Annual Report & Accounts 2013

Euromoney Institutional Investor PLC

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Euromoney Institutional Investor PLC

is listed on the London Stock Exchange and is a member of the FTSE 250 share index. It is a leading international business-to-business media group focused primarily on the international finance, metals and commodities sectors.

The group publishes more than 70 titles in both print and online, including *Euromoney*, *Institutional Investor* and *Metal Bulletin*, and is a leading provider of electronic research and data under the BCA Research, Ned Davis Research and ISI Emerging Markets brands. It also runs an extensive portfolio of conferences, seminars and training courses for financial markets

The group's main offices are in London, New York, Montreal and Hong Kong and more than a third of its revenues are derived from emerging markets

"We have continued, and will continue, to invest across the business to drive organic growth and through selective acquisitions. The five businesses acquired since the beginning of last year build on our existing strengths but also take us into exciting new sectors.

First quarter trading in the new financial year is in line with the board's expectations and sentiment in financial markets remains broadly positive. This encourages us to believe that we can continue to grow our revenues and gives us confidence that our investment programme for the digital transformation of our businesses, in particular via the Delphi content management system, is the right strategy to pursue."

Richard Ensor
Chairman

Highlights

Revenue
£404.7m

Adjusted Operating Profit*
£121.1m

Operating Profit
£105.6m

Adjusted Profit before Tax*
£116.5m

Profit before tax
£95.3m

Adjusted Diluted Earnings per Share*
71.0p

Diluted Earnings per Share
56.7p

Dividend
22.75p

Net debt
£9.9m

* See reconciliation of Consolidated Income Statement to adjusted results on page 7

Contents

Our Divisions
Activities

FINANCIAL PUBLISHING

Revenue
£75.6m

Financial publishing includes an extensive portfolio of titles covering the international capital markets as well as a number of specialist financial titles. Products include magazines, newsletters, journals, surveys and research, directories, and books.

A selection of the company's leading financial brands includes *Euromoney, Institutional Investor, EuroWeek, Latin Finance, Asiamoney, Global Investor, Project Finance, Air Finance* and the hedge fund title *EuroHedge*

BUSINESS PUBLISHING

Revenue
£68.9m

The business publishing division produces print and online information for the metals and mining, legal, telecoms and energy sectors.

Its leading brands include *Metal Bulletin, American Metal Market, International Financial Law Review, International Tax Review* and *Managing Intellectual Property, Capacity, Petroleum Economist, World Oil* and *Hydrocarbon Processing*

CONFERENCES AND SEMINARS

Revenue
£99.4m

The group runs a large number of sponsored conferences and seminars for the international financial markets, mostly under the Euromoney, Institutional Investor, Metal Bulletin and IMN brands.

Many of these conferences are the leading annual events in their sector and provide sponsors with a high quality programme and speakers, and outstanding networking opportunities Such events include Euromoney's *Covered Bond Congress*, the *Global Borrowers* and *Investors Forum*, the *Annual Global Hedge Fund Summit*, the *European Airfinance Conference*, and *Global ABS* and *ABS East* for the asset-backed securities market In the commodities sector, events include Metal Bulletin's *International Ferro Alloys* conference and the world's leading annual coal conferences, *Coaltrans* and *Coaltrans Asia*, TelCap runs *International Telecoms Week*, the worldwide meeting place for telecom carriers and service providers, and MIS runs a leading event for the information security sector in the US, *InfoSec World*

Group revenue

£404.7m

» For more information go to the Strategic report on pages 8-29

GROUP REVENUE SPLIT

Financial publishing **19%**
Business publishing **17%**
Conferences and seminars **25%**
Training **7%**
Research and data **32%**

TRAINING

The training division runs a comprehensive range of banking, finance and legal courses, both public and in-house, under the Euromoney and DC Gardner brands.

Courses are run all over the world for both financial institutions and corporates In addition the company's Boston-based subsidiary, MIS, runs a wide range of courses for the audit and information security market

Revenue

£30.1m

RESEARCH AND DATA

The group provides a number of subscription-based research and data services for financial markets.

Montreal-based BCA Research is one of the world's leading independent providers of global macro economic research In 2011, the group expanded its independent research activities with the acquisition of US-based Ned Davis Research, a leading provider of independent financial research to institutional and retail investors The company's US subsidiary, Internet Securities, Inc provides the world's most comprehensive service for news and data on global emerging markets under the Emerging Markets Information Service (EMIS) brand, and includes CEIC, one of the leading providers of time-series macro-economic data for emerging markets The group also offers global capital market databases through a venture with its partner, Dealogic (Holdings) plc

Revenue

£131.4m

Chairman's Statement
Richard Ensor

Highlights
Euromoney Institutional Investor PLC, the international online information and events group, achieved a record adjusted profit before tax of £116 5 million for the year to September 30 2013, against £106 8 million in 2012 Adjusted diluted earnings per share were 71 0p (2012 65 9p) The directors recommend a 7% increase in the final dividend to 15 75p, giving a total for the year of 22 75p (2012 21 75p), to be paid to shareholders on February 13 2014

Total revenues for the year increased by 3% to £404 7 million Underlying revenues, excluding acquisitions, increased by 1% Headline subscription revenues increased by 3% to £206 3 million, after a flat first half, and again accounted for just over half of group revenues

The adjusted operating margin was unchanged at 30% While the operating margins of some divisions have come under pressure, this has been offset by savings on central costs Costs and margins remained tightly controlled throughout the year and, as highlighted in previous announcements, the group has continued to invest in technology and new products as part of its online growth strategy

Net debt at September 30 was £9 9 million compared with £38 1 million at March 31 and £30 8 million last year-end The group's net debt is at its lowest level since the acquisition of Institutional Investor in 1997 The group spent £28 1 million on four acquisitions during the year, and since the year-end has put in place a new $160 million multi-credit facility providing headroom for a larger acquisition if and when the opportunity arises

The board believes the Capital Appreciation Plan (CAP), the group's long-term incentive scheme designed to retain and reward those who drive profit growth, has been an important driver of the fivefold increase in the group's profits since it was first introduced in 2004 Accordingly, subject to shareholder approval at the AGM in January 2014, the board proposes to introduce a new CAP, CAP 2014, which will be structured along similar lines to CAP 2010

As highlighted in previous trading updates, the profitability of banks and asset managers has improved during 2013, particularly in the US However, continuing litigation against banks, often leading to significant financial settlements, combined with increasing regulation and demands for stronger capital bases, continues to put pressure on the profits of the banking industry As a result, the broadly positive outlook for markets and economic growth is taking time to translate into a recovery in the spending of financial institutions on marketing, training and information buying

Strategy

The group's strategy remains the building of a robust and tightly focused global online information business with an emphasis on emerging markets This strategy is being executed through increasing the proportion of revenues derived from electronic subscription products, investing in technology to drive the online migration of the group's products as well as developing new electronic information services, building large, must-attend annual events, maintaining products of the highest quality, eliminating products with a low margin or too high a dependence on print advertising, maintaining tight cost control at all times, retaining and fostering an entrepreneurial culture, and using a healthy balance sheet and strong cash flows to fund selective acquisitions

Acquisitions remain a key part of the group's strategy Four were completed in the year and another post year-end In December, the group acquired TTI/Vanguard, a private membership organisation for executives who lead technology innovation, providing an opportunity for Institutional Investor to apply its expertise in building global subscription membership organisations to a new sector In April the group acquired CIE, Australia's leading provider of investment forums for senior executives of superannuation funds and asset management firms Combining CIE with the expertise and relationships of Institutional Investor's forums and membership business has extended the group's coverage of the asset management events sector to a key geographic market

The acquisition of Insider Publishing in March enhanced the group's position in the insurance and reinsurance sector and provides a strong complementary fit with its other reinsurance title, *Reactions* At the end of September the group completed the acquisition of HSBC's Quantitative Techniques operation, the benchmark and calculation agent business of HSBC Bank plc The business has been rebranded *Euromoney Indices* and the group believes the acquisition creates an exciting opportunity to establish a significant footprint in the attractive index compilation market Finally, at the end of October, the group completed the acquisition of *Infrastructure Journal*, a leading information source for the international infrastructure markets By combining the deals database and news coverage of *Infrastructure Journal* with the deals analysis, awards and events of Euromoney's *Project Finance*, the group aims to create the market's most comprehensive online infrastructure information provider

All of these transactions were consistent with the group's strategy of investing in online subscription and events businesses which will benefit from its global reach, marketing expertise and content platforms, and the group will continue to use its robust balance sheet and strong cash flows to pursue further acquisitions in 2014

Driving revenue growth from new products is another key part of the group's strategy The group has continued to invest heavily in technology and content delivery platforms, particularly for the mobile user, and in new digital products as part of its transition to an online information business New products launched in the year included *SteelFirst*, a specialised online news, pricing and analysis service for the steel markets, Institutional Investor's *Sovereign Wealth Center*, a premium digital research tool designed to provide a detailed understanding of sovereign wealth fund investment strategies, and Petroleum Economist's interactive digital maps covering global energy infrastructure

In addition, the group has continued the development of its new platform for authoring, storing and delivering its content (Project Delphi), with a view to both improving the quality of its existing subscription products and increasing the speed to market of new digital information services Initially the Delphi platform will be used to transform BCA's content into a fully integrated online research service, including personalised content and alerts, dynamic and interactive charts, semantic search and a research dashboard to track research themes, investment recommendations and trades Delphi is also being used to upgrade the group's Global Capital Markets products, including *EuroWeek*, through improved search, more data feeds and new transaction and data products, starting with the launch of a new

Chairman's Statement
continued

service covering the Renminbi debt market The Delphi platform is expected to be ready for launch in the second quarter of financial year 2014 The total expected capital investment in Project Delphi is £9 4 million, of which £6 1 million was spent in 2013, with a further £2 7 million expected to be incurred to completion The cost of this project will be amortised over a four-year period

Capital Appreciation Plan

The CAP is the group's long-term incentive scheme designed to retain and reward those who drive profit growth and is an integral part of the group's successful growth and investment strategy

After satisfying the profit target under CAP 2010, the first 50% of CAP 2010 awards vested in February 2013, satisfied by the issue of approximately 1 75 million new ordinary shares and a cash payment of £7 5 million The second 50% of CAP 2010 awards, to the extent the additional performance test has been satisfied, will vest in February 2014 and lead to the issue of a similar number of new shares and cash distribution

The board, supported by its Remuneration Committee, believes the CAP has been an important driver of the fivefold increase in the group's profits since it was first introduced in 2004 Accordingly, subject to shareholder approval at the AGM in January 2014, the board proposes to introduce a new CAP, CAP 2014, which will have a similar structure and cost to CAP 2010 The primary performance test under CAP 2014 will require the group to achieve an adjusted profit before tax (and before CAP expense) of £173 6 million by financial year 2017, equivalent to an average profit growth rate of at least 10% a year from a base of £118 6 million* in 2013 This profit target would be adjusted in the event of any significant acquisitions or disposals during the CAP performance period CAP 2014 awards would vest in three roughly equal tranches in financial years 2018, 2019 and 2020, subject to additional performance tests

In accounting terms, CAP 2014 is expected to cost the group up to £41 million which will be amortised over its six-year life, against a cost of £30 million for CAP 2010 over its four-year life A maximum of 3 5 million ordinary shares will be used to satisfy CAP 2014 rewards, with the balance settled in cash The company intends to acquire these shares in the market over the course of the CAP performance period, rather than through the issue of new shares

Further details of the proposed terms of CAP 2014 will be included in the circular to shareholders to be issued in December in connection with the AGM to be held on January 30 2014

Outlook

First quarter trading has started in line with the board's expectations As part of its strategy, the group has increased significantly the proportion of revenues derived from less volatile subscriptions, and from events Subscription revenues, supported by deferred revenues at the balance sheet date, should continue to grow, while the outlook for events and training is reasonably robust However, the sharp improvement in fourth quarter financial advertising has not continued into the first quarter of the new financial year As usual at this time, forward revenue visibility beyond the first quarter is limited for revenues other than subscriptions

While sentiment in financial markets remains reasonably positive, there is usually a lag between their improved profitability and the appetite for financial institutions to increase their spending on marketing, training and information buying Most customer budgets are calendar year driven so it is too early to determine whether this lag will translate into increased spend in 2014

In 2014, the board plans to continue its programme of investing in the digital transformation of its publishing businesses, in particular using the Delphi platform to improve the quality of its content and launch new products The board is confident its strategy for investing in new products and technology and using its strong balance sheet to fund further acquisitions will continue to drive further growth

Richard Ensor
Chairman
November 13 2013

* The base profit for 2013 is £118 6 million, being the adjusted profit before tax of £116 5 million before CAP expense of £2 1 million

Appendix to Chairman's Statement

Reconciliation of Consolidated Income Statement to adjusted results for the year ended September 30 2013

The reconciliation below sets out the adjusted results of the group and the related adjustments to the statutory Income Statement that the directors consider necessary in order to provide an indication of the adjusted trading performance

	Notes	Adjusted £000	Adjust-ments £000	2013 Total £000	Adjusted £000	Adjust-ments £000	2012 Total £000
Total revenue	3	**404,704**	-	**404,704**	394,144	-	394,144
Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items	3	**121,088**	-	**121,088**	118,175	-	118,175
Acquired intangible amortisation	11	-	**(15,890)**	**(15,890)**	-	(14,782)	(14,782)
Long-term incentive expense		**(2,100)**	-	**(2,100)**	(6,301)	-	(6,301)
Exceptional items	5	-	**2,232**	**2,232**	-	(1,617)	(1,617)
Operating profit before associates		**118,988**	**(13,658)**	**105,330**	111,874	(16,399)	95,475
Share of results in associates		**284**	-	**284**	459	-	459
Operating profit		**119,272**	**(13,658)**	**105,614**	112,333	(16,399)	95,934
Finance income	7	**1,830**	-	**1,830**	1,500	2,975	4,475
Finance expense	7	**(4,575)**	**(7,609)**	**(12,184)**	(7,064)	(977)	(8,041)
Net finance costs		**(2,745)**	**(7,609)**	**(10,354)**	(5,564)	1,998	(3,566)
Profit before tax		**116,527**	**(21,267)**	**95,260**	106,769	(14,401)	92,368
Tax expense on profit	8	**(25,241)**	**3,006**	**(22,235)**	(23,359)	831	(22,528)
Profit after tax		**91,286**	**(18,261)**	**73,025**	83,410	(13,570)	69,840
Attributable to							
Equity holders of the parent		**90,884**	**(18,261)**	**72,623**	83,242	(13,570)	69,672
Equity non-controlling interests		**402**	-	**402**	168	-	168
		91,286	**(18,261)**	**73,025**	83,410	(13,570)	69,840
Diluted earnings per share	10	**70 96p**	**(14 26)p**	**56.70p**	65 91p	(10 74)p	55 17p

Adjusted figures are presented before the impact of amortisation of acquired intangible assets (comprising trademarks and brands, databases and customer relationships), exceptional items, movements in acquisition deferred consideration, and net movements in acquisition commitment values In respect of earnings, adjusted amounts reflect a tax rate that includes the current tax effect of the goodwill and intangible assets

Further analysis of the adjusting items is presented in notes 5, 7, 8, 10 and 11 to the Annual Report

Strategic Report

Euromoney Institutional Investor PLC is listed on the London Stock Exchange and a member of the FTSE 250 share index It is a leading international business-to-business media group focused primarily on the international finance, metals and commodities sectors It publishes more than 70 titles in both print and online, including *Euromoney, Institutional Investor* and *Metal Bulletin*, and is a leading provider of electronic research and data under the BCA Research, Ned Davis Research and ISI Emerging Markets brands It also runs an extensive portfolio of conferences, seminars and training courses for financial and other markets The group's main offices are in London, New York, Montreal and Hong Kong and more than a third of its revenues are derived from emerging markets Details of the group's legal entities can be found in note 13

The Strategic Report has been prepared for the group as a whole and therefore gives greater emphasis to those matters which are significant to Euromoney Institutional Investor PLC and its subsidiary undertakings when viewed as a whole It has been prepared solely to provide additional information to shareholders to assess the company's strategy and the potential for that strategy to succeed, and the Strategic Report should not be relied upon by any other party for any other purpose

1. Strategy

The group's strategy is designed to build a growing, robust and tightly focused global information and events business To achieve this strategy the four key objectives are

- to drive organic growth,
- using a healthy balance sheet and strong cash flows for selective acquisitions to accelerate growth and build market share,
- to maintain focus on high margins and tight cost control, and
- to retain and foster entrepreneurial culture

Set out below is how the group intends to achieve its objectives, the related risks and key performance indicators See page 22 for detailed explanation of the group's principal risks and uncertainties and page 12 for the group's performance against its key performance indicators

1.1 Drive organic growth

BUILDING ROBUST SUBSCRIPTION AND REPEAT REVENUES AND REDUCING THE DEPENDENCE ON ADVERTISING

The group has increased the proportion of revenues derived from subscription products to more than half of its total revenues and expects the proportion of revenues derived from subscriptions to remain between 50% and 60% for the foreseeable future Subscription–based products, particularly online have the advantage of premium–prices, high renewal rates and high margins

KEY RISKS

- Downturn in economy or market sector

KEY PERFORMANCE INDICATORS

- Subscription revenue growth
- Revenue mix – percentage of revenues from subscriptions
- Product subscription retention rates

DRIVING TOP-LINE REVENUE GROWTH FROM BOTH NEW AND EXISTING PRODUCTS

Approximately two thirds of the group's revenues are derived from its information activities including print and online content, databases and research The other third is derived from events including training Growth from these activities remains an integral part of the group's overall strategy Since 2010, the group has been investing heavily in technology and content delivery platforms, particularly for the mobile user, and in new digital products as part of its transition to an online information business

KEY RISKS

- Downturn in economy or market sector
- Failure of online strategy

KEY PERFORMANCE INDICATORS

- Revenue growth
- Like-for-like change in profits
- Percentage of revenues delivered online

USING TECHNOLOGY EFFICIENTLY TO ASSIST THE ONLINE MIGRATION OF THE GROUP'S PRINT PRODUCTS AND DEVELOP NEW ELECTRONIC INFORMATION SERVICES

The group invests for the long–term in businesses and products that meet certain financial and strategic criteria The group is investing heavily in its program to migrate its print products online, develop new electronic information services, and to take advantage of mobile and cloud technology

KEY RISKS

- Data integrity, availability and security
- Failure of central back-office technology
- Failure of online strategy

KEY PERFORMANCE INDICATORS

- Investment in technology and new products
- Online user engagement
- Product subscription retention rates

STRENGTHENING THE GROUP'S MARKET POSITION IN KEY AREAS WHICH HAVE THE CAPACITY FOR ORGANIC GROWTH USING THE EXISTING KNOWLEDGE BASE OF THE GROUP

The group has a global customer base with revenue derived from almost 200 countries, with approximately 60% from the US, Canada, UK and the rest of Europe and more than a third of its revenue from emerging markets Its customer base predominantly consists of financial institutions, governments, financial advisory firms, hedge fund organisations, law firms, commodity traders, other corporate organisations and, for the group's niche focused products, relevant corporate entities across the length of the respective supply chain The group has a sizeable and valuable marketing database allowing new and existing products to be matched with relevant companies and individuals

KEY RISKS

- Travel risk
- London, New York, Montreal or Hong Kong wide disaster
- Downturn in economy or market sector

KEY PERFORMANCE INDICATORS

- Revenue by customer location
- Revenue by market sector

Strategic Report
continued

1.2 Using a healthy balance sheet and strong cash flows for selective acquisitions to accelerate growth and build market share

MAKING ACQUISITIONS THAT SUPPLEMENT THE GROUP'S EXISTING BUSINESSES AND DISPOSALS WHERE THEY NO LONGER FIT

While the market for acquisitions of specialist online information businesses remains competitive and valuations challenging, the group continues to use its robust balance sheet and strong cash flows to pursue further transactions Equally, where businesses no longer fit, the group divests

KEY RISKS

- Acquisitions and disposal risk

KEY PERFORMANCE INDICATORS

- Cash consideration on acquisitions
- Acquisitions TTI/Vanguard, Insider Publishing, Centre for Investor Education and Quantitative Techniques

MANAGING ITS CASH FLOWS TO KEEP ITS DEBT WITHIN A NET DEBT TO EBITDA LIMIT OF THREE TIMES

The group has strong covenants and takes advantage of its ability to borrow money cheaply using these funds to invest in new products and fund acquisitions The group's subscription revenues are normally received in advance, at the beginning of the subscription service, and a typical subscription contract would be for a 12–month period This helps provide the group with strong cash flows and normally leads to cash generated from operations being in excess of adjusted operating profit – a cash conversion percentage in excess of 100%

KEY RISKS

- Treasury operations

KEY PERFORMANCE INDICATORS

- Net debt to EBITDA
- Cash conversion rate

1.3 Maintain focus on high margins and tight cost control

IMPROVING OPERATING MARGINS THROUGH TIGHT COST CONTROL

The group's costs are tightly managed with a constant focus on margin control The group benefits from having a flexible cost base, outsourcing the printing of publications, hiring external venues for events, and choosing to engage freelancers, contributors, external trainers and speakers to help deliver its products Other than its main offices, the group avoids the fixed costs of offices in most of the markets in which it operates This allows the group to scale up resources or reduce overheads as the economic environment in which it operates demands The group continues to eliminate products with a low margin or too high a dependence on print advertising

KEY RISKS

- Downturn in economy or market sector

KEY PERFORMANCE INDICATORS

- Gross margin
- Adjusted operating margin

1.4 Retain and foster entrepreneurial culture

PROVIDING INCENTIVES TO FOSTER AN ENTREPRENEURIAL CULTURE AND RETAIN KEY PEOPLE

The board does not micro–manage each business, instead devolving operating decisions to the local management of each business, while taking advantage of a strong central control environment for monitoring performance and underlying risk This encourages an entrepreneurial culture where businesses have the right kind of support and managers are motivated and rewarded for growth and initiative

KEY RISKS

- Loss of key staff

KEY PERFORMANCE INDICATORS

- Long-term incentives (see section 3 3 6 of the Strategic Report)
- Variable pay as a percentage of total pay
- CAP profit and Adjusted PBT

2. Business model

The group's activities are categorised into five operating divisions Financial Publishing, Business Publishing, Conferences and Seminars, Training, and Research and Data (see page 2 for further details) The group has many mutually exclusive valuable brands (see page 3) allowing the directors to extend the value of existing products and to develop these in new areas – both on a geographical basis and with new products For example, publishing businesses often run branded events and produce data products covering their area of specialism The group has a sizeable and valuable marketing database allowing new and existing products to be matched with relevant companies and individuals

The group primarily generates revenues from four revenue streams advertising, subscriptions, sponsorship and delegates

Advertising revenues represent the fees that customers pay to place an advertisement in one or more of the group's publications, either in print or online Advertising revenue is primarily generated from the Financial Publishing and Business Publishing divisions

Subscription revenues are the fees that customers pay to receive access to the group's information, through online access to various databases, through regular delivery of soft copy research, publications and newsletters or hard copy magazines Subscriptions are also received from customers who belong to Institutional Investor's exclusive specialised membership groups Subscription revenue is primarily generated from the Financial Publishing, Business Publishing and Research and Data divisions

Sponsorship revenues represent fees paid by customers to sponsor an event A payment of sponsorship can entitle the sponsor to high-profile speaking opportunities at the conference, unique branding before, during and after the event and an unparalleled networking opportunity to meet the sponsor's clients and representatives Sponsorship revenue is generated from the Conferences and Seminars division and the publishing businesses which run smaller events

Delegate revenues represent fees paid by customers to attend a conference, training course or seminar Delegate revenues are derived from the Conferences and Seminars and Training divisions and from smaller events run by the publishing businesses

Details of the group's revenues by revenue stream and by division are set out in note 3

The group's costs are tightly managed with a constant focus on margin control The group benefits from having a flexible cost base, outsourcing the printing of publications, hiring external venues for events, and choosing to engage freelancers, contributors, external trainers and speakers to help deliver its products Other than its main offices, the group avoids the fixed costs of offices in most of the markets in which it operates, this allows the group to scale up resource or reduce overhead as the economic environment in which it operates demands

Strategic Report
continued

3. Business review
3.1 Key performance indicators
The group monitors its performance against its strategy using the following key performance indicators

	Revenue 2013 £m	Mix 2013 %	Revenue 2012 £m	Mix 2012 %	Revenue growth %
Revenue growth and mix					
Subscriptions	**206 3**	**51%**	199 7	51%	**+3%**
Advertising	**57 6**	**14%**	58 4	15%	**(1%)**
Sponsorship	**51 4**	**13%**	47 6	12%	**+8%**
Delegates	**77 8**	**19%**	80 1	20%	**(3%)**
Other/closed	**12 3**	**3%**	9 7	2%	**+27%**
Foreign exchange losses on forward contracts	**(0 7)**	**–**	(1 4)	–	**–**
	404 7	**100%**	394 1	100%	**+3%**

	Q1 %	Q2 %	Q3 %	Q4 %	Year %
Revenue growth by quarter					
Subscriptions	(3%)	+3%	+4%	+9%	**+3%**
Advertising	(10%)	(10%)	(9%)	+17%	**(1%)**
Sponsorship	+8%	(3%)	+9%	+17%	**+8%**
Delegates	+1%	(21%)	+1%	+11%	**(3%)**
Other/closed	+35%	+21%	+27%	+25%	**+27%**
	+1%	(3%)	+2%	+11%	**+3%**

Revenue by type

Revenue by customer location

Revenue by division

	2013	2012	Change
Gross margin[1]	**74 3%**	75 1%	**(0 8%)**
Adjusted operating margin[2]	**29 9%**	30 0%	**(0 1%)**
Like-for-like change in profits[3]	**(£2 7m)**	£5 7m	
Investment in technology and new products[4]	**£12 3m**	£10 0m	**£2 3m**
Headcount[5]	**2,142**	2,133	**9**
Cash consideration on acquisitions[6]	**£28 1m**	£6 5m	**£21 6m**
Net debt to EBITDA[7]	**0 09 1**	0 27 1	
Cash conversion rate[8]	**88%**	103%	
Variable pay as a percentage of total pay[9]	**32%**	39%	

CAP profit[10] and Adjusted PBT[11]

1 **Gross margin** gross profit as a percentage of revenue Gross profit and revenue are both as per note 4 in the financial statements
2 **Adjusted operating margin** operating profit before acquired intangible amortisation, long-term incentive expense, exceptional items and associates as a percentage of revenue Operating profit and revenue are both as per the Consolidated Income Statement in the financial statements
3 **Like-for-like change in profits** proportion of adjusted operating profit growth that relates to organic growth, rather than acquisitions Adjusted operating profit is from continuing operations and excludes closed businesses, acquired intangible amortisation, exceptional items, long-term incentive expense, unallocated corporate costs and interest and is adjusted for significant timing differences
4 **Investment in technology and new products** the group's investment in technology and new digital products as part of its transition to an online information business
5 **Headcount** number of permanent people employed at the end of the period excluding people employed in associates
6 **Cash consideration on acquisitions** the total cash outflow on acquisition related activity in the Consolidated Statement of Cash Flows net of cash acquired
7 **Net debt to EBITDA.** the amount of the group's net debt (converted at the group's weighted average exchange rate for a rolling 12 month period) to earnings before interest, tax, depreciation, amortisation and also before exceptional items but after the normal long-term incentive expense
8 **Cash conversion rate.** the percentage by which cash generated from operations covers adjusted operating profit
9 **Variable pay as a percentage of total pay** staff incentives including bonuses, commissions and normal long-term incentive expense as a percentage of total staff costs as per note 6 in the financial statements
10 **CAP profit** profit before tax excluding acquired intangible amortisation, long-term incentive expense, exceptional items, net movements in acquisition commitments values, imputed interest on acquisition commitments, movement in acquisition deferred consideration, foreign exchange loss interest charge on tax equalisation contracts and foreign exchange on restructured hedging arrangements as set out in the Consolidated Income Statement, note 5 and note 7
11 **Adjusted PBT** CAP profit after the deduction of long-term incentive expense as set out on page 7

Strategic Report
continued

3.2 KPIs explained
The key performance indicators are all within the board's expectations and support its successful strategy These indicators are discussed in detail in the Chairman's Statement on pages 4 to 6, and in section 3 3 below

3.3 Development of the business of the group
3.3.1 Trading review
Total revenues for the year increased by 3% to £404 7 million After a 1% decline in the first half, the headline rate of revenue growth improved to 6% in the second, due to a combination of gradually improving markets and the contribution from three acquisitions completed in the middle of the year Underlying revenues, excluding acquisitions, increased by 1%

The group derives nearly two thirds of its total revenue in US dollars and movements in the sterling-US dollar rate can have a significant impact on reported revenues However, currency movements in 2013 were not significant and headline revenue growth rates are similar to those at constant currency (see table below)

	2013	2012	Headline change			Change at constant exchange rates
Revenues	**£m**	£m	H1	H2	Year	Year
Subscriptions	**206 3**	199 7	-	7%	3%	2%
Advertising	**57 6**	58 4	(10%)	5%	(1%)	(2%)
Sponsorship	**51 4**	47 6	2%	12%	8%	7%
Delegates	**77 8**	80 1	(10%)	5%	(3%)	(3%)
Other/closed	**12 3**	9 7	29%	26%	27%	27%
Foreign exchange losses on forward contracts	**(0 7)**	(1 4)	-	-	-	-
Total revenue	**404 7**	394 1	(1%)	6%	3%	2%
Less revenue from acquisitions	**(6 2)**	-	-	-	-	-
Underlying revenue	**398 5**	394 1	(2%)	4%	1%	1%

Headline subscription revenues increased by 3% to £206 3 million, after a flat first half, and again accounted for just over half of group revenues Underlying subscription revenues, excluding acquisitions, increased by 2% with the strongest performances coming from CEIC Data, the emerging markets data business, and Institutional Investor's membership business Revenues from independent research were unchanged

After two years of decline, advertising revenues returned to growth in the final quarter This was largely driven by factors specific to the quarter new products and a tendency for advertising in the main financial titles, *Euromoney, Institutional Investor, Latin Finance* and *Asiamoney,* to be concentrated in their IMF issues published in September This quarterly improvement is more indicative of product timing than a sustained improvement in advertising markets Over the year, advertising fell across most of the group's titles with *Latin Finance,* which celebrated its 25th anniversary, and the energy titles the only significant exceptions

Event sponsorship revenues have continued to grow from a combination of new events and strong demand for emerging market events, helped in the second half by the acquisitions of Insider Publishing and CIE Paying delegate attendance improved across most of the event businesses, mostly due to new events The first half decline in revenues was due to timing differences on biennial events not held this year

Other revenues largely comprise content redistribution royalties and one-off content sales Although only accounting for 3% of total revenues, these revenues increased sharply as the group continues to explore the possibilities for alternative distribution channels for its content

The group's adjusted operating margin was 30%, the same as 2012 Over the past four years the group has consistently delivered steady operating margins around the 30% level Increased spend on technology and digital products has reduced margins in the publishing businesses, but has been largely offset by changes in the divisional mix towards higher margin research and data products, as well as rigorous cost control and a constant refreshing of the portfolio with new products replacing those with lower margins The permanent headcount at September 30 was 2,142 people, including 38 from businesses acquired in the year, against 2,133 a year ago

3.3.2 Business division review

Research and Data this division accounts for a third of group revenues and, with its higher margins, nearly 40% of group operating profits before central costs Revenues are derived predominantly from subscriptions and increased by 1% to £131 3 million while adjusted operating profits fell by 1% to £54 8 million The trends seen in the first half continued, with financial institutions exercising tight control over their information buying and new business difficult to generate In addition, US sequestration had a negative impact in the second half as customers including government agencies and libraries were forced to cut costs That apart, renewal rates for most products remained robust, and more recently have shown signs of improving

Financial Publishing revenues increased by 2% to £75 6 million while adjusted operating profits fell by 1% to £23 8 million An advertising-led rebound in the final quarter, and a contribution from Insider Publishing, helped offset first half weakness The 1% point decline in the adjusted operating margin reflects the continued investment in the transition to a digital first publishing model

Business Publishing the group's activities in the non-financial sectors of the market, particularly energy and telecoms, have proved more robust, partly because they are less dependent on advertising The growth achieved in the first half continued into the second, with revenues up 7% to £68 9 million and adjusted operating profits 5% ahead at £25 8 million For the first time, profits from business publishing exceeded those from financial publishing

Conferences and Seminars revenues comprise both sponsorship and paying delegates and increased by 5% to £99 4 million, despite the timing differences on biennial events in the first half, and helped in the second by a contribution from CIE Growth was achieved across most sectors and reflects both new events and more robust US financial markets However, adjusted operating profits fell by 4% to £28 9 million and the decline in adjusted operating margin is largely due to the event timing differences

Training the group's training division predominantly serves the global financial sector and banks have continued to tightly control headcount and training budgets Revenues fell by 3% to £30 1 million, although performance in the second half showed an improvement on the first The decline in operating margin from 22% to 18% reflects the high operational gearing in this business and adjusted operating profits fell by 23% to £5 4 million

3.3.3 Financial review

The adjusted profit before tax of £116 5 million compares to a statutory profit before tax of £95 3 million A detailed reconciliation of the group's adjusted and statutory results is set out on page 7 The statutory profit is generally lower than the adjusted profit before tax because of the impact of acquired intangible amortisation and non-cash movements in acquisition liabilities

A net exceptional credit of £2 2 million (2012 £1 6 million charge) was recognised This includes a credit of £4 4 million for negative goodwill arising from the valuation of intangibles as part of the acquisition of Quantitative Techniques, offset by acquisition, restructuring and other exceptional costs of £2 2 million

Strategic Report
continued

The reduction in long-term incentive expense to £2 1 million (2012 £6 3 million) reflects the final cost of CAP 2010, which has now been fully amortised after the performance test was satisfied in 2011 and again in 2012

Adjusted net finance costs for the group's committed borrowing facility fell by £2 8 million to £2 7 million, reflecting lower debt levels during the year The average cost of funds for the year was 4 7% (2012 4 8%) Statutory net finance costs of £10 4 million (2012 £3 6 million) include a charge of £4 7 million for the increase in deferred consideration payable on two of the acquisitions completed in the year which have performed better than expected since acquisition, and a charge of £2 7 million largely due to the extension of the put option agreement to acquire the outstanding minority interest in Ned Davis Research

The adjusted effective tax rate for the year was 22%, the same as 2012 The tax rate depends on the geographic mix of profits and applicable tax rates The group has benefited this year from the reduction in the UK corporate tax rate from 24% to 23%, although this was offset by the expiry of the US tax deduction for goodwill amortisation from the acquisition of Institutional Investor 15 years ago The UK tax rate will fall further to 21% in April 2014 and 20% in April 2015

The group continues to generate two thirds of its revenues, including approximately 30% of the revenues from its UK businesses, and more than half its operating profits in US dollars The group hedges its exposure to the US dollar revenues in its UK businesses by using forward contracts to sell surplus US dollars This delays the impact of movements in exchange rates for at least a year

The group does not hedge the foreign exchange risk on the translation of overseas profits, although it does endeavour to match foreign currency borrowings with investments and the related foreign currency finance costs provide a partial hedge against the translation of overseas profits The translation impact on overseas profits of a one cent movement in the average US dollar exchange rate is approximately £0 6 million on an annualised basis The average sterling-US dollar rate for the year was $1 56 (2012 $1 58)

3.3.4 Net debt, cash flow and dividend

Net debt at September 30 was £9 9 million compared with £38 1 million at March 31 and £30 8 million last year-end The group's debt is provided through a dedicated multi-currency committed facility from its parent company, Daily Mail and General Trust plc (DMGT) The group has exercised its option to replace its existing $300 million (£190 million) facility with DMGT, which expires in December 2013, with a new $160 million (£100 million) facility which expires at the end of April 2016 This new facility will continue to provide funding for the group's acquisition strategy

Significant non-operating cash outflows in the year included four acquisitions with a net cash cost of £28 1 million, dividends of £27 2 million against £7 5 million in 2012 when a scrip dividend was offered, and capital investment in Project Delphi of £6 1 million Cash generated from operations fell by £16 0 million to £106 2 million and the operating cash conversion rate was 88% (2012 103%) The reduction in operating cash flow and operating cash conversion was due to cash payments in 2013 in respect of long-term incentive costs and profit shares which were expensed in 2012 or earlier The underlying operating cash conversion rate, after adjusting for these timing differences, was unchanged at 103%

The company's policy is to distribute a third of its after-tax earnings by way of dividends each year Pursuant to this policy, the board recommends a final dividend of 15 75p a share (2012 14 75p) giving a total dividend for the year of 22 75p a share (2012 21 75p) As explained in previous announcements, following the earlier than expected achievement of the CAP 2010 profit target an additional accelerated CAP expense of £6 6 million was not charged against earnings for dividend purposes in 2011, but is being spread over the period to which it originally related Accordingly, earnings for dividend purposes were reduced by £1 1 million in 2012 and by £3 9 million in 2013, and will be similarly reduced by £1 6 million in 2014

It is expected that the final dividend will be paid on February 13 2014 to shareholders on the register at November 22 2013

3.3.5 Balance Sheet

The main movements in the balance sheet were as follows

	2013 £m	2012 £m	Change £m
Goodwill and other intangible assets	**505 6**	469 3	36 3
Property, plant and equipment	**16 8**	18 0	(1 2)
Acquisition commitments and deferred consideration	**(31 1)**	(7 9)	(23 2)
Liability for cash-settled options	**(7 4)**	(14 1)	6 7
Deferred income	**(117 3)**	(105 1)	(12 2)
Other non-current assets and liabilities	**(1 3)**	(4 8)	3 5
Other current assets and liabilities	**(6 9)**	(22 3)	15 4
Net pension deficit	**(2 9)**	(4 8)	1 9
Deferred tax	**(11 8)**	(9 6)	(2 2)
Net assets before net debt	**343 7**	318 7	25 0
Net debt	**(9 9)**	(30 8)	20 9
Net assets	**333 8**	287 9	45 9

These movements are explained below

- **Goodwill and other intangible assets** – includes £25 3 million of goodwill and £23 4 million of acquired intangible assets following the acquisitions during the year of TTI/Vanguard, Insider Publishing, Centre for Investor Education (CIE) and Quantitative Techniques (QT) (see note 14) and the addition of £6 1 million of intangible assets in development, offset by amortisation costs of £15 9 million,
- **Property, plant and equipment** – regular capital expenditure across the group of £2 7 million offset by depreciation of £3 9 million,
- **Acquisition commitments** – increased by £7 2 million to £15 0 million, deferred consideration increased by £16 0 million to £16 1 million – due to the acquisitions of TTI/Vanguard, Insider Publishing and CIE and an increase in the Ned Davis Research (NDR) acquisition commitment following the amended acquisition agreement for the remaining equity shareholding,
- **Liability for cash settled options** – reflecting the cash payment of £7 6 million following the vesting of the first tranche of the cash element of CAP 2010 in February 2013,
- **Deferred income** – due to balances brought into the balance sheet following this year's acquisitions and an underlying increase in deferred subscription revenue, mainly from NDR as it continues to move clients onto subscription contracts,
- **Other current assets and liabilities** – includes an increase in trade debtors and accrued subscription income also due to balances brought into the balance sheet following the acquisitions together with the impact from NDR as it moves clients onto subscription contracts Prepayments increased as deferred consideration was paid in advance into escrow following the acquisitions of Insider Publishing and CIE Accruals fell, with lower profit shares and bonuses following the death of Padraic Fallon in October 2012,
- **Net pension deficit** – a £2 8 million increase in the pension asset value offset by a £0 9 million increase in the obligation,
- **Net debt** – the DMGT loans reduced by the group's excess cash net cash generated by the group from operations of £106 1 million offset by £31 6 million used in investing activities, £33 4 million spent on financing activities (excluding repayment of loans), £19 2 million on tax and an exchange loss of £1 0 million, (see cash flow on page 82)

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3.3.6 Capital Appreciation Plan (CAP)

The CAP, the group's long-term incentive plan, remains an important part of the group's remuneration strategy It is a highly geared, performance-based share option scheme which both directly rewards executives for the growth in profits of the businesses they manage, and links to the delivery of shareholder value by satisfying rewards in a mix of shares in the company and cash It aims to deliver exceptional profit growth over the performance period and for this profit to be maintained over the remaining payout period The graph set out in the Directors' Remuneration Report on page 49 shows the group's profit achieved since the introduction of the CAP scheme Further details are set out in the Company Share Schemes section in the Directors' Remuneration Report

3.3.7 Acquisitions and disposals

Acquisitions remain an important part of the group's growth strategy In particular the board believes that acquisitions are valuable for taking the group into new sectors, for bringing new technologies into the group and for increasing the group's revenues and profits by buying into rapidly growing niche businesses The group continues to look for strategic acquisitions which will fit well with its existing businesses

Acquisitions

Purchase of new business

TTI Technologies, LLC (TTI/Vanguard)

On December 21 2012, the group acquired 87 2% of the equity of TTI/Vanguard, a US-based private membership organisation for executives who lead technology innovation in global organisations, for US$8,063,000 (£5,031,000) followed by a working capital adjustment of £91,000 in June 2013 The acquisition of TTI/Vanguard is consistent with the group's strategy of acquiring high-quality events businesses and accelerating their growth globally

The remaining 12 8% equity holding will be acquired in two instalments of 7 4% in March 2014 based on a pre-determined multiple of the profits for the year to December 31 2013 and 5 4% in March 2015 based on a pre-determined multiple of the profits for the year to December 31 2014 The total discounted amount that the group expects to pay at September 30 2013 under the earn-out agreement is US$678,000 (£418,000) calculated using the group's WACC

Insider Publishing

On March 19 2013, the group acquired 100% of the equity share capital of Insider Publishing Limited, a leading information source and events provider for the international insurance and reinsurance markets, for an initial cash consideration of £14,148,000, followed by a working capital adjustment of £2,549,000 in June 2013 The acquisition is consistent with the group's strategy of investing in specialist online information businesses and using its global reach to drive further growth

At acquisition a discounted deferred consideration of £8,342,000 was recognised In May 2013, deferred consideration of £251,000 was paid and the remaining discounted deferred consideration of £8,091,000 was expected to be paid between March 2014 and March 2015 dependent upon the audited results of the business for the average of the 2013 and 2014 calendar years The discounted expected payment under this mechanism increased to £11,081,000 at September 30 2013 resulting in a charge to the Income Statement of £2,990,000 At the date of acquisition, £2,400,000 of the deferred consideration was paid in advance into escrow

Centre for Investor Education (CIE)

On April 18 2013, the group acquired 75% of the trade and assets of CIE, a leading Australian provider of investment forums for senior executives of superannuation funds and global asset management firms, for A$10,800,000 (£7,415,000) offset by a working capital adjustment receipt of £929,000 in July 2013 By combining CIE with the expertise and relationships of Institutional Investor's forums and memberships, the group expects to consolidate its leading position in the global asset management events sector

A discounted deferred consideration of A$5,586,000 (£3,835,000) was expected to be paid between March 2014 and March 2015 dependent upon the audited results of the business for the 2013 and 2014 calendar years The expected payment under this mechanism increased to A$8,737,000 (£5,044,000) at September 30 2013 resulting in a charge to the Income Statement of £1,209,000 In April 2013, A$3,600,000 (£2,472,000) of the deferred consideration was paid in advance into escrow The remaining 25% interest in the trade and assets of CIE will be acquired in two equal instalments based on the profits for the calendar years to 2014 and 2015 The total discounted amount that the group expects to pay at September 30 2013 under this earn-out agreement is A$7,315,000 (£4,224,000)

Quantitative Techniques (QT)

On April 3 2013, the group signed a binding agreement with HSBC to acquire its QT operation for £1 QT is the benchmark and calculation agent business of HSBC Bank plc and creates and maintains more than 100 equity and bond indices for HSBC's Global Markets division as well as over 60 external clients Completion of the sale took place on September 30 2013 HSBC has agreed to purchase index calculation services from QT for a minimum period of three years The group believes the acquisition creates an opportunity to establish a significant footprint in the index compilation market

Further details of the above acquisitions are set out in note 14

Increase in equity holdings

Internet Securities, Inc (ISI)

During the year the group spent £67,000 on the remaining 0 08% interest in ISI, the emerging market content aggregator and data business, taking its holding to 100%

Structured Retail Products Limited (SRP)

In April 2013, the group purchased 0 76% of the equity share capital of SRP from some its employees for a cash consideration of £86,000, representing the fair value of 0 76% of assets at date of acquisition, increasing the group's equity shareholding in SRP to 98 94%

3.3.8 Headcount

The number of people employed is monitored monthly to ensure there are sufficient resources to meet the forthcoming demands of each business and to make sure that the businesses continue to deliver sustainable profits During 2013 the directors have focused on maintaining headcount at a similar level to that in 2012, hiring new heads only where it was considered essential or for investment purposes Headcount at September 2013 was 2,142, an increase of only nine since September 2012, including 38 acquired heads offset by restructuring across the group

3.3.9 Marketing and digital development

The group's digital development continues with record investment Part of this contributes to a major scale roll-out of best-in-class publishing authoring tools and a new content management system The group's customers increasingly desire mobile access – Euromoney launched 13

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continued

new mobile and tablet services in 2013, as well as redesigning online sites and email alerts with responsive design, to adapt to the mobile or tablet interface

Notable new product launches include *SteelFirst* – one of the group's most significant online product launches to date, this has already become one of the top news, pricing data and analysis service for the steel industry delivered via online, email alerts and mobile, *Sovereign Wealth Center* – provides detailed information, insight, deal flows and data on sovereign wealth funds, Digital Maps for Petroleum Economist – interactive map providing interactive country-and-project level infrastructure information and data on the world's Liquid Natural Gas, *Islamic Finance* – information service and comprehensive and timely analysis for the Islamic banking community

Customer-segmented campaign management and social media have dominated marketing in 2013 The group made a recent investment in a new campaign system that sits on top of proprietary customer database and enables personalised cross-channel campaigns and an improved customer marketing experience Combined with this new process is the increasing investment in customer insight data – the group now help customers find the right products and services through their online behaviour, online chat plus user feedback and trial/purchase history

