

COMPANY NO 1040587

**EUROMONITOR INTERNATIONAL PLC**  
**ANNUAL REPORT**

***Year ended 31 March 2008***

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## **Company Information**

<b>Directors</b>	R N Senior T J Fenwick S F Hunter D R Gudgin T R E Kitchen A J Carter G Westbrook C Hamngton D Cleveland A Irwin
<b>Secretary</b>	T J Fenwick
<b>Registered office</b>	60/61 Britton Street London EC1M 5NA
<b>Registered number</b>	1040587
<b>Auditors</b>	Grant Thornton UK LLP Chartered Accountants Grant Thornton House Melton Street London NW1 2EP
<b>Bankers</b>	Bank of Scotland PLC 14/16 Cockspur Street London SW1Y 5BL

## Report of the Directors

The directors present their report and the audited financial statements for the year ended 31 March 2008

### Principal Activity

The principal activity of the group in the period under review was that of the publishing and provision of information services

### Review of Business

The results for the period and financial position of the group and company are shown in the annexed financial statements

As shown in the group's profit and loss account on page 7, the group has achieved a 15% increase on turnover and profit before tax has increased by 255%

The Directors welcome the increase in revenues and company profitability which reflect the successful growth in sales of the Company's database products and services and the close attention to operating expenses exercised during the year. Profitability was improved by the management of foreign currency risk in 2008 and the resulting avoidance of the previous period's exchange loss

In the year under review the Company continued to develop the company's products and overseas operations and the Directors therefore anticipate further increases in revenues and profitability in 2009

The consolidated balance sheet on page 9 of the financial statements shows that the group's financial position is consistent with the growth experienced in the business over the last 12 months

### Key Performance Indicators

	2008	2007
Return on capital employed (ROCE)	163%	49%
Gross Margin	59%	58%
Debtor days	97	84
Non annualised sales growth	15%	15%

*Returned on Capital Employed* = Operating profit as a percentage of shareholders funds plus interest being long-term liabilities

Euromonitor International PLC aims to increase shareholder value and measures performance against this objective by measuring ROCE. Source data is taken from the audited financial statements

*Gross Margin* = Gross profit as a percentage of turnover

Euromonitor International PLC aims to maximise profit available for distribution to shareholders as measured by gross margin. Source data is taken from audited financial statements

*Debtor days* = the average number of days it takes a company to receive payment from its debtors

Euromonitor International PLC aims to decrease its debtor days. Source data is taken from the audited financial statements

*Non annualised sales growth* = the increase in non annualised revenue as a percentage of revenue from the prior year

Euromonitor International PLC aims to increase shareholder value through growth in revenue, linked to profitability (see gross margin above). Source data is taken from the audited financial statements

## Report of the Directors (continued)

### Principal risks and uncertainties facing the company

#### Financial Instruments

The group's operations expose it to changes in the rate of exchange, particularly with regards to the US dollar and currencies linked to the dollar

The group's principal financial instruments comprise sterling cash and bank deposits, US dollar cash and bank deposits, Singapore dollar cash and bank deposits, other loans and obligations under finance leases together with trade debtors and trade creditors that arise directly from its operations

The main risks arising from the group's financial instruments can be analysed as follows

- **Price Risk**  
The group has no significant exposure to securities price risk, as it holds no listed equity investments
- **Foreign Currency Risk**  
The group is exposed in its trading operations in the USA, Asia and Europe with regards to the risk of foreign exchange rates. However, the group buys and sells services in all these areas and therefore the exchange risk is partially mitigated. The main foreign currencies in which the group operates are US dollar and Euro. The group has entered into Forward Currency contracts during the year to manage exchange risk between GBP and the US dollar. There are no open contracts at the year end
- **Credit Risk**  
The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by ensuring that no one client's credit is disproportionate to the overall size of the trade debtors balance. The amounts present in the balance sheet are net of allowances for doubtful debts, which are estimated by the group based on prior experience
- **Liquidity Risk**  
The group's bank balance is high therefore the group has no significant exposure in this area

#### **Employees**

Employees' performance is aligned to company goals through an annual appraisal process. Employee turnover remains within the expectations of the group and its directors

#### **Dividends**

The directors approved a payment of an ordinary dividend of £3,021,333 (2007 £1,216,000)

#### **Payment to Creditors**

It is the Group's policy to settle agreed outstanding accounts in accordance with the terms and conditions of supply

