954730.

Annual Report & Accounts 2009

Euromoney Institutional Investor PLC

FRIDAY

AETKUH2E

A14 29/01/2010 360

COMPANIES HOUSE

Annual Report & Accounts 2009

Euromoney Institutional Investor PLC

Welcome

to Euromoney Institutional Investor PLC

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. It publishes more than 70 magazines, newsletters and journals, including *Euromoney, Institutional Investor* and *Metal Bulletin.* It also runs an extensive portfolio of conferences, seminars and training courses and is a leading provider of electronic information and data covering international finance, metals and commodities, and emerging markets. Its main offices are located in London, New York, Montreal and Hong Kong and nearly half of its revenues are derived from emerging markets.

Contents

Highlights

Revenue
£317.6m

2008: £332.1m

Adjusted Operating Profit*
£79.4m

2008: £81.3m

Operating Profit
£27.2m

2008: £61.0m

Adjusted Profit before Tax*
£63.0m

2008: £67.3m

(Loss)/Profit before Tax
£(17.4)m

2008: £37.4m

Adjusted Diluted Earnings a Share*
40.4p

2008: 44.4p

Diluted (Loss)/Earnings a Share
(6.7)p

2008: 40.4p

Dividend
14.0p

2008: 19.25p

Net Debt
£165.1m

2008: £172.0m

* See Reconciliation of Group Income Statement to underlying results on page 7.

Our Divisions

FINANCIAL PUBLISHING

£75.4m Revenue

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, Futures & Options World, Total Derivatives* and the hedge fund titles *EuroHedge, InvestHedge, AsiaHedge* and *AR*.

BUSINESS PUBLISHING

£56.3m Revenue

The business publishing division produces specialist magazines and other publications covering 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.*

TRAINING

£31.7m Revenue

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.

CONFERENCES AND SEMINARS

£74.9m Revenue

The company 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 program and speakers, and outstanding networking opportunities. Such events include: *The Global Borrowers and Investors Forum;* the *Annual Global Hedge Fund Summit;* the *European Airfinance Conference;* the *Islamic Finance Summit;* the *Super Bowl of Indexing®; and Global ABS* and *The Annual ABS East Conference* for the asset-backed securities market. In the energy sector, the group runs the world's leading annual coal conferences, *Coaltrans* and *Coaltrans Asia;* TelCap runs *International Telecoms Week,* the leading global event for telecom carriers and service providers; and MIS runs a leading event for the information security sector in the US, *InfoSec World.*

DATABASES AND INFORMATION SERVICES

£87.5m Revenue

The company provides a number of subscription-based database and electronic information services for financial markets. Montreal-based BCA Research is one of the world's leading independent providers of global investment research. 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 also includes CEIC, one of the leading providers of time-series macro-economic data for emerging markets. The company also offers global capital market databases through a venture with its AIM-listed partner, Dealogic plc.

Chairman's Statement

We have come through a dangerous year safely and are looking ahead at the opportunities and challenges we see. Systemic collapse is never very far from financial markets, but the failure of Lehman Brothers presented the biggest threat to the western financial system since the company began.

That threat tested our strategy, which emerged unchanged and unscathed. It tested our people, who responded magnificently, though there were fewer of them at the end of the year. It challenged the strengths of our brands, which met the challenge. It challenged our margins, and our investment in new products, both of which increased. The effects of the threat linger still, evidenced by lower revenues and a tough start to the new financial year, but the mood of the company is positive and more adventurous than a year ago. The crisis is not over, but we believe the group will emerge from it to enter a new era of growth.

Against a strong tide, we achieved an adjusted profit before tax of £63.0 million for the year to September 30 2009, against £67.3 million in 2008. Adjusted diluted earnings a share were 40.4p (2008: 44.4p). The directors recommend a final dividend of 7.75p giving a total for the year of 14.00p (2008: 19.25p).

Group revenue fell by 4% to £317.6 million, against £332.1 million in 2008. After a strong first quarter when revenues increased by 15%, we experienced a sharp fall in sales from January 2009 as customers imposed tight cost controls from the start of their new budget year in response to the world credit crisis. This immediately translated into falling revenues, although the year-on-year rates of decline in advertising, sponsorship and delegate revenues in the second half were no worse than those experienced in the second quarter. Subscription revenues proved more resilient, increasing by 24%, but the rate of growth has declined in the second half as the lag effect of customer cuts in headcount and information buying gradually work their way through into revenues.

We acted quickly and early to restructure the business, cut costs and protect margins, and the adjusted operating margin improved from 24.5% to 25% despite the fall in revenues.

The adjusted profit before tax of £63.0 million compares to a loss before tax of £17.4 million in the statutory results. The statutory loss is stated after charging exceptional restructuring costs of £10.7 million, most of which was charged in the first half, which generated annualised cost savings of approximately £17 million; an exceptional impairment charge of £23.2 million, again most of which arose in the first half; acquired intangible amortisation of £15.9 million; a foreign exchange loss on tax equalisation contracts of £19.9 million which is matched by a tax credit and has no effect on earnings a share; and a foreign exchange loss of £7.9 million on restructured hedging arrangements included in net finance costs.

Foreign currency movements have had a significant impact on both revenues and net debt. The group is exposed to foreign exchange risk on the US dollar revenues in its UK businesses, which are hedged, and on the translation of the revenues and profits of its US dollar-denominated businesses, which are not hedged. The reported 4% decrease in group revenues would have been a 16% decrease at constant exchange rates, while the net benefit to adjusted profit before tax from foreign currency movements, after hedging, was approximately £6 million.

The board announced its decision to increase its dividend cover at the time of its half year results. The proposed reduction in the final dividend reflects this decision, which arose after reviewing possible debt and cash flow outcomes in the light of events in world financial and commodities markets from 2007 onwards. These reviews suggested that volatility in these markets had increased sharply, particularly in the wake of the Lehman collapse. The board concluded that such volatility may persist for some time, in spite of the recovery in parts of the financial markets, and that the dividend cover should be rebased to a sustainable level for the longer term. In future, the board intends to maintain a policy of distributing one third of its after-tax earnings to shareholders while delivering long-term dividend growth in real terms.

Net debt at September 30 was £165.1 million compared to £214.7 million at March 31 and £172.0 million the previous year end. Approximately 80% of the group's debt is US dollar-denominated and the increase in the sterling-US dollar rate since March 31, combined with the group's traditionally strong operating cash flows in the second half, helped reduce net debt by nearly £50 million. The group's net debt to EBITDA ratio, which is calculated on an average exchange rate basis, was little changed at just under two times.

Strategy

The company's strategy has been to build a more resilient and better focused global information business. This strategy has been executed through increasing the proportion of revenues derived from subscription products; accelerating the online migration of its print products as well as developing new electronic information services; investing in products of the highest quality that customers will value in tough times as well as good; eliminating products with a low margin or too high a dependence on advertising; maintaining tight cost control at all times; retaining and fostering an entrepreneurial culture; and generating strong cash flows to fund selective acquisitions to accelerate that strategy.

The success of this continues to be highlighted by these results. Subscription revenues increased by 24%, in sharp contrast to the declines in other revenue streams, and now account for 47% of total revenues against 37% in 2008. Similarly, the profits from databases and information services, which include some of the highest margin products in the group and are derived mostly from subscription products, accounted for 36% of the group's adjusted operating profits compared to 21% a year ago.

The tight control of costs and focus on high quality, high margin products was critical to the group's performance in 2009. The adjusted operating margin improved to 25% as costs were restructured early in the year, low margin products were eliminated quickly, and continued product investment ensured the growth in higher margin electronic publishing products was maintained.

Looking ahead, the group remains keen to acquire small, specialist information businesses that complement its existing activities and provide scope for strong organic growth, although it does not expect to complete any significant transactions in the next six to 12 months. Excess cash flows will be applied to investment in new products and reducing debt.

We think the strategy is robust and suitable for a wide range of trading conditions. While the outlook for economic recovery remains uncertain, the board will continue to focus on managing costs, protecting our margins and reducing debt levels. At the same time, we have stepped up our investment in technology and new subscription-based products.

Outlook

Generally markets seem to have stabilised after an exceptionally difficult period and the outlook among our customers is more positive than it has been for some time, although this has not yet translated into improved revenues. The broad sentiment is that global markets will continue to recover in 2010, but slowly. The risks of further banking failures and a correction to the recent recovery in financial markets remain; the prospects for economic growth in Europe and the United States are likely to be weak for the foreseeable future; and the threat of increased regulation of financial markets will continue to restrict capital availability.

The return to profitability of most global financial institutions should be a positive factor for trading in 2010. However, the cuts in headcount and the restrictions on discretionary spend on marketing, training and information buying applied throughout 2009 are not expected to be relaxed quickly, and not before the start of our customers' new budget year in 2010.

The group continues to trade in line with the board's expectations. The first quarter of the new financial year is expected to be the toughest: the board expects the decline in year-on-year revenues to continue despite the benefit of cost savings implemented in 2009 and favourable exchange rates. October's revenues fell by 18% compared to a year ago. From the second quarter, the year-on-year revenue comparatives should become less challenging but the point at which revenues start to grow again is dependent entirely on the timing and scale of any recovery. The focus on managing margins and reducing net debt will therefore be maintained, although the group has also stepped up its investment in new products and electronic publishing to take advantage of the recovery when it comes.

Capital Appreciation Plan

The board believes that much of the company's recent success has been driven by the first Capital Appreciation Plan that was launched in 2004. The CAP, a highly geared performance-based equity plan, has motivated and led to the retention of key individuals since it began, and adjusted profits before tax have trebled over the period. Shareholders at the last annual general meeting approved the introduction of a second CAP to follow the first once performance targets were reached. In 2009 the profit performance target was again exceeded, enabling the company to embark on the second CAP, for which the Remuneration Committee has set a profit target of £100 million by the end of 2013, against the base profit of £62.3 million for CAP purposes achieved in 2009. Details of the new CAP are set out in the Directors' Remuneration Report, and minor amendments to it will be submitted to shareholders at the annual general meeting

Chairman's Statement *continued*

in January 2010. The new plan will include many who were not in the first, colleagues who are a very important part of the company's future. The target is very challenging in what are likely to be volatile markets, but the new CAP will be welcomed most by those who relish the opportunity to perform whatever the conditions.

Management

Under the terms of my service contract, I am due to retire as the company's chairman at the annual general meeting in January 2010. Following an independent recommendation from the nominations committee, the board has resolved to extend my retirement date under my service contract by two years to the date of the annual general meeting in 2012.

The board was strengthened in December 2008 by the appointment of another independent non-executive director, David Pritchard, who has extensive experience of the financial services industry and serves on the company's audit committee. In November 2009 we announced the appointment of a new executive director, Bashar AL-Rehany, who is chief executive officer of BCA Research, the group's single largest business.

Tom Lamont retired from the board in January 2009 after nine years of valuable service as an executive director and editor of Institutional Investor's newsletter division. Michael Carroll, who has served as an executive director since 2002 in his capacity as editor of *Institutional Investor*, has indicated his intention to step down from the board at the annual general meeting in January 2010.

It was with great sadness in July 2009 that we reported the death of Christopher Brown, one of our longest-serving executive directors. We miss his cheerful face in adversity and his unfailing energy greatly, and to perpetuate his spirit we have created the annual Christopher Brown Innovation Prize for employees, the winner of which will be announced internally on each anniversary of Chris's birthday, February 6.

It was Euromoney's 40th anniversary in June. To thank our clients for their support and to explain the company's development strategy we arranged dinners throughout key cities, generally in emerging markets. The response, in difficult times, was even greater than we had hoped. It was clear that our brands had never been stronger.

As a tribute to Sir Patrick Sergeant, who founded the company, we also announced a new Sergeant Intern Scholarship for graduates from emerging market universities.

I am also glad to tell you, in the same vein, that the Kalinga paediatric eye hospital in Orissa, India, built and staffed through the efforts and generosity of our shareholders, colleagues, and customers and which was officially inaugurated in March, continues to make good progress. By September 30 approximately 43,000 children from very poor families had been screened at the Euromoney eye centre and at outreach camps, while almost 10,000 had been treated, or received surgery. Screening should increase further in 2010: we raised more money for Kalinga than we expected, and the additional funds have been used for a wider outreach programme.

On your behalf and mine, I thank all our colleagues, wherever they are and whatever jobs they do, for the courage and resourcefulness they have shown in the most testing year I have seen. Now they prepare for a recovery in a changed landscape.

Padraic Fallon
Chairman
November 11 2009

Appendix to Chairman's Statement

Reconciliation of Group Income Statement to underlying results for the year ended September 30 2009

The reconciliation below sets out the underlying results of the group and the related adjustments to the statutory income statement that the directors consider necessary in order to provide a more comparable indication of the underlying trading performance.

	Notes	Underlying £000's	Adjustments £000's	2009 Total £000's	Underlying £000's	Adjustments £000's	2008 Total £000's
Total revenue	3	317,594	–	317,594	332,064	–	332,064
Operating profit before acquired intangible amortisation, share option expense and exceptional items	3	79,447	–	79,447	81,308	–	81,308
Acquired intangible amortisation		–	(15,891)	(15,891)	–	(12,749)	(12,749)
Share option expense		(2,697)	–	(2,697)	(5,361)	–	(5,361)
Exceptional items	5	–	(33,901)	(33,901)	–	(2,477)	(2,477)
Operating profit before associates		76,750	(49,792)	26,958	75,947	(15,226)	60,721
Share of results in associates		219	–	219	308	–	308
Operating profit		76,969	(49,792)	27,177	76,255	(15,226)	61,029
Finance income	7	2,281	–	2,281	5,594	–	5,594
Finance expense	7	(16,262)	(30,557)	(46,819)	(14,506)	(14,691)	(29,197)
Net finance costs		(13,981)	(30,557)	(44,538)	(8,912)	(14,691)	(23,603)
Profit/(loss) before tax		62,988	(80,349)	(17,361)	67,343	(29,917)	37,426
Tax (expense)/credit on profit/(loss)	8	(17,060)	27,472	10,412	(18,346)	25,625	7,279
Profit/(loss) after tax from continuing operations		45,928	(52,877)	(6,949)	48,997	(4,292)	44,705
Profit for the year from discontinued operations	15	–	1,207	1,207	–	245	245
Profit/(loss) for the year		45,928	(51,670)	(5,742)	48,997	(4,047)	44,950
Attributable to:							
Equity holders of the parent		45,383	(51,670)	(6,287)	47,766	(4,047)	43,719
Equity minority interests		545	–	545	1,231	–	1,231
		45,928	(51,670)	(5,742)	48,997	(4,047)	44,950
Diluted earnings/(loss) per share – continuing operations	10	40.39p	(47.06)p	(6.67)p	44.36p	(3.99)p	40.37p

Underlying figures are presented before the impact of amortisation of acquired intangible assets and goodwill impairment, restructuring and other exceptional operating costs, exceptional profit on disposal of investments and property, non cash movements on acquisition option commitment values, foreign exchange losses on restructured hedging arrangements and foreign exchange losses on tax equalisation swap contracts and the related tax effect. In respect of earnings, underlying 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 and 10 to the Annual Report.

Directors' Report

The directors submit their annual report and group accounts for the year ended September 30 2009.

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 standard, 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.

The directors' 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 as a body to assess the company's strategy and the potential for that strategy to succeed and the directors' report should not be relied upon by any other party for any other purpose. The Corporate Governance report forms part of this Directors' Report.

1. Principal activities
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. It publishes more than 70 magazines, newsletters and journals, including *Euromoney, Institutional Investor* and *Metal Bulletin*. It also runs an extensive portfolio of conferences, seminars and training courses and is a leading provider of electronic information and data covering international finance, metals and commodities, and emerging markets. Its main offices are located in London, New York, Montreal and Hong Kong and nearly half of its revenues are derived from emerging markets. Details of the group's legal entities can be found in note 13.

2. Strategy
The key elements of the group's strategy are:

- drive top-line revenue growth from both new and existing products;
- building robust subscription and repeat revenues and reduce the dependence on advertising;
- improving operating margins through revenue growth and tight cost control;
- leveraging technology to launch specialised new electronic information services;
- making focused acquisitions that supplement the group's existing businesses, strengthen the company's market position in key areas and have the capacity for organic growth using the existing knowledge base of the group; and
- keeping its net debt within a debt to EBITDA limit of four times.

In 2004, to supplement this strategy, the board set the group a profit* target of £50 million by 2008 against a base of £21 million in 2003. In March 2007, the target was increased to £57 million to reflect the Metal Bulletin acquisition. The profit* achieved in 2007 was £65.7 million, beating the increased target a year earlier than expected. The board believes this significant achievement reflects the success of the Capital Appreciation Plan (CAP) in driving profit growth. This was further demonstrated in both 2008 and this year when the profits* achieved of £72.9 million and £62.3 million exceeded the performance target set for the second and third (final) tranche of the CAP despite the tough economic trading conditions.

The directors believe that the CAP has been instrumental in driving the company's strong profit performance since 2003 and, at the company's 2009 Annual General Meeting, shareholders approved a new long-term incentive scheme, Capital Appreciation Plan 2009 (CAP 2009). This incentive scheme is being re-presented for shareholder approval at the 2010 Annual General Meeting in view of certain proposed amendments to the scheme, mainly to allow tax efficient structuring of the award and to confirm the primary and secondary performance targets. This revised incentive scheme, Capital Appreciation Plan 2010 (CAP 2010), if approved, will replace CAP 2009. The board is firmly of the view that the CAP will continue to help drive the profit growth of the group. Further details of CAP 2010 are set out in the Directors' Remuneration Report.

* Profit before tax excluding acquired intangible amortisation, share option expense, exceptional items, non-cash movements in acquisition option commitments values, foreign exchange loss interest charge on tax equalisation contracts and foreign exchange on restructured hedging arrangements but including redundancy costs as set out in the Group Income Statement, note 5, and note 7.

3. Business review

3.1 Group results and dividends

The group loss for the year attributable to shareholders amounted to £6.3 million (2008: profit £43.7 million). The directors recommend a final dividend of 7.75 pence per ordinary share (2008: 13.00 pence), payable on February 4 2010 to shareholders on the register on November 20 2009. This, together with the interim dividend of 6.25 pence per ordinary share (2008: 6.25 pence) which was declared on May 14 2009 and paid on July 16 2009, brings the total dividend for the year to 14.00 pence per ordinary share (2008: 19.25 pence).

3.2 Key performance indicators

The group monitors its performance against its strategy using the following key performance indicators.

	Revenue 2009 £m	Mix 2009 %	Revenue 2008 £m	Mix 2008 %	Revenue change %
Revenue change and mix					
Subscriptions	**152.3**	**47%**	123.1	37%	+24%
Advertising	**54.8**	**17%**	66.5	20%	(18%)
Sponsorship	**38.5**	**12%**	45.8	14%	(16%)
Delegates	**69.6**	**21%**	86.4	26%	(19%)
Other	**10.5**	**3%**	10.3	3%	+2%
Foreign exchange losses on forward contracts	**(8.1)**	–	–	–	–
	317.6	**100%**	332.1	100%	(4%)

	2009	2008	Change
Gross margin[1]	71.9%	69.1%	+2.8%
Adjusted operating margin[2]	25.0%	24.5%	+0.5%
Like-for-like (reduction)/growth in profits[3]	(£3.0m)	£3.4m	
Headcount[4]	1,841	2,207	(366)
Net debt to EBITDA[5]	1.99:1	2.17:1	

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, share option expense, exceptional items and associates as a percentage of revenue. Operating profit and revenue are both as per the Group Income Statement in the financial statements.

3 **Like-for-like growth in profits** = proportion of operating profit growth that relates to organic growth, rather than acquisitions. Operating profit is from continuing operations and excludes closed businesses and is adjusted for significant timing differences.

4 **Headcount** = number of permanent people employed at the end of the period including people employed in associates.

5 **Net debt to EBITDA** = the amount of the group's net debt (converted at the group's weighted average exchange rate for the rolling 12 month period) to earnings before interest, tax (operating profit), depreciation, amortisation and exceptional items but after the share option expense.

6 **CAP profit** = profit before tax excluding acquired intangible amortisation, share option expense, exceptional items, non-cash movements in acquisition option commitments values, foreign exchange loss interest charge on tax equalisation contracts and foreign exchange on restructured hedging arrangements but for 2009, including redundancy costs as set out in the Group Income Statement, note 5, and note 7.

7 **Adjusted PBT** = CAP profit after the deduction of share option expense and the exclusion of redundancy costs as set out on page 7.

3.3 KPIs explained

The key performance indicators are all within the board's expectations and support its successful strategy. These indicators are discussed in section 3.4 below.

3.4 Development of the business of the group

3.4.1 Trading review

Total revenues fell by 4% to £317.6 million: a 4% increase in the first half was offset by an 11% decrease in the second. The impact of the tough trading conditions on revenues would have been much greater but for the favourable movement in exchange rates. The group generates more than two thirds of its revenues in US dollars and the 20% fall in the average sterling-US dollar rate over the year had a significant effect on reported revenues, which at constant exchange rates fell by 16%.

Revenues	2009 £m	2008 £m	Headline change	Change at constant exchange rates
Subscriptions	152.3	123.1	24%	3%
Advertising	54. 8	66.5	(18%)	(29%)
Sponsorship	38.5	45.8	(16%)	(30%)
Delegates	69.6	86.4	(19%)	(29%)
Other/closed	10.5	10.3	2%	(5%)
Foreign exchange losses on forward currency contracts	(8.1)	–	–	–
Total revenue	317.6	332.1	(4%)	(16%)

The performance of the group's various revenue streams reflects the timing of the reaction of its customers to the global credit crisis. In 2008 most customers, particularly the global financial institutions, were focused on financial survival and positioning their businesses for tougher trading conditions. Spend on advertising and conference sponsorship, which tends to be both high value and discretionary, was cut and headcount was reduced. The micro-management of costs, however, particularly training, conference attendance and travel, and information buying did not begin until January 2009. As a result, delegate attendance at events and training courses turned down sharply from the second quarter, while advertising and sponsorship revenues have continued to decline more gradually. Similarly, subscription renewal rates and new sales also started to decline from the second quarter.

For the past three quarters, the year-on-year declines in advertising and sponsorship (-20%) and delegate revenues (-30%) have been running at similar rates. In contrast, subscription revenues grew by a third in the first half, and have continued to grow in the second half, although the rate of growth has slowed rapidly due to the lag effect of lower sales and renewal rates earlier in the year, which will continue to be a drag on subscription revenues in the first half of 2010.

Emerging markets, which account for nearly half of the group's revenues, were less exposed to the excess leverage and complex financial products that have characterised the credit problems in North America and Europe, and have come through the credit crisis well. The recovery of China and the consistent strength of Latin American markets have helped offset weakness in Eastern Europe and the Middle East.

The group acted quickly and early to restructure the business, cut costs and protect margins. As part of this restructuring, the group has reduced its world-wide headcount by 17% since the start of the financial year, reduced the amount of office space in London and New York, and closed or merged a number of small or low margin print titles. These actions generated annualised cost savings of approximately £17 million, more than half of which are still to flow through to profits in 2010. Despite a £15 million fall in revenues, adjusted operating profit fell by just £1.9 million to £79.4 million, and the group adjusted operating margin improved from 24.5% to 25%.

The tight management of margins is an integral part of the group's strategy. The group deliberately keeps as much as possible of its cost base variable with revenues, volumes or profits. This includes the direct costs of producing content and running events or training courses, much of which is provided by freelancers and contractors, and the compensation of its employees, much of which is provided through incentives which vary directly with revenues or profits. Fixed overheads, which relate mostly to offices and technology, account for less than 10% of revenue.

3.4.2 Business division review

Financial Publishing: adjusted operating profits fell by 17% to £20.3 million, and the adjusted operating margin decreased from 29% to 27%. Revenues, which comprise a mix of advertising and subscriptions, fell by 10% to £75.4 million. Advertising revenues are heavily dependent on the marketing spend of global financial institutions and fell by 20%. Many US and European institutions stopped advertising altogether, whereas advertising from emerging markets held up well. In contrast, subscription revenues increased by 7% as the group continued to invest in migrating its print products to a higher value web-first publishing model with an emphasis on subscriptions over advertising.

Business Publishing: the group's activities outside finance are in sectors traditionally less volatile, and which follow different cycles. Adjusted operating profits increased by 21% to £23.4 million, following a 6% increase in revenues to £56.3 million and an improvement in the adjusted operating margin from 36% to 41%. Among the sectors covered, metals, minerals and mining under the *Metal Bulletin* brand, telecoms under TelCap's *Capacity* brand, and legal publishing all achieved good growth; only the energy sector was weak.

Training: revenues are derived largely from paying delegates. Training is a discretionary spend for most customers, at least in the short-term, and revenues fell sharply from the start of the second quarter, with an immediate negative effect on margins. Some of the revenue decline was self-inflicted as course volumes were cut deliberately in the second half which, combined with the impact of early cost cuts, helped the margin recover a little. Training revenues for the year fell by 22% to £31.7 million and, after a decline in the adjusted operating margin from 26% to 20%, adjusted operating profits fell by 40% to £6.2 million.

Conferences and Seminars: revenues comprise a roughly equal mix of sponsorship and paying delegates. Like Training, delegate revenues fell sharply from the start of the second quarter as customers cut back on travel and event attendance. Sponsorship revenues tend to follow similar trends to advertising, and have been declining at a more gradual rate but from an earlier starting point. In difficult markets there is inevitably a shift to the bigger, more established events, and the market contracts as many of the smaller events are cut. The group's strategy for its event businesses reflects this experience, and during the year it focused on maintaining the market leading positions of its bigger events, at the same time shrinking volumes by eliminating many of the smaller, low margin events. Revenues fell by 15% to £74.9 million and the adjusted operating margin declined from 26% to 21%, driving a 31% decline in adjusted operating profits to £15.9 million.

Databases and Information Services: this was the best performing division by some way, with adjusted operating profits increasing by 72% to £36.2 million, compared to just £3.4 million five years ago. Revenues grew by 32% to £87.5 million and the adjusted operating margin improved to 41%. Revenues and profits from this division are predominantly subscription-based and US dollar-denominated, and the decrease in the sterling-US dollar rate was a significant factor in this year's growth. Revenues at constant exchange rates increased by 9%.

In volatile and challenging markets the demand for high quality information and data tends to hold up well, particularly for products that are an integral part of companies' information flows and work processes, and have built up a strong brand loyalty. The main driver of growth from Databases and Information Services in 2009 was BCA: demand for its high quality, independent macro-economic research has proved robust despite the shrinking of the asset management industry. ISI, the emerging markets information business, has experienced a more difficult time as many financial institutions have cut investment and resources in this area, although CEIC, its emerging market data subsidiary, has continued to grow as it expands its data coverage from Asia to other markets. Revenues from the group's capital market databases, a venture undertaken with Dealogic plc, also increased after significant investment by Dealogic to upgrade its products and delivery platform.

3.4.3 Impact of foreign currency on results

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. The average sterling-US dollar exchange rate applied for the year was $1.58 against $1.97 in 2008.

In order to hedge its exposure to US dollar revenues in its UK businesses, forward contracts are put in place to sell forward surplus US dollars, with a view to being 80% hedged for the coming 12 months and partially for the following six months. As a result of this hedging strategy, some of the profit benefit from the movement in the sterling-US dollar rate has been delayed until 2010 and beyond. In 2009, foreign exchange losses on forward currency contracts of £8.1 million, which are reported as a reduction in revenues, were matched by a similar improvement in the sterling value of US dollar revenues in the UK businesses.

At the end of the first half, the group recognised losses of £9.0 million on forward currency contracts rendered ineffective by the sharp downturn in US dollar revenues in the group's UK businesses. The closing of these contracts was completed at more favourable rates early in the second half, and the realised loss was reduced to £7.9 million. This loss is reported as an expense in net finance costs and excluded from the underlying results.

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 significant increase in profits from its US dollar-denominated businesses, particularly BCA and ISI/CEIC, means that the impact of exchange rate movements on the translation of overseas profits has also increased. In 2009, the translation benefit from favourable movements in the sterling-US dollar rate was approximately £6 million.

3.4.4 Financial review

The statutory loss before tax of £17.4 million is stated after charging, among other items: exceptional restructuring and impairment costs of £33.9 million (see below); acquired intangible amortisation of £15.9 million; foreign exchange losses on tax equalisation contracts of £19.9 million (see below); and finance costs of £7.9 million on restructured hedging arrangements (see below).

The group's actions to restructure its businesses and cut costs incurred exceptional restructuring and other costs of £10.7 million, most of which were incurred in the first half. The group has also reviewed the carrying value of goodwill and intangible assets, which has given rise to an exceptional impairment charge of £23.2 million, mostly in connection with its US-based activities in the structured finance sector, and again mostly charged in the first half.

3.4.5 Finance costs

The group's interest cost includes £19.9 million (2008: £12.0 million) in relation to foreign exchange losses on hedges on intra-group financing. These are matched by an equal and opposite tax credit in the group's tax line from tax equalisation swaps designed to hedge this transaction, so that there is no financial impact on earnings per share.

During the year the group restructured its hedging arrangements (see note 7 and note 18) and incurred foreign exchange losses of £7.9 million (2008: £nil) on its resultant ineffective hedges.