Social media growth and visibility across all brands continues with over 335,000 members (130% increase from last year) These members are highly engaged through third party networks, such as LinkedIn and Twitter, as well as the group's own social networks, and now contribute to event sales, subscription trials and sponsorship opportunities

The marketing structure and central contacts data capability have enabled the company to rapidly integrate new acquisitions – *Euromoney Indices, Insurance Insider* and *Infrastructure Journal* have all benefited from this capability

3.3.10 Systems and information technology

The group continues to focus significant investment on enhancing its corporate and digital infrastructure and services as well the people that deliver it A number of new products were launched as well as existing digital assets redesigned during the year to support continued business demand

To aid in flexible delivery a new locally based partnership was introduced that is proving particularly successful

The first phase of Project Delphi continued as planned with the successful trial of the first new BCA product in May and the integration of an acquisition All *EuroWeek* content will be created using the new authoring platform and is now truly digital first Plans for the second phase of Project Delphi and an accelerated rollout are also underway while the project itself has been shortlisted for an Agile development award Forty other projects were also completed with a focus on updating legacy codebases and delivering mobile and socially integrated products Notable launches include the *American Metal Market* iPad app, *EuromoneyIndices com* and *StructuredRetailProducts com* There are now over 15 apps available across the group with five publications available in Apple's newsstand All new development projects are now run on an Agile/Kanban basis with Behaviour Driven Design

The project to migrate the digital and corporate infrastructure to an enterprise-class hybrid, cloud supplier was successfully completed while a leading search solution was also enabled via Elastic Search This, in conjunction with rigorous new service management disciplines, has resulted in business-impacting incidents being reduced by over 50% during the year Investment was increased again in information security with a revised auditable baseline plan agreed across the group entities The corporate network has been upgraded to improve its resilience, support the increasing demands of a global, remote workforce, and to absorb network demand from three new satellite offices following the group's acquisitions A Microsoft Office 365 and Windows platform rollout will be completed within the second quarter of 2014 as planned while an upgrade to the Customer Relationship Management platform is also underway

These steps have positioned the group to make the most of product opportunities and increased the group's agility allowing technical staff to focus on revenue-generating activities rather than commodity maintenance

3.3.11 Tax and treasury

Treasury

The treasury department does not act as a profit centre, nor does it undertake any speculative trading activity, and it operates within policies and procedures approved by the board

Interest rate swaps are used to manage the group's exposure to fluctuations in interest rates on its floating rate borrowings The maturity profile of these derivatives is matched with the expected future debt profile of the group The group's policy is to fix the interest rates on approximately 80% of its term debt looking forward over five years The maturity dates are spread in order to avoid interest rate basis risk and also to mitigate short-term changes in interest rates The predictability of interest costs is deemed to be more important than the possible opportunity cost foregone of achieving lower interest rates and this hedging strategy has the effect of spreading the group's exposure to fluctuations arising from changes in interest rates and hence protects the group's interest charge against sudden increases in rates but also prevents the group from benefiting immediately from falls in rates
Given the group's low level of debt, there were no interest rate hedges in place as at September 30 2013

The group generates approximately two-thirds of its revenues in US dollars, including approximately 30% of the revenues in its UK-based businesses, and approximately 60% of its operating profits are US dollar-denominated

The group is therefore exposed to foreign exchange risk on the US dollar revenues in its UK businesses, and on the translation of the results of its US dollar-denominated businesses

In order to hedge its exposure to US dollar revenues in its UK businesses, a series of forward contracts are put in place to sell forward surplus US dollars The group hedges 80% of forecast US dollar revenues for the coming 12 months and up to 50% for a further six months

The group does not hedge the foreign exchange risk on the translation of overseas profits, although it does endeavour to match foreign currency borrowings with investments and the related foreign currency finance costs provide a partial hedge against the translation of overseas profits As a result of this hedging strategy, any profit or loss from the strengthening or weakening of the US dollar will largely be delayed until the following financial year and beyond

Details of the financial instruments used are set out in note 18 to the accounts

Tax

The adjusted effective tax rate based on adjusted profit before tax and excluding deferred tax movements on intangible assets, prior year items and exceptional items is 22% (2012 22%) The group's reported effective tax rate decreased to an expense of 23% compared to an expense of 24% in 2012 A reconciliation to the underlying effective rate is set out in note 8 in the accounts

The total net deferred tax balance held is a liability of £11 8 million (2012 £9 6 million) and relates primarily to capitalised intangible assets and rolled over capital gains, net of deferred tax assets held in respect of US tax losses and short-term timing differences and the future deductions available for the CAP

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4. Principal risks and uncertainties

The principal risks and uncertainties the group faces vary across the different businesses and are identified in the group's risk register Management of significant risk is regularly on the agenda of the board and other senior management meetings

The geographical spread and diverse portfolio of businesses within the group help to dilute the impact of some of the group's key risks

The group's principal risks and uncertainties are summarised below The arrows provide a pictorial indication in the change in riskiness of each principal risk compared to last year

DOWNTURN IN ECONOMY OR MARKET SECTOR

The group generates significant income from certain key geographical regions and market sectors for its publishing, events, research and data businesses

POTENTIAL IMPACT

Uncertainty in global financial markets increases the risk of a downturn or potential collapse in one or more areas of the business If this occurs income is likely to be adversely affected and for events businesses some abandonment costs may also be incurred

MITIGATION

The group has a diverse product mix and operates in many geographical locations This reduces dependency on any one sector or region Management has the ability to cut costs quickly if required or to switch the group's focus to new or unaffected markets e g through development of new vertical markets or transferring events to better performing regions

TRAVEL RISK

The conference, seminar and training businesses account for approximately a third of the group's revenues and profits The success of these events and courses relies heavily on the confidence in and ability of delegates and speakers to travel internationally

POTENTIAL IMPACT

Significant disruptions to or reductions in international travel for any reason could lead to events and courses being postponed or cancelled and could have a significant impact on the group's performance

Past incidents such as transport strikes, extreme weather including hurricanes, terrorist attacks, fears over SARS and swine flu, and natural disasters such as the disruption from volcanic ash in Europe, have all had a negative impact on the group's results, although none materially

MITIGATION

Where possible, contingency plans are in place to minimise the disruption from travel restrictions Events can be postponed or moved to another location, or increasingly can be attended remotely using online technologies Cancellation and abandonment insurance is in place for the group's largest events

COMPLIANCE WITH LAWS AND REGULATIONS

Group businesses are subject to legislation and regulation in the jurisdictions in which they operate The key laws and regulations that may have an impact on the group cover areas such as libel, bribery and corruption, competition, data protection, privacy (including e-privacy), health and safety and employment law Additionally, specific regulations from the Audit Bureau of Circulations apply to published titles (see incorrect circulation claims below)

POTENTIAL IMPACT

A breach of legislation or regulations could have a significant impact on the group in terms of additional costs, management time and reputational damage

In recent years responsibilities for managing data protection have increased significantly The emergence of new online technology is further driving legislation and responsibilities for managing data privacy Failure to comply with data protection and privacy laws could result in significant financial penalties and reputational damage

MITIGATION

Compliance with laws and regulations is taken seriously throughout the group The group's Code of Conduct (and supporting policies) sets out appropriate standards of business behaviour and highlights the key legal and regulatory issues affecting group businesses Divisional and local management are responsible for compliance with applicable local laws and regulations, overseen by the executive committee and the board, and supported by internal audit

The group has strict policies and controls in place for the management of data protection and privacy with staff receiving relevant training This year the group began rolling out new website technology across its online businesses to reinforce legal and regulatory compliance

Controls are also in place to comply with the Audit Bureau of Circulation's regulations and other regulatory bodies to which the group adheres

DATA INTEGRITY, AVAILABILITY AND CYBER SECURITY

The group uses large quantities of data including customer, employee and commercial data in the ordinary course of its business The group also publishes data (see published content risk below) The integrity, availability and security of this data is key to the success of the group Risk to the group's data has increased as a result of the growing number of cyber attacks affecting organisations around the world

POTENTIAL IMPACT

Any challenge to the integrity or availability of information that the group relies upon could result in operational and regulatory challenges, costs to the group, reputational damage to the businesses and the permanent loss of revenue This risk has increased as the threat of cyber attack has become more significant A successful cyber attack could cause considerable disruption to business operations

The wider use of social media has also increased information risk as negative comments made about the group's products can now spread more easily

Although technological innovations in mobile working, the introduction of cloud-based technologies and the growing use of social media present opportunities for the group, they also introduce new information security risks that need to be managed carefully

MITIGATION

The group has comprehensive information security standards and policies in place which are reviewed on a regular basis Access to key systems and data is restricted, monitored, and logged with auditable data trails Restrictions are in place to prevent unauthorised data downloads The group is subject to regular internal information security audits, supplemented by expert external resource The group continues to invest in appropriate cyber defences including implementation of intrusion detection systems to mitigate the risk of unauthorised access The group's Information Security Group meets regularly to consider and address cyber risks

Comprehensive back-up plans for IT infrastructure and business data are in place to protect the businesses from unnecessary disruption

The group has professional indemnity insurance

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continued

4. Principal risks and uncertainties continued

LONDON, NEW YORK, MONTREAL OR HONG KONG WIDE DISASTER

The group's main offices are located in London, New York, Montreal and Hong Kong A significant incident affecting these cities could lead to disruption to group operations

POTENTIAL IMPACT

An incident affecting one or more of the key offices could disrupt the ordinary operations of the businesses at these locations, a region-wide disaster affecting all offices could have much worse implications with serious management and communication challenges for the group and a potential adverse effect on results

The risk of office space becoming unusable for a prolonged period and a lack of suitable alternative accommodation in the affected area could also cause significant disruption to the business and interfere with delivery of products and services

Incidents affecting key clients or staff in these regions could also give rise to the risk of not achieving forecast results

MITIGATION

Business continuity plans are in place for all businesses These plans are refreshed annually and a programme is in place for testing If required, employees can work remotely

The group has robust IT systems with key locations (including the UK, US, Canada and Asia) benefiting from offsite data back-ups, remote recovery sites and third-party 24-hour support contracts for key applications

The group's business continuity planning helped its New York office to recover quickly and effectively from the significant disruption caused by Hurricane Sandy in 2012

PUBLISHED CONTENT RISK

The group generates a significant amount of its revenue from publishing magazines, journals or information and data online As a result, there is an inherent risk of error which, in some instances, may give rise to claims for libel The rapid development of social media has increased this risk

The transition to online publishing means content is being distributed far quicker and more widely than ever before This has introduced new challenges for securing and delivering content and effective management of content rights and royalties

The business also publishes databases and data services with a particular focus on high-value proprietary data There is the potential for errors in data collection and data processing The group publishes industry pricing benchmarks for the metals markets and more than 100 equity and bond indices The group also runs more than 100 reader polls and awards each year

POTENTIAL IMPACT

A successful libel claim could damage the group's reputation The rise in use of social media, and in particular blogging, has further increased this risk Damage to the reputation of the group arising from libel could lead to a loss of revenue, including income from advertising In addition there could be costs incurred in defending the claim

The failure to manage content redistribution rights and royalty agreements could lead to overpayment of royalties, loss of intellectual property and additional liabilities for redistribution of content

MITIGATION

The group runs mandatory annual libel courses for all journalists and editors Controls are in place, including legal review, to approve content that may carry a libel risk The group also has editorial controls in place for publishing using social media and this activity is monitored carefully

The group's policy is to own its content and manage redistribution rights tightly Royalty and redistribution agreements are in place to mitigate risks arising from online publishing

The group has implemented tight controls for the verification, cleaning and processing of data used in its database, research and data services

PUBLISHED CONTENT RISK continued

POTENTIAL IMPACT

The integrity of the group's published data is critical to the success of the group's database, research and data services The group also publishes extensive pricing information and indices for the global metals industries and financial markets Errors in published data, price assessments or indices could affect the reputation of the group leading to fewer subscribers and lower revenues

Any challenge to the integrity of polls and awards could damage the reputation of the product and by association the rest of the group, resulting in legal costs and a permanent loss of revenue

MITIGATION

The group's processes and methodologies for assessing metals and other commodity prices and calculating indices are clearly defined and documented All employees involved with publishing pricing information or indices receive relevant training Robust contractual disclaimers are in place for all businesses that publish pricing data, benchmarks and indices

Polls and awards are regularly audited and a firewall is in place between the commercial arm of the business and the editors involved in the polls and awards

Key staff are aware of the significant risks associated with publishing content and strong internal controls are in place for reporting to senior management if a potential issue arises The group also has libel insurance and professional indemnity cover

INCORRECT CIRCULATION OR AUDIENCE CLAIMS

The group publishes over 70 titles and sells advertising based partly on circulation and online audience figures An incorrect claim for circulation or audience could adversely affect the group's reputation

POTENTIAL IMPACT

A claim resulting from an incorrect circulation or audience claim could lead to the permanent loss of advertisers and other revenue and damage to the reputation of the group

MITIGATION

The group audits the circulation figures of every publication regularly and monitors related internal controls A strict approval system is in place for all media packs Detailed guidance is provided to all relevant employees, and their understanding of the rules is regularly monitored

There are a large number of mutually exclusive titles and it is unlikely that an incorrect circulation claim, should it arise, would affect the circulation of other titles within the wider group

Similar controls are applied to claims for electronic publishing activities including online traffic reporting

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continued

4. Principal risks and uncertainties continued

LOSS OF KEY STAFF

The group is reliant on key management and staff across all of its businesses Many products are dependent on specialist, technical expertise

POTENTIAL IMPACT

The inability to recruit and retain talented people could affect the group's ability to maintain its performance and deliver growth

When key staff leave or retire, there is a risk that knowledge or competitive advantage is lost

MITIGATION

Long-term incentive plans are in place for key staff to encourage retention The directors remain committed to recruitment and retention of high-quality management and talent, and provide a programme of career opportunity and progression for employees including extensive training and international transfer opportunities

Succession planning is in place for senior management In 2012, following an independent and rigorous selection process PR Ensor, managing director, succeeded PM Fallon as executive chairman CHC Fordham, an executive director since 2003, succeeded Mr Ensor

FAILURE OF CENTRAL BACK-OFFICE TECHNOLOGY

The business has invested significantly in central back–office technology to support the transition of the business from print to online publishing The back–office provides customer and product management, digital rights management, e–commerce and performance and activity reporting The platform supports a large share of the group's online requirements including key activities for publishing, events and data businesses The back–office technology is critical to the successful functioning of the online business and hence carries a significant amount of risk

POTENTIAL IMPACT

A failure of the back-office technology may affect the performance, data integrity or availability of the group's products and services Any extensive failure is likely to affect a large number of businesses and customers, and lead directly to a loss of revenues

Online customers are accessing the group's digital content in an increasing number of ways, including using websites, apps and e-books The group relies on effective digital rights management technology to provide flexible and secure access to its content An inability to provide flexible access rights to the group's content could lead to products being less competitive or allow unauthorised access to content, reducing subscription revenues as a result

The group's reliance on key suppliers, particularly IT suppliers, has increased An operational or financial failure of a key supplier could affect the group's ability to deliver products, services or events with a direct impact on management time and financial results

A reduction in back-office technology investment increases the risk of the online platform becoming ineffective with the group becoming less competitive This could lead to fewer customers and declining group revenues

MITIGATION

The group continues to invest significantly in its central back-office technology The platform is planned, managed and run by a dedicated, skilled team and its progress and performance are closely monitored by the executive committee and the board

The group continues to invest in digital rights management technology to ensure its content is adequately secured and changing customer requirements for accessing the group's products and services are met

Operational and financial due diligence is undertaken for all key suppliers as part of a formal risk assessment process as well as regular monitoring Contingency planning is carried out to mitigate risk from supplier failure

The group has made a substantial investment in e-commerce technology and hosting infrastructure to ensure the back-office platform continues to perform effectively

ACQUISITION AND DISPOSAL RISK

As well as launching and building new businesses, the group continues to make strategic acquisitions where opportunities exist to strengthen the group The management team reviews a number of potential acquisitions each year with only a small proportion of these going through to the due diligence stage and possible subsequent purchase The strategy also results in the disposal of businesses that no longer fit the group's strategy

POTENTIAL IMPACT

There is a risk that an acquisition opportunity could be missed The group could also suffer an impairment loss if an acquired business does not generate the expected returns or fails to operate or grow Additionally, there is a risk that a newly acquired business is not integrated into the group successfully or that the expected risks of a newly acquired entity are misunderstood As a consequence a significant amount of management time could be diverted from other operational matters

The group is also subject to disposal risk, possibly failing to achieve optimal value from disposed businesses, failing to identify the time at which businesses should be sold or underestimating the impact on the remaining group from such a disposal

MITIGATION

Senior management perform detailed in-house due diligence on all possible acquisitions and call on expert external advisers where necessary Acquisition agreements are usually structured so as to retain key employees in the acquired company and there is close monitoring of performance at board level of the entity concerned post-acquisition

The board regularly reviews the group's existing portfolio of businesses to identify underperforming businesses or businesses that no longer fit with the group's strategy and puts in place divestment plans accordingly

FAILURE OF ONLINE STRATEGY

The emergence of new technologies such as tablets and other mobile devices and the proliferation of social media are changing how customers access and use the group's products and services The group has established a strategy to meet the many challenges of migrating the publishing businesses from traditional print media to online and to ensure the non–publishing businesses take advantage of new technology when advantageous to do so This strategy has been pursued for a number of years

POTENTIAL IMPACT

The group's online strategy addresses a number of challenges arising from the group's transition from print media to an online business and changing customer behaviour

Competition has increased, with free content becoming more available on the Internet and new competitors benefiting from lower barriers to entry A failure to manage pricing effectively or successfully differentiate the group's products and services could negatively affect business results

The customer environment is changing fast with an increasing number spending more time using the Internet Print circulation is declining and a failure to convert customers from print risks a permanent loss of customers to competitors

MITIGATION

The group is already embracing these challenges and overall sees the Internet and other technological advances as an opportunity, not a threat

Significant investment in the group's online strategy has already been made and will continue for as long as necessary New content management technology is being implemented across the group to enable more effective publishing to web, print and the rapidly increasing number of mobile platforms coming onto the market Many of the group's businesses already produce soft copies of publications to supplement the hard copies as well as provide information and content via apps

Strategic Report
continued

4. Principal risks and uncertainties continued

FAILURE OF ONLINE STRATEGY continued

POTENTIAL IMPACT

The transition from a traditional weekly or monthly publishing cycle to continuous publishing has affected editorial practices significantly A failure to continue to manage this transition effectively could make the business less efficient and less competitive

Further changes in technology including the widespread use of tablets and other mobile devices and the impact of social media such as LinkedIn and Twitter are changing customer behaviour and will introduce new challenges for all businesses

A failure in the group's online strategy to meet these challenges could result in a permanent loss of revenue

MITIGATION

The group's acquisition strategy has increased the number of online information providers in the business However, while online revenues are important, the group's product mix reduces dependency on this income For example, the group generates a third of its profits from its event businesses and face-to-face meetings remain an important part of customers' marketing activities

TREASURY OPERATIONS

The group treasury function is responsible for executing treasury policy which seeks to manage the group's funding, liquidity and treasury derivatives risks More specifically, these include currency exchange rate fluctuations, interest rate risks, counterparty risk and liquidity and debt levels These risks are described in more detail in note 18 to the financial statements

POTENTIAL IMPACT

If the treasury policy does not adequately mitigate the financial risks summarised above or is not correctly executed, it could result in unforeseen derivative losses or higher than expected finance costs

The treasury function undertakes high-value transactions, hence there is an inherent high risk of payment fraud or error having an adverse impact on group results

MITIGATION

The tax and treasury committee is responsible for reviewing and approving group treasury policies which are executed by the group treasury

Segregation of duties and authorisation limits are in place for all payments made The treasury function is also subject to regular internal audit

UNFORESEEN TAX LIABILITIES

The group operates within many tax jurisdictions and earnings are therefore subject to taxation at differing rates across these jurisdictions

POTENTIAL IMPACT

The directors endeavour to manage the tax affairs of the group in an efficient manner, however, due to an ever-more complex international tax environment there will always be a level of uncertainty when provisioning for tax liabilities There is also a risk of tax laws being amended by authorities in the different jurisdictions in which the group operates which could have an adverse effect on the financial results

MITIGATION

External tax experts and in-house tax specialists, reporting to the tax and treasury committee, work together to review all tax arrangements within the group and keep abreast of changes in global tax legislation

5. Future development in the business

An indication of the trading outlook for the group is given in the Chairman's Statement on page 6 In 2014 the directors will manage the business to facilitate growth and to continue to shape the business to remain competitive in the economic environments in which it operates The group is well placed to diversify its product and geographical base and remains committed to its strategy set out on page 8

The board will continue to review the portfolio of businesses, disposing, closing or restructuring any underperforming businesses to allow the group to have the necessary resources and skills to remain acquisitive The group will invest in technology and new businesses, particularly electronic information products, as well as in its internal systems

6. Gender diversity

The group's gender diversity information is set out in the Corporate Governance report on page 38

7. Employees' involvement and training

Equal opportunities

The group is an equal opportunities employer It seeks to employ a workforce which reflects the diverse community at large, because the contribution of the individual is valued, irrespective of sex, age, marital status, disability, sexual preference or orientation, race, colour, religion, ethnic or national origin It does not discriminate in recruitment, promotion or other employee matters The group endeavours to provide a working environment free from unlawful discrimination, victimisation or harassment

Quality and integrity of employees

The competence of people is ensured through high recruitment standards and a commitment to management and business skills training The group has the advantage of running external training businesses and uses this in-house resource to train cost effectively its employees on a regular basis Employees are also encouraged actively to seek external training as necessary

High-quality and honest personnel are an essential part of the control environment The high ethical standards expected are communicated by management and through the employee handbook which is provided to all employees The employee handbook includes specific policies on matters such as the use of the group's information technology resources, data protection policy, the UK Bribery Act, and disciplinary and grievance procedures The group operates an internal intranet site which is used to communicate with employees and provide guidance and assistance on day-to-day matters facing employees The group has a specific whistle-blowing policy that is supported by an externally monitored and run whistle-blowing hotline The whistle-blowing policy is updated regularly and is reviewed by the audit committee

Human rights and health and safety requirements

The group is committed to the health and safety and the human rights of its employees and communities in which it operates Health and safety issues are monitored to ensure compliance with all local health and safety regulations External health and safety advisers are used where appropriate The UK businesses benefit from a regular assessment of the working environment by experienced assessors and regular training of all existing and new UK employees in health and safety matters

Disabled employees

It is the group's policy to give full and fair consideration to applications for employment from people who are disabled, to continue, wherever possible, the employment of, and to arrange appropriate training for, employees who become disabled, and to provide opportunities for the career development, training and promotion of disabled employees

8. Corporate and social responsibility

Information on the group's corporate and social responsibility including information on its carbon footprint, greenhouse gas emissions and charitable activities is set out in the Corporate and Social Responsibility report on page 44

Christopher Fordham
Managing Director
November 13 2013

Directors' Report

The directors submit their annual report and group accounts for the year ended September 30 2013

Business review and activities

The principal activities of the group are set out on page 8 of this Annual Report and Accounts The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 8 to 29 This includes a review of the development of the business of the group during the year, of its position at the end of the year and of likely future developments in its business Details of the principal risks and uncertainties are included in the Strategic Report on pages 22 to 28 The Corporate Governance report forms part of this Directors' Report

Forward-looking statements

Certain statements made in this document are forward-looking statements Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements Unless otherwise required by applicable law, regulation or accounting standards, the directors do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future development or otherwise Nothing in this document shall be regarded as a profit forecast

Group results and dividends

The group profit for the year attributable to shareholders amounted to £72 6 million (2012 £69 7 million) The directors recommend a final dividend of 15 75 pence per ordinary share (2012 14 75 pence), payable on Thursday February 13 2014 to shareholders on the register on Friday November 22 2013 This, together with the interim dividend of 7 00 pence per ordinary share (2012 7 00 pence) which was declared on May 16 2013 and paid on June 27 2013, brings the total dividend for the year to 22 75 pence per ordinary share (2012 21 75 pence)

Directors and their interests

The company's Articles of Association give power to the board to appoint directors from time to time In addition to the statutory rights of shareholders to remove a director by ordinary resolution, the board may also remove a director where 75% of the board give written notice to such director The Articles of Association themselves may be amended by a special resolution of the shareholders

The directors who served during the year are listed on page 58 The directors' interests are given on page 67 PM Fallon, the chairman, who was due to retire at the AGM in January 2013, died on October 14 2012 The company announced that, effective from October 15 2012, its previously announced succession plans would be accelerated and that PR Ensor would succeed PM Fallon as chairman and CHC Fordham would succeed PR Ensor as managing director In addition, on December 12 2012 ART Ballingal and TP Hillgarth were appointed as non-executive directors and on January 31 2013 JC Gonzalez retired as non-executive director

Following best practice under the September 2012 UK Corporate Governance Code and in accordance with the company's Articles of Association, all directors submit themselves for re-election annually Accordingly, all directors will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election In addition, in accordance with the September 2012 UK Combined Code on Corporate Governance, before the re-election of a non-executive director, the chairman is required to confirm to shareholders that, following formal performance evaluation, the non-executive directors' performance continues to be effective and demonstrates commitment to the role Accordingly, the non-executive directors will retire at the forthcoming Annual General Meeting and, being eligible following a formal performance evaluation by the chairman, offer themselves for re-election

Details of the interests of the directors in the ordinary shares of the company and of options held by the directors to subscribe for ordinary shares in the company are set out in the Directors' Remuneration Report on pages 50 to 73

Post balance sheet events

Events arising after September 30 2013 are set out in note 29

Going concern, debt covenants and liquidity

The results of the group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Chairman's Statement on pages 4 to 7

The financial position of the group, its cash flows and liquidity position are set out in detail in this report The group meets its day-to-day working capital requirements through its US$300 million dedicated multi-currency borrowing facility with Daily Mail and General Trust plc group (DMGT) The total maximum borrowing capacity is US$250 million (£154 million) and £33 million and was due to mature in December 2013 The facility's covenant requires the group's net debt to be no more than four times adjusted EBITDA on a rolling 12 month basis At September 30 2013, the group's net debt to adjusted EBITDA covenant was 0 09 times and the committed undrawn facility available to the group was £165 9 million

Subsequent to the year end, the group has signed a US$160 million multi-currency replacement funding facility with DMGT that provides access to funds during the period to April 2016 The new facility's covenant requires the group's net debt to be no more than three times adjusted EBITDA on a rolling 12 month basis

The group's forecasts and projections, looking out to September 2016 and taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level and covenants of its current borrowing facility

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future Accordingly, the directors continue to adopt the going concern basis in preparing this annual report

Capital structure and significant shareholdings

Details of the company's share capital are given in note 22 The company's ultimate controlling party is given in note 30 The company's share capital is divided into ordinary shares of 0 25 pence each Each share entitles its holder to one vote at shareholders' meetings and the right to receive one share of the company's dividends

Significant shareholdings at November 12 2013

Name of holder	Nature of holding	Number of shares	% of voting rights
DMG Charles Limited	Direct	85,838,458	67 88

EU Takeovers Directive

Pursuant to s992 of the Companies Act 2006, which implements the EU Takeovers Directive, the company is required to disclose certain additional information which is not covered elsewhere in this annual report Such disclosures are as follows

- there are no restrictions on the transfer of securities (shares or loan notes) in the company, including (i) limitations on the holding of securities, and (ii) requirements to obtain the approval of the company, or of other holders or securities in the company, for a transfer of securities,
- there are no people who hold securities carrying special rights with regard to control of the company,
- the company's employee share schemes do not give rights with regard to control of the company that are not exercisable directly by employees,
- there are no restrictions on voting rights,
- the directors are not aware of any agreements between holders or securities that may result in restrictions on the transfer of securities or on voting rights,
- the company has a number of agreements that take effect, alter or terminate upon a change of control of the company following a takeover bid, such as commercial contracts, bank loan agreements, property lease arrangements, directors' service agreements and employee share plans None of these agreements are deemed to be significant in terms of their potential impact on the business of the group as a whole, and
- details of the directors' entitlement to compensation for loss of office following a takeover or contract termination are given in the Directors' Remuneration Report

Authority to purchase and allot own shares

The company's authority to purchase up to 10% of its own shares expires at the conclusion of the company's next Annual General Meeting A resolution to renew this authority for a further period will be put to shareholders at this meeting

At the Annual General Meeting of the company on January 31 2013, the shareholders authorised the directors to allot shares up to an aggregate nominal amount of £93,266 expiring at the conclusion of the Annual General Meeting to be held in 2014 A resolution to renew this authority for a further period will be put to shareholders at this meeting

Directors' indemnities

The company has directors' and officers' liability and corporate reimbursement insurance for the benefit of its directors and those of other associated companies This insurance has been in place throughout the year and remains in force at the date of this report

Annual General Meeting

The company's next Annual General Meeting will be held on January 30 2014

Auditor

In the case of each of the persons who is a director of the company at November 13 2013

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of the information

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

A resolution to reappoint Deloitte LLP as the company's auditor is expected to be proposed at the forthcoming Annual General Meeting

Directors' Report
Directors' responsibility statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing the parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

In preparing the group financial statements, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

Responsibility statement

We confirm that to the best of our knowledge

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole, and
- the management report, which is incorporated into the Strategic Report, includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

In addition, each of the directors considers that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy

By order of the board

Christopher Fordham
Director
November 13 2013

Colin Jones
Director
November 13 2013

Directors and Advisors
Executive Directors

Mr PR Ensor ‡
Chairman

Mr PR Ensor (aged 65) joined the company in 1976 and was appointed an executive director in 1983 He was appointed managing director in 1992 and chairman on October 15 2012 He is chairman of the nominations committee He is also a director of BCA Research, Inc , Ned Davis Research Inc , and Davis, Mendel & Regenstein Inc , and an outside member of the Finance Committee of Oxford University Press

Mr CHC Fordham ‡
Managing Director

Mr CHC Fordham (aged 53) joined the company in 2000 and was appointed an executive director in July 2003 and managing director on October 15 2012 He was appointed a member of the nominations committee on December 12 2012 He was previously the director responsible for acquisitions and disposals as well as running some of the company's businesses

Mr NF Osborn
Mr NF Osborn (aged 63) joined the company in 1983 and was appointed an executive director in February 1988 He is the publisher of *Euromoney* He is also a director of RBC OJSC, a Moscow-listed media company

Mr DC Cohen
Mr DC Cohen (aged 55) joined the company in 1984 and was appointed an executive director in September 1989 He is managing director of the training division

Mr CR Jones
Mr CR Jones (aged 53) is the finance director and a chartered accountant He joined the company in July 1996 and was appointed finance director in November 1996 He is also the group's chief operating officer and a director of Institutional Investor, LLC and BCA Research, Inc

Ms DE Alfano
Ms DE Alfano (aged 57) joined Institutional Investor, LLC in 1984 and was appointed an executive director in July 2000 She is managing director of Institutional Investor's conference division and a director and chairman of Institutional Investor, LLC

Ms JL Wilkinson
Ms JL Wilkinson (aged 48) joined the company in 2000 and was appointed an executive director in March 2007 She is group marketing director, CEO of Institutional Investor's publishing activities and president of Institutional Investor, LLC

Mr B AL-Rehany
Mr B AL-Rehany (aged 56) was appointed an executive director in November 2009 He is chief executive officer and a director of BCA Research, Inc which he joined in January 2003 Euromoney acquired BCA Research, Inc in October 2006

‡ Member of the nominations committee

Directors and Advisors

Non-executive Directors

The Viscount Rothermere ‡
The Viscount Rothermere (aged 45) was appointed a non-executive director in September 1998 and is a member of the nominations committee He is chairman of Daily Mail and General Trust plc

Sir Patrick Sergeant ‡
Sir Patrick Sergeant (aged 89) is a non-executive director and president He founded the company in 1969 and was managing director until 1985 when he became chairman He retired as chairman in September 1992 when he was appointed as president and a non-executive director He is a member of the nominations committee

Mr JC Botts †‡§
Mr JC Botts (aged 72) was appointed a non-executive director in December 1992 and is chairman of the remuneration committee and a member of the audit and nominations committees He is senior adviser of Allen & Company in London, a director of Songbird Estates plc and a director of several private companies He was formerly a non-executive chairman of United Business Media plc

Mr MWH Morgan †‡
Mr MWH Morgan (aged 63) was appointed a non-executive director in October 2008 He is a member of the remuneration and nominations committees He was previously chief executive of DMG Information and became chief executive of Daily Mail and General Trust plc in October 2008

Mr DP Pritchard §†
Mr DP Pritchard (independent) (aged 69) was appointed a non-executive director in December 2008 He is chairman of the audit committee and a member of the remuneration committee He is chairman of Songbird Estates plc and of AIB Group (UK) plc, and a director of The Motability Tenth Anniversary Trust He was formerly deputy chairman of Lloyds TSB Group, chairman of Cheltenham & Gloucester plc and a director of Scottish Widows Group and LCH Clearnet Group

Mr ART Ballingal
Mr ART Ballingal (independent), aged 52, was appointed a non-executive director on December 12 2012 He is chief executive and chief investment officer of Ballingal Investment Advisors (BIA), an independent investment firm based in Hong Kong, which advises two award-winning Asia Pacific hedge funds, the BIA Pacific Fund and the BIA Pacific Macro Fund A graduate of Oxford University, he has lived in Asia for over 20 years and worked in the Asia Pacific investment market at various firms including Barclays/BZW, Sloane Robinson, Schroders and Ruffer before founding BIA in 2002 In addition to extensive Asia Pacific investment experience, he has had significant involvement over two decades as an advisor, investor, and partner in hedge and absolute return investment funds Since 2008, he has served as a member of the Euromoney Institutional Investor PLC Asia Pacific Advisory Board

Mr TP Hillgarth §
Mr TP Hillgarth (independent), aged 64, was appointed a non-executive director on December 12 2012 and a member of the audit committee on March 12 2013 He is a partner of Powe Capital Management LLP, a European hedge fund management company He has 30 years of experience in the asset management industry having recently been a director of Jupiter Asset Management for eight years and before that at Invesco where he held several senior positions over 14 years including CEO of Invesco's UK and European business

† Member of the remuneration committee
‡ Member of the nominations committee
§ Member of the audit committee

Advisors and registered office

President
Sir Patrick Sergeant

Company Secretary
C Benn

Registered Office
Nestor House, Playhouse Yard,
London EC4V 5EX

Registered Number
954730

Auditor
Deloitte LLP,
2 New Street Square,
London EC4A 3BZ

Solicitors
Nabarro, Lacon House,
Theobald's Road,
London WC1 8RW

Brokers
UBS, 1 Finsbury Avenue,
London EC2M 2PP

Registrars
Equiniti, Aspect House,
Spencer Road, Lancing, West Sussex,
BN99 6DA

Corporate Governance

The Financial Reporting Council's 2012 UK Corporate Governance Code ("the Code") is part of the Listing Rules ("the Rules") of the Financial Conduct Authority The paragraphs below and in the Directors' Remuneration Report on pages 49 to 73 set out how the company has applied the principles laid down by the Code The company continues substantially to comply with the Code, save for the exceptions disclosed in the Directors' Compliance Statement on page 42

Directors
The board and its role

Details of directors who served during the year are set out on page 58 PM Fallon, the chairman, who was due to retire at the AGM in January 2013, died on October 14 2012 The company announced that, effective from October 15 2012, its previously announced succession plans would be accelerated and that PR Ensor would succeed PM Fallon as chairman and CHC Fordham would succeed PR Ensor as managing director In addition, on December 12 2012 ART Ballingal and TP Hillgarth were appointed as non-executive directors and on January 31 2013 JC Gonzalez retired as non-executive director Following these changes the board comprised the chairman, managing director, and six other executive directors and seven non-executive directors Four of the seven non-executive directors are not independent, one is the founder and ex-chairman of the company, two are directors of Daily Mail and General Trust plc (DMGT), an intermediate parent company, and one has served on the board for more than the recommended term of nine years under the Code

There are clear divisions of responsibility within the board such that no one individual has unfettered powers of decision The board, although larger than average, does not consider itself to be unwieldy and believes it is beneficial to have representatives from key areas of the business at board meetings There is a procedure for all directors in the furtherance of their duties to take independent professional advice, at the company's expense They also have access to the advice and services of the company secretary In accordance with best corporate governance practice under the 2012 UK Corporate Governance Code all directors will submit themselves for annual re-election Newly appointed directors are submitted for election at the first available opportunity after their appointment

The board meets every two months and there is frequent contact between meetings Board meetings take place in London, New York, Montreal and Hong Kong, and occasionally in other locations where the group has operations The board has delegated certain aspects of the group's affairs to standing committees, each of which operates within defined terms of reference Details of these are set out below However, to ensure its overall control of the group's affairs, the board has reserved certain matters to itself for decision Board meetings are held to set and monitor strategy, identify, evaluate and manage material risks, to review trading performance, ensure adequate funding, examine major acquisition possibilities and approve reports to shareholders Procedures are established to ensure that appropriate information is communicated to the board in a timely manner to enable it to fulfil its duties

Committees
Executive committee

The executive committee meets each month to discuss strategy, results and forecasts, risks, possible acquisitions and divestitures, costs, staff numbers, recruitment and training and other management issues It also discusses corporate and social responsibility including the group's various charity initiatives It is not empowered to make decisions except those that can be made by the members in their individual capacities as executives with powers approved by the board of the company It is chaired by the group chairman and comprises all executive directors plus the following divisional directors RP Daswani *(Metal Bulletin)*, R Davies (specialist publication group), RCM Garnett (Euromoney conferences), L Gibson (Euromoney seminars and Metal Bulletin events), RG Irving (Structured Retail Products and TelCap), BR Jones (information technology), JG Orchard (capital markets group), AB Shale *(Asiamoney)*, and DRJ Williams *(Euromoney)* The discussions of the committee are summarised by the group chairman and reported to each board meeting, together with recommendations on matters reserved for board decisions

Nominations committee

The nominations committee is responsible for proposing candidates for appointment to the board having regard to the balance of skills, structure and composition of the board and ensuring the appointees have sufficient time available to devote to the role The chairman of the committee, PM Fallon, died on October 14 2012 and was succeeded by PR Ensor, previously a member of the nominations committee On December 12 2012 CHC Fordham was appointed a member of the committee Following these changes the committee comprises PR Ensor (chairman of the committee), CHC Fordham and four non-executive directors, being Sir Patrick Sergeant, The Viscount Rothermere, MWH Morgan and JC Botts The committee's terms of reference are available on the company's website at www euromoneyplc com/reports/Nominationcommittee pdf

The committee meets when required and this year met four times in October 2012 to recommend the succession of PM Fallon by PR Ensor as chairman of the nominations committee, in November 2012 to recommend to the board the appointment of ART Ballingal and TP Hillgarth as non-executives to the board, CHC Fordham to the nominations committee and C Benn as company secretary, in December 2012 to recommend to the board the re-election of directors retiring by rotation, and in March 2013 to recommend to the board the appointment of TP Hillgarth to the audit committee

The group's gender diversity information is set out in the Corporate Governance report on page 38

Corporate Governance
continued

Remuneration committee

The remuneration committee meets twice a year and additionally as required It is responsible for determining the contract terms, remuneration and other benefits for executive directors, including performance-related incentives This committee also recommends and monitors the level of remuneration for senior management and overall, including group-wide share option schemes The composition of the committee, details of directors' remuneration and interests in share options and information on directors' service contracts are set out in the Directors' Remuneration Report on pages 49 to 73 The committee's terms of reference are available on the company's website at http //www euromoneyplc com/reports/ Remunerationcommittee pdf

Audit committee

Details of the members and role of the audit committee are set out on page 39 The committee's terms of reference are available on the company's website at http //www euromoneyplc com/reports/Auditcommittee pdf

Tax and treasury committee

The group's tax and treasury committee normally meets twice a year and is responsible for recommending policy to the board The committee members are the chairman, managing director and finance director of the company, and the finance director and the deputy finance director of DMGT The chairman of the audit committee is also invited to attend tax and treasury meetings The group's treasury policies are directed to giving greater certainty of future costs and revenues and ensuring that the group has adequate liquidity for working capital and debt capacity for funding acquisitions

Details of the tax and treasury policies are set out in the Strategic Report on page 21

Non-executive directors

The non-executive directors bring both independent views and the views of the company's major shareholder to the board On December 12 2012, ART Ballingal (independent) and TP Hillgarth (independent) were appointed non-executive directors of the company JC Gonzalez (independent) retired as a non-executive director at the Annual General Meeting on January 31 2013 The other non-executive directors who served during the year were The Viscount Rothermere, Sir Patrick Sergeant, JC Botts, MWH Morgan, and DP Pritchard (independent) Their biographies can be found on page 34 of the accounts

At least once a year the company's chairman meets the non-executive directors without the executive directors being present The non-executive directors meet without the company's chairman present at least annually to appraise the chairman's performance and on other occasions as necessary

The board considers DP Pritchard, ART Ballingal and TP Hillgarth to be independent non-executive directors JC Botts has been on the board for more than the recommended term of nine years under the Code and the board believes that his length of service enhances his role as a non-executive director However, due to his length of service, JC Botts does not meet the Code's definition of independence

Sir Patrick Sergeant has served on the board in various roles since founding the company in 1969 and has been a non-executive director since 1992 As founder and president of the company, the board believes his insight and external contacts remain invaluable However, due to his length of service, Sir Patrick Sergeant does not meet the Code's definition of independence

The Viscount Rothermere has a significant shareholding in the company through his beneficial holding in DMGT and because of this he is not considered independent

The Viscount Rothermere and MWH Morgan are also executive directors of DMGT, an intermediate parent company However, the company is run as a separate, distinct and decentralised subsidiary of DMGT and these directors have no involvement in the day-to-day management of the company They bring valuable experience and advice to the company and the board does not believe these non-executive directors are able to exert undue influence on decisions taken by the board, nor does it consider their independence to be impaired by their positions with DMGT However, their relationship with DMGT means they do not meet the Code's definition of independence

Board and committee meetings

Board and committee meetings are arranged well in advance of the meeting date and papers covering the points to be discussed are distributed to its members in advance of the meetings The following table sets out the number of board and committee meetings attended by the directors during the year to September 30 2013

	Board	Executive committee	Remuneration committee	Nominations committee	Audit committee	Tax & treasury committee
Number of meetings held during year	**6**	**10**	**3**	**4**	**4**	**2**
Executive directors						
PM Fallon (died October 14 2012)	–	–	–	–	–	–
PR Ensor - chairman	6	10	–	3	–	2
CHC Fordham - managing director	6	10	–	–	–	2
NF Osborn	6	10	–	–	–	–
DC Cohen	6	10	–	–	–	–
CR Jones - finance director	6	10	–	–	–	2
DE Alfano	6	10	–	–	–	–
JL Wilkinson	6	10	–	–	–	–
B AL-Rehany	6	8	–	–	–	–
Non-executive directors						
The Viscount Rothermere	6	–	–	4	–	–
Sir Patrick Sergeant	4	–	–	4	–	–
JC Botts	5	–	3	4	4	–
JC Gonzalez (retired January 31 2013)	1	–	–	–	1	–
MWH Morgan	6	–	3	4	–	–
DP Pritchard	6	–	3	–	4	2
ART Ballingal (appointed December 12 2012)	3	–	–	–	–	–
TP Hillgarth (appointed December 12 2012)	4	–	–	–	3	–

Board and committee effectiveness

The Code requires an externally facilitated evaluation of the board every three years The external evaluation was due this year, but the board decided to delay it until 2014 following the changes to the board earlier in the year, including the appointment of a new chairman However, as in previous years, in 2013 the board, through its chairman, assessed its performance and that of its committees The chairman surveyed each board member and evaluated the strengths and weaknesses of the board and its members In addition, each of the main committees completed a questionnaire encompassing key areas within their mandates The chairman concluded that the board and its committees had been effective throughout the year

As part of the performance evaluation the board are asked to assess the chairman's performance The results of the assessment are provided to the non-executive directors for review in the absence of the group having a senior independent director It was concluded that the chairman had been effective throughout the year

Corporate Governance
continued

Diversity

The board believes that diversity is important for board effectiveness However, diversity is much more than an issue of gender, and includes a diversity of skills, experience, nationality and background Diversity will continue to be a key consideration when contemplating the composition and refreshing of the board and indeed senior and wider management The board recognises that while the overall balance of gender is good within the group, with 49% of employees being female as at September 30 2013, there is still more work to be done to fulfil overall diversity ambitions

	Board	Executive committee	Permanent employees
Male	13	14	1,099
Female	2	3	1,043
Total	**15**	**17**	**2,142**
% Female	13%	18%	49%

Communication with shareholders

The company's chairman, together with the board, encourages regular dialogue with shareholders Meetings with shareholders are held, both in the UK and in the US, to discuss annual and interim results and highlight significant acquisitions or disposals, or at the request of institutional shareholders Private shareholders are encouraged to participate in the Annual General Meeting In line with best practice all shareholders have at least 20 working days notice of the Annual General Meeting at which the executive directors, non-executive directors and committee chairs are available for questioning

The company's chairman and finance director report to fellow board members matters raised by shareholders and analysts to ensure members of the board, in particular the non-executive directors, develop an understanding of the investors' and potential investors' view of the company

Internal control and risk management

The board as a whole is responsible for the oversight of risk, 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

In accordance with principle C 2 and C 2 1 of the Code and section 34 of the Revised Guidance for Directors on Internal Control (formally called Turnbull guidance), the board has implemented a continuing process for identifying, evaluating and managing the material risks faced by the group

The board has reviewed the effectiveness of the group's system of internal control and risk management systems and has taken account of material developments which have taken place since September 30 2012 It has considered the major business and financial risks, the control environment and the results of internal audit Steps have been taken to embed internal control and risk management further into the operations of the group and to deal with areas of improvement which have come to management's and the board's attention

Key procedures which the directors have established with a view to providing effective internal control, and which have been in place throughout the year and up to the date of this report, are as follows