The number of days outstanding between receipt of invoices and date of payment, calculated by reference to the amount owed to trade creditors at the year end as a proportion of the amounts invoiced by suppliers during the year, was 22 days (2007 23) days in aggregate for the group

## **Report of the Directors (continued)**

### **Directors**

The present directors of the company are set out on page 1

Those directors serving at the end of the year had interests in the share capital of the company at 31 March as follows

	<b>Ordinary "A" shares of £1 each</b>	
	<b>2008</b>	<b>2007</b>
	<b>No.</b>	<b>No.</b>
R N Senior	30,005	30,005
<b>Ordinary "B" shares of £1 each</b>		
	<b>2008</b>	<b>2007</b>
	<b>No</b>	<b>No</b>
T J Fenwick	20,004	20,004

### **Statement of directors' responsibilities for the financial statements**

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom 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

The directors are responsible for keeping proper accounting records which 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 1985. 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.

## **Report of the Directors (continued)**

### **Disclosure of information to auditors**

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

### **Auditors**

A resolution to reappoint Grant Thornton as auditors of the group will be proposed at the forthcoming Annual General Meeting

### **Approval**

The report of the directors was approved by the Board on 28 October 2008 and signed on its behalf by



T J Fenwick  
Secretary

## Independent Auditors' Report to the Shareholders of Euromonitor International PLC

We have audited the group and parent company financial statements (the "financial statements") of Euromonitor International PLC for the year ended 31 March 2008 which comprise the principal accounting policies, the group profit and loss account, the group and company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses and notes 1 to 28. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

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

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

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2008 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITOR AND CHARTERED ACCOUNTANTS  
London  
28 October 2008



## **Consolidated Profit and Loss Account**

**for the year ended 31 March 2008**

	<b>Note</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
<b>Turnover – continuing operations</b>	<b>2</b>	29,776,564	25,890,330
Cost of sales		<u>(12,079,444)</u>	<u>(10,800,112)</u>
<b>Gross profit</b>		17,697,120	15,090,218
Distribution costs		<u>(5,346,766)</u>	<u>(5,143,389)</u>
Administrative expenses		<u>(7,051,334)</u>	<u>(8,376,155)</u>
<b>Operating profit – continuing operations</b>	<b>3</b>	5,299,020	1,570,674
Interest receivable	<b>4</b>	225,114	154,559
Interest payable	<b>5</b>	<u>(207,907)</u>	<u>(228,245)</u>
<b>Profit on ordinary activities before taxation</b>		5,316,227	1,496,988
Tax on profit on ordinary activities	<b>9</b>	<u>(1,737,077)</u>	<u>(548,372)</u>
<b>Retained profit for the financial year</b>	<b>21</b>	<u>3,579,150</u>	<u>948,616</u>

**Consolidated Statement of Total Recognised Gains and Losses**  
for the year ended 31 March 2008

	Note	2008	2007
		£	£
Profit for the financial year		3,579,150	948,616
Net currency translation loss		(47,492)	(64,330)
Total recognised gains and losses for the year	23	3,531,658	884,286

# **Consolidated Balance Sheet** at 31 March 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	12	<u>4,960,915</u>	<u>5,225,187</u>
<b>Current assets</b>			
Stocks	14	835,946	488,073
Debtors	15	8,441,741	6,388,978
Cash at bank and in hand		<u>10,003,970</u>	<u>8,066,857</u>
		19,281,657	14,943,908
<b>Creditors</b> Amounts falling due within one year	16	<u>(18,765,897)</u>	<u>(15,248,059)</u>
<b>Net current assets / (liabilities)</b>		515,760	(304,151)
<b>Total assets less current liabilities</b>		5,476,675	4,921,036
<b>Creditors</b> Amounts falling due after more than one year	17	<u>(3,208,352)</u>	<u>(3,180,938)</u>
<b>Net assets</b>		<u>2,268,323</u>	<u>1,740,098</u>
<b>Capital and reserves</b>			
Called up share capital	20	50,009	50,009
Capital redemption reserve	22	20,591	20,591
Profit and loss account	21	<u>2,197,723</u>	<u>1,669,498</u>
<b>Equity shareholders' funds</b>	23	<u>2,268,323</u>	<u>1,740,098</u>

The financial statements were approved by the Board on 28 October 2008 and signed on its behalf by