IAS 39 'Financial Instruments: Recognition and Measurement' requires an imputed interest charge to be recognised on the group's future acquisition payments under option agreements. This additional finance charge increased the group's interest cost by £0.6 million (2008: £1.0 million). IAS 39 also requires any movements in the estimated value of acquisition option commitments to be recognised in interest and in 2009 an amount of £2.2 million (2008: £1.7 million) was recognised. There is no related cash effect of these amounts.

Excluding these amounts, the group's net finance cost increased from £8.9 million to £14.0 million, reflecting the higher cost of the group's new debt facility and the loss of income of £3.4 million from a treasury structure in 2008 which was closed at the start of the year. The group continues to follow its treasury policy of fixing the interest rate on a portion of its long-term borrowings (see treasury section below) and hence did not benefit significantly this year from the lower LIBOR interest rates available in the market place.

A detailed reconciliation of the group's underlying and statutory results is set out in the appendix to the Chairman's Statement.

3.4.6 Debt and working capital management

Net debt at September 30 2009 was £165.1 million (2008: £172.0 million) which included cash of £12.5 million (2008: £21.2 million). At the end of September the group's net debt to EBITDA ratio improved to 1.99 (2008: 2.17), resulting in the group's variable rate interest margin above LIBOR falling by five basis points compared to the beginning of the year.

The net debt to EBITDA covenant on the group's committed facility is subject to a limit of four times. However, in light of the global credit crisis, the board decided at the start of the year to apply a more conservative internal covenant of three times EBITDA, and to implement a rigorous debt reduction plan. The net debt to EBITDA ratio at year end was just under two times, a slight reduction on the level at the half year, and has been held at this level for most of the year. The net debt to EBITDA ratio is expected to peak at the end of the second and third quarters of 2010 and the board will continue to manage its net debt to its more conservative internal debt covenant.

During the year the group has focused on reducing its cash holdings in order to maximise the amount available to reduce its gross debt. At September 30 2009 cash held has fallen by £8.7 million. Cash generated from operations fell by 27% to £72.6 million producing a cash conversion (the percentage by which cash generated from operations covers adjusted operating profit) of 91% (2008: 123%) as a result of a fall in deferred revenue.

Approximately 80% of the group's debt is US dollar-denominated. The sterling-US dollar rate increased from $1.43 at March 31 to $1.60 at year end, which helped reduce net debt by £18.0 million, reversing some of the £31.0 million increase generated by currency movements in the first half.

Cash flows in the second half are traditionally stronger than those in the first due to the timing of payments for annual profit shares, dividends and earn-outs. Cash generated from operations in the second half was £48.1 million, against £24.5 million in the first half. The operating cash conversion rate was 91%. The group also invested a further £6.3 million in the second half in increasing its equity interests in a number of its subsidiaries under acquisition earn-out agreements. Commitments remaining under outstanding acquisition option agreements total £11.9 million, most of which is expected to be paid in 2010.

The group's debt is provided through a dedicated multi-currency committed facility from Daily Mail and General Trust plc (DMGT). The facility was renewed in December 2008 on terms broadly similar to those of the previous facility. At renewal, the group took the opportunity to reduce the size of its facility from £300 million to $400 million reflecting the strong cash flows since the acquisition of Metal Bulletin in October 2006. The facility is provided in a mix of sterling and US dollar funds over three and five year terms, and the earliest repayment date is December 31 2011. Interest on the facility is payable at a variable rate between 1.3% and 3.0% above LIBOR, compared to 0.4% and 1.6% under the old facility, depending on the group's net debt to EBITDA ratio. 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. At September 30 2009 there were £81.4 million (2008: £115.4 million) of committed undrawn amounts directly available to the group. The average cost of funds in 2009 was 6.0% (2008: 5.9%).

3.4.7 Dividend strategy

At the time of the half year results, the board announced its intention to increase its dividend cover to three times earnings. The proposed reduction in the final dividend reflects this decision, which arose after reviewing possible debt and cash flow outcomes in the light of events in world financial and commodities markets from 2007 onwards. This review suggested that volatility in these markets had increased sharply, particularly in the wake of the Lehman collapse. The board concluded that such volatility may persist for some time, in spite of the recovery in parts of financial markets, and that the dividend cover should be rebased to a sustainable level for the longer term.

The board has approved a final dividend of 7.75p a share (2008: 13.00p), making a total dividend for the year of 14.00p (2008: 19.25p). The final dividend will be paid on February 4 2010 to shareholders on the register at November 20 2009. A scrip dividend alternative will again be available to shareholders. The group's majority shareholder, Daily Mail and General Trust plc, has indicated its intention to accept the scrip alternative when the final dividend is paid.

In future, the board intends to maintain a policy of distributing one third of its after-tax earnings to shareholders while delivering long-term dividend growth in real terms. From 2010, the interim dividend will be adjusted so that approximately one third of the expected total dividend will be paid as an interim and the balance as a final dividend.

3.4.8 Balance sheet

The net assets of the group were £105.0 million compared to £88.1 million in 2008. The main movements in the balance sheet items were in: **intangible assets**, reflecting the recognition of £23.2 million of goodwill and other intangible assets following the further equity purchases of ISI, TelCap, Total Derivatives, IMN and ABF, foreign exchange gains of £34.0 million and amortisation charge of £16.1 million and impairment losses of £23.2 million; **property, plant and equipment** fell by £1.9 million to £19.8 million, largely as a result of depreciation of £3.8 million, including exceptional accelerated depreciation of £1.2 million following the rationalisation of the group's property portfolio (see note 5), offset by regular capital expenditure across the group of £1.3 million and a foreign exchange gain of £0.7 million; **net pension surplus** fell from £2.5 million to a deficit of £0.4 million reflecting the change in pension surplus on the Metal Bulletin pension scheme; **derivative financial instruments** (due less than one year and more than one year), increased slightly from a liability of £23.1 million to £23.4 million reflecting the mark to market value of the group's forward currency contracts and interest rate swaps; **acquisition option commitments** due in less than one year fell £11.0 million to £11.2 million reflecting the £20.7 million exercise of the option commitments over ISI, Total Derivatives, Telcap, IMN and ABF, £2.1 million of foreign exchange loss, offset by the £7.5 million transfer of the liability from acquisition option commitments due in more than year, in relation to further tranches of the group's acquisitions due for purchase in 2010; **trade and other payables** increased £28.6 million to £59.2 million reflecting the inclusion of a balance due to a DMGT group undertaking from an intergroup funding transaction; **deferred income** fell £6.9 million to £82.6 million reflecting the fall in the group's revenues; **loan notes** fell £1.9 million to £5.7 million, a result of loan note redemption during the year; **committed loan facility** is, in 2009, classified as due in more than one year following its renewal. The total facility (less than one year and more than one year) has fallen £13.2 million to £171.4 million, reflecting the net cash generated by the group from operations; **deferred tax**, the net deferred tax liability has fallen from £11.4 million to £3.3 million due to the recognition of additional deferred tax assets on US and UK losses and the unwinding of deferred tax on intangible assets and goodwill impairment.

3.4.9 Acquisitions and disposals

Acquisitions remain a fundamental 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 growth by buying into rapidly developing niche businesses. The group continues to look for acquisitions to support its main brands, especially in international finance, energy, commodities, telecoms and law.

Increase in equity holdings

During the year the group has invested £19.9 million in increasing its equity interests in a number of its subsidiaries under acquisition earn-out agreements. This includes the acquisition of the outstanding 20% minority interest in Information Management Network, the structured finance, indexing and real estate events business, for £7.7 million, and the acquisition of the outstanding 10% minority interest in Asia Business Forum for £0.4 million. The group also spent £3.0 million on an additional 4% interest in ISI, taking its holding to 98%, £2.8 million increasing its interest in Total Derivatives from 78% to 89%, and £6.0 million increasing its interest in TelCap from 70% to 85%. Further details are provided in note 14. Following these payments, the total commitment under outstanding acquisition option agreements has fallen from £29.8 million to £11.9 million, most of which is payable in 2010.

3.4.10 Headcount

The number of people employed is monitored monthly, to ensure that there are sufficient people employed to meet the forthcoming demands of each business but also to make sure that the businesses continue to deliver sufficient profits to support the people they employ. During the year, given the down-turn in trading, the directors have reduced headcount and, at the end of September, the group employed 1,841 people, a decrease of 366 since the start of the year.

3.4.11 Marketing and circulation

In 2009 revenues from direct marketing, including *Metal Bulletin*, increased by 8%. Revenue growth was achieved across all products, in particular electronic subscriptions. Marketing revenues taken online grew by 32%, primarily driven by the database businesses: BCA, ISI and CEIC. Return on marketing spend improved by 25%, marketing continues to be focused on renewal and driving electronic subscriptions.

3.4.12 Systems and information technology

The group continues to invest across all technology areas.

In 2009 the group implemented new advertising billing software in the UK and Asia and planning is underway for delivery to the US office early next year. The group is continuing the roll out of the event management and registration technology and integrating systems with the conference business websites. A major project to implement new central CRM technology has started with an extensive roll out scheduled during 2010.

The group has invested in resilient and high capacity telecom infrastructure; VoIP networks provide increased internet bandwidth and a scalable and feature-rich telephony network across the company. Unified messaging is in place in the UK and US to enable staff to receive voicemail over the web worldwide. The group continues to invest in video conferencing technology between the offices in London, New York, Montreal and Hong Kong to improve communication and reduce global travel costs. Total call costs were further reduced following a full review of telecom suppliers and services during the year.

The group's websites are located at a dedicated, high-availability hosting centre. Many sites were re-launched during 2009 with fresh designs and updated technologies. New state-of-the-art search technology was implemented during the year and made available across a portfolio of sites.

Throughout 2009 the group continued to invest in its e-commerce infrastructure. New technology has been developed to enhance how the group manages its website customers, products and online orders; new access control software has increased the number of ways content can be delivered online. A comprehensive training programme is underway to support the software roll out across the group.

There was a full review of the group's information security policy in 2009. A programme is underway to encrypt data on all laptops worldwide and new software is being introduced across the group networks to track and control access to corporate data. All credit card processing systems and procedures were updated during the year to meet the new standards mandated by the payment card industry.

In 2009 disaster recovery and business continuity plans for all businesses were updated. The group has an active programme for testing the disaster recovery plans for all business units.

3.4.13 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 the 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.

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 negate short-term changes in interest rates.

At September 30 2009, the group had 84% of its gross debt fixed by the use of interest rate hedges. The predictability of interest costs is deemed to be more important than the possible opportunity cost forgone 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.

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. In 2008, the group hedged fully for the coming 12 months and partially for a further 36 months. This year, the directors reviewed the group's hedging policy and as a result reduced the period of partial hedging from up to 48 months to between 12 and 18 months and reduced the percentage of revenues hedged in the first 12 months to 80%. The transition to the revised policy will take a number of months, with forward deals in excess of 18 months being allowed to naturally unwind.

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 underlying effective tax rate based on adjusted profit before tax and excluding deferred tax movements on intangible assets, prior year items and exceptionals is 27% (2008: 27%). The group's underlying tax rate has historically been below 30% because of the tax benefit of overseas tax deductible goodwill.

The group's reported effective tax rate decreased to a 60% credit compared to 19% credit in 2008. A credit of £19.9 million relating to tax on foreign exchange losses (2008: £12.0 million) has been treated as exceptional as it is hedged by £19.9 million (2008: £12.0 million) of foreign exchange losses on tax equalisation contracts included within net finance costs (note 7). 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 £3.3 million (2008: £11.4 million) and relates primarily to capitalised intangible assets, tax deductible US goodwill and rolled over capital gains, net of deferred tax assets held in respect of US and UK tax losses and short-term timing differences and the future deductions available for the CAP. The decrease in the net liability is primarily due to the impairment of goodwill and the unwinding of deferred tax on intangible assets.

4. Principal risks and uncertainties
The company has continued to develop its processes for risk management. Management of significant risk is regularly on the agenda of the board and other senior management meetings.

Specific risk areas that potentially could have a material impact on the group's long-term performance include:

Downturn in economy or market sector
The group generates significant income from certain key geographical

regions and market sectors for both its publishing and events businesses. Uncertainty in global financial markets increases the risk of a downturn or potential collapse in one of these areas, should this occur, income is likely to be adversely affected and for events businesses some abandonment costs may also be incurred.

However, the group has a strong product mix and operates in multiple geographical locations which reduces dependency on any one sector or region. Management has shown a proven ability to switch the group's focus to new or unaffected markets (e.g. following the SARS outbreak in Asia and terrorist attacks in New York).

Major disease outbreak

The recent outbreak of a new strain of H1N1 influenza (Swine Flu) has led the World Health Organisation to increase the pandemic threat level to five, indicating an imminent pandemic. Whilst it is not clear how serious any pandemic might be, it could significantly affect the group's ability to produce and deliver its products, reduce the demand for them, or increase the cost base. Events businesses in particular may be sensitive to a pandemic as their success depends on delegates' confidence in and ability to travel globally. Disruptions or reductions to global travel as a result of a pandemic could lead to events being cancelled or postponed. Disaster recovery plans are in place to address this risk.

Liquidity risk

The group has significant borrowings and is an approved borrower under a Daily Mail and General Trust plc (DMGT), $400 million revolving multi-currency facility. This 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 monitor the covenants and prepare detailed debt forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach. The group's strategy is to use excess operating cash to pay down its debt. The group has a cash conversion rate (the percentage by which cash generated by operations covers adjusted operating profit) of 91%, due to much of its subscription, conference and training revenue being paid in advance. The three year quantums of the facility are due for renewal in December 2011 and the five year quantums in December 2013. Under the DMGT facility, at September 30 2009, the group has £81.4 million of undrawn but committed facilities available to draw upon if required. This is more than sufficient for the group to meet expected and unexpected short-term working capital requirements. However, given the level of uncertainty in the global economy and financial markets, there is a risk that the undrawn portion of the facility may be unavailable or withdrawn if DMGT experience funding difficulties themselves. It is, however, unlikely that this would impact the group as DMGT have a wide range of funding sources, other than bank debt, available to them. In addition, if DMGT were unable to fulfil its commitment to Euromoney the directors are confident that the group is in a position that would enable it to secure adequate facilities outside of DMGT, albeit at an increased cost to the business due to high interest charges imposed given the crisis in the credit markets.

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, currency options and forward exchange contracts set out in note 18 represent the replacement costs calculated using the market rates of interest and exchange at September 30 2009. The group has no other material market price risks.

Interest rate risk

The group's borrowings are in both pounds sterling and US dollars with the related interest tied to GBP and US dollar 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 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. Details of the group's interest rate swaps are given in note 18.

Foreign currency risk

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.

The group does not hedge the translation of the results of its US dollar-denominated businesses. Consequently, fluctuations in the value of sterling versus the US dollar 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 part natural hedge against the translation of foreign currency profits.

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 forward contracts are put in place to sell forward surplus US dollars. In 2008, the group hedged fully for the coming 12 months and partially for a further 36 months. This year, the directors reviewed the group's hedging policy and as a result reduced the period of partial hedging from up to 48 months to between 12 and 18 months and reduced the percentage of revenues hedged in the first 12 months to 80%. The transition to the revised policy will take a number of months, with forward deals in excess of 18 months being allowed to naturally unwind. The timing and value of these forward contracts is based on managements estimate of its future US dollar revenues over an 18 month period. If management materially underestimated the group's future US dollar revenues this would lead to too few forward contracts being in place and the group being more exposed to swings in US dollar to sterling exchange rates. An overestimate of the group's US dollar revenue would lead to associated costs in unwinding the excess forward contracts. At September 30 2009, the fair value of the group's forward contracts was a liability of £15.8 million (2008: £10.9 million).

Credit risk

The group seeks to limit interest rate and foreign currency risks described above by the use of financial instruments and as a result has 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 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 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 balance sheet.

All of the above risks have been further heightened by the impact of the credit crunch resulting in increased uncertainty in global financial markets and economies.

London, New York, Montreal or Hong Kong wide disaster
The group has its main offices located in London, New York, Montreal and Hong Kong. An area wide disaster is likely to have serious consequences with office space potentially becoming unusable for several months and a lack of suitable alternative accommodation; loss of key clients and staff in an affected area and difficult communications with both customers and staff. As a consequence of the above, the group could suffer a loss of revenue.

To mitigate this risk the group has detailed disaster recovery (DR) plans for all businesses. All employees can work remotely. The group regularly tests its DR plans. It has robust systems in place with key locations (including the UK, US, Canada and Asia) benefiting from dual locations of back ups, dual loading of live back-ups for key systems and third-party 24-hour support.

Publishing legislation
The group generates a significant amount of its revenue from publishing and hence has an inherent libel risk. A successful libel claim is likely to affect the group's reputation in the market place where the libel claim arose and/or where the publication was published. As a consequence the group could suffer a loss of advertising and other add-on revenue streams.

To mitigate this risk the group runs mandatory annual libel courses for all journalists and editors. Key staff are aware of the significant nature of the risks and strong internal controls are in place for reporting to senior management if a potential issue arises. The group also has libel insurance cover.

Circulation
The group publishes over 70 titles and publications and sells advertising based partly on circulation figures. An incorrect claim for circulation could adversely affect the group's reputation in the applicable market place with a potential knock-on effect for other titles within the group. This could lead to the permanent loss of advertisers and other revenue streams.

To mitigate this risk the group runs rolling annual internal audits and regularly monitors internal controls designed to cover circulation. 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.

Acquisition and disposal risk
Part of the group's strategy is to be acquisitive. Management review a number of potential acquisitions each year with only a small proportion of these going through to due diligence stage and possible subsequent purchase. The group could suffer an impairment loss if an acquired business does not generate the expected returns or fails to operate or grow in its markets and product areas. The expected risks of a newly acquired entity may be 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 or underestimating the impact on the remaining group businesses from such a disposal.

To mitigate this risk experienced senior management perform detailed in-house due diligence and call on expert external advisers where deemed necessary. Acquisition agreements are usually structured so as to retain key employees in the acquired company and there is a close monitoring of performance at board level of the entity concerned post acquisition.

Key staff leaving
In order to pursue the group strategy, the group is reliant on key management and staff across all businesses. Many of the businesses products are reliant on the technological and specialist expertise provided by a number of talented staff. All key staff are engaged in long-term incentive plans to encourage retention. In addition the directors remain committed to recruitment and retention of high quality management and talent, and provide a program of great opportunity and progression for employees including extensive training and transfer opportunities.

Reliance on key brands
The group has a portfolio of significant brands. Damage to any of these brands, or increasing popularity of a competitor brand could impact the group's reported profits. The group works hard to manage the quality and reputation of its brands and products and protects these where necessary with trade marks which are monitored by

external advisers. In addition the group benefits from a broad range of products and brands which diversifies the brand risk.

Conferences and events
Events businesses within the group form a significant part of the group's operations and account for approximately 30% of the group's profits. A number of key events are organised as joint venture partnerships. Failure in these joint venture relationships could result in loss of profit, reputation and damage to the specific event brand. Measures are in place to closely manage these key relationships and the quality of the events to ensure they remain financially successful.

Events are held all over the world and rely on the ability of the delegates to travel globally. Disruptions or reductions to global travel as a result of terrorism, pandemic (see major disease outbreak risk paragraph above) or climate change issues, could lead to events being cancelled or refunded. Abandonment insurance is in place for targeted key events.

Tax
The group operates within many jurisdictions; earnings are therefore subject to taxation at differing rates across these jurisdictions. 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. 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.

Technological change and IT infrastructure
All of the group's businesses to some degree are dependent on technology. Information systems are critical for the effective management and provision of services around the group. Disruption to information technology could adversely affect the business and damage the group's reputation. The internet is becoming an ever increasing important revenue stream for the group and with this comes risk. The internet, through the proliferation of free content and content aggregators, has the potential to erode hard copy advertising and subscription revenues. The group's increasing dependence on information systems has also heightened the information security risk to the group with breaches in our data security systems having a potential impact on our business and reputation.

The group is already embracing these challenges, and overall sees the internet and other technological advances as an opportunity not a threat. Business continuity plans are in place in each business and include comprehensive back up plans for IT infrastructure, with the aim to protect the businesses from unnecessary disruption. The group has comprehensive information security standards and practices in place which are reviewed on a regular basis. Many of the group's businesses already produce soft copies of publications to supplement the hard copies. While the internet is an important tool for generating additional revenue the group's product mix provides protection for any potential unforeseen problems. For example, the group's share of profit from event businesses is significant, with face-to-face meetings of increasing importance.

5. Social Responsibility
The company encourages its people to be active in charities. Its charity budget deliberately supports the same good causes that its employees support, matching or better the money raised by its people.

The Euromoney Paediatric Eye Care Centre
The Euromoney Paediatric Eye Care Centre at Kalinga Eye Hospital & Research Centre, Dhenkanal, Orissa, India was officially opened on March 5 2009. Euromoney directors, employees and customers contributed £195,000 for the centre, which now provides a fully trained paediatric eye care team in a child-friendly facility within the main Kalinga hospital. To date, more than 43,000 children have been screened at the hospital and at outreach camps, and 10,000 children have been treated or received surgery at the hospital and at outreach camps.

The paediatric care team will look after five districts, providing outreach and screening in a poor and remote community.

The Euromoney Centre and the Kalinga Hospital represent a strong commitment and effort on the part of many, in India and at Euromoney. This culmination of faith and action will change the lives of those who are needlessly blind. The picture above shows the new

Kalinga Eye Hospital during the official opening of the Euromoney Centre.

Charity dinners

A number of charity dinners were held during the year. For instance this year, Institutional Investor Journals sponsored a table at the Annual Auction4Kids Gala held at the New York Stock Exchange. This event supports Per Scholas' Comp2Kids program, which supplies computer literacy training as well as home computers for low income students and schools in the Bronx, Brooklyn, and Manhattan. Many donated items were auctioned at the Gala, and several hundred thousand dollars were raised as a result.

Help for flood victims in the Philippines

The company donated £10,000 to the Red Cross appeal to help victims of the tragic floods in the Philippines. The funds will be used to create eight temporary homes for families who have lost their houses in the two typhoons that have caused wide spread damage this year. The picture on the previous page shows the Red Cross model house that the relief organisation designed specially for disasters of this kind.

Running Club

This year, the UK businesses set up a running group for charitable purposes. It is the intention that the club will complete charity runs on a regular basis, the first, which had over 30 runners, was in September 2009. So far the club has raised over £7,500.

Scholarships

To mark its 40th Anniversary, *Euromoney* has announced a programme of international financial publishing scholarships - "The Euromoney Sergeant Scholarships". Each scholar is given the opportunity to work for *Euromoney* for 2 months with accommodation, stipend for living and return airfares provided to successful candidates. These candidates will be trained by senior staff and will work on writing articles, researching data and marketing work. Following the scholarship programme permanent job offers may be available.

BCA have also committed for three years to give a scholarship to a finance student at the John Molson School of Business at Concordia University.

Global charity events

A number of the group's businesses participated in charity events around the world to raise money for local charities. For example *II News* raised $15,000 for SPARKS through a fundraiser at the Global Derivatives & European Securitization Awards in October 2008. The Legal Group raised a total £5,450 for the Red Cross at three of their awards events.

BCA sponsored a walk for breast cancer and one of BCA's employee is completing 12,000 km on a bike through South America for the David Suzuki Foundation, (www.12000km.org). BCA also donated $10,000 to a local hospital to purchase neurological equipment.

In May, Gulf raised $2,000 through a t-shirt drive for Ilene Hartmann an employee of Gulf for 28 years who sadly died in January 2009. The money raised was donated to the pancreatic cancer research. Gulf also participated in the charity Sprint for Life 5k run/walk to raise money for cancer research.

Annual charity drive

Each year the US group conducts a charity drive where the businesses match up to a total of $50,000 per year in employee contributions made to various charitable organisations. This is an excellent way to cover a broad range of charities that employees themselves may favour and support.

Christmas charity event

Again this year, the US businesses selected a local charity for employees to donate Christmas gifts. This year the donations were given to a shelter for single mothers that housed 27 mothers and 62 children. They were invited to participate in a party at which they were all given gifts that they had requested in letters to Santa.

6. Future developments in the business

The group continues to trade in line with the board's expectations. It has a clear, well established strategy which it is executing successfully to build a more robust, high quality earnings flow. This strategy, combined with the strength of its brands and the diversity of its sectors, customers, and geographic markets, means the group is well positioned to return to growth as soon as markets improve.

An indication of the trading outlook for the group is given in the Chairman's Statement on page 6. In 2010 the directors will build on the cost based review completed in 2009 to ensure the business is operating as effectively as possible, to facilitate growth in a challenging global market and to continue to shape the business to remain lucrative and competitive in the midst of the difficult economic environment. The group is well placed to diversify its product and geographical base and remains committed to its strategy set out on page 5.

The board will continue to review the portfolio of businesses, disposing, closing or restructuring any under-performing 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.

7. 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 pages 26 and 27. The directors' interests are given on pages 47 and 48. CR Brown, an executive director, died on July 16 2009. RT Lamont retired as a director on January 14 2009 on reaching the age of 62. DP Pritchard was appointed a non-executive director on December 22 2008. With effect from November 11 2009, B AL-Rehany was appointed to the board as an executive director. MJ Carroll has indicated his intention to retire as an executive director at the company's Annual General Meeting on January 21 2010.

Following best practice under corporate governance and in accordance with the company's Articles of Association, all directors submit themselves for re-election at least every three years. Accordingly, PR Ensor, DC Cohen, CR Jones, and CHC Fordham will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election. Also, as required by best practice under corporate governance, all non-executive directors who have served for more than three three-year terms must submit themselves for re-election on an annual basis. In addition, in accordance with the 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's performance continues to be effective and demonstrates commitment to the role. Accordingly, Sir Patrick Sergeant, The Viscount Rothermere and JC Botts 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 43 to 48.

8. Capital structure and significant shareholdings

Details of the company's share capital are given in note 22. 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.

At November 11 2009, being the latest practical date before approval of the accounts, notification had been received, in accordance with chapter 5 of the Disclosure and Transparency Rules, of the following voting rights as a shareholder of the company:

Name of holder	Nature of holding	Number of shares	% of voting rights
Daily Mail and General Holdings Limited	Direct	76,026,142	66.83
AEGON UK	Direct	3,508,021	3.08

Banque Internationale à Luxembourg SA has issued international depositary receipts (IDR) in bearer form in respect of a total of 812,800 shares (0.7%) (2008: 948,800 shares (0.9%)) registered in its name. Each IDR issued equates to one underlying ordinary share in the capital of Euromoney Institutional Investor PLC. The company announced on October 8 2009 that it intends to terminate the deposit agreement and delist the underlying shares from the Luxembourg Stock Exchange with effect from December 14 2009.

Details of the directors' entitlement to compensation for loss of office following a takeover or contract termination are given in the Directors' Remuneration Report.

9. 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. Such disclosures, which are not covered elsewhere in this Annual Report include the following:

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 is deemed to be significant in terms of their potential impact on the business of the group as a whole.

10. 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 28 2009, the shareholders authorised the directors to allot shares up to an aggregate nominal amount of £80,030 expiring at the conclusion of the Annual General Meeting to be held in 2010. A resolution to renew this authority for a further period will be put to shareholders at this meeting.

11. Political and charitable contributions
During the year the group raised charitable contributions of £207,000 (2008: £290,000). There were no political contributions in either year. See pages 21 and 22 for details of the group's charitable projects.

12. 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.

13. Employee involvement and training
The group believes it is important to provide skills and management training for its employees around the world. It continues to develop these programmes and tries to ensure that as many employees as possible benefit from internal and external training. The group is continually developing and expanding the training programmes provided.

The group recognises the importance of good communication in relationships with its staff. This is pursued in a number of ways, including training and regular meetings between management and staff, which seek to achieve common awareness on the part of all employees of the financial and economic circumstances affecting the group's performance. Many employees participate directly in the success of the business through involvement in the group's profit sharing schemes, the Capital Appreciation Plan and in the savings related share option scheme.

14. Supplier payment policy
Each business agrees payment terms with its suppliers on an individual basis and it is group policy to make payments in accordance with these terms. The group had 84 days of purchases in creditors at September 30 2009 (2008: 80 days).

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

16. Annual General Meeting
The company's Annual General Meeting will be held on January 21 2010.

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

18. Disclosure of information to auditors
In the case of each of the persons who is a director of the company at November 11 2009:

- 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.

By order of the board

Colin Jones
Company Secretary
November 11 2009

Directors and Advisors

Executive Directors

Mr PM Fallon ‡
Chairman
Mr PM Fallon (aged 63) is chairman. He joined the company in 1974 and was appointed an executive director in October 1975. He was appointed managing director in 1985, chief executive in 1989 and chairman in 1992. He is chairman of the nominations committee. He is also an executive director of Daily Mail and General Trust plc and a member of the board of the Trinity College Dublin Foundation.

Mr PR Ensor ‡
Managing director
Mr PR Ensor (aged 61) is the managing director. He joined the company in 1976 and was appointed an executive director in 1983. He was appointed managing director in 1992 and is a member of the nominations committee. He is also a director of Internet Securities, Inc. and BCA Research, Inc.

Mr NF Osborn
Mr NF Osborn (aged 60) 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 Internet Securities, Inc., and of OAO RBC Information Systems, a Russian public company.

Mr DC Cohen
Mr DC Cohen (aged 51) joined the company in 1984 and was appointed an executive director in September 1989. He is managing director of the training division.

Mr CR Brown
Mr CR Brown died on July 16 2009 aged 55. He was appointed an executive director in September 1989 and was president of Institutional Investor, Inc.

Mr CR Jones
Finance director
Mr CR Jones (aged 49) is the finance director. He joined the company in July 1996 and was appointed finance director in November 1996. He is also the company secretary and a director of Institutional Investor, Inc., Information Management Network, Inc., Internet Securities, Inc. and BCA Research, Inc.

Mr SM Brady
Mr SM Brady (aged 44) joined the company in 1988 and was appointed an executive director in May 1999. He is managing director of *Euromoney*.

Mr RT Lamont
Mr RT Lamont (aged 62) retired as an executive director on January 14 2009 on reaching the age of 62. He joined Institutional Investor, Inc. in 1976 and was appointed an executive director in May 1999. He is editor of Institutional Investor's newsletter division and a director of Institutional Investor, Inc.

Ms DE Alfano
Ms DE Alfano (aged 53) joined Institutional Investor, Inc. in 1984 and was appointed an executive director in July 2000. She is managing director of Institutional Investor's conference division and a director of Institutional Investor, Inc.

Mr GG Mueller
Mr GG Mueller (aged 43) is chairman of Internet Securities, Inc. (ISI), which he founded in 1994. Euromoney acquired ISI in 1999, at which point Mr Mueller joined the company. He was appointed an executive director in July 2000. He is also chairman and CEO of Institutional Investor and a director and chairman of Information Management Network, Inc.

Mr MJ Carroll
Mr MJ Carroll (aged 52) joined Institutional Investor, Inc. in 1994 and was appointed an executive director in May 2002. He is a director of Institutional Investor, Inc. Mr MJ Carroll has indicated his intention to retire as an executive director at the company's Annual General Meeting on January 21 2010.

Mr CHC Fordham
Mr CHC Fordham (aged 49) joined the company in 2000 and was appointed an executive director in July 2003. He is the director responsible for acquisitions and disposals as well as some of the company's publishing businesses, including the Metals, Minerals & Mining division of *Metal Bulletin*.

Ms JL Wilkinson
Ms JL Wilkinson (aged 44) joined the company in 2000 and was appointed an executive director in March 2007. She is director of marketing for the group, and a director of Adhesion SA, the French events business.

Mr B AL-Rehany
Mr B AL-Rehany (aged 52) was appointed as an executive director on November 11 2009. He is chief executive officer and a director of BCA Research, Inc. which he joined in January 2003. Euromoney acquired Metal Bulletin plc in October 2006, at which point he joined the company.

Non-executive Directors

The Viscount Rothermere †‡
The Viscount Rothermere (aged 41) was appointed a non-executive director in September 1998 and is a member of the remuneration and nominations committees. He is chairman of Daily Mail and General Trust plc.

Sir Patrick Sergeant ‡
Sir Patrick Sergeant (aged 85) 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 non-executive director. He is a member of the nominations committee.

Mr JC Botts †‡§
Mr JC Botts (aged 68) was appointed a non-executive director in December 1992 and is chairman of the audit and remuneration committees and a member of the nominations committee. He is senior adviser of Allen & Company in London, non-executive chairman of United Business Media Group Limited and a director of several private companies.

Mr JC Gonzalez §
Mr JC Gonzalez (aged 64) was appointed a non-executive director in November 2004 and is a member of the audit committee. He is chairman and chief executive of American Orient Capital Partners Holdings Limited, an investment and financial advisory services firm based in Hong Kong covering the Asia Pacific region. He is also a director of a number of publicly listed companies in the Philippines.

Mr MWH Morgan †‡
Mr MWH Morgan (aged 59) was appointed a non-executive director on October 1 2008. He was also appointed a member of the remuneration and nomination committees with effect from October 1 2008. He was previously chief executive of DMG Information and became chief executive of Daily Mail and General Trust plc on October 1 2008.

Mr DP Pritchard §
Mr DP Pritchard (aged 65) was appointed a non-executive director on December 22 2008 and appointed a member of the audit committee with effect from June 8 2009. He is chairman of Songbird Estates plc and of AIB Group (UK) plc. He is deputy chairman of Allied Irish Banks 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.

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

President
Sir Patrick Sergeant

Company Secretary
CR Jones

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

Registered Number
954730

Auditors
Deloitte LLP, London

Solicitors
Nabarro, Lacon House,
Theobald's Road,
London WC1X 8RW

Brokers
UBS, 1 Finsbury Avenue,
London EC2M 2PP

Registrars
Capita IRG plc, The Registry,
34 Beckenham Road,
Beckenham, Kent, BR3 4TU

Corporate Governance

The Financial Reporting Council's Combined Code on Corporate Governance is part of the Listing Rules of the Financial Services Authority. The paragraphs below and in the Directors' Remuneration Report on pages 34 to 48 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 33.

Directors

The board and its role

Details of directors who served during the year are set out on pages 26 and 27. During the year the board comprised the chairman, managing director, 11 other executive directors and six non-executive directors. On December 22 2008 DP Pritchard was appointed a non-executive director, on January 14 2009 RT Lamont retired as an executive director on reaching the age of 62. CR Brown, an executive director, died on July 16 2009. Two of the six non-executive directors are independent, one is the founder and ex-chairman of the company, two are directors of DMGT, an intermediate parent company, and one has served on the board for more than the recommended term of nine years under the Code. With effect from November 11 2009, B AL-Rehany was appointed to the board as an executive director. MJ Carroll has indicated his intention to retire as an executive director at the company's Annual General Meeting on January 21 2010.

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 all 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. All directors submit themselves for re-election at least once every three years. 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 in other locations where the group has operations. The board has delegated specific 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.

Executive committee

Chaired by the company's chairman, the executive committee also comprises the divisional directors of the group's main businesses, together with the managing director and finance director. The committee is responsible for the approval of acquisitions, divestments, capital expenditure and contractual commitments below the level that the board has reserved to itself for decision, and for certain operational, administrative and other routine matters. The committee also regularly reviews and reports to the board on the performance of the group's businesses. At least 10 meetings are held each year and other senior executives frequently attend by invitation.

Nominations committee

The nominations committee is responsible for proposing candidates for appointment to the board having regard to the balance of skills and structure of the board and ensuring the appointees have sufficient time available to devote to the role. The committee meets when required and comprises PM Fallon (chairman of the nominations committee), PR Ensor and four non-executive directors: Sir Patrick Sergeant, The Viscount Rothermere, MWH Morgan and JC Botts. The committee's terms of reference are available on the company's website.

The committee met once during the year to recommend to the board the appointment of DP Pritchard as a non-executive director and the re-election of directors retiring by rotation. The committee did not find it necessary to use open advertising or an external search consultancy for the recruitment of the non-executive director position as the company had access to a number of potential candidates through its own network of contacts.

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 profit share schemes. The committee also recommends and monitors the level of remuneration for senior management and for the rest of the group, including group-wide share option schemes. The composition of the committee, details of directors' remuneration and interests in share options, together with information on directors' service contracts, are set out in the Directors' Remuneration Report on pages 34 to 48. The committee's terms of reference are available on the company's website.

Audit committee

Details of the members and role of the audit committee are set out on page 31. The committee's terms of reference are available on the company's website.

Tax and treasury committee

Details of the members and role of the tax and treasury committee are set out in the Directors' Report on pages 16 and 17.

Non-executive directors

The non-executive directors bring both independent views and the views of the company's major shareholder to the board. The non-executive directors during the year, whose biographies can be found on page 27 of the accounts, were: The Viscount Rothermere, Sir Patrick Sergeant, JC Botts, JC Gonzalez, MWH Morgan and, with effect from December 22 2008, DP Pritchard.

At least once a year the company's chairman meets the non-executive directors without the executive directors being present.

The board considers JC Gonzalez and DP Pritchard 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. During the year JC Botts also held options to subscribe for common stock in Internet Securities, Inc. a subsidiary of the company, which were exercised during the year. However, the number of options held by JC Botts is not material to him or to the company.

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 but 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 2009:

	Board	Executive committee	Remuneration committee	Nominations committee	Audit committee	Tax & treasury committee
Number of meetings held during year	7	11	1	1	3	5
Executive directors						
PM Fallon - chairman	7	11	–	1	–	1
PR Ensor - managing director	7	11	–	1	–	5
NF Osborn	6	11	–	–	–	–
DC Cohen	7	10	–	–	–	–
CR Brown*	6	10	–	–	–	–
CR Jones - finance director	7	11	–	–	–	5
RT Lamont^	1	2	–	–	–	–
SM Brady	6	7	–	–	–	–
DE Alfano	7	11	–	–	–	–
GG Mueller	7	9	–	–	–	–
MJ Carroll	6	7	–	–	–	–
CHC Fordham	7	11	–	–	–	–
JL Wilkinson	7	11	–	–	–	–
Non-executive directors						
The Viscount Rothermere	4	–	1	1	–	–
Sir Patrick Sergeant	4	–	–	1	–	–
JC Botts	7	–	1	1	3	–
JC Gonzalez	6	–	–	–	3	–
MWH Morgan	7	–	1	1	–	–
DP Pritchard†	3	–	–	–	1	–

* Died on July 16 2009

^ Retired on January 14 2009

† Appointed on December 22 2008 and a member of the audit committee since June 8 2009

Board and committee effectiveness

During the year 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 detailed questionnaire encompassing key areas within their mandates. The results of the assessment were presented and discussed at a board meeting and it was concluded that the board and its committees had been effective throughout the year.

Communication with shareholders

The company's chairman, together with the board, encourages regular dialogue with shareholders. Meetings are held, both in the UK and 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.

Internal control and risk management

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

In accordance with principle C.2 and C.2.1 of the Combined Code on Corporate Governance, 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 has taken account of material developments which have taken place since September 30 2008. 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 divides the group's key risks into six broad categories and reviews and assesses each of these 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.

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 which it has determined to be significant. Therefore a confirmation of necessary actions has not been considered appropriate.

Quality, integrity of people and whistle blowing arrangements

The integrity and competence of people is ensured through high recruitment standards and a commitment to management and business skills training. High-quality personnel are an essential part of the control environment and the high ethical standards expected are communicated by management and through the employee handbook which is provided to all employees. The employee handbook also sets out the procedures available to staff to raise, in confidence, possible improprieties in matters of financial reporting or other matters.

Social responsibility

The group is keen to maintain a high level of social responsibility and has procedures embedded in its internal systems and controls to ensure its social standards are monitored regularly and are not breached. The group supports and encourages employees who become involved in social projects and examples of these are given in the Directors' Report.

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 to 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 such as switching off equipment, air-conditioning, heating and lights when not required.

Carbon footprint

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 2006 using the widely recognised GHG protocol methodology developed by the World Resource Institute and the World Business Council for Sustainable Development. The directors are committed to reducing the group's carbon emissions and have embarked upon a comprehensive strategy to manage its carbon footprint. The company, as part of the wider DMGT group, has committed to reducing its footprint by 10% from the baseline year of 2007 by the end of 2012.

Health and safety

The group is committed to the health and safety of its employees and communities in which it operates. The group complies with all local health and safety regulations and makes use of external health and safety advisers 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.

Investment appraisal

The managing director, finance director and business group managers consider proposals for acquisitions and new businesses. 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 advisers. 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 budget.

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 has an internal audit function which 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

The audit committee comprises JC Botts (chairman), JC Gonzalez (independent), JP Williams, the finance director of DMGT and, with effect from June 8 2009, DP Pritchard (independent). Three of the four members are non-executive directors and JP Williams is a director of DMGT. The committee meets at least three times each financial year. The committee is responsible for reviewing the interim report, the annual report and accounts and other related formal statements before their submission to the board, and reviewing and overseeing controls necessary to ensure the integrity of the financial information reported to the shareholders. The audit committee advises the board on the appointment of external auditors and on their remuneration, both for audit and non-audit work. It has set and applied a formal policy, which focuses on the effectiveness, independence and objectivity of the external audit, the type of non-audit work permissible and a diminimus level of fees acceptable. Any non-audit work performed outside this remit is assessed and where appropriate approved by the committee. The committee discusses the nature, scope and findings of the audit with the external auditors and considers and determines relevant action in respect of any control issues raised by the external auditors. The audit committee is also responsible for monitoring and assessing the effectiveness of internal audit, and reviews the internal audit programme and receives periodic reports on its findings. It reviews the whistle blowing arrangements available to staff. The audit committee's terms of reference are available on the company's website.

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 Directors' Report.

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 $400 million dedicated multi-currency borrowing facility with Daily Mail and General Trust plc group. The facility is divided into four quantums of sterling and US dollar funds with three and five year terms with a total maximum borrowing capacity of $310 million (£194 million) and £59 million respectively. 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 2009, the group's net debt to adjusted EBITDA was 1.99 times and the uncommitted undrawn facility available to the group was £81.4 million. The three year quantums of the facility are due for renewal in December 2011 and the five year quantums in December 2013 (see note 18 for further details).

The current economic conditions create uncertainty, particularly over: a) the level of demand for the group's products; b) the exchange rate between sterling and US dollars and its impact on the translation of US dollar profits and losses from its US-dollar-based businesses and transactions, including the gains or losses from the group's forward contracts used to partially hedge these; and c) the availability of bank finance in the foreseeable future.

The group's forecasts and projections, 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.

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 Directors' 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.

By order of the Board

Richard Ensor
Director
November 11 2009

Colin Jones
Company Secretary
November 11 2009

Statement by the directors on compliance with the Combined Code

The UK Listing Rules require the board to report on compliance throughout the accounting year with the applicable principles and provisions of the 2008 Combined Code on Corporate Governance issued by the Financial Reporting Council. Save for the exceptions outlined below, the group has complied throughout the financial year ended September 30 2009 with the provisions set out in Section 1 of the Combined Code.

Provision A.3.2 states that half the board, excluding the chairman, should be comprised of non-executive directors determined by the board to be independent. During the year the board comprised 19 directors of whom six are non-executive directors, two of whom are considered to be independent non-executive directors under the Combined Code. On January 14 2009, RT Lamont retired as a executive director and on July 16 2009 CR Brown, an executive director, died, hence, at the year end, the board comprises 17 directors of whom two are considered to be independent. With effect from November 11 2009, B AL-Rehany was appointed to the board as an executive director, and Mr MJ Carroll has indicated his intention to retire as an executive director at the company's Annual General Meeting on January 21 2010.

Contrary to provision A.3.3, the board has not identified a senior independent non-executive director as the directors are of the opinion that all matters relating to the effective governance of the group must be dealt with by the board as a whole.

Provision A.4.1 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 Combined Code.

Provision A.4.4 states that the terms and conditions of appointment of non-executive directors should be available for inspection. As explained in the Directors' Remuneration Report, the non-executive directors do not have service contracts.

Provisions B.2.1 and C.3.1 require the remuneration and audit committees to comprise entirely of independent non-executive directors. The remuneration committee is comprised of three non-executive directors, none of whom can be considered independent under the Combined Code. During the year, the audit committee comprised four members, only three of which were non-executive directors of the company including DP Pritchard who was appointed a member of the audit committee on June 8 2009. Only two of the members of the audit committee can be considered independent under the Combined Code.

On behalf of the board

Padraic Fallon
Chairman
November 11 2009

Directors' Remuneration Report

Introduction
This remuneration report sets out the group's policy and structure for the remuneration of executive and non-executive directors together with details of directors' remuneration packages and service contracts. The report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 and shareholders will be invited to approve this report at the Annual General Meeting on January 21 2010.

The remuneration committee
The remuneration committee is chaired by JC Botts. Its other members during the year were The Viscount Rothermere and MWH Morgan. All members of the committee are non-executive directors of the company. The Viscount Rothermere and MWH Morgan are also directors of Daily Mail and General Trust plc (DMGT) but have no personal financial interests in the company (other than as shareholders), and no day-to-day involvement in running the business. The executive chairman normally attends meetings of the remuneration committee, but is not present at any discussion concerning his own remuneration. For the year under review, the committee also sought advice and information from the company's managing director and finance director. The committee's terms of reference permit its members to obtain professional external advice on any matter, at the company's expense, although none did so in 2009. The group itself can take external advice and information from many sources in preparing proposals for the remuneration committee, but no material assistance from a single source was received in relation to remuneration decisions for 2009.

Remuneration policy
The group believes in aligning the interests of management with those of shareholders. The two consistent objectives in its remuneration policy since the company's inception in 1969 have been the maximisation of earnings per share and the creation of shareholder value.

The first objective is achieved through a comprehensive profit sharing scheme that links the pay of executive directors and key managers to the profits and growth in profits of the group or relevant parts of the group. This scheme is completely variable with no guaranteed floor and no ceiling.

To support the implementation of the policy of profit sharing, the group is divided into a number of profit centres. The manager of each profit centre is paid a profit share related to the profit centre's profits and profit growth. Each profit centre is part of a larger business group. Each business group manager has an incentive based on the business group's profits and profit growth. Profit sharing encourages directors and managers to grow their businesses, to launch new ventures and to search for acquisitions that would fit well with their businesses.

All executives on profit shares are aware that if profits rise, so does their pay. Similarly if profits fall, so do their profit shares. The profit shares of executive directors and senior managers make up much of their total pay. For example, of the total remuneration of the 13 executive directors who served in the year, 83% was derived from profit shares.

The creation of shareholder value is also encouraged through an executive share option scheme and the 2004 Capital Appreciation Plan (CAP 2004) and, from October 1 2009, the 2010 Capital Appreciation Plan (CAP 2010). The current executive share option scheme was approved by shareholders in January 1996. The performance criteria under which options granted under this scheme may be exercised are set out on page 37. This scheme expired in 2006, but no share options have been issued under it since February 2004 although options previously granted may be exercised before various dates to February 2014. CAP 2004 was approved by shareholders in February 2005, and is a highly geared performance-based share option scheme which not only directly rewards growth in profits of each executive's businesses but also links more robustly equity reward with the delivery of economic shareholder value. The CAP 2004 profit target was achieved in 2007, a year ahead of expectations, and exceeded again in both 2008 and 2009 resulting in the second and final tranche of options vesting, subject to the additional performance condition also being met by the individual businesses. A more detailed explanation of the CAP is given on page 37.

Shareholders approved CAP 2009 at the 2009 Annual General Meeting. This incentive scheme has been revised during the year and shareholders will be asked to re-approve it at the 2010 Annual General Meeting. The revised incentive scheme, CAP 2010, will replace CAP 2009. CAP 2010 is deliberately similar to CAP 2004, and aims to mirror the success of CAP 2004 for both shareholders and employees by delivering exceptional profit growth over the four years to 2013. Further details of CAP 2010 are set out on page 36.

The directors believe that these profit sharing and share option arrangements are responsible for much of the company's success since 1969. These arrangements serve shareholders by aligning the interests of the directors and managers with those of shareholders and are considered an important driver of the company's growth strategy.

The remuneration of the non-executive directors is determined by the board.

Remuneration structure

Executive directors

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. The details of the remuneration packages of individual directors are set out below.

Basic salary and benefits

The basic salary and benefits are generally not the most significant part of a director's overall compensation package. Each executive director receives a salary which is reviewed annually by the remuneration committee. Certain non-cash benefits are also provided including private health care, and life assurance through the membership of one of the pension schemes.

Pension schemes

Each UK-based director is entitled to participate in the Harmsworth Pension Scheme (a defined benefit scheme, closed to new directors), the Euromoney Pension Plan/PensionSaver (money purchase plan) or their own private pension scheme. Directors based overseas are entitled to participate in the pension scheme arrangements applicable to the country where they work. Details of pension scheme contributions can be found on page 41 of this report. There are no other post-retirement benefits.

Profit share scheme

The group believes in aligning the economic interests of management with those of shareholders and achieves this through a comprehensive profit sharing scheme that links the pay of each executive director to the profits and growth in profits of the businesses that the executive director manages.

The executive directors who manage business divisions are set profit thresholds for the businesses for which they are responsible. The profit thresholds are set at the time the director takes on responsibility for the businesses concerned, usually based on the profits of the previous 12 months, and are adjusted if such responsibilities change. The normal profit share arrangement pays 1% of profits from zero up to a threshold and then 5% of profits achieved in excess of this threshold. Some of the directors have schemes which have been in place for a number of years and pay profit shares at slightly higher rates or which are subject to additional thresholds.

The profit shares of the chairman and managing director are based on the adjusted pre-tax post-minority profits of the group, thereby matching their profit share with the pre-tax return the group generates for its shareholders. The chairman is entitled to 5.32% (2008: 5.54%) of the adjusted pre-tax profit. The managing director is entitled to 3.15% (2008: 3.28%) of the adjusted pre-tax profit up to a threshold of £31,972,645 and an additional 1.18% (2008: 1.23%) of adjusted pre-tax profit in excess of this threshold.

The finance director receives a profit share linked to the pre-tax adjusted earnings per share (EPS) of the group . A fixed sum is payable for every percentage point the EPS is above 11p and an additional fixed sum is payable for every percentage point that EPS is above 20p.

CHC Fordham, in addition to his profit share, has an incentive linked to the performance of acquisitions.

JL Wilkinson, who is responsible for all the group's marketing activities, receives an incentive based on the growth in the group's subscription and delegate revenues.

Each of the executive director's profit share schemes is completely variable with no guaranteed floor and no ceiling and is designed to be the most significant part of the executive director's remuneration package. Each director's profit share scheme is subject to remuneration committee approval, and can be revised at any time if the director's responsibilities are changed.

Remuneration structure *continued*

The table below shows the 2009 percentage split of the fixed and variable elements of each director's remuneration package.

Executive directors	Fixed salary & benefits	Variable profit share
PM Fallon	6%	94%
PR Ensor	7%	93%
NF Osborn	28%	72%
DC Cohen	31%	69%
CR Brown (died July 16 2009)	39%	61%
CR Jones	37%	63%
RT Lamont (resigned January 14 2009)	73%	27%
SM Brady	51%	49%
DE Alfano	23%	77%
GG Mueller	33%	67%
MJ Carroll	100%	0%
CHC Fordham	21%	79%
JL Wilkinson	30%	70%
Total	17%	83%

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. 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 are participating in this scheme are PM Fallon, PR Ensor, NF Osborn, DC Cohen, CR Jones, SM Brady and CHC Fordham, details of which can be found on pages 43 to 47 of this report.

Share schemes

The directors consider that share schemes are an important part of overall compensation and align the interests of directors and employees with those of shareholders. Details of the directors' share options can be found on pages 43 to 47.

2010 Capital Appreciation Plan (CAP 2010)

CAP 2010 is being presented for approval by the company's shareholders at the 2010 Annual General Meeting. CAP 2010 is a revised version of CAP 2009 which was approved by shareholders on January 28 2009, and replaces CAP 2004 as no further awards may be granted under CAP 2004. If approved by shareholders, CAP 2010 will replace CAP 2009.

The grant of awards under CAP 2010 is expected to be made soon after the 2010 Annual General Meeting. The remuneration committee intends to offer participation in CAP 2010 to approximately 150 directors and senior employees of the group who have direct and significant responsibility for the profits of the group. Each CAP 2010 award will comprise 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. In accordance with the terms of CAP 2010, no consideration will be payable for the grant of the awards. The award pool will comprise a number of ordinary shares which have 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. The awards will vest in two equal tranches. The first tranche of awards become exercisable on satisfaction of the primary or secondary performance condition and lapse to the extent unexercised by September 30 2020. The second tranche of awards becomes exercisable in a subsequent financial year in which the profits achieved in the year of initial vesting are again achieved. The second tranche only vests on satisfaction of the primary (or secondary) performance condition and an additional performance condition.

The primary performance condition requires the group to achieve adjusted pre-tax profits* of £100 million by no later than the financial year ending September 30 2013 and that profits remain at this level or more for the vesting period of the second tranche. If the primary performance condition is not met, the secondary performance condition requires the group to achieve adjusted pre-tax profits* of at least £84.9 million (60% of the growth under the primary performance condition) for the year ending September 30 2013 and remain at this level or more for the vesting of the second tranche of awards. If the secondary performance condition is met (but not the primary condition) and adjusted pre-tax profits* increase in the following year then the award pool for the second tranche of options is increased (catch-up award).

In the event that either the primary or secondary profit target is achieved, the award pool will be allocated between the holders of outstanding awards by reference to their contribution to the achievement of the performance condition, but no individual may have an award over more than 6% of the award pool they participate in. The catch-up award is also allocated between the CAP participants in the same manner but by reference to their contribution to the achievement of the profit growth in the year the catch-up award applies only.

Share schemes *continued*

The additional performance condition, applicable for the vesting of the second tranche of the award, requires that the profits of the respective participants' businesses in the subsequent vesting period remain at least 75% of that achieved in the year the primary (or secondary) performance condition was met. Thus the CAP 2009 is designed so that profit growth must be sustained if awards are to vest in full.

2004 Capital Appreciation Plan (CAP 2004)

The CAP 2004 was approved by shareholders on February 1 2005 and replaced the 1996 executive share option scheme. Each CAP 2004 award 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. In accordance with the terms of CAP 2004, no consideration was paid for the grant of the awards. The awards vests in three equal tranches. The first tranche of awards became exercisable on satisfaction of a primary performance condition and lapse to the extent unexercised on September 30 2014. The other two tranches of awards became exercisable following the results achieved in the 2008 and 2009 financial years when the profits exceeded those achieved in 2007 (the year the primary performance target was met) was again achieved but only to the extent that an additional performance condition was also achieved. The scheme was potentially available to all employees.

The primary performance condition, broadly, required that the company achieve adjusted pre-tax profits* of £57 million by no later than the financial year ending September 30 2008 and remain at least this level for two further vesting periods. For the purposes of 2009 profits, redundancy costs were charged against profits for CAP purposes. The additional performance condition requires that the profits of the respective participants' businesses in the subsequent two vesting periods remain at least 75% of that achieved in the year the primary performance condition was met.

The CAP 2004 profit target was achieved in 2007 and the option pool (of a maximum of 7.5 million shares) was allocated between the holders of outstanding awards by reference to their 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, approximately 1.5 million options from the third (final) tranche of options will vest in February 2010. For those individual participants where the additional performance conditions for the second and final tranches have not been met, the vesting is deferred until the profits are at least 75% of that achieved in 2007 but no later than by reference to the year ending September 30 2012.

The actual value of the second tranche of the CAP 2004 award to each director is set out in the directors' share option table on pages 43 to 45. The number of options received by the directors for the final tranche is provisional and will depend on the extent that the additional performance test has been met for their respective businesses. The remuneration committee require the results of the businesses to be reviewed and subsequently modified for true-up adjustments during the period to December 31. The provisional number of options anticipated to be received by the directors for the final tranche is given in the directors' share option table on pages 43 to 45.

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

1996 executive share option scheme

The executive directors have 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 various dates to February 2014. These options are exercisable subject to certain performance conditions. For options expiring on January 5 2010 the performance test set by the remuneration committee requires the growth in the company's earnings per share for the three consecutive financial years commencing from the year of grant to exceed the growth in the retail prices index by an average of 4% a year. For all other options expiring after 2005, the performance condition set by the remuneration committee requires that the Total Shareholder Return (TSR) of the company exceeds that of 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.

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

Internet Securities, Inc. (ISI) option scheme

GG Mueller and NF Osborn are also participants in the Internet Securities, Inc. option scheme. There are no performance conditions attached to these options. Their options, all of which are fully vested and exercisable, are set out on page 46. JC Botts was also a participant in the ISI option scheme and exercised his options during the year. The market price at the date of exercise is determined by an independent financial valuation of Internet Securities, Inc.

* Adjusted pre-tax profits are before goodwill amortisation and impairment, exceptional items, movements in acquisition option commitment values, imputed interest on acquisition option commitments, foreign exchange gains on losses on tax equalisation contracts on hedges of intra-group financing, foreign exchange loss on restructured hedging arrangements, the cost of the CAP itself and for 2009, after charging redundancy costs.

Remuneration structure *continued*

Subsidiary put options

GG Mueller has an option to sell his 2% (2008: 5%) holding of shares in Internet Securities, Inc., a subsidiary of the group, to Euromoney Institutional Investor PLC at a fair market value as determined by an independent valuation of the company. GG Mueller retains the rights granted under this put option should his employment contract terminate. If GG Mueller has not exercised his put option by 2011 the company has the right to purchase his shares at a pre-determined premium to an independent valuation of the company.

Non-executive directors

The remuneration of the non-executive directors is determined by the chairman and executive board with the aid of external professional advice if necessary. Non-executive directors receive a fee and are re-imbursed for expenses incurred in attending meetings. They do not receive any performance related bonuses, pension provisions, share options or other forms of benefits apart from JC Botts who was a participant in the Internet Securities, Inc. option scheme during the year.

Total Shareholder Return (TSR)

Shown below is the group's TSR for the five years to September 30 2009 compared to the TSR achieved by the FTSE 250 index over the same period. This index has been presented as it reflects the comparator group for the performance condition attached to the executive share option scheme referred to above. The TSR calculations assume the re-investment of dividends.

Service contracts

The group's policy is normally to employ executive directors on twelve 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. With the exception of Sir Patrick Sergeant, none of the non-executive directors has a service contract. All executive service contracts are reviewed from time to time and updated where necessary. A service contract terminates automatically on the director reaching his/her respective retirement age. Following an independent recommendation from the nominations committee, the board has resolved to extend PM Fallon's retirement date under his service contract by two years to the date of the Annual General Meeting in 2012.

Service contracts *continued*

Executive directors	Date of service contract	Notice period (months)	Retire-ment age	Benefits accruing if contract terminated*	Benefits accruing if contract terminated due to incapacity/death^	Note
PM Fallon	Jun 2 1986	12	65	12 months' salary, profit share and pension.	9 months' salary, profit share, and pension.	(1), (3)
PR Ensor	Jan 13 1993	12	62	12 months' salary, profit share and pension.	6 months' salary, profit share and pension.	(3)
NF Osborn	Jan 4 1991	12	62	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	1 month's salary, pension and a pro-rated profit share up to the date of termination.	(2), (3)
DC Cohen	Nov 2 1992	12	62	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	1 month's salary, pension and a pro-rated profit share up to the date of termination.	(3)
CR Brown (died July 16 2009)	Dec 31 1991	12	62	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	1 month's salary, pension and a pro-rated profit share up to the date of termination.	(3) †
CR Jones	Aug 27 1997	12	62	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	6 months' salary, pension and a pro-rated profit share up to the date of termination.	(3)
RT Lamont (retired January 14 2009)	Jan 6 2000	6	62	9 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	3 months' salary, pension and profit share if already paid.	(3), (4), (6), ‡
SM Brady	Feb 17 2000	12	62	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	6 months' salary, pension and pro-rated profit share up to the date of termination.	(3)
DE Alfano	Jan 10 2001	6	62	6 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	Salary, pension and profit share earned up to the date of termination only.	(3), (6)
GG Mueller	Jan 25 1999	12	62	12 months' salary, pension and a pro-rated bonus up to the date notice of termination is given. In addition, if the company terminates the contract without cause, Mr Mueller is entitled to exercise immediately any outstanding and unvested options due to vest in two years.	Salary and pension earned up to the date of termination only, and any incentive earned provided it has already been paid.	(3), (5)
MJ Carroll	Mar 18 1999	6	62	6 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	6 months' salary, pension and pro-rated profit share up to the date of termination.	(3), (6)
CHC Fordham	Sept 21 2004	12	62	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	6 months' salary, pension and pro-rated profit share up to the date of termination.	(3)
JL Wilkinson	July 26 2000	6	62	6 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	6 months' salary, pension and a pro-rated profit share up to the date notice of termination is given.	(3)
Non-executive director						
Sir Patrick Sergeant	Jan 10 1993	12	n/a	12 months' expense allowance.	Expense allowance up to the date of termination.	

Service contracts ***continued***

(1) PM Fallon has a second service contract with a subsidiary of the group, Euromoney Institutional Investor (Jersey) Limited (EIIJ), dated May 4 1993. This service contract has the same terms as his contract with Euromoney Institutional Investor PLC. Any termination payment would include profit share based on EIIJ's results. In addition, if PM Fallon be adjudged bankrupt, he is entitled to 7 days salary and profit share from EIIJ.

(2) NF Osborn has a second service contract with a subsidiary of the group, Euromoney Inc, dated January 4 1991 normally 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 3 months notice and NF Osborn would be entitled to 3 months' salary, pension and pro-rated profit share.^

(3) On termination, profit share is calculated as though the director has been employed for the full financial year and then pro-rated accordingly to the date of termination unless otherwise stated.

(4) If employment is terminated due to a breach of contract and the company is judged to have breached RT Lamont's editorial independence, the company shall pay US$87,500 to the United Way of Greater New York.

(5) GG Mueller's service agreement is with Internet Securities, Inc.

(6) RT Lamont, DE Alfano and MJ Carroll's service agreements are with Institutional Investor, Inc. If MJ Carroll's contract is terminated due to just cause he is entitled to his salary and pension up to the date of termination, but no profit share unless already paid.

* If the director terminated reaches retirement age before the expiration of their notice period then benefits will only be paid up to the date of retirement.

^ This also applies if the director gives less than their notice period to the company. If the contract is terminated for reasons of bankruptcy or serious misconduct it is terminated immediately without any payment in lieu of notice.

† CR Brown's service contract terminated on his death on July 16 2009.

‡ RT Lamont's service contract terminated on his retirement on January 14 2009.

Information subject to audit (pages 40 to 47)

Directors' remuneration table

	Year to September 30				
	Salary and fees 2009 £	Benefits in kind 2009 £	Profit share 2009 £	Total 2009 £	Total 2008 £
Executive directors					
PM Fallon	199,633	942	3,226,712	3,427,287	4,253,340
PR Ensor	188,181	942	2,508,665	2,697,788	3,467,080
NF Osborn[1]	120,641	942	306,095	427,678	545,288
DC Cohen	108,951	1,178	239,924	350,053	724,971
CR Brown (died July 16 2009)	121,066	3,637	197,925	322,628	344,015
CR Jones	202,458	1,178	345,725	549,361	687,003
RT Lamont[2]	39,187	2,237	15,051	56,475	154,319
SM Brady	129,762	471	125,178	255,411	316,951
DE Alfano	122,519	9,219	451,384	583,122	593,135
GG Mueller	138,871	13,726	309,993	462,590	645,589
MJ Carroll	67,363	11,225	–	78,588	208,003
CHC Fordham	133,058	1,178	512,066	646,302	740,985
JL Wilkinson	98,875	471	228,214	327,560	318,694
Non-executive directors					
The Viscount Rothermere	26,367	–	–	26,367	28,000
Sir Patrick Sergeant	26,367	–	–	26,367	28,000
CJF Sinclair[3]	–	–	–	–	28,000
JP Williams[3]	–	–	–	–	28,000
JC Botts	35,548	–	–	35,548	37,750
JC Gonzalez	26,367	–	–	26,367	28,000
MWH Morgan[4]	26,367	–	–	26,367	–
DP Pritchard[5]	20,228	–	–	20,228	–
	1,831,809	47,346	8,466,932	10,346,087	13,177,123

Service contracts *continued*

Fees as a director include fees paid as a director of subsidiary companies. Benefits in kind include payments by the company for health care.

1. NF Osborn has waived £8,674 of profit share in respect of the current and future years. The profit share waived was paid into a private pension scheme on the director's behalf. This waiver has not been deducted from the profit shares above.
2. retired as an executive director on January 14 2009.
3. resigned as non-executive directors on September 30 2008.
4. appointed as a non-executive director on October 1 2008.
5. appointed as a non-executive director on December 22 2008.

The salaries of the executive directors, and the fees of the non-executive directors, were reduced by 10% from March 1 2009 in response to the difficult trading conditions. This reduction will remain in place until March 31 2010, or later if the remuneration committee so recommends.

Directors' pensions

Executive directors can participate in the Harmsworth Pension Scheme (a defined benefit scheme, closed to new directors), the Euromoney Pension Plan (a money purchase plan) or their own private pension scheme.

Group pension contributions

	Harmsworth Pension Scheme 2009 £	Euromoney Pension Plan 2009 £	Private schemes 2009 £	Total 2009 £	Total 2008 £
PM Fallon	–	–	–	–	–
PR Ensor	–	–	–	–	–
NF Osborn	–	9,074	–	9,074	8,244
DC Cohen	18,604	–	–	18,604	18,004
CR Brown (died July 16 2009)	–	–	1,703	1,703	2,858
CR Jones	37,636	–	–	37,636	35,237
RT Lamont (retired January 14 2009)	–	–	1,359	1,359	2,872
SM Brady	–	13,780	–	13,780	12,013
DE Alfano	–	–	4,658	4,658	2,999
GG Mueller	–	–	4,658	4,658	2,364
MJ Carroll	–	–	4,658	4,658	3,328
CHC Fordham	–	14,130	–	14,130	12,354
JL Wilkinson	–	–	–	–	–
	56,240	36,984	17,036	110,260	100,273

In addition to the company pension contributions, NF Osborn has elected to waive part of his profit share. The profit share waived is paid by the company into a private pension scheme as set out above.

Group pension contributions ***continued***

Under the Harmsworth Pension Scheme, the following pension benefits were earned by the directors:

	Increase in accrued annual pension during the year £	Accrued annual pension at September 30 2009 £	Transfer value September 30 2009 £	Transfer value September 30 2008 £	Increase in transfer value (net of directors' contributions) £
Director					
PM Fallon*	1,000	9,000	170,000	170,000	–
PR Ensor	–	64,200	1,380,000	1,460,000	(80,000)
DC Cohen	1,900	26,900	410,000	380,000	30,000
CR Jones	5,100	35,800	490,000	410,000	80,000

The accrued annual pension entitlement is that which would be paid annually on retirement based on service to September 30 2009 and ignores 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 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 and therefore cannot be added meaningfully to annual remuneration. During the year there was a change to the assumptions used to calculate transfer values, which made allowance for the expectation that members will live longer in retirement than had previously been assumed as well as reflecting a fall in long-term interest rates. These changes contributed to 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 Harmsworth Pension Scheme is 62 years.

* PM Fallon's pension benefits relate to a deferred pension in the Mail Newspapers Pension Scheme for pensionable service between April 1 1978 and April 1 1986. No further contributions have been made to this scheme by the group or PM Fallon.

Directors' share options

The directors hold options to subscribe for new ordinary shares of 0.25p each in the company as follows:

	At start of year	Granted/ trued up during year	Exercised/ lapsed during year	At end of year/date of retirement	Exercise price	Date from which exercisable	Expiry date
PM Fallon	85,000	–	(85,000)	–	£3.95	lapsed	Feb 11 09
	255,000	–	(255,000)	–	£4.31	lapsed	Jun 25 09
	2,533	–	(2,533)	– *	£3.69	lapsed	Aug 01 09
	46,126	–	(46,126)	–	£0.0025	exercised	Sep 30 14
	–	5,133	–	5,133 ¶	£1.87	Feb 01 12	Aug 01 12
	–	46,126	–	46,126 ‡	£0.0025	Feb 12 10	Sep 30 14
	388,659	51,259	(388,659)	51,259			
PR Ensor	75,000	–	(75,000)	–	£3.95	lapsed	Feb 11 09
	225,000	–	(225,000)	–	£4.31	lapsed	Jun 25 09
	2,533	–	(2,533)	– *	£3.69	lapsed	Aug 01 09
	46,126	–	(46,126)	–	£0.0025	exercised	Sep 30 14
	–	5,133	–	5,133 ¶	£1.87	Feb 01 12	Aug 01 12
	–	46,126	–	46,126 ‡	£0.0025	Feb 12 10	Sep 30 14
	348,659	51,259	(348,659)	51,259			
NF Osborn	5,000	–	–	5,000	£4.19	TSR criteria not satisfied	Jan 28 14
	2,533	–	(2,533)	– *	£3.69	lapsed	Aug 01 09
	18,800	–	(18,800)	–	£0.0025	exercised	Sep 30 14
	–	5,133	–	5,133 ¶	£1.87	Feb 01 12	Aug 01 12
	–	18,052	–	18,052 ‡	£0.0025	Feb 12 10	Sep 30 14
	26,333	23,185	(21,333)	28,185			
DC Cohen	8,000	–	–	8,000	£5.38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3.35	now	Jan 23 12
	10,000	–	–	10,000	£2.59	TSR criteria not satisfied	Dec 04 12
	5,000	–	–	5,000	£4.19	TSR criteria not satisfied	Jan 28 14
	3,018	–	–	3,018 §	£3.18	Feb 01 11	Aug 01 11
	64,385	(3,700)	(60,685)	– †	£0.0025	exercised	Sep 30 14
	–	8,214	–	8,214 ‡	£0.0025	Feb 12 10	Sep 30 14
	96,403	4,514	(60,685)	40,232			
CR Brown (died July 16 2009)	28,000	–	(28,000)	–	£4.19	lapsed	Jan 29 09
	8,000	–	–	8,000	£5.38	TSR criteria not satisfied	Mar 02 11
	40,000	–	–	40,000	£2.59	TSR criteria not satisfied	Dec 04 12
	30,000	–	–	30,000	£4.19	TSR criteria not satisfied	Jan 28 14
	61,347	–	(61,347)	–	£0.0025	exercised	Sep 30 14
	–	29,038	–	29,038 ‡	£0.0025	Feb 12 10	Sep 30 14
	167,347	29,038	(89,347)	107,038			

Directors' share options *continued*

	At start of year	Granted during year	Exercised/ lapsed during year	At end of year/date of retirement	Exercise price	Date from which exercisable	Expiry date
CR Jones	32,000	–	(32,000)	–	£4.19	lapsed	Jan 29 09
	60,000	–	(60,000)	–	£4.31	lapsed	Jun 25 09
	8,000	–	–	8,000	£5.38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3.35	now	Jan 23 12
	20,000	–	–	20,000	£2.59	TSR criteria not satisfied	Dec 04 12
	15,000	–	–	15,000	£4.19	TSR criteria not satisfied	Jan 28 14
	2,533	–	(2,533)	–*	£3.69	lapsed	Aug 01 09
	46,126	–	(46,126)	–	£0.0025	exercised	Sep 30 14
	–	5,133	–	5,133 ¶	£1.87	Feb 01 12	Aug 01 12
	–	46,126	–	46,126 ‡	£0.0025	Feb 12 10	Sep 30 14
	189,659	51,259	(140,659)	100,259			
RT Lamont	10,000	–	(10,000)	–	£4.19	lapsed	Jan 29 09
(retired January 14 2009)	5,000	–	–	5,000	£5.38	TSR criteria not satisfied	Mar 02 11
	15,863	–	(15,863)	– †	£0.0025	exercised	Sep 30 14
	–	6,544	–	6,544 ‡	£0.0025	Feb 12 10	Sep 30 14
	30,863	6,544	(25,863)	11,544			
SM Brady	16,000	–	(16,000)	–	£4.19	lapsed	Jan 29 09
	8,000	–	–	8,000	£5.38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3.35	now	Jan 23 12
	20,000	–	–	20,000	£2.59	TSR criteria not satisfied	Dec 04 12
	10,000	–	–	10,000	£4.19	TSR criteria not satisfied	Jan 28 14
	2,255	–	–	2,255 ∏	£4.19	Feb 01 10	Aug 01 10
	46,474	–	(46,474)	–	£0.0025	exercised	Sep 30 14
	46,474	–	(46,474)	–	£0.0025	exercised	Sep 30 14
	–	46,475	–	46,475 ‡	£0.0025	Feb 12 10	Sep 30 14
	155,203	46,475	(108,948)	92,730			
DE Alfano	10,000	–	(10,000)	–	£4.19	lapsed	Jan 29 09
	8,000	–	–	8,000	£5.62	now	Jan 05 10
	5,000	–	–	5,000	£5.38	TSR criteria not satisfied	Mar 02 11
	10,000	–	–	10,000	£2.59	TSR criteria not satisfied	Dec 04 12
	10,000	–	–	10,000	£4.19	TSR criteria not satisfied	Jan 28 14
	45,882	–	(45,882)	–	£0.0025	exercised	Sep 30 14
	–	35,049	–	35,049 ‡	£0.0025	Feb 12 10	Sep 30 14
	88,882	35,049	(55,882)	68,049			

Directors' share options *continued*

	At start of year/ appointment	Granted/ trued-up during year	Exercised/ lapsed during year	At end of year/date of retirement	Exercise price	Date from which exercisable	Expiry date
GG Mueller	10,000	–	–	10,000	£5.38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3.35	now	Jan 23 12
	20,000	–	–	20,000	£2.59	TSR criteria not satisfied	Dec 04 12
	74,874	(10,688)	(64,186)	– †	£0.0025	exercised	Sep 30 14
	–	48,777	–	48,777 ‡	£0.0025	Feb 12 10	Sep 30 14
	110,874	38,089	(64,186)	84,777			
MJ Carroll	4,000	–	(4,000)	–	£4.19	lapsed	Jan 29 09
	8,000	–	–	8,000	£5.62	now	Jan 05 10
	4,000	–	–	4,000	£5.38	TSR criteria not satisfied	Mar 02 11
	20,000	–	–	20,000	£2.59	TSR criteria not satisfied	Dec 04 12
	10,000	–	–	10,000	£4.19	TSR criteria not satisfied	Jan 28 14
	41,435	–	(41,435)	–	£0.0025	exercised	Sep 30 14
	–	22,036	–	22,036 ‡	£0.0025	Feb 12 10	Sep 30 14
	87,435	22,036	(45,435)	64,036			
CHC Fordham	10,000	–	–	10,000	£5.38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3.35	now	Jan 23 12
	20,000	–	–	20,000	£2.59	TSR criteria not satisfied	Dec 04 12
	10,000	–	–	10,000	£4.19	TSR criteria not satisfied	Jan 28 14
	2,533	–	(2,533)	– *	£3.69	lapsed	Aug 01 09
	49,646	(3,135)	(46,511)	– †	£0.0025	exercised	Sep 30 14
	–	5,133	–	5,133 ¶	£1.87	Feb 01 12	Aug 01 12
	–	23,581	–	23,581 ‡	£0.0025	Feb 12 10	Sep 30 14
	98,179	25,579	(49,044)	74,714			
JL Wilkinson	8,000	–	–	8,000	£3.35	now	Jan 23 12
	8,000	–	–	8,000	£2.59	TSR criteria not satisfied	Dec 04 12
	8,000	–	–	8,000	£4.19	TSR criteria not satisfied	Jan 28 14
	43,789	–	(43,789)	–	£0.0025	exercised	Sep 30 14
	–	43,789	–	43,789 ‡	£0.0025	Feb 12 10	Sep 30 14
	67,789	43,789	(43,789)	67,789			
Total	1,856,285	428,075	(1,442,489)	841,871			

* issued under the Euromoney Institutional Investor PLC Save As You Earn scheme 2006.
Π issued under the Euromoney Institutional Investor PLC Save As You Earn scheme 2007.
§ issued under the Euromoney Institutional Investor PLC Save As You Earn scheme 2008.
¶ issued under the Euromoney Institutional Investor PLC Save As You Earn scheme 2009.

† Options granted relate to those that were issued under the second tranche of the CAP which vested on February 13 2009, three months following the announcement of the company's results. The number of options granted to each director was provisional and was trued-up following adjustment for the allocation of options belonging to leavers and adjustments to profits of the respective directors' individual businesses as required by the remuneration committee. As such the actual number of options granted was different from that reported last year.

‡ Options granted are those expected to be issued under the third tranche of the CAP which vest on February 12 2010, three months following the announcement of the company's results. The number of options granted to each director is provisional and will require a true-up to reflect adjustments to the respective directors' individual businesses profits between year end and December 31 2009 as required by the remuneration committee. As such the actual number of options granted could vary from that disclosed.

Directors' share options ***continued***

Options exercised during the year:

	Number of options exercised	Date of exercise	Market price per share on date of exercise (£)	Gain on exercise (£)	Number of shares retained
PM Fallon	46,126	Feb 13 2009	2.19	100,901	46,126
PR Ensor	46,126	May 28 2009	2.02	93,059	46,126
NF Osborn	18,800	Feb 13 2009	2.19	41,125	18,800
DC Cohen	60,685	Feb 20 2009	1.78	107,868	35,678
CR Brown	61,347	Feb 20 2009	1.78	109,044	33,400
CR Jones	46,126	Mar 13 2009	1.76	81,066	46,126
RT Lamont	15,863	Feb 13 2009	2.19	34,700	15,863
SM Brady	92,948	Feb 20 2009	1.78	165,215	54,646
DE Alfano	45,882	Feb 20 2009	1.78	81,555	27,188
GG Mueller	64,186	Feb 13 2009	2.19	140,407	64,186
MJ Carroll	41,435	Feb 20 2009	1.78	73,651	5,000
CHC Fordham	46,511	Mar 13 2009	1.76	81,743	46,511
JL Wilkinson	43,789	Feb 20 2009	1.78	77,835	25,744
	629,824			1,188,169	465,394

The market price of the company's shares on September 30 2009 was £3.73. The high and low share prices during the year were £3.80 and £1.47 respectively. There were 428,075 options granted during the year (2008: 640,914). The aggregate gain made by directors on the exercise of share options in the year was £1,188,869 (2008: £2,100,777).

In addition, the following directors hold options to subscribe for common stock of $0.001 each in Internet Securities, Inc., a subsidiary of the company. All of these options are fully vested and exercisable.

	At start of year	Exercised during year	At end of year	Exercise price	Date from which exercisable	Expiry date
JC Botts	6,000	(6,000)	–	$7.40	exercised	May 13 09
GG Mueller	5,063	–	5,063	$7.07	now	Feb 02 14
NF Osborn	5,000	–	5,000	$8.95	now	Sep 05 10
Total	16,063	(6,000)	10,063			

Directors' share options *continued*

Options exercised during the year:

	Number of options exercised	Date of exercise	Market price per share on date of exercise ($)	Gain on exercise (£)	Number of shares retained
JC Botts	6,000	Feb 28 2009	12.28	29,280	–

No options in Internet Securities, Inc. were granted during the year. In February 2009, GG Mueller sold 220,000 shares in Internet Securities, Inc to Euromoney Institutional Investor PLC for an independently assessed market price of $12.28 per share.

Information not subject to audit

Directors' interests in the company

The interests of the directors and their families in the ordinary shares of the company and its subsidiaries as at September 30 were as follows:

	Ordinary shares of 0.25p each	
	2009	2008
Beneficial		
PM Fallon	579,124	532,998
PR Ensor	148,403	102,277
NF Osborn	52,675	33,875
DC Cohen	110,225	74,547
CR Brown (died July 16 2009)	–	79,205
CR Jones	114,013	67,887
RT Lamont (retired January 14 2009)	–	41,366
SM Brady	34,907	–
DE Alfano	74,817	47,629
GG Mueller	174,563	110,377
MJ Carroll	15,000	10,000
CHC Fordham	97,030	50,519
JL Wilkinson	51,508	25,764
The Viscount Rothermere	22,708	20,864
Sir Patrick Sergeant	165,304	265,304
CJF Sinclair (retired September 30 2008)	–	7,494
JP Williams (resigned September 30 2008)	–	3,075
JC Botts	15,503	15,503
JC Gonzalez	–	–
MWH Morgan (appointed October 1 2008)	7,532	–
DP Pritchard (appointed December 22 2008)	–	–
	1,663,312	1,488,684
Non-beneficial		
Sir Patrick Sergeant	20,000	20,000

At September 30 2009 GG Mueller was beneficially interested in 160,000 shares of Internet Securities, Inc. a subsidiary of the group (2008: 380,000 shares).

Directors' Remuneration Report *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	
	2009	2008	2009	2008
The Viscount Rothermere[1&2]	11,903,132	11,903,132	75,977,758	76,213,053
PM Fallon	–	–	41,500	41,500
Sir Patrick Sergeant	–	–	36,000	80,000
MWH Morgan[1&2]	764	–	902,007	–
CJF Sinclair[1&2]	–	–	–	477,207
JP Williams[1&2]	–	–	–	243,072

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 Daily Mail and General Trust plc's annual report.
2. The figures in the table above include 'A' shares awarded to executives under the DMGT Executive Bonus Scheme. For the Viscount Rothermere and MWH Morgan respectively, 25,013 and 816,575 of these shares were subject to restrictions as explained in Daily Mail and General Trust plc's annual report. The comparable figures for the Viscount Rothermere, CJF Sinclair and JP Williams at October 1 2008 were 26,839, 43,312 and 21,414 respectively.

The Viscount Rothermere had non-beneficial interests as a trustee at September 30 2009 in 5,540,000 'A' ordinary non-voting shares of 12.5p each (2008: 5,540,000 shares) plus 639,208 ordinary shares of 12.5p each (2008: 639,208 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 12,542,340 ordinary shares of 12.5p each (2008: 12,542,340 shares).

At September 30 2009 and September 30 2008, 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 311,000 and 136,000 respectively 'A' ordinary non-voting shares in Daily Mail and General Trust plc at September 30 2009 (2008: The Viscount Rothermere, CJF Sinclair and JP Williams had options over 436,000, 898,000 and 365,000 shares respectively). The exercise price of these options ranges from £5.73 to £10.30. Further details of these options are listed in the Daily Mail and General Trust plc group accounts.

There have been no changes in the directors' interests since September 30 2009.

John Botts
Chairman of the Remuneration Committee
November 11 2009

Independent Auditors' Report

Independent auditors' report to the members of Euromoney Institutional Investor PLC

We have audited the group financial statements of Euromoney Institutional Investor PLC for the year ended September 30 2009 which comprise the Group Income Statement, the Group Balance Sheet, the Group Cash Flow Statement, the Group Statement of Recognised Income and Expense and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at September 30 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement contained within the report of the Directors in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Other matter

We have reported separately on the parent company financial statements of Euromoney Institutional Investor PLC for the year ended and on the information in the Directors' Remuneration Report that is described as having been audited.

Ian Waller

Ian Waller
Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
November 11 2009

Group Income Statement

for the year ended September 30 2009

	Notes	2009 £000's	2008 £000's
Total revenue	3	317,594	332,064
Operating profit before acquired intangible amortisation, share option expense and exceptional items	3	79,447	81,308
Acquired intangible amortisation	11	(15,891)	(12,749)
Share option expense		(2,697)	(5,361)
Exceptional items	5	(33,901)	(2,477)
Operating profit before associates	3, 4	26,958	60,721
Share of results in associates		219	308
Operating profit		27,177	61,029
Finance income	7	2,281	5,594
Finance expense	7	(46,819)	(29,197)
Net finance costs	7	(44,538)	(23,603)
(Loss)/profit before tax	3	(17,361)	37,426
Tax credit on (loss)/profit		10,412	1,921
Deferred tax asset recognition		–	5,358
Tax credit on (loss)/profit	8	10,412	7,279
(Loss)/profit after tax from continuing operations	3	(6,949)	44,705
Profit for the year from discontinued operations	15	1,207	245
(Loss)/profit for the year		(5,742)	44,950
Attributable to:			
Equity holders of the parent		(6,287)	43,719
Equity minority interests		545	1,231
		(5,742)	44,950
Basic (loss)/earnings per share – continuing operations	10	(6.83)p	41.69p
Basic (loss)/earnings per share – continuing and discontinued operations	10	(5.73)p	41.92p
Diluted (loss)/earnings per share – continuing operations	10	(6.67)p	40.37p
Diluted (loss)/earnings per share – continuing and discontinued operations	10	(5.59)p	40.60p
Adjusted diluted earnings per share	10	40.39p	44.36p
Dividend per share (including proposed dividends)	9	14.00p	19.25p

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

Group Balance Sheet

as at September 30 2009

	Notes	2009 £000's	2008 £000's
Non-current assets			
Intangible assets			
Goodwill	11	291,338	272,096
Other intangible assets	11	134,310	135,482
Property, plant and equipment	12	19,750	21,661
Investments	13	209	303
Deferred tax assets	21	18,474	16,459
Net pension surplus	27	–	2,527
Derivative financial instruments	18	569	368
		464,650	448,896
Current assets			
Trade and other receivables	16	59,000	69,141
Amounts on loans owed by DMGT group undertakings	29	–	155,772
Current income tax assets		6,311	1,928
Cash at bank and in hand		12,545	21,211
Derivative financial instruments	18	569	1,451
		78,425	249,503
Current liabilities			
Acquisition option commitments	25	(11,237)	(22,276)
Trade and other payables	17	(59,214)	(30,619)
Amounts on loans owed to DMGT group undertakings	29	–	(155,772)
Current income tax liabilities		(6,139)	(2,558)
Accruals		(46,972)	(50,016)
Deferred income		(82,599)	(89,488)
Derivative financial instruments	18	(9,917)	(15,165)
Provisions	20	(2,359)	(1,198)
Committed loan facility	19	–	(184,594)
Loan notes	19	(5,719)	(7,579)
Bank overdrafts	19	(482)	(1,032)
		(224,638)	(560,297)
Net current liabilities		(146,213)	(310,794)
Total assets less current liabilities		318,437	138,102
Non-current liabilities			
Acquisition option commitments	25	(706)	(7,572)
Other non-current liabilities		(1,012)	(1,301)
Committed loan facility	19	(171,404)	–
Deferred tax liabilities	21	(21,777)	(27,887)
Net pension deficit	27	(364)	–
Derivative financial instruments	18	(14,592)	(9,773)
Provisions	20	(3,591)	(3,505)
		(213,446)	(50,038)
Net assets		104,991	88,064
Shareholders' equity			
Called up share capital	22	284	263
Share premium account	24	52,445	38,575
Other reserve	24	64,981	64,981
Capital redemption reserve	24	8	8
Own shares	24	(74)	(74)
Liability for share based payments	24	23,646	20,676
Fair value reserve	24	(39,508)	(19,579)
Translation reserve	24	44,734	17,113
Retained earnings	24	(42,511)	(36,916)
Equity shareholders' surplus		104,005	85,047
Equity minority interests		986	3,017
Total equity		104,991	88,064

The accounts were approved by the board of directors on November 11 2009.

Richard Ensor
Colin Jones
Directors

Group Cash Flow Statement

for the year ended September 30 2009

	2009 £000's	2008 £000's
Cash flow from operating activities		
Operating profit	27,177	61,029
Share of results in associates	(219)	(308)
Profit on disposal of long-term investment	-	(1,589)
Acquired intangible amortisation	15,891	12,749
Licences and software amortisation	256	207
Share option expense	2,697	5,361
Goodwill impairment	21,929	2,952
Intangible impairment	1,235	-
Reduction in goodwill arising from a deferred tax adjustment	-	2,784
Depreciation of property, plant and equipment	2,544	2,759
Exceptional depreciation of property, plant and equipment	1,210	-
Increase/(decrease) in provisions	1,476	(1,419)
Loss/(profit) on disposal of property, plant and equipment	125	(1,662)
Operating cash flows before movements in working capital	74,321	82,863
Decrease in receivables	15,983	3,224
(Decrease)/increase in payables	(17,727)	13,697
Cash generated from operations	72,577	99,784
Income taxes received/(paid)	1,263	(12,231)
Net cash from operating activities	73,840	87,553
Investing activities		
Dividends paid to minorities	(1,806)	(2,056)
Dividends received from associate	313	257
Interest received	801	4,212
Purchase of intangible assets	(146)	(156)
Purchase of property, plant and equipment	(1,260)	(4,240)
Proceeds from disposal of property, plant and equipment	21	2,846
Proceeds from disposal of long-term investment	-	1,589
Purchase of additional interest in subsidiary undertakings	(19,890)	(5,997)
Acquisition of subsidiary undertakings	-	(556)
Proceeds from disposal of discontinued operations	1,259	245
Net cash used in investing activities	(20,708)	(3,856)
Financing activities		
Dividends paid	(6,771)	(19,950)
Interest paid	(8,887)	(10,129)
Interest paid on loan notes	(291)	(534)
Issue of new share capital	5	72
Settlement of derivative assets/liabilities	(35,861)	(5,591)
Amounts received on intergroup tax equalisation swaps	23,088	-
Redemption of loan notes	(1,767)	(4,324)
Loan repaid to DMGT group company	(117,239)	(217,236)
Loan received from DMGT group company	83,903	171,218
Net cash used in financing activities	(63,820)	(86,474)
Net decrease in cash and cash equivalents	(10,688)	(2,777)
Cash and cash equivalents at beginning of year	20,179	20,776
Effect of foreign exchange rate movements	2,572	2,180
Cash and cash equivalents at end of year	12,063	20,179

Cash and cash equivalents include bank overdrafts.

Note to the Group Cash Flow Statement

Net Debt

	2009 £000's	2008 £000's
Net debt at beginning of year	**(171,994)**	(204,579)
Decrease in cash and cash equivalents	**(10,688)**	(2,777)
Decrease in amounts owed to DMGT group company	**33,336**	46,018
Redemption of loan notes	**1,767**	4,324
Interest paid on loan notes	**291**	534
Other non-cash changes	**(4,748)**	(5,805)
Effect of foreign exchange rate movements	**(13,024)**	(9,709)
Net debt at end of year	**(165,060)**	(171,994)

Net debt comprises cash at bank and in hand, bank overdrafts, committed borrowings and loan notes.

Non-cash changes represent interest added to the principal amounts owed to DMGT and accrued interest on loan notes.

Group Statement of Recognised Income and Expense

for the year ended September 30 2009

	2009 £000's	2008 £000's
Change in fair value of hedges	(9,285)	(17,455)
Gains on revaluation of intangible assets	2,544	1,692
Net exchange differences on translation of net investments in overseas subsidiary undertakings	27,621	32,448
Net exchange differences on foreign currency loans	(16,690)	(19,115)
Actuarial (losses)/gains on defined benefit pension schemes	(3,382)	1,589
Tax on items taken directly to equity	3,792	1,282
Net income recognised directly in equity	4,600	441
Transfer of loss/(gain) on cash flow hedges from fair value reserves to income statement	3,502	(2,877)
(Loss)/profit for the year	(5,742)	44,950
Total recognised income and expense for the year	2,360	42,514
Attributable to:		
Equity holders of the parent	1,815	41,283
Equity minority interests	545	1,231
	2,360	42,514

Notes to the Accounts

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 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 these 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.

In the current year, IFRIC 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' is effective for the current period. The adoption of this interpretation has not led to any changes in the group's accounting policies.

At the date of authorisation of these financial statements, the following new accounting standards, or amendments and interpretations to existing standards have not been applied as they are not yet effective: IFRS 3 'Business Combinations' (effective for annual periods beginning on or after July 1 2009); Amendment to IAS 23 'Borrowing Costs' (effective for annual periods beginning on or after January 1 2009); Amendments to IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after January 1 2009); Amendments to IAS 27 'Consolidated and Separate Financial Statements' (effective for annual periods beginning on or after July 1 2009); Amendment to IFRS 2 'Vesting Conditions and Cancellations' (effective for annual periods beginning on or after January 1 2009); Amendments to IAS 32 'Financial Instruments: Recognition and Measurement' and IAS 1 'Presentation of Financial Statements' relating to puttable financial instruments and obligations arising on liquidation (effective for annual periods beginning on or after January 1 2009); Amendment to IAS 39 'Financial Instruments: Recognition and Measurement relating to eligible hedged items' (effective for annual periods beginning on or after July 1 2009); IFRS 8 'Operating Segments' (effective for annual periods beginning on or after January 1 2009); IFRIC 11 'IFRS 2 – Group and Treasury Share Transactions' (effective for annual periods beginning on or after March 1 2007); IFRIC 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' (effective for annual periods beginning on or after January 1 2008); 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. In addition, certain other standards and interpretations were issued during the period which either do not apply to the group or are not expected to have any material effect.

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 31.

Basis of consolidation

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.

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.

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.

The results of subsidiary and associated undertakings acquired during the year are incorporated from the effective date of acquisition. Acquisitions are accounted for under the acquisition method, with consideration given and the assets and liabilities acquired being recorded at fair value.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consists of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

1 Accounting policies *continued*

Foreign currencies

The functional and presentation currency of Euromoney Institutional Investor PLC and its UK subsidiaries is sterling (£). The functional currency of subsidiaries and associates is the currency of the primary economic environment in which they operate.

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.

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.

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.

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 the 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%
Motor vehicles	20%

All property, plant and equipment are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' when there are indications that the carrying value may not be recoverable.

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.

1 Accounting policies *continued*

Other 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.

Amortisation is charged so as to write off the costs of intangible assets over their estimated useful lives, using the straight-line or reducing balance method.

All intangible assets are reviewed for impairment in accordance with IAS 36 'Impairment of assets' when there are indications that the carrying value may not be recoverable.

The costs of acquiring and developing software that is not integral to the related hardware is capitalised separately as an intangible asset. 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:

Brands	20 – 30 years
Data provider contracts	5 years
Customer relationships	3 - 16 years
Licences and software	3 years
Subscription contracts	1 year

Business combinations achieved in stages

Where a business combination is achieved by more than one exchange transaction, goodwill is calculated separately for each transaction with the appropriate share of the acquiree's net assets based on the net fair values at the time of each exchange transaction. Any adjustment to an increase in fair values related to previously held interests is credited to the fair value reserve. A decrease in carrying amounts arising on the revaluation of such assets is charged as an expense to the income statement to the extent that it exceeds the balance held in the fair value reserve, if any, relating to a previous revaluation of that asset.

Purchases and sale of shares in a controlled entity

Where the group's interest in a controlled entity increases, which does not result in a change of control, the group calculates the goodwill arising as the difference between the cost of the additional interest acquired and the fair value of the group's interest in the subsidiary's net assets at the date of the change in interest. All of the assets and liabilities are fair valued at the date of acquisition of the additional controlling stake.

Financial assets

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.

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 liabilities and equity

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

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

1 Accounting policies *continued*

Derivatives 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 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 income statement. The ineffective portion of such gains and losses is recognised in the income statement immediately.

Gains or losses on the qualifying part of net investment hedges are recognised in equity 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.

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.

Liabilities in respect of put option agreements

Liabilities for put options over the remaining minority interests in subsidiaries are recorded in the balance sheet 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

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.

1 Accounting policies *continued*

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.

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.

The company operates the Metal Bulletin Pension Scheme, a defined benefit scheme. The cost 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 period in which they occur. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets.

The company 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 company 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.

Share-based payments

The group makes share-based 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 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 of IFRS 1, IFRS 2 '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 transition to IFRS.

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 balance sheet.

Leased assets

Operating lease rentals are charged to the income statement on a straight-line or other systematic basis as allowed by IAS 17 'Leases'.

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.

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 disclosure in order to provide a view of the group's results excluding these items.

2 Key judgemental areas adopted in preparing these accounts
The group prepares its group financial statements in accordance with 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.

Acquisitions
The group's accounting policy is that on acquisition of a subsidiary or business, the purchase consideration is allocated over the net fair value of identifiable assets, liabilities and contingent liabilities acquired, with any excess purchase consideration representing goodwill.

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 managements' estimate of marketing response rates), trademarks, brands, repeat and well established events. At September 30 2009 the net book value of intangible assets was £134.0 million (2008: £135.1 million).

Goodwill
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. The carrying value of goodwill is reviewed for impairment at least annually or where there is an indication that goodwill may be impaired.

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. During the year the group recognised a goodwill impairment of £21.9 million (2008: £3.0 million) (note 5) and a reduction in goodwill arising from a deferred tax adjustment of £nil (2008: £2.8 million) (note 5). Goodwill held on the balance sheet at September 30 2009 was £291.3 million (2008: £272.1 million).

Acquisition option commitments
The group is party to a number of put and call options over the remaining minority interests in some of its subsidiaries. IAS 39 requires the discounted present value of these acquisition option commitments to be recognised as a liability on the balance sheet 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 options 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 2009 the discounted present value of these acquisition option commitments was £11.9 million (2008: £29.8 million).

Share-based payments
The group makes share-based 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 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 perform 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 charge for share-based payments for the year ended September 30 2009 is £2.7 million (2008: £5.4 million).

Defined benefit pension scheme
The surplus or deficit in the defined benefit pension scheme that is recognised through the statement of recognised income and expense 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 27. Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes.

2 Key judgemental areas adopted in preparing these accounts *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 multi-national 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 2009, the group had a deferred tax asset of £18.5 million (2008: £16.5 million).

Treasury

Interest rate exposure

Interest rate swaps and caps 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 expected future debt profile of the group is based on estimates of both timings and size of future, as yet unknown, acquisitions offset by an estimate of the cash generated by the group over a five year period. If management materially underestimate the group's future debt profile this would lead to too few interest rate instruments being in place and the group more exposed to swings in interest rates. An overestimate of the group's future debt profile would lead to associated costs in unwinding the excess interest rate instruments. At September 30 2009, the fair value of the group's interest rate swaps was a liability of £7.6 million (2008: £2.9 million).

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 pounds sterling versus 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.

Approximately two-thirds of the group's revenues are in US dollars. 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 forward contracts is put in place up to 18 months forward partially to hedge its dollar revenues into sterling. The timing and value of these forward contracts is based on managements estimate of its future US dollar revenues over a 18 month period. If management materially underestimated the group's future US dollar revenues this would lead to too few forward contracts being in place and the group being more exposed to swings in US dollar to sterling exchange rates. An overestimate of the group's US dollar revenue would lead to associated costs in unwinding the excess forward contracts. At September 30 2009, the fair value of the group's forward contracts was a liability of £15.8 million (2008: £10.9 million) and the foreign exchange loss on restructured hedging arrangements from unwinding excess forward contracts was £7.9 million (2008: £nil) (note 7).

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

3 Segmental analysis

Primary reporting format

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 Databases and information services. This is considered to be the primary reporting format. Financial publishing and Business publishing consist primarily of advertising and subscription revenue. The Training division consists primarily of delegate revenue. Conferences and seminars consists of both sponsorship income and delegate revenue. Databases and information services consists of subscription revenue. A breakdown of the group's revenue by type is set out below.

Secondary reporting format

The group divides the operation of its businesses across three main geographical areas: United Kingdom; North America; and Rest of World (which primarily includes Asia). These geographical areas are considered as the secondary reporting format.

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	
	2009 £000's	2008 £000's	2009 £000's	2008 £000's	2009 £000's	2008 £000's	2009 £000's	2008 £000's	2009 £000's	2008 £000's
Revenue by division and source:										
Financial publishing	43,330	49,217	34,892	36,401	1,856	1,956	(4,718)	(3,415)	75,360	84,159
Business publishing	42,765	40,361	14,601	12,598	1,760	1,963	(2,798)	(1,834)	56,328	53,088
Training	19,038	27,078	8,838	10,581	4,180	3,553	(374)	(460)	31,682	40,752
Conferences and seminars	28,584	31,511	33,379	38,386	12,918	18,147	(30)	(145)	74,851	87,899
Databases and information services	10,185	7,529	54,707	40,733	22,589	17,867	–	(2)	87,481	66,127
Sold/closed businesses	–	47	–	–	–	–	–	(8)	–	39
Corporate revenue	1,625	1,665	331	299	2	2	(1,958)	(1,966)	–	–
Foreign exchange losses on forward contracts	(8,108)	–	–	–	–	–	–	–	(8,108)	–
Total revenue	137,419	157,408	146,748	138,998	43,305	43,488	(9,878)	(7,830)	317,594	332,064

	2009 £000's	2008 £000's
Revenue by type:		
Subscriptions	152,305	123,067
Advertising	54,817	66,504
Sponsorship	38,454	45,813
Delegates	69,588	86,350
Other	10,538	10,291
Sold/closed businesses	–	39
Foreign exchange losses on forward contracts	(8,108)	–
Total revenue	317,594	332,064
Investment income (note 7)	246	597
Total revenue and investment income	317,840	332,661

	United Kingdom		North America		Rest of World		Eliminations		Total	
	2009 £000's	2008 £000's	2009 £000's	2008 £000's	2009 £000's	2008 £000's	2009 £000's	2008 £000's	2009 £000's	2008 £000's
Revenue by destination:										
Sale of goods	48,035	52,893	88,568	85,650	91,392	71,308	(8,826)	(6,477)	219,169	203,374
Sale of services	11,216	8,884	42,719	47,942	53,650	73,170	(1,052)	(1,345)	106,533	128,651
Sold/closed businesses	–	47	–	–	–	–	–	(8)	–	39
Foreign exchange losses on forward contracts	(8,108)	–	–	–	–	–	–	–	(8,108)	–
Total revenue	51,143	61,824	131,287	133,592	145,042	144,478	(9,878)	(7,830)	317,594	332,064
Investment income (note 7)	31	459	2	106	213	32	–	–	246	597
Total revenue and investment income	51,174	62,283	131,289	133,698	145,255	144,510	(9,878)	(7,830)	317,840	332,661

3 Segmental analysis *continued*

	United Kingdom 2009 £000's	United Kingdom 2008 £000's	North America 2009 £000's	North America 2008 £000's	Rest of World 2009 £000's	Rest of World 2008 £000's	Total 2009 £000's	Total 2008 £000's
Operating profit[1] by division and source:								
Financial publishing	15,436	18,573	4,682	5,644	212	287	20,330	24,504
Business publishing	18,614	15,467	4,351	3,402	412	527	23,377	19,396
Training	3,838	7,720	1,164	1,838	1,229	883	6,231	10,441
Conferences and seminars	7,832	9,067	8,532	10,718	(505)	3,263	15,859	23,048
Databases and information services	6,629	4,595	24,990	14,032	4,602	2,479	36,221	21,106
Sold/closed businesses	(45)	81	–	–	–	–	(45)	81
Unallocated corporate costs	(25,122)	(24,132)	3,391	5,675	(795)	1,189	(22,526)	(17,268)
Operating profit before acquired intangible amortisation, share option expense and exceptional items	27,182	31,371	47,110	41,309	5,155	8,628	79,447	81,308
Acquired intangible amortisation[2]	(5,474)	(4,396)	(8,913)	(7,107)	(1,504)	(1,246)	(15,891)	(12,749)
Share option expense	(2,042)	(3,538)	(504)	(1,555)	(151)	(268)	(2,697)	(5,361)
Exceptional items (note 5)	(595)	2,306	(25,813)	(4,783)	(7,493)	–	(33,901)	(2,477)
Operating profit before associates	19,071	25,743	11,880	27,864	(3,993)	7,114	26,958	60,721
Share of results in associates							219	308
Net finance costs (note 7)							(44,538)	(23,603)
(Loss)/profit before tax							(17,361)	37,426
Tax credit (note 8)							10,412	7,279
(Loss)/profit after tax							(6,949)	44,705

Acquired intangible amortisation of £15,891,000 (2008: £12,749,000) can be allocated as follows: Financial publishing £638,000 (2008: £1,267,000); Business publishing £5,203,000 (2008: £3,395,000); Conferences and seminars £478,000 (2008: £291,000); Databases and information services £9,430,000 (2008: £7,647,000); Unallocated corporate costs £142,000 (2008: £149,000).

Share option expense of £2,697,000 (2008: £5,361,000) can be allocated as follows: Financial publishing £798,000 (2008: £1,320,000); Business publishing £365,000 (2008: £603,000); Training £679,000 (2008: £1,122,000); Conferences and seminars £396,000 (2008: £655,000); Databases and information services income £41,000 (2008: expense £805,000); Unallocated corporate costs £500,000 (2008: £856,000).

The exceptional loss of £33,901,000 (2008: £2,477,000) can be allocated as follows: Financial publishing £1,120,000 (2008: £nil); Business publishing £241,000 (2008: gain £475,000); Training £71,000 (2008: £nil); Conferences and seminars £23,697,000 (2008: £2,952,000); Databases and information services £1,181,000 (2008: £nil); Unallocated corporate costs £7,591,000 (2008: £nil).

[1] Operating profit before acquired intangible amortisation, share option expense and exceptional items (refer to the appendix to the Chairman's Statement).
[2] Acquired intangible amortisation represents amortisation on acquisition related non-goodwill assets such as brands, databases, customer relationships and trademarks.

	Financial publishing £000's	Business publishing £000's	Training £000's	Conferences and seminars £000's	Databases and information services £000's	Closed businesses £000's	Non-operating assets/ (liabilities) £000's	Total £000's
Net assets/(liabilities) by division: As at September 30 2009								
Assets	59,082	56,920	17,947	52,165	298,164	4,796	54,001	543,075
Liabilities	(93,430)	(83,972)	(33,821)	(95,173)	(85,026)	(7,098)	(39,564)	(438,084)
Net assets/(liabilities)	(34,348)	(27,052)	(15,874)	(43,008)	213,138	(2,302)	14,437	104,991
Capital expenditure (excluding intangibles)	(2)	(4)	(18)	(126)	(288)	–	(822)	(1,260)
Depreciation (excluding intangibles)	(30)	(32)	(33)	(85)	(405)	–	(1,959)	(2,544)
Exceptional depreciation	(167)	–	–	(84)	(28)	–	(931)	(1,210)
Amortisation	(639)	(5,347)	(478)	(3)	(9,569)	(4)	(107)	(16,147)
Impairment losses	–	–	–	(23,164)	–	–	–	(23,164)
Acquisition option commitments	(1,710)	(5,646)	–	(1,354)	(3,233)	–	–	(11,943)

3 Segmental analysis *continued*

Net assets/(liabilities) by division *continued*

	Financial publishing £000's	Business publishing £000's	Training £000's	Conferences and seminars £000's	Databases and information services £000's	Closed businesses £000's	Non-operating assets/ (liabilities) £000's	Total £000's
Net assets/(liabilities) by division:								
As at September 30 2008								
Assets	111,251	85,587	54,400	79,688	307,000	5,057	55,416	698,399
Liabilities	(139,510)	(108,996)	(60,080)	(101,687)	(111,786)	(3,801)	(84,475)	(610,335)
Net assets/(liabilities)	(28,259)	(23,409)	(5,680)	(21,999)	195,214	1,256	(29,059)	88,064
Capital expenditure (excluding intangibles)	(4)	(24)	(5)	(53)	(496)	–	(3,658)	(4,240)
Depreciation (excluding intangibles)	(28)	(34)	(22)	(77)	(696)	–	(1,902)	(2,759)
Amortisation	(1,270)	(3,548)	–	(291)	(7,726)	–	(121)	(12,956)
Impairment losses	–	(2,784)	–	(2,952)	–	–	–	(5,736)
Acquisition option commitments	(3,628)	(9,535)	–	(7,952)	(8,733)	–	–	(29,848)

Non-operating assets and liabilities principally include deferred tax, corporation tax, external bank loans, loans to and from DMGT, dividends receivable, deferred consideration and acquisition option commitments.

	United Kingdom 2009 £000's	United Kingdom 2008 £000's	North America 2009 £000's	North America 2008 £000's	Rest of World 2009 £000's	Rest of World 2008 £000's	Total 2009 £000's	Total 2008 £000's
Net assets/(liabilities) by location:								
Assets	**189,579**	306,649	**326,972**	356,495	**26,524**	35,255	**543,075**	698,399
Liabilities	**(238,834)**	(332,795)	**(152,867)**	(223,882)	**(46,383)**	(53,658)	**(438,084)**	(610,335)
Net assets/(liabilities)	**(49,255)**	(26,146)	**174,105**	132,613	**(19,859)**	(18,403)	**104,991**	88,064
Capital expenditure by location	**554**	3,111	**438**	637	**268**	492	**1,260**	4,240

4 Operating profit

	Total 2009 £000's	Total 2008 £000's
Revenue	317,594	332,064
Cost of sales	(89,161)	(102,648)
Gross profit	228,433	229,416
Distribution costs	(4,836)	(5,938)
Administrative expenses	(196,639)	(162,757)
Operating profit before associates	26,958	60,721

Administrative expenses include a profit on sale of property of £nil (2008: £1,670,000), profit on disposal of long-term investment of £nil (2008: £1,589,000), reduction in goodwill arising from a deferred tax adjustment of £nil (2008: £2,784,000), goodwill and intangible impairment of £23,164,000 (2008: £2,952,000) and restructuring and other costs of £10,737,000 (2008: £nil) (note 5).

Operating profit is stated after charging/(crediting):	2009 £000's	2008 £000's
Staff costs (note 6)	113,907	115,326
Intangible amortisation		
Acquired intangible amortisation	15,891	12,749
Licenses and software	256	207
Goodwill and intangible impairment (note 5)	23,164	2,952
Reduction in goodwill arising from a deferred tax adjustment	–	2,784
Depreciation of property plant and equipment	2,544	2,759
Exceptional depreciation of property plant and equipment	1,210	–
Auditors' remuneration:		
Group audit	739	830
Non-audit	140	215
Property operating lease rentals	6,662	6,035
Loss on sale of property, plant and equipment	125	8
Exceptional profit on sale of property (note 5)	–	(1,670)
Restructuring and other costs (note 5)	10,737	–
Foreign exchange loss/(gain)	1,108	(979)
Impairment loss recognised on trade receivables	4,684	3,662
Reversal of impairment loss recognised on trade receivables	(1,295)	(758)

Audit and non-audit services relate to:	2009 £000's	2008 £000's
Fees payable for the audit of the company's annual accounts	486	593
Fees payable for other services to the group		
The audit of subsidiaries pursuant to local legislation	253	237
Total audit fees	739	830
Other audit services		
Tax services	105	186
Other services	35	29
Total non-audit fees	140	215

In addition to the above amounts, non-audit fees of £nil (2008: £76,000) were capitalised in respect of acquisitions.

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 disclosure in order to provide a view of the group's results excluding these items.

	2009 £000's	2008 £000's
Profit on sale of property	–	1,670
Profit on disposal of long-term investment	–	1,589
Reduction in goodwill arising from a deferred tax adjustment (note 11)	–	(2,784)
Goodwill and intangible asset impairment (note 11)	(23,164)	(2,952)
Restructuring and other costs	(10,737)	–
	(33,901)	(2,477)

The group has reviewed the carrying value of goodwill and intangible assets and as a result has impaired capitalised goodwill and intangible assets, mostly in connection with the group's US-based structured finance event businesses and its Asia-based conference organiser and training business, by £23,164,000 (2008: £2,952,000) with a corresponding tax credit of £6,374,000 (2008: £nil).

During the year, in response to tough trading conditions, the directors have restructured the group's operations resulting in the rationalisation of its property portfolio (exceptional cost of £3,715,000), a reduction in group headcount (exceptional cost of £3,371,000), and other exceptional costs (£3,651,000) giving rise to total exceptional restructuring and other costs of £10,737,000 (£2008: £nil) and a related tax credit of £4,138,000 (2008: £nil).

6 Staff costs

(i) Directors' emoluments

	2009 £000's	2008 £000's
The emoluments of the directors of Euromoney Institutional Investor PLC were as follows:		
Directors' salaries and fees, benefits in kind and profit shares	10,346	13,177
Pension contributions (excluding waiver of profit shares)	110	100
	10,456	13,277

Details of directors' remuneration are set out in the Directors' Remuneration Report on pages 34 to 48.

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

	2009 Average	2008 Average
By business segment:		
Financial publishing	410	485
Business publishing	260	267
Training	132	161
Conferences and seminars	365	433
Databases and information services	705	669
Central	338	347
	2,210	2,362

	2009 Average	2008 Average
By geographical location:		
United Kingdom	766	839
North America	682	774
Rest of World	762	749
	2,210	2,362

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

	2009 £000's	2008 £000's
Salaries, wages and incentives	101,104	99,221
Social security costs	7,755	9,041
Pension contributions	2,351	1,703
Share-based compensation costs	2,697	5,361
	113,907	115,326

7 Finance income and expense

	2009 £000's	2008 £000's
Finance income		
Interest income:		
Interest receivable from DMGT group undertakings	654	3,825
Interest receivable from short-term investments	246	597
Expected return on pension scheme assets	1,162	1,172
Fair value gains on financial instruments:		
Ineffectiveness of interest rate swaps	219	–
	2,281	5,594
Finance expense		
Interest expense:		
Interest payable on committed borrowings	(12,297)	(12,252)
Interest payable to DMGT group undertakings	(1,294)	(3,825)
Interest payable on loan notes	(197)	(478)
Interest on pension scheme liabilities	(1,189)	(1,150)
Foreign exchange loss on restructured hedging arrangements	(7,863)	–
Net movements in acquisition option commitment values	(2,202)	(1,730)
Imputed interest on acquisition option commitments	(638)	(995)
Interest on tax underpaid	(1,364)	–
Foreign exchange loss on tax equalisation contracts	(19,854)	(11,966)
Other gains on tax equalisation contracts	79	3,426
Net loss on tax equalisation contracts	(19,775)	(8,540)
Fair value losses on financial instruments:		
Ineffectiveness of interest rate swaps	–	(227)
	(46,819)	(29,197)
Net finance costs	(44,538)	(23,603)

The foreign exchange loss on tax equalisation contracts of £19,854,000 (2008: £11,966,000) relates to foreign exchange losses on hedges on intra-group financing. This foreign exchange loss is matched by an equal and opposite tax credit so that there is no financial impact on earnings per share. The foreign exchange loss and the tax credit are excluded from underlying profit and the underlying tax expense (note 8).

The foreign exchange losses on restructured hedging arrangements of £7,863,000 (2008: £nil) arise from forward contracts classified as ineffective under IAS 39 'Financial Instruments' following the directors' review of the group's US dollar revenue capacity in its UK-based businesses.

	2009 £000's	2008 £000's
Reconciliation of net finance costs in income statement to underlying net finance costs		
Total net finance costs in the income statement	(44,538)	(23,603)
Add back:		
Foreign exchange losses on restructured hedging arrangements	7,863	–
Net movements in acquisition option commitment values	2,202	1,730
Imputed interest on acquisition option commitments	638	995
Foreign exchange loss on tax equalisation contracts	19,854	11,966
	30,557	14,691
Underlying net finance costs	(13,981)	(8,912)

8 Tax on (loss)/profit on ordinary activities

	2009 £000's	2008 £000's
Current tax (credit)/expense		
UK corporation tax expense	340	860
Foreign tax (credit)/expense	(3,016)	5,265
Adjustments in respect of prior years	550	(2,234)
	(2,126)	3,891
Deferred tax (credit)/expense		
Current year	(10,446)	(9,858)
Adjustments in respect of prior years	2,160	(1,312)
	(8,286)	(11,170)
Total tax credit in income statement	(10,412)	(7,279)

The effective tax rate for the year is a credit of 60% (2008: credit of 19%). The underlying tax rate for 2009 is 27% (2008: 27%) as set out below:

	2009 £000's	2008 £000's
Reconciliation of tax credit in income statement to underlying tax expense		
Total tax credit in income statement	(10,412)	(7,279)
Add back:		
Tax on intangible amortisation	4,684	6,950
Tax on exceptional items	10,512	1,181
Tax on acquisition option commitments	(2,503)	–
Tax credit on foreign exchange loss on tax equalisation swap	19,854	11,966
Tax on foreign exchange losses on restructured hedging arrangements	2,202	–
Tax on US goodwill amortisation	(4,567)	(3,376)
Tax adjustments in respect of prior years	(2,710)	3,546
Deferred tax asset recognition	–	5,358
	27,472	25,625
Underlying tax expense	17,060	18,346
Underlying profit before tax (refer to the appendix to the Chairman's Statement)	62,988	67,343
Underlying effective tax rate	27%	27%

Following a reassessment of the recoverability of the potential deferred tax asset on overseas tax losses and other short-term timing differences, an additional asset of £nil (2008: £5,358,000) has been recognised.

A credit of £19,854,000 (2008: £11,966,000) relating to tax on foreign exchange losses has been treated as exceptional as it is hedged by £19,854,000 (2008: £11,966,000) of foreign exchange losses on tax equalisation contracts included within net finance costs (note 7).

The group presents the above underlying 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 underlying 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 underlying effective tax rate is more representative of its tax payable position, as the deferred tax effect of the goodwill and intangible items is not expected to crystallise.

8 Tax on (loss)/profit on ordinary activities *continued*

The actual tax credit for the year is different from 28% of (loss)/profit before tax for the reasons set out in the following reconciliation:

	2009 £000's	2008 £000's
(Loss)/profit before tax	(17,361)	37,426
Tax at 28% (2008: 29%)	(4,861)	10,854
Factors affecting tax charge:		
Rates of tax on overseas profits	(1,307)	224
Associate income reported net of tax	(61)	(89)
US State taxes	1,281	1,134
Goodwill and intangibles	2,024	(69)
Disallowable expenditure	1,594	2,559
Tax effects of intra-group transactions eliminated on consolidation	(14,295)	(8,567)
Reversal of deferred tax asset on exercise of acquisition put options	2,503	–
Recognition of previously unrecognised tax losses	–	(2,855)
Recognition of previously unrecognised deferred tax	–	(2,503)
Gains on disposal covered by brought forward losses	–	(960)
Deferred tax credit arising from changes in tax laws	–	(3,461)
Prior year adjustments	2,710	(3,546)
Total tax credit for the year	(10,412)	(7,279)

9 Dividends

	2009 £000's	2008 £000's
Amounts recognisable as distributable to equity holders in period		
Final dividend for the year ended September 30 2008 of 13.00p (2007: 13.00p)	13,697	13,388
Interim dividend for year ended September 30 2009 of 6.25p (2008: 6.25p)	6,971	6,573
	20,668	19,961
Employees' Share Ownership Trust dividend	(11)	(11)
	20,657	19,950
Proposed final dividend for the year ended September 30	8,816	13,689
Employees' Share Ownership Trust dividend	(5)	(8)
	8,811	13,681

The proposed final dividend of 7.75p (2008: 13.00p) is subject to approval at the Annual General Meeting on January 21 2010 and has not been included as a liability in these financial statements in accordance with IAS 10 'Events after the balance sheet date'.

The directors have resolved to offer the scrip dividend alternative, as approved by shareholders on January 28 2009, to the final dividend payment. Full details of the scrip dividend alternative can be found in the shareholders' circular sent to shareholders in December 2009 and on the company's website.

10 (Loss)/earnings per share

	2009 £000's	2008 £000's
(Loss)/earnings attributable to equity holders of the parent	(6,287)	43,719
Less earnings from discontinued operations	(1,207)	(245)
Basic (loss)/earnings – continuing operations	(7,494)	43,474
Acquired intangible amortisation	15,891	12,749
Exceptional items	33,901	2,477
Imputed interest on acquisition option commitments	638	995
Net movements in acquisition option commitment values	2,202	1,730
Foreign exchange loss on restructured hedging arrangements	7,863	–
Tax on above adjustments	(14,895)	(8,131)
Tax deduction on US goodwill	4,567	3,376
Tax adjustment in respect of prior years	2,710	(3,546)
Deferred tax assets recognition	–	(5,358)
Adjusted earnings	45,383	47,766

	Number 000's	Number 000's
Weighted average number of shares	109,750	104,348
Shares held by the Employees' Share Ownership Trust	(59)	(59)
	109,691	104,289
Effect of dilutive share options	2,682	3,398
Diluted weighted average number of shares	112,373	107,687

	Pence per share	Pence per share
Basic (loss)/earnings per share – continuing operations	(6.83)	41.69
Effect of dilutive share options	0.16	(1.32)
Diluted (loss)/earnings per share – continuing operations	(6.67)	40.37
Effect of acquired intangible amortisation	14.14	11.84
Effect of exceptional items	30.17	2.30
Effect of imputed interest on acquisition option commitments	0.57	0.92
Effect of net movements in acquisition option commitment values	1.96	1.61
Effect of foreign exchange loss on restructured hedging arrangements	7.00	–
Effect of tax on the above adjustments	(13.25)	(7.55)
Effect of tax deduction on US goodwill	4.06	3.14
Effect of tax adjustment in respect of prior years	2.41	(3.29)
Effect of deferred tax assets recognition	–	(4.98)
Adjusted diluted earnings per share	40.39	44.36
Basic (loss)/earnings per share – continuing and discontinued operations	(5.73)	41.92
Effect of dilutive share options	0.14	(1.32)
Diluted (loss)/earnings per share – continuing and discontinued operations	(5.59)	40.60

The adjusted diluted earnings per share figure has been disclosed since the directors consider it to give a more meaningful indication of the underlying trading performance.

11 Goodwill and other intangibles

	Intangibles acquired on acquisition 2009 £000's	Licences & software 2009 £000's	Goodwill 2009 £000's	Intangibles acquired on acquisition 2008 £000's	Licences & software 2008 £000's	Goodwill 2008 £000's
Cost/carrying amount						
At October 1	165,677	1,738	278,351	146,958	1,414	248,656
Additions	–	146	–	–	156	–
Acquisitions (note 14)	5,149	–	18,060	4,125	–	5,037
Disposals	–	(12)	–	–	–	–
Exchange differences	12,912	156	23,111	14,594	168	24,658
At September 30	183,738	2,028	319,522	165,677	1,738	278,351
Amortisation and impairment						
At October 1	30,584	1,349	6,255	15,473	1,014	519
Amortisation charge for the year	15,891	256	–	12,749	207	–
Impairment losses	1,235	–	21,929	–	–	2,952
Reduction in goodwill arising from a deferred tax adjustment	–	–	–	–	–	2,784
Disposals	–	(12)	–	–	–	–
Exchange differences	2,036	117	–	2,362	128	–
At September 30	49,746	1,710	28,184	30,584	1,349	6,255
Net book value/ carrying amount at September 30	133,992	318	291,338	135,093	389	272,096

The carrying amounts of goodwill by business are as follows:

	2009 £000's	2008 £000's
CEIC	13,150	11,799
Internet Securities	8,488	5,180
MIS	2,575	2,310
Petroleum Economist	236	236
Gulf Publishing	4,769	4,279
HedgeFund Intelligence	14,718	14,718
Information Management Network	29,525	33,615
MAR	187	168
BCA	144,565	129,715
Metal Bulletin publishing businesses	52,710	52,710
FOW	196	196
Total Derivatives	8,180	5,698
TelCap	10,448	5,140
Asia Business Forum	1,122	5,911
Benchmark Financials	460	413
Other	9	8
Total	291,338	272,096

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 derived from approved budgets for 2010. Management believe these budgets to be reasonably achievable;
- Subsequent cash flows for between one and three additional years increased in line with growth expectations of the applicable business;
- The pre-tax discount rate of 10.5%, reflecting the companies weighted average cost of capital; and
- Long-term growth rate of 3%.

Impairment

Due to current market conditions an impairment of capitalised goodwill of £21,929,000 (2008: £2,952,000) was recognised in the year. This is limited mainly to the US-based activities in the structured finance sector where its main customers are experiencing a fall in demand and its Asia-based conference organiser and training business which has suffered a decline in its customers spend on training. Both these businesses are part of the conferences and seminars business division.

11 Goodwill and other intangibles ***continued***

Sensitivities

Certain businesses, after the annual impairment review required under IAS 36, had a limited value in use in excess of carrying value of £1.8 million. For these businesses management has set out below the change in assumptions required, in isolation, in order for the estimated carrying value to be equal or less than the value in use. The change in assumptions are summarised as follows:

- Increase in the WACC by 1% point.
- Decrease in the long-term growth rate by 1%.

The result of the change in assumptions of a 1% decrease in growth rates would result in an additional impairment of £1.1 million. A 1% increase in WACC would result in an additional impairment of £1.9 million. Management believes the general market conditions seem to have stabilised and therefore a decrease in growth rates to 2% or a WACC of 11.5% would be severe. Management will continue to conduct regular reviews to monitor this matter.

12 Property, plant and equipment

2009	**Freehold land and buildings 2009 £000's**	**Long-term leasehold premises 2009 £000's**	**Short-term leasehold premises 2009 £000's**	**Office equipment 2009 £000's**	**Motor vehicles 2009 £000's**	**Total 2009 £000's**
Cost						
At October 1 2008	6,357	2,701	15,126	17,340	8	41,532
Additions	26	12	141	1,049	32	1,260
Disposals	–	–	(637)	(3,642)	(32)	(4,311)
Exchange differences	–	14	596	1,111	1	1,722
At September 30 2009	6,383	2,727	15,226	15,858	9	40,203
Depreciation						
At October 1 2008	37	258	5,504	14,064	8	19,871
Charge for the year	81	157	791	1,514	1	2,544
Exceptional charge for the year[1]	–	–	931	279	–	1,210
Disposals	–	–	(556)	(3,608)	(1)	(4,165)
Exchange differences	–	5	138	849	1	993
At September 30 2009	118	420	6,808	13,098	9	20,453
Net book value at September 30 2009	6,265	2,307	8,418	2,760	–	19,750
Net book value at September 30 2008	6,320	2,443	9,622	3,276	–	21,661

[1] Exceptional depreciation relates to the rationalisation of the group's property portfolio (note 5).

2008	Freehold land and buildings 2008 £000's	Long-term leasehold premises 2008 £000's	Short-term leasehold premises 2008 £000's	Office equipment 2008 £000's	Motor vehicles 2008 £000's	Total 2008 £000's
Cost						
At October 1 2007	5,045	2,685	14,088	15,505	7	37,330
Additions	2,457	–	390	1,393	–	4,240
Acquisitions	–	–	–	3	–	3
Disposals	(1,145)	–	–	(802)	–	(1,947)
Exchange differences	–	16	648	1,241	1	1,906
At September 30 2008	6,357	2,701	15,126	17,340	8	41,532
Depreciation						
At October 1 2007	19	214	4,270	11,903	7	16,413
Charge for the year	58	38	979	1,684	–	2,759
Disposals	(40)	–	(8)	(715)	–	(763)
Exchange differences	–	6	263	1,192	1	1,462
At September 30 2008	37	258	5,504	14,064	8	19,871
Net book value at September 30 2008	6,320	2,443	9,622	3,276	–	21,661
Net book value at September 30 2007	5,026	2,471	9,818	3,602	–	20,917

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 2009 £000's	Investments in associated undertakings 2008 £000's
At October 1	**303**	252
Share of profits after tax retained	**219**	308
Dividends	**(313)**	(257)
At September 30	**209**	303

Associated undertakings

The associated undertaking at September 30 2009 was Capital NET Limited whose principal activity is the provision of electronic database services. The group has a 48.4% (2008: 48.4%) interest in Capital NET Limited.

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.

	Associates 2009 £000's	Associates 2008 £000's
Total assets	**548**	645
Total liabilities	**(237)**	(222)
Total revenues	**2,047**	2,202
Profit after tax	**536**	587

Assets available for sale

The group has a 50% interest in Capital DATA Limited. 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 £nil carrying value (2008: £nil). Under a separate licence agreement the group is entitled to 28.2% of Capital DATA's revenues being £3,761,000 in the year (2008: £3,440,000). At December 31 2008, based on its latest available audited accounts, Capital DATA Limited had £964,000 of issued share capital and reserves (December 31 2007: £1,103,000), and its profit for the year then ended was £1,906,000. (December 31 2007: £1,808,000).

13 Investments *continued*

Details of the company and its principal subsidiary undertakings included in these consolidated financial statements at September 30 2009 are as follows:

	Proportion held	Principal activity and operation	Country of incorporation
Company			
Euromoney Institutional Investor PLC	n/a	Publishing, training and events	Great Britain
Direct investments			
Adhesion (UK) Limited	100%	Conventions	Great Britain
Coaltrans Conferences Limited	95%	Conferences	Great Britain
Euromoney Funding US Limited	100%	Investment holding company	Great Britain
Euromoney Hedging Limited	100%	Investment company	Great Britain
Euromoney Institutional Investor (Jersey) Limited	100%†	Publishing	Jersey
Euromoney Lending (UK) Limited	100%	Investment holding company	Great Britain
Euromoney Publications (Jersey) Limited	100%^	Non-trading	Jersey
Euromoney Yen Finance Limited	100%	Investment company	Great Britain
Fantfoot Limited	100%	Investment holding company	Great Britain
Glenprint Limited	100%	Publishing	Great Britain
HedgeFund Intelligence Limited	100%	Publishing	Great Britain
The Petroleum Economist Limited	100%	Publishing	Great Britain
Tipall Limited	100%	Property holding	Great Britain
Indirect investments			
Adhesion Group SA	100%	Conventions	France
American Metal Market, LLC	100%	Publishing	US
AMM Marketwatch, LLC	100%	Information Services	US
Asia Business Forum (Singapore) Pte Limited	100%	Conferences	Singapore
BCA Research, Inc.	100%	Information Services	Canada
BPR Benchmark Limitada	51%	Information Services	Colombia
Business Conventions International SA	100%	Conventions	France
Carlcroft Limited	100%	Publishing	Great Britain
CEIC Holdings Limited	100%	Information Services	Hong Kong
EII Holdings, Inc.	100%*	Holding company	US
EII US, Inc.	100%	Investment holding company	US
Euromoney Buffalo 1 Limited	100%*	Investment holding company	Great Britain
Euromoney Buffalo 2 Limited	100%*	Investment holding company	Great Britain
Euromoney (Singapore) Pte Limited	100%	Training	Singapore
Euromoney Funding (UK) Limited	100%	Investment holding company	Great Britain
Euromoney Institutional Investor (Ventures) Limited	100%	Investment holding company	Great Britain
Euromoney Training, Inc.	100%	Training	US
Euromoney, Inc.	100%	Training	US
GSCS Benchmarks Limited	100%	Publishing	Great Britain
Gulf Publishing Company	100%	Publishing	US
EIMN, Inc.	100%	Conferences	US
Institutional Investor, Inc.	100%	Publishing	US
Internet Securities, Inc.	98%	Information Services	US
Latin American Financial Publications, Inc.	100%	Publishing	US
Managed Account Reports, LLC	100%	Non-trading	US
MB Marketwatch Limited	100%	Information Services	Great Britain
Metal Bulletin Holdings Corporation	100%	Investment holding company	US
Metal Bulletin Investments Limited	100%	Investment holding company	Great Britain
Metal Bulletin Limited	100%	Publishing	Great Britain
MIS Training (UK) Limited	100%	Training	Great Britain
Storas Holdings Pte Limited	100%	Investment holding company	Singapore
TelCap Limited	85%	Publishing	Great Britain
Total Derivatives Limited	89%	Publishing	Great Britain
Associates			
Capital NET Limited	48%	Databases	Great Britain

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.
^ Euromoney Publications (Jersey) Limited's principal country of operation is Great Britain.

14 Acquisitions

Increase in equity holdings

In January 2009, the group purchased the remaining 20% of the equity share capital of Information Management Network LLC (IMN), the structured finance, indexing and real estate events business, for a cash consideration of $11,107,000 (£7,704,000), resulting in additional provisional goodwill of $10,016,000 (£6,948,000) and bringing total goodwill to $47,222,000 (£29,525,000).

In January 2009, the group exercised its option to purchase the third tranche (10.9%) of Total Derivatives Limited increasing its equity holding from 78.3% to 89.2%. The equity was purchased for £2,834,000 resulting in additional provisional goodwill of £2,482,000 and bringing total goodwill to £8,180,000.

In February 2009, the group purchased a further 15% of the equity share capital of TelCap Limited for a cash consideration of £5,952,000 payable in April 2009, resulting in additional provisional goodwill of £5,308,000 and bringing total goodwill to £10,448,000. The group's equity shareholding in TelCap Limited increased to 85%.

In February 2009, the group purchased a further 3.93% of the equity share capital of Internet Securities, Inc. (ISI) for a cash consideration of $4,344,000 (£3,013,000), resulting in additional provisional goodwill of the same amount and bringing the total goodwill to $13,575,000 (£8,488,000). The group's equity shareholding in ISI increased to 97.8%.

In May 2009, the group purchased the remaining 10% of the equity share capital of Asia Business Forum (ABF), a leading conference organiser and training business for the Asia region, for a cash consideration of SG$846,000 (£387,000), resulting in additional provisional goodwill of SG$675,000 (£309,000) and bringing total goodwill to SG$2,528,000 (£1,122,000).

	IMN £000's	Total Derivatives £000's	TelCap £000's	ABF £000's
Book value				
Intangible assets	–	6,701	2,025	1,433
Cash	1,503	3,549	2,458	455
Other assets	5,324	685	2,116	501
Liabilities	(5,981)	(5,643)	(5,127)	(977)
Total	846	5,292	1,472	1,412
Provisional fair value adjustments				
Intangible assets	4,892	(2,846)	3,914	(811)
Deferred tax	(1,957)	797	(1,096)	178
	2,935	(2,049)	2,818	(633)
Provisional fair value of net assets	3,781	3,243	4,290	779
Net assets acquired				
%	20%	10.85%	15%	10%
£000's	756	352	644	78
Provisional goodwill	6,948	2,482	5,308	309
Consideration (satisfied by cash)	7,704	2,834	5,952	387

If the acquisitions in the table above had been completed on the first day of the financial year, group revenues for the period would have remained unchanged and group loss attributable to equity holders of the parent would have been reduced by £271,000.

15 Discontinued operations

In September 2009 the group received a final payment of £1,207,000 after related costs from the sale of the Atalink Limited, following the agreement of their completion accounts. There is no related tax charge. The business and net assets of Atalink Limited were sold in March 2007 and were treated as a discontinued operation up to that date.

The group's income statement does not include any trading results from discontinued operations other than the profit on disposal from the proceeds above.

Notes to the Accounts *continued*

16 Trade and other receivables

	2009 £000's	2008 £000's
Amounts falling due within one year		
Trade receivables	48,419	56,286
Less: provision for impairment of trade receivables	(8,189)	(6,593)
Trade receivables – net of provision	40,230	49,693
Other debtors	11,326	11,689
Prepayments and accrued income	7,444	7,759
	59,000	69,141

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 believe 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 2009, trade receivables of £24,480,000 (2008: £29,487,000) were not yet due.

As of September 30 2009, trade receivables of £12,415,000 (2008: £17,625,000) 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 59 days (2008: 71 days). The group does not hold any collateral over these balances. The ageing of these trade receivables is as follows:

	2009 £000's	2008 £000's
Past due less than a month	8,618	9,276
Past due more than a month but less than two months	2,510	3,487
Past due more than two months but less than three months	703	2,780
Past due more than three months	584	2,082
	12,415	17,625

As at September 30 2009, trade receivables of £11,524,000 (2008: £9,174,000) were impaired and partially provided for. The amount of the provision was £8,189,000 (2008: £6,593,000). It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	2009 £000's	2008 £000's
Past due less than a month	1,119	346
Past due more than a month but less than two months	2,644	541
Past due more than two months but less than three months	2,005	663
Past due more than three months	5,756	7,624
	11,524	9,174

Movements on the group provision for impairment of trade receivables are as follows:

	2009 £000's	2008 £000's
At October 1	(6,593)	(4,287)
Impairment losses recognised	(4,684)	(3,662)
Impairment losses reversed	1,295	758
Amounts written off as uncollectible	1,967	783
Exchange differences	(174)	(185)
At September 30	(8,189)	(6,593)

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 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.

17 Trade and other payables

	2009 £000's	2008 £000's
Trade creditors	3,747	5,489
Amounts owed to DMGT group undertakings	26,429	3,271
Other creditors	29,038	21,859
	59,214	30,619

The directors consider the carrying amount of trade and other payables approximates their fair values.

18 Financial instruments

Derivative financial instruments

The derivative financial assets/(liabilities) at September 30 comprised:

	2009 Assets £000's	2009 Liabilities £000's	2008 Assets £000's	2008 Liabilities £000's
Current				
Interest rate swaps	-	(1,661)	108	(189)
Forward foreign exchange contracts – fair value through profit and loss	-	(3,312)	138	(9,410)
Forward foreign exchange contracts – cash flow hedge	569	(4,944)	1,205	(4,707)
Forward foreign exchange contracts – net investment hedge	-	–	–	(859)
	569	(9,917)	1,451	(15,165)
Non-current				
Interest rate swaps	7	(5,934)	189	(3,018)
Forward foreign exchange contracts – fair value through profit and loss	–	(1,198)	–	-
Forward foreign exchange contracts – cash flow hedge	562	(7,460)	179	(6,755)
	569	(14,592)	368	(9,773)
	1,138	(24,509)	1,819	(24,938)

Financial risk management objectives

Full details of the objectives, policies and strategies pursued by the group in relation to financial instruments are set out on page 58 of the accounting policies and page 61 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.

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 80.

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 79.

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 2008.

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 issued capital, reserves and retained earnings as disclosed in notes 22 and 24 respectively.

18 Financial instruments *continued*

Net debt to EBITDA* ratio

The group's tax and treasury committee reviews the 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 EBITDA* does not exceed 4 times on a rolling 12 month basis. The group expects to remain within these limits. 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 net debt to EBITDA* ratio at September 30 is as follows:

	2009 £000's	2008 £000's
Committed loan facility	(165,151)	(184,594)
Loan notes	(5,719)	(7,579)
Total debt	(170,870)	(192,173)
Cash and cash equivalents	12,063	20,179
Net debt	(158,807)	(171,994)
EBITDA*	79,769	79,221
Net debt to EBITDA* ratio	1.99	2.17

* EBITDA (Earnings before interest, tax, depreciation, amortisation) = underlying operating profit before depreciation and amortisation of licences and software.

Categories of financial instruments

The group's financial assets and liabilities at September 30 are as follows:

	2009 £000's	2008 £000's
Financial assets		
Derivative instruments – fair value through profit and loss	–	138
Derivative instruments in designated hedge accounting relationships	1,138	1,681
Loans and receivables (including cash and cash equivalents)	65,569	239,743
	66,707	241,562
Financial liabilities		
Derivative instruments – fair value through profit and loss	(4,510)	(9,410)
Derivative instruments in designated hedge accounting relationships	(19,999)	(15,528)
Acquisition option commitments	(11,943)	(29,848)
Loans and payables (including overdrafts)	(283,791)	(429,612)
	(320,243)	(484,398)

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, currency options 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 2009. 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.

18 Financial instruments *continued*

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, and on the translation of the results of its US dollar-denominated businesses.

The group does not hedge the translation of the results of foreign subsidiaries. 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 carrying amounts of the group's US dollar denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2009 £000's	2008 £000's	2009 £000's	2008 £000's
US dollar	(238,928)	(319,647)	499,659	412,386

Approximately two-thirds of the group's revenues are in US dollars. 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$ forward contracts are put in place to sell forward surplus US dollars. In 2008, the group hedged fully for the coming 12 months and partially for a further 36 months. This year, the directors reviewed the group's hedging policy and as a result reduced the period of partial hedging from up to 48 months to between 12 and 18 months and reduced the percentage of revenues hedged in the first 12 months to 80%. The transition to the revised policy will take a number of months, with forward deals in excess of 18 months being allowed to naturally unwind. The timing and value of these forward contracts is based on managements estimate of its future US dollar revenues over a 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. 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

	2009 £000's	2008 £000's
Change in profit for the year in income statement	106	(1,652)
Change in equity	897	606

The change in the loss to a profit from the sensitivity analysis is due to a change in the net working capital balance moving from a net asset to a net liability. The increase in the profit in equity from the sensitivity analysis is due to the decrease of the value of net investment value in US dollar companies and the increase in the value of the derivative financial liabilities.

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. This year, the directors reviewed the group's hedging policy and as a result reduced the period of hedging from up to 48 months to 18 months and reduced the percentage of revenues hedged in the first 12 months to 80%. The transition to the revised policy will take a number of months, with forward deals in excess of 18 months being allowed to naturally unwind.

In 2008 the group designated certain forward contracts as a hedge of its net investment in US subsidiaries which had US dollar as their functional currency.

18 Financial instruments *continued*

Cash Flow Hedges	Average exchange rate 2009	2008	Foreign currency 2009 USD 000's	2008 USD 000's	Contract value 2009 £000's	2008 £000's	Fair value 2009 £000's	2008 £000's
Sell USD buy GBP								
Less than a year	1.988	1.894	52,000	88,225	26,152	46,587	(6,356)	(2,961)
More than a year but less than two years	1.923	1.895	48,500	61,150	25,220	32,267	(5,079)	(2,559)
More than two year but less than three years	1.838	1.922	33,000	46,500	17,956	24,195	(2,695)	(2,365)
More than three years but less than four years	–	1.847	–	34,000	–	18,408	–	(1,183)
Sell USD buy CAD[†]								
Less than a year	1.066	1.032	21,600	36,500	12,865	19,872	(632)	(541)
More than a year but less than two years	1.146	1.035	17,700	24,500	11,329	13,381	200	(268)
More than two year but less than three years	1.074	1.036	13,500	10,500	8,100	5,739	(380)	(88)
More than three years but less than four years	–	1.030	–	13,500	–	7,337	–	(113)
			EUR 000's	EUR 000's	£000's	£000's	£000's	£000's
Sell EUR buy GBP								
Less than a year	1.159	–	10,500	–	9,062	–	(700)	–
More than a year but less than two years	1.132	–	4,500	–	3,974	–	(141)	–
Net investment hedge			USD 000's	USD 000's	£000's	£000's	£000's	£000's
Sell USD buy GBP								
Less than a year	–	1.899	–	25,000	–	13,163	–	(859)
Fair value through profit and loss			JPY 000's	JPY 000's	£000's	£000's	£000's	£000's
Sell GBP buy JPY								
Less than a year	–	188.301*	–	11,847,350	–	53,507	–	(9,272)

† Rate used for conversion from CAD to GBP is 1.7166 (2008: 1.8951).
* In 2008 this represents outstanding foreign currency to buy JPY and GBP.

As at September 30 2009, the aggregate amount of unrealised losses under forward foreign exchange contracts deferred in the fair value reserve relating to future revenue transactions is £11,273,000 (2008: £10,078,000). It is anticipated that the transactions will take place over the next 36 months at which stage the amount deferred in equity will be released in the income statement.

As at September 30 2009, the aggregate amount of unrealised losses under ineffective cash flow hedges still in place at the year end is £4,510,000 (2008: £nil), which have been recognised in the income statement.

Interest rate risks

The group's borrowings are in both sterling and US dollars with the related interest tied to US and UK 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 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.

The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section on page 82.

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 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 2009 would decrease or increase by £199,000 (2008: £420,000). 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 £2,501,000 (2008: £3,617,000) mainly as a result of the changes in the fair value of interest rate swaps.

The group's sensitivity to interest rates has not materially changed during the period due to the group benefiting from similar levels of fixed rates.

18 Financial instruments *continued*

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 discount curves at reporting date and the credit risk inherent in the contract, and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

Cash flow hedges

US dollar: Receive floating pay fixed

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2009	2008	2009	2008	2009	2008
	%	%	£000's	£000's	£000's	£000's
Less than 1 year	4.28	4.08	40,640	30,856	(1,276)	(182)
1 to 2 years	3.64	4.81	31,262	30,856	(1,448)	(866)
2 to 5 years	4.21	4.77	40,640	47,686	(2,812)	(1,745)

GBP: Receive floating pay fixed

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2009	2008	2009	2008	2009	2008
	%	%	£000's	£000's	£000's	£000's
Less than 1 year	5.73	5.61	15,000	14,000	(385)	100
1 to 2 years	5.68	5.73	12,000	15,000	(779)	23
2 to 5 years	5.53	5.61	10,000	22,000	(888)	(240)

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 2009, the aggregate amount of unrealised interest under swap contracts deferred in the fair value reserve relating to future interest payable is £7,580,000 (2008: £2,683,000). It is anticipated that the transactions will take place over the next 36 months at which stage the amount deferred in equity will be released to the income statement.

As at September 30 2009, the aggregate amount of unrealised interest under ineffective swaps still in place at the year end is £8,000 (2008: £227,000) which has been recognised in the income statement.

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 has 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 balance sheet. 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.

18 Financial instruments *continued*

Liquidity risk

The group has significant intercompany borrowings and is an approved borrower under a DMGT, $400 million dedicated multi-currency borrowing facility. The facility is divided into four quantums of sterling and US dollar funds with three and five year terms with a total maximum borrowing capacity of $310 million (£194 million) and £59 million. Interest is payable on this facility at a variable rate of between 1.3% 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 monitor the covenant and prepare detailed debt forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach. The group's strategy is to use excess operating cash to pay down its debt. The group has a cash conversion rate (the percentage by which cash generated by operations covers operating profit before acquired intangible amortisation, share option expense and exceptional items) of 91% (2008: 123%), due to much of its subscription, conference and training revenue being paid in advance. The three year quantums of the facility are due for renewal in December 2011 and the five year quantums in December 2013.

Under the DMGT facility, at September 30 2009, the group has £81.4 million of undrawn but committed facilities available to draw upon if required. This is more than sufficient for the group to meet expected and unexpected short-term working capital requirements. However, given the level of uncertainty in the global economy and financial markets, there is a risk that the undrawn portion of the facility may be unavailable or withdrawn if DMGT experience funding difficulties themselves. It is, however, unlikely that this would impact the group as DMGT have a wide range of funding sources, other than bank debt, available to them. In addition, if DMGT were unable to fulfil its commitment to the group the directors are confident that the group is in a position that would enable it to secure adequate facilities outside of DMGT, albeit at an increased cost to the business due to high interest charges imposed given the crisis in the credit markets. The following table details the group's remaining contractual maturity for its non-derivative financial liabilities, mainly variable borrowings.

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 2009. The contractual maturity is based on the earliest date on which the group may be required to settle.

2009	**Weighted average effective interest rate %**	**Less than one year £000's**	**1–3 years £000's**	**Total £000's**
Variable rate borrowings	3.80	6,201	171,404	177,605
Acquisition option commitments	–	11,346	794	12,140
Non interest bearing liabilities (Trade creditors and accruals)	–	106,186	–	106,186

2008	Weighted average effective interest rate %	Less than one year £000's	1–3 years £000's	Total £000's
Variable rate borrowings	5.79	348,977	–	348,977
Acquisition option commitments	–	22,499	8,128	30,627
Non interest bearing liabilities (Trade creditors and accruals)	–	80,635	–	80,635

At September 30 2009, £149,111,000 (2008: £159,029,000) of borrowings were designated in US dollars with the remainder in sterling. The average rate of interest paid on the debt was 5.95% (2008: 5.90%).

18 Financial instruments *continued*

The following tables detail the group's remaining contractual maturity for its non-derivative financial assets, mainly medium term deposits for amounts on loans owed by DMGT group undertakings and minority interest. 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 anticipate that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than one year £000's
2009		
Variable interest rate instruments (cash at bank)	1.38	12,545
Non interest bearing assets	–	53,024
		65,569
2008		
Variable interest rate instruments (cash at bank and short-term deposits)	1.60	175,936
Fixed interest rate instruments (term deposits)	1.87	1,047
Non interest bearing assets	–	62,760
		239,743

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/(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.

	Less than 1 month £000's	1–3 months £000's	3 months to 1 year £000's	1–5 years £000's	Total £000's
2009					
Net settled					
Interest rate swaps	–	(1,551)	(3,812)	(3,375)	(8,738)
Gross settled					
Foreign exchange forward contracts inflows	5,341	11,796	68,625	78,211	163,973
Foreign exchange forward contracts outflows	(6,060)	(12,644)	(74,593)	(86,208)	(179,505)
	(719)	(2,399)	(9,780)	(11,372)	(24,270)
2008					
Net settled					
Interest rate swaps	–	(62)	(279)	(843)	(1,184)
Foreign exchange forward contracts	(9,272)	–	–	–	(9,272)
Gross settled					
Foreign exchange forward contracts inflows	8,272	20,154	76,112	104,150	208,688
Foreign exchange forward contracts outflows	(8,583)	(21,067)	(79,264)	(109,498)	(218,412)
	(9,583)	(975)	(3,431)	(6,191)	(20,180)

Fair value of financial instruments

The fair values of non-derivative financial assets and financial liabilities are determined as follows:

- 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;
- 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; and
- 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.

The fair values of derivative financial assets and financial liabilities are determined as follows:

- 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.

19 Bank overdrafts and loans

	2009 £000's	2008 £000's
Bank overdrafts – current liability	482	1,032
Committed loan facility – current liability	–	184,594
Committed loan facility – non-current liability	171,404	–
Loan notes – current liability	5,719	7,579

Committed loan facility

The group's debt is provided through a dedicated multi-currency committed facility from Daily Mail and General Trust plc. The facility was renewed in December 2008 on terms broadly similar to those of the previous facility. The previous facility was due to expire in August 2009 and hence classified in September 2008 as a current liability. On renewal the directors took the opportunity to reduce the size of the facility from £300 million to $400 million. The new facility is divided into four quantums of sterling and US dollar funds with three and five year terms with a total maximum borrowing capacity of $310 million (£194 million) and £59 million. Interest is payable on this facility at a variable rate of between 1.25% and 3.0% above LIBOR dependant 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. At September 30 2009, the group's net debt to adjusted EBITDA was 1.99 times and the uncommitted undrawn facility available to the group was £81,419,000 (2008: £115,406,000). The three year quantums of the facility are due for renewal in December 2011 and the five year quantums in December 2013.

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 2009 £1,767,000 (2008: £4,324,000) of these loan notes were redeemed reducing the debt to £5,719,000 (2008: £7,579,000).

20 Provisions

	Onerous lease provision £000's	Other provisions £000's	Group total £000's
At October 1 2008	633	4,070	4,703
Provision	2,603	(692)	1,911
Used in the year	(69)	(366)	(435)
Exchange differences	(229)	–	(229)
At September 30 2009	2,938	3,012	5,950

Maturity profile of provisions

	2009 £000's	2008 £000's
Within 1 year (included in current liabilities)	2,359	1,198
Between 1 and 2 years (included in non-current liabilities)	1,198	1,198
Between 2 and 5 years (included in non-current liabilities)	2,393	2,307
	5,950	4,703

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 2009 comprised:

	2008 £000's	Income statement £000's	Equity £000's	Acquisitions and disposals £000's	Exchange differences £000's	2009 £000's
Capitalised goodwill and intangibles	(37,228)	6,621	303	(1,806)	(3,993)	(36,103)
Tax deductible goodwill amortisation	9,405	(2,694)	–	–	1,109	7,820
Tax losses	3,728	1,424	105	–	423	5,680
Financial instruments	2,956	(433)	2,400	–	(181)	4,742
Other short-term temporary differences	9,711	3,368	984	–	495	14,558
Deferred tax	(11,428)	8,286	3,792	(1,806)	(2,147)	(3,303)
Comprising:						
Deferred tax assets	16,459					18,474
Deferred tax liabilities	(27,887)					(21,777)
	(11,428)					(3,303)

At the balance sheet date, the group has unused US tax losses available for offset against future profits. At September 30 2009 a deferred tax asset of £4,515,000 (2008: £3,728,000) has been recognised. 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 2010 and 2029.

At the balance sheet date, the group has unused UK tax losses available for offset against future profits. At September 30 2009 a deferred tax asset of £1,165,000 (2008: £nil) has been recognised. UK losses have no expiry dates.

At the balance sheet date, a net deferred tax asset of £12,794,000 (2008: £12,731,000) 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 the future years are sufficient to enable the asset to be recovered.

No deferred tax liability is recognised on temporary differences of £24,363,000 (2008: £121,912,000) 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 2009 are significantly reduced from the previous year as a result of a change to UK tax legislation which largely exempts from UK tax, overseas dividends received on or after July 1 2009. The temporary differences at September 30 2009 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.

22 Called up share capital

	2009 £000's	2008 £000's
Authorised		
137,365,200 ordinary shares of 0.25p each (2008: 137,365,200 ordinary shares of 0.25p each)	343	343
Allotted, called up and fully paid		
113,757,463 ordinary shares of 0.25p each (2008: 105,300,896 ordinary shares of 0.25p each)	284	263

During the year, 8,456,567 ordinary shares of 0.25p each (2008: 2,328,418 ordinary shares) with an aggregate nominal value of £21,141 (2008: £5,821) were issued as follows: 6,257,957 ordinary shares (2008: nil) under the company's 2008 scrip dividend alternative for a cash consideration of £nil (2008: £nil) and 2,198,610 ordinary shares (2008: 2,328,418 ordinary shares) following the exercise of share options granted under the company's share option schemes for a cash consideration of £5,497 (2008: £71,680).

23 Share-based payments

Equity settled options
The following options are outstanding at September 30 and are options to subscribe for new ordinary shares of 0.25p each in the company:

Number of ordinary shares under option: 2009

	2008	Granted/ (trued-up) during year	Exercised during year	Lapsed during year	2009	Option price (£)	Weighted average market price at date of exercise (£)
Period during which option may be exercised:							
Before January 28 2009	140,000	–	–	(140,000)	–	4.19	–
Before February 10 2009	160,000	–	–	(160,000)	–	3.96	–
Before June 24 2009	540,000	–	–	(540,000)	–	4.31	–
Before January 4 2010	111,648	–	–	(8,000)	103,648	5.63	–
Before March 1 2011	204,000	–	–	(15,000)	189,000	5.38	–
Before January 22 2012	110,000	–	–	(4,000)	106,000	3.35	–
Before December 3 2012	356,000	–	–	(12,000)	344,000	2.59	–
Before January 27 2014	319,000	–	–	(28,000)	291,000	4.19	–
Between February 1 2008 and July 31 2008	1,121	–	–	(1,121)	–	3.38	–
Between February 1 2009 and July 31 2009	70,869	–	–	(70,869)	–	3.69	–
Between February 1 2010 and July 31 2010	70,138	–	–	(43,110)	27,028	4.19	–
Between February 1 2011 and July 31 2011	92,312	–	–	(48,341)	43,971	3.18	–
Between February 1 2012 and July 31 2012	–	445,322	–	(54,612)	390,710	1.87	–
Before September 30 2014[1]	190,780	–	(115,779)	–	75,001	0.0025	2.01
Before September 30 2014[1]	2,500,000	(258,731)	(2,082,831)	–	158,438	0.0025	1.85
Before September 30 2014[1]	–	1,521,498‡	–	–	1,521,498	0.0025	–
	4,865,868	1,708,089	(2,198,610)	(1,125,053)	3,250,294		

The options outstanding at September 30 2009 had a weighted average exercise price of £1.55 and a weighted average remaining contractual life of 3.97 years.

‡ Options granted relate to those that are likely to be issued under the third (and final) tranche of the CAP 2004 which vest on February 12 2010, three months following the announcement of the company's results. The number of options granted is provisional and will primarily require a true-up to reflect adjustments of the individual businesses profits during the period to December 31 2009 as required by the Remuneration Committee. As such the actual number of options vested could vary from that disclosed.

Number of ordinary shares under option: 2008

	2007	Granted during year	Exercised during year	Lapsed during year	2008	Option price (£)	Weighted average market price at date of exercise (£)
Period during which option may be exercised:							
Before January 6 2008	17,984	–	–	(17,984)	–	3.96	–
Before January 28 2009	150,000	–	–	(10,000)	140,000	4.19	–
Before February 10 2009	160,000	–	–	–	160,000	3.96	–
Before June 24 2009	540,000	–	–	–	540,000	4.31	–
Before January 4 2010	119,648	–	–	(8,000)	111,648	5.63	–
Before March 1 2011	209,000	–	–	(5,000)	204,000	5.38	–
Before January 22 2012	116,000	–	–	(6,000)	110,000	3.35	–
Before December 3 2012	376,000	–	–	(20,000)	356,000	2.59	–
Before January 27 2014	335,000	–	–	(16,000)	319,000	4.19	–
Before July 31 2007	1,138	–	(1,138)	–	–	3.24	5.10
Between February 1 2008 and July 31 2008	26,143	–	(16,607)	(8,415)	1,121	3.38	3.98
Between February 1 2009 and July 31 2009	77,250	–	–	(6,381)	70,869	3.69	–
Between February 1 2010 and July 31 2010	125,563	–	(1,453)	(53,972)	70,138	4.19	5.10
Between February 1 2011 and July 31 2011	–	119,410	–	(27,098)	92,312	3.18	–
Before September 30 2014[1]	2,500,000	–	(2,309,220)	–	190,780	0.0025	3.85
Before September 30 2014[1]	–	2,500,000	–	–	2,500,000	0.0025	–
	4,753,726	2,619,410	(2,328,418)	(178,850)	4,865,868		

The options outstanding at September 30 2008 had a weighted average exercise price of £1.80 and a weighted average remaining contractual life of 4.37 years.

[1] CAP 2004 options shown in the above tables relate to those options that have vested only (see page 37 in the Directors' Remuneration Report for further information on CAP 2004 options).

23 Share-based payments *continued*

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 this year and 1,521,498 options for the third (final) tranche of options in 2009 will vest in February 2010, the maximum number of options potentially vesting adjusted for the businesses not achieving the additional performance criteria (page 37). For those individual participants businesses where the additional performance conditions for the second and final tranche have not been met, the vesting is deferred until the profits are at least 75% of that achieved in 2007 but no later than by reference to the year ending September 30 2012.

Share Option Schemes

The group has 11 share option schemes for which an IFRS2 'Share based payments' charge has been recognised. Details of these schemes are set out in the Directors Remuneration report on pages 36 and 37. The fair value per option granted and the assumptions used in the calculation are shown below:

The executive and Save as You Earn 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 12 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 credit recognised in the year in respect of these options was £142,000 (2008: expense £281,000).

	Executive Options		SAYE 8	SAYE 9	SAYE 10
Date of grant	December 4 2002	January 28 2004	January 5 2007	December 17 2007	December 19 2008
Market value at date of grant (p)	259	419	524	397	233
Option price (p)	259	419	419	318	187
Number of share options outstanding	344,000	291,000	27,028	43,971	390,710
Option life (years)	10	10	3.5	3.5	3.5
Expected term of option (grant to exercise (years))	5.5	5.5	3	3	3
Exercise price (p)	259	419	419	318	187
Risk-free rate	4.10%	4.10%	4.75%	4.25%	5.00%
Dividend yield	3.93%	3.93%	3.35%	3.35%	5.65%
Volatility	30%	30%	30%	30%	30%
Fair value per option (£)	0.52	0.72	1.51	1.13	0.58

The CAP 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. Under IFRS 2, Internet Securities, Inc. options are classified as cash settled options. As such their related fair value equates to the fair value at the balance sheet date. For both these option schemes, 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 2004 options was £3,112,000 (2008: £4,658,000), and for Internet Securities, Inc. options was a credit of £273,000 (2008: expense £422,000).

	CAP 2004 Tranche 1	CAP 2004 Tranche 2	CAP 2004 Tranche 3	Internet Securities, Inc. (cash settled options)		
Date of grant	June 20 2005	June 20 2005	June 20 2005	February 2 2004	May 11 2005	February 28 2006
Market value at date of grant (p)	401	401	401	n/a	n/a	n/a
Option price (p)	0.25	0.25	0.25	n/a	n/a	n/a
Number of share options outstanding	75,001	158,438	1,521,498	25,846	926	38,501
Option life (years)	10	10	10	10	10	10
Expected term of option (grant to exercise (years))	3.28	4.53	5.53	6.5	5.5	4.5
Exercise price (p)	0.25	0.25	0.25	US$7.07	US$8.72	US$13.10
Risk-free rate	5.0%	5.0%	5.0%	n/a	n/a	n/a
Dividend growth	8.44%	8.44%	8.44%	n/a	n/a	n/a
Fair value per option (£)	3.28	3.02	2.82	US$12.28	US$12.28	US$12.28

The Internet Securities, Inc. (ISI) options are over shares of ISI. The ISI options outstanding at September 30 2009 had a weighted average exercise price of $9.37 and a weighted average remaining contractual life of 2.11 years.

24 Statement of movement on reserves

	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Liability for share based payments £000's	Fair value reserve £000's	Translation reserve £000's	Retained earnings £000's	Total £000's
At September 30 2007	38,509	64,981	8	(74)	15,737	18,176	(15,335)	(69,975)	52,027
Retained profit for the year	–	–	–	–	–	–	–	43,719	43,719
Recognition of acquisition option commitments	–	–	–	–	–	–	–	(500)	(500)
Exercise of acquisition option commitments	–	–	–	–	–	–	–	6,919	6,919
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	32,448	–	32,448
Net exchange differences on foreign currency loans	–	–	–	–	–	(19,115)	–	–	(19,115)
Change in fair value of hedges	–	–	–	–	–	(17,455)	–	–	(17,455)
Transfer of gain on cash flow hedges from fair value reserves to income statement	–	–	–	–	–	(2,877)	–	–	(2,877)
Change in fair value of intangible assets	–	–	–	–	–	1,692	–	–	1,692
Credit for share-based payments	–	–	–	–	4,939	–	–	–	4,939
Dividends paid	–	–	–	–	–	–	–	(19,950)	(19,950)
Change in actuarial assumptions in defined benefit scheme	–	–	–	–	–	–	–	1,589	1,589
Exercise of share options	66	–	–	–	–	–	–	–	66
Tax on items going through reserves	–	–	–	–	–	–	–	1,282	1,282
At September 30 2008	38,575	64,981	8	(74)	20,676	(19,579)	17,113	(36,916)	84,784
Retained loss for the year	–	–	–	–	–	–	–	(6,287)	(6,287)
Exercise of acquisition option commitments	–	–	–	–	–	–	–	20,939	20,939
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	27,621	–	27,621
Net exchange differences on foreign currency loans	–	–	–	–	–	(16,690)	–	–	(16,690)
Change in fair value of hedges	–	–	–	–	–	(9,285)	–	–	(9,285)
Transfer of loss on cash flow hedges from fair value reserves to income statement	–	–	–	–	–	3,502	–	–	3,502
Change in fair value of intangible assets	–	–	–	–	–	2,544	–	–	2,544
Credit for share-based payments	–	–	–	–	2,970	–	–	–	2,970
Scrip/cash dividends paid	13,870	–	–	–	–	–	–	(20,657)	(6,787)
Change in actuarial assumptions in defined benefit scheme	–	–	–	–	–	–	–	(3,382)	(3,382)
Tax on items going through reserves	–	–	–	–	–	–	–	3,792	3,792
At September 30 2009	52,445	64,981	8	(74)	23,646	(39,508)	44,734	(42,511)	103,721

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT). At September 30 2009 the ESOT held 58,976 shares (2008: 58,976 shares) carried at a historic cost of £1.25 per share with a market value of £220,000 (2008: £192,000). 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.

25 Acquisition option commitments

The group is party to a number of put options over the remaining minority interests in some of its subsidiaries. IAS 39 'Financial Instruments' requires the recognition of acquisition liabilities. The group regularly performs a review of the underlying businesses with option commitments and in 2009 the review resulted in a net increase in the fair value of the group's option commitments of £2,202,000 (2008: £1,730,000). This increase is reported as finance expense in the income statement. No new option commitments (2008: £500,000) were recognised relating to subsidiaries acquired in the year and existing options have been exercised totalling £20,939,000 (2008: £6,919,000). As at September 30 2009, the discounted present value of the remaining put option commitments is £11,943,000 (2008: £29,848,000). These discounts are unwound as a notional interest charge to the income statement.

26 Commitments

At September 30 the group has committed to make the following payments in respect of operating leases on land and buildings:

	2009 £000's	2008 £000's
Within one year	5,749	5,623
Between 2 and five years	20,005	18,519
After 5 years	12,395	15,619
	38,149	39,761

The group's operating leases do not include any significant leasing terms or conditions.

At September 30 the group had contracted with tenants to receive the following payments in respect of operating leases on land and buildings:

	2009 £000's	2008 £000's
Within one year	415	364
Between 2 and five years	1,688	1,480
After 5 years	2,209	1,937
	4,312	3,781

27 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.

The pension charge in respect of defined contribution schemes for the year ended September 30 comprised:

	2009 £000's	2008 £000's
Euromoney Pension Plan/PensionSaver	971	575
Metal Bulletin Group Personal Pension Plan	35	39
Private schemes	1,063	801
Harmsworth Pension Scheme	207	203
	2,276	1,618

Euromoney PensionSaver and Euromoney Pension Plan

Euromoney PensionSaver was launched on October 1 2008 to replace the Euromoney Pension Plan as the principal pension arrangement offered to employees of the group. Under both plans, contributions are paid by the employer and employees. However, Euromoney PensionSaver is a group personal pension arrangement rather than the trust-based arrangement used by the Euromoney Pension Plan. Under both schemes, employees are able to contribute a minimum of 3% 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.

The process of transferring out the remaining assets of the Euromoney Pension Plan is now in its final stages following which 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.

The plan is contracted-in to the State Second Pension and its 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.

Notes to the Accounts *continued*

27 Retirement benefit schemes *continued*

Stakeholder pensions

The company provides access to a stakeholder pension plan for relevant employees who are not eligible for other pension schemes operated by the group.

Harmsworth Pension Scheme

The Harmsworth Pension Scheme is a defined benefit scheme operated by DMGT providing service-related benefits based on final pensionable salary. The assets of the scheme are held independently from the company's finances and are administered by a trustee company. The scheme is no longer offered to new employees of the company.

The contributions payable to the scheme are determined by the trustee company after taking advice from an independent qualified actuary, and following agreement with the company. The most recent actuarial valuation of the scheme, upon which the current contributions are based, was carried out as at March 31 2007 using the projected unit credit method.

On September 14 2009 DMGT announced a number of changes affecting the Harmsworth Pension Scheme that are designed to help secure the financial health of this scheme into the future and to control the cost of its operation. DMGT decided that the scheme would remain open for future accrual of pension benefits for current employees. However, from October 1 2009 new employees will no longer be offered the option to transfer from PensionSaver plans to the Harmsworth Pension Scheme after five years' service. Existing members of the scheme will continue to be able to earn additional pension benefits in the scheme but their pay increases counting towards pension will be limited to those at or below the prevailing rate of inflation, with inflation capped at 5%. In addition, the company plans to introduce a series of measures principally designed to limit the company's exposure to people living longer than is expected. The measures will be discussed with scheme trustees and a formal process of employee consultation will begin as soon as the proposals have been finalised.

The funding strategy agreed with the Trustee of the principal scheme made allowance for assumed future investment returns on the scheme's assets of 3.3% p.a. above price inflation, compared with the real return of some 2.6% p.a. implicit within the calculation of the Technical Provisions (i.e. the value of the scheme's benefit liabilities). DMGT agreed with the Trustee that this margin would be covered by a contingent asset and DMGT has put in place a letter of credit (to be updated annually) of an amount sufficient to cover any potential shortfall in this additional investment return arising prior to the next triennial valuation. As at October 4 2009, the letter of credit had a value of £32.1 million (2008: £21.8 million).

Cash contributions paid by the Company to the Harmsworth Pension Scheme as required by the schedule of contributions remain at the same level of 18.0% of members' scheme salaries (2008: 18.0%) with employees contributing either 5% or 7.5% depending on which section of the scheme they are in. However, since January 1 2009 a majority of members have agreed to a salary sacrifice arrangement whereby the company pays the equivalent of the employee's contribution in exchange for a corresponding reduction in salary. In addition, DMGT agreed to make a series of funding payments amounting to £3.2 million over a period of 27 months commencing in September 2009 in exchange for which the Trustees agreed to accept the cancellation of letters of credit that had been provided by DMGT following the merger of the two main pension schemes of the DMGT group in November 2007. The first payment of £1.0 million under this agreement was made on September 29 2009. Other key financial assumptions adopted were as follows:

	2009	2008
Long-term assumed rate of:		
Price inflation	3.0% p.a.	3.0% p.a.
Salary increases	4.3% p.a.	4.3% p.a.
Pension increases (on excess over guaranteed minimum pension)	3.0% p.a.	3.0% p.a.
Discount rate for accrued liabilities		
– Pre-retirement	6.4% p.a.	6.4% p.a.
– Post-retirement	4.8% p.a.	4.8% p.a.

The financial assumptions shown above used in the most recent actuarial valuation were selected to provide a basis for funding the schemes and are not intended to reflect the company's experience or policy regarding pay in any one financial year.

The valuation of the scheme showed that the combined accumulated assets of the scheme as at March 31 2007 represented 99% of the scheme's Technical Provisions in respect of past service benefits. However, in common with the majority of defined benefit schemes, there was a sharp deterioration over the following twelve months, with the equivalent funding level falling to 84% as at March 31 2008.

Members are able to make additional voluntary contributions (AVCs) into unit-linked funds held within each scheme. No benefit obligation arises to the DMGT, or the company, from these AVCs and the related unit-linked AVC assets have been excluded from the valuation of assets and liabilities reported below.

The group's pension charge for the Harmsworth Pension Scheme for the year ended September 30 2009 was £207,000 (2008: £203,000).

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.

27 Retirement benefit schemes *continued*

The ultimate parent company, 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 calculations performed as part of the work being carried out for the formal valuation of the scheme as at March 31 2007, and adjusted to October 4 2009 by the actuary. 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 £1,228.4 million (2008: £1,322.5 million) and that the actuarial value of these assets represented 78% (2008: 99%) of the benefits that had accrued to members (also calculated in accordance with IAS 19).

Defined benefit scheme

The company operates the Metal Bulletin plc Pension Scheme (closed to new members), a defined benefit scheme.

Metal Bulletin plc Pension Scheme

The Metal Bulletin plc Pension Scheme (MBPS) is a defined benefit scheme providing service-related benefits based on final pensionable salary. The assets of the scheme are held independently from the company's finances, being invested with the Norwich Union Life Insurance Society, Schroder Investment Management Ltd, and certain other specific investments managed directly by the Trustees. Contributions to the scheme are charged to the income statement so as to spread the cost of pensions over employees' working lives with the group. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the attained age method. The most recent actuarial valuation of the scheme, upon which the current contributions are based, was carried out as at June 1 2007.

The company cash contribution rate to the scheme during the year was 22.8% (2008: 22.8%) of pensionable salaries.

This MBPS is closed to new members. The figures in this note are based on calculations carried out in connection with the actuarial valuation of the scheme as at June 1 2007 and adjusted to September 30 2009 by the actuary. The key financial assumptions adopted were as follows:

	2009	2008
Long-term assumed rate of:		
Pensionable salary growth	4.4% p.a.	5.0% 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)	3.1% p.a.	3.7% 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	5.6% p.a.	7.0% p.a.
Inflation	3.1% p.a.	3.7% p.a.
Pension increase in deferment	3.1% p.a.	3.7% 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 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:

	Equities	Bonds	With profits policy	Cash	Total
2009					
Value at September 30 2009 (£'000)	5,474	11,616	2,091	2,371	21,552
% of assets held	25.4%	53.9%	9.7%	11.0%	100.0%
Long-term rate of return expected at September 30 2009	8.00%	5.50%	5.75%	3.50%	

	Equities	Bonds	With profits policy	Cash	Total
2008					
Value at September 30 2008 (£'000)	4,449	7,512	2,400	5,151	19,512
% of assets held	22.8%	38.5%	12.3%	26.4%	100.0%
Long-term rate of return expected at September 30 2008	8.70%	5.00%	5.75%	5.00%	

A reconciliation of the net pension surplus reported in the balance sheet is shown in the following table:

	2009 £000's	2008 £000's
Present value of defined benefit obligation	(21,916)	(16,985)
Assets at fair value	21,552	19,512
(Deficit)/surplus reported in the balance sheet	(364)	2,527

27 Retirement benefit schemes *continued*
Metal Bulletin plc Pension Scheme *continued*
The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its balance sheet. In 2008, having taken account of the rules of the scheme, the fact that the scheme remains open to new accrual, and the levels of service cost and cash contributions, the company considered that recognition of the scheme's surplus on its balance sheet at September 30 2008 was in accordance with the interpretations of IFRIC 14.

The deficit for the year excludes a related deferred tax asset of £102,000 (2008: liability £708,000).

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

	2009 £000's	2008 £000's
Present value of obligation at September 30	(16,985)	(19,501)
Service cost	(75)	(85)
Interest cost	(1,189)	(1,150)
Benefits paid	490	463
Members contributions	(15)	(19)
Actuarial movement	(4,142)	3,307
Present value of obligation at September 30	(21,916)	(16,985)

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

	2009 £000's	2008 £000's
Fair value of plan assets at September 30	19,512	19,865
Expected return on plan assets	1,162	1,172
Contributions:		
Employer	593	637
Members	15	19
Actual return less expected return on pension scheme assets	760	(1,718)
Benefits paid	(490)	(463)
Fair value of plan assets at September 30	21,552	19,512

The actual return on plan assets was a gain of £1,922,000 (2008: loss £546,000) 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:

	2009 £000's	2008 £000's
Current service costs (charged to administrative costs)	75	85
Interest cost (note 7)	1,189	1,150
Expected return on plan assets (note 7)	(1,162)	(1,172)
Total charge recognised in income statement	102	63

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.

		2009 £000's	2008 £000's
Mortality			
Change in pension obligation at September 30 from a 1 year change in life expectancy	+/-	548	346
Change in pension cost from a 1 year change	+/-	33	25
Salary increases			
Change in pension obligation at September 30 from a 0.25% change	+/-	44	26
Change in pension cost from a 0.25% year change		5	4
Discount rate			
Change in pension obligation at September 30 from a 0.1% change	+/-	416	290
Change in pension cost from a 0.1% change		4	5
Inflation			
Change in pension obligation at September 30 from a 0.1% change	+/-	197	n/a
Change in pension cost from a 0.1% change		11	n/a

27 Retirement benefit schemes *continued*

Metal Bulletin plc Pension Scheme *continued*

Amounts recognised in the statement of recognised income and expense (SORIE) are shown in the following table:

	2009 £000's	2008 £000's
Actual return less expected return on pension scheme assets	760	(1,717)
Experience adjustments on liabilities	(18)	(36)
Gains arising from changes in assumptions	(4,124)	3,342
Total gains recognised in SORIE	(3,382)	1,589
Cumulative actuarial gain recognised in SORIE at beginning of year	5,747	4,158
Cumulative actuarial gain recognised in SORIE at end of year	2,365	5,747

History of experience gains and losses:

	2009 £000's	2008 £000's	2007 £000's
Present value of defined benefit obligation	(21,916)	(16,985)	(19,501)
Fair value of scheme assets	21,552	19,512	19,865
(Deficit)/surplus in scheme	(364)	2,527	364
Experience adjustments on defined benefit obligation	(18)	(36)	498
Percentage of present value of defined benefit obligation	0.1%	0.2%	2.6%
Experience adjustments on fair value of scheme assets	760	(1,717)	792
Percentage of the fair value of the scheme assets	(3.5%)	8.8%	(4.0%)

The group expects to contribute approximately £577,000 (2008: expected contribution in 2009 of £614,000) to the MBPS during the 2010 financial year.

28 Contingent liabilities and assets

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 82.0 million (£14,804,000). 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.

29 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 has a credit agreement with DMG Jersey Finance Limited (note 19). As at September 30 2009 the amounts owing under the facility were: $238,488,000 (£149,111,000) (2008: $243,155,000 (£136,413,000)), and £22,293,000 (2008: £48,181,000). A commitment fee of £319,000 (2008: £191,000) was paid on the unused portion of the available facility.

(ii) The group expensed £324,000 (2008: £237,400) for services provided by Daily Mail and General Trust plc.

(iii) At September 30 2009 the group had £143,290,000 (2008: £154,788,000) fixed rate interest rate swaps outstanding with Daily Mail and General Holdings Limited amounting to $170,000,000 (2008: $185,000,000) at interest rates between 1.4% and 5.4% and termination dates between March 30 2010 and March 28 2013 and £37,000,000 (2008: £51,000,000) at interest rates between 4.9% and 6.2% and termination dates between March 30 2010 and September 28 2012. During the year the group paid $4,721,000 (2008: paid $1,263,000) and received £1,226,000 (2008: £124,000) of interest from Daily Mail and General Holdings Limited and related companies in respect of interest rate swaps.

(iv) In September 2008, the group agreed a loan facility from Daily Mail & General Investment Limited and provided the same loan facility to Bouverie Holdings Inc, a DMGT group company. During the year the group paid and received $40,315,000 (£24,935,000), including principal and interest. The amount owing and receivable at September 30 2009 was $nil (2008: $40,315,000 (£22,617,000)).

(v) In April 2008, the group agreed a loan facility from Daily Mail and General Holdings Limited and granted a loan facility to Harmsworth Quays Printing Limited. During the year the group paid £153,448,000 and received ¥28,407,310,000 (£197,630,000) respectively, including principal and interest. The amount owing at September 30 2009 was £nil and receivable at September 30 2009 was ¥nil (2008: owing £133,155,000; receivable ¥25,159,696,000 (£133,155,000)).

At the same time last year, the group entered into a swap agreement with Harmsworth Quays Printing Ltd to buy ¥53,925,947,000 and sell £316,051,000. These swaps were closed in October 2008 with offset deals and resulted in a loss during the year of £45,315,000, of which £21,409,000 was settled during the year and £23,906,000 is due for payment on October 2 2009.

29 Related party transactions *continued*

(vi) There is an annual put option agreement over the sale of Internet Securities, Inc. (ISI) shares between the company and GG Mueller, a director of the company. The annual put option value is based on the valuation of ISI as determined by an independent financial adviser. Under the terms of the agreement consideration caps have been put in place that require 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 February 2009, under the put option agreement, GG Mueller sold 220,000 ISI shares valued at $12.28 for a total consideration of $2,701,600. Also in February, JC Botts, a non-executive director, exercised 6,000 ISI options with an exercise price of $7.04 and sold the shares under the above put option mechanism at $12.28 per share for a total consideration of $73,680 realising a gain of $29,290. No ISI shares or options were sold or exercised by GG Mueller or JC Botts in the year to September 2008.

(vii) 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 remuneration report and other key divisional directors who are not on the board.

Key management compensation

	2009 £000's	2008 £000's
Salaries and short-term employee benefits	12,969	15,451
Non-executive director's fees	161	178
Post-employment benefits	180	170
Other long-term benefits (all share-based)	1,196	1,956
	14,506	17,755
Of which:		
Executive directors	11,043	14,385
Non-executive directors	161	178
Divisional directors	3,302	3,192
	14,506	17,755

Details of the remuneration of directors is given in the Directors' Remuneration Report.

30 Events after the balance sheet date

The directors propose a final dividend of 7.75p per share (2008: 13.00p) totalling £8,816,000 (2008: £13,689,000) for the year ended September 30 2009. The dividend will be submitted for formal approval at the Annual General Meeting to be held on January 21 2010. In accordance with IAS 10 '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 2010. During 2009, a final dividend of 13.00p (2008: 13.00p) per share totalling £13,697,000 (2008: £13,388,000) was paid in respect of the dividend declared for the year ended September 30 2008.

There were no other events after the balance sheet date.

31 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 the 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

Independent Auditors' Company Report

Independent auditors' report to the members of Euromoney Institutional Investor PLC

We have audited the parent company financial statements of Euromoney Institutional Investor PLC for the year ended September 30 2009 which comprise the Parent Company Balance Sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495, 496 and 497 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the parent company's affairs as at September 30 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

Matters on which we are required to report by exception

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

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

Other matter

We have reported separately on the group financial statements of Euromoney Institutional Investor PLC for the year ended September 30 2009.

Ian Waller

Ian Waller
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
November 11 2009

Company Balance Sheet

as at September 30 2009

	Notes	2009 £000's	2008 £000's
Fixed assets			
Intangible assets	5	2,765	2,765
Tangible assets	6	13,832	14,463
Investments	7	791,948	658,498
Derivative financial instruments	16	121	189
		808,666	675,915
Current assets			
Debtors	8	334,807	128,251
Derivative financial instruments	16	201	12,918
		335,008	141,169
Creditors: amounts falling due within one year	9	(633,738)	(540,839)
Net current liabilities		(298,730)	(399,670)
Total assets less current liabilities		509,936	276,245
Creditors: amounts falling due after more than one year	9	(187,020)	(11,996)
Net assets		322,916	264,249
Capital and reserves			
Called up share capital	12	284	263
Share premium account	14	52,445	38,575
Other reserve	14	64,981	64,981
Capital redemption reserve	14	8	8
Capital reserve	14	1,842	1,842
Own shares	14	(74)	(74)
Liability for share-based payments	14	14,457	12,251
Fair value reserve	14	(10,228)	(6,286)
Profit and loss account	14	199,201	152,689
Equity shareholders' funds	17	322,916	264,249

Euromoney Institutional Investor PLC 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 loss for the year is £67,169,000 (2008: £37,201,000).

The accounts were approved by the board of directors on November 11 2009.

Richard Ensor
Colin Jones
Directors

Notes to the Company Accounts

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention except for derivatives 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 according policies set out below have, unless otherwise stated, been applied consistently through 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 entities that are 100% owned by the group.

Further, the company, as a parent company of a group drawing up consolidated financial statements that meet the requirements of IFRS 7, 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 company are set out in detail in this annual report. The company meets its day-to-day working capital requirements through the group's $400 million dedicated multi-currency borrowing facility with Daily Mail and General Trust plc group of which the company is a part. The facility is divided into four quantums of sterling and US dollar funds with three and five year terms with a total maximum borrowing capacity of $310 million (£194 million) and £59 million respectively. 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 2009, the group's net debt to adjusted EBITDA was 1.99 times and the uncommitted undrawn facility available to the group was £81.4 million. The three year quantums of the facility are due for renewal in December 2011 and the five year quantums in December 2013.

The current economic conditions create uncertainty particularly over: a) the level of demand for the group's products; b) the exchange rate between sterling and US dollars and the impact on the translation of US dollar profits and losses from its US-dollar-based businesses and transactions, including the gains or losses from the group's forward contracts used to partially hedge these; and c) the availability of bank finance in the foreseeable future.

The group's forecasts and projections, 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 and continue to provide support to the company.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the company's accounts.

Turnover

Turnover 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.

Turnover invoiced but relating to future periods are 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'.

Pension schemes

Details of the company's pension schemes are set out in note 27 to the group accounts. The company 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 company 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.

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:

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

Notes to the Company Accounts *continued*

1 Accounting policies *continued*

Goodwill

Where the company has divisionalised the unincorporated businesses of its subsidiaries, the investment in the subsidiary then has the substance of goodwill and is reclassified accordingly. Goodwill arising in these circumstances is not amortised in the company where the directors are of the view that the goodwill has an indefinite economic life, but is reviewed annually for impairment. The non-amortisation of goodwill represents a departure from the Companies Act 2006 but is necessary to give a true and fair view under the provisions of FRS 10 'Goodwill and Intangible Assets'. It is not possible to quantify the impact of this departure, as it would depend on the life adopted. As at September 30 2009, the total of such goodwill was £2,765,000 (2008: £2,765,000).

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.

Derivatives and other financial instruments

The company 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. 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 net investment hedges are recognised in equity together with the gains and losses on the underlying net investment. The ineffective portion of such gains and losses is recognised in the profit and loss account immediately.

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.

Liabilities for put options over the remaining minority interests in subsidiaries are recorded in the balance sheet 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. In respect of options over further interests in joint ventures and associates, only movements in their fair value are recognised.

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 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.

1 Accounting policies *continued*

Share-based payments

The company makes share-based 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 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 of 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

	2009 £000's	2008 £000's
Salaries, wages and incentives	31,329	33,561
Social security costs	2,261	3,994
Pension contributions	934	638
Share based compensation costs (note 13)	2,206	3,077
	36,730	41,270

Details of directors' remuneration are set out in the Directors' Remuneration Report on pages 40 to 42 and in note 6 of the group accounts.

The ultimate parent company, Daily Mail and General Trust plc, 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 Daily Mail and General Trust plc have been based on calculations performed as part of the work being carried out for the formal valuation of the scheme as at March 31 2007, and adjusted to September 30 2009 by the actuary. 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 £1,228.4 million (2008: £1,322.5 million) and that the actuarial value of these assets represented 78% (2008: 99%) of the benefits that had accrued to members (also calculated in accordance with IAS 19). The valuations and disclosures required under IAS 19 for the financial statements of Daily Mail and General Trust plc are not materially different to the valuations and disclosures required under FRS 17.

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.

3 Number of staff (including directors and temporary staff)

	2009 Average	2008 Average
Financial publishing	162	202
Business publishing	144	148
Training	80	96
Conferences and seminars	106	113
Databases and information services	45	38
Central	229	213
	766	810

4 Remuneration of auditors

	2009 £000's	2008 £000's
Fees payable for the audit of the company's annual accounts	486	593

5 Intangible assets

	Goodwill £000's
Cost at October 1 2008 and September 30 2009	5,050
Amortisation at October 1 2008 and September 30 2009	2,285
Net book value at September 30 2008 and September 30 2009	2,765

The company does not amortise its goodwill (note 1).

Notes to the Company Accounts *continued*

6 Tangible assets

	Freehold land and buildings £000's	Short-term leasehold premises £000's	Office equipment £000's	Total £000's
Cost				
At October 1 2008	6,357	8,912	8,311	23,580
Additions	26	19	507	552
Disposals	–	(609)	(3,247)	(3,856)
At September 30 2009	6,383	8,322	5,571	20,276
Depreciation				
At October 1 2008	37	3,211	5,869	9,117
Charge for the year	81	415	607	1,103
Disposals	–	(529)	(3,247)	(3,776)
At September 30 2009	118	3,097	3,229	6,444
Net book value at September 30 2009	6,265	5,225	2,342	13,832
Net book value at September 30 2008	6,320	5,701	2,442	14,463

7 Investments

	Subsidiaries £000's	Investments in associated undertakings £000's	Total £000's
At October 1 2008	658,469	29	658,498
Additions	450,711	–	450,711
Disposals	(175,764)	–	(175,764)
Impairment losses	(141,497)	–	(141,497)
At September 30 2009	791,919	29	791,948

Details of the principal subsidiary and associated undertakings of the company at September 30 2009 can be found in note 13 to the group accounts.

8 Debtors

	2009 £000's	2008 £000's
Due within one year:		
Trade debtors	11,083	11,584
Amounts owed by DMGT group undertakings	1,390	–
Amounts owed by subsidiary undertakings	305,101	107,455
Other debtors	250	343
Deferred tax (note 11)	15,035	6,296
Prepayments and accrued income	1,948	2,573
	334,807	128,251

9 Creditors

	2009 £000's	2008 £000's
Due within one year:		
Committed facility (see note 19 in the group accounts)	–	184,594
Bank overdraft	12,445	5,880
Trade creditors	1,515	1,582
Amounts owed to DMGT group undertakings	2,523	158,947
Amounts owed to subsidiary undertakings	560,013	120,817
Other creditors	8,686	3,484
Corporation tax	–	1,892
Accruals	20,266	24,997
Deferred income	9,958	22,784
Other taxation and social security	981	1,101
Derivative financial instruments (note 16)	8,918	5,006
Acquisition option commitments	1,354	978
Loan notes	5,719	7,579
Provisions (note 10)	1,360	1,198
	633,738	540,839

	2009 £000's	2008 £000's
Due after more than one year:		
Committed facility (see note 19 in the group accounts)	171,404	–
Provisions (note 10)	1,653	2,872
Derivative financial instruments (note 16)	13,963	9,124
	187,020	11,996

10 Provisions

	Other provisions £000's
At October 1 2008	4,070
Provision	(691)
Used in the year	(366)
At September 30 2009	3,013

	2009 £000's	2008 £000's
Maturity profile of provisions:		
Within 1 year	1,360	1,198
Between 1 and 2 years	–	1,198
Between 2 and 5 years	1,653	1,674
	3,013	4,070

Other provisions

The provision consists of social security arising on share option liabilities and dilapidations on leasehold properties.

11 Deferred tax
The deferred tax asset at September 30 2009 comprised:

	2009 £000's	2008 £000's
Accelerated capital allowances	(848)	(723)
Tax losses	7,307	–
Other short-term timing differences	8,576	7,019
Provision for deferred tax	15,035	6,296

Movement in deferred tax:	£000's	£000's
Deferred tax asset at October 1	6,296	3,826
Deferred tax credit in the profit and loss account	6,092	1,707
Deferred tax credit to equity	2,647	763
Deferred tax asset at September 30	15,035	6,296

A deferred tax asset of £15,035,000 (2008: £6,296,000) has been recognised in respect of depreciation in excess of UK capital allowances, tax losses and other short-term timing differences. The directors are of the opinion that based on recent and forecast trading, the level of profits in future years are more likely than not to be sufficient to enable the asset to be recovered.

12 Share capital

	2009 £000's	2008 £000's
Authorised		
137,365,200 ordinary shares of 0.25p each (2008: 137,365,200 ordinary shares of 0.25p each)	343	343
Allotted, called up and fully paid		
113,757,463 ordinary shares of 0.25p each (2008: 105,300,896 ordinary shares of 0.25p each)	284	263

During the year, 8,456,567 ordinary shares of 0.25p each (2008: 2,328,418 ordinary shares) with an aggregate nominal value of £21,141 (2008: £5,821) were issued as follows: 6,257,957 ordinary shares (2008: nil) under the company's 2008 scrip dividend alternative for a cash consideration of £nil (2008: £nil) and 2,198,610 ordinary shares (2008: 2,328,418 ordinary shares) following the exercise of share options granted under the company's share option schemes for a cash consideration of £5,497 (2008: £71,680).

13 Share-based payments
An explanation of the company's share-based payment arrangements are set out in the Directors' Remuneration Report on pages 36 and 37. 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.

Equity settled options
The executive and Save as You Earn 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 12 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 credit recognised in the year in respect of these options was £142,000 (2008: expense £281,000).

	Executive Options		SAYE 8	SAYE 9	SAYE 10
Date of grant	December 4 2002	January 28 2004	January 5 2007	December 17 2007	December 19 2008
Market value at date of grant (p)	259	419	524	397	234
Option price (p)	259	419	419	318	187
Number of share options outstanding	174,000	153,000	27,028	43,971	390,710
Option life (years)	10	10	3.5	3.5	3.5
Expected term of option (grant to exercise (years))	5.5	5.5	3	3	3
Exercise price (p)	259	419	419	318	187
Risk-free rate	4.10%	4.10%	4.75%	4.25%	5.00%
Dividend yield	3.93%	3.93%	3.35%	3.35%	5.65%
Volatility	30%	30%	30%	30%	30%
Fair value per option (£)	0.52	0.72	1.51	1.13	0.58

13 Share based payments *continued*

Capital Appreciation Plan (CAP 2004)

The Capital Appreciation Plan (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 expense in the year for the CAP 2004 options was £2,348,000 (2008: £2,796,000).

	CAP 2004 Tranche 1	Tranche 2	Tranche 3
Date of grant	June 20 2005	June 20 2005	June 20 2005
Market value at date of grant (p)	401	401	401
Option price (p)	0.25	0.25	0.25
Number of share options outstanding	50,147	65,123	1,501,029
Option life (years)	10	10	10
Expected term of option (grant to exercise (years))	3.28	4.53	5.53
Exercise price (p)	0.25	0.25	0.25
Risk-free rate	5.0%	5.0%	5.0%
Dividend growth	8.44%	8.44%	8.44%
Fair value per option (£)	3.28	3.02	2.82

The following options are outstanding at September 30 and are options to subscribe for new ordinary shares of 0.25p each:

	Number of share options 2009	Number of share options 2008
Outstanding at October 1	3,215,130	3,107,755
Granted during the year	1,259,214	1,620,439
Exercised during the year	(1,551,772)	(1,354,214)
Expired during the year	(1,004,053)	(158,850)
Outstanding at September 30	1,918,519	3,215,130

The weighted average share price at the date of exercise for share options exercised during the year was £1.86 (2008: £3.80). The options outstanding at September 30 2009 had a weighted average exercise price of £1.19 (2008: £1.95), and a weighted average remaining contractual life of 4.1 years (2008: 4.0 years).

14 Statement of movement on reserves

	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Capital Reserve £000's	Own shares £000's	Liability for share based payment £000's	Fair value reserves £000's	Profit and loss account £000's	Total £000's
At September 30 2007	38,509	64,981	8	1,842	(74)	9,174	(1,051)	135,372	248,761
Retained profit for the year	–	–	–	–	–	–	–	37,201	37,201
Gain on cash flow hedges	–	–	–	–	–	–	(6,537)	–	(6,537)
Credit for share-based payments	–	–	–	–	–	3,077	–	–	3,077
Dividends paid	–	–	–	–	–	–	–	(19,950)	(19,950)
Exercise of share options	66	–	–	–	–	–	–	–	66
Tax on items going through reserves	–	–	–	–	–	–	1,302	66	1,368
At September 30 2008	38,575	64,981	8	1,842	(74)	12,251	(6,286)	152,689	263,986
Retained profit for the year	–	–	–	–	–	–	–	67,169	67,169
Gain on cash flow hedges	–	–	–	–	–	–	(6,589)	–	(6,589)
Credit for share-based payments	–	–	–	–	–	2,206	–	–	2,206
Scrip/cash dividends paid	13,870	–	–	–	–	–	–	(20,657)	(6,787)
Tax on items going through reserves	–	–	–	–	–	–	2,647	–	2,647
At September 30 2009	52,445	64,981	8	1,842	(74)	14,457	(10,228)	199,201	322,632

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT). At September 30 2009 the ESOT held 58,976 shares (2008: 58,976 shares) carried at a historic cost of £1.25 per share with a market value of £220,000 (2008: £192,000), and waived the rights to receive dividends. Interest and administrative costs are charged to the profit and loss account of the ESOT as incurred.

Of the reserves above £14,457,000 (2008: £12,251,000) of the liability for share-based payments and £80,083,000 (2008: £51,126,000) of the profit and loss account is distributable to equity shareholders of the company. The remaining balance of £119,118,000 (2008: £101,563,000) is not distributable.

15 Commitments

At September 30 the company has committed to make the following payments in respect of operating leases on land and buildings:

	2009 £000's	2008 £000's
Operating leases which expire:		
Within one year	–	148
Between two and five years	17	17
Over five years	1,033	892
	1,050	1,057

16 Financial instruments

Derivative financial instruments

The derivative financial assets/(liabilities) at September 30 2009 comprised:

	2009		2008	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Interest rate swaps	7	(7,595)	296	(3,207)
Forward foreign exchange contracts – cash flow hedge	315	(15,286)	996	(10,064)
Forward foreign exchange contracts – net investment	–	–	–	(859)
Currency swap with subsidiary undertakings	–	–	11,815	–
	322	(22,881)	13,107	(14,130)
Current portion	201	(8,918)	12,918	(5,006)
Non-current portion	121	(13,963)	189	(9,124)

As at September 30 2009, the aggregate amount of unrealised losses under forward foreign exchange contracts deferred in the fair value reserve relating to future revenue transactions is £6,130,000 (2008: £4,438,000). It is anticipated that the revenue transactions will take place during the next 36 months at which stage the amount deferred in equity will be released in the income statement. The ineffective portion recognised directly in the company's profit or loss that arose from cash flow hedges in the year was a loss of £6,700,000 (2008: loss £11,961,000).

The company holds all the interest rate swaps for the group and full details regarding these can be found in note 18 to the group accounts.

There were no derivatives outstanding at the balance sheet date that were designated as fair value hedges.

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 a decreased liability of £1,246,000 (2008: £12,936,000) which has been deferred in reserves and will only be recognised in the company's profit and loss account if the related investment is sold. There was no ineffectiveness in these hedges recognised in the profit and loss account (2008: £2,563,000).

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.

17 Reconciliation of movements in equity shareholders' funds

	2009 £000's	2008 £000's
Profit for the financial year	67,169	37,201
Dividends paid	(20,657)	(19,950)
	46,512	17,251
Issue of shares	13,891	71
Gains on cash flow hedges	(6,589)	(6,537)
Tax on items taken directly to equity	2,647	1,368
Credit to equity for share based payments	2,206	3,077
Net increase in equity shareholders' funds	58,667	15,230
Opening equity shareholders' funds	264,249	249,019
Closing equity shareholders' funds	322,916	264,249

18 Related party transactions

Related party transactions and balances are detailed below:

(i) The company has a credit agreement with DMG Jersey Finance Limited (note 19 to the group accounts). As at September 30 2009 the amounts owing under the facility was: $238,488,000 (£149,111,000) (2008: $243,155,000 (£136,413,000)), and £22,293,000 (2008: £48,181,000). A commitment fee of £319,000 (2008: £191,000) was payable on the unused portion of the available facility.

(ii) The group expensed £324,000 (2008: £237,400) for services provided by Daily Mail and General Trust plc.

(iii) At September 30 2009 the company had £143,290,000 (2008: £154,788,000) fixed rate interest rate swaps outstanding with Daily Mail and General Holdings Limited and related companies; comprising $170,000,000 (2008: $185,000,000) at interest rates between 1.4% and 5.4% and termination dates between March 30 2010 and March 28 2013, and £37,000,000 (2008: £51,000,000) at interest rates between 4.9% and 6.2% and termination dates between March 30 2010 and September 28 2012. During the year the company paid $4,721,000 (2008: paid $1,263,000) and received £1,226,000 (2008: received £124,000) of interest from Daily Mail and General Holdings Limited and related companies in respect of interest rate swaps.

(iv) In September 2009, the group agreed a new loan facility from Daily Mail & General Investment Limited. During the year the group paid $40,315,000 (£29,934,775), including principal and interest. The amount owing at September 30 2009 was $nil (£nil) (2008: $40,315,000 (£22,617,000)).

(v) In April 2008, the group agreed a new loan facility from Daily Mail and General Holdings Limited. During the year the company paid £153,448,000 including principal and interest. The amount owing at September 30 2009 was £nil (2008: £133,155,000).

(vi) During the year the company entered into the following trading transactions with related undertakings that are not 100% owned within the group:

	Sales	
	2009 £000's	2008 £000's
Coaltrans Conferences Limited	271	255

The following balances were outstanding at the end of the year:

	Amounts owed to related undertakings	
	2009 £000's	2008 £000's
Coaltrans Conferences Limited	647	3,494

Notes to the Company Accounts *continued*

19 Post balance sheet event

The directors propose a final dividend of 7.75p per share (2008: 13.00p) totalling £8,816,000 (2008: £13,689,000) for the year ended September 30 2009. The dividend will be submitted for formal approval at the Annual General Meeting to be held on January 21 2010. In accordance with FRS 21 'Post balance sheet events', 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 2010. During 2009, a final dividend of 13.00p (2008: 13.00p) per share totalling £13,697,000 (2008: £13,388,000) was paid in respect of the dividend declared for the year ended September 30 2008.

20 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 the 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

Group income statement extracts

	2005 £000's	2006 £000's	2007 £000's	2008 £000's	2009 £000's
Total revenue	196,266	222,276	305,594	332,064	317,594
Operating profit before acquired intangible amortisation, share option expense and exceptional items	39,348	43,812	78,606	81,308	79,447
Acquired intangible amortisation	-	(144)	(15,716)	(12,749)	(15,891)
Share option expense	(1,380)	(4,428)	(10,176)	(5,361)	(2,697)
Exceptional items	(315)	(716)	855	(2,477)	(33,901)
Operating profit before associates	37,653	38,524	53,569	60,721	26,958
Share of results in associates	624	1,208	490	308	219
Operating profit	38,277	39,732	54,059	61,029	27,177
Net finance costs	(3,843)	(4,498)	(12,931)	(23,603)	(44,538)
(Loss)/profit on ordinary activities before tax	34,434	35,234	41,128	37,426	(17,361)
Tax credit/(expense) on profit/(loss)	(2,417)	3,512	(8,223)	7,279	10,412
(Loss)/profit after tax from continuing operations	32,017	38,746	32,905	44,705	(6,949)
Profit from discontinued operations	–	-	500	245	1,207
(Loss)/profit for the year	32,017	38,746	33,405	44,950	(5,742)
Attributable to:					
Equity holders of the parent	30,181	37,430	31,822	43,719	(6,287)
Equity minority interests	1,836	1,316	1,583	1,231	545
(Loss)/profit for the year	32,017	38,746	33,405	44,950	(5,742)
Basic (loss)/earnings per share	34.19p	42.11p	30.66p	41.69p	(6.83)p
Diluted (loss)/earnings per share	34.10p	41.90p	29.86p	40.37p	(6.67)p
Adjusted diluted (loss)/earnings per share	26.28p	28.61p	35.04p	44.36p	40.39p
Diluted weighted average number of ordinary shares	88,508,359	89,340,024	104,888,887	107,687,024	112,372,620
Dividend per share	16.20p	17.00p	19.00p	19.25p	14.00p

Group balance sheet extracts

	2005	2006	2007	2008	2009
Intangible assets	66,508	71,598	380,022	407,578	425,648
Non-current assets	27,647	63,406	38,129	41,318	39,002
Accruals	(23,225)	(29,478)	(43,424)	(50,016)	(46,972)
Deferred income liability	(37,491)	(45,324)	(73,382)	(89,488)	(82,599)
Other net current assets/(liabilities)	3,924	7,334	23,965	(171,290)	(16,642)
Non-current liabilities	(73,313)	(94,310)	(269,530)	(50,038)	(213,446)
Net assets/(liabilities)	(35,950)	(26,774)	55,780	88,064	104,991

Financial Calendar and Shareholder Information

2009 final results announcement	Thursday November 12 2009
Final dividend ex-dividend date	Wednesday November 18 2009
Final dividend record date	Friday November 20 2009
Announcement of the final scrip reference price for the scrip alternative	Wednesday December 9 2009
Last date for receipt by the company's registrars of scrip mandate forms	3:00 p.m. on Thursday January 14 2010
2010 Annual General Meeting (approval of final dividend)	Thursday January 21 2010
Payment of final dividend	Thursday February 4 2010*
2010 interim results announcement	Thursday May 13 2010
Interim dividend ex-dividend date	Wednesday May 19 2010
Interim dividend record date	Friday May 21 2010
Payment of 2010 interim dividend	Wednesday June 23 2010*
2010 final results announcement	Thursday November 11 2010*
Loan note interest paid to holders of loan notes on:	Thursday December 31 2009 Wednesday June 30 2010

* Provisional dates and are subject to change.

Shareholder queries
Administrative enquiries about the holding of Euromoney Institutional Investor PLC shares should be directed in the first instance to the company's registrar whose address is:

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Telephone: 0871 664 0300 (Calls cost 10p per minute plus network extras)
(from outside the UK: +44 (0) 20 8639 3399)

E-mail: ssd@capitaregistrars.com
www.capitaregistrars.com

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

Company's website
www.euromoneyplc.com

www.euromoneyplc.com

Euromoney Institutional Investor PLC
Nestor House, Playhouse Yard,
London EC4V 5EX