The board of directors

- the board normally meets six times a year to consider group strategy, risk management, financial performance, acquisitions, business development and management issues,
- the board has overall responsibility for the group and there is a formal schedule of matters specifically reserved for decision by the board,
- each executive director has been given responsibility for specific aspects of the group's affairs,
- the board reviews and assesses the group's principal risks and uncertainties at least annually,
- the board seeks assurance that effective control is being maintained through regular reports from business group management, the audit committee and various independent monitoring functions, and
- the board approves the annual forecast after performing a review of key risk factors Performance is monitored regularly by way of variances and key performance indicators to enable relevant action to be taken and forecasts are updated each quarter The board considers longer-term financial projections as part of its regular discussions on the group's strategy and funding requirements

Executive management of risk is provided by a risk committee comprising the chairman, managing director and finance director, which reports to the board each month and is responsible for managing and addressing risk matters as they arise In addition, the group employs an information security manager, a data protection manager and a risk and compliance officer as well as having the ability to draw on the resources of DMGT's risk and assurance should it be considered necessary

During the year and up to the approval of this annual report and accounts the board has not identified nor been advised of any failings or weaknesses in the group's system of internal control which it has determined to be significant Therefore a confirmation of necessary actions has not been considered appropriate

Investment appraisal

The managing director, finance director and business group managers consider proposals for acquisitions and new business investments Proposals beyond specified limits are put to the board for approval and are subject to due diligence by the group's finance team and, if necessary, independent advisors Capital expenditure is regulated by strict authorisation controls For capital expenditure above specified levels, detailed written proposals must be submitted to the board and reviews are carried out to monitor progress against business plan

Accounting and computer systems controls and procedures

Accounting controls and procedures are regularly reviewed and communicated throughout the group Particular attention is paid to authorisation levels and segregation of duties The group's tax, financing and foreign exchange positions are overseen by the tax and treasury committee, which meets at least twice a year Controls and procedures over the security of data and disaster recovery are periodically reviewed and are subject to internal audit

Internal audit

The group's internal audit function is managed by DMGT's internal audit department, working closely with the company's finance director Internal audit draws on the services of the group's central finance teams to assist in completing the audit assignments Internal audit aims to provide an independent assessment as to whether effective systems and controls are in place and being operated to manage significant operating and financial risks It also aims to support management by providing cost effective recommendations to mitigate risk and control weaknesses identified during the audit process, as well as provide insight into where cost efficiencies and monetary gains might be made by improving the operations of the business Businesses and central departments are selected for an internal audit visit on a risk-focused basis, taking account of the risks identified as part of the risk management process, the risk and materiality of each of the group's businesses, the scope and findings of external audit work, and the departments and businesses reviewed previously and the findings from these reviews This approach ensures that the internal audit focus is placed on the higher risk areas of the group, while ensuring an appropriate breadth of coverage DMGT's internal audit reports its findings to management and to the audit committee

Accountability and audit

Audit committee

Committee composition, skill and experience

The audit committee comprises DP Pritchard (chairman, independent), JC Botts, SW Daintith, the finance director of DMGT and from March 12 2013 TP Hillgarth (independent) JC Gonzalez (independent) retired from the committee on January 31 2013 Three of the four members are non-executive directors All members of the committee have a high level of financial literacy, SW Daintith and TP Hillgarth are chartered accountants and members of the ICAEW, and DP Pritchard has considerable audit committee experience

Responsibilities

The committee meets at least three times each financial year and is responsible for

- monitoring the integrity of the interim report, the annual report and accounts and other related formal statements, reviewing accounting policies applied and judgements applied,
- reviewing the content of the annual report and accounts and advising the board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy,
- considering the effectiveness of the group's internal financial control systems,
- considering the appointment or reappointment of the external auditors and to review their remuneration, both for audit and non-audit,
- monitoring and reviewing the external auditors' independence and objectivity and the effectiveness of the audit process,
- monitoring and reviewing the resources and effectiveness of internal audit,
- reviewing the internal audit programme and receiving periodic reports on its findings,
- reviewing the whistle-blowing arrangements available to staff,
- reviewing the group's policy on the employment of former audit staff, and
- reviewing the group's policy on non-audit fees

The audit committee's terms of reference are available at www euromoneyplc com/reports/ Auditcommittee pdf

Content of the annual report and accounts – fair, balanced and understandable

One of the key governance requirements of a group's financial statements is for the report and accounts to be fair, balanced and understandable The co-ordination and review of the group-wide input to the annual report and accounts is a sizeable exercise performed within an exacting time-frame which runs alongside the formal audit process undertaken by the external auditors

Arriving at a position where initially the audit committee, and then the board, are satisfied with the overall fairness, balance and clarity of the report and accounts is underpinned by the following

- attendance by the committee members and the board in the summer at a comprehensive training session on corporate governance matters, and specifically the new reporting and legislative requirements,
- early preparation by management and review by the committee of key components of the annual report, particularly those reflecting new disclosure and reporting requirements,
- comprehensive reviews undertaken by management, a sub-committee of the directors and the auditors to ensure consistency and overall balance,

Corporate Governance
continued

- knowledge sharing by management of key risks and matters likely to affect the annual report through attendance by the chairman of the audit committee at the annual internal audit planning meeting and tax and treasury committee meetings held during the year as well as through the audit committee chairman's regular meetings with management and internal audit,
- a twice yearly review by the audit committee of key assumptions and judgements made by management in preparation of the annual and interim reports as well as considering significant issues arising during the year

Financial reporting and significant financial judgements

The committee, with input from the external auditor, assessed whether suitable accounting policies had been adopted, whether management had made appropriate estimates and judgements and whether disclosures were balanced and fair For the year ended September 30 2013 the committee reviewed the following main issues

- accounting for acquisitions of TTI/Vanguard, Insider Publishing, Quantitative Techniques and CIE, and the valuation of acquisition commitments and deferred consideration including that related to previous acquisitions including NDR The committee discussed the appropriateness of the life of the intangible asset, and the methodology around and inputs into the calculation of the amounts concerned The committee was satisfied these were reasonable and appropriate,
- presentation of the financial statements and in particular, the presentation of the adjusted performance and the adjusting items The committee reviewed the financial statements and discussed with management and the auditor the appropriateness of the adjusted items including consideration of their consistency and the avoidance of any misleading effect on the financial statements The committee was satisfied these were appropriate, consistent and complete,
- at the request of the board, the committee considered whether the 2013 Annual Report and Accounts was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the group's performance, business model and strategy Following the committee's review of the accounts and after applying their knowledge of matters raised during the year the committee was satisfied that, taken as a whole, the Annual Report and Accounts is fair, balanced and understandable,
- assessing significant provisions and accruals including tax provisions The committee discussed with management and the auditor how the provision levels were determined and calculated They also discussed matters not provided against to establish if this was appropriate The chairman of the audit committee also attends the tax and treasury committee which provides valuable insight into the tax matters and related provisions The committee was satisfied that these were adequate and appropriate,
- assessing the recognition and measurement of deferred tax assets and liabilities The committee discussed the deferred tax balances with the auditor and management to establish how they were determined and calculated As stated above, the chairman of the audit committee attends the tax and treasury committee which also helps establish the appropriateness of the recognition of the deferred tax balances The committee was satisfied that these were appropriately recognised,
- the carrying value of goodwill and intangible assets and any potential impairments The committee discussed the appropriateness of the life of the intangible assets and the methodology around and inputs into the calculation supporting the carrying value of the amounts concerned It was satisfied that no provisions or impairments were required and that the disclosures were reasonable and appropriate,
- capitalisation of internally generated intangible assets in relation to the implementation of the global management content system The committee discussed with management and the auditor the type of expenditure capitalised to help ensure this was in accordance with the group's accounting policy in this area The committee had previously discussed and approved the group's accounting policy, including the amortisation period, related to this type of spend The committee was satisfied the capitalisation of the internally generated intangible assets were reasonable and appropriate,
- revenue recognition in relation to the cut-off for publications and events, the deferral of subscription revenues and the treatment of voting and commission share agreement revenues The committee discussed with management the internal controls in place in this area and what work the auditor had completed on revenue recognition
- the appropriateness of the disclosures for going concern at year end by review of the available facilities, facility headroom, the banking covenants and the sensitivity analyses on these items The committee was satisfied that the going concern basis of preparation continues to be appropriate in the context of the group's funding and liquidity position

External auditors

As noted the committee has primary responsibility for making a recommendation to the board on the appointment, reappointment and removal of external auditors, together with approval of their remuneration As part of its role in ensuring effectiveness, the committee has completed a formal review which focused on the effectiveness, independence and objectivity of the external audit and included the following areas

- the audit partners and audit teams with particular focus on the lead audit partner including an annual assessment of the qualifications, expertise and resources of the external auditors,
- planning and scope of the audit and identification of areas of audit risk,
- the execution of the audit including the robustness and perceptiveness of the auditors in handling their key accounting and audit judgements,
- the role of management in an effective audit process,
- communications by the auditor, including the quality of their reporting and the availability of the lead audit partner to meet senior management and to discuss matters with the committee,
- how the auditor supported the work of the audit committee,
- how the audit contributed insights and added value,
- a review of independence and objectivity of the audit firm,
- the quality and content of the formal audit report in the annual report,
- the appropriateness of the audit fee including value for money considerations but also to ensure a sufficient quality of work can be achieved for the fee proposed,
- results of regulatory reviews by the audit inspection unit

The appointment of Deloitte as the group's external auditor (incumbents since the last audit tender in 1998) is kept under annual review and, if satisfactory, the committee will recommend the reappointment of the audit firm The appointment of Deloitte followed a formal tender process undertaken in 1998 and, rather than adopting a policy on tendering frequency, the annual review of the effectiveness of the external audit is supplemented by a periodic comprehensive reassessment by the committee The last such reassessment was performed in financial year 2009, when having received assurances on the continued quality of the audit, the committee determined to recommend the reappointment of the incumbent firm As the appointment of the auditor is for one year only, being subject to annual approval at the company's Annual General Meeting, there is no contractual commitment to the current audit firm and, as such, the committee may undertake an audit tender at any time at its discretion

The committee has reviewed the changes to the Code including the new provision for FTSE 350 companies to put the external audit contract out to tender at least every ten years Having considered the FRC's guidance on aligning the timing of such tenders with the audit engagement rotation cycle, it is the committee's intention to initiate an audit tender process in 2015 This policy will be kept under review and the committee will use its regular review of audit effectiveness to assess whether an earlier date for such a tender is desirable

Having considered the output of the review above, the committee recommends the reappointment of Deloitte as the group's auditor at the next Annual General Meeting

Effectiveness of internal financial control systems

The committee invests time in meeting with internal audit to better understand their work and its outcome At each meeting of the committee internal audit present a detailed report covering controls audited since the last meeting, matters identified and updates to any previous control issues still outstanding The committee challenges internal audit and discusses these audits and matters identified as appropriate Internal audit supplement their work through a series of peer reviews completed by finance people across the group but independent from the business being audited The peer reviews audit the operation of key internal controls which have been confirmed by the businesses as in place through a six-monthly control standards sign-off Internal audit review the findings of this supplemental work and present a summary to the committee at each audit committee meeting This is challenged by the committee and discussed as necessary

Resources available to internal audit and its effectiveness

The committee monitors the level and skill base available to the group from internal audit Although internal audit areas are planned a year ahead, the amount of time available to the group from internal audit is not fixed Internal audit is able to scale up resource as required and draws on finance people across the wider DMGT group as well as regularly supplementing its team through the use of specialists

The committee are able to monitor the effectiveness of internal audit through their involvement in its focus, planning, process and outcome The committee approve the internal audit plan and any revision to this during the year, the chair of the committee is invited to attend the initial internal audit planning meeting between management and internal audit Internal audit present, at each audit committee meeting, a summary of their work and findings, the results of the internal audit team's follow up of completed reviews and a summary of assurance work completed by others including ISI (Internet Securities Inc, a multi-location subsidiary business) internal audits, technology audits, circulation audits, polls and awards audits and peer reviews (as explained above) Internal audit is also involved in other risk assurance projects including fraud investigation, an annual fraud and bribery risk assessment, information security and business continuity Internal audit is subject to an external review every five years, the results of which are fed back to the committee This external review was last carried out in September 2013

Corporate Governance
continued

Non-audit work

The audit committee completes an annual assessment of the type of non-audit work permissible and a de minimis level of non-audit fees acceptable Any non-audit work performed outside this remit is assessed and where appropriate approved by the committee Fees paid to Deloitte for audit services, audit related services and other non-audit services are set out in note 4 During 2013 Deloitte did not provide significant non-audit services The group's non-audit fee policy is available on the company's website (www euromoneyplc com/reports/nonauditfee pdf)

Annual Report and Accounts

The directors have responsibility for preparing the 2013 annual report and accounts and for making certain confirmations concerning it In accordance with the Code provision C 1 1 the board considers that taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy

The board reached this conclusion after receiving advice from the audit committee

Statement by the directors on compliance with the Code

The UK Listing Rules require the board to report on compliance throughout the accounting year with the applicable principles and provisions of the 2012 UK Corporate Governance Code issued by the Financial Reporting Council Since its formation in 1969, the company has had a majority shareholder, Daily Mail and General Trust plc (DMGT) As majority shareholder, DMGT retains two non-executive positions on the board These non-executive directors are not regarded as independent under the Code In addition, the company's founder, president and ex-chairman, Sir Patrick Sergeant, remains on the board but is not regarded as an independent director under the Code As a result, the company failed to comply throughout the financial year ended September 30 2013 with certain provisions in the Code as set out below

The company has, however, made significant strides over the past few years to bring its board structure more in line with best practice In particular, the number of executive directors has been reduced to eight, compared to 14 in 2009, and two new independent directors were appointed at the beginning of the year It is the company's intention over time to get to a position where the majority of its board comprises non-executive directors, even if not all are independent because of their relationship with DMGT

Provision B 1 2 states that half the board, excluding the chairman, should be comprised of non-executive directors determined by the board to be independent For the majority of the year the board, excluding the chairman, comprised 14 directors of whom seven were non-executive but only three were considered independent under the Code However, there are clear divisions of responsibility within the board such that no one individual has unfettered powers of decision The board, although large, does not consider itself to be unwieldy and believes it is beneficial to have representatives from key areas of the business at board meetings

JC Botts has been on the board for more than the recommended term of nine years under the Code and the board believes that his length of service enhances his role as a non-executive director However, due to his length of service, JC Botts does not meet the Code's definition of independence

Sir Patrick Sergeant has served on the board in various roles since founding the company in 1969 and has been a non-executive director since 1992 As founder and president of the company, the board believes his insight and external contacts remain invaluable However, due to his length of service, Sir Patrick Sergeant does not meet the Code's definition of independence

The Viscount Rothermere has a significant shareholding in the company through his beneficial holding in DMGT and because of this he is not considered independent

The Viscount Rothermere and MWH Morgan are also executive directors of DMGT, an intermediate parent company However, the company is run as a separate, distinct and decentralised subsidiary of DMGT and these directors have no involvement in the day-to-day management of the company They bring valuable experience and advice to the company and the board does not believe these non-executive directors are able to exert undue influence on decisions taken by the board, nor does it consider their independence to be impaired by their positions with DMGT However, their relationship with DMGT means they do not meet the Code's definition of independence

Contrary to provision A 4 1, the board has not identified a senior independent non-executive director However, JC Botts, although not independent due to his length of service, acts as senior non-executive director

Provision B 2 1 requires that the majority of the nominations committee should be comprised of independent non-executive directors Although the committee consists of four non-executive and two executive directors, none of these non-executive directors can be considered independent under the Code

Provision B 3 2 states that the terms and conditions of appointment of non-executive directors should be available for inspection JC Botts, DP Pritchard, ART Ballingal and TP Hillgarth have terms and conditions of appointment, however, The Viscount Rothermere, MWH Morgan and Sir Patrick Sergeant operate under the terms of their employment contracts with DMGT and Euromoney respectively

Provision B 6 2 requires the board of FTSE 350 companies to be externally facilitated every three years As explained above, due to the changes in the board this year, including the appointment of a new chairman, the board decided to delay this external review until 2014 An internal evaluation of board effectiveness was completed

Provisions C 3 1 and D 2 1 require the remuneration and audit committees to comprise entirely of independent non-executive directors The remuneration committee is comprised of three non-executive directors, one of whom can be considered independent under the Code During the year, the audit committee comprised four members, only three of which were non-executive directors of the company, only two of whom can be considered independent under the Code

On behalf of the board

Richard Ensor
Chairman
November 13 2013

Corporate and Social Responsibility

The group is diverse and operates through a large number of businesses in many geographical locations Each business provides important channels of communication to different sections of society throughout the world The success of the group's businesses owes much to understanding and engaging with the communities they serve both locally and globally

The paragraphs below provide more detailed explanations on key areas of corporate responsibility

Environmental responsibility

The group does not operate directly in industries where there is the potential for serious industrial pollution It does not print products in-house or have any investments in printing works It takes its environmental responsibility seriously and complies with all relevant environmental laws and regulations in each country in which it operates Wherever economically feasible, account is taken of environmental issues when placing contracts with suppliers of goods and services and these suppliers are regularly reviewed and monitored For instance, the group's two biggest print contracts are outsourced to companies who have environment management systems compliant with the ISO 14001 standard The paper used for the group's publications is produced from pulp obtained from sustainable forests, manufactured under strict, monitored and accountable environmental standards

The group is not a heavy user of energy, however, it does manage its energy requirements sensibly using low-energy office equipment where possible and using a common sense approach to office energy management For instance, the UK group uses new secure multi-functional device technology which enables two sided printing and allows employees to delete unwanted documents at the printer before printing This initiative should reduce paper, ink and electricity usage

Each office within the group is encouraged to reduce waste, reuse paper and only print documents and emails where necessary The main offices across the group also recycle waste where possible This year the UK, US and Canadian offices recycled 81,000kg of paper and card, which is equivalent to more than 900 trees

Greenhouse Gas (GHG) reporting

The company, as part of the wider Daily Mail and General Trust plc group (DMGT), participates in a DMGT group-wide carbon footprint analysis completed by ICF International This exercise has been undertaken every year since 2007 using the widely recognised GHG protocol methodology developed by the World Resource Institute and the World Business Council for Sustainable Development This year, the group's carbon footprint has been restated in order to account for material changes to the conversion factors provided by Defra for company reporting purposes

The directors are committed to reducing the group's absolute carbon emissions and managing its carbon footprint The company, as part of the wider DMGT group, committed to reducing its absolute carbon emissions by 10% from the baseline year of 2007 by the end of 2012 The targeted 10% reduction was achieved two years early In 2012 the company, as part of the wider DMGT group, set a challenging new target to reduce its carbon footprint relative to revenue by 10% from the 2012 base by the end of 2015

GREENHOUSE EMISSION STATEMENT

The following emissions have been calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition) methodology Data was gathered to fulfil the requirements under the CRC Energy Efficiency scheme, and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2014 The carbon footprint is expressed in tonnes of Carbon Dioxide equivalent and includes all the Kyoto Protocol gases that are of relevance to the business The company's footprint covers emissions from its global operations and the following emission sources Scope 1 and 2 (as defined by the GHG Protocol), business travel and outsourced delivery activities

ASSESSMENT PARAMETERS

Baseline year	2012
Consolidation approach	Operational control
Boundary summary	All entities and facilities either owned or under operational control
Consistency with the financial statements	The only variation is that leased properties, under operational control are included in scope 1 and 2 data, all scope 3 emissions are off-balance sheet emissions
Assessment methodology	Greenhouse Gas Protocol and Defra environmental reporting guidelines
Intensity ratio	Emissions per £million of revenue

GREENHOUSE GAS EMISSION SOURCE	2013		2012	
	(tCO_2e)	(tCO_2e) / £m	(tCO_2e)	(tCO_2e) / £m
Scope 1 Combustion of fuel and operation of facilities	200	0 5	200	0 5
Scope 2 Electricity, heat, steam and cooling purchased for own use	3,100	7 7	3,000	7 6
Total scope 1 and 2*	**3,300**	**8 2**	**3,200**	**8 1**
Scope 3 Business travel and outsourced activities	7,700	19 0	7,400	18 8
Total emissions	**11,000**	**27.2**	**10,600**	**26 9**

* Statutory carbon reporting disclosures required by Companies Act 2006

FTSE4Good

The group was included for the first time in the FTSE4Good index in 2011 and continued to be a constituent of the index in 2013 The group has maintained its ESG rating of 3/5 and has a group percentile rating of 44% in the ICB 'Global Super Sector'

FTSE Group confirms that Euromoney Institutional Investor PLC has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series FTSE4Good is an equity index series designed to facilitate investment in companies that meet globally recognised corporate responsibility standards Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalise on the benefits of responsible business practice

Social responsibility

The group continues to expand its charitable activities and raised over £1 4 million for local and international charitable causes during the year These contributions came from its own charitable budget, individual employee fundraising efforts and also from clients who generously made donations in support of the company's charitable projects The group also continues to encourage employees to be involved actively in supporting charities by fundraising themselves which it then matches

The group works and partners with recognised charitable organisations that have expertise within certain sectors, thus ensuring that the implementation and management of a charitable project is carried out efficiently and that donated funds reach the communities at which the charitable cause is aimed At the same time, the charity committee is careful to address the sustainability aspects in each charitable project to ensure a long lasting beneficial impact

Below is a summary of some of the charitable activities undertaken in the past year

Water and Sanitation, Kechene, Addis Ababa, Ethiopia

Since February 2011, the group has supported the African and Medical Research Foundation (AMREF) with its sustainable water and sanitation project in Addis Ababa, Ethiopia The group's funding for the project to date has exceeded £260,000, with additional funds to be donated in the coming months to fund a second phase of the project Working together, AMREF and Euromoney have provided better access to water, sanitation and health information for more than 19,000 residents of Kechene Programme activities have included the construction of 12 sanitation kiosks, nine water storage tankers, and seven community shower facilities, as well as rebuilding two water springs 24 local water and sanitation committees have also been established which are now managing these facilities

Activities in 2013 have included the construction of two sanitation kiosks and three water storage tanks, as well as reaching a total of 2,420 residents with hygiene and sanitation campaigns and education sessions These activities are having a notable impact on the health of communities in Kechene Euromoney plans to fund a second phase of AMREF's water and sanitation project in Kechene which will see the organisation extend its proven model of developing community run water and sanitation facilities to more communities throughout the slum

Corporate and Social Responsibility
continued

Little Rock School, Kibera, Nairobi, Kenya

This project involved funding the cost of land and the construction of new school premises for Little Rock School and was completed in February 2013 The original Little Rock premises consisted of five separate rented buildings spread across the slum area of Kibera in Nairobi The school has 16 classrooms, a computer and physiotherapy rooms and kitchens The school caters for over 300 full-time pupils (one third of whom are disabled) and over 200 after-school pupils

Little Rock is much more than a school In addition to day teaching, it provides a feeding programme, after-schools clubs, term holiday tutoring, a public library, community engagement, parent support groups and an income generating workshop This holistic approach empowers children, families and the community to work together to improve the lives of some of the most vulnerable children in the world, not only while they attend Little Rock but with skills and resources they carry forward into further schooling

The co-ordination of the Little Rock is carried out by AbleChildAfrica, a UK-headquartered charity which specialises exclusively in advocating for and supporting disabled children and disabled young people in East Africa

The school's operations are now on a much sounder footing but it still needs over £150,000 a year to operate (70% of the costs involve teacher salaries) There is no government funding and little income from the childrens' parents as all the pupils live in very poor conditions in Kibera Euromoney continues to help with part of the funding and our employees have played a very active role in helping to fund some of the operating costs of Little Rock over the past year

Water Well Project in Kimbunga Valley, Mombasa, Kenya

Euromoney has continued its support of Haller's work in the Kisuani District, north of Mombasa in Kenya, to help rural communities become self-sufficient This year, Euromoney has sponsored the prototype and demonstration model for a new innovative eco-sanitation facility and the funding for an additional four community facilities to provide basic sanitation and to ensure water supplies are not contaminated This infrastructure is combined with extensive farmer training which will help transform the fertility of their land, suitable to grow crops This year's funding is expected to help approximately 1,600 people by providing them with the infrastructure and support they need to achieve sustainable livelihoods

Anchor House, Canning Town, London E16

Anchor House is a residential and life skills centre for single, homeless people in Newham – the second most deprived borough in the UK It aims to turn its 1960s-style building into a 21st Century facility providing workshops for vocational courses, an e-learning zone, a new kitchen training facility and 25 new 'move on' studio flats for residents Anchor House is transforming itself into a residential life-skills centre for the homeless It annually supports around 180 people and provides a stable and safe environment to help them develop aspirations, confidence and self-esteem, thus enabling them to move towards leading independent and self-fulfilling lives Euromoney raised over £45,000 for Anchor House in 2013, in addition to the £175,000 raised at the *EuroWeek 25th Anniversary Awards Dinner* in 2012

Corporate and Social Responsibility
continued

Trachoma Project, South Omo, Ethiopia

This project aims to provide clean water and sanitation facilities to help eradicate trachoma (a chronic, contagious inflammatory eye disease which can lead to blindness) and is run jointly by ORBIS and AMREF The aim is to improve the water and sanitation facilities for 230,000 people within the South Omo community, improve the primary eye-care services for 644,000 people, treat over 550,000 people suffering from trachoma with antibiotics, surgically treat 13,000 adult sufferers of trachoma and train 16 eye care workers and 600 teachers to identify trachoma symptoms

The first 12 months of the project have been taken up with a thorough planning and research phase Key milestones during 2013 have included

- a three day planning workshop in Addis Ababa followed by a series of meetings with government staff to develop plans for the implementation of the project for the South Omo region,
- the mapping of trachoma incidence across South Omo which has created an accurate picture of the prevalence of the disease, and
- an analysis of the region's water and sanitation facilities

The full project delivery plan has now been developed with two regions in South Omo prioritised due to their high incidence of trachoma and dense populations The project is expected to begin in early 2014

At its July 2012 Awards Dinner, *Euromoney* raised over £480,000 to fund the first two years of this five-year project and the group raised a further £49,000 in 2013

Action Against Cancer

Action Against Cancer funds the development of cures for cancer at Imperial College, led by the world-renowned oncologist Professor Justin Stebbing The funds are being devoted to the development of a new drug aimed at blocking a cancer-causing gene, which Professor Stebbing's team discovered and found to be responsible for promoting resistance to treatment to available cancer treatments The drug, once developed, will be made available to all The work will be undertaken in memory of the company's former chairman, Padraic Fallon, who lost his battle with cancer in October 2012

Euromoney has raised a total of £1 million including client contributions at the annual *Euromoney* and *EuroWeek* awards dinners as well as individual contributions from employees which are being match-funded by DMGT In addition, numerous other fundraising initiatives by various divisions including Institutional Investor and American Metal Market have also raised funds for the charity

Télécoms Sans Frontieres

Close to 100 runners took part in a 5km fun run at TelCap's *ITW* conference held in Chicago and raised US$15,000 for Télécoms Sans Frontières, the humanitarian-aid non-governmental organisation specialising in telecommunications for emergency situations

Expert Miracles Foundation

Institutional Investor raised over US$95,000 at their annual awards dinners for the Expert Miracles Foundation, which is one of the leading advocates in the fight against cancer within the financial services industry, and the High Water Women Backpack Program which helps thousands of children start the school year ready to learn by providing fully-supplied backpacks for children in need

Project Paz

Latin Finance raised over US$31,000 at its *Deal of the Year Awards Dinner* for Project Paz, which focuses its work for underprivileged children in Ciudad Juarez/El Paso, Mexico by expanding and strengthening children's basic education development with complimentary educational activities and extended after-school hours

Directors' Remuneration Report

Report from the chairman of the remuneration committee

Information not subject to audit

Remuneration report contents

This report covers the reporting period from October 1 2012 to September 30 2013 and includes three sections

- the report from the chairman of the remuneration committee setting out the key decisions taken on executive and senior management pay during the year,
- the policy report which outlines the remuneration policy for the year to September 2014, and
- the annual implementation report on remuneration which outlines how the current remuneration policy has been implemented this financial year, including details of payments made and outcomes for the variable pay elements based on performance for the year

This report has been prepared in accordance with the relevant requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2013 ("the Regulations") and of the Listing Rules of the Financial Conduct Authority As required by the Regulations, a separate resolution to approve the policy and implementation reports will be proposed at the company's AGM

Report from the chairman of the remuneration committee

2013 was the first year for the company's new senior management team, appointed following a comprehensive search in conjunction with Egon Zhender In October 2012, Christopher Fordham succeeded Richard Ensor as managing director, and the latter moved to the role of executive chairman to succeed Padraic Fallon who sadly died before he had a chance to complete his retirement plans

With the help of its advisers, the committee spent considerable time benchmarking the remuneration package of Mr Fordham against those on offer across other FTSE 250 companies as well as those available within the media sector in general Mr Fordham's salary was set at a relatively low base compared to the market, although relatively high by Euromoney standards At the same time his profit share was rebased to reward above average profit growth from his appointment which, together with his participation in the Capital Appreciation Plan, will help align his reward with that of shareholders The committee decided to leave Mr Ensor's profit share unchanged as he continued to carry out an executive role

The remuneration committee also reviews the remuneration and incentive plans of the executive directors and other key people across the group as well as looking at the remuneration costs and policies of the group as a whole One result of this and the management succession plan referred to above was an increase in the salaries of Colin Jones, finance director, and Jane Wilkinson who combines the roles of director of marketing and CEO of Institutional Investor These were the only changes made to the salaries and incentives of the executive directors during financial year 2013

The committee structures remuneration packages to encourage an entrepreneurial culture with a focus on profit growth alongside tight cost control and risk management This generally means setting salaries below market levels, with a significant part of a director's

Directors' Remuneration Report

Report from the chairman of the remuneration committee continued

remuneration derived from variable profit driven incentives The importance of variable pay to each director's total remuneration is illustrated on pages 60 and 61

The committee is also a strong believer in long-term incentives to drive profit growth and align the interests of executive management with those of shareholders The company's Capital Appreciation Plan (CAP), first introduced in 2004, has been a key driver of the company's growth over the past ten years with adjusted profit before tax increasing more than fivefold from a base of £21 3 million in 2003 to £116 5 million in 2013 (see chart on page 49)

The group's long-term incentive plan, the CAP, is an important part of the group's remuneration strategy It is a highly geared performance-based share option scheme which directly rewards executives for the growth in profits of the businesses they manage, and links to the delivery of shareholder value by satisfying rewards in a mix of shares in the company and cash It aims to deliver exceptional profit growth over the performance period and for this profit to be maintained over the subsequent vesting period

Since the implementation of CAP 2010, adjusted profit before tax has increased from £63 0 million in 2009, the base year, to £116 5 million in 2013, an increase of 85% over four years The second and final tranche of CAP 2010 will vest for the majority of participants in February 2014

The remuneration committee is proposing, subject to shareholder approval at the 2014 AGM, to put in place a new CAP, CAP 2014, in order to drive further above average profit growth and to help retain key employees The performance target for CAP 2014 will be appropriately demanding, requiring the group to generate profit growth of at least 10% a year (or RPI plus 5%, whichever is higher) over a four year period from a base of profits achieved in 2013 If the profit target of £173 6 million is achieved by 2017, CAP rewards will vest in three tranches in February 2018, 2019 and 2020, with the second and third tranches subject to an additional RPI test as well as the requirement for individual businesses to achieve at least 80% of the profits achieved in 2017 This ensures that the profits of the group are maintained in relation to at least inflation and the businesses continue to focus on profit growth

CAP 2014 will cost the group, in accounting terms, no more than £41 million over its life and will be satisfied with approximately 3 5 million ordinary shares and £10 million in cash The shares will be purchased in the market over the next few years

The committee also focuses on the remuneration of the wider group and this year approved an average group-wide salary increase of just under 2% (excluding promotions) In approving this increase, the committee ensured that the directors and local management considered inflation in local areas in which the group operates, the performance of the businesses they work for, micro and macroeconomic factors, market rates for similar roles and the skills and responsibility of the individuals concerned The increases proposed by local management were focused on those individuals who excelled in their roles and were performing above expectations This means that strong performing employees received an increase well above the average and conversely those who weren't meeting expectations received no increase

Remuneration committee

During the year the remuneration committee comprised JC Botts (chairman), MWH Morgan, and DP Pritchard (independent) All members of the committee are non-executive directors of the company MWH Morgan is also a director of Daily Mail and General Trust plc, the group's parent company For the year under review, the committee also sought advice and information from the company's chairman, managing director and finance director The committee's terms of reference permit its members to obtain professional advice on any matter, at the company's expense, although none did so in 2013 The group itself can use external advice and information in preparing proposals for the remuneration committee It does apply external benchmarking although no material assistance from a single source was received in 2013

The key activities of the committee in the year ended September 30 2013 included

- approving salary increases for CR Jones and JL Wilkinson to reflect changes to their responsibilities as a result of the management succession plan implemented at the start of the year,
- confirming that salaries would remain unchanged at April 1 2013 for the other executive directors for the next 12 months,
- approving the average annual pay increase, effective from April 1 2013, for the group of just under 2%,
- approving the payment of annual profit shares for the executive directors and senior management of the group for profit shares earned in financial year 2012,
- approving the vesting in February 2013 of the first tranche of awards under CAP 2010 following the satisfaction of the primary performance condition,
- considering and approving the implementation, subject to shareholder approval, of CAP 2014, a replacement scheme for CAP 2010

Linking KPIs to remuneration

As explained in the Remuneration Policy Report on page 52, the group's remuneration policies are designed to drive and reward earnings growth and shareholder value The KPIs set out on page 12 of the Strategic Report similarly contribute to the growth in the group's earnings and shareholder value These KPIs are integral to the setting of incentives for senior managers and others across the group

Remuneration at a glance

2013	Salary and fees £	Benefits £	Profit Share £	Long-term incentives* £	Pension £	Total Remuneration £
Executive directors						
PM Fallon (died October 14 2012)	8,692	1,823	246,009	-	-	256,524
PR Ensor	175,500	1,019	4,544,828	-	22,918	4,744,265
CHC Fordham	375,000	1,274	648,025	536,917	37,500	1,598,716
NF Osborn	133,159	1,019	336,695	452	9,399	480,724
DC Cohen	115,700	1,274	221,878	99,365	15,855	454,072
CR Jones	252,500	1,274	670,111	417,012	37,875	1,378,772
DE Alfano	141,157	8,960	644,389	165,969	4,101	964,576
JL Wilkinson	268,332	8,968	125,610	240,107	18,657	661,674
B AL-Rehany	261,830	1,491	599,433	556,504	7,447	1,426,705
Total	1,731,870	27,102	8,036,978	2,016,326	153,752	11,966,028

* The long-term incentive figures represent both cash and share options under the group s CAP schemes that have vested during the year

The committee welcomes the new remuneration disclosure regulations that came into force this year and believes that this report complies not only with the letter of these regulations, but also the spirit under which they were written It is hoped that the report provides clarity and transparency of the work of the committee in its objective of rewarding and retaining the right people and driving the profit growth of the group

John Botts
Chairman of the remuneration committee

Directors' Remuneration Report continued
Remuneration policy report

Information not subject to audit

Introduction

This report sets out the group's policy and structure for the remuneration of executive and non-executive directors together with details of how the policy is applied to each component of remuneration In accordance with the Large and Medium-sized Companies and Groups Accounts and Reports Regulations, shareholders are provided with the opportunity to endorse the company's remuneration policy through a binding vote The first binding vote on the company's directors' remuneration policy will be put to shareholders at the AGM on January 30 2014 and it is expected that the policy will remain in operation for three years from October 1 2014 The views of the largest shareholder were taken into account when formulating the policy through MWH Morgan's membership of the remuneration committee

Remuneration policy

The group believes in aligning the interests of management with those of shareholders It is the group's policy to construct executive remuneration packages such that a significant part of a director's pay is based on the growth in the group's profits contributed by that director The two consistent objectives in its remuneration policy since the company's formation in 1969 have been the maximisation of earnings per share and the creation of shareholder value

Maximising earnings per share

This first objective is achieved through a profit sharing scheme that links the pay of executive directors and key managers to the growth in profits of the group or relevant parts of the group This scheme is completely variable with no guaranteed floor and no ceiling All those on profit shares are aware that if profits rise, so does their pay Similarly if profits fall, so do their profit shares

To support the policy of profit sharing, the group is divided into approximately 150 profit centres from which approximately 100 directors and managers receive profit shares The manager of each profit centre is paid a profit share based on the profit centre's profit growth above a threshold each year Each profit centre is in turn part of a larger division and each divisional director or executive director has a profit share based on the division's profit growth The profit sharing scheme is closely aligned with the group's strategy in that it encourages managers and directors to grow their businesses, to invest in new products, to search for acquisitions and to manage costs and risks tightly

Creating shareholder value

This second objective is encouraged through the Capital Appreciation Plan (CAP)

The CAP is a highly geared performance-based share option scheme which directly rewards executives for the growth in profits of the businesses they manage, and links this to the delivery of shareholder value by satisfying rewards in a mix of shares in the company and cash As the chart on page 49 shows, the CAP has been a key factor in driving the exceptional profit growth achieved by the company since it was introduced in 2004 Further details of CAP 2004 and CAP 2010 are set out on pages 62 to 63

The company also has an executive share option scheme which expired in 2006 No options have been issueo under it since February 2004 although options previously granted may be exercised before January 2014 The performance criteria under which options granted under this scheme may be exercised are set out on page 64

The directors believe that these profit sharing and share option arrangements have contributed significantly to the company's success since 1969 These arrangements align the interests of the directors and managers with those of shareholders and are considered an important driver of the company's growth

Detailed remuneration arrangements of executive directors

Remuneration components

The group believes in aligning the interests of management with those of shareholders It is the group's policy to construct executive remuneration packages such that a significant part of a director's compensation is based on the growth in the group's profits contributed by that director Salaries and benefits are generally not intended to be the most significant part of a director's remuneration In formulating its directors' remuneration policy, the group has considered employee pay and benefits available across the group and did not consider it necessary to consult with its employees

BASIC SALARY	
Purpose and link to strategy	• Part of an overall pay package which seeks to keep fixed salary costs below market with salary generally not the most significant part of a director's overall package, • Reflect the individual's experience, role and performance within the company
Operation	• Paid monthly in cash, • Salaries are normally reviewed annually by the remuneration committee in April or October each year
Benchmarking group	• The committee periodically examines salary levels at FTSE250 companies and other listed peer group publishers to help determine executive director pay increases
Relationship to all employee salary	• The approach to setting base salary increases elsewhere in the group takes into account performance of the individuals concerned, the performance of the business they work for, micro and macro economic factors, and market rates for similar roles, skills and responsibility
BENEFITS	
Purpose and link to strategy	• Basic benefits are provided but are not the most significant part of a director's overall remuneration and not linked to performance, role or experience
Operation	Non-cash and cash benefits may include • Private healthcare, • Life insurance under a pension plan, • Overseas relocation and housing costs
Relationship to all employee benefits	• Benefits are available to all directors and employees subject to a minimum length of service or passing a probationary period
Benefit levels	• All executive directors participate in the healthcare scheme offered in the country where they reside, • JL Wilkinson's salary includes an annual housing allowance This allowance increases with rental values, • PR Ensor receives a paid parking space that is treated as a non-cash benefit in kind
PENSIONS	
Purpose and link to strategy	• Retirement benefits are provided as a retention mechanism and to recognise long service
Operation	• Directors may participate in the pension arrangements applicable to the country where they work, • A director who is obliged to cease contributing to a company pension scheme due to changes in tax or pension legislation may choose to receive a salary payment in lieu of the company's pension contributions
Relationship to all employee pension levels	• All directors and employees are entitled to participate in the same pension scheme arrangements applicable to the country where they work

Directors' Remuneration Report continued

Remuneration policy report continued

Detailed remuneration arrangements of executive directors

Remuneration components *continued*

PROFIT SHARES

Purpose and link to strategy

- Profit share links the pay of directors directly to the growth in profits of their businesses It encourages each director to grow their businesses, to invest in new products, to search for acquisitions, and to manage costs and risks tightly,
- Profit shares are designed to maximise profits with no guaranteed floor and no ceiling for profit share,
- Profit shares are expected to make up much of the director's total pay and encourage long-term retention

Operation

- Profit shares are paid in full in the financial year following the year in which they are earned In exceptional circumstances profit shares may be paid in part during the year in which they are earned but only to the extent that profits have already been generated,
- There is no deferral of profit share,
- There is no guaranteed floor or ceiling on profit shares earned,
- Profit shares are calculated after charging the cost of funding acquisitions at the group's actual cost of funds,
- Each director's profit share is subject to remuneration committee approval, and can be revised at any time if the director's responsibilities are changed,
- The profit share of PR Ensor (executive chairman) is based on the adjusted pre-tax post non-controlling interests' profit of the group, thereby matching his profit share with the pre-tax return the group generates for its shareholders The profit share is calculated by applying a multiplier to the adjusted pre-tax profits The multiplier is adjusted for the dilution arising from increases in the company's share capital
  PR Ensor is also entitled to a percentage of adjusted pre-tax profit in excess of a threshold This threshold increases by 5% each year This multiplier is also adjusted for any dilution arising from the issue of new equity,
- The profit share of CHC Fordham (managing director) is linked to the growth in the group's adjusted pre-tax earnings per share (EPS), from a base pre-tax EPS that increases at 5% per year,
- NF Osborn receives a profit-share linked to the operating profits of the businesses he manages at fixed rates on profits above various thresholds,
- DC Cohen receives a profit-share linked to the operating profits of the businesses he manages at fixed rates on profits above various thresholds,
- CR Jones (finance director) receives a profit share linked to the adjusted pre-tax EPS of the group A fixed sum is payable for every percentage point the adjusted pre-tax EPS is above a threshold and an additional fixed sum is payable for every percentage point that the adjusted pre-tax EPS is above a second higher threshold,
- DE Alfano receives a profit-share linked to the operating profits of the businesses she manages at fixed rates on profits above various thresholds She also receives a profit share on acquisitions she manages at a fixed rate,
- JL Wilkinson receives a profit-share linked to the operating profits of the businesses she manages at the rate of 5% of adjusted profits above a threshold that is adjusted for titles sold, closed or acquired in line with the group's US investment in digital strategy
  As group marketing director, she receives an incentive based on the growth in the group's subscription and delegate revenues above certain thresholds These thresholds are based on a rolling three year average of the respective revenue streams,
- B AL-Rehany receives a profit-share linked to the operating profits of the businesses he manages at a fixed rate on profits above a threshold This threshold increases each year

Relationship to all employee salary

- Incentives, including profit shares, are an important part of the group culture The directors believe they directly reward good and exceptional performance Most employees across the group have some incentive scheme in place

Detailed remuneration arrangements of executive directors
Remuneration components *continued*

LONG-TERM INCENTIVE PLANS

Purpose and link to strategy

- Share schemes are an important part of the overall compensation and align the interests of directors and managers with shareholders They encourage directors to deliver long-term sustainable profit growth

Operation

- *2014 Capital Appreciation Plan (CAP 2014)*
  At the company's AGM in January 2014 the directors will seek approval for a new long-term incentive scheme following the achievement of the performance conditions of CAP 2010, now closed to new members, (see page 50) Awards under CAP 2014 are likely to be granted in March 2014 to approximately 250 directors and senior employees who have direct and significant responsibility for the profits of the group Each CAP 2014 award, if approved, will comprise a nil-paid option to subscribe for ordinary shares of 0 25 pence each in the company, and a right to receive a cash payment No individual may receive an award over more than 5% of the award pool In accordance with the terms of CAP 2014, no consideration will be payable for the grant of the awards
  The primary performance test under CAP 2014 will require the company to achieve an adjusted profit before tax (before CAP costs) of £173 6 million by financial year 2017 Subject to the performance test being satisfied, rewards under CAP 2014 are expected to vest in three equal tranches in February 2018, 2019 and 2020
  The profit target under CAP 2014 will be increased in the event that any significant acquisitions are made during the period,
- *2014 Company Share Option Plan (CSOP 2014)*
  Also at the company's AGM, the directors will seek approval of a new CSOP The CSOP 2014 will be a delivery mechanism for part of the CAP 2014 award Awards are likely to be granted under the CSOP 2014 in March 2014 to approximately 150 directors and senior employees of the group who have direct and significant responsibility for the profits of the group Each CSOP 2014 option will enable each UK based director and UK based participant to purchase up to £30,000* of shares in the company with reference to the market price of the company's shares at the date of grant No consideration will be payable for the grant of these awards The options will vest and become exercisable at the same time as the corresponding share award under the CAP 2014 providing the CSOP option is in the money at that time,

  *The Canadian version of the CSOP 2014 will enable a Canadian based director or employee to purchase up to £100,000 of shares in the company with reference to the market price of the company's share at the date of grant
- *SAYE scheme*
  The group operates an all-employee save as you earn scheme in which those directors employed in the UK are eligible to participate No performance conditions attach to options granted under this plan It is designed to incentivise all employees
  Participants save a fixed monthly amount of up to £250 for three years and are then able to buy shares in the company at a price set at a 20% discount to the market value at the start of the savings period,
- *DMGT SIP*
  Daily Mail and General Trust plc, the group's parent company, operates a share incentive plan in which all UK-based employees of the Euromoney group can participate Participants can contribute up to £125 a month from their gross pay to purchase DMGT 'A' non-voting shares These shares are received tax free after five years

Relationship to all employee long-term incentive schemes

- All employees based in the UK are entitled to participate in the DMGT SIP and Euromoney SAYE schemes The CAP 2014 scheme is expected to be available to approximately 250 senior people across the group who have direct and significant responsibility for the profits of their businesses, and new participants may be added during the performance period

Directors' Remuneration Report continued

Remuneration policy report continued

Non-executive directors

The remuneration of non-executive directors is determined by the board based on the time commitment required by the non-executive, their role, and market conditions Each non-executive director receives a base fee for services to the board with an additional fee payable to the chairs of the remuneration and audit committees The non-executive directors do not participate in any of the company's incentive schemes

Policy on external appointments

The company encourages its executive directors to take a limited number of outside directorships provided they are not expected to impinge on their principal employment Subject to the approval of the chairman, directors may retain the remuneration received from the first such appointment

Recruitment policy

Compensation packages for new board directors are set on the same basis as those in place for existing board directors The main components are detailed below

Executive directors will receive a salary commensurate with their responsibilities, likely to be below market average and not the most significant part of the director's overall remuneration package Directors' salaries are reviewed every year by the committee The directors will also be invited to receive non-cash benefits in the form of private healthcare Other benefits may include a relocation or housing allowance and, in exceptional circumstances, compensation for loss of earnings from their previous employment which have been forfeited in order to join the company Where these exceptional circumstances apply the remuneration committee would try to match closely the compensation type foregone with that offered by the company

New executive directors are expected to be paid a profit share directly linked to the growth in profits of the business units they manage There will be no floor or ceiling to the profit share Profit share thresholds and the specific arrangements will be agreed with the remuneration committee The standard profit share arrangement pays 5% of the operating profits in excess of a threshold, which is normally set at the level of profits achieved in the 12 months prior to joining the company In some exceptional cases there may be an additional incentive paid to a director in the event of the director turning around a non-performing business The quantum of this incentive will be dependent on the time frame taken to turn the business around and the initial level of losses

Non-executive directors appointed to the board will receive a base fee in line with that payable to other non-executive directors (see above)

Policy on payment for loss of office

Executive directors are generally employed on 12 month rolling contracts with a 12 month notice period Non-executive directors' contracts can be terminated by the company giving summary notice, with the exception of Sir Patrick Sergeant who has a 12 month notice period

In the event of a termination of contract, executive directors are entitled to 12 months' salary, pension and a pro-rated profit share up to the date of termination Executive directors are not entitled to any payment from the group's CAP and other option schemes unless the schemes vest within the director's notice period, in which case the director is only entitled to the options vesting at that time No other termination payments are provided unless otherwise required by law

Directors' service contracts

The company's policy is to employ executive directors on 12 month rolling service contracts The remuneration committee seeks to minimise termination payments and believes these should be restricted to the value of remuneration for the notice period Directors' service contracts are reviewed from time to time and updated where necessary A service contract terminates automatically on the director reaching their respective retirement age

With the exception of Sir Patrick Sergeant, none of the non-executive directors has a service contract, although JC Botts, DP Pritchard, TP Hillgarth and ART Ballingal serve under a letter of appointment

A summary of the notice periods and any obligation under the executive director's service contract is outlined in the table below

Executive directors	Date of service contract	Notice period (months)	Retirement age	Benefits accruing if contract terminated[1]	Benefits accruing if contract terminated due to incapacity[2]
PR Ensor	Jan 13 1993	12	67	12 months' salary, pension and a pro-rated profit share up to the date of termination	6 months' salary, pension and profit share up to the date of termination
CHC Fordham	Sep 21 2004	12	62	12 months' salary, pension and a pro-rated profit share up to the date of termination	6 months' salary, pension, and pro-rated profit share up to the date of termination
NF Osborn[3]	Jan 4 1991	12	62	12 months' salary, pension and a pro-rated profit share up to the date of termination	1 month's salary, pension, and a pro-rated profit share up to the date of termination
DC Cohen	Nov 2 1992	12	62	12 months' salary, pension and a pro-rated profit share up to the date of termination	1 month's salary, pension, and a pro-rated profit share up to the date of termination
CR Jones	Aug 27 1997	12	62	12 months' salary, pension and a pro-rated profit share up to the date of termination	6 months' salary, pension, and a pro-rated profit share up to the date of termination
DE Alfano[4]	Jan 10 2001	12	62	12 months' salary, pension and a pro-rated profit share up to the date of termination	Salary, pension and profit share earned up to the date of termination only
JL Wilkinson	July 26 2000	12	62	12 months' salary, pension and a pro-rated profit share up to the date of termination	6 months' salary, pension, and a pro-rated profit share up to the date of termination
B AL-Rehany[5]	Nov 11 2009	12	62	12 months' salary, pension and a pro-rated profit share up to the date of termination	6 months' salary, pension, and pro-rated profit share up to the date of termination
Non-executive director					
Sir Patrick Sergeant	Jan 10 1993	12	n/a	12 months' expense allowance	Expense allowance up to the date of termination

1 On termination profit share is calculated as though the director has been employed for the full financial year and then pro-rated according to the date of termination

2 These reduced benefits also apply if the director gives less than their required notice period to the company In the event of death in service, benefits accrue to the date of death If a contract is terminated for reasons of bankruptcy or serious misconduct, it is terminated with immediate effect with no payment in lieu of notice

3 NF Osborn has a second service contract with a subsidiary of the group, Euromoney Inc , dated January 4 1991 which may be terminated by 12 months notice In the event of termination NF Osborn is entitled to 12 months base salary and pension, plus a pro-rated profit share to the date notice of termination is given The company may also terminate his agreement due to incapacity giving three months notice and NF Osborn would be entitled to three months' salary, pension and pro-rated profit share Remuneration received under this contract is included in NF Osborn's single figure of remuneration on page 58

4 DE Alfano's service agreement is with Institutional Investor, LLC

5 B AL-Rehany's service agreement is with BCA Research, Inc

Directors' Remuneration Report continued

Annual report on remuneration

Information subject to audit (pages 58 to 59)
Annual report on remuneration

The table below sets out the break-down of the single total figure of remuneration for each executive director in 2013 and 2012

		Salary and fees £	Benefits £	Profit share £	Long-term incentive £	Pension £	Total £
Executive directors							
PM Fallon (died October 14 2012)	**2013**	**8,692**	**1,823**	**246,009**	**–**	**–**	**256,524**
	2012	222,000	1,823	5,636,600	26,640	–	5,887,063
PR Ensor[1]	**2013**	**175,500**	**1,019**	**4,544,828**	**–**	**22,918**	**4,744,265**
	2012	175,500	1,019	4,630,646	26,640	22,918	4,856,723
CHC Fordham[2]	**2013**	**375,000**	**1,274**	**648,025**	**536,917**	**37,500**	**1,598,716**
	2012	151,300	1,274	743,792	507,525	15,130	1,419,021
NF Osborn[3]	**2013**	**133,159**	**1,019**	**336,695**	**452**	**9,399**	**480,724**
	2012	132,559	1,019	313,407	27,013	9,399	483,397
DC Cohen[4]	**2013**	**115,700**	**1,274**	**221,878**	**99,365**	**15,855**	**454,072**
	2012	115,700	1,274	348,796	162,194	40,349	668,313
CR Jones[5]	**2013**	**252,500**	**1,274**	**670,111**	**417,012**	**37,875**	**1,378,772**
	2012	240,000	1,274	643,278	395,643	43,900	1,324,095
DE Alfano[6]	**2013**	**141,157**	**8,960**	**644,389**	**165,969**	**4,101**	**964,576**
	2012	138,994	8,367	636,808	146,860	3,938	934,967
JL Wilkinson[7]	**2013**	**268,332**	**8,968**	**125,610**	**240,107**	**18,657**	**661,674**
	2012	231,002	8,527	146,301	240,476	14,982	641,288
B AL-Rehany[8]	**2013**	**261,830**	**1,491**	**599,433**	**556,504**	**7,447**	**1,426,705**
	2012	260,662	1,908	752,127	392,471	7,173	1,414,341
Total executive directors	**2013**	**1,731,870**	**27,102**	**8,036,978**	**2,016,326**	**153,752**	**11,966,028**
	2012	1,667,717	26,485	13,851,755	1,925,462	157,789	17,629,208
Non-executive directors							
The Viscount Rothermere	**2013**	**28,000**	–	–	–	–	**28,000**
	2012	28,000	–	–	–	–	28,000
Sir Patrick Sergeant	**2013**	**28,000**	–	–	–	–	**28,000**
	2012	28,000	–	–	–	–	28,000
JC Botts	**2013**	**34,500**	–	–	–	–	**34,500**
	2012	34,500	–	–	–	–	34,500
JC Gonzalez (resigned January 31 2013)	**2013**	**9,333**	–	–	–	–	**9,333**
	2012	28,000	–	–	–	–	28,000
MWH Morgan	**2013**	**28,000**	–	–	–	–	**28,000**
	2012	28,000	–	–	–	–	28,000
DP Pritchard	**2013**	**34,500**	–	–	–	–	**34,500**
	2012	34,500	–	–	–	–	34,500
ART Ballingal (appointed December 12 2012)	**2013**	**21,000**	–	–	–	–	**21,000**
	2012	–	–	–	–	–	–
TP Hillgarth (appointed December 12 2012)	**2013**	**21,000**	–	–	–	–	**21,000**
	2012	–	–	–	–	–	–
Total non-executive directors	**2013**	**204,333**	–	–	–	–	**204,333**
	2012	181,000	–	–	–	–	181,000
Total 2013		**1,936,203**	**27,102**	**8,036,978**	**2,016,326**	**153,752**	**12,170,361**
Total 2012		1,848,717	26,485	13,851,755	1,925,462	157,789	17,810,208

- Salaries and fees include basic salaries and any non-executive directors' fees The salaries and fees figure for JL Wilkinson includes £88 332 of housing allowance
- Benefits include private healthcare and also dental cover for directors based in Canada and the US
- The long-term incentive figure represents the value of the CAP 2004 share options, CAP 2010 share options, CAP CSOP share options and the CAP cash award where the performance conditions were met during the period The value of these share options is derived by multiplying the number of share options with the market value of options and deducting the cost of the options The value of the CAP cash award is equivalent to the cash received
- Pension amounts are those contributed by the company to pension schemes or cash amounts paid in lieu of pension contributions

1 The profit share of PR Ensor (executive chairman) is based on the adjusted pre-tax post non-controlling interests' profit of the group The profit share is calculated by applying a multiplier of 2 98% (2012 3 01%) to the adjusted pre-tax profits In addition, PR Ensor is also entitled to 1 12% (2012 1 13%) of adjusted pre-tax profit in excess of a threshold of £40 806,097 (2012 £38,862,950)

2 The profit share of CHC Fordham (managing director) is linked to the growth in the group's adjusted pre-tax earnings per share (EPS), from a base pre-tax EPS of 67 5 pence (2012 64 3 pence), equivalent to an adjusted pre-tax profit of £83 million (2012 £79 million) This is broadly equivalent to a 2% profit share above the base

3 NF Osborn receives a profit-share linked to the operating profits of the businesses he manages at a rate of 2 5% on profits to £1 million, 4% on the next £1 million 5 5% on the next £1 million and 7% on profits in excess of £3 million,

4 DC Cohen receives a profit-share linked to the operating profits of the businesses he manages at a rate of 1% on profits to £1 525 million 5% on profits above £1 525 million and an additional 2 5% on profits above £4 675 million,

5 CR Jones receives a profit share linked to the adjusted pre-tax EPS of the group A fixed sum of £500 is payable for every percentage point the adjusted pre-tax EPS is above 11 pence and an additional fixed sum of £800 is payable for every percentage point that the adjusted pre-tax EPS is above 20 pence,

6 DE Alfano receives a profit-share linked to the operating profits of the businesses she manages at a rate of 1% on profits between US$632 000 and US$957 000 and a rate of 6 5% on profits above US$957,000 Her profit share on acquisitions she manages is at a rate of 5%,

7 JL Wilkinson receives a profit-share linked to the operating profits of the businesses she manages at the rate of 5% of adjusted profits above a threshold For 2013 the threshold was US$8,341,050 (2012 US$8 434,369) As group marketing director, she receives an incentive based on the growth in the group's subscription and delegate revenues above certain thresholds In 2013, the rates applied were reduced by one-third to reflect Ms Wilkinson's reduced responsibilities for the marketing group

8 B AL-Rehany receives a profit-share linked to the operating profits of the businesses he manages at a rate of 5% of profits above a threshold This threshold increases by 10% per annum

Non-executive directors

The remuneration of non-executive directors is determined by the board based on the time commitment required by the non-executive, their role, and market conditions Each non-executive director receives a base fee for services to the board of £28,000 (2012 £28,000) with an additional fee of £6,500 payable to the chairs of the remuneration and audit committees Effective October 1 2013, the base fee for non-executive directors was increased to £30,000, the first increase in ten years The non-executive directors do not participate in any of the company's incentive schemes

Information not subject to audit (pages 59 to 64)

External appointments

PR Ensor is an external member of the Finance Committee of Oxford University Press During the year he retained earnings of £20,000 (2012 £20,000) from this role This amount has not been included in his single figure of remuneration on page 58

NF Osborn is a non-executive director of RBC OJSC, a Moscow-listed media company During the year he retained earnings of US$50,000 (2012 US$50,000) from this role He also serves on the management board of A&N International Media Limited, a fellow group company, for which he received fees for the year of £25,000 (2012 £25,000), and as an advisor to the boards of both DMG Events and dmgi, fellow group companies, for which he received a combined fee of US$45,000 (2012 US$45,000) These amounts have not been included in his single figure of remuneration on page 58 Effective October 1 2013, NF Osborn's fees from DMGT related companies were reduced to US$45,000

Directors' Remuneration Report continued

Annual report on remuneration continued

Variable pay

Of the total remuneration of the nine executive directors who served in the year, 82% was derived from variable profit shares, as illustrated in the following graph

The graphs below set out, for each director, the minimum remuneration, the remuneration expected at the beginning of the year, the actual remuneration and an estimate of the maximum remuneration The variable element of remuneration relates to the group's profit share schemes The minimum profit share payable is zero, because the group's profit share schemes have no ceiling, the maximum remuneration was calculated assuming that profits achieved had been 20% higher All figures are in sterling

PR Ensor

CHC Fordham

NF Osborn

DC Cohen

CR Jones

DE Alfano

JL Wilkinson

B AL-Rehany

The data above does not include information for PM Fallon, the provision of the information for PM Fallon being misleading and irrelevant due to his death on October 14 2012

Capital Appreciation Plan 2010 (CAP 2010) minimum and maximum payouts

The minimum payout under the CAP 2010 variable long-term incentive plan is zero The maximum payout is an award of 6% of the award pool There is no monetary maximum as the payout depends upon the company share price at the time of vesting The number of options awarded to individuals is determined by the growth in profits of the businesses they are responsible for from the base year of financial year 2009, relative to the growth in the profits of the group over the same period The award only vests following satisfaction of the primary performance target and in addition for tranche 2 (which can vest at the earliest in February 2014) the additional performance target (further details of the CAP 2010 scheme are given below)

Directors' Remuneration Report continued

Annual report on remuneration continued

Company share schemes

Details of each director's share options can be found on pages 65 to 66

Capital Appreciation Plan 2010 (CAP 2010)

CAP 2010 was approved by shareholders on January 21 2010 as a direct replacement for CAP 2004

Awards under CAP 2010 were granted on March 30 2010 to approximately 200 directors and senior employees who had direct and significant responsibility for the profits of the group Each CAP 2010 award comprises two equal elements an option to subscribe for ordinary shares of 0 25 pence each in the company at an exercise price of 0 25 pence per ordinary share, and a right to receive a cash payment No individual could receive an award over more than 6% of the award pool In accordance with the terms of CAP 2010, no consideration was payable for the grant of the awards

The value of awards received by a participant is directly linked to the growth in profits over the performance period of the businesses for which the participant is responsible Where there is no growth, no awards are allocated, whereas participants whose businesses grow the most will receive the highest proportion of the award

The award pool comprises 3,500,992 ordinary shares with an option value (calculated at date of grant using an option pricing valuation model) of £15 million, and cash of £15 million, limiting the total accounting cost of the scheme to £30 million over its life Awards will vest in two equal tranches The first becomes exercisable on satisfaction of the primary performance condition, but no earlier than February 2013, and lapses to the extent unexercised by September 30 2020 The second tranche of awards becomes exercisable in the February following the next financial year in which the primary performance condition is again satisfied, but no earlier than February 2014 The second tranche only vests on satisfaction of the primary performance condition and an additional performance condition (see below)

The **primary performance condition** required the group to achieve adjusted pre-tax profits[1] of £100 million, from a 2009 base profit of £62 3 million, by no later than the financial year ending September 30 2013, and that adjusted pre-tax profits[1] remained above this level for a second year

The primary performance condition was first achieved in financial year 2011, two years earlier than expected, when adjusted pre-tax profits[1] were £101 3 million However, the internal rules of the plan were modified to prevent the awards vesting more than one year early so although the primary condition had been achieved the award pool was allocated between the holders of outstanding awards by reference to their contribution to the growth in profits of the group from the 2009 base year to the profits achieved in financial year 2012 These awards became exercisable in February 2013

The primary performance condition for the second tranche of the award was increased to adjusted pre-tax profits[1] of £105 0 million following the acquisition of NDR in August 2011 This primary performance condition was achieved again in financial year 2012 when adjusted pre-tax profits[1] were £113 0 million, resulting in the second tranche of CAP 2010 awards vesting and becoming exercisable from February 2014 subject to the additional performance condition being achieved in financial year 2013

The **additional performance condition**, applicable for the vesting of the second tranche of awards, requires the profits of each business in the subsequent vesting period be at least 75% of that achieved in the year the first tranche of awards become exercisable As the initial allocation of awards to participants was calculated with reference to the profits achieved in financial year 2012, the earliest the additional performance condition can be applied is by reference to the profits achieved in financial year 2013, the primary performance condition having been met for a second time in financial year 2012 Thus the CAP 2010 is designed so that profit growth must be sustained if awards are to vest in full

The number of options received under the share award of CAP 2010 is reduced by the number of options vesting with participants from the 2010 Company Share Option Plan (see below and note 23)

In February 2013, 1,460,656* CAP 2010 options and 311,710 CSOP options vested A maximum of 1,750,000* CAP 2010 and CSOP 2010 options remain unvested

The true up to the number of options estimated to be received by the directors under the first tranche of CAP 2010 last year to that actually vested in February 2013 and the anticipated number of options to be received by the directors under the second tranche of CAP 2010 are given in the directors' share option table on page 65 The number of options estimated to be received under the first tranche of the CAP 2010 last year was provisional as it reflected management's best estimate taking into consideration the profits of the individual profit centres for financial year 2012, the respective weighting of these profits between participants and the offsetting number of options delivered under the CSOP 2010 The remuneration committee required management to apply true-up adjustments to these awards to reflect the results during the three month period to December 2012 The number of options estimated to be received under the second tranche of the CAP 2010 in the table on page 65 is also provisional and it reflects management's best estimate taking into consideration the profits of the individual profit centres for financial year 2013 and the offsetting number of options delivered under the CSOP 2010 The remuneration committee requires management to apply true-up adjustments to these awards to reflect the results during the three month period to December 2013

The fair value per option granted and the assumptions used to calculate its value are set out in note 23

Company Share Option Plan 2010 (CSOP 2010)

The shareholders approved the CSOP 2010 at the Annual General Meeting on January 21 2010 The CSOP 2010 plan was approved by HM Revenue and Customs on June 21 2010

Awards were granted under the CSOP 2010 on June 28 2010[2] to approximately 135 directors and senior employees of the group who have direct and significant responsibility for the profits of the group Each CSOP 2010 option enables each participant to purchase up to 4,972[2] shares in the company at a price of £6 03[2] per share, the market value at the date of grant No consideration was payable for the grant of these awards The options vested and became exercisable at the same time as the corresponding share award under the CAP 2010 Once vested the CSOP option remained exercisable for a period of one month and then lapsed As the UK CSOP 2010 vested before the third anniversary of the grant of CSOP options, any unvested CSOP options from the first tranche of the award that had not been exercised vested again on June 28 2013, the third anniversary of grant, and remained exercisable for one month and then lapsed Any CSOP options that did not fully vest in the first tranche of the CAP 2010 award vest at the same time as the second tranche of an individual's CAP award, but only where the CSOP 2010 is in the money

The CSOP 2010 has the same performance criteria as that of the CAP 2010 as set out above The number of CSOP 2010 awards that vested proportionally reduced the number of shares that vested under the CAP 2010 The CSOP is effectively a delivery mechanism for part of the CAP 2010 award The CSOP 2010 options have an exercise price of £6 03[2], which will be satisfied by a funding award mechanism which is in place and results in the net gain[3] on these options being delivered in the equivalent number of shares to participants as if the same gain had been delivered using CAP 2010 options The amount of the funding award will depend on the company's share price at the date of exercise

Capital Appreciation Plan 2004 (CAP 2004)

CAP 2004 was approved by shareholders on February 1 2005 and replaced the 1996 executive share option scheme Each CAP 2004 award comprised an option to subscribe for ordinary shares of 0 25 pence each in the company for an exercise price of 0 25 pence per ordinary share No consideration was paid for the grant of the awards No further awards may be granted under CAP 2004

CAP 2004 awards vest in three equal tranches The first tranche became exercisable on satisfaction of the primary performance condition in 2007, and lapse to the extent unexercised on September 30 2014 The other two tranches of awards became exercisable following the results achieved in financial years 2008 and 2009, but only to the extent that the additional performance condition was also achieved The primary performance condition, broadly, required the company to achieve adjusted pre-tax profits[1] of £57 0 million by no later than the financial year ending September 30 2008 and remain at least this level for two further vesting periods The additional performance condition required that the profits of the respective participants' businesses in the subsequent two vesting periods be at least 75% of that achieved in the year the primary performance condition was first met

The CAP 2004 profit target was achieved in 2007 and the option pool (a maximum of 7 5 million shares) was allocated between the holders of outstanding awards by reference to their profit contribution to the achievement of the primary performance condition, subject to the condition that no individual had an option over more than 10% of the option pool One third of the awards vested immediately The primary performance target was achieved again in 2008 and, after applying the additional performance condition, 2,241,269 options from the second tranche of options vested in February 2009 The primary performance target was achieved again in 2009 and, after applying the additional performance condition, 1,527,152 options from the third (final) tranche of options vested in February 2010 The additional performance condition was applied to profits for financial years 2010, 2011 and 2012 for those individual participants where the additional performance conditions had not previously been met and 303,321 options, 244,152 options and 39,907 options vested in February 2011, February 2012 and February 2013 respectively No further options can vest under this scheme and 644,199 unvested CAP 2004 options lapsed

For the executive directors, the value of the second and third tranches of the CAP 2004 award that vested in February 2013 is set out in the directors' share option table on page 65 and has been trued-up from the estimates provided in last year's annual report

Directors' Remuneration Report continued

Annual report on remuneration continued

1996 executive share option scheme

Some of the executive directors had options from a previous executive share option scheme approved by shareholders in 1996 This scheme expired in 2006 and no share options have been issued under it since February 2004 although options granted may be exercised before February 2014 These options were exercisable following satisfaction of the performance condition that the Total Shareholder Return (TSR) of the company exceeds the average TSR for the FTSE 250 index for the same period For the performance condition to be satisfied, the TSR of the company must exceed that of the FTSE 250 on a cumulative basis, measured from the date of grant of the option, in any four out of six consecutive months starting 30 months after the option grant date

All of the executive director's options outstanding under this scheme were exercised during the year as set out on pages 65 to 67 of this report The fair value per option granted and the assumptions used to calculate its value are set out in note 23

SAYE

The group operates an all employee save as you earn scheme in which all employees, including directors, employed in the UK are eligible to participate Participants save a fixed monthly amount of up to £250 for three years and are then able to buy shares in the company at a price set at a 20% discount to the market value at the start of the savings period In line with market practice, no performance conditions attach to options granted under this plan The executive directors who participated in this scheme during the year were PR Ensor, CHC Fordham, NF Osborn and DC Cohen details of which can be found on page 65 of this report

DMGT SIP

DMGT, the group's parent company, operates a share incentive plan in which all UK-based employees of the Euromoney group can participate Employees can contribute up to £125 a month from their gross pay to purchase DMGT 'A' shares These shares are received tax free by the employee after five years The executive directors who participated in this scheme during the year were PM Fallon, PR Ensor and CR Jones, details of which can be found on page 68 of this report

1 Adjusted pre-tax profits are before acquired intangible amortisation, exceptional items, movements in acquisition commitment values, imputed interest on acquisition commitments, foreign exchange loss interest charge on tax equalisation contracts, foreign exchange on restructured hedging arrangements, and the cost of the CAP itself
2 The Canadian version of the CSOP 2010 has a grant date of March 30 2010 and an exercise price of £5 01, the market value of the companys shares at the date of grant, and enables each Canadian participant to purchase up to 19,960 shares in the company
3 The net gain on the CSOP options is the market price of the company's shares at the date of exercise less the exercise price (£6 03[2]) multiplied by the number of options exercised
+ The number of options vested and left to vest excludes the options required for the funding award element of the CSOP 2010

Information subject to audit (pages 65 to 67)
Directors' share options

	At start of year	Granted/ trued up during year	Exercised during year	At end of year		Exercise price	Date from which exercisable	Expiry date
PR Ensor	1,810	–	–	1,810	*	£4 97	Feb 01 15	Aug 01 15
	1,810	–	–	1,810				
CHC Fordham	621	–	(621)	–	‡	£0 0025	exercised	Sep 30 14
	24,950	8,225	(33,175)	–	^	£0 0025	exercised	Sep 30 20
	4,972	–	(4,972)	–	†	£6 03	exercised	Feb 14 20
	29,921	5,007	–	34,928	^	£0 0025	Feb 13 14	Sep 30 20
	–	1,408	–	1,408	§	£6 39	Feb 01 16	Aug 01 16
	60,464	14,640	(38,768)	36,336				
NF Osborn	4,299	(4,272)	(27)	–	†	£6 03	exercised	Feb 14 20
	–	18	(18)	–	^	£0 0025	exercised	Sep 30 20
	673	(646)	–	27	†	£6 03	Feb 13 14	Feb 14 20
	3,626	(3,608)	–	18	^	£0 0025	Feb 13 14	Sep 30 20
	1,810	–	–	1,810	*	£4 97	Feb 01 15	Aug 01 15
	10,408	(8,508)	(45)	1,855				
DC Cohen	5,000	–	(5,000)	–		£4 19	exercised	Jan 28 14
	15,896	(13,956)	(1,940)	–	‡	£0 0025	exercised	Sep 30 14
	7,186	2,191	(9,377)	–	^	£0 0025	exercised	Sep 30 20
	3,454	–	(3,454)	–	†	£6 03	exercised	Feb 14 20
	10,639	(44)	–	10,595	^	£0 0025	Feb 13 14	Sep 30 20
	1,810	–	–	1,810	*	£4 97	Feb 01 15	Aug 01 15
	43,985	(11,809)	(19,771)	12,405				
CR Jones	15,000	–	(15,000)	–		£4 19	exercised	Jan 28 14
	21,533	3,842	(25,375)	–	^	£0 0025	exercised	Sep 30 20
	4,972	–	(4,972)	–	†	£6 03	exercised	Feb 14 20
	26,504	624	–	27,128	^	£0 0025	Feb 13 14	Sep 30 20
	68,009	4,466	(45,347)	27,128				
DE Alfano	9,798	999	(10,797)	–	^	£0 0025	exercised	Sep 30 20
	9,798	999	–	10,797	^	£0 0025	Feb 13 14	Sep 30 20
	19,596	1,998	(10,797)	10,797				
JL Wilkinson	12,415	3,698	(16,113)	–	^	£0 0025	exercised	Sep 30 20
	4,972	(531)	(4,441)	–	†	£6 03	exercised	Feb 14 20
	17,387	292	–	17,679	^	£0 0025	Feb 13 14	Sep 30 20
	34,774	3,459	(20,554)	17,679				
B AL-Rehany	14,258	1,984	(16,242)	–	^	£0 0025	exercised	Sep 30 20
	19,960	–	(19,960)	–	†	£5 01	exercised	Feb 14 20
	34,217	1,985	–	36,202	^	£0 0025	Feb 13 14	Sep 30 20
	68,435	3,969	(36,202)	36,202				
Total	**307,481**	**8,215**	**(171,484)**	**144,212**				

Directors' Remuneration Report continued

Annual report on remuneration continued

Directors' cash settled options

Under the terms of CAP 2010, the directors have been granted the following cash awards

	At start of year £	Granted/ trued up during year £	Exercised during year £	At end of year £		Date from which entitled
CHC Fordham	128,199	21,451	(149,650)	–	^	exercised
CHC Fordham	128,199	21,451	-	149,650	^	Feb 13 14
NF Osborn	18,420	(18,304)	(116)	-	^	exercised
NF Osborn	18,419	(18,303)	–	116	^	Feb 13 14
DC Cohen	45,586	(190)	(45,396)	–	^	exercised
DC Cohen	45,586	(190)	-	45,396	^	Feb 13 14
CR Jones	113,558	2,672	(116,230)	–	^	exercised
CR Jones	113,558	2,672	-	116,230	^	Feb 13 14
DE Alfano	41,979	4,280	(46,259)	–	^	exercised
DE Alfano	41,979	4,280	-	46,259	^	Feb 13 14
JL Wilkinson	74,494	1,253	(75,747)	–	^	exercised
JL Wilkinson	74,493	1,254	-	75,747	^	Feb 13 14
B AL-Rehany	146,605	8,504	(155,109)	–	^	exercised
B AL-Rehany	146,605	8,504	-	155,109	^	Feb 13 14
	1,137,680	**39,334**	**(588,507)**	**588,507**		

The cash settled options lapse four months after the preliminary announcement of the group's results for the financial year in which the performance conditions are met (note 23)

* Issued under the Euromoney Institutional Investor PLC SAYE scheme 2011

§ Issued under the Euromoney Institutional Investor PLC SAYE scheme 2012

‡ Options granted relate to the true-up to the awards outstanding from either tranche 2 or tranche 3 of CAP 2004 which vested on February 14 2013 following the satisfaction of the additional performance test (see page 63) The number of such options granted to each director was provisional last year and was trued-up to reflect adjustments to the respective director's individual business profits between year end and December 31 2012

^ Options granted relate to the true-up to the estimate made last year of the first tranche of CAP 2010 together with the estimated number of shares that are expected to be issued under tranche 2 of CAP 2010 following the satisfaction of the additional performance test (see page 62) Tranche 2 vests on February 13 2014, three months following the announcement of the company's results The number of such options granted to each director under tranche 2 of CAP 2010 is provisional and will require a true-up to reflect adjustments to the respective director's individual business profits between year end and December 31 2013 As such the actual number of options granted could vary from that disclosed

† Similarly, the number of options granted under CSOP 2010 relates to the true-up to the estimate made last year to the number of CSOP options expected to vest together with an estimate of the number of CSOP 2010 options expected to vest under the second tranche The number of options vesting under the second tranche is provisional and dependent on satisfaction of the additional performance test and providing the CSOP is in the money at the time of the vesting Once vested the option remains exercisable for a period of one month and then lapses The remuneration committee requires management to apply true-up adjustments to these awards to reflect the results during the three month period to December 2013 Where the option does not vest, the option continues to subsist and becomes exercisable at the same time as the second tranche of the respective CAP 2010 share award (note 23)

The market price of the company's shares on September 30 2013 was £11 60 The high and low share prices during the year were £12 09 and £7 48 respectively There were 8,215 options granted during the year (2012 23,757)

Directors' options exercised during the year

The aggregate gain made by the directors on the exercise of share options in the year was £1,441,411 (2012 £387,800) as follows

	Number of options exercised	Date of exercise	Market price on date of exercise (£)	Gain on exercise (£)	Number of shares retained
CHC Fordham	33,796	Feb 14 13	£9 32	314,894	16,164
CHC Fordham	4,972	Jun 28 13	£10 39	21,661	4,972
DC Cohen	11,317	Feb 14 13	£9 32	105,446	–
DC Cohen	5,000	May 30 13	£9 30	25,542	–
DC Cohen	3,454	Jun 28 13	£10 39	15,048	–
NF Osborn	27	Jun 28 13	£10 39	280	–
NF Osborn	18	Jun 28 13	£10 39	78	–
CR Jones	25,375	Feb 14 13	£9 32	236,432	12,136
CR Jones	15,000	Jun 28 13	£10 39	92,975	4,000
CR Jones	4,972	Jun 28 13	£10 39	21,661	4,972
DE Alfano	10,797	Feb 14 13	£9 32	100,601	–
JL Wilkinson	16,113	Feb 14 13	£9 32	150,133	–
JL Wilkinson	4,441	Jun 28 13	£10 39	19,348	–
B AL-Rehany	36,202	Feb 14 13	£9 32	337,312	22,485
	171,484			1,441,411	64,729

Information not subject to audit (pages 67 and 68).

Directors' interests in the company

	Ordinary shares of 0 25p each 2013	2012
PM Fallon (died October 14 2012)	–	630,383
PR Ensor	**194,529**	194,529
CHC Fordham	**161,513**	140,377
NF Osborn	**31,354**	45,354
DC Cohen	**39,490**	74,490
CR Jones	**190,380**	169,272
DE Alfano	**99,256**	99,256
JL Wilkinson	**77,275**	77,275
B AL-Rehany	**37,276**	14,791
The Viscount Rothermere	**24,248**	24,248
Sir Patrick Sergeant	**165,304**	165,304
JC Botts	**15,503**	15,503
JC Gonzalez (resigned January 31 2013)	–	–
MWH Morgan	**7,532**	7,532
DP Pritchard	–	–
ART Ballingal (appointed December 12 2012)	–	–
TP Hillgarth (appointed December 12 2012)	–	–
	1,043,660	1,658,314
Non-beneficial		
Sir Patrick Sergeant	**20,000**	20,000

Directors' Remuneration Report continued
Annual report on remuneration continued

Directors' interests in Daily Mail and General Trust plc

The interests of the directors, to be disclosed under chapter 9 8 6 of the UKLA Listing Rules, in the shares of Daily Mail and General Trust plc as at September 30 were as follows

	Ordinary shares of 12 5p each		'A' Ordinary non-voting shares of 12 5p each	
	2013	2012	**2013**	2012
The Viscount Rothermere[1&2]	**17,738,163**	11,903,132	**68,570,098**	75,134,502
PM Fallon (died October 14 2012)	–	4,000	–	42,234
PR Ensor	–	–	**1,124**	866
CR Jones	–	–	**1,077**	821
Sir Patrick Sergeant	–	–	–	36,000
MWH Morgan[1&2]	**764**	764	**1,049,826**	978,104

1 The figures in the table above include 'A shares committed by executives under a long-term incentive plan, details of which are set out in the Daily Mail and General Trust plc annual report

2 The figures in the table above include 'A' shares awarded to executives under the DMGT Executive Bonus Scheme For MWH Morgan and The Viscount Rothermere respectively, 17,500 and 43,926 of these shares were subject to restrictions as explained in the Daily Mail and General Trust plc annual report

The Viscount Rothermere had non-beneficial interests as a trustee at September 30 2013 in 5,540,000 'A' ordinary non-voting shares of 12 5 pence each (2012 5,540,000 shares)

Daily Mail and General Trust plc has been notified that, under section 824 of the Companies Act 2006 and including the interests shown in the table above, The Viscount Rothermere is deemed to have been interested in 17,738,163 ordinary shares of 12 5 pence each (2012 11,903,132 shares)

At September 30 2013 and September 30 2012, The Viscount Rothermere was beneficially interested in 756,700 ordinary shares of Rothermere Continuation Limited, the company's ultimate parent company

The Viscount Rothermere and MWH Morgan had options over 632,986 and 183,047 respectively 'A' ordinary non-voting shares in Daily Mail and General Trust plc at September 30 2013 (2012 553,351 and 333,187 options respectively) The exercise price of these options ranges from £nil to £7 24 Further details of these options are listed in the Daily Mail and General Trust plc annual report

Since September 30 2013, PR Ensor and CR Jones purchased, through the DMGT SIP scheme, 31 and 32 additional 'A' ordinary non-voting shares in Daily Mail and General Trust plc respectively There have been no other changes in the directors' interests since September 30 2013

Information subject to audit (pages 69 to 70)

Directors' pensions

Executive directors can participate in the Harmsworth Pension Scheme (a defined benefit scheme), the Euromoney Pension Plan (a money purchase plan) or their own private pension scheme Further details of these schemes are set out in note 26 to the accounts Pension contributions paid by the company on behalf of executive directors during the year were as follows

	Harmsworth Pension Sceme 2013 £	Cash alternative to pension scheme contribution 2013 £	Euromoney Pension Plan 2013 £	Private Schemes 2013 £	Total 2013 £	Total 2012 £
PM Fallon (died October 14 2012)	–	–	–	–	–	–
PR Ensor	–	22,918	–	–	22,918	22,918
CHC Fordham	–	–	37,500	–	37,500	15,130
NF Osborn	–	–	9,399	–	9,399	9,399
DC Cohen[1]	–	15,855	–	–	15,855	7,928
CR Jones[1]	–	37,875	–	–	37,875	12,375
DE Alfano	–	–	–	4,101	4,101	3,938
JL Wilkinson	–	–	18,657	–	18,657	14,982
B AL-Rehany	–	–	–	7,447	7,447	7,173
	–	76,648	65,556	11,548	153,752	93,843

The Harmsworth scheme is closed to new entrants, existing members still in employment can continue to accrue benefits in the scheme on a cash basis, with members using this cash account to purchase an annuity at retirement Under the Harmsworth Pension Scheme, the following pension benefits were earned by the directors

	Harmsworth Pension Scheme					
	Accrued annual pension at Sept 30 2013 £	Pension cash accrual at Sept 30 2013 £	Transfer value at Sept 30 2013 £	Normal retirement date	Additional value of benefits if early retirement taken	Weighting of pension benefit value as shown in single figure table
Director						
PM Fallon (died October 14 2012)	–	–	–	n/a	none	none
DC Cohen[1]	32,390	50,200	631,000	Oct 26 2019	none	Cash allowance 100%
CR Jones[1]	44,788	65,200	807,000	Aug 11 2022	none	Cash allowance 100%

The accrued annual pension entitlement is that which would be paid annually on retirement based on service to September 30 2013 and ignores any increase for future inflation The pension cash accrual represents the sum which would be available on retirement based on service to September 30 2013 to secure retirement benefits, ignoring any increase for future inflation All transfer values have been calculated on the basis of actuarial advice in accordance with 'Retirement Benefit – Transfer Values (GN11)' published by the Board for Actuarial Standards The transfer values of the accrued entitlement include the pension cash accrual and represent the value of assets that the pension scheme would need to transfer to another pension provider on transferring the scheme's liability in respect of the directors' pension benefits They do not represent a sum paid or payable to individual

Directors' Remuneration Report continued
Annual report on remuneration continued

directors and, therefore, cannot be added meaningfully to annual remuneration The pension cash accrual has been included in the increase in transfer value (net of directors' contributions) Members of the scheme have the option of paying additional voluntary contributions Neither the contributions nor the resulting benefits are included in the above table The normal retirement age for the pension cash accrual element of the scheme is 65 The normal retirement age for the accrued benefits under the now closed element of the Harmsworth Pension Scheme is 62

1 Company contributions to the Harmsworth Pension Scheme on behalf of DC Cohen and CR Jones were made until March 31 2012 From April 1 2012, these directors received a cash allowance in lieu of company pension contributions

Information not subject to audit (pages 70 to 73)
Comparison of overall performance and remuneration of the managing director

The chart below compares the company's TSR with the FTSE250 over the past five financial years The company is a constituent of the FTSE250 and, accordingly, this is considered to be an appropriate benchmark

Managing director - single figure of remuneration

CHC Fordham replaced PR Ensor as managing director on October 15 2012 The single figure of total remuneration for the managing director set out below includes salary, benefits, company pension contributions and long-term incentives as set out on page 58 of this report

		Year on year % change %	Managing director single figure of total remuneration £	Annual variable element (profit share) £	Annual variable element (profit share) payout against maximum opportunity %	Value of long-term incentive (share options) vesting in period £	Maximum opportunity £	Long-term incentive vesting rates against maximum opportunity %
2013	CHC Fordham	(67%)	1,598,716	648,025	58 5%	536,917	536,917	100%
2012	PR Ensor	10%	4,856,723	4,630,646	81 9%	26,640	26,640	100%
2011	PR Ensor	11%	4,396,681	4,201,414	81 8%	–	–	–
2010	PR Ensor	36%	3,976,660	3,787,355	81 6%	–	–	–
2009	PR Ensor	0%	2,916,771	2,508,665	81 0%	218,983	218,983	100%

The group's profit share scheme has no ceiling, hence the maximum annual variable element of remuneration was calculated assuming that profits achieved had been 20% higher The maximum long-term incentive award vesting under the CAP is restricted to 6% of the award pool as set out in the rules of those schemes

Percentage change in remuneration of the managing director

The table below illustrates the change in remuneration for the managing director, previously PR Ensor and now CHC Fordham It is also compared with the change in remuneration of all other employees across the group The directors feel that this group of people is the most appropriate as a comparator because employees pay is determined annually by the remuneration committee at the same time as that of the managing director and under the same economic circumstances The directors believe this demonstrates the best link between the increase in average remuneration compared to the managing director

	Total remuneration		% increase/
	2013	2012	(decrease)
	£	£	£
Managing director remuneration (excluding LTIP and pension)	1,024,299	4,807,165	(78 7%)
Total employee remuneration (excluding managing director remuneration)	138,841,988	135,395,699	2 5%
Average number of employees (excluding managing director)	2,323	2,262	2 7%
Average employee remuneration	59,768	59,857	(0 1%)

Remuneration in the above table excludes long-term incentive payments and pension benefits Employees exclude temporary staff

The remuneration of the managing director fell by 78 7% this year This reflects CHC Fordham's appointment as managing director and PR Ensor's appointment as chairman under the management succession plan implemented in October 2012 The majority of Mr Ensor's remuneration was profit share which was calculated from a low base threshold set in 1978 when the company was in its infancy This profit share was in lieu of equity at the time As the group's profit has grown significantly from this date, so Mr Ensor's remuneration has grown with it Mr Fordham's remuneration was structured to include a higher proportion from his salary and his profit share threshold was based on the profits achieved in 2012

Directors' Remuneration Report continued

Annual report on remuneration continued

Relative importance of spend on pay

The first chart below demonstrates how the group's revenue covers its cost base, employee costs at 38% of revenue (2012 38 8%) After covering the costs the revenue remaining equates to adjusted profit before tax, the adjusted profit before tax margin at 28 8% (2012 27 1%), (see Appendix to the Chairman's Statement)

The second chart takes the adjusted profit before tax above and shows how these profits are utilised, for instance, local tax authorities with 21 7% of adjusted profit before tax (2012 21 9%) The notional CAP charge relates to the notional reversal of the £6 6 million additional accelerated CAP charge originally recognised in 2011 The directors agreed to exclude the impact of the distorted charge in 2011 and its subsequent reversal in later years when setting the dividend The resultant balance of 74 6% (2012 77%) represents the proportion of adjusted profit before tax available for distribution to shareholders The group's dividend policy is to distribute a third of these adjusted distributable profits to shareholders

Costs and resultant profit as a percentage of revenue

Employee costs reflects remuneration paid to all employees of the group including temporary staff, and include salary, benefits, social security costs and pension costs (see note 6)

Proportion of adjusted profit before tax

Annual General Meeting - shareholder vote outcome

The table below shows the advisory shareholder vote on the 2012 Remuneration Report at the January 2013 AGM

The committee believes the 93 70% votes in favour of the remuneration report shows strong shareholder support for the company's remuneration arrangements The committee consults with key investors prior to any major changes in its remuneration arrangements

Votes for	%	Votes against	%	Abstentions	%
106,242,920	93 7%	7,121,791	6 3%	395	0 00%

Payments to past directors

There were no payments made to past directors during the year other than to PM Fallon who died on October 14 2012 and whose estate was paid his profit share and salary earned up to his date of death

Appointments and re-election

All directors will be standing for re-election at the forthcoming AGM

Other related party transactions

NF Osborn serves on the management board of A&N International Media Limited and as an advisor to the boards of both DMG Events and dmgi, all fellow group companies, for which he received fees for the year to September 30 2013 of £25,000 and US$45,000 respectively (2012 £25,000 and US$40,000 respectively)

Implementation of the remuneration policy

For the year ending September 30 2014 the group intends to apply the remuneration policy as follows

- Directors' salaries from October 1 2013 will be as set out on page 58 These salaries will be reviewed (and may be increased) in April 2014 in line with the group's policy
- Benefits will also be reviewed during the year although it is not anticipated that any significant changes will be made other than possibly the provision of a UK or group wide life assurance scheme
- The profit share arrangement for each director will be as described on page 54 Profit share thresholds are subject to review during the year Changes to thresholds are made only where considered appropriate by the remuneration committee, taking into account the businesses that the respective director is responsible for and any acquisitions and disposals, as well, where applicable, the other factors stated in the group's policy The thresholds for the year ending September 30 2014 will be disclosed in the 2014 Annual Report and Accounts
- Directors will continue to be able to participate in the pension schemes operated in the country they reside on an unchanged basis
- Subject to approval of the CAP 2014 and CSOP 2014 by the company's shareholders at the AGM in January 2014 the directors will be granted CAP 2014 and CSOP 2014 options The actual number of options awarded will be directly linked to the profit growth delivered by the directors from the base year (September 30 2013) to the year the performance condition is achieved (expected to be September 30 2017) A summary of this new plan is provided on page 55

John Botts
Chairman of the remuneration committee
November 13 2013

Independent Auditor's Report
to the members of Euromoney Institutional Investor PLC

Opinion on financial statements of Euromoney Institutional Investor PLC

In our opinion

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at September 30 2013 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation

The group financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 30 The parent company financial statements comprise the company Balance Sheet and the related notes 1 to 19 The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and IFRSs as adopted by the European Union The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Going concern

As required by the Listing Rules we have reviewed the directors' statement contained within the Directors' Report that the group is a going concern We confirm that

- we have not identified material uncertainties related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern which we believe would need to be disclosed in accordance with IFRSs as adopted by the European Union, and
- we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team

- acquisition accounting for the new businesses acquired, being TTI/ Vanguard, Insider Publishing, Quantitative Techniques and CIE, as well as the ongoing accounting for acquisition commitments on previous acquisitions including NDR Each acquisition is typically structured in a different manner, resulting in judgement over the accounting as well as over the assumptions used in the fair value acquisition accounting assessment, including the identification of intangible assets,
- the assessment of the carrying value of goodwill and intangible assets Management is required to carry out an annual impairment test which incorporates judgements based on assumptions about the future cash flows of the businesses and discount rates applied to those cash flows,
- revenue recognition, including deferred income on subscription and delegate revenue,
- the continued requirement for significant provisions and accruals including the provision for impairment of trade receivables,
- the presentation of adjusting items, in particular the quantum and consistency of the items included in the reconciliation from statutory profit to the non-statutory adjusted profit,
- the appropriateness of capitalisation of internally-generated intangible assets, in particular in relation to the global content management system, and
- the group's exposure to tax risks through open items with tax authorities accrued for in several jurisdictions, in particular in the US, and the recognition and measurement of deferred tax assets

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole We determined planning materiality for the group to be £5 7 million, which is approximately 5% of adjusted operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items We use this profit measure as it is a key measure of business performance for the group

We agreed with the Audit Committee that we would report to them all audit differences in excess of £114,000, based on 2% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds

An overview of the scope of our audit

Our group audit scope focused primarily on the audit work at ten components Six of these were subject to a full scope audit A further four components were subject to specified audit procedures where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the group's business operations at those locations Together with the central functions which were also subject to a full scope audit, these components represent the principal business units of the group and account for 79% of revenue and 85% of adjusted operating profit They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above The work at these ten components was executed at levels of materiality applicable to each individual entity which were much lower than group materiality The remaining components were subject to analytical review procedures designed to confirm that no further risks of misstatement existed that were material to the group financial statements

The group audit team continued to follow a programme of planned visits that has been designed so that the Senior Statutory Auditor or another senior member of the group audit team visits the nine larger locations where the group audit scope was focused at least once a year

The way in which we scoped our response to the risks identified above was as follows

- we carried out testing on the acquisitions made in the year We have tested the valuation of intangible assets identified by management on acquisitions, challenging key assumptions relating to royalty rates, short and long term growth rates and discount rates We have also challenged management's assumptions used in the valuation of the deferred consideration and put option liabilities, predominantly relating to the profit forecasts of the acquired businesses,
- we challenged management's assumptions used in the impairment model for goodwill and intangible assets, described in note 11 to the financial statements, including specifically the cash flow projections, discount rates and sensitivities used,
- we carried out testing in relation to revenue using a combination of analytical procedures and substantive testing, focusing in particular on the reconciliation of deferred subscription income to subscription/fulfillment reports and the treatment of income and costs on events spanning the period end,
- we challenged management's assumptions around provisions, including specifically US sales tax provisions, onerous lease commitments and employee tax exposures on share option liabilities as well challenging the continued requirement for the provision for impairment of trade receivables,
- we considered the appropriateness, consistency and completeness of the items classified as adjusting items and the related disclosures in the financial statements,
- we have tested the costs capitalised in respect of the global content management system as set out in note 11, assessing whether the nature of those costs met the criteria for capitalisation under the group's accounting policy and whether they were directly attributable to the development of the content management system, and
- we assessed the adequacy of accruals made in respect of items under discussion with the tax authorities and the anticipated resolution of those items We challenged the recognition of deferred tax assets and whether sufficient taxable profits were expected to be generated in the relevant jurisdictions in which they arise

The audit committee's consideration of these risks is set out on page 40

Opinion on other matters prescribed by the Companies Act 2006

In our opinion

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns

We have nothing to report in respect of these matters

Independent Auditor's Report

to the members of Euromoney Institutional Investor PLC continued

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns Under the Listing Rules we are required to review certain elements of the Directors' Remuneration Report We have nothing to report arising from these matters or our review

Corporate Governance Statement

Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the company's compliance with nine provisions of the UK Corporate Governance Code We have nothing to report arising from our review

Our duty to read other information in the Annual Report

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is

- materially inconsistent with the information in the audited financial statements, or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit, or
- is otherwise misleading

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed We confirm that we have not identified any such inconsistencies or misleading statements

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Robert Matthews (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
November 13 2013

Consolidated Income Statement
for the year ended September 30 2013

	Notes	2013 £000	2012 £000
Total revenue	3	**404,704**	394,144
Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items	3	**121,088**	118,175
Acquired intangible amortisation	11	**(15,890)**	(14,782)
Long-term incentive expense	23	**(2,100)**	(6,301)
Exceptional items	5	**2,232**	(1,617)
Operating profit before associates	3, 4	**105,330**	95,475
Share of results in associates		**284**	459
Operating profit		**105,614**	95,934
Finance income	7	**1,830**	4,475
Finance expense	7	**(12,184)**	(8,041)
Net finance costs	7	**(10,354)**	(3,566)
Profit before tax	3	**95,260**	92,368
Tax expense on profit	8	**(22,235)**	(22,528)
Profit after tax	3	**73,025**	69,840
Attributable to			
Equity holders of the parent		**72,623**	69,672
Equity non-controlling interests		**402**	168
		73,025	69,840
Basic earnings per share	10	**57 88p**	56 74p
Diluted earnings per share	10	**56 70p**	55 17p
Adjusted basic earnings per share	10	**72 43p**	67 79p
Adjusted diluted earnings per share	10	**70 96p**	65 91p
Dividend per share (including proposed dividends)	9	**22 75p**	21 75p

A detailed reconciliation of the group's statutory results to the adjusted results is set out in the appendix to the Chairman's Statement on page 7

Consolidated Statement of Comprehensive Income

for the year ended September 30 2013

	2013 £000	2012 £000
Profit after tax	**73,025**	69,840
Items that may be reclassified subsequently to profit or loss		
Change in fair value of cash flow hedges	**(3,298)**	3,913
Transfer of gains on cash flow hedges from fair value reserves to Income Statement		
Foreign exchange gains in total revenue	**2,320**	3,382
Foreign exchange (losses)/gains in operating profit	**(176)**	184
Interest rate swap gains in interest payable on committed borrowings	**226**	1,251
Net exchange differences on translation of net investments in overseas subsidiary undertakings	**(7,167)**	(13,650)
Net exchange differences on foreign currency loans	**4,317**	5,886
Tax on items that may be reclassified	**90**	(1,509)
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit pension schemes	**1,433**	(3,398)
Tax (charge)/credit on actuarial gains/losses on defined benefit pension schemes	**(287)**	782
Other comprehensive expense for the year	**(2,542)**	(3,159)
Total comprehensive income for the year	**70,483**	66,681
Attributable to		
Equity holders of the parent	**69,774**	65,675
Equity non-controlling interests	**709**	1,006
	70,483	66,681

Consolidated Statement of Financial Position
as at September 30 2013

	Notes	2013 £000	2012 £000
Non-current assets			
Intangible assets			
Goodwill	11	**356,574**	333,065
Other intangible assets	11	**149,039**	136,243
Property, plant and equipment	12	**16,792**	17,982
Investments	13	**702**	735
Deferred tax assets	21	**5,015**	7,344
Derivative financial instruments	18	**746**	296
		528,868	495,665
Current assets			
Trade and other receivables	15	**79,245**	65,952
Current income tax assets		**5,436**	2,678
Cash at bank and in hand		**11,268**	13,544
Derivative financial instruments	18	**1,736**	2,715
		97,685	84,889
Current liabilities			
Acquisition commitments	24	**(539)**	(4,273)
Deferred consideration	24	**(7,040)**	(77)
Trade and other payables	16	**(26,841)**	(27,623)
Liability for cash-settled options	23	**(7,435)**	(7,768)
Current income tax liabilities		**(12,653)**	(9,076)
Group relief payable		**(473)**	-
Accruals		**(48,381)**	(54,170)
Deferred income	17	**(117,296)**	(105,106)
Committed loan facility	19	**(20,177)**	-
Loan notes	19	**(1,028)**	(1,228)
Derivative financial instruments	18	**(909)**	(656)
Provisions	20	**(3,974)**	(2,037)
		(246,746)	(212,014)
Net current liabilities		**(149,061)**	(127,125)
Total assets less current liabilities		**379,807**	368,540
Non-current liabilities			
Acquisition commitments	24	**(14,498)**	(3,595)
Deferred consideration	24	**(9,085)**	-
Liability for cash-settled options and other non-current liabilities	23	**(498)**	(6,966)
Preference shares		**(10)**	(10)
Committed loan facility	19	**-**	(43,154)
Deferred tax liabilities	21	**(16,838)**	(16,975)
Net pension deficit	26	**(2,883)**	(4,757)
Derivative financial instruments	18	**-**	(241)
Provisions	20	**(2,236)**	(4,918)
		(46,048)	(80,616)
Net assets		**333,759**	287,924
Shareholders' equity			
Called up share capital	22	**316**	311
Share premium account		**101,709**	99,485
Other reserve		**64,981**	64,981
Capital redemption reserve		**8**	8
Own shares		**(74)**	(74)
Reserve for share-based payments		**37,122**	36,055
Fair value reserve		**(20,216)**	(18,152)
Translation reserve		**38,707**	40,728
Retained earnings		**102,959**	58,033
Equity shareholders' surplus		**325,512**	281,375
Equity non-controlling interests		**8,247**	6,549
Total equity		**333,759**	287,924

The accounts were approved by the board of directors on November 13 2013

Christopher Fordham
Colin Jones
Directors

Consolidated Statement of Changes in Equity
for the year ended September 30 2013

	Share capital £000	Share premium account £000	Other reserve £000	Capital redemption reserve £000	Own shares £000	Reserve for share-based payments £000	Fair value reserve £000	Translation reserve £000	Retained earnings £000	Total £000	Equity non-controlling interests £000	Total £000
At September 30 2012	311	99,485	64,981	8	(74)	36,055	(18,152)	40,728	58,033	281,375	6,549	287,924
Retained profit for the year	–	–	–	–	–	–	–	–	72,623	72,623	402	73,025
Change in fair value of cash flow hedges	–	–	–	–	–	–	(3,298)	–	–	(3,298)	–	(3,298)
Transfer of gains on cash flow hedges from fair value reserves to Income Statement												
Foreign exchange gains in total revenue	–	–	–	–	–	–	2,320	–	–	2,320	–	2,320
Foreign exchange losses in operating profit	–	–	–	–	–	–	(176)	–	–	(176)	–	(176)
Interest rate swap gains in interest payable on committed borrowings	–	–	–	–	–	–	226	–	–	226	–	226
Net exchange differences on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	–	(7,474)	–	(7,474)	307	(7,167)
Net exchange differences on foreign currency loans	–	–	–	–	–	–	(1,136)	5,453	–	4,317	–	4,317
Actuarial gains on defined benefit pension schemes	–	–	–	–	–	–	–	–	1,433	1,433	–	1,433
Tax relating to components of other comprehensive income	–	–	–	–	–	–	–	–	(197)	(197)	–	(197)
Total comprehensive income for the year	–	–	–	–	–	–	(2,064)	(2,021)	73,859	69,774	709	70,483
Exercise of acquisition commitments	–	–	–	–	–	–	–	–	18	18	(18)	–
Recognition of acquisition commitments	–	–	–	–	–	–	–	–	(4,404)	(4,404)	–	(4,404)
Non-controlling interest recognised on acquisition	–	–	–	–	–	–	–	–	–	–	1,402	1,402
Credit for share-based payments	–	–	–	–	–	1,067	–	–	–	1,067	–	1,067
Cash dividend paid	–	–	–	–	–	–	–	–	(27,156)	(27,156)	(413)	(27,569)
Exercise of share options	5	2,224	–	–	–	–	–	–	–	2,229	18	2,247
Tax relating to items taken directly to equity	–	–	–	–	–	–	–	–	2,609	2,609	–	2,609
At September 30 2013	316	101,709	64,981	8	(74)	37,122	(20,216)	38,707	102,959	325,512	8,247	333,759

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT) At September 30 2013 the ESOT held 58,976 shares (2012 58,976 shares) carried at a historic cost of £1 25 per share with a market value of £684,000 (2012 £454,000) The trust waived the rights to receive dividends Interest and administrative costs are charged to the profit and loss account of the ESOT as incurred

The other reserve represents the share premium arising on the shares issued for the purchase of Metal Bulletin plc in October 2006

Consolidated Statement of Changes in Equity

for the year ended September 30 2012

	Share capital £000	Share premium account £000	Other reserve £000	Capital redemption reserve £000	Own shares £000	Reserve for share-based payments £000	Fair value reserve £000	Translation reserve £000	Retained earnings £000	Total £000	Equity non-controlling interests £000	Total £000
At September 30 2011	303	82,124	64,981	8	(74)	33,725	(32,768)	55,216	16,218	**219,733**	5,842	**225,575**
Retained profit for the year	–	–	–	–	–	–	–	–	69,672	**69,672**	168	**69,840**
Change in fair value of cash flow hedges	–	–	–	–	–	–	3,913	–	–	**3,913**	–	**3,913**
Transfer of gains on cash flow hedges from fair value reserves to Income Statement												
Foreign exchange gains in total revenue	–	–	–	–	–	–	3,382	–	–	**3,382**	–	**3,382**
Foreign exchange gains in operating profit	–	–	–	–	–	–	184	–	–	**184**	–	**184**
Interest rate swap gains in interest payable on committed borrowings	–	–	–	–	–	–	1,251	–	–	**1,251**	–	**1,251**
Net exchange differences on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	–	(14,488)	–	**(14,488)**	838	**(13,650)**
Net exchange differences on foreign currency loans	–	–	–	–	–	–	5,886	–	–	**5,886**	–	**5,886**
Actuarial losses on defined benefit pension schemes	–	–	–	–	–	–	–	–	(3,398)	**(3,398)**	–	**(3,398)**
Tax relating to components of other comprehensive income	–	–	–	–	–	–	–	–	(727)	**(727)**	–	**(727)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**14,616**	**(14,488)**	**65,547**	**65,675**	**1,006**	**66,681**
Exercise of acquisition option commitments	–	–	–	–	–	–	–	–	62	**62**	(62)	**–**
Credit for share-based payments	–	–	–	–	–	2,330	–	–	–	**2,330**	–	**2,330**
Scrip/cash dividends paid	6	16,304	–	–	–	–	–	–	(23,794)	**(7,484)**	(299)	**(7,783)**
Exercise of share options	2	1,057	–	–	–	–	–	–	–	**1,059**	62	**1,121**
At September 30 2012	**311**	**99,485**	**64,981**	**8**	**(74)**	**36,055**	**(18,152)**	**40,728**	**58,033**	**281,375**	**6,549**	**287,924**

Consolidated Statement of Cash Flows

for the year ended September 30 2013

	2013 £000	2012 £000
Cash flow from operating activities		
Operating profit	**105,614**	95,934
Share of results in associates	**(284)**	(459)
Acquired intangible amortisation	**15,890**	14,782
Licences and software amortisation	**301**	339
Depreciation of property, plant and equipment	**3,926**	3,408
Loss on disposal of property, plant and equipment	**-**	53
Long-term incentive expense	**2,100**	6,301
Negative goodwill	**(4,449)**	-
(Decrease)/increase in provisions	**(786)**	844
Operating cash flows before movements in working capital	**122,312**	121,202
(Increase)/decrease in receivables	**(4,343)**	4,905
Decrease in payables	**(11,813)**	(3,932)
Cash generated from operations	**106,156**	122,175
Income taxes paid	**(17,230)**	(11,065)
Group relief tax paid	**(1,970)**	(4,204)
Net cash from operating activities	**86,956**	106,906
Investing activities		
Dividends paid to non-controlling interests	**(413)**	(299)
Dividends received from associate	**268**	291
Interest received	**239**	306
Purchase of intangible assets	**(6,314)**	(819)
Purchase of property, plant and equipment	**(2,701)**	(1,665)
Proceeds from disposal of property, plant and equipment	**2**	2
Payment following working capital adjustment from purchase of subsidiary	**(1,711)**	(1,151)
Purchase of subsidiary undertaking, net of cash acquired	**(20,971)**	(5,099)
Purchase of associates	**-**	(567)
Receipt following working capital adjustment from purchase of associate	**49**	-
Net cash used in investing activities	**(31,552)**	(9,001)
Financing activities		
Dividends paid	**(27,156)**	(7,484)
Interest paid	**(3,142)**	(5,218)
Interest paid on loan notes	**(3)**	(12)
Issue of new share capital	**2,229**	1,059
Payment of acquisition deferred consideration	**(5,329)**	(612)
Purchase of additional interest in subsidiary undertakings	**(153)**	(924)
Proceeds received from non-controlling interest	**-**	1,828
Settlement of derivative assets/liabilities	**-**	(332)
Redemption of loan notes	**(199)**	(386)
Loan repaid to DMGT group company	**(196,264)**	(139,067)
Loan received from DMGT group company	**172,488**	54,700
Net cash used in financing activities	**(57,529)**	(96,448)
Net (decrease)/increase in cash and cash equivalents	**(2,125)**	1,457
Cash and cash equivalents at beginning of year	**13,544**	12,497
Effect of foreign exchange rate movements	**(151)**	(410)
Cash and cash equivalents at end of year	**11,268**	13,544

Note to the Consolidated Statement of Cash Flows

Net Debt	2013 £000	2012 £000
Net debt at beginning of year	(30,838)	(119,179)
Net (decrease)/increase in cash and cash equivalents	(2,125)	1,457
Net decrease in amounts owed to DMGT group company	23,776	84,367
Redemption of loan notes	199	386
Interest paid on loan notes	3	12
Accrued interest on loan notes	(2)	(9)
Effect of foreign exchange rate movements	(950)	2,128
Net debt at end of year	(9,937)	(30,838)

Net debt comprises		
Cash and cash equivalents	11,268	13,544
Committed loan facility	(20,177)	(43,154)
Loan notes	(1,028)	(1,228)
Net debt	(9,937)	(30,838)

Notes to the Consolidated Financial Statements

1 Accounting policies

General information

Euromoney Institutional Investor PLC (the 'company') is a company incorporated in the United Kingdom (UK)

The group financial statements consolidate those of the company and its subsidiaries (together referred to as the 'group') and equity-account the group's interest in associates The parent company financial statements present information about the entity and not about its group

The group financial statements have been prepared and approved by the directors in accordance with the International Financial Reporting Standards (IFRS) adopted for use in the European Union and, therefore, comply with Article 4 of the EU IAS Regulation The company has elected to prepare its parent company financial statements in accordance with UK GAAP

Judgements made by the directors in the application of those accounting policies that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year, are discussed in note 2

(a) Relevant new standards, amendments and interpretations issued and applied in the 2013 financial year

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1), effective for accounting periods beginning on or after July 31 2012 This amends IAS 1 'Presentation of Financial Statements' to revise the way other comprehensive income is presented

(b) Relevant new standards, amendments and interpretations issued but effective in the 2014 financial year

- IFRS 13 'Fair Value Measurement' (effective for accounting periods beginning on or after January 1 2013) This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs The requirements, which are largely aligned between IFRSs and US GAAP, do not extend to the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP
- IAS 19 (revised) 'Employee Benefits', issued in June 2011 (effective for accounting periods beginning on or after January 1 2013) The impact on the group will be as follows to recognise all actuarial gains and losses in Other Comprehensive Income as they occur, to immediately recognise all past service costs, and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined liability/(asset)

The directors have assessed that the impact of the adoption of these standards will have no material impact on the financial statements of the group except for additional disclosures

(c) Relevant new standards, amendments and interpretations issued but effective in future accounting periods

- IFRS 9 'Financial Instruments' issued in October 2010 (effective for accounting periods beginning on or after January 1 2015) This standard is the first step in the process to replace IAS 39 'Financial Instruments recognition and measurement' IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the group's accounting for its financial assets This standard has not yet been endorsed by the EU The group is yet to assess IFRS 9's full impact
- IFRS 10 'Consolidated Financial Statements' (effective for accounting periods beginning on or after January 1 2014) This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess The group is yet to assess IFRS 10's full impact
- IFRS 11 'Joint Arrangements' (effective for accounting periods beginning on or after January 1 2014) This standard replaces IAS 31 'Interests in Joint Ventures' and requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 'Investments in Associates and Joint Ventures (2011)' Unlike IAS 31 the use of 'proportionate consolidation' to account for joint ventures is not permitted
- IFRS 12 'Disclosure of Interests in Other Entities' (effective for accounting periods beginning on or after January 1 2014) This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles The group is yet to assess IFRS 12's full impact
- IAS 12 'Income Taxes' on deferred tax recovery of underlying assets (effective for accounting periods beginning on or after January 1 2013) This amendment provides a presumption that recovery of the carrying value of an asset measured using the fair value model in IAS 40 'Investment Property' will, normally, be through sale

1 Accounting policies *continued*

- IAS 27 'Separate Financial Statements (2011)' (effective for accounting periods beginning on or after January 1 2014) The standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 'Financial Instruments' It also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements
- IAS 28 'Investments in Associates and Joint Ventures (2011)' (effective for accounting periods beginning on or after January 1 2014) This standard supersedes IAS 28, 'Investments in Associates', and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures The standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases) It also prescribes how investments in associates and joint ventures should be tested for impairment
- Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7), effective for accounting periods beginning on or after January 1 2013 This amends the disclosure requirements in IFRS 7 'Financial Instruments Disclosures' to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 'Financial Instruments Presentation
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32), effective for accounting periods beginning on or after January 1 2014 This amends IAS 32 'Financial Instruments Presentation' to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas
  - the meaning of 'currently has a legally enforceable right of set-off'
  - the application of simultaneous realisation and settlement
  - the offsetting of collateral amounts
  - the unit of account for applying the offsetting requirements
- Annual Improvements 2009–2011 Cycle In May 2012 the IASB issued Annual Improvements to IFRSs 2009–2011 Cycle incorporating six amendments to five standards Most of the proposed amendments clarify existing guidance One very useful clarification relates to the 'third balance sheet' requirements in IAS 1 under the proposals, additional related notes are not required to accompany that additional balance sheet Effective for accounting period beginning on or after January 1 2014
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities Transition Guidance amends IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements' and IFRS 12 'Disclosure of Interests in Other Entities' to provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period Effective for accounting periods beginning on or after January 1 2014
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), effective for accounting periods beginning on or after January 1 2014 This amends IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 27 'Separate Financial Statements' to provide investment entities an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 'Financial Instruments' or IAS 39 'Financial Instruments Recognition and Measurement', require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries, require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated)
- Recoverable Amount Disclosures for Non-financial Assets (Amendments to IAS 36), effective for accounting periods beginning on or after January 1 2014 This amends IAS 36 'Impairment of Assets' to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where the recoverable amount (based on fair value less costs of disposal) is determined using present value techniques
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39), effective for accounting periods beginning on or after January 1 2014 This amends IAS 39 'Financial Instruments Recognition and Measurement' to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met

The directors anticipate that the adoption of these standards in future periods will have no material impact on the financial statements of the group except for additional disclosures

Notes to the Consolidated Financial Statements
continued

1 Accounting policies *continued*

Basis of preparation

The accounts have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value The accounting policies set out below have been applied consistently to all periods presented in these group financial statements The directors continue to adopt the going concern basis in preparing this report as explained in detail on page 30

Basis of consolidation

(a) Subsidiaries

The consolidated accounts incorporate the accounts of the company and entities controlled by the company (its 'subsidiaries') 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

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated

The group uses the acquisition method of accounting to account for business combinations The amount recognised as consideration by the group equates to the fair value of the assets, liabilities and equity acquired by the group plus contingent consideration (should there be any such arrangement) Acquisition related costs are expensed as incurred Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets

To the extent the consideration (including the assumed contingent consideration) provided by the acquirer is greater than the fair value of the assets and liabilities, this amount is recognised as goodwill Goodwill also incorporates the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised as 'negative goodwill' directly in the Income Statement

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete Those provisional amounts are adjusted during the measurement period, or additional asset and liabilities are recognised to reflect new information obtained about facts and circumstances that existed as of the date of the acquisition that, if known, would have affected the amounts recognised as of that date

The measurement period is the period from the date of acquisition to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date and is a maximum of one year

Partial acquisitions – control unaffected

Where the group acquires an additional interest in an entity in which a controlling interest is already held, the consideration paid for the additional interest is reflected within movements in equity as a reduction in non-controlling interests No goodwill is recognised

Step acquisitions – control passes to the group

Where a business combination is achieved in stages, at the stage at which control passes to the group, the previously held interest is treated as if it had been disposed of, along with the consideration paid for the controlling interest in the subsidiary The fair value of the previously held interest then forms one of the components that is used to calculate goodwill, along with the consideration and the non-controlling interest less the fair value of identifiable net assets

The consideration paid for the earlier stages of a step acquisition, before control passes to the group, is treated as an investment in an associate

(b) Transactions and non-controlling interests

Transactions with non-controlling interests in the net assets of consolidated subsidiaries are identified separately and included in the group's equity Non-controlling interests consist of the amount of those interests at the date of the original business combination and its share of changes in equity since the date of the combination Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance

Where the group owns a non-controlling interest in the equity share capital of a non-quoted company and does not exercise significant influence, it is held as an investment and stated in the balance sheet at the lower of cost and net realisable value

(c) Associates

An associate is an entity over which the group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting and are initially recognised at cost The group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss

1 Accounting policies *continued*

The group's share of associate post-acquisition profit or losses is recognised in the Income Statement, and its share of post-acquisition movements in other comprehensive income is recognised in the Statement of Comprehensive Income The cumulative post-acquisition movements are adjusted against the carrying amount of the investment When the group's share of losses in an associate equals its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group

Dilution gains and losses arising in investments in associates are recognised in the Income Statement

Foreign currencies

Functional and presentation currency

The functional and presentation currency of Euromoney Institutional Investor PLC and its UK subsidiaries, other than Fantfoot Limited and Centre for Investor Education (UK) Limited, is sterling The functional currency of other subsidiaries and associates is the currency of the primary economic environment in which they operate

Transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date Gains and losses arising on foreign currency borrowings and derivative instruments, to the extent that they are used to provide a hedge against the group's equity investments in overseas undertakings, are taken to equity together with the exchange difference arising on the net investment in those undertakings All other exchange differences are taken to the Income Statement

Group companies

The Income Statements of overseas operations are translated into sterling at the weighted average exchange rates for the year and their balance sheets are translated into sterling at the exchange rates ruling at the balance sheet date All exchange differences arising on consolidation are taken to equity In the event of the disposal of an operation, the related cumulative translation differences are recognised in the Income Statement in the period of disposal

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss

Depreciation of property, plant and equipment is provided on a straight-line basis over their expected useful lives at the following rates per year

Freehold land	do not depreciate
Freehold buildings	2%
Long-term leasehold premises	over term of lease
Short-term leasehold premises	over term of lease
Office equipment	11% – 33%

Intangible assets

Goodwill

Goodwill represents the excess of the fair value of purchase consideration over the net fair value of identifiable assets and liabilities acquired

Goodwill is recognised as an asset at cost and subsequently measured at cost less accumulated impairment For the purposes of impairment testing, goodwill is allocated to those cash generating units that have benefited from the acquisition Assets are grouped at the lowest level for which there are separately identifiable cash flows The carrying value of goodwill is reviewed for impairment at least annually or where there is an indication that goodwill may be impaired If the recoverable amount of the cash generating unit is less than its carrying amount, then the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis Any impairment is recognised immediately in the Income Statement and may not subsequently be reversed On disposal of a subsidiary undertaking, the attributable amount of goodwill is included in the determination of the profit and loss on disposal

Goodwill arising on foreign subsidiary investments held in the consolidated balance sheet are retranslated into sterling at the applicable period end exchange rates Any exchange differences arising are taken directly to equity as part of the retranslation of the net assets of the subsidiary

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts having been tested for impairment at that date Goodwill written off to reserves under UK GAAP before October 1 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal

Notes to the Consolidated Financial Statements
continued

1 Accounting policies *continued*

Internally generated intangible assets

An internally generated intangible asset arising from the group's software and systems development is recognised only if all of the following conditions are met

- An asset is created that can be identified (such as software or a website),
- It is probable that the asset created will generate future economic benefits, and
- The development cost of the asset can be measured reliably

Internally generated intangible assets are stated at cost and amortised on a straight-line basis over the useful lives from the date the asset becomes usable Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred

Other intangible assets

For all other intangible assets, the group initially makes an assessment of their fair value at acquisition An intangible asset will be recognised as long as the asset is separable or arises from contractual or other legal rights, and its fair value can be measured reliably

Subsequent to acquisition, amortisation is charged so as to write off the costs of other intangible assets over their estimated useful lives, using a straight-line or reducing balance method These intangible assets are reviewed for impairment as described below

These intangibles are stated at cost less accumulated amortisation and impairment losses

Amortisation

Amortisation of intangible assets is provided on a reducing balance basis or straight-line basis as appropriate over their expected useful lives at the following rates per year

Trademarks and brands	5 – 30 years
Customer relationships	1 – 16 years
Databases	1 – 22 years
Licences and software	3 – 5 years

Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount The recoverable amount is the higher of an asset's fair value less costs to sell or value in use For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount, less provision for impairment A provision is made and charged to the Income Statement when there is objective evidence that the group will not be able to collect all amounts due according to the original terms More information on impairment is included in the impairment of financial assets section below

Cash and cash equivalents

Cash and cash equivalents includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less

For the purpose of the group cash flow statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts

Financial assets

The group classifies its financial assets in the following categories financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets The classification depends on the purpose for which the assets were acquired Management determines the classification of its assets at initial recognition and re-evaluates this designation at every reporting date

Classification

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management Derivatives are also categorised as held for trading unless they are designated as hedges Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise, they are classified as non-current

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets The group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet

1 Accounting policies *continued*

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the date on which the group commits to purchase or sell the asset All financial assets, other than those carried at fair value through profit or loss, are initially recognised at fair value plus transaction costs

Financial assets at fair value through profit and loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss component of the Statement of Comprehensive Income Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss category' are included in the profit and loss component of the Statement of Comprehensive Income in the period in which they arise Dividend income from assets, categorised as financial assets at fair value through profit or loss, is recognised in the profit and loss component of the Statement of Comprehensive Income as part of other income when the group's right to receive payments is established

Loans and receivables

Loans and receivables are carried at amortised cost using the effective interest method

Available-for-sale financial assets

Available-for-sale financial assets are subsequently measured at fair value

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously

Impairment of financial assets

The group assesses at each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated

The criteria that the group uses to determine that there is objective evidence of an impairment loss include

- Significant financial difficulty of the issuer or obligor,
- A breach of contract, such as a default or delinquency in interest or principal payments,
- The group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation,
- The disappearance of an active market for that financial asset because of financial difficulties, or
- Observable data indicating that there is a measurable decrease in the estimate of future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including

(i) Adverse changes in the payment status of borrowers in the portfolio, and

(ii) National or local economic conditions that correlate with defaults on the assets in the portfolio

The group first assesses whether objective evidence of impairment exists

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate The asset's carrying amount is reduced and the amount of the loss is recognised in the profit and loss component of the Statement of Comprehensive Income If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price

If the asset's carrying amount is reduced, the amount of the loss is recognised in the profit and loss component of the Statement of Comprehensive Income

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit and loss component of the Statement of Comprehensive Income

Notes to the Consolidated Financial Statements
continued

1 Accounting policies *continued*

Financial liabilities

Committed borrowings and bank overdrafts

Interest-bearing loans and overdrafts are recorded at the amounts received, net of direct issue costs Direct issue costs are amortised over the period of the loans and overdrafts to which they relate Finance charges, including premiums payable on settlement or redemption are charged to the Income Statement as incurred using the effective interest rate method and are added to the carrying value of the borrowings or overdraft to the extent they are not settled in the period which they arise

Trade payables and accruals

Trade payables and accruals are not interest-bearing and are stated at their fair value

Derivative financial instruments

The group uses various derivative financial instruments to manage its exposure to foreign exchange and interest rate risks, including forward foreign currency contracts and interest rate swaps

All derivative instruments are recorded in the balance sheet at fair value The recognition of gains or losses on derivative instruments depends on whether the instrument is designated as a hedge and the type of exposure it is designed to hedge The group designates certain derivatives as either

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge),
(b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge), or
(c) hedges of a net investment in a foreign operation (net investment hedge)

The full fair value of a hedging derivative is classified as a non-current asset or liability when the derivative matures in more than 12 months, and as a current asset or liability when the derivative matures in less than 12 months Trading derivatives are classified as a current asset or liability

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk The group only applies fair value hedge accounting for hedging fixed asset risk on borrowings The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Income Statement within 'finance costs' The gain or loss relating to the ineffective portion is recognised in the Income Statement within operating profit Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the Income Statement within 'finance costs'

Cash flow hedge

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income within the Statement of Comprehensive Income The ineffective portion of such gains and losses is recognised in the Income Statement immediately

Amounts accumulated in equity are reclassified to the Income Statement in the periods when the hedged item is recognised in the Income Statement (for example, when the forecast transaction that is hedged takes place)

The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the Income Statement accordingly, the gain or loss relating to the ineffective portion is recognised in the Income Statement immediately However, whenever the forecast transaction that is hedged results in the recognition of a non-financial asset (for example fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset The deferred amounts are ultimately recognised in depreciation in the case of fixed assets

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement

The premium or discount on interest rate instruments is recognised as part of net interest payable over the period of the contract Interest rate swaps are accounted for on an accruals basis

Net investment hedge

Hedges of net investments in foreign operations are accounted for in the same way as cash flow hedges

Gains or losses on the qualifying part of net investment hedges are recognised in other comprehensive income together with the gains and losses on the underlying net investment The ineffective portion of such gains and losses is recognised in the Income Statement immediately

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

Gains and losses accumulated in equity are transferred to the Income Statement when the foreign operation is partially disposed of or sold

1 Accounting policies *continued*

Liabilities in respect of acquisition commitments

Liabilities for acquisition commitments over the remaining minority interests in subsidiaries are recorded in the Statement of Financial Position at their estimated discounted present value These discounts are unwound and charged to the Income Statement as notional interest over the period up to the date of the potential future payment

Taxation

The tax expense for the period comprises current and deferred tax Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity

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

Deferred taxation is calculated under the provisions of IAS 12 'Income tax' and is recognised on differences between the carrying amounts of assets and liabilities in the accounts 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 No provision is made for temporary differences on unremitted earnings of foreign subsidiaries or associates where the group has control and the reversal of the temporary difference is not foreseeable

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 based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date 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 assets and liabilities on a net basis

Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation If material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

Pensions

Contributions to pension schemes in respect of current and past service, ex gratia pensions, and cost of living adjustments to existing pensions are based on the advice of independent actuaries

Defined contribution plans

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate non-group related entity Payments to the Euromoney Pension Plan and the Metal Bulletin Group Personal Pension Plan, both defined contribution pension schemes, are charged as an expense as they fall due

Multi-employer scheme

The group also participates in the Harmsworth Pension Scheme, a defined benefit pension scheme which is operated by Daily Mail and General Trust plc As there is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to the individual entities, the group recognises an expense equal to its contributions payable in the period and does not recognise any unfunded liability of this pension scheme on its balance sheet In other words, this scheme is treated as a defined contribution plan

Defined benefit plans

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation

The group operates the Metal Bulletin Pension Scheme, a defined benefit scheme The present value of providing benefits is determined by triennial valuations using the attained age method, with actuarial valuations being carried out at each balance sheet date Actuarial gains and losses are recognised in full in the Statement of Comprehensive Income in the period in which they occur The retirement benefit obligation recognised in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets

Notes to the Consolidated Financial Statements
continued

1 Accounting policies *continued*

Share-based payments

The group makes share-based payments to certain employees which are equity and cash-settled These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest At the period end the vesting assumptions are revisited and the charge associated with the fair value of these options updated For cash-settled share-based payments a liability equal to the portion of the services received is recognised at the current fair value as determined at each balance sheet date

Revenue

Revenue represents income from advertising, subscriptions, sponsorship and delegate fees, net of value added tax

- Advertising revenues are recognised in the Income Statement on the date of publication
- Subscription revenues are recognised in the Income Statement on a straight-line basis over the period of the subscription
- Sponsorship and delegate revenues are recognised in the Income Statement over the period the event is run

Revenues invoiced but relating to future periods are deferred and treated as deferred income in the Statement of Financial Position

Leased assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases Operating lease rentals are charged to the Income Statement on a straight-line basis as allowed by IAS 17 'Leases'

Dividends

Dividends are recognised as a liability in the period in which they are approved by the company's shareholders Interim dividends are recorded in the period in which they are paid

Own shares held by Employees' Share Ownership Trust

Transactions of the group-sponsored trust are included in the group financial statements In particular, the trust's holdings of shares in the company are debited direct to equity

Earnings per share

The earnings per share and diluted earnings per share calculations follow the provisions of IAS 33 'Earnings per share' The diluted earnings per share figure is calculated by adjusting for the dilution effect of the exercise of all ordinary share options, SAYE options and the Capital Appreciation Plan options granted by the company, but excluding the ordinary shares held by the Euromoney Employees' Share Ownership Trust

Exceptional items

Exceptional items are items of income or expense considered by the directors, either individually or if of a similar type in aggregate, as being either material or significant and which require additional disclosure in order to provide an indication of the underlying trading performance of the group

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the board and executive committee members who are responsible for strategic decisions, allocating resources and assessing performance of the operating segments

2 Key judgemental areas adopted in preparing these financial statements

The group prepares its group financial statements in accordance with International Financial Reporting Standards (IFRS), the application of which often requires judgements to be made by management when formulating the group's financial position and results Under IFRS, the directors are required to adopt those accounting policies most appropriate to the group's circumstances for the purpose of presenting fairly the group's financial position, financial performance and cash flows

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the group should it later be determined that a different choice would have been more appropriate

Management considers the accounting estimates and assumptions discussed below to be its key judgemental areas and, accordingly, provides an explanation of each below Management has discussed its critical accounting estimates and associated disclosures with the group's audit committee

The discussion below should also be read in conjunction with the group's disclosure of IFRS accounting policies, which is provided in note 1

2 Key judgemental areas adopted in preparing these financial statements *continued*

Acquisitions

The purchase consideration for the acquisition of a subsidiary or business is allocated over the net fair value of identifiable assets, liabilities and contingent liabilities acquired

Fair value

Determining the fair value of assets, liabilities and contingent liabilities acquired requires management's judgement and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash flows, recoverability of assets, and unprovided liabilities and commitments particularly in relation to tax and VAT

Intangible assets

The group makes an assessment of the fair value of intangible assets arising on acquisitions An intangible asset will be recognised as long as the asset is separable or arises from contractual or other legal rights, and its fair value can be measured reliably

The measurement of the fair value of intangible assets acquired requires significant management judgement particularly in relation to the expected future cash flows from the acquired marketing databases (which are generally based on management's estimate of marketing response rates), customer relationships, trademarks, brands, intellectual property, repeat and well established events At September 30 2013 the net book value of intangible assets was £142 0 million (2012 £135 2 million)

Goodwill

Goodwill is impaired where the carrying value of goodwill is higher than the net present value of future cash flows of those cash generating units to which it relates Key areas of judgement in calculating the net present value are the forecast cash flows, the long-term growth rate of the applicable businesses and the discount rate applied to those cash flows Goodwill held on the Statement of Financial Position at September 30 2013 was £356 6 million (2012 £333 1 million)

Deferred consideration

The group often pays for a portion of the equity acquired at a future date This deferred consideration is contingent on the future results of the entity acquired and applicable payment multipliers dependent on those results The initial amount of the deferred consideration is recognised as a liability in the Statement of Financial Position At each period end management reassesses the amount expected to be paid and any changes to the initial amount are recognised as a finance income or expense in the Income Statement Significant management judgement is required to determine the amount of deferred consideration that is likely to be paid, particularly in relation to the future profitability of the acquired business At September 30 2013 the discounted present value of deferred consideration was £11 6 million (2012 £0 1 million)

Acquisition commitments

The group is party to a number of put and call options over the remaining non-controlling interests in some of its subsidiaries IAS 39 'Financial Instruments Recognition and Measurement' requires the discounted present value of these acquisition commitments to be recognised as a liability on the Statement of Financial Position with a corresponding decrease in reserves The discounts are unwound as a notional interest charge to the Income Statement Key areas of judgement in calculating the discounted present value of the commitments are the expected future cash flows and earnings of the business, the period remaining until the option is exercised and the discount rate At September 30 2013 the discounted present value of these acquisition commitments was £15 0 million (2012 £7 9 million)

Share-based payments

The group makes long-term incentive payments to certain employees These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model The fair value determined at the grant date is expensed on a straight-line basis over the expected vesting period, based on the estimate of the number of shares that will eventually vest The key assumptions used in calculating the fair value of the options are the discount rate, the group's share price volatility, dividend yield, risk free rate of return, and expected option lives

These assumptions are set out in note 23 Management regularly performs a true-up of the estimate of the number of shares that are expected to vest, which is dependent on the anticipated number of leavers

The directors regularly reassess the expected vesting period A plan that vests earlier than originally estimated results in an acceleration of the fair value expense of the plan recognised in the Income Statement at the time the reassessment occurs Equally, a plan that vests later than previously estimated results in a credit to the Income Statement at the date of reassessment

The charge for long-term incentive payments for the year ended September 30 2013 is £2 1 million (2012 £6 3 million)

Defined benefit pension scheme

The surplus or deficit in the defined benefit pension scheme that is recognised through the Statement of Comprehensive Income is subject to a number of assumptions and uncertainties The calculated liabilities of the scheme are based on assumptions regarding salary increases, inflation rates, discount rates, the long-term expected return on the scheme's assets and member longevity Details of the assumptions used are shown in note 26 Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes

Notes to the Consolidated Financial Statements
continued

2 Key judgemental areas adopted in preparing these financial statements *continued*

Taxation

The group's tax charge on ordinary activities is the sum of the total current and deferred tax charges The calculation of the group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process The final resolution of some of these items may give rise to material profit and loss and/or cash flow variances

The group is a multinational group with tax affairs in many geographical locations This inherently leads to a higher than usual complexity to the group's tax structure and makes the degree of estimation and judgement more challenging The resolution of issues is not always within the control of the group and it is often dependent on the efficiency of the legislative processes in the relevant taxing jurisdictions in which the group operates Issues can, and often do, take many years to resolve Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items As a result, there can be substantial differences between the tax charge in the Income Statement and tax payments

The group has certain significant open items in several tax jurisdictions and as a result the amounts recognised in the group financial statements in respect of these items are derived from the group's best estimation and judgement, as described above However, the inherent uncertainty regarding the outcome of these items means eventual resolution could differ from the accounting estimates and therefore affect the group's results and cash flows

Recognition of deferred tax assets

The recognition of net deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted Recognition, therefore, involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised

Historical differences between forecast and actual taxable profits have not resulted in material adjustments to the recognition of deferred tax assets At September 30 2013, the group had a deferred tax asset of £5 0 million (2012 £7 3 million)

Treasury

Forward contracts

The group is exposed to foreign exchange risk in the form of transactions in foreign currencies entered into by group companies and by the translation of the results of foreign subsidiaries into sterling for reporting purposes

The group does not hedge the translation of the results of foreign subsidiaries consequently, fluctuations in the value of sterling versus foreign currencies could materially affect the amount of these items in the consolidated financial statements, even if their values have not changed in their original currency The group does endeavour to match foreign currency borrowings to investments in order to provide a natural hedge for the translation of the net assets of overseas subsidiaries

Subsidiaries normally do not hedge transactions in foreign currencies into the functional currency of their own operations However, at a group level a series of US dollar and euro forward contracts is put in place up to 18 months forward partially to hedge its US dollar and euro denominated revenues into sterling The timing and value of these forward contracts is based on management's estimate of its future US dollar and euro revenues over an 18 month period If management materially underestimates the group's future US dollar or euro revenues this would lead to too few forward contracts being in place and the group being more exposed to swings in US dollar and euro to sterling exchange rates An overestimate of the group's US dollar or euro revenues would lead to associated costs in unwinding the excess forward contracts At September 30 2013, the fair value of the group's forward contracts was a net asset of £1 6 million (2012 £2 8 million)

Details of the financial instruments used are set out in note 18 to the accounts

3 Segmental analysis

Segmental information is presented in respect of the group's business divisions and reflects the group's management and internal reporting structure The group is organised into five business divisions Financial publishing, Business publishing, Training, Conferences and seminars, and Research and data Financial publishing and Business publishing consist primarily of advertising and subscription revenue The Training division consists primarily of delegate revenue Conferences and seminars consist of both sponsorship income and delegate revenue Research and data consists of subscription revenue A breakdown of the group's revenue by type is set out below

Analysis of the group's three main geographical areas is also set out to provide additional information on the trading performance of the businesses

Inter-segment sales are charged at prevailing market rates and shown in the eliminations columns below

	United Kingdom		North America		Rest of World		Eliminations		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000	**£000**	£000
Revenue										
by division and source										
Financial publishing	**46,609**	45,345	**32,170**	31,953	**2,444**	2,487	**(5,576)**	(5,400)	**75,647**	74,385
Business publishing	**48,621**	46,027	**21,137**	18,924	**1,766**	1,879	**(2,653)**	(2,185)	**68,871**	64,645
Conferences and seminars	**44,717**	41,150	**45,720**	42,778	**9,633**	11,181	**(686)**	(76)	**99,384**	95,033
Training	**19,565**	20,492	**7,355**	7,584	**3,397**	3,317	**(175)**	(181)	**30,142**	31,212
Research and data	**17,571**	17,084	**87,993**	87,554	**25,846**	25,772	**(90)**	(125)	**131,320**	130,285
Closed businesses	**-**	-	**-**	(28)	**-**	-	**-**	-	**-**	(28)
Foreign exchange losses on forward contracts	**(660)**	(1,388)	**-**	-	**-**	-	**-**	-	**(660)**	(1,388)
Total revenue	**176,423**	168,710	**194,375**	188,765	**43,086**	44,636	**(9,180)**	(7,967)	**404,704**	394,144
Investment income (note 7)	**3**	3	**2**	4	**228**	146	**-**	-	**233**	153
Total revenue and investment income	**176,426**	168,713	**194,377**	188,769	**43,314**	44,782	**(9,180)**	(7,967)	**404,937**	394,297

	United Kingdom		North America		Rest of World		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000
Revenue								
by type and destination								
Subscriptions	**33,519**	33,685	**99,306**	99,455	**73,421**	66,588	**206,246**	199,728
Advertising	**6,686**	8,303	**24,467**	22,991	**26,476**	27,091	**57,629**	58,385
Sponsorship	**7,537**	6,605	**21,741**	19,833	**22,085**	21,160	**51,363**	47,598
Delegates	**7,138**	7,085	**21,313**	20,833	**49,344**	52,227	**77,795**	80,145
Other	**2,859**	2,025	**6,385**	4,736	**3,087**	2,943	**12,331**	9,704
Closed businesses	**-**	-	**-**	(28)	**-**	-	**-**	(28)
Foreign exchange losses on forward contracts	**(660)**	(1,388)	**-**	-	**-**	-	**(660)**	(1,388)
Total revenue	**57,079**	56,315	**173,212**	167,820	**174,413**	170,009	**404,704**	394,144

Notes to the Consolidated Financial Statements
continued

3 Segmental analysis *continued*

	United Kingdom		North America		Rest of World		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000
Operating profit[1] by division and source								
Financial publishing	**17,460**	16,893	**5,822**	6,485	**514**	600	**23,796**	23,978
Business publishing	**16,834**	16,768	**9,033**	7,714	**(27)**	16	**25,840**	24,498
Conferences and seminars	**13,290**	13,559	**14,145**	13,328	**1,443**	3,067	**28,878**	29,954
Training	**3,810**	5,285	**1,101**	1,288	**468**	449	**5,379**	7,022
Research and data	**8,619**	9,177	**40,263**	40,403	**5,919**	5,805	**54,801**	55,385
Closed businesses	**–**	–	**–**	(34)	**(14)**	(40)	**(14)**	(74)
Unallocated corporate costs	**(15,754)**	(20,789)	**(1,292)**	(1,157)	**(546)**	(642)	**(17,592)**	(22,588)
Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items	**44,259**	40,893	**69,072**	68,027	**7,757**	9,255	**121,088**	118,175
Acquired intangible amortisation[2] (note 11)	**(4,608)**	(2,986)	**(10,886)**	(11,681)	**(396)**	(115)	**(15,890)**	(14,782)
Long-term incentive expense	**(1,017)**	(1,796)	**(880)**	(3,705)	**(203)**	(800)	**(2,100)**	(6,301)
Exceptional items (note 5)	**2,812**	(49)	**(394)**	(905)	**(186)**	(663)	**2,232**	(1,617)
Operating profit before associates	**41,446**	36,062	**56,912**	51,736	**6,972**	7,677	**105,330**	95,475
Share of results in associates							**284**	459
Finance income (note 7)							**1,830**	4,475
Finance expense (note 7)							**(12,184)**	(8,041)
Profit before tax							**95,260**	92,368
Tax expense (note 8)							**(22,235)**	(22,528)
Profit after tax							**73,025**	69,840

1 Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items (refer to the appendix to the Chairman's Statement)

2 Acquired intangible amortisation represents amortisation of acquisition related non-goodwill assets such as trademarks and brands, customer relationships and databases (note 11)

	Acquired intangible amortisation		Long-term incentive expense		Exceptional items		Depreciation and amortisation	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000
Other segmental information by division								
Financial publishing	**(1,672)**	–	**(238)**	(797)	**3,321**	18	**(13)**	(10)
Business publishing	**(2,507)**	(2,663)	**(298)**	(940)	**(16)**	–	**(21)**	(15)
Conferences and seminars	**(1,224)**	(461)	**(84)**	(1,492)	**(533)**	(94)	**(57)**	(52)
Training	**–**	–	**(493)**	(295)	**(115)**	–	**(14)**	(16)
Research and data	**(10,373)**	(11,537)	**(655)**	(1,742)	**(213)**	(1,541)	**(1,256)**	(1,491)
Unallocated corporate costs	**(114)**	(121)	**(332)**	(1,035)	**(212)**	–	**(2,866)**	(2,163)
	(15,890)	(14,782)	**(2,100)**	(6,301)	**2,232**	(1,617)	**(4,227)**	(3,747)

3 Segmental analysis *continued*

	United Kingdom		North America		Rest of World		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000
Non-current assets (excluding derivative financial instruments and deferred tax assets) by location								
Goodwill	**106,837**	91,555	**239,175**	237,005	**10,562**	4,505	**356,574**	333,065
Other intangible assets	**52,650**	32,688	**95,256**	102,223	**1,133**	1,332	**149,039**	136,243
Property, plant and equipment	**13,673**	13,716	**2,486**	3,309	**633**	957	**16,792**	17,982
Investments	**702**	735	**–**	–	**–**	–	**702**	735
Non-current assets	**173,862**	138,694	**336,917**	342,537	**12,328**	6,794	**523,107**	488,025
Capital expenditure by location	**(1,618)**	(431)	**(788)**	(810)	**(295)**	(424)	**(2,701)**	(1,665)

The group has taken advantage of paragraph 23 of IFRS 8 'Operating segments' and does not provide segmental analysis of net assets as this information is not used by the directors in operational decision making or monitoring of the businesses performance

4 Operating profit

	2013	2012
	£000	£000
Revenue	**404,704**	394,144
Cost of sales	**(104,104)**	(98,308)
Gross profit	**300,600**	295,836
Distribution costs	**(4,320)**	(4,280)
Administrative expenses	**(190,950)**	(196,081)
Operating profit before associates	**105,330**	95,475

Administrative expenses include an acquisition cost of £822,000 (2012 acquisition credit of £205,000), restructuring and other exceptional costs of £1,395,000 (2012 £1,822,000) and a credit for negative goodwill of £4,449,000 (2012 £nil) (note 5)

Notes to the Consolidated Financial Statements
continued

4 Operating profit *continued*

Operating profit is stated after charging/(crediting)	2013 £000	2012 £000
Staff costs (note 6)	**155,862**	159,305
Intangible amortisation		
Acquired intangible amortisation	**15,890**	14,782
Licences and software	**301**	339
Depreciation of property, plant and equipment	**3,926**	3,408
Auditor's remuneration		
Group audit	**829**	779
Assurance services	**114**	95
Non-audit	**166**	41
Property operating lease rentals	**6,910**	6,405
Loss on disposal of property, plant and equipment	**–**	53
Acquisition costs/(credits) (note 5)	**822**	(205)
Restructuring and other exceptional costs (note 5)	**1,395**	1,822
Negative goodwill (note 5)	**(4,449)**	–
Foreign exchange loss	**1,234**	524

Audit and non-audit services relate to.	2013 £000	2012 £000
Group audit		
Fees payable for the audit of the company's annual accounts	**458**	447
Fees payable for other services to the group		
Audit of subsidiaries pursuant to local legislation	**371**	332
Audit services provided to all group companies	**829**	779
Assurance services		
Interim review	**114**	95
Non-audit services		
Taxation compliance services	**126**	28
Other taxation advisory services	**37**	–
Other services	**3**	13
	166	41
Total group auditor's remuneration	**1,109**	915

5 Exceptional items

Exceptional items are items of income or expense considered by the directors, either individually or if of a similar type in aggregate, as being either material or significant and which require additional disclosure in order to provide an indication of the underlying trading performance of the group

	2013 £000	2012 £000
Acquisition (costs)/credit	**(822)**	205
Restructuring and other exceptional costs	**(1,395)**	(1,822)
Negative goodwill	**4,449**	–
	2,232	(1,617)

5 Exceptional items *continued*

In 2013 the group recognised a net exceptional credit of £2,232,000 This comprised an exceptional credit for negative goodwill offset by acquisition costs, restructuring and other exceptional costs The negative goodwill of £4,449,000 arose from the valuation of the intangible assets of Quantitative Techniques, acquired for zero consideration The acquisition costs of £822,000 are in connection with the acquisitions of TTI/Vanguard, Insider Publishing, Centre for Investor Education and Quantitative Techniques The exceptional restructuring and other charge of £1,395,000 includes restructuring costs to integrate the business and assets of Quantitative Techniques before the completion date and other restructuring costs across the group The group's tax charge includes a related tax charge of £372,000

For the year ended September 30 2012 the group recognised an exceptional expense of £1,617,000 This comprised an exceptional restructuring charge of £1,822,000, and acquisition costs of £94,000 offset by a credit of £299,000 following the release of previously accrued costs in relation to the acquisition of Ned Davis Research The group's tax charge included a related tax credit of £456,000

6 Staff costs

(i) Number of staff (including directors and temporary staff)

	2013 Average	2012 Average
By business segment		
Financial publishing	**353**	351
Business publishing	**273**	262
Conferences and seminars	**280**	250
Training	**124**	123
Research and data	**827**	890
Central	**467**	387
	2,324	2,263

	2013 Average	2012 Average
By geographical location		
United Kingdom	**895**	806
North America	**767**	751
Rest of World	**662**	706
	2,324	2,263

(ii) Staff costs (including directors and temporary staff)

	2013 £000	2012 £000
Salaries, wages and incentives	**139,866**	140,203
Social security costs	**11,392**	10,436
Pension contributions	**2,504**	2,365
Long-term incentive expense	**2,100**	6,301
	155,862	159,305

Details of directors' remuneration have been disclosed in the Directors' Remuneration Report on page 49

Notes to the Consolidated Financial Statements
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7 Finance income and expense

	2013 £000	2012 £000
Finance income		
Interest income		
Interest receivable from DMGT group undertakings	–	18
Interest receivable from short-term investments	233	153
Expected return on pension scheme assets (note 26)	1,235	1,329
Net movements in acquisition commitment values (note 24)	–	2,940
Movement in acquisition deferred consideration (note 24)	–	35
Fair value gains on financial instruments		
Ineffectiveness of interest rate swaps and forward contracts	362	–
	1,830	4,475
Finance expense		
Interest expense		
Interest payable on committed borrowings	(2,561)	(4,728)
Interest payable on loan notes	(2)	(9)
Interest on pension scheme liabilities (note 26)	(1,302)	(1,314)
Net movements in acquisition commitment values (note 24)	(1,619)	–
Imputed interest on acquisition commitments (note 24)	(1,269)	(977)
Movements in acquisition deferred consideration (note 24)	(4,721)	–
Interest on tax	(710)	(958)
Fair value losses on financial instruments		
Ineffectiveness of interest rate swaps and forward contracts	–	(55)
	(12,184)	(8,041)
Net finance costs	(10,354)	(3,566)

	2013 £000	2012 £000
Reconciliation of net finance costs in Income Statement to adjusted net finance costs		
Total net finance costs in Income Statement	(10,354)	(3,566)
Add back		
Net movements in acquisition commitment values	1,619	(2,940)
Imputed interest on acquisition commitments	1,269	977
Movements in acquisition deferred consideration	4,721	(35)
	7,609	(1,998)
Adjusted net finance costs	(2,745)	(5,564)

The reconciliation of net finance costs in the Income Statement has been provided since the directors consider it necessary in order to provide an indication of the adjusted net finance costs

8 Tax on profit on ordinary activities

	2013 £000	2012 £000
Current tax expense		
UK corporation tax expense	**9,732**	8,229
Foreign tax expense	**12,522**	13,243
Adjustments in respect of prior years	**(540)**	1,294
	21,714	22,766
Deferred tax expense/(credit)		
Current year	**1,859**	2,759
Adjustments in respect of prior years	**(1,338)**	(2,997)
	521	(238)
Total tax expense in Income Statement	**22,235**	22,528
Effective tax rate	**23%**	24%

The adjusted effective tax rate for the year is set out below

	2013 £000	2012 £000
Reconciliation of tax expense in Income Statement to adjusted tax expense		
Total tax expense in Income Statement	**22,235**	22,528
Add back		
Tax on intangible amortisation	**5,592**	5,146
Tax on exceptional items	**(372)**	456
	5,220	5,602
Tax on US goodwill amortisation	**(4,092)**	(6,474)
Tax adjustments in respect of prior years	**1,878**	1,703
	3,006	831
Adjusted tax expense	**25,241**	23,359
Adjusted profit before tax (refer to the appendix to the Chairman's Statement)	**116,527**	106,769
Adjusted effective tax rate	**22%**	22%

The group presents the above adjusted effective tax rate to help users of this report better understand its tax charge In arriving at this rate, the group removes the tax effect of items which are adjusted for in arriving at the adjusted profit disclosed in the appendix to the Chairman's Statement However, the current tax effect of goodwill and intangible items is not removed The group considers that the resulting adjusted effective tax rate is more representative of its tax payable position, as the deferred tax effect on the goodwill and intangible items is not expected to crystallise

The UK income tax expense is based on a blended rate of the UK statutory rates of corporation tax during the year to September 30 2013 of 23 5% (2012 25%) and reflects the reduction in the UK corporation tax rate from 24% to 23% from April 1 2013 and a further reduction to 20% by April 1 2015 This change has resulted in a deferred tax credit of £510,000 (2012 £18,000) arising on the reduction in the carrying value of deferred tax liabilities reflecting the anticipated rate of tax at which those liabilities are expected to reverse

Notes to the Consolidated Financial Statements
continued

8 Tax on profit on ordinary activities *continued*

The actual tax expense for the year is different from 23 5% of profit before tax for the reasons set out in the following reconciliation

	2013 £000	2012 £000
Profit before tax	**95,260**	92,368
Tax at 23 5% (2012 25%)	**22,386**	23,092
Factors affecting tax charge		
Different tax rates of subsidiaries operating in overseas jurisdictions	**2,914**	3,767
Associate income reported net of tax	**(67)**	(115)
US state taxes	**987**	833
Goodwill and intangibles	**38**	32
Disallowable expenditure	**2,629**	1,325
Other items deductible for tax purposes	**(3,607)**	(3,824)
Tax impact of consortium relief	**(657)**	(861)
Deferred tax credit arising from changes in tax laws	**(510)**	(18)
Adjustments in respect of prior years	**(1,878)**	(1,703)
Total tax expense for the year	**22,235**	22,528

In addition to the amount charged to the Income Statement, the following amounts relating to tax have been directly recognised in other comprehensive income and equity

	Other comprehensive income		Equity	
	2013 £000	2012 £000	2013 £000	2012 £000
Current tax	**–**	(602)	**(2,058)**	–
Deferred tax (note 21)	**197**	1,329	**(551)**	–
	197	727	**(2,609)**	–

9 Dividends

	2013 £000	2012 £000
Amounts recognisable as distributable to equity holders in period		
Final dividend for the year ended September 30 2012 of 14 75p (2011 12 50p)	**18,342**	15,162
Interim dividend for year ended September 30 2013 of 7 00p (2012 7 00p)	**8,827**	8,643
	27,169	23,805
Employees' Share Ownership Trust dividend	**(13)**	(11)
	27,156	23,794
Proposed final dividend for the year ended September 30	**19,917**	18,342
Employees' Share Ownership Trust dividend	**(9)**	(9)
	19,908	18,333

The proposed final dividend of 15 75p (2012 14 75p) is subject to approval at the Annual General Meeting on January 30 2014 and has not been included as a liability in these financial statements in accordance with IAS 10 'Events after the balance sheet date'

10 Earnings per share

	2013 £000	2012 £000
Basic earnings attributable to equity holders of the parent	**72,623**	69,672
Acquired intangible amortisation	**15,890**	14,782
Exceptional items	**(2,232)**	1,617
Imputed interest on acquisition commitments	**1,269**	977
Net movements in acquisition commitment values	**1,619**	(2,940)
Movements in acquisition deferred consideration	**4,721**	(35)
Tax on the above adjustments	**(5,220)**	(5,602)
Tax on US goodwill amortisation	**4,092**	6,474
Tax adjustments in respect of prior years	**(1,878)**	(1,703)
Adjusted earnings	**90,884**	83,242

	2013 Basic earnings per share Number 000's	2013 Diluted earnings per share Number 000's	2012 Basic earnings per share Number 000's	2012 Diluted earnings per share Number 000's
Weighted average number of shares	**125,532**	**125,532**	122,859	122,859
Shares held by the Employees' Share Ownership Trust	**(59)**	**(59)**	(59)	(59)
Weighted average number of shares	**125,473**	**125,473**	122,800	122,800
Effect of dilutive share options		**2,605**		3,490
Diluted weighted average number of shares		**128,078**		126,290

Notes to the Consolidated Financial Statements
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10 Earnings per share *continued*

	Basic pence per share	**Diluted pence per share**	Basic pence per share	Diluted pence per share
Basic earnings per share	**57 88**	**57 88**	56 74	56 74
Effect of dilutive share options		**(1 18)**		(1 57)
Diluted earnings per share		**56 70**		55 17
Effect of acquired intangible amortisation	**12 66**	**12 41**	12 04	11 70
Effect of exceptional items	**(1 78)**	**(1 74)**	1 32	1 28
Effect of imputed interest on acquisition commitments	**1 01**	**0 99**	0 80	0 77
Effect of net movement in acquisition commitment values	**1 29**	**1 26**	(2 39)	(2 33)
Effect of movements in acquisition deferred consideration	**3 76**	**3 69**	(0 03)	(0 03)
Effect of tax on the above adjustments	**(4 15)**	**(4 07)**	(4 57)	(4 43)
Effect of tax on US goodwill amortisation	**3 26**	**3 19**	5 27	5 13
Effect of tax adjustments in respect of prior years	**(1 50)**	**(1 47)**	(1 39)	(1 35)
Adjusted basic and diluted earnings per share	**72 43**	**70 96**	67 79	65 91

The adjusted diluted earnings per share figure has been disclosed since the directors consider it necessary in order to give an indication of the underlying trading performance

All of the above earnings per share figures relate to continuing operations

11 Goodwill and other intangibles

2013	Trademarks & brands 2013 £000	Customer relationships 2013 £000	Databases 2013 £000	Total acquired intangible assets 2013 £000	Licences & software 2013 £000	Intangible assets in development 2013 £000	Goodwill 2013 £000	Total 2013 £000
	Acquired intangible assets							
Cost/carrying amount								
At October 1 2012	139,259	77,103	9,171	**225,533**	2,865	625	362,267	**591,290**
Additions	–	–	–	–	216	6,098	–	**6,314**
Acquisitions (note 14)	10,261	13,118	–	**23,379**	–	–	25,271	**48,650**
Disposals	–	–	–	–	(41)	–	–	**(41)**
Exchange differences	(884)	(362)	(21)	**(1,267)**	(17)	(33)	(2,020)	**(3,337)**
At September 30 2013	**148,636**	**89,859**	**9,150**	**247,645**	**3,023**	**6,690**	**385,518**	**642,876**
Amortisation and impairment								
At October 1 2012	47,480	37,572	5,262	**90,314**	2,466	–	29,202	**121,982**
Amortisation charge	7,479	7,572	839	**15,890**	301	–	–	**16,191**
Disposals	–	–	–	–	(41)	–	–	**(41)**
Exchange differences	(213)	(323)	(58)	**(594)**	(17)	–	(258)	**(869)**
At September 30 2013	**54,746**	**44,821**	**6,043**	**105,610**	**2,709**	**–**	**28,944**	**137,263**
Net book value/carrying amount at September 30 2013	**93,890**	**45,038**	**3,107**	**142,035**	**314**	**6,690**	**356,574**	**505,613**

2012	Trademarks & brands 2012 £000	Customer relationships 2012 £000	Databases 2012 £000	Total acquired intangible assets 2012 £000	Licences & software 2012 £000	Intangible assets in development 2012 £000	Goodwill 2012 £000	Total 2012 £000
	Acquired intangible assets							
Cost/carrying amount								
At October 1 2011	142,324	78,683	9,440	**230,447**	2,761	–	366,395	**599,603**
Additions	–	–	–	–	194	625	–	**819**
Acquisitions	719	553	–	**1,272**	–	–	5,248	**6,520**
Exchange differences	(3,784)	(2,133)	(269)	**(6,186)**	(90)	–	(9,376)	**(15,652)**
At September 30 2012	**139,259**	**77,103**	**9,171**	**225,533**	**2,865**	**625**	**362,267**	**591,290**
Amortisation and impairment								
At October 1 2011	41,433	32,429	3,736	**77,598**	2,200	–	29,763	**109,561**
Amortisation charge	7,339	5,761	1,682	**14,782**	339	–	–	**15,121**
Exchange differences	(1,292)	(618)	(156)	**(2,066)**	(73)	–	(561)	**(2,700)**
At September 30 2012	**47,480**	**37,572**	**5,262**	**90,314**	**2,466**	**–**	**29,202**	**121,982**
Net book value/carrying amount at September 30 2012	**91,779**	**39,531**	**3,909**	**135,219**	**399**	**625**	**333,065**	**469,308**

Notes to the Consolidated Financial Statements
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11 Goodwill and other intangibles *continued*

Intangible assets, other than goodwill, have a finite life and are amortised over their expected useful lives at the rates set out in the accounting policies in note 1 of this report

The carrying amounts of acquired intangible assets and goodwill by business are as follows

	Acquired intangible assets		Goodwill	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
CEIC	**2,282**	2,456	**12,988**	13,025
Internet Securities	**–**	–	**8,383**	8,406
MIS	**–**	–	**2,543**	2,550
Petroleum Economist	**–**	–	**236**	236
Gulf Publishing	**–**	–	**4,710**	4,723
HedgeFund Intelligence	**–**	–	**14,718**	14,718
Information Management Network	**2,872**	3,199	**29,160**	29,243
MAR	**35**	44	**185**	185
BCA	**56,558**	62,780	**142,780**	143,187
Metal Bulletin publishing businesses	**22,140**	24,590	**52,710**	52,710
FOW	**–**	–	**196**	196
Total Derivatives	**1,938**	2,292	**8,180**	8,180
TelCap	**2,210**	2,379	**10,448**	10,448
Benchmark Financials	**203**	234	**455**	456
Structured Retail Products	**2,607**	2,801	**4,794**	4,794
NDR	**30,030**	33,346	**35,848**	35,951
Global Grain Geneva	**930**	1,098	**4,247**	4,048
TTI/Vanguard	**2,407**	–	**2,844**	–
Insider Publishing	**9,068**	–	**15,280**	–
Centre for Investor Education	**4,183**	–	**5,860**	–
Quantitative Techniques	**4,572**	–	**–**	–
Other	**–**	–	**9**	9
Total	**142,035**	135,219	**356,574**	333,065

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (businesses) that are expected to benefit from that business combination

During the year the goodwill in respect of each of the above businesses was tested for impairment in accordance with IAS 36 'Impairment of assets' The methodology applied to the value in use calculations, reflecting past experience and external sources of information, included

- forecasts by business based on pre-tax cash flows for the next four years derived from approved 2013 budgets Management believes these budgets to be reasonably achievable,
- subsequent cash flows for one additional year increased in line with growth expectations of the applicable business,
- the pre-tax discount rates between 9 5% and 11 1%, derived from the companies weighted average cost of capital (WACC) of 9 5%, adjusted for risks specific to the nature of CGUs and risks included within the cash flows themselves,
- long-term nominal growth rate of 0%

11 Goodwill and other intangibles *continued*

Further disclosures in accordance with IAS 36 are provided where the group holds an individual goodwill item relating to a CGU that is significant, which the group considers to be 15% of the total net book value, in comparison with the group's total carrying value of goodwill The only significant item of goodwill included in the net book value above relates to BCA

Using the above methodology and a pre-tax discount rate of 9 5% the recoverable amount exceeded the total carrying value by £136 2 million For this business the directors performed a sensitivity analysis on the total carrying value of the CGU For the recoverable amount to be equal to the carrying value the discount rate would need to be increased by 9 3% or the long-term growth rate reduced by 24 8%

12 Property, plant and equipment

2013	Freehold land and buildings 2013 £000	Long-term leasehold premises 2013 £000	Short-term leasehold premises 2013 £000	Office equipment 2013 £000	Total 2013 £000
Cost					
At October 1 2012	6,447	3,072	15,576	19,286	**44,381**
Additions	–	6	1,054	1,641	**2,701**
Disposals	–	–	(27)	(93)	**(120)**
Acquisitions	–	–	–	14	**14**
Exchange differences	–	4	(20)	(57)	**(73)**
At September 30 2013	**6,447**	**3,082**	**16,583**	**20,791**	**46,903**
Depreciation					
At October 1 2012	366	679	9,174	16,180	**26,399**
Charge for the year	83	127	1,676	2,040	**3,926**
Disposals	–	–	(27)	(91)	**(118)**
Exchange differences	–	2	(42)	(56)	**(96)**
At September 30 2013	**449**	**808**	**10,781**	**18,073**	**30,111**
Net book value at September 30 2013	**5,998**	**2,274**	**5,802**	**2,718**	**16,792**

Notes to the Consolidated Financial Statements
continued

12 Property, plant and equipment *continued*

2012	Freehold land and buildings 2012 £000	Long-term leasehold premises 2012 £000	Short-term leasehold premises 2012 £000	Office equipment 2012 £000	Total 2012 £000
Cost					
At October 1 2011	6,447	3,251	15,539	19,603	**44,840**
Additions	–	25	307	1,333	**1,665**
Disposals	–	–	(49)	(844)	**(893)**
Acquisitions	–	(176)	–	(246)	**(422)**
Exchange differences	–	(28)	(221)	(560)	**(809)**
At September 30 2012	**6,447**	**3,072**	**15,576**	**19,286**	**44,381**
Depreciation					
At October 1 2011	283	561	8,309	15,297	**24,450**
Charge for the year	83	131	1,064	2,130	**3,408**
Disposals	–	–	(49)	(789)	**(838)**
Exchange differences	–	(13)	(150)	(458)	**(621)**
At September 30 2012	**366**	**679**	**9,174**	**16,180**	**26,399**
Net book value at September 30 2012	**6,081**	**2,393**	**6,402**	**3,106**	**17,982**
Net book value at September 30 2011	**6,164**	**2,690**	**7,230**	**4,306**	**20,390**

The directors do not consider the market value of freehold land and buildings to be significantly different from its book value

13 Investments

	Investments in associated undertakings 2013 £000	Investments in associated undertakings 2012 £000
At October 1	**735**	–
Additions	**–**	567
Fair value adjustment	**(49)**	–
Share of profits after tax retained	**284**	459
Dividends	**(268)**	(291)
At September 30	**702**	735

Associated undertakings

The associated undertakings at September 30 2013 were Capital NET Limited, whose principal activity is the provision of electronic database services, and GGA Pte Limited whose principal activity is the provision of events for grain industry professionals in the Asia-Pacific region The group has a 48 4% (2012 48 4%) interest in Capital NET Limited and a 50% (2012 50%) interest in GGA Pte Limited

13 Investments *continued*

Capital NET Limited does not have a coterminous year end with the group The total assets, liabilities, revenues and profit after tax generated by Capital NET Limited from its latest available audited accounts at December 31 are set out below

	Dec 31 2012 £000	Dec 31 2011 £000
Total assets	**749**	603
Total liabilities	**(249)**	(224)
Total revenues	**2,032**	2,035
Profit after tax	**722**	733

The total assets, liabilities, revenues and profit after tax generated by GGA Pte Limited at September 30 are set out below

	2013 £000	2012 £000
Total assets	**219**	172
Total liabilities	**(59)**	(55)
Total revenues	**282**	327
Profit after tax	**38**	119

Assets available for sale

The group has a 50% interest in Capital DATA Limited (Capital DATA) The ordinary share capital of Capital DATA is divided into 50 'A' shares and 50 'B' shares with the group owning the 50 'A' shares Under the terms of the Articles of Association of Capital DATA, the 'A' shares held by the group do not carry entitlement to any share of dividends or other distribution of profits of Capital DATA The group does not have the ability to exercise significant influence nor is it involved in the day-to-day running of Capital DATA As such the investment in Capital DATA is accounted for as an asset available-for-sale with a carrying value of £nil (2012 £nil) Under a separate licence agreement the group is entitled to 28 2% of Capital DATA's revenues being £5,361,000 in the year (2012 £5,065,000) At December 31 2012, based on its latest available audited accounts, Capital DATA had £229,000 of issued share capital and reserves (December 31 2011 £515,000), and its profit for the year then ended was £708,000 (December 31 2011 £1,026,000)

Notes to the Consolidated Financial Statements
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13 Investments *continued*

Details of the company and its principal subsidiary undertakings included in these consolidated financial statements at September 30 2013 are as follows

	Proportion held	Principal activity and operation	Country of incorporation
Company			
Euromoney Institutional Investor PLC	n/a	Investment holding company	United Kingdom
Direct investments			
Euromoney Institutional Investor (Jersey) Limited	100%†	Publishing	Jersey
Euromoney Institutional Investor (Ventures) Limited	100%	Investment holding company	United Kingdom
Euromoney Canada Limited	57 2%	Investment holding company	United Kingdom
Euromoney Canada Finance Limited	100%	Investment holding company	United Kingdom
Euromoney Jersey Limited	100%	Investment holding company	Jersey
Fantfoot Limited	100%	Investment holding company	United Kingdom
Indirect investments			
Adhesion Group SA	100%	Events	France
BCA Research, Inc	100%	Research and data services	Canada
BPR Benchmark Limitada	100%	Information services	Colombia
Carlcroft Limited	99 7%	Publishing	United Kingdom
Centre for Investor Education (UK) Limited	75%	Investment holding company	United Kingdom
Centre for Investor Education Pty Limited	75%	Events	Australia
CEIC Holdings Limited	100%	Information services	Hong Kong
Coaltrans Conferences Limited	99 7%	Events	United Kingdom
EII Holdings, Inc	100%*	Investment holding company	US
EII US, Inc	100%	Investment holding company	US
Euromoney Canada Limited	42 8%	Investment holding company	United Kingdom
Euromoney Charles Limited	100%	Investment holding company	United Kingdom
Euromoney Consortium Limited	99 7%	Investment holding company	United Kingdom
Euromoney Consortium 2 Limited	99 7%	Investment holding company	United Kingdom
Euromoney Holdings US, Inc	100%	Investment holding company	US
Euromoney Partnership LLP	100%	Investment holding company	United Kingdom
Euromoney (Singapore) Pte Limited	100%	Events	Singapore
Euromoney Trading Limited	99 7%	Publishing, training and events	United Kingdom
Euromoney Training, Inc	100%	Training	US
Euromoney, Inc	100%	Training and events	US
EIMN, LLC	100%	Events	US
Glenprint Limited	99 7%	Publishing	United Kingdom
Global Commodities Group Sarl	100%	Events	Switzerland
GSCS Benchmarks Limited	99 7%	Publishing	United Kingdom
Gulf Publishing Company, Inc	100%	Publishing	US
HedgeFund Intelligence Limited	99 7%	Publishing	United Kingdom
Insider Publishing Limited	99 7%	Publishing	United Kingdom
Institutional Investor LLC	100%	Publishing and events	US
Internet Securities, Inc	100%	Information services	US
Latin American Financial Publications, Inc	100%	Publishing	US
Metal Bulletin Holdings LLC	100%	Investment holding company	US
Metal Bulletin Limited	99 7%	Publishing and events	United Kingdom
MIS Training (UK) Limited	100%	Training and events	United Kingdom
Ned Davis Research Inc	84 5%	Research and data services	US
Structured Retail Products Limited	98 9%	Information services	United Kingdom
TelCap Limited	99 7%	Publishing	United Kingdom
The Petroleum Economist Limited	99 7%	Publishing	United Kingdom
Tipall Limited	100%	Property holding	United Kingdom
Total Derivatives Limited	99 7%	Publishing	United Kingdom
TTI Technologies LLC	87 2%	Events	US
Associates			
Capital NET Limited	48 4%	Databases	United Kingdom
GGA Pte Limited	50%	Events	Singapore

All holdings are of ordinary shares In addition to the above, the group has a small number of branches outside the United Kingdom

* 100% preference shares held in addition

† Euromoney Institutional Investor (Jersey) Limited's principal country of operation is Hong Kong

13 Investments *continued*

For the year ended September 30 2013, the following subsidiary undertakings of the group were exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Companies Act 2006

Company	Company registration number
Euromoney Canada Limited	01974125
Euromoney Charles Limited	04082590
Euromoney Institutional Investor (Ventures) Limited	05885797
Euromoney Partnership LLP	OC363064
Fantfoot Limited	05503274
Internet Securities Limited	02976791

14 Acquisitions

Purchase of new business

TTI Technologies, LLC (TTI/Vanguard)

On December 21 2012, the group acquired 87 2% of the equity of TTI/Vanguard, a US-based private membership organisation for executives who lead technology innovation in global organisations, for US$8,063,000 (£5,031,000) followed by a working capital adjustment of £91,000 in June 2013 The acquisition of TTI/Vanguard is consistent with the group's strategy of acquiring high-quality events businesses and accelerating their growth globally

The remaining 12 8% equity holding will be acquired in two instalments of 7 4% in March 2014 based on a pre-determined multiple of the profits for the year to December 31 2013, and 5 4% in March 2015 based on a pre-determined multiple of the profits for the year to December 31 2014 The total discounted amount that the group expects to pay at September 30 2013 under the earn-out agreement is US$678,000 (£418,000) calculated using the group's WACC

Notes to the Consolidated Financial Statements
continued

14 Acquisitions *continued*

***Purchase of new business** continued*

TTI Technologies, LLC (TTI/Vanguard) continued

The acquisition accounting is provisional pending final determination of the fair value of the assets and liabilities acquired During the year changes have been made to the cash payable following changes in the working capital calculation and the accounting policy alignment of property, plant and equipment Following these true-up adjustments, the related goodwill, fair value of net assets acquired and consideration are set out as follows

	Book value £000	Fair value adjustments £000	Provisional fair value March 31 2013 £000	Change £000	Provisional fair value Sept 30 2013 £000
Net assets					
Intangible assets	–	2,900	2,900	–	2,900
Property, plant and equipment	5	–	5	(5)	–
Trade and other receivables	497	–	497	–	497
Cash and cash equivalents	1,176	–	1,176	–	1,176
Trade and other payables	(1,715)	–	(1,715)	(303)	(2,018)
	(37)	2,900	2,863	(308)	2,555
Non-controlling interest			(366)	39	(327)
Net assets acquired (87%)			2,497	(269)	2,228
Goodwill			2,534	360	2,894
Total consideration			5,031	91	5,122
Consideration satisfied by:					
Cash			5,031	–	5,031
Working capital adjustment			–	91	91
			5,031	91	5,122
Net cash outflow arising on acquisition					
Cash consideration					5,031
Less cash and cash equivalent balances acquired					(1,176)
					3,855

Intangible assets represent brands of US$3,189,000 (£1,990,000) and customer relationships of US$1,460,000 (£910,000), for which amortisation of £484,000 has been charged in the year The brands and customer relationships will be amortised over their useful economic lives of up to 20 years and ten years respectively

Goodwill arises from the anticipated profitability and future operating synergies from combining the acquired operations within the group All of the goodwill recognised is expected to be deductible for income tax purposes

14 Acquisitions *continued*

***Purchase of new business** continued*

TTI Technologies, LLC (TTI/Vanguard) continued

The fair value of the assets acquired includes trade receivables of US$763,000 (£476,000), all of which are contracted and expected to be collectable

The non-controlling interest recognised on acquisition of £327,000 represents the proportionate share of the net assets acquired

TTI/Vanguard contributed £2,028,000 to the group's revenue, £488,000 to the group's operating profit and £308,000 to the group's profit after tax for the period between the date of acquisition and September 30 2013 In addition, acquisition related costs of £97,000 were incurred and recognised as an exceptional item in the Income Statement for the year ended September 30 2013 (note 5) If the above acquisition had been completed on the first day of the financial year, TTI/Vanguard would have contributed £2,739,000 to the group's revenue for the year and £631,000 to the group's adjusted profit before tax for the year (excluding exceptional costs above)

Following a sensitivity analysis of the remaining interest applying reasonably possible assumptions and a 10% change in expected profits, the potential undiscounted amount of all future payments that the group could be required to make under this earn-out arrangement is between £406,000 and £497,000 The maximum amount payable for 100% of TTI/Vanguard is US$15,000,000 (£9,263,000)

Insider Publishing

On March 19 2013, the group acquired 100% of the equity share capital of Insider Publishing Limited, a leading information source and events provider for the international insurance and reinsurance markets, for an initial cash consideration of £14,148,000, followed by a working capital adjustment of £2,549,000 in June 2013 The acquisition is consistent with the group's strategy of investing in specialist online information businesses and using its global reach to drive further growth

At acquisition a discounted deferred consideration of £8,342,000 was recognised In May 2013, deferred consideration of £251,000 was paid and the remaining discounted deferred consideration of £8,091,000 was expected to be paid between March 2014 and March 2015 dependent upon the audited results of the business for the average of the 2013 and 2014 calendar years The discounted expected payment under this mechanism increased to £11,081,000 at September 30 2013 resulting in a charge to the Income Statement of £2,990,000 At the date of acquisition, £2,400,000 of the expected deferred consideration was paid in advance into escrow

Notes to the Consolidated Financial Statements
continued

14 Acquisitions *continued*

***Purchase of new business** continued*

Insider Publishing continued

The acquisition accounting is provisional pending final determination of the fair value of the assets and liabilities acquired During the year changes have been made to the cash payable following changes in the working capital calculation, net assets acquired following the finalisation of the valuation model and forecasts as of the date of acquisition, and deferred consideration to reflect the updated forecasts Following these true-up adjustments, the related goodwill, fair value of net assets acquired and consideration are set out as follows

	Book value £000	Fair value adjustments £000	Provisional fair value March 31 2013 £000	Change £000	Provisional fair value Sept 30 2013 £000
Net assets					
Intangible assets	-	9,377	9,377	1,362	10,739
Property, plant and equipment	-	-	-	14	14
Trade and other receivables	-	-	-	644	644
Cash and cash equivalents	3,485	-	3,485	51	3,536
Trade and other payables	(3,485)	-	(3,485)	566	(2,919)
Deferred tax liabilities	-	(2,157)	(2,157)	(98)	(2,255)
	-	7,220	7,220	2,539	9,759
Net assets acquired (100%)			7,220	2,539	9,759
Goodwill			13,493	1,787	15,280
Total consideration			20,713	4,326	25,039
Consideration satisfied by					
Cash			14,148	-	14,148
Working capital adjustment			-	2,549	2,549
Deferred consideration			6,565	1,777	8,342
			20,713	4,326	25,039

Net cash outflow arising on acquisition	
Cash consideration	14,148
Less cash and cash equivalent balances acquired	(3,536)
	10,612

Intangible assets represent brands of £3,259,000 and customer relationships of £7,480,000, for which amortisation of £1,672,000 has been charged in the year The brands and customer relationships will be amortised over their useful economic lives of up to 20 years and ten years respectively

14 Acquisitions *continued*

***Purchase of new business** continued*

Insider Publishing continued

Goodwill arises from the anticipated profitability and future operating synergies from combining the acquired operations within the group The goodwill recognised is not expected to be deductible for income tax purposes

The fair value of the assets acquired includes trade receivables of £494,000, all of which are contracted and expected to be collectable

Insider Publishing contributed £3,052,000 to the group's revenue, £1,528,000 to the group's operating profit and £1,155,000 to the group's profit after tax for the period between the date of acquisition and September 30 2013 In addition, acquisition related costs of £301,000 were incurred and recognised as an exceptional item in the Income Statement for the year ended September 30 2013 (note 5) If the above acquisition had been completed on the first day of the financial year, Insider Publishing would have contributed £5,300,000 to the group's revenue for the year and £2,432,000 to the group's adjusted profit before tax for the year (excluding exceptional costs above)

The discounted deferred consideration is based on a pre-determined multiple of the average results of the business for the period to December 31 2013 and 2014 and is calculated using the group's WACC Following a sensitivity analysis of the deferred consideration applying reasonably possible assumptions and a 10% change in expected profits, the potential undiscounted amount of all future payments, including the amount paid into escrow, that the group could be required to make under this deferred consideration arrangement is between £9,831,000 and £15,215,000 The maximum amount payable for 100% of Insider Publishing is £31,000,000

Centre for Investor Education (CIE)

On April 18 2013, the group acquired 75% of the trade and assets of CIE, a leading Australian provider of investment forums for senior executives of superannuation funds and global asset management firms, for A$10,800,000 (£7,415,000) offset by a working capital adjustment receipt of £929,000 in July 2013 By combining CIE with the expertise and relationships of Institutional Investor's forums and memberships, the group expects to consolidate its leading position in the global asset management events sector

A discounted deferred consideration of A$5,586,000 (£3,835,000) was expected to be paid between March 2014 and March 2015 dependent upon the audited results of the business for the 2013 and 2014 calendar years The expected payment under this mechanism increased to A$8,737,000 (£5,044,000) at September 30 2013 resulting in a charge to the Income Statement of £1,209,000 In April 2013, A$3,600,000 (£2,472,000) of the deferred consideration was paid in advance into escrow

The remaining 25% interest in the trade and assets of CIE will be acquired in two equal instalments based on the profits for the calendar years to 2014 and 2015 The total discounted amount that the group expects to pay at September 30 2013 under this earn-out agreement is A$7,315,000 (£4,224,000)

Notes to the Consolidated Financial Statements
continued

14 Acquisitions *continued*

***Purchase of new business** continued*

Centre for Investor Education (CIE) continued

The acquisition accounting is set out below and is provisional pending final determination of the fair value of the assets and liabilities acquired

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Net assets:			
Goodwill	1,727	(1,727)	-
Intangible assets	-	5,168	5,168
Property, plant and equipment	10	(10)	-
Trade and other receivables	598	-	598
Cash and cash equivalents	911	-	911
Trade and other payables	(2,566)	-	(2,566)
Deferred tax liabilities	-	188	188
	680	3,619	4,299
Non-controlling interest			(1,075)
Net assets acquired (75%)			3,224
Goodwill			7,097
Total consideration			10,321
Consideration satisfied by			
Cash			7,415
Working capital adjustment			(929)
Deferred consideration			3,835
			10,321
Net cash outflow arising on acquisition			
Cash consideration			7,415
Less cash and cash equivalent balances acquired			(911)
			6,504

Intangible assets represent brands of A$5,548,000 (£3,809,000) and customer relationships of A$1,980,000 (£1,359,000), for which amortisation of £178,000 has been charged in the year The brands and customer relationships will be amortised over their useful economic lives of up to 15 years and ten years respectively

Goodwill arises from the anticipated profitability and future operating synergies from combining the acquired operations within the group The goodwill recognised is not expected to be deductible for income tax purposes

The fair value of the assets acquired includes trade receivables of A$804,000 (£552,000), all of which are contracted and expected to be collectable

14 Acquisitions *continued*

***Purchase of new business** continued*

Centre for Investor Education (CIE) continued

The non-controlling interest recognised on acquisition of £1,075,000 represents the proportionate share of the net assets acquired

CIE contributed £1,119,000 to the group's revenue, £575,000 to the group's operating profit and £454,000 to the group's profit after tax for the period between date of acquisition and September 30 2013 In addition, acquisition related costs of £157,000 were incurred and recognised as an exceptional item in the Income Statement for the year ended September 30 2013 (note 5) If the above acquisition had been completed on the first day of the financial year, CIE would have contributed £2,685,000 to the group's revenue for the year and £1,275,000 to the group's adjusted profit before tax for the year (excluding exceptional costs above)

The discounted deferred consideration is based on a pre-determined multiple of the results of the business for the period to December 31 2013 and is calculated using the group's WACC Following a sensitivity analysis for the fair value of the deferred consideration applying reasonably possible assumptions and a 10% change in expected profits, the potential undiscounted amount of all future payments, including the amount paid into escrow, that the group could be required to make under this deferred consideration arrangement is between £4,156,000 and £6,466,000

Following a sensitivity analysis of the remaining interest applying reasonably possible assumptions and a 10% change in expected profits, the potential undiscounted amount of all future payments that the group could be required to make under this earn-out arrangement is between £4,486,000 and £5,483,000 The maximum amount payable for 100% of CIE is A$30,000,000 (£17,322,000)

Quantitative Techniques (QT)

On April 3 2013, the group signed a binding agreement with HSBC to acquire its QT operation for £1 QT is the benchmark and calculation agent business of HSBC Bank plc and creates and maintains more than 100 equity and bond indices for HSBC's Global Markets division as well as over 60 external clients Completion of the sale took place on September 30 2013 after a transition phase HSBC has agreed to purchase index calculation services from QT for a minimum period of three years from the date of completion The group believes the acquisition creates an opportunity to establish a significant footprint in the index compilation market The business has been rebranded *Euromoney Indices*

The acquisition accounting is set out below and is provisional pending final determination of the fair value of the assets and liabilities acquired

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Net assets			
Intangible assets	-	4,572	4,572
Trade and other receivables	447	-	447
Trade and other payables	(554)	(16)	(570)
	(107)	4,556	4,449
Net assets acquired (100%)			4,449
Negative goodwill			(4,449)
Total consideration			-

Intangible assets represent trademarks of £1,203,000 and customer relationships of £3,369,000, for which no amortisation has been charged in the year The trademarks and customer relationships will be amortised over their useful economic lives of up to 20 years and ten years respectively

Notes to the Consolidated Financial Statements
continued

14 Acquisitions *continued*

***Purchase of new business** continued*

Quantitative Techniques (QT) continued

Negative goodwill arose from the valuation of intangible assets acquired for zero consideration The negative goodwill is credited to the Income Statement within exceptional items (note 5) and is expected to be taxable for income tax purposes

As the acquisition of QT was completed on the last day of the financial year it did not contribute to the group's revenue or profit Acquisition related costs of £215,000 and restructuring costs of £581,000 were incurred and recognised as an exceptional item in the Income Statement for the year ended September 30 2013 (note 5) Due to the nature of the operation acquired it is not possible to provide the contribution to the group's revenue and adjusted profit before tax

Increase in equity holdings

Internet Securities, Inc (ISI)

The group held a call option to enable it to purchase the remaining non-controlling interest in ISI and this was exercised in January 2013 The option value was based on the valuation of ISI as determined under a methodology provided by an independent financial adviser Under the terms of the option agreement consideration caps had been put in place that required the maximum consideration payable to option holders to be capped at an amount such that the results of any relevant class tests would, at the relevant time, fall below the requirement for shareholder approval In March 2013, under this call option mechanism, the group purchased the remaining 0 08% of the equity share capital of ISI for a cash consideration of US$102,000 (£67,000), increasing the group's equity shareholding in ISI to 100%

Structured Retail Products Limited (SRP)

In April 2013, the group purchased 0 76% of the equity share capital of SRP from some its employees for a cash consideration of £86,000, representing the fair value of 0 76% of assets at date of acquisition, increasing the group's equity shareholding in SRP to 98 94%

15 Trade and other receivables

	2013 £000	2012 £000
Amounts falling due within one year		
Trade receivables	**59,712**	54,146
Less provision for impairment of trade receivables	**(5,846)**	(6,471)
Trade receivables – net of provision	**53,866**	47,675
Amounts owed by DMGT group undertakings	**47**	2,344
Other debtors	**7,436**	5,560
Prepayments	**12,153**	6,904
Accrued income	**5,743**	3,469
	79,245	65,952

The average credit period on sales of goods and services is 30 days Trade receivables beyond 60 days overdue are provided for based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience

Credit terms for customers are determined in individual territories Concentration of credit risk with respect to trade receivables is limited due to the group's customer base being large and diverse Due to this, management believes there is no further credit risk provision required in excess of the normal provision for doubtful receivables There are no customers who represent more than 5% of the total balance of trade receivables

As at September 30 2013, trade receivables of £32,019,000 (2012 £24,263,000) were not yet due

15 Trade and other receivables *continued*

As of September 30 2013, trade receivables of £20,879,000 (2012 £15,469,000) were past due for which the group has not provided as there has been no significant change in their credit quality and the amounts are still considered recoverable These relate to a number of independent customers for whom there is no recent history of default The average age of these receivables is 73 days (2012 77 days) The group does not hold any collateral over these balances The ageing of these trade receivables is as follows

	2013 £000	2012 £000
Past due less than a month	**10,579**	7,156
Past due more than a month but less than two months	**4,666**	3,348
Past due more than two months but less than three months	**2,395**	1,985
Past due more than three months	**3,239**	2,980
	20,879	15,469

As at September 30 2013, trade receivables of £6,814,000 (2012 £14,414,000) were impaired and partially provided for The amount of the provision was £5,846,000 (2012 £6,471,000) It was assessed that a portion of the receivables is expected to be recovered The ageing of these receivables is as follows

	2013 £000	2012 £000
Past due less than a month	**1,525**	7,713
Past due more than a month but less than two months	**1,276**	2,857
Past due more than two months but less than three months	**682**	1,123
Past due more than three months	**3,331**	2,721
	6,814	14,414

Movements on the group provision for impairment of trade receivables are as follows

	2013 £000	2012 £000
At October 1	**(6,471)**	(7,697)
Impairment losses recognised	**(2,981)**	(3,271)
Impairment losses reversed	**2,842**	3,266
Amounts written off as uncollectable	**750**	1,153
Exchange differences	**14**	78
At September 30	**(5,846)**	(6,471)

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date The concentration of credit risk is limited due to the customer base being large and unrelated Accordingly, the directors believe that there is no further credit risk provision required in excess of the allowance for doubtful debts

The allowance for doubtful debts does not include individually impaired trade receivables which have been placed under liquidation as these trade receivables are written off directly to the Income Statement

Prepayments at September 30 2013 includes deferred consideration of £4,479,000 paid in advance into escrow following the acquisitions of Insider Publishing (£2,400,000) and CIE (A$3,600,000 (£2,079,000)) (note 14)

Notes to the Consolidated Financial Statements
continued

16 Trade and other payables

	2013 £000	2012 £000
Trade creditors	**4,046**	4,170
Amounts owed to DMGT group undertakings	**44**	3
Other creditors	**22,751**	23,450
	26,841	27,623

The directors consider the carrying amounts of trade and other payables approximate their fair values

17 Deferred income

	2013 £000	2012 £000
Deferred subscription income	**90,401**	81,020
Other deferred income	**26,895**	24,086
	117,296	105,106

18 Financial instruments and risk management

	2013		2012	
	Assets £000	**Liabilities £000**	Assets £000	Liabilities £000
Current				
Interest rate swaps – fair value through profit and loss	–	–	–	(156)
Interest rate swaps – cash flow hedge	–	–	–	(283)
Forward foreign exchange contracts – cash flow hedge	**1,736**	**(909)**	2,715	(217)
	1,736	**(909)**	2,715	(656)
Non-current				
Interest rate swaps – fair value through profit and loss	–	–	–	(206)
Forward foreign exchange contracts – cash flow hedge	**746**	–	296	(35)
	746	–	296	(241)
	2,482	**(909)**	3,011	(897)

Financial risk management objectives

The group's activities expose it to a variety of financial risks market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk arising in the normal course of business Derivative financial instruments are used to manage exposures to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes

Full details of the objectives, policies and strategies pursued by the group in relation to financial risk management are set out on pages 88 to 91 of the accounting policies and pages 92 to 94 of the key judgemental areas In summary, the group's tax and treasury committee normally meets twice a year and is responsible for recommending policy to the board The group's treasury policies are directed to giving greater certainty of future costs and revenues and ensuring that the group has adequate liquidity for working capital and debt capacity for funding acquisitions

18 Financial instruments and risk management *continued*

The treasury department does not act as a profit centre, nor does it undertake any speculative trading activity and it operates within policies and procedures approved by the board

Interest rate swaps are used to manage the group's exposure to fluctuations in interest rates on its floating rate borrowings Further details are set out in the interest rate risk section on page 124

Forward contracts are used to manage the group's exposure to fluctuations in exchange rate movements Further details are set out in the foreign exchange rate risk section on page 122

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance The group's overall strategy remains unchanged from 2012

The capital structure of the group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising share capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity

Net debt to EBITDA* ratio

The group's tax and treasury committee reviews the group's capital structure at least twice a year As part of the debt covenants under the loan facility provided by Daily Mail and General Trust plc (DMGT), the board has to ensure that net debt to a rolling 12 month EBITDA* does not exceed four times The group expects to be able to remain within these limits during the life of the facility The net debt to EBITDA covenant is defined to allow the rate used in the translation of US dollar EBITDA, including hedging contracts, to be used also in the calculation of net debt, thereby removing any distortion to the covenant from increases in net debt due to short-term movements in the US dollar

The group's loan facility with DMGT was due to mature on December 31 2013 Subsequent to the year end, the group has signed a US$160 million multi-currency replacement facility with DMGT that provides access to funds, should the group require it during the period to April 2016 The new facility requires the group's net debt to EBITDA to be no more than three times

The net debt to EBITDA* ratio at September 30 is as follows

	2013 £000	2012 £000
Committed loan facility (at weighted average exchange rate)	**(20,858)**	(43,127)
Loan notes	**(1,028)**	(1,228)
Total debt	**(21,886)**	(44,355)
Cash and cash equivalents	**11,268**	13,544
Net debt	**(10,618)**	(30,811)
EBITDA*	**123,499**	116,080
Net debt to EBITDA* ratio	**0 09**	0 27

* EBITDA (Earnings before interest, tax, depreciation, amortisation) = adjusted operating profit before depreciation and amortisation of licences and software, adjusted for the timing impact of acquisitions and disposals

Notes to the Consolidated Financial Statements
continued

18 Financial instruments and risk management *continued*

Categories of financial instruments

The group's financial assets and liabilities at September 30 are as follows

	2013 £000	2012 £000
Financial assets		
Derivative instruments in designated hedge accounting relationships	**2,482**	3,011
Prepaid deferred consideration (note 24)	**4,479**	–
Loans and receivables (including cash and cash equivalents)	**78,360**	72,592
	85,321	75,603
Financial liabilities		
Derivative instruments – fair value through profit and loss	**–**	(362)
Derivative instruments in designated hedge accounting relationships	**(909)**	(535)
Acquisition commitments (note 24)	**(15,037)**	(7,868)
Deferred consideration (note 24)	**(16,125)**	(77)
Loans and payables (including overdrafts)	**(103,862)**	(140,284)
	(135,933)	(149,126)

The fair value of the financial assets and liabilities above are classified as level 2 in the fair value hierarchy other than acquisition commitments and deferred consideration which are classified as level 3 (page 129)

i) Market price risk

Market price risk is the possibility that changes in currency exchange rates, interest rates or commodity prices will adversely affect the value of the group's financial assets, liabilities or expected future cash flows The group's primary market risks are interest rate fluctuations and exchange rate movements Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist Derivatives used by the group for hedging a particular risk are not specialised and are generally available from numerous sources The fair values of interest rate swaps and forward exchange contracts are set out in this note and represent the value for which an asset could be sold or liability settled between knowledgeable willing parties in an arm's length transaction calculated using the market rates of interest and exchange at September 30 2013 The group has no other material market price risks

Market risk exposures are measured using sensitivity analysis

There has been no change to the group's exposure to market risks or the manner in which it manages and measures the risks during the year

ii) Foreign exchange rate risk

The group's principal foreign exchange exposure is to US dollar The group generates approximately two-thirds of its revenues in US dollars, including approximately 30% of the revenues in its UK-based businesses, and approximately 60% of its operating profits are US dollar-denominated The group is therefore exposed to foreign exchange risk on the US dollar revenues in its UK businesses, the translation of results of foreign subsidiaries and external loans as well as loans to foreign operations within the group where the denomination of the loan is not in the functional currency of the lender/borrower

18 Financial instruments and risk management *continued*

The carrying amounts of the group's US dollar-denominated monetary assets and monetary liabilities at the reporting date are as follows

	Assets		Liabilities	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
US dollar	**55,767**	58,770	**(8,702)**	(5,956)

Subsidiaries normally do not hedge transactions in foreign currencies into the functional currency of their own operations However, at a group level, a series of US dollar and euro forward contracts are put in place to sell forward surplus US dollars and euros so as to hedge 80% of the group's UK based US dollar and euro revenues for the coming 12 months and 50% of the group's UK based US dollar and euro revenues for the subsequent six months The timing and value of these forward contracts is based on management's estimate of its future US dollar and euro revenues over an 18 month period and is regularly reviewed and revised with any changes in estimates resulting in either additional forward contracts being taken out or existing contracts' maturity dates being moved forward or back If management materially underestimates the group's future US dollar and euro denominated revenues, this would lead to too few forward contracts being in place and the group being more exposed to swings in US dollar and euro to sterling exchange rates An overestimate of the group's US dollar and euro denominated revenues would lead to associated costs in unwinding the excess forward contracts The group also has a significant operation in Canada whose revenues are mainly in US dollars At a group level a series of US dollar forward contracts is put in place up to 18 months forward to hedge the operation's Canadian cost base In addition, each subsidiary is encouraged to invoice sales in its local functional currency where possible Forward exchange contracts are gross settled at maturity

The following table details the group's sensitivity to a 10% increase and decrease in sterling against US dollar A 10% sensitivity has been determined by the board as the sensitivity rate appropriate when reporting an estimated foreign currency risk internally and represents management's assessment of a reasonably possible change in foreign exchange rates at the reporting date

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is not in the functional currency of the lender/borrower Where sterling strengthens 10% against the relevant currency a positive number below indicates an increase in profit and equity For a 10% weakening of sterling against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative

Impact of 10% strengthening of sterling against US dollar

	2013	2012
	£000	£000
Change in profit for the year in income statement (US$ net assets in UK companies)	**(542)**	(646)
Change in equity (derivative financial instruments)	**6,417**	6,606
Change in equity (external loans and loans to foreign operations)	**3,134**	4,105

The decrease in the loss from the sensitivity analysis is due to a decrease in the working capital asset position The fall in equity from £6,606,000 to £6,417,000 from the sensitivity analysis is due to the decrease of the value of the derivative financial assets

Notes to the Consolidated Financial Statements
continued

18 Financial instruments and risk management *continued*

The group is also exposed to the translation of the results of its US dollar-denominated businesses, although the group does not hedge the translation of these results Consequently, fluctuations in the value of sterling versus other currencies could materially affect the translation of these results in the consolidated financial statements The group endeavours to match foreign currency borrowings to investments in order to provide a natural hedge for the translation of the net assets of overseas subsidiaries with the related foreign currency interest cost arising from these borrowings providing a partial hedge against the translation of foreign currency profits

The change in equity from a 10% change in sterling against US dollars in relation to the translation of external loans and loans to foreign operations within the group where the denomination of the loan is not in the functional currency of the lender/borrower would result in a change of £3,134,000 (2012 £4,105,000) However, the change in equity is completely offset by the change in value of the foreign operation's net assets from their translation into sterling

Forward foreign exchange contracts

It is the policy of the group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts A series of US dollar and euro forward contracts are put in place to sell forward surplus US dollars and euros so as to hedge 80% of the group's UK based US dollar and euro revenues for the coming 12 months and 50% of the group's UK based US dollar and euro revenues for the subsequent six months In addition, at a group level a series of US dollar forward contracts is put in place up to 18 months forward to hedge a subsidiary's Canadian cost base

	Average exchange rate		Foreign currency		Contract value		Fair value	
	2013	2012	**2013 US$000**	2012 US$000	**2013 £000**	2012 £000	**2013 £000**	2012 £000
Cash Flow Hedges								
Sell USD buy GBP								
Less than a year	**1 572**	1 589	**70,575**	71,875	**44,902**	45,236	**1,223**	694
More than a year but less than two years	**1 543**	1 581	**19,300**	17,225	**12,509**	10,892	**519**	206
Sell USD buy CAD†								
Less than a year	**1 018**	1 001	**18,682**	20,976	**11,420**	13,219	**(164)**	176
More than a year but less than two years	**1 050**	1 011	**5,750**	6,307	**3,628**	4,015	**35**	64
			€000	€000	**£000**	£000	**£000**	£000
Sell EUR buy GBP								
Less than a year	**1 203**	1 183	**36,000**	34,630	**29,923**	29,286	**(232)**	1,628
More than a year but less than two years	**1 166**	1 248	**10,850**	9,950	**9,305**	7,971	**192**	(9)

† Rate used for conversion from CAD to GBP is 1 6646 (2012 1 5889)

As at September 30 2013, the aggregate amount of unrealised gains under forward foreign exchange contracts deferred in the fair value reserve relating to future revenue transactions is £1,573,000 (2012 gains £2,759,000) It is anticipated that the transactions will take place over the next 18 months at which stage the amount deferred in equity will be released to the Income Statement As at September 30 2013, there were no ineffective cash flow hedges in place at the year end (2012 £nil)

iii) Interest rate risk

The group's borrowings are in both sterling and US dollars with the related interest tied to LIBOR This results in the group's interest charge being at risk to fluctuations in interest rates It is the group's policy to hedge approximately 80% of its interest exposure, converting its floating rate debt into fixed debt by means of interest rate swaps The maturity dates are spread in order to avoid interest rate basis risk and also to negate short-term changes in interest rates The predictability of interest costs is deemed to be more important than the possible opportunity cost forgone of achieving lower interest

18 Financial instruments and risk management *continued*

rates and this hedging strategy has the effect of spreading the group's exposure to fluctuations arising from changes in interest rates and hence protects the group's interest charge against sudden increases in rates but also prevents the group from benefiting immediately from falls in rates

As at September 30 2013, due to the low level of debt there were no interest rate swaps outstanding

The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section on page 126

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the directors' assessment of a reasonably possible change in interest rates at the reporting date

If interest rates had been 100 basis points higher or lower and all other variables were held constant

- The group's profit for the year ended September 30 2013 would decrease or increase by £272,000 (2012 £338,000) This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings, and
- Other equity reserves would decrease or increase by £nil (2012 £561,000) mainly as a result of the changes in the fair value of interest rate swaps

Interest rate swap contracts

Under interest rate swap contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts Such contracts enable the group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the yield curves at the reporting date and the credit risk inherent in the contract, and is disclosed below

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date for the previous year The average interest rate is based on the outstanding balances at the end of the financial year

Cash flow hedges **US dollar Receive floating pay fixed**	**Average contracted fixed interest rate**		**Notional principal amount**		**Fair value**	
	2013 **%**	2012 %	**2013** **£000**	2012 £000	**2013** **£000**	2012 £000
Less than 1 year	–	3 25	–	18,578	–	(389)
1 to 2 years	–	2 52	–	6,193	–	(206)

GBP Receive floating pay fixed	**Average contracted fixed interest rate**		**Notional principal amount**		**Fair value**	
	2013 **%**	2012 %	**2013** **£000**	2012 £000	**2013** **£000**	2012 £000
Less than 1 year	–	2 57	–	5,000	–	(50)

Notes to the Consolidated Financial Statements
continued

18 Financial instruments and risk management *continued*

Interest rate swap contracts *continued*

The interest rate swaps settle on a quarterly basis The floating rate on the interest rate swaps is LIBOR The group will settle the difference between the fixed and floating interest rate on a net basis All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the group's cash flow exposure resulting from variable interest rates on borrowings The interest rate swaps and the interest payments on the loan occur simultaneously and the amount deferred in equity is recognised in the Income Statement over the period that the floating rate interest payments on debt impact the Income Statement

As at September 30 2013, the aggregate amount of unrealised interest under swap contracts deferred in the fair value reserve relating to future interest payable was £nil (2012 £283,000)

As at September 30 2013, the aggregate amount of unrealised interest recognised in the Income Statement under ineffective swaps still in place at the year end was £nil (2012 £362,000)

iv) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group The group seeks to limit interest rate and foreign currency risks described above by the use of financial instruments and as a result have a credit risk from the potential non-performance by the counterparties to these financial instruments, which are unsecured The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged The group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents Credit risks are controlled by monitoring the amounts outstanding with, and the credit quality of, these counterparties For the group's cash and cash equivalents these are principally licensed commercial banks and investment banks with strong long-term credit ratings, and for derivative financial instruments with DMGT who have treasury policies in place which do not allow concentrations of risk with individual counterparties and do not allow significant treasury exposures with counterparties which are rated lower than AA

The group also has credit risk with respect to trade and other receivables, prepayments and accrued income The concentration of credit risk from trade receivables is limited due to the group's large and broad customer base Trade receivable exposures are managed locally in the business units where they arise Allowance is made for bad and doubtful debts based on management's assessment of the risk of non-payment taking into account the ageing profile, experience and circumstance

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, recorded in the Statement of Financial Position The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics The group defines counterparties as having similar characteristics if they are related entities Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year

v) Liquidity risk

The group has significant intercompany borrowings and is an approved borrower under a DMGT US$300 million dedicated multi-currency facility The facility is divided into US dollar and sterling funds and was due to mature in December 2013 The total maximum borrowing capacity is as follows

US Dollar	US$250 million
Sterling	£33 million

The facility requires the group to meet certain covenants based on net debt and profits adjusted for certain non-cash items and the impact of foreign exchange Failure to do so would result in the group being in breach of the facility potentially resulting in the facility being withdrawn or impediment of management decision making by the lender Management regularly monitors the covenants and prepares detailed cash flow forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach At September 30 2013, the group's net debt to adjusted EBITDA was 0 09 times

18 Financial instruments and risk management *continued*

The group's strategy is to use excess operating cash to pay down its debt The group generally has an annual cash conversion rate (the percentage by which cash generated by operations covers operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items) of over 100%, due to much of its subscription, conference and training revenue being paid in advance However, this year the group's cash conversion rate was 88% compared to 103% last year, due to cash payments in 2013 in respect of the vesting of the first tranche of options under the CAP (£9 5 million) and profit shares for the company's former chairman who died in October 2012, both of which were expensed in financial year 2012 or earlier

Under the DMGT facility, at September 30 2013, the group had £165 9 million of undrawn but committed facilities available There is a risk that the undrawn portion of the facility, or that the additional funding, may be unavailable or withdrawn if DMGT experience funding difficulties themselves However, if DMGT were unable to fulfil its funding commitment to the group, the directors are confident that the group would be in a position to secure adequate external facilities, although probably at a higher cost of funding The group has agreed terms with DMGT that provide it with US$160 million of additional funding during the period to April 2016

This table has been drawn up based on the undiscounted contractual cash flows of the financial liabilities including both interest and principal cash flows To the extent that the interest rates are floating, the undiscounted amount is derived from interest rate curves at September 30 2013 The contractual maturity is based on the earliest date on which the group may be required to settle

2013	**Weighted average effective interest rate %**	**Less than 1 year £000**	**1–3 years £000**	**Total £000**
Variable rate borrowings	**3 56**	**21,205**	**–**	**21,205**
Acquisition commitments	**–**	**539**	**14,498**	**15,037**
Deferred consideration	**–**	**7,040**	**9,085**	**16,125**
Non-interest bearing liabilities (trade and other payables, and accruals)	**–**	**82,657**	**–**	**82,657**

2012	Weighted average effective interest rate %	Less than 1 year £000	1–3 years £000	Total £000
Variable rate borrowings	2 49	1,228	43,154	44,382
Acquisition commitments	–	4,273	3,595	7,868
Deferred consideration	–	77	–	77
Non-interest bearing liabilities (trade and other payables, and accruals)	–	89,561	6,341	95,902

At September 30 2013, £20,177,000 (2012 £38,631,000) of borrowings were designated in US dollars with the remainder in sterling The average rate of interest paid on the debt was 5 68% (2012 4 82%)

Notes to the Consolidated Financial Statements
continued

18 Financial instruments and risk management *continued*

The following table details the group's remaining contractual maturity for its non-derivative financial assets, mainly short-term deposits for amounts on loans owed by DMGT group undertakings and equity non-controlling interests This table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group anticipates that the cash flow will occur in a different period

2013	**Weighted average effective interest rate %**	**Less than 1 year £000**	**Total £000**
Variable interest rate instruments (cash at bank)	**1 27**	**11,268**	**11,268**
Prepaid deferred consideration	**-**	**4,479**	**4,479**
Non-interest bearing assets (trade and other receivables excluding prepayments)	**-**	**67,092**	**67,092**
		82,839	**82,839**

2012	Weighted average effective interest rate %	Less than 1 year £000	Total £000
Variable interest rate instruments (cash at bank and short-term deposits)	0 86	13,544	13,544
Non-interest bearing assets (trade and other receivables excluding prepayments)	–	59,048	59,048
		72,592	72,592

The following table details the group's liquidity analysis for its derivative financial instruments The table has been drawn up based on the undiscounted net cash inflows and (outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date

2013	**Less than 1 month £000**	**1–3 months £000**	**3 months to 1 year £000**	**1–5 years £000**	**Total £000**
Net settled					
Interest rate swaps	**-**	**-**	**-**	**-**	**-**
Gross settled					
Foreign exchange forward contracts inflows	**7,033**	**14,668**	**64,544**	**25,442**	**111,687**
Foreign exchange forward contracts outflows	**(7,074)**	**(14,712)**	**(63,424)**	**(24,538)**	**(109,748)**
	(41)	**(44)**	**1,120**	**904**	**1,939**

2012	Less than 1 month £000	1–3 months £000	3 months to 1 year £000	1–5 years £000	Total £000
Net settled					
Interest rate swaps	–	(196)	(375)	(66)	(637)
Gross settled					
Foreign exchange forward contracts inflows	7,358	13,163	67,221	22,877	110,619
Foreign exchange forward contracts outflows	(7,063)	(12,769)	(65,258)	(22,500)	(107,590)
	295	198	1,588	311	2,392

18 Financial instruments and risk management *continued*

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows

Level 1

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices

Level 2

- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments,
- Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts, and
- Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates

Level 3

- If one or more significant inputs are not based on observable market date, the instrument is included in level 3

As at September 30 2013 and the prior year, all the resulting fair value estimates have been included in level 2 other than the group's acquisition commitments which are classified as level 3

Other financial instruments not recorded at fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values Such financial assets and financial liabilities include cash and cash equivalents, receivables, prepayments, accrued income, payables and loans

19 Bank overdrafts and loans

	2013 £000	2012 £000
Loan notes – current liability	**1,028**	1,228
Committed loan facility – current liability	**20,177**	–
Committed loan facility – non-current liability	**–**	43,154
	20,177	43,154

Loan notes

Loan notes were issued in October and November 2006 to fund the purchase of Metal Bulletin plc Interest is payable on these loan notes at a variable rate of 0 75% below LIBOR, payable in June and December Loan notes can be redeemed at the option of the loan note holder twice a year on the interest payment dates above At least 20 business days' written notice prior to the redemption date is required During the year ended September 30 2013 £199,000 (2012 £386,000) of these loan notes were redeemed

Notes to the Consolidated Financial Statements
continued

19 Bank overdrafts and loans *continued*

Committed loan facility

The group's debt is provided through a dedicated US$300 million multi-currency borrowing facility from Daily Mail and General Trust plc (DMGT) The total maximum borrowing capacity is US$250 million (£154 million) and £33 million Interest is payable on this facility at a variable rate of between 1 4% and 3 0% above LIBOR dependent on the ratio of adjusted net debt to EBITDA The facility's covenant requires the group's net debt to be no more than four times adjusted EBITDA on a rolling 12 month basis Failure to do so would result in the group being in breach of the facility, potentially resulting in the facility being withdrawn or impediment of management decision making by the lender Management regularly monitors the covenant and prepares detailed debt forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach At September 30 2013, the group's net debt to adjusted EBITDA was 0 09 times

Under the DMGT facility, at September 30 2013, the group had £165 9 million of undrawn but committed facilities available Subsequent to the year end, the group has signed a US$160 million multi-currency replacement funding facility with DMGT that provides access to funds, during the period to April 2016 The new facility requires the group's net debt to EBITDA to be no more than three times

There is a risk that the undrawn portion of the facility, or that the additional funding, may be unavailable or withdrawn if DMGT experience funding difficulties themselves However, if DMGT were unable to fulfil its funding commitment to the group, the directors are confident that the group would be in a position to secure adequate external facilities, although probably at a higher cost of funding

20 Provisions

	Onerous lease provision £000	Other provisions £000	Group total £000
At October 1 2012	2,784	4,171	6,955
Provision in the year	224	2,088	2,312
Used in the year	(1,376)	(1,722)	(3,098)
Exchange differences	41	–	41
At September 30 2013	1,673	4,537	6,210

Maturity profile of provisions

	2013 £000	2012 £000
Within one year (included in current liabilities)	3,974	2,037
Between one and two years (included in non-current liabilities)	417	2,469
Between two and five years (included in non-current liabilities)	1,819	2,449
	6,210	6,955

Onerous lease provision

The onerous lease provision relates to certain buildings within the property portfolio which either at acquisition were rented at non-market rates, or are no longer occupied by the group

Other provisions

The provision consists of social security arising on share option liabilities and dilapidations on leasehold properties

21 Deferred taxation

The net deferred tax liability at September 30 2013 comprised

	2012 £000	Income statement £000	Other comprehensive income £000	Equity £000	Acquisitions and disposals £000	Exchange differences £000	2013 £000
Capitalised goodwill and intangibles	(28,348)	659	–	(36)	(2,067)	43	(29,749)
Tax losses	1,367	2,289	–	–	–	(62)	3,594
Financial instruments	(441)	–	90	–	–	–	(351)
Other short-term temporary differences	17,791	(3,469)	(287)	587	–	61	14,683
Deferred tax	(9,631)	(521)	(197)	551	(2,067)	42	(11,823)
Comprising							
Deferred tax assets	7,344						5,015
Deferred tax liabilities	(16,975)						(16,838)
	(9,631)						(11,823)

	2012 £000	Income statement £000	Other comprehensive income £000	Equity £000	Acquisitions and disposals £000	Exchange differences £000	2013 £000
Other short-term temporary differences							
Share-based payments	7,423	(2,305)	–	587	–	20	5,725
Pension deficit	626	237	(287)	–	–	–	576
Accelerated capital allowances	629	(24)	–	–	–	(21)	584
Deferred income, accruals and other provisions	9,113	(1,377)	–	–	–	62	7,798
Total other short-term temporary differences	17,791	(3,469)	(287)	587	–	61	14,683

At the balance sheet date, the group has unused US tax losses available for offset against future profits At September 30 2013 a deferred tax asset of £3,594,000 (2012 £1,367,000) has been recognised in relation to these losses The US losses can be carried forward for a period of 20 years from the date they arose The US losses have expiry dates between 2014 and 2029

At September 30 2013, a net deferred tax asset of £693,000 (2012 £5,511,000) has been recognised in respect of US tax deductible goodwill amortisation, capitalised intangible assets and other short-term timing differences

The directors are of the opinion that, based on recent and forecast trading, it is probable that the level of profits in future years is sufficient to enable the above assets to be recovered

No deferred tax liability is recognised on temporary differences of £153,233,000 (2012 £94,478,000) relating to the unremitted earnings of overseas subsidiaries as the group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future The temporary differences at September 30 2013 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may still result in a tax liability, principally as a result of dividend withholding taxes levied by the overseas tax jurisdictions in which these subsidiaries operate

Notes to the Consolidated Financial Statements
continued

22 Called up share capital

	2013 £000	2012 £000
Allotted, called up and fully paid		
126,457,324 ordinary shares of 0 25p each (2012 124,349,531 ordinary shares of 0 25p each)	**316**	311

During the year, 2,107,793 ordinary shares of 0 25p each (2012 3,102,151 ordinary shares) with an aggregate nominal value of £5,270 (2012 £7,755) were issued as follows 2,107,793 ordinary shares (2012 720,741 ordinary shares) following the exercise of share options granted under the company's share option schemes for a cash consideration of £2,228,590 (2012 £1,058,834) In addition, last year 2,381,410 shares were issued under the company's 2009 scrip dividend alternative for a cash consideration of £nil There was no scrip dividend alternative offered in 2013

23 Share-based payments

The group's long-term incentive expense at September 30 comprised

	2013 £000	2012 £000
Equity-settled options		
SAYE	**(96)**	(97)
CAP 2004	**-**	1,809
CAP 2010	**(971)**	(4,042)
	(1,067)	(2,330)
Cash-settled options		
CAP 2010	**(971)**	(4,042)
Internet Securities, Inc	**(7)**	(8)
Structured Retail Products Limited	**(55)**	79
	(1,033)	(3,971)
	(2,100)	(6,301)

The total carrying value of cash-settled options at September 30 included in the Statement of Financial Position is

	2013 £000	2012 £000
Current	**7,435**	7,768
Non-current	**-**	6,341
	7,435	14,109

23 Share-based payments *continued*

Equity-settled options

The options set out below are outstanding at September 30 and are options to subscribe for new ordinary shares of 0 25p each in the company The total charge recognised in the year from equity-settled options was £1,067,000, 51% of the group's long-term incentive expense (2012 charge £2,330,000, 37%)

Number of ordinary shares under option 2013

Period during which option may be exercised	2012	Granted/ (trued-up) during year	Exercised during year	Lapsed/ forfeited during year	2013	Option price (£)	Weighted average market price at date of exercise (£)
Executive options							
Before January 28 2014	52,000	-	(44,000)	-	8,000	4 19	10 21
SAYE							
Between February 1 2013 and July 31 2013	44,567	-	(41,929)	(2,638)	-	3 44	8 96
Between February 1 2014 and July 31 2014	25,497	-	(2,079)	(4,225)	19,193	5 65	10 15
Between February 1 2015 and July 31 2015	148,488	-	(653)	(21,682)	126,153	4 97	9 60
Between February 1 2016 and July 31 2016	-	70,178	-	(7,178)	63,000	6 39	-
CAP 2004							
Before September 30 2014 (tranche 1)[1]	421	-	(421)	-	-	0 0025	10 88
Before September 30 2014 (tranche 3)[1]	69,693	(14,693)[†]	(55,000)	-	-	0 0025	9 27
CAP 2010							
Before September 30 2020 (tranche 1)[2]	969,305	473,606[†]	(1,432,443)	-	10,468	0 0025	9 39
Before September 30 2020 (tranche 2)[2]	1,750,496	(32,976)[†]	-	(7,674)	1,709,846	0 0025	-
CSOP 2010							
Before February 14 2020 (UK)	541,671	(203,283)[†]	(311,708)	(2,632)	24,048	6 03	10 03
Before February 14 2020 (Canada)	239,520	(19,960)[†]	(219,560)	-	-	5 01	9 32
	3,841,658	272,872	(2,107,793)	(46,029)	1,960,708		

Notes to the Consolidated Financial Statements
continued

23 Share-based payments *continued*

Equity-settled options *continued*

The options outstanding at September 30 2013 had a weighted average exercise price of £0 67 and a weighted average remaining contractual life of 6 44 years

Number of ordinary shares under option 2012

	2011	Granted/ (trued up) during year	Exercised during year	Lapsed/ forfeited during year	2012	Option price (£)	Weighted average market price at date of exercise (£)
Period during which option may be exercised							
Executive options							
Before January 22 2012	8,000	–	(8,000)	–	–	3 35	7 07
Before December 3 2012	86,000	–	(86,000)	–	–	2 59	7 31
Before January 28 2014	91,487	–	(39,487)	–	52,000	4 19	7 30
SAYE							
Between February 1 2011 and July 31 2011	3,018	–	(3,018)	–	–	3 18	6 90
Between February 1 2012 and July 31 2012	341,025	–	(338,767)	(2,258)	–	1 87	6 93
Between February 1 2013 and July 31 2013	46,466	–	–	(1,899)	44,567	3 44	–
Between February 1 2014 and July 31 2014	40,588	–	–	(15,091)	25,497	5 65	–
Between February 1 2015 and July 31 2015	–	158,769	–	(10,281)	148,488	4 97	–
CAP 2004							
Before September 30 2014 (tranche 1)[1]	421	–	–	–	421	0 0025	–
Before September 30 2014 (tranche 2)[1]	58,375	(18,063)[‡]	(40,312)	–	–	0 0025	7 37
Before September 30 2014 (tranche 3)[1]	293,032	(18,182)[‡]	(205,157)	–	69,693	0 0025	7 31
CAP 2010							
Before September 30 2020 (tranche 1)	969,305	–	–	–	969,305	0 0025	–
Before September 30 2020 (tranche 2)	1,750,496	–	–	–	1,750,496	0 0025	–
CSOP 2010							
Before February 14 2020 (UK)	541,671	–	–	–	541,671	6 03	–
Before February 14 2020 (Canada)	239,520	–	–	–	239,520	5 01	–
	4,469,404	**122,524**	**(720,741)**	**(29,529)**	**3,841,658**		

The options outstanding at September 30 2012 had a weighted average exercise price of £1 49 and a weighted average remaining contractual life of 7 35 years

1 CAP 2004 options shown in the above tables relate only to those options that have vested (see page 65 in the Directors' Remuneration Report for further information on CAP 2004 options)

2 The allocation of the number of options granted under each tranche of the CAP 2010 and CSOP UK and CSOP Canada represents the directors' best estimate The CAP 2010 award is reduced by the number of options vesting under the respective CSOP schemes (see below and the Directors' Remuneration Report for further details)

‡ Options granted/(trued-up) relate to the adjustments to those that were likely to vest on February 14 2013 under the second and third tranche of the CAP 2004 following the achievement of the additional performance test and the first tranche of CAP 2010 The number of options granted was provisional and required a true-up to reflect adjustments of the individual businesses profits during the period to December 31 2012 and 2013 respectively as required by the Remuneration Committee As such, the actual number of options vested varied from that disclosed last year

Cash-settled options

The group has liabilities in respect of two share option schemes that are classified by IFRS 2 'Share-based payments' as cash settled These consist of the cash element of the CAP 2010 scheme and options held by employees over equity shares in Structured Retail Products Limited, a subsidiary of the group Of these schemes, options with an intrinsic value of £nil had vested but are not yet exercised (2012 £3,000)

23 Share-based payments *continued*

Share Option Schemes

Capital Appreciation Plan 2010 (CAP 2010)

The CAP 2010 executive share option scheme was approved by shareholders on January 21 2010 Each CAP 2010 award comprises two equal elements – an option to subscribe for ordinary shares of 0 25p each in the company at an exercise price of 0 25p per ordinary share, and a right to receive a cash payment The awards vest in two equal tranches The first tranche of awards became exercisable in February 2013 following satisfaction of the primary performance condition (adjusted pre-tax profits of at least £105 million, increased from £100 million following the acquisition of NDR) The second tranche of awards becomes exercisable in the February following a subsequent financial year in which adjusted pre-tax profits* again equal or exceed £105 million, but no earlier than February 2014 The second tranche only vests on satisfaction of the primary performance condition and an additional performance condition and lapse to the extent unexercised by September 30 2020 The number of options received under the share award of the CAP 2010 is reduced by the number of options vesting with participants from the 2010 Company Share Option Plan The primary performance condition was achieved in financial year 2011, two years earlier than expected, when adjusted pre-tax profits* were £101 3 million However, the internal rules of the plan prevented the awards vesting more than one year early, so although the primary condition had been achieved, the award pool was allocated between the holders of outstanding awards by reference to their contribution to the growth in profits of the group from the 2009 base year to the profits achieved in financial year 2012 and these awards were exercisable in February 2013 The primary performance condition was achieved again in financial year 2012 and, after applying the additional performance condition, the second tranche of options will become exercisable in February 2014 (see Directors' Remuneration Report for further information)

Company Share Option Plan 2010 (CSOP 2010)

In parallel with the CAP 2010, the shareholders approved the CSOP 2010 UK and Canada at the AGM on January 21 2010 The CSOP 2010 UK was approved by HM Revenue & Customs on June 21 2010 and options granted on June 28 2010 The CSOP 2010 UK option enables each participant to purchase up to 4,972 shares in the company at a price of £6 03 per share, the market value at the date of grant The options vest and become exercisable at the same time as the corresponding share award under the CAP 2010 providing the CSOP option is in the money at that time and did not vest before June 28 2013 Once vested the CSOP option remains exercisable for one month If the CSOP option is not in the money at the time of vesting of the corresponding CAP 2010 share award it continues to subsist and becomes exercisable at the same time as the second tranche of the CAP 2010 share award The CSOP 2010 Canada, granted on March 30 2010, enables each participant to purchase up to 19,960 shares in the company at a price of £5 01 per share, the market value at the date of grant No option may vest after the date falling three months after the preliminary announcement of the results for the financial year ended September 30 2019, and the option shall lapse to the extent unvested at the time The CSOP has the same performance criteria as that of the CAP 2010 as set out above The number of CSOP 2010 awards that vest proportionally reduce the number of shares that vest under the CAP 2010 as the CSOP is effectively a delivery mechanism for part of the CAP 2010 award The CSOP 2010 option exercise price of £6 03 (UK) and £5 01 (Canada) will be satisfied by a funding award mechanism and results in the same net gain on the CSOP options (calculated as the market price of the company's shares at the date of exercise less the exercise price, multiplied by the number of options exercised) delivered in the equivalent number of shares to participants as if the award had been delivered using 0 25p CAP options

Capital Appreciation Plan 2004 (CAP 2004)

The CAP 2004 executive share option scheme was approved by shareholders on February 1 2005 Each of the CAP awards comprises an option to subscribe for ordinary shares of 0 25p each in the company for an exercise price of 0 25p per ordinary share The awards become exercisable on satisfaction of certain performance conditions and lapse to the extent unexercised on September 30 2014 The initial performance condition was achieved in the financial year 2007 and the option pool (a maximum of 7 5 million shares) was allocated between the holders of outstanding awards One-third of the awards vested immediately The primary performance target was achieved again in 2008 and, after applying the additional performance condition, 2,241,269 options from the second tranche of options vested in February 2009 The primary performance target was also achieved in 2009 and 1,527,152 options (including a true-up adjustment of 5,654) for the third (final) tranche of options in 2009 vested in February 2010 The additional performance condition was applied to profits for financial year 2010 to 2012 for those individual participants where the additional performance conditions for the second and final tranches had not previously been met and 303,321, 244,152 and 39,907 options vested in February 2011, 2012 and 2013 respectively No further options will vest under this scheme and all outstanding options have been exercised

* Adjusted pre-tax profits is profit before tax excluding acquired intangible amortisation CAP 2010 element of long-term incentive expense, exceptional items, profits from significant acquisitions, net movements in acquisition commitments values, imputed interest on acquisition commitments, foreign exchange loss interest charge on tax equalisation contracts and foreign exchange on restructured hedging arrangements as set out in the Income Statement, note 5 and note 7

Notes to the Consolidated Financial Statements
continued

23 Share-based payments *continued*

Share Option Schemes *continued*

The company has four share option schemes for which an IFRS 2 'Share-based payments' charge has been recognised Details of these schemes are set out in the Directors' Remuneration Report on pages 62 to 64 The fair value per option granted and the assumptions used in the calculation are shown below

Date of grant	Executive Options January 28 2004	SAYE 12 December 21 2010	SAYE 13 December 20 2011	SAYE 14 December 17 2012
Market value at date of grant (p)	419	706	621	798
Option price (p)	419	565	497	639
Number of share options outstanding	8,000	19,193	126,153	63,000
Option life (years)	10 0	3 5	3 5	3 5
Expected term of option (grant to exercise (years))	5 5	3 0	3 0	3 0
Exercise price (p)	419	565	497	639
Risk-free rate	4 10%	1 63%	0 53%	0 53%
Dividend yield	3 93%	5 28%	4 30%	2 31%
Volatility	30%	38%	35%	27%
Fair value per option (£)	0 72	1 82	1 54	1 93

The executive and Save as You Earn (SAYE) options were valued using the Black-Scholes option-pricing model Expected volatility was determined by calculating the historical volatility of the group's share price over a period of three years The executive options' fair values have been discounted at a rate of 10% to reflect their performance conditions The expected term of the option 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 charge recognised in the year in respect of these options was £96,000 (2012 £97,000)

Date of grant	CAP 2010 Tranche 1 March 30 2010	CAP 2010 Tranche 2 March 30 2010	CSOP 2010 UK June 28 2010
Market value at date of grant (p)	501	501	603 34
Option price (p)	0 25	0 25	603 34
Number of share options outstanding	10,468	1,709,846	24,048
Option life (years)	10	10	9 38
Expected term of option (grant to exercise (years))	4	5	3
Exercise price (p)	0 25	0 25	603 34*
Risk-free rate	2 28%	2 75%	2 28%
Dividend growth	7 00%	7 00%	7 00%
Fair value per option (£)	4 37	4 20	4 37

The CAP 2010 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations

The number of CSOP 2010 awards that vest proportionally reduce the number of shares that vest under the CAP 2010, the CSOP is effectively a delivery mechanism for part of the CAP 2010 award The CSOP 2010 options have an exercise price of £6 03, which will be satisfied by a funding award

23 Share-based payments *continued*

mechanism which results in the same net gain[1] on these options delivered in the equivalent number of shares to participants as if the same award had been delivered using 0 25 pence CAP options The amount of the funding award will depend on the company's share price at the date of vesting Because of the above and the other direct links between the CSOP 2010 and the CAP 2010, including the identical performance criteria, IFRS 2 'Share based payments' combines the two plans and treats them as one plan (vesting in two tranches) The long-term incentive expense recognised in the year for the CSOP 2010 and CAP 2010 options (including the charge in relation to the cash element) was £1,942,000 (2012 £8,084,000)

1 Net gain on the CSOP options is the market price of the companys shares at the date of exercise less the exercise price (£6 03) multiplied by the number of options exercised

* Exercise price excludes the effect of the funding award

24 Acquisition commitments and deferred consideration

The group is party to contingent consideration arrangements in the form of both acquisition commitments and deferred consideration payments IAS 39 'Financial Instruments' requires the group to recognise the discounted present value of the contingent consideration This discount is unwound as a notional interest charge to the Income Statement The group regularly performs a review of the underlying businesses to assess the impact on the fair value of the contingent consideration Any resultant change in these fair values is reported as a finance income or expense in the Income Statement

	Acquisition commitments		Deferred consideration	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
At October 1	**7,868**	11,001	**77**	1,131
Additions from acquisitions during the year	**4,404**	-	**12,177**	(407)
Net movements during the year (note 7)	**1,619**	(2,940)	**3,887**	(35)
Imputed interest (note 7)	**1,269**	977	**834**	-
Exercise of commitments	**(82)**	(831)	**-**	-
Paid during the year	**-**	-	**(5,329)**	(612)
Exchange differences	**(41)**	(339)	**-**	-
At September 30	**15,037**	7,868	**11,646**	77

An expense of £2,888,000 (2012 net income of £1,963,000) was recorded in finance income and expense for acquisition commitments and £4,721,000 (2012 net income of £35,000) for deferred consideration (note 7)

Maturity profile of contingent consideration

	Acquisition commitments		Deferred consideration	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Prepayments (included in trade and other receivables)	**-**	-	**(4,479)**	-
Within one year (included in current liabilities)	**539**	4,273	**7,040**	77
In more than one year (included in non-current liabilities)	**14,498**	3,595	**9,085**	-
	15,037	7,868	**11,646**	77

The prepayment represents deferred consideration paid in advance into escrow following the acquisitions of Insider Publishing (£2,400,000) and CIE (A$3,600,000 (£2,079,000)) (note 14)

There is a deferred tax asset of £168,000 (2012 £nil) related to the acquisition commitments as at September 30 2013

Notes to the Consolidated Financial Statements
continued

24 Acquisition commitments and deferred consideration *continued*

During the year, the terms of the put option agreement for Ned Davis Research (NDR) were amended to defer the earn-out payment to early 2017 and to combine the payment into one instalment based on a revised pre-determined multiple of the average results of the business for the periods to September 30 2015 and 2016 As a result, the expected liability under this mechanism, discounted using the group's WACC, has increased from £7,812,000 at September 30 2012 to £10,395,000 at September 30 2013 resulting in a charge to the Income Statement of £2,621,000 and a foreign exchange gain of £38,000 in reserves

As explained in note 2, key judgemental areas in preparing the financial statements, the value of the acquisition commitments and acquisition deferred consideration is subject to a number of assumptions The potential undiscounted amount of all future payments that the group could be required to make under the contingent consideration arrangements is as follows

	2013		2012	
	Maximum £000	**Minimum £000**	Maximum £000	Minimum £000
NDR	**37,445**	**–**	37,552	–
Insider Publishing	**16,600**	**–**	–	–
TTI/Vanguard	**4,284**	**–**	–	–
CIE	**11,086**	**–**	–	–
	69,415	**–**	37,552	–

A sensitivity analysis of the fair value of the acquisition commitments, using a reasonably possible increase or decrease of 10% in expected profits, results in the liability at September 30 2013 increasing or decreasing by £1,504,000 with the corresponding change to the value at September 30 2013 charged or credited to the Income Statement in future periods

A sensitivity analysis of the fair value of the deferred consideration payments, using a reasonably possible increase or decrease of 10% in expected profits, results in the liability at September 30 2013 increasing or decreasing by £3,483,000 with the corresponding change to the value at September 30 2013 charged or credited to the Income Statement in future periods

The group has the option to purchase the remaining 50% equity holding of GGA Pte Limited in March 2014 and if exercised expects to pay €1,021,000 (£854,000) Under IAS 32 'Financial Instruments' this acquisition commitment is not recorded as a liability in the balance sheet

25 Operating lease commitments

At September 30 the group had committed to make the following payments in respect of operating leases on land and buildings

	2013 £000	2012 £000
Within one year	**7,616**	6,728
Between two and five years	**15,578**	16,451
After five years	**5,548**	2,812
	28,742	25,991

The group's operating leases do not include any significant leasing terms or conditions

25 Operating lease commitments *continued*

At September 30 the group had contracted with tenants to receive the following payments in respect of operating leases on land and buildings

	2013 £000	2012 £000
Within one year	**1,196**	1,320
Between two and five years	**2,649**	3,492
After five years	**-**	445
	3,845	5,257

26 Retirement benefit schemes

Defined contribution schemes

The group operates the following defined contribution schemes Euromoney PensionSaver, Euromoney Pension Plan, the Metal Bulletin Group Personal Pension Plan in the UK and the 401(k) savings and investment plan in the US It also participates in the Harmsworth Pension Scheme, a defined benefit scheme which is operated by Daily Mail and General Trust plc (DMGT) but is accounted for in Euromoney Institutional Investor PLC as a defined contribution scheme

In compliance with recent legislation the group is making arrangements for relevant employees to be automatically enrolled into defined contribution pension plans The staging date for the group for automatic enrolment is expected to be November 2013

The pension charge in respect of defined contribution schemes for the year ended September 30 comprised

	2013 £000	2012 £000
Euromoney Pension Plan/PensionSaver	**1,238**	1,094
Metal Bulletin Group Personal Pension Plan	**16**	24
Private schemes	**1,101**	1,077
Harmsworth Pension Scheme	**88**	112
	2,443	2,307

Euromoney PensionSaver and Euromoney Pension Plan

Euromoney PensionSaver is a group personal pension plan and is the principal pension arrangement offered to employees of the group Contributions are paid by the employer and employees Employees are able to contribute a minimum of 2% of salary with an equal company contribution in the first three years of employment and thereafter at twice the employee contribution rate, up to a maximum employer contribution of 10% of salary

The Euromoney Pension Plan is a part of the DMGT Pension Trust, an umbrella trust under which DMGT UK trust-based defined contribution plans are held Insured death benefits previously held under this trust have been transferred to a new trust-based arrangement specifically for life assurance purposes When the process of transferring out the remaining assets of the Euromoney Pension Plan has been completed the plan will be wound up

Assets of both plans are invested in funds selected by members and held independently from the company's finances The investment and administration of both plans is undertaken by Fidelity Pension Management

Metal Bulletin Group Personal Pension Plan

The Metal Bulletin Group Personal Pension Plan is a defined contribution arrangement under which contributions are paid by the employer and employees The scheme is closed to new members

Notes to the Consolidated Financial Statements
continued

26 Retirement benefit schemes *continued*

Metal Bulletin Group Personal Pension Plan *continued*

The plan's assets are invested under trust in funds selected by members and held independently from the company's finances The investment and administration of the plan is undertaken by Skandia Life Group

Private schemes

Institutional Investor, Inc contributes to a 401(k) savings and investment plan for its employees which is administered by an independent investment provider Employees are able to contribute up to 15% of salary with the company matching up to 50% of the employee contributions, up to 5% of salary

The company also provides access to a stakeholder pension plan for relevant employees who are not eligible for other pension schemes operated by the group These arrangements will be superseded when automatic enrolment begins in 2013

Harmsworth Pension Scheme

The Harmsworth Pension Scheme is a defined benefit scheme operated by DMGT The scheme is closed to new entrants Existing members still in employment can continue to accrue benefits in the scheme on a cash balance basis, with members building up a retirement account that they can use to buy an annuity from an insurance company at retirement

Full actuarial valuations of the defined benefit schemes are carried out triennially by the Scheme Actuary As a result of the valuations of the main schemes completed as at March 31 2010, DMGT has been making annual contributions of 10% or 15% of members' basic pay (depending on membership section) In addition, in accordance with agreed Recovery Plans, DMGT made payments of £11 6 million in the year to September 30 2013 Following the disposal of Northcliffe Media Limited, DMGT agreed to make additional contributions of £30 0 million, including debts calculated in accordance with Section 75 of the Pensions Act 1995 Payments of £17 1 million were made during the year to September 30 2013 with the balance of £12 9 million to be paid in January 2014 In addition, following announcement by DMGT of a buy-back programme of up to £100 million of shares in autumn 2012, DMGT agreed with the Trustees that additional special contributions would be paid to the scheme when the total value of shares bought-back exceeded £50 million The first contribution arising from this agreement was made in June 2013 in the amount of £1 8 million The triennial funding valuation of the scheme as at March 31 2013, is not expected to be completed until the first quarter of 2014

DMGT has enabled the trustee of the scheme to acquire a beneficial interest in a Limited Partnership investment vehicle (LP) The LP has been designed to facilitate payment of part of the deficit funding payments described above over a period of 15 years to 2027 In addition, the LP is required to make a final payment to the scheme of £150 million or the funding deficit within the scheme on an ongoing actuarial valuation basis at the end of the 15 year period if this is less For funding purposes, the interest held by the trustee in the LP will be treated as an asset of the scheme and reduce the actuarial deficit within the scheme However, under IAS 19 the LP is not included as an asset of the scheme and therefore is not included in the calculation of the deficit below

The group is unable to identify its share of the underlying assets and liabilities in the Harmsworth Pension Scheme The scheme is operated on an aggregate basis with no segregation of the assets to individual participating employers and, therefore, the same contribution rate is charged to all participating employers (i e the contribution rate charged to each employer is affected by the experience of the schemes as a whole) The scheme is therefore accounted for as a defined contribution scheme by the company This means that the pension charge reported in these financial statements is the same as the cash contributions due in the period The group's pension charge for the Harmsworth Pension Scheme for the year ended September 30 2013 was £88,000 (2012 £112,000)

DMGT is required to account for the Harmsworth Pension Scheme under IAS 19 'Employee Benefits' The IAS 19 disclosures in the Annual Report and Accounts of DMGT have been based on the formal valuation of the scheme as at March 31 2010, and adjusted to September 30 2013 taking account of membership data at that date The calculations are adjusted to allow for the assumptions and actuarial methodology required by IAS 19 These showed that the market value of the scheme's assets was £1,646 3 million (2012 £1,481 2 million) and that the actuarial value of these assets represented 89 6% (2012 84 6%) of the benefits that had accrued to members (also calculated in accordance with IAS 19)

26 Retirement benefit schemes *continued*

Defined benefit scheme

Metal Bulletin Pension Scheme

The company operates the Metal Bulletin plc Pension Scheme (MBPS), a defined benefit scheme which is closed to new entrants

A full actuarial valuation of the defined benefit scheme is carried out triennially by the Scheme Actuary The latest valuation of the MBPS was completed as at June 1 2010 As a result of the valuation, the company agreed to make annual contributions of 22 3% per annum of pensionable salaries, plus £42,400 per month to the scheme The contributions will be reviewed at the next triennial funding valuation of the scheme due to be completed with an effective date June 1 2013

The figures in this note are based on calculations carried out in connection with the actuarial valuation of the scheme as at June 1 2010 adjusted to September 30 2013 by the actuary The key financial assumptions adopted were as follows

Long-term assumed rate of·	**2013**	2012
Pensionable salary increases	**2 5% p a**	2 5% p a
Pension escalation in payment (pre January 1997 members)	**5 0% p a**	5 0% p a
Pension escalation in payment (pensions earned from May 30 2002 to June 30 2006) (post January 1997 members)	**3 4% p a**	2 8% p a
Pension escalation in payment (pensions earned from June 30 2006) (post January 1997 members)	**2 5% p a**	2 5% p a
Discount rate for accrued liabilities	**4 3% p a**	4 1% p a
Inflation	**3 4% p a**	2 8% p a
Pension increase in deferment	**3 4% p a**	2 8% p a

The discount rate for scheme liabilities reflects yields at the balance sheet date on high quality corporate bonds All assumptions were selected after taking actuarial advice

The demographic assumptions adopted were as follows

Pre-retirement mortality rates

The following mortality rates represent the probability of a person dying within one year

Age	**Males**	**Females**
30	**0 03%**	**0 02%**
40	**0 05%**	**0 04%**
50	**0 14%**	**0 10%**
60	**0 44%**	**0 28%**

Assumed life expectancy in years, on retirement at 62	**2013**	2012
Retiring at the end of the reporting period		
Males	**25 9**	25 8
Females	**28 0**	28 0
Retiring 20 years after the end of the reporting period		
Males	**28 1**	28 0
Females	**29 3**	29 2

Notes to the Consolidated Financial Statements
continued

26 Retirement benefit schemes *continued*

The fair value of the assets held by the MBPS and the long-term expected rate of return on each class of assets are shown in the following table

2013	**Equities**	**Bonds**	**With profits policy**	**Cash**	**Total**
Value at September 30 2013 (£000)	**7,812**	**17,981**	**2,863**	**1,163**	**29,819**
% of assets held	**26 2%**	**60 3%**	**9 6%**	**3 9%**	**100 0%**
Long-term rate of return expected at September 30 2013	**7 00%**	**4 00%**	**4 75%**	**1 50%**	

2012	Equities	Bonds	With profits policy	Cash	Total
Value at September 30 2012 (£000)	6,539	15,725	2,567	2,188	27,019
% of assets held	24 2%	58 2%	9 5%	8 1%	100 0%
Long-term rate of return expected at September 30 2012	8 00%	3 50%	5 00%	1 50%	

A reconciliation of the net pension deficit reported in the Statement of Financial Position is shown in the following table

	2013 £000	2012 £000
Present value of defined benefit obligation	**(32,702)**	(31,776)
Assets at fair value	**29,819**	27,019
Deficit reported in the Statement of Financial Position	**(2,883)**	(4,757)

The deficit for the year excludes a related deferred tax asset of £576,000 (2012 asset £626,000)

Changes in the present value of the defined benefit obligation are as follows

	2013 £000	2012 £000
Present value of obligation at October 1	**(31,776)**	(26,260)
Service cost	**(61)**	(58)
Interest cost	**(1,302)**	(1,314)
Benefits paid	**653**	579
Members' contributions	**(12)**	(12)
Actuarial movement	**(204)**	(4,711)
Present value of obligation at September 30	**(32,702)**	(31,776)

26 Retirement benefit schemes *continued*

Changes in the fair value of plan assets are as follows

	2013 £000	2012 £000
Fair value of plan assets at October 1	**27,019**	24,361
Expected return on plan assets	**1,235**	1,329
Contributions		
Employer	**569**	583
Members	**12**	12
Annuity surplus refund	**30**	25
Actual return less expected return on pension scheme assets	**1,607**	1,288
Benefits paid	**(653)**	(579)
Fair value of plan assets at September 30	**29,819**	27,019

The actual return on plan assets was a gain of £2,842,000 (2012 gain £2,617,000) representing the expected return plus the associated actuarial gain or loss during the year

The amounts charged to the Income Statement based on the above assumptions are as follows

	2013 £000	2012 £000
Current service costs (charged to administrative costs)	**61**	58
Interest cost (note 7)	**1,302**	1,314
Expected return on plan assets (note 7)	**(1,235)**	(1,329)
Total charge recognised in Income Statement	**128**	43

Notes to the Consolidated Financial Statements
continued

26 Retirement benefit schemes *continued*

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted The table below indicates the effect of changes in the principal assumptions used above

		2013 £000	2012 £000
Mortality			
Change in pension obligation at September 30 from a one year change in life expectancy	+/–	**946**	943
Change in pension cost from a one year change	+/–	**42**	40
Salary Increases			
Change in pension obligation at September 30 from a 0 25% change	+/–	**35**	38
Change in pension cost from a 0 25% year change	+/–	**4**	4
Discount Rate			
Change in pension obligation at September 30 from a 0 1% change	+/–	**636**	630
Change in pension cost from a 0 1% change	+/–	**28**	3
Inflation			
Change in pension obligation at September 30 from a 0 1% change	+/–	**197**	182
Change in pension cost from a 0 1% change	+/–	**8**	7

Amounts recognised in the Consolidated Statement of Comprehensive Income (SOCI) are shown in the following table

	2013 £000	2012 £000
Actual return less expected return on pension scheme assets	**1,607**	1,288
Return of surplus annuity payments	**30**	25
Experience adjustments on liabilities	**(339)**	(178)
Losses arising from changes in assumptions	**135**	(4,533)
Total gains/(losses) recognised in SOCI	**1,433**	(3,398)
Cumulative actuarial loss recognised in SOCI at beginning of year	**(3,813)**	(415)
Cumulative actuarial loss recognised in SOCI at end of year	**(2,380)**	(3,813)

26 Retirement benefit schemes *continued*

History of experience gains and losses

	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
Present value of defined benefit obligation	**(32,702)**	(31,776)	(26,260)	(25,811)	(21,916)
Fair value of scheme assets	**29,819**	27,019	24,361	24,274	21,552
Deficit in scheme	**(2,883)**	(4,757)	(1,899)	(1,537)	(364)
Experience adjustments on defined benefit obligation	**(339)**	(178)	827	(14)	(18)
Percentage of present value of defined benefit obligation	**1 0%**	0 6%	(3 1%)	0 1%	0 1%
Experience adjustments on fair value of scheme assets	**1,607**	1,288	(1,395)	1,363	760
Percentage of the fair value of the scheme assets	**5 4%**	4 8%	(5 7%)	5 6%	3 5%

The group expects to contribute approximately £509,000 (2012 expected contribution in 2013 of £509,000) to the MBPS during the 2014 financial year

27 Contingent liabilities

Claims in Malaysia

Four writs claiming damages for libel were issued in Malaysia against the company and three of its employees in respect of an article published in one of the company's magazines, International Commercial Litigation, in November 1995 The writs were served on the company on October 22 1996 Two of these writs have been discontinued The total outstanding amount claimed on the two remaining writs is Malaysian ringgits 82 4 million (£15,615,000) No provision has been made for these claims in these financial statements as the directors do not believe the company has any material liability in respect of these writs

28 Related party transactions

The group has taken advantage of the exemption allowed under IAS 24 'Related Party Disclosures' not to disclose transactions and balances between group companies that have been eliminated on consolidation Other related party transactions and balances are detailed below

(i) The group had borrowings under a US$300 million multi-currency facility with DMGRH Finance Limited, a Daily Mail and General Trust plc (DMGT) group company as follows

	2013	**2013**	2012	2012
	US$000	**£000**	US$000	£000
Amounts owing under US$ facility at September 30	**34,782**	**21,478**	62,381	38,631
Amounts owing under GBP facility at September 30	**–**	**–**	–	4,523
Amounts due under current account facility at September 30	**(2,108)**	**(1,301)**	–	–
		20,177		43,154
Commitment fee on unused portion of the available facility for the year	**–**	**856**	–	618

Notes to the Consolidated Financial Statements
continued

28 Related party transactions *continued*

(ii) During the year the group expensed services provided by DMGT, the group's parent, and other fellow group companies, as follows

	2013	2012
	£000	£000
Services expensed	**424**	444

(iii) At September 30, the group had fixed rate interest rate swaps outstanding with Daily Mail and General Holdings Limited (DMGH), a fellow group company, as follows

	2013	**2013**	2012	2012
	US$000	**£000**	US$000	£000
US$ fixed rate interest rate swaps (2012 Interest rates between 2 5% and 5 4% and termination dates March 28 2013 and September 30 2013)	–	–	40,000	24,771
GBP fixed rate interest rate swaps (2012 Interest rate of 2 6% and termination date of March 28 2013)	–	–	–	5,000

During the year the group paid interest to DMGH and related companies in respect of interest rate swaps as follows

	2013	**2013**	2012	2012
	US$000	**£000**	US$000	£000
US$ interest paid	**963**	**617**	2,353	1,488
GBP interest paid	–	**50**	–	504

(iv) In January 2011, the group granted an Indian Rupee 112 million loan facility to RMSI Private Limited, a DMGT group company, at a 10 5% fixed interest rate The loan was repaid to the group on November 21 2011

	2013	**2013**	2012	2012
	INR 000	**£000**	INR 000	£000
Interest income during the year	–	–	1,476	18

28 Related party transactions *continued*

(v) During the year DMGT group companies surrendered tax losses to Euromoney Consortium Limited under an agreement between the two groups These tax losses are relievable against UK taxable profits of the group under HMRC's consortium relief rules

	2013 **£000**	2012 £000
Amounts payable	**1,971**	2,584
Tax losses with tax value	**2,628**	3,445

(vi) During the year DMGT group companies surrendered tax losses to Euromoney Consortium 2 Limited under an agreement between the two groups These tax losses are relievable against UK taxable profits of the group under HMRC's consortium relief rules

	2013 **£000**	2012 £000
Amounts payable	**565**	631
Tax losses with tax value	**754**	841
Amounts owed to DMGT Group at September 30	**473**	–

(vii) In January 2013 the group exercised its call option to purchase the remaining non-controlling interest in Internet Securities, Inc (ISI) The option value was based on the valuation of ISI as determined under a methodology provided by an independent financial adviser Under the terms of the put option agreement consideration caps had been put in place that required the maximum consideration payable to option holders to be capped at an amount such that the results of any relevant class tests would, at the relevant time, fall below the requirement for shareholder approval In March 2013, under this call option mechanism, the group purchased 0 08% of the equity share capital of ISI for a cash consideration of US$102,000 (£67,000) The group's equity shareholding in ISI increased to 100%

(viii) NF Osborn serves on the management board of A&N International Media Limited and both DMG Events and dmgi, fellow group companies, for which he received fees for the year to September 30 2013 of £25,000 and US$45,000 respectively (2012 £25,000 and US$45,000 respectively) Effective October 1 2013, NF Osborn's fees from DMGT related companies were reduced to US$45,000

(ix) PM Fallon served as a director on the executive board of DMGT, the group's parent During the year he earned non-executive director fees of £nil (2012 £24,500) and received short-term employee benefits of £nil (2012 £8,749) PM Fallon died on October 14 2012

(x) B AL-Rehany received an interest bearing loan from BCA, a subsidiary company, for CAD39,000 on February 28 2013 The loan accrued interest at 5% per annum At September 30 2013 the loan balance outstanding was CAD40,000 (2012 £nil) The loan was repaid in full on November 8 2013

(xi) During the year the group received a dividend of £268,000 (2012 £291,000) from Capital NET Limited, an associate of the group

(xii) The directors who served during the year received dividends of £230,000 (2012 £210,000) in respect of ordinary shares held in the company

Notes to the Consolidated Financial Statements
continued

28 Related party transactions *continued*

(xiii) The compensation paid or payable for key management is set out below Key management includes the executive and non-executive directors as set out in the Directors' Remuneration Report and other key divisional directors who are not on the board

Key management compensation

	2013 £000	2012 £000
Salaries and short-term employee benefits	**12,791**	18,726
Non-executive directors' fees	**204**	181
Post-employment benefits	**227**	137
Other long-term benefits (all share-based)	**4,181**	1,272
	17,403	20,316
Of which		
Executive directors	**11,966**	16,458
Non-executive directors	**204**	181
Divisional directors	**5,233**	3,677
	17,403	20,316

Details of the remuneration of directors are given in the Directors' Remuneration Report

29 Events after the balance sheet date

The directors propose a final dividend of 15 75p per share (2012 14 75p) totalling £19,917,000 (2012 £18,342,000) for the year ended September 30 2013 The dividend will be submitted for formal approval at the Annual General Meeting to be held on January 30 2014 In accordance with IAS 10 'Events after the Reporting Period', these financial statements do not reflect this dividend payable but will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending September 30 2014 During 2013, a final dividend of 14 75p (2012 12 50p) per share totalling £18,342,000 (2012 £15,162,000) was paid in respect of the dividend declared for the year ended September 30 2012

Purchase of new business

Infrastructure Journal (IJ)

On October 15 2013, the group signed a binding agreement with Top Right Group to acquire 100% of the trade and assets of IJ, a leading provider of online data, intelligence and events for the global infrastructure sector, for a consideration of £12,500,000 The transaction completed, after the required TUPE (Transfer of Undertakings (Protection of Employment)) consultation period, on October 31 2013 The acquisition of IJ is consistent with the group's strategy of investing in online subscription and events businesses which will benefit from its global reach With its strong brand and market recognition, IJ's editorial proposition and geographic reach complements the group's Project Finance brand which it has owned for 25 years

The additional IFRS 3 (2008) 'Business Combinations' disclosures are not provided because the initial accounting for the business combination is incomplete at the time this report is authorised for issue

Investment

Family Office Network Limited

On October 1 2013, the group invested US$264,000 (£165,000) in 51% of the equity share capital of Family Office Network Limited, a new company whose principal activity is the provision of an online community for single and multi-family offices The group has the option to purchase a further 24% equity holding of Family Office Network Limited in September 2017

There were no other events after the balance sheet date

30 Ultimate parent undertaking and controlling party

The directors regard the ultimate parent undertaking as Rothermere Continuation Limited, which is incorporated in Bermuda The ultimate controlling party is The Viscount Rothermere The largest and smallest group of which the company is a member and for which group accounts are drawn up is that of Daily Mail and General Trust plc, incorporated in Great Britain and registered in England and Wales Copies of its report and accounts are available from

The Company Secretary
Daily Mail and General Trust plc
Northcliffe House, 2 Derry Street
London W8 5TT

www dmgt co uk

Company Balance Sheet
as at September 30 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	4	**3,587**	3,635
Investments	5	**934,208**	983,513
		937,795	987,148
Current assets			
Debtors	6	**19,488**	48,600
Cash at bank and in hand		**155**	10
		19,643	48,610
Creditors Amounts falling due within one year	7	**(101,021)**	(130,095)
Net current liabilities		**(81,378)**	(81,485)
Total assets less current liabilities		**856,417**	905,663
Creditors Amounts falling due after more than one year	8	**(1,041)**	(44,881)
Net assets		**855,376**	860,782
Capital and reserves			
Called up share capital	11	**316**	311
Share premium account	15	**101,709**	99,485
Other reserve	15	**64,981**	64,981
Capital redemption reserve	15	**8**	8
Capital reserve	15	**1,842**	1,842
Own shares	15	**(74)**	(74)
Reserve for share-based payments	15	**37,122**	36,055
Fair value reserve	15	**1,358**	1,223
Profit and loss account	15	**648,114**	656,951
Equity shareholders' funds	16	**855,376**	860,782

Euromoney Institutional Investor PLC (registered number 954730) has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these accounts The profit after taxation of Euromoney Institutional Investor PLC included in the group profit for the year is £18,320,000 (2012 £9,579,000)

The accounts were approved by the board of directors on November 13 2013

Christopher Fordham
Colin Jones
Directors

Christopher

Notes to the Company Accounts

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention except for derivative financial instruments which have been measured at fair value and in accordance with applicable United Kingdom accounting standards and the United Kingdom Companies Act 2006 The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the current and prior year

The company has taken advantage of the exemption from presenting a cash flow statement under the terms of FRS 1 (Revised) 'Cash Flow Statements'

The company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with members of a group that are wholly owned by a member of that group

Further, the company, as a parent company of a group drawing up consolidated financial statements that meet the requirements of IFRS 7 'Financial Instruments Disclosure', is exempt from disclosures that comply with its UK GAAP equivalent, FRS 29 'Financial Statements Disclosures'

Going concern, debt covenants and liquidity

The financial position of the group, its cash flows and liquidity position are set out in detail in this annual report The group meets its day-to-day working capital requirements through its US$300 million dedicated multi-currency borrowing facility with Daily Mail and General Trust plc group (DMGT) The total maximum borrowing capacity is US$250 million (£154 million) and £33 million and was due to mature in December 2013 The facility's covenant requires the group's net debt to be no more than four times adjusted EBITDA on a rolling 12 month basis At September 30 2013, the group's net debt to adjusted EBITDA covenant was 0 09 times and the committed undrawn facility available to the group was £165 9 million

Subsequent to the year end, the group has signed a US$160 million multi-currency replacement funding facility with DMGT that provides access to funds during the period to April 2016 The new facility's covenant requires the group's net debt to be no more than three times adjusted EBITDA on a rolling 12 month basis

The group's forecasts and projections, looking out to September 2016 and taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level and covenants of its current borrowing facility

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future Accordingly, the directors continue to adopt the going concern basis in preparing this annual report

Turnover

Turnover represents income from subscriptions, net of value added tax

- Subscription revenues are recognised in the profit and loss account on a straight-line basis over the period of the subscription

Turnover invoiced but relating to future periods is deferred and treated as deferred income in the balance sheet

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line or other systematic basis as allowed by SSAP 21 'Accounting for Leases and Hire Purchase Contracts'

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss Depreciation of tangible fixed assets is provided on the straight-line basis over their expected useful lives at the following rates per year

Short-term leasehold premises	over term of lease

Taxation

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

Deferred taxation is calculated under the provisions of FRS 19 'Deferred Taxation', and is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when the timing differences crystallise based on current tax rates and law Deferred tax is not provided on timing differences on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange of the related foreign exchange contract Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date

Notes to the Company Accounts
continued

1 Accounting policies *continued*

Derivatives and other financial instruments

The company uses various derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps

All derivative instruments are recorded in the balance sheet at fair value Recognition of gains or losses on derivative instruments depends on whether the instrument is designated as a hedge and the type of exposure it is designed to hedge

The effective portion of gains or losses on cash flow hedges are deferred in equity until the impact from the hedged item is recognised in the profit and loss account The ineffective portion of such gains and losses is recognised in the profit and loss account immediately

Gains or losses on the qualifying part of the foreign currency loans are recognised in the profit or loss account along with the associated foreign currency movement on the designated portion of the investment in subsidiaries

Changes in the fair value of the derivative financial instruments that do not qualify for hedge accounting are recognised in the profit and loss account as they arise

The premium or discount on interest rate instruments is recognised as part of net interest payable over the period of the contract Interest rate swaps are accounted for on an accruals basis

Subsidiaries

Investments in subsidiaries are accounted for at cost less impairment Cost is adjusted to reflect amendments from contingent consideration Cost also includes direct attributable cost of investment

Trade and other debtors

Trade debtors are recognised and carried at original invoice amount, less provision for impairment A provision is made and charged to the profit and loss account when there is objective evidence that the company will not be able to collect all amounts due according to the original terms

Cash at bank and in hand

Cash at bank and in hand includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less

Dividends

Dividends are recognised as an expense in the period in which they are approved by the company's shareholders Interim dividends are recorded in the period in which they are paid

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation If it is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

Share-based payments

The company makes share-based payments to certain employees which are equity-settled These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest At the period end the vesting assumptions are revisited and the charge associated with the fair value of these options updated In accordance with the transitional provisions, FRS 20 'Share-based payments' has been applied to all grants of options after November 7 2002 that were unvested at October 1 2004, the date of application of FRS 20

2 Staff costs

	2013 £000	2012 £000
Salaries, wages and incentives	**241**	43
Social security costs	**28**	6
Share-based compensation costs (note 12)	**96**	(1,712)
	365	(1,663)

Details of directors' remuneration are set out in the Directors' Remuneration Report on pages 49 to 73 and in note 6 to the group accounts

The executive directors do not receive emoluments specifically for their services to this company

3 Remuneration of auditor

	2013 £000	2012 £000
Fees payable for the audit of the company's annual accounts	**458**	447

4 Tangible assets

	Short-term leasehold premises £000
Cost	
At October 1 2012	**8,322**
Additions	**930**
Disposals	**(27)**
At September 30 2013	**9,225**
Depreciation	
At October 1 2012	**4,687**
Charge for the year	**978**
Disposals	**(27)**
At September 30 2013	**5,638**
Net book value at September 30 2013	**3,587**
Net book value at September 30 2012	**3,635**

Company Accounts

Notes to the Company Accounts
continued

5 Investments

	2013			2012		
	Subsidiaries £000	**Investments in associated undertakings £000**	**Total £000**	Subsidiaries £000	Investments in associated undertakings £000	Total £000
At October 1	**983,484**	**29**	**983,513**	938,432	29	938,461
Additions	**–**	**–**	**–**	46,940	–	46,940
Return of capital	**(46,940)**	**–**	**(46,940)**	–	–	–
Impairment	**(4,810)**	**–**	**(4,810)**	–	–	–
Exchange differences	**2,445**	**–**	**2,445**	(1,888)	–	(1,888)
At September 30	**934,179**	**29**	**934,208**	983,484	29	983,513

2013

In March 2013, Euromoney Institutional Investor (Jersey) Limited declared a dividend, of which £46,940,000 was in substance a return of the capital invested and credited against the investment

In addition, during the year, the company restructured its investments in subsidiaries resulting in an increased investment in Fantfoot Limited and Euromoney Institutional Investor (Ventures) Limited, previously an indirect investment becoming a direct subsidiary following the transfer of its shares from Euromoney Canada Finance Limited to the company These changes took place as follows

- In April 2013, the company assigned loans receivable of £108,020,000 with BCA Research, Inc to Fantfoot Limited in return for increased investment in Fantfoot Limited
- In June 2013, the company received a dividend in specie of £261,500,000 from Euromoney Canada Finance Limited in return for 100% investment in Euromoney Institutional Investor (Ventures) Limited which was transferred to the company from Euromoney Canada Finance Limited at book value

In accordance with UK GAAP, the decrease in investment in Euromoney Canada Finance Limited was matched against the new investment in Fantfoot Limited and Euromoney Institutional Investor (Ventures) Limited

Following the restructure an impairment review was carried out during the year on investments held by the company, and investments in Euromoney Canada Finance Limited were written down by £4,810,000

2012

In April 2012, the company assigned its loan receivable with BCA Research, Inc to Euromoney Institutional Investor (Jersey) Limited in return for increased investment in Euromoney Institutional Investor (Jersey) Limited

Details of the principal subsidiary and associated undertakings of the company at September 30 2013 can be found in note 13 to the group accounts

6 Debtors

	2013 £000	2012 £000
Trade debtors	**619**	532
Amounts owed by DMGT group undertakings	**47**	2,344
Amounts owed by subsidiary undertakings	**18,216**	42,268
Other debtors	**-**	165
Deferred tax (note 10)	**-**	148
Prepayments and accrued income	**437**	335
Corporation tax	**169**	2,808
	19,488	48,600

	2013 £000	2012 £000
The above include the following amounts falling due after more than one year·		
Amounts owed by subsidiary undertakings	**9,238**	-

Amounts owed by group undertakings include three loans totalling £18,216,000 (2012 £42,268,000) that bore interest rates of between 1 47% and 10 40% (2012 between 1 56% and 10 40%) and are repayable between February 2014 and September 2018

7 Creditors Amounts falling due within one year

	2013 £000	2012 £000
Bank overdrafts	**-**	(13,699)
Amounts owed to subsidiary undertakings	**(78,206)**	(114,459)
Accruals and other creditors	**(59)**	-
Other taxation and social security	**(290)**	(270)
Committed loan facility (see note 19 to the group accounts)	**(20,177)**	-
Derivative financial instruments (note 14)	**-**	(439)
Provisions (note 9)	**(1,261)**	-
Loan notes (see note 19 to the group accounts)	**(1,028)**	(1,228)
	(101,021)	(130,095)

All amounts owed to subsidiary undertakings are current account balances that are settled on a regular basis As such, the amounts owed to subsidiary undertakings are interest free and repayable on demand

Notes to the Company Accounts
continued

8 Creditors: Amounts falling due after more than one year

	2013 £000	2012 £000
Committed loan facility (see note 19 to the group accounts)	–	(43,154)
Derivative financial instruments (note 14)	–	(206)
Provisions (note 9)	**(1,041)**	(1,521)
	(1,041)	(44,881)

9 Provisions

	2013 Dilapidations on leasehold properties £000	2012 Dilapidations on leasehold properties £000
At October 1	**1,521**	1,521
Provision in the year	**807**	–
Used in the year	**(26)**	–
At September 30	**2,302**	1,521

	2013 £000	2012 £000
Maturity profile of provisions		
Within one year	**1,261**	–
Between two and five years	**1,041**	1,521
	2,302	1,521

The provision represents the directors' best estimate of the amount likely to be payable on expiry of the company's property leases

10 Deferred tax

The deferred tax asset at September 30 comprised

	2013 £000	2012 £000
Other short-term timing differences	-	148
Movement in deferred tax:		
Deferred tax asset at October 1	**148**	2,212
Deferred tax charge in the profit and loss account	-	(1,571)
Deferred tax charge to equity	**(148)**	(493)
Deferred tax asset at September 30	**-**	148

A deferred tax asset of £nil (2012 £148,000) has been recognised in respect of other short-term timing differences

11 Share capital

	2013 £000	2012 £000
Allotted, called up and fully paid		
126,457,324 ordinary shares of 0 25p each (2012 124,349,531 ordinary shares of 0 25p each)	**316**	311

During the year, 2,107,793 ordinary shares of 0 25p each (2012 3,102,151 ordinary shares) with an aggregate nominal value of £5,270 (2012 £7,755) were issued as follows 2,107,793 ordinary shares (2012 720,741 ordinary shares) following the exercise of share options granted under the company's share option schemes for a cash consideration of £2,228,590 (2012 £1,058,834) In addition, last year 2,381,410 shares were issued under the company's 2009 scrip dividend alternative for a cash consideration of £nil There was no scrip dividend alternative offered in 2013

12 Share-based payments

An explanation of the company's share-based payment arrangements is set out in the Directors' Remuneration Report on pages 49 to 73 The number of shares under option, the fair value per option granted and the assumptions used to determine their values is given in note 23 to the group accounts Their dilutive effect on the number of weighted average shares of the company is given in note 10 to the group accounts

Share option schemes

The executive and Save as You Earn (SAYE) Options were valued using the Black–Scholes option-pricing model Expected volatility was determined by calculating the historical volatility of the group's share price over a three year period The executive options' fair values have been discounted at a rate of 10% to reflect their performance conditions The expected term of the option 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 charge recognised in the year in respect of these options was £96,000 (2012 £97,000) Details of the executive and SAYE options are set out in note 23 to the group accounts

Notes to the Company Accounts
continued

12 Share-based payments *continued*

Capital Appreciation Plan 2004 (CAP 2004)

CAP 2004 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations The share-based charge in the year for the CAP 2004 options was £nil (2012 credit £1,809,000) Details of the CAP 2004 options are set out in note 23 to the group accounts

Capital Appreciation Plan 2010 (CAP 2010) and Company Share Option Plan 2010 (CSOP 2010)

The CAP 2010 and CSOP 2010 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations The share-based expense recognised in the year for the CAP 2010 and CSOP 2010 options was £nil (2012 £nil) Details of the CAP 2010 and CSOP 2010 options are set out in note 23 to the group accounts (excludes ISI and cash-settled options)

There is no cost or liability for the cash element of the CAP 2010 option scheme These are borne by the company's subsidiary undertakings

A reconciliation of the options outstanding at September 30 2013 is detailed in note 23 to the group accounts

13 Commitments and contingent liability

At September 30 the company has committed to make the following payments in respect of operating leases on land and buildings

	2013 £000	2012 £000
Operating leases which expire		
Within one year	**673**	–
Between two and five years	**12**	690
Over five years	**888**	242
	1,573	932

Cross-guarantee

The company, together with the ultimate parent company and certain other companies in the Euromoney Institutional Investor PLC group, have given an unlimited cross-guarantee in favour of its bankers

14 Financial Instruments

Derivative financial instruments

The derivative financial assets/(liabilities) at September 30 comprised

	2013		2012	
	Assets £000	**Liabilities £000**	Assets £000	Liabilities £000
Interest rate swaps	–	–	–	(645)
Current portion	–	–	–	(439)
Non-current portion	–	–	–	(206)

There were no derivatives outstanding at the balance sheet date

14 Financial Instruments *continued*

In 2012 the company held all the interest rate swaps for the group and full details regarding these can be found in note 18 to the group accounts

Hedge of net investment in foreign entity

The company has US dollar denominated borrowings which it has designated as a hedge of the net investment of its subsidiaries which have US dollars as their functional currency The change in fair value of these hedges resulted in an increased liability of £2,445,000 (2012 decrease in liability of £1,888,000) which has been deferred in reserves where it is offset by the translation of the related investment and will only be recognised in the company's profit and loss account if the related investment is sold There are no differences in these hedges charged to the profit and loss account in the current and prior year

Fair values of non-derivative financial assets and financial liabilities

Where market values are not available, fair values of financial assets and financial liabilities have been calculated by discounting expected future cash flows at prevailing interest rates and by applying year end exchange rates The carrying amounts of short-term borrowings approximate the book value

15 Reserves

	Share capital £000	Share premium account £000	Other reserve £000	Capital redemption reserve £000	Capital reserve £000	Own shares £000	Reserve for share-based payments £000	Fair value reserve £000	Profit and loss account £000	Total £000
At September 30 2011	303	82,124	64,981	8	1,842	(74)	33,725	(261)	671,166	853,814
Retained profit for the year	–	–	–	–	–	–	–	–	9,579	9,579
Change in fair value of cash flow hedges	–	–	–	–	–	–	–	1,977	–	1,977
Tax on items taken directly to equity	–	–	–	–	–	–	–	(493)	–	(493)
Credit for share-based payments	–	–	–	–	–	–	2,330	–	–	2,330
Scrip/cash dividends paid	6	16,304	–	–	–	–	–	–	(23,794)	(7,484)
Exercise of share options	2	1,057	–	–	–	–	–	–	–	1,059
At September 30 2012	**311**	**99,485**	**64,981**	**8**	**1,842**	**(74)**	**36,055**	**1,223**	**656,951**	**860,782**
Retained profit for the year	–	–	–	–	–	–	–	–	**18,320**	**18,320**
Change in fair value of cash flow hedges	–	–	–	–	–	–	–	**283**	–	**283**
Tax on items taken directly to equity	–	–	–	–	–	–	–	**(148)**	–	**(148)**
Credit for share-based payments	–	–	–	–	–	–	**1,067**	–	–	**1,067**
Cash dividends paid	–	–	–	–	–	–	–	–	**(27,157)**	**(27,157)**
Exercise of share options	**5**	**2,224**	–	–	–	–	–	–	–	**2,229**
At September 30 2013	**316**	**101,709**	**64,981**	**8**	**1,842**	**(74)**	**37,122**	**1,358**	**648,114**	**855,376**

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT) At September 30 2013 the ESOT held 58,976 shares (2012 58,976 shares) carried at a historic cost of £1 25 per share with a market value of £684,000 (2012 £454,000) The trust waived the rights to receive dividends Interest and administrative costs are charged to the profit and loss account of the ESOT as incurred

The other reserve represents the share premium arising on the shares issued for the purchase of Metal Bulletin plc in October 2006

Of the reserves above, £37,122,000 (2012 £36,055,000) of the liability for share-based payments and £544,939,000 (2012 £575,168,000) of the profit and loss account is distributable to equity shareholders of the company The remaining balance of £103,175,000 (2012 £81,783,000) is not distributable

Notes to the Company Accounts
continued

16 Reconciliation of movements in equity shareholders' funds

	2013 £000	2012 £000
Profit for the financial year inclusive of dividends	**18,320**	9,579
Dividends paid	**(27,157)**	(23,794)
	(8,837)	(14,215)
Issue of shares	**2,229**	17,369
Change in fair value of cash flow hedges	**283**	1,977
Tax on items taken directly to equity	**(148)**	(493)
Credit to equity for share-based payments	**1,067**	2,330
Net (decrease)/increase in equity shareholders' funds	**(5,406)**	6,968
Opening equity shareholders' funds	**860,782**	853,814
Closing equity shareholders' funds	**855,376**	860,782

17 Related party transactions

Related party transactions and balances are detailed below

(i) The company had borrowings under a US$300 million multi-currency facility with DMGRH Finance Limited, a fellow group company (note 19 to the group accounts)

	2013 US$000	**2013 £000**	2012 US$000	2012 £000
Amounts owing under US$ facility at September 30	**34,782**	**21,478**	62,381	38,631
Amounts owing under GBP facility at September 30	**–**	**–**	–	4,523
Amounts due under current account facility at September 30	**(2,108)**	**(1,301)**	–	–
		20,177		43,154
Commitment fee on unused portion of the available facility for the year	**–**	**856**	–	618

(ii) At September 30, the company had fixed rate interest rate swaps outstanding with Daily Mail and General Holdings Limited (DMGH), a fellow group company, as follows

	2013 US$000	**2013 £000**	2012 US$000	2012 £000
US$ fixed rate interest rate swaps (2012 Interest rates between 2 5% and 5 4% and termination dates March 28 2013 and September 30 2013)	**–**	**–**	40,000	24,771
GBP fixed rate interest rate swaps (2012 Interest rate of 2 6% and termination date of March 28 2013)	**–**	**–**	–	5,000

17 Related party transactions *continued*

During the year the group paid interest to DMGH and related companies in respect of interest rate swaps as follows

	2013 US$000	2013 £000	2012 US$000	2012 £000
US$ interest paid	**963**	**617**	2,353	1,488
GBP interest paid	**-**	**50**	-	504

(iii) During the year the group received a dividend of £268,000 (2012 £291,000) from Capital NET Limited, an associate of the company

18 Post balance sheet event

The directors propose a final dividend of 15 75p per share (2012 14 75p) totalling £19,917,000 (2012 £18,342,000) for the year ended September 30 2013 subject to approval at the Annual General Meeting to be held on January 30 2014 In accordance with FRS 21 'Events after the Balance Sheet Date', these financial statements do not reflect this dividend payable but will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending September 30 2014 During 2013, a final dividend of 14 75p (2012 12 50p) per share totalling £18,342,000 (2012 £15,162,000) was paid in respect of the dividend declared for the year ended September 30 2012

19 Ultimate parent undertaking and controlling party

The directors regard the ultimate parent undertaking as Rothermere Continuation Limited, which is incorporated in Bermuda The ultimate controlling party is The Viscount Rothermere The largest and smallest group of which the company is a member and for which group accounts are drawn up is that of Daily Mail and General Trust plc, incorporated in Great Britain and registered in England and Wales Copies of its report and accounts are available from

The Company Secretary
Daily Mail and General Trust plc
Northcliffe House, 2 Derry Street
London W8 5TT

www dmgt co uk

Five Year Record

Consolidated Income Statement Extracts

	2009 £000	2010 £000	2011 £000	2012 £000	**2013 £000**
Total revenue	317,594	330,006	363,142	394,144	**404,704**
Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items	79,447	100,057	108,967	118,175	**121,088**
Acquired intangible amortisation	(15,891)	(13,671)	(12,221)	(14,782)	**(15,890)**
Long-term incentive expense	(2,697)	(4,364)	(9,491)	(6,301)	**(2,100)**
Additional accelerated long-term incentive expense	-	-	(6,603)	-	**-**
Exceptional items	(33,901)	(228)	(3,295)	(1,617)	**2,232**
Operating profit before associates	26,958	81,794	77,357	95,475	**105,330**
Share of results in associates	219	281	408	459	**284**
Operating profit	27,177	82,075	77,765	95,934	**105,614**
Net finance costs	(44,538)	(10,651)	(9,568)	(3,566)	**(10,354)**
Profit/(loss) before tax	(17,361)	71,424	68,197	92,368	**95,260**
Tax (expense)/credit on profit/(loss)	10,412	(12,839)	(22,527)	(22,528)	**(22,235)**
Profit/(loss) after tax from continuing operations	(6,949)	58,585	45,670	69,840	**73,025**
Profit from discontinued operations	1,207	-	-	-	**-**
Profit/(loss) for the year	(5,742)	58,585	45,670	69,840	**73,025**
Attributable to					
Equity holders of the parent	(6,287)	58,105	45,591	69,672	**72,623**
Equity non-controlling interests	545	480	79	168	**402**
Profit/(loss) for the year	(5,742)	58,585	45,670	69,840	**73,025**
Basic earnings/(loss) per share	(6 83)p	50 04p	38 02p	56 74p	**57 88p**
Diluted earnings/(loss) per share	(6 67)p	49 47p	37 34p	55 17p	**56 70p**
Adjusted diluted earnings per share	40 39p	53 50p	56 05p	65 91p	**70 96p**
Diluted weighted average number of ordinary shares	112,372,620	117,451,228	122,112,168	126,290,412	**128,077,588**
Dividend per share	14 00p	18 00p	18 75p	21 75p	**22 75p**

Consolidated Statement of Financial Position Extracts

	2009	2010	2011	2012	**2013**
Intangible assets	425,648	422,707	490,042	469,308	**505,613**
Non-current assets	39,002	40,921	33,824	26,357	**23,255**
Accruals	(46,972)	(45,473)	(56,249)	(54,170)	**(48,381)**
Deferred income liability	(82,599)	(93,740)	(105,507)	(105,106)	**(117,296)**
Other net current assets/(liabilities)	(16,642)	21,962	(12,304)	32,151	**16,616**
Non-current liabilities	(213,446)	(176,894)	(124,231)	(80,616)	**(46,048)**
Net assets	104,991	169,483	225,575	287,924	**333,759**

Financial Calendar and Shareholder Information

2013 final results announcement	Thursday November 14 2013
Final dividend ex dividend date	Wednesday November 20 2013
Final dividend record date	Friday November 22 2013
Interim management statement	Thursday January 30 2014
2014 AGM (approval of final dividend and remuneration policy)	Thursday January 30 2014
Payment of final dividend	Thursday February 13 2014
2014 interim results announcement	Thursday May 15 2014*
Interim dividend ex-dividend date	Wednesday May 21 2014*
Interim dividend record date	Friday May 23 2014*
Payment of 2014 interim dividend	Thursday June 19 2014*
Interim management statement	Thursday July 24 2014*
2014 final results announcement	Thursday November 20 2014*
Loan note interest paid to holders of loan notes on	Tuesday December 31 2013 Monday June 30 2014

* Provisional dates and are subject to change

Shareholder enquiries

Administrative enquiries about a holding of Euromoney Institutional Investor PLC shares should be directed in the first instance to the company's registrar whose address is

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone 0871 384 2951 (calls cost 8p per minute plus network extras Lines open 8 30am to 5 30pm, Monday to Friday)
Overseas Telephone (00) 44 121 415 0246

A number of facilities are available to shareholders through the secure online site www.shareview.co.uk including

- Viewing holdings and obtaining an indicative value,
- Notifying a change of address,
- Requesting receipt of shareholder communications by email rather than by post,
- Viewing dividend payment history, and
- Making dividend payment choices

Loan note redemption information

Loan notes can be redeemed twice a year on the interest payment dates above by depositing the Notice of Repayment printed on the Loan Note Certificate at the company's registered office At least 20 business days' written notice prior to the redemption date is required

Registered office

Nestor House
Playhouse Yard
Blackfriars
London
EC4V 5EX

Shareholder Notes

www.euromoneyplc.com

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London EC4V 5EX