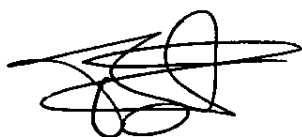
T J Fenwick

Director

**Company Balance Sheet**  
at 31 March 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	12	4,590,527	4,899,113
Investments	13	<u>15,262</u>	<u>136,563</u>
		4,605,789	5,035,676
<b>Current assets</b>			
Stocks	14	835,946	488,073
Debtors	15	9,325,654	10,975,836
Cash at bank and in hand		<u>8,641,272</u>	<u>3,330,921</u>
		18,802,872	14,794,830
<b>Creditors</b> Amounts falling due within one year	16	<u>(18,515,889)</u>	<u>(14,985,480)</u>
<b>Net current assets / (liabilities)</b>		286,983	(190,650)
<b>Total assets less current liabilities</b>		4,892,772	4,845,026
<b>Creditors</b> Amounts falling due after more than one year	17	<u>(2,915,920)</u>	<u>(3,180,938)</u>
<b>Net assets</b>		<u>1,976,852</u>	<u>1,664,088</u>
<b>Capital and reserves</b>			
Called up share capital	20	50,009	50,009
Capital redemption reserve	22	20,591	20,591
Profit and loss account	21	<u>1,906,252</u>	<u>1,593,488</u>
<b>Equity shareholders' funds</b>	23	<u>1,976,852</u>	<u>1,664,088</u>

The financial statements were approved by the Board on 28 October 2008 and signed on its behalf by



T J Fenwick  
Director

## **Consolidated Cash Flow Statement for the year ended 31 March 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
<b>Net cash inflow from operating activities</b>	<b>24</b>	<b><u>6,208,394</u></b>	<b><u>4,911,847</u></b>
<b>Returns on investments and servicing of finance</b>			
Interest received		225,114	154,559
Interest paid		(207,333)	(224,074)
Interest element of finance lease payments		<u>(574)</u>	<u>(4,171)</u>
		<u>17,207</u>	<u>(73,686)</u>
<b>Taxation paid</b>			
UK corporation tax		<u>(654,085)</u>	<u>(1,174,048)</u>
<b>Capital expenditure and financial investment</b>			
Payments for tangible fixed assets		<u>(303,258)</u>	<u>(560,434)</u>
<b>Equity dividends paid</b>		<u>(3,021,333)</u>	<u>(1,682,667)</u>
<b>Cash flow before financing</b>		<u>2,246,925</u>	<u>1,421,012</u>
<b>Financing</b>			
New bank loans		108,663	-
Repayment of loans		(405,843)	(376,331)
Capital element of finance lease payments	<b>26</b>	<u>(12,632)</u>	<u>(28,308)</u>
		<u>(309,812)</u>	<u>(404,639)</u>
<b>Increase in cash</b>	<b>25, 26</b>	<b><u>1,937,113</u></b>	<b><u>1,016,373</u></b>

## Notes to the Financial Statements

31 March 2008

### 1 ACCOUNTING POLICIES

#### Basis of accounting

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards. The financial statements have been prepared on the going concern basis.

#### Basis of consolidation

The consolidated profit and loss account and balance sheet comprise the financial statements of the holding company and its subsidiaries drawn up to 31 March in each year.

The consolidated financial statements have been prepared under the principles of acquisition accounting.

#### Research and development

The company maintains a substantial database of marketing and research information. In accordance with SSAP 13, the expenditure on the development and enlargement of this database is written off in the year it is incurred.

#### Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied. For sales contracts that are delivered over a period which spans the year end, income is deferred and released in the period in which the service is provided.

#### Investments

Investments in subsidiaries are stated at cost less provision for impairment.

#### Tangible fixed assets and depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Freehold land is not depreciated. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to the operating profit.

The principal annual rates used for other assets are:

Freehold buildings	Straight line over 50 years
Leasehold properties	Straight line over the life of the lease
Fixtures, fittings and equipment	15% Reducing balance
Computer equipment and software	Straight line over 3 years
Motor vehicles	25% Reducing balance

#### Leased assets

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the terms of the leases, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

#### Stocks

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in first-out basis. The cost of work in progress and finished goods comprises materials, direct labour and attributable production overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Provision is made for slow moving or defective items.

## **Notes to the Financial Statements (Continued)**

**31 March 2008**

### **1. ACCOUNTING POLICIES (Continued)**

#### **Deferred taxation**

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

In accordance with FRS 19 deferred tax is not provided on timing differences arising from extra tax payable on the unremitted earnings of the overseas subsidiaries and associates where there is no commitment to remit these earnings.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses.

#### **Pensions**

The company operates two defined contribution pension schemes both of which require contributions to be made to separately administered funds. Pension contributions are charged to the profit and loss account in respect of contributions payable by the company in the year. These contributions are invested separately from the company's assets.

#### **Foreign Currencies Group**

The financial statements of the overseas subsidiary are translated at the exchange rate ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

#### **Company**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the profit and loss account.

#### **Share based payments**

Employees of the Group receive remuneration in the form of share based payments such as share options. The cost of share based payments made to employees for awards granted after 7 November 2002, is measured by reference to the fair value at the date on which they are granted. The fair value is determined using an appropriate pricing model and is expensed on a straight line basis over the vesting period. Market related performance conditions are reflected in the fair value of the share. Non-market related performance conditions are allowed for using separate assumptions about the number of awards expected to vest.

### **2. SEGEMENTAL ANALYSIS**

In the opinion of the directors the disclosure of segmental information would be seriously prejudicial to the interest of the company. As permitted by Paragraph 55(5) of Schedule 4 this information has not been disclosed.

**Notes to the Financial Statements (Continued)****31 March 2008****3 OPERATING PROFIT**

Operating profit is arrived at after charging/crediting

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Operating lease rentals		
- plant and machinery	102,735	112,491
- land and buildings	475,539	326,755
Auditors' remuneration		
- Fees payable to the company's auditor for the audit of the financial statements	36,000	34,000
- Other services relating to taxation	24,450	28,060
(Gain) / Loss on foreign exchange transactions	(496,031)	1,214,449
Depreciation of tangible fixed assets		
- owned by the company	483,616	394,883
- held under finance leases	2,927	29,193
Research and development	10,527,023	8,314,688
Loss on disposal of tangible fixed assets	106,530	1,475

**4 INTEREST RECEIVABLE**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank interest	225,114	154,559
	<u>225,114</u>	<u>154,559</u>

**5 INTEREST PAYABLE**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Interest on hire purchase assets	574	4,171
Interest on bank loans and overdrafts	176,179	186,445
Interest on other loans	<u>31,154</u>	<u>37,629</u>
	<u>207,907</u>	<u>228,245</u>



# Notes to the Financial Statements (Continued)

31 March 2008

## 6. EMPLOYEES

### Average number of employees, including executive directors

	2008 No	2007 No
Office and administration employees	379	368

### Staff costs, including directors:

	2008 £	2007 £
Wages and salaries	13,632,465	12,534,821
Social security costs	1,541,885	1,389,113
Other pension costs	156,327	319,523
	15,330,677	14,243,457

## 7 DIRECTORS' REMUNERATION

	2008 £	2007 £
Aggregate emoluments of directors were		
Salaries and taxable benefits	1,738,048	1,405,829
Pension scheme contributions	44,115	200,214
	1,782,163	1,606,043
Emoluments (excluding pension contributions) of highest paid director	383,679	280,000
Pension scheme contributions of the highest paid director	-	74,282

	2008 No	2007 No
Number of directors who		
- were members of a money purchase scheme	10	10

## 8 PENSION COSTS

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions payable by the company amounted to £156,327 (2007: £319,523).

## Notes to the Financial Statements (Continued)

31 March 2008

## 9. TAXATION

The taxation charge for the year is analysed below

	2008 £	2007 £
<b>Current tax</b>		
<i>United Kingdom corporation tax</i>		
UK current tax on income for the year	1,780,871	585,617
Adjustments in respect of prior years	(8,473)	(72,513)
	<u>1,772,398</u>	<u>513,104</u>
<i>Foreign tax</i>		
Current tax on income for the year	15,929	33,580
Adjustments in respect of prior years	13,647	38,519
	<u>29,576</u>	<u>72,099</u>
Total current tax charge	<u>1,801,974</u>	<u>585,203</u>
<b>Deferred taxation</b>		
Net reversal of timing differences	(54,958)	(43,265)
Adjustments in respect of previous periods	(9,939)	6,434
Total deferred taxation	<u>(64,897)</u>	<u>(36,831)</u>
<b>Tax charge on profit on ordinary activities</b>	<u>1,737,077</u>	<u>548,372</u>

## Current tax reconciliation

The current tax charge is lower than the standard rate of corporation tax in the UK. A reconciliation is shown below.

	2008 £	2007 £
Profit on ordinary activities before taