended 31 December 2005, dividends paid to shareholders comprise the final 2004 dividend of £15,926,000 (5.33p per share, ex-Rights Issue 4.76p per share) and the interim 2005 dividend of £11,345,000 (2.70p per share, ex-Rights Issue 2.41p per share). For the year ended 31 December 2004, dividends paid to shareholders comprise the final 2003 dividend of £7,480,000 (4.94p per share, ex-Rights Issue 4.41p per share) and the interim 2004 dividend of £8,342,000 (2.80p per share, ex-Rights Issue 2.50p per share). The proposed final dividend for the year ended 31 December 2005 is £25,292,000 (6.00p).

Amounts payable to Deloitte & Touche LLP by the Company in 2005 in relation to audit services amounted to £27,000 (2004: £25,000). Amounts payable to Deloitte & Touche LLP by the Company in 2005 in relation to non-audit services amounted to £nil (2004: £nil).

During 2005 a number of new Financial Reporting Standards were implemented, the impact on the profit is detailed in Note 12. The following table details the impact of compliance with the new FRS on the 2004 profit and loss account:

	2004 £'000
Profit and Loss Account as at 31 December 2004 – as previously stated	253,066
Share based payments[1]	(380)
Removal of dividends[2]	15,869
Profit and Loss Account as at 31 December 2004 – restated	268,555

[1] Under FRS 20 "Share Based Payments", equity settled share based payments to employees are a part of employee benefit expense charged to operating profit. A corresponding increase to the Reserve for Own Shares has been made.

[2] Under FRS 21 "Events after the Balance Sheet Date", dividends to shareholders declared after the balance date but before the financial statements are authorised for issue are not recognised as a liability at the balance sheet date. The final dividend accrued in the 2004 UK GAAP Financial Statements has therefore been reversed. Under FRS 26 "Financial Instruments: Measurement", all hedging activity is taken to the balance sheet. There is no profit and loss impact during 2004, however an amount of £2,451,000 was taken to the hedging and translation reserve with a corresponding increase in accruals.

12 Loss After Taxation

	2004 £'000
Loss after taxation – as previously stated	(11,013)
Prior year adjustments	(380)
Loss after taxation – restated	(11,393)

13 Share Based Payments

Details of the share based payments made by the Company are in the Group Annual Report (Note 40).

14 Operating Lease Arrangements

	2005 £'000	2004 £'000
Minimum lease payments under operating leases recognised in income for the year	**563**	14

At the Balance Sheet date, the Company had annual commitments under non-cancellable operating leases, for land and buildings, as follows:

	2005 £'000	2004 £'000
Operating leases which expire between two and five years	**432**	210

Operating lease payments represent rentals payable by the Company for certain of its properties. Leases are negotiated for an average term of four years.

15 Commitments

	2005 £'000	2004 £'000
Commitments for the acquisition of property, plant and equipment	**200**	–

16 Staff Costs

The monthly average number of persons employed by the Company (including Directors) during the year was 54 (2004: 37).

Their aggregate remuneration comprised:

	2005 £'000	2004 £'000
Wages and salaries	**5,378**	4,331
Social security costs	**641**	345
Pension costs	**818**	490
Redundancy costs	**1,200**	491
	8,037	5,657

The remuneration of Directors, is set out below. Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration report on pages 27 to 33 of the Group Annual Report.

	2005 £'000	2004 £'000
Short-term employee benefits	**2,153**	2,607
Post-employment benefits	**659**	432
Termination benefits	**1,200**	491
Share-based payment	**524**	1,430
	4,536	4,960

17 Financial Instruments

The Company's activities expose it mainly to the financial risks of changes in foreign currency exchange rates and changes in interest rates. The Company's policy is to hedge these exposures as explained further below using primarily interest rate swaps, cross currency swaps and spot and forward foreign exchange contracts.

Treasury Policy
The Board set the Company's treasury policy to ensure that it has adequate financial resources to develop the Company's businesses and to manage the currency and interest risks to which the Company is exposed. The Company mainly uses foreign exchange forward and spot contracts and interest rate swap contracts to hedge these exposures. All external hedging is performed by the Company Treasury Function. The Company does not use derivative financial instruments for speculative purposes. Where a derivative (in whole or in part) cannot be designated in an effective hedge relationship any gain or loss arising on the undesignated portion of the derivative is immediately recognised in the Profit and Loss Account. Those derivative financial instruments (or portions thereof) that are not designated in a hedging relationship are classified as held for trading. The Treasury Function acts as a service centre operating under the clearly defined regulation of the Board. The Company monitors the distribution of its cash assets, borrowings and facilities so as to control exposure to the relative performance of any particular territory, currency or institution.

Funding and Cash Management
The Company primarily borrows at short-term variable rates under its multi-currency loan facilities. These borrowings are guaranteed by material subsidiary companies. In connection with the acquisition of IIR, in May 2005 the Company arranged for a new five-year loan agreement, becoming effective upon the acquisition of IIR in July 2005 and comprising three facilities:

- A – Term loans of GBP 250 million and USD 500 million;
- B – Multi-currency revolving facilities of GBP 400 million; and
- C – Equity bridge facility of GBP 300 million.

The previously existing loan facility was cancelled at the same time. Facility C was repaid and cancelled in July 2005 following the Rights Issue. In 2001, the Company raised USD 50 million on the US private placement market. The 7.35% Guaranteed Senior Unsecured Notes in respect of the Private Placement are due in seven equal annual instalments from August 2005 to August 2011.

Operationally, cash-pooling arrangements have been organised in GBP, EUR and USD to minimise interest payable on net overdrafts and/or maximise interest receivable on net surplus balances.

Cash Flows
Historically and for the foreseeable future the Company has been, and is expected to continue to be, in a net borrowing position. The Company's policy is to fulfil its borrowing requirements by borrowing in the currencies in which it operates, principally GBP, USD and EUR; thereby providing a natural hedge against projected future surplus USD and EUR cash inflows as well as spreading the Company's interest rate profile across a number of currencies. In addition, GBP-denominated borrowings serve to reduce the exposure of the debt to EBITDA banking covenant to movements in exchange rates in respect of currency-denominated debt. Therefore the Company seeks to maintain GBP-denominated borrowings in the range of 25% to 50% of total borrowings, including where necessary, the selling of USD and EUR for GBP on a regular basis.

In addition, if a significant foreign currency denominated future transaction or cash flow is projected, then the Company may utilise forward foreign exchange contracts to help hedge the associated risk.

Foreign Currency Risk
Allied to the Company's above policy on the hedging of surplus foreign currency cash inflows, the Company will usually seek to finance its net investment in its principal overseas subsidiaries by borrowing in those subsidiaries' functional currencies, primarily EUR and USD. This policy has the effect of protecting the Company's balance sheet from movements in those currencies to the extent that the associated net assets exceed the net foreign currency borrowings.

Interest Rate Risk
The Company seeks to minimise its exposure to fluctuations in interest rates by using interest rate swaps as cash flow hedges to hedge up to 90% of forecast interest payments over a period of up to five years, based on forecast net debt levels by currency during that period. This policy provides a level of certainty of future interest costs by swapping floating costs to fixed-interest payments which in turn assists the predictability of achieving interest-based loan covenants.

17 (a) Maturity Profile of Company Financial Assets and Liabilities

Financial Liabilities

	2005					2004				
	Less than One year £'000	**One to two years £'000**	**Two to five years £'000**	**More than five years £'000**	**Total £'000**	Less than one year £'000	One to two years £'000	Two to five years £'000	More than five years £'000	Total £'000
Current										
Overdrafts	**30**	**–**	**–**	**–**	**30**	–	–	–	–	–
Loan notes	**–**	**–**	**–**	**–**	**–**	5,774	–	–	–	5,774
Bank loans	**53,715**	**–**	**–**	**–**	**53,715**	5,156	–	–	–	5,156
Total current	**53,745**	**–**	**–**	**–**	**53,745**	10,930	–	–	–	10,930
Non-current										
Bank loans	**–**	**50,318**	**636,990**	**5,192**	**692,500**	–	5,155	292,455	8,111	305,721
Derivative financial instruments	**–**	**–**	**–**	**–**	**–**	(894)	91	1,330	29	556
Total non-current	**–**	**50,318**	**636,990**	**5,192**	**692,500**	(894)	5,246	293,785	8,140	306,277
Total	**53,745**	**50,318**	**636,990**	**5,192**	**746,245**	10,036	5,246	293,785	8,140	317,207

The Company had the following committed undrawn borrowing facilities at 31 December:

Expiry date	**2005 £'000**	2004 £'000
In one year or less	**–**	18,987
In more than one year but not more than two years	**–**	–
In more than two years	**217,408**	155,112
	217,408	174,099

Financial Assets

	2005					2004				
	Less than one year £'000	**One to two years £'000**	**Two to five years £'000**	**More than five years £'000**	**Total £'000**	Less than one year £'000	One to two years £'000	Two to five years £'000	More than five years £'000	Total £'000
Current										
Cash and cash equivalents	**–**	**–**	**–**	**–**	**–**	5,710	–	–	–	5,710
Other financial investments (Note 3)	**1,381,922**	**–**	**–**	**–**	**1,381,922**	576,295	–	–	–	576,295
Total current	**1,381,922**	**–**	**–**	**–**	**1,381,922**	582,005	–	–	–	582,005
Non-current										
Derivative financial instruments	**–**	**2,425**	**–**	**–**	**2,425**	–	–	–	–	–
Total non-current	**–**	**2,425**	**–**	**–**	**2,425**	–	–	–	–	–
Total	**1,381,922**	**2,425**	**–**	**–**	**1,384,347**	582,005	–	–	–	582,005

17 (b) Interest Rate Profile

The following interest rate and currency profile of the Company's financial liabilities and assets is after taking into account any interest rate and cross currency swaps entered into by the Company.

Financial Liabilities

	2005				2004			
	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
GBP	**(187,000)**	**(123,847)**	**–**	**(310,847)**	(82,830)	(89,416)	–	(172,246)
USD	**(256,677)**	**(80,324)**	**–**	**(337,001)**	(23,829)	(69,717)	–	(93,546)
EUR	**(61,262)**	**(27,330)**	**–**	**(88,592)**	(41,928)	455	–	(41,473)
Other worldwide currencies	**(9,805)**	**–**	**–**	**(9,805)**	(9,942)	–	–	(9,942)
	(514,744)	**(231,501)**	**–**	**(746,245)**	(158,529)	(158,678)	–	(317,207)
Of which: gross borrowings				**(746,245)**				(316,651)
Derivative financial instruments				**–**				(556)
				(746,245)				(317,207)

The Company draws down on its borrowing facilities at floating rates of interest. A portion of those are then swapped to fixed rates in line with the treasury policy. The first portion of these swaps end within 12 months (£25,821,000), the second portion ends in a period greater than one year but less than two years (£148,358,000) and the final portion ends between two and five years (£340,565,000).

Interest on floating-rate liabilities is based on the relevant national inter-bank rates.

Financial Assets

	2005				2004			
	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
GBP	**(1,352)**	**–**	**1,381,922**	**1,380,570**	–	5,710	576,295	582,005
USD	**3,945**	**–**	**–**	**3,945**	–	–	–	–
EUR	**(81)**	**–**	**–**	**(81)**	–	–	–	–
Other worldwide currencies	**(87)**	**–**	**–**	**(87)**	–	–	–	–
	2,425	**–**	**1,381,922**	**1,384,347**	–	5,710	576,295	582,005
Of which: derivative financial instruments				**2,425**				5,710
Other financial investments				**1,381,922**				576,295
				1,384,347				582,005

Interest on floating-rate bank deposits is based on the relevant national inter-bank rate and may be fixed in advance for up to one month. There were no fixed-rate deposits as at 31 December 2005 or 2004.

The interest rate profile of fixed-rate financial liabilities and the weighted average maturity period of interest-free financial liabilities are analysed below:

	2005		2004	
	Weighted average effective interest rate %	Weighted average for period for which the rate is fixed	Weighted average effective interest rate %	Weighted average for period for which the rate is fixed
GBP	**4.8**	**3.2**	5.2	3.4
USD	**4.2**	**2.6**	3.6	2.4
EUR	**3.0**	**2.0**	3.6	2.3
YEN	**1.9**	**0.3**	1.9	1.3
Gross financial liabilities	**3.9**	**2.6**	4.3	2.8

17 (c) Fair Values of Financial Assets and Liabilities

The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value. The fair value of these financial instruments was:

Primary Financial Instruments Held or Issued to Finance the Company's Operations

	2005 Book value £'000	2005 Estimated fair value £'000	2004 Book value £'000	2004 Estimated fair value £'000
Bank loans and overdrafts (including current portion of long-term borrowing)	**(53,745)**	**(53,745)**	(5,156)	(5,156)
Loan notes due in less than one year	**–**	**–**	(5,774)	(5,774)
Long-term borrowings	**(692,500)**	**(692,500)**	(305,721)	(305,721)
Cash deposits	**–**	**–**	5,710	5,710
Other financial assets	**1,381,922**	**1,381,922**	576,295	576,295
Other financial liabilities	**2,425**	**2,425**	(556)	(3,007)

The carrying value of primary financial instruments approximates to fair value due to the short maturity of the instruments or because they bear interest at rates approximate to the market. The fair value of the other financial assets is calculated based on the quoted market price, excluding any transaction costs.

Derivative Financial Instruments Held to Manage the Interest Rate Profile

	2005		2004	
	Carrying amount £'000	**Estimated fair value £'000**	Carrying amount £'000	Estimated fair value £'000
Interest rate swaps (Note 17 (b))	**2,425**	**2,425**	(556)	(3,007)

The fair value of the derivative financial instruments is based on year-end listed market prices. In line with FRS 26, the derivative financial instruments were brought onto the balance sheet as at 1 January 2005 at fair value. The carrying amount of the interest rate swaps comprise £(1,352,000) in GBP, £3,945,000 in USD, £(81,000) in EUR and £(87,000) in other worldwide currencies.

Five Year Summary

	IFRS		Pre-IFRS*		
	2005 £'000	2004 £'000	2003 £'000	2002 £'000	2001 £'000
Results					
Revenue	**729,280**	449,845	267,997	283,442	322,853
Profit from operations	**91,418**	62,339	17,405	19,809	23,844
Profit before tax	**61,045**	42,995	7,763	12,084	15,029
Profit attributable to equity holders of Informa plc	**8,825**	69,836	859	4,767	5,095
Assets employed					
Non-current assets	**2,105,358**	1,156,229	340,286	187,507	206,797
Current assets	**239,491**	144,874	74,037	63,141	71,934
Non-current assets classified as held for resale	**4,574**	5,924	–	–	–
Current liabilities	**(466,076)**	(244,474)	(142,732)	(117,876)	(126,309)
Non-current liabilities	**(957,359)**	(430,675)	(194,071)	(106,171)	(118,020)
Net assets	**925,988**	631,878	77,520	26,601	34,402
Financed by					
Equity	**925,878**	631,825	77,441	26,267	34,196
Minority interests	**110**	53	79	334	206
	925,988	631,878	77,520	26,601	34,402
Key statistics					
Earnings per share	**2.27**	25.47	0.65	3.74	4.07
Diluted earnings per share	**2.26**	25.30	0.65	3.74	4.03

* The amounts disclosed for 2003 and earlier years are stated on the basis of UK GAAP because it is not practicable to restate amounts for periods prior to the date of transition to IFRS. The principal differences between UK GAAP and IFRS are explained in Note 42 to the Financial Statements which provides an explanation of the transition to IFRS.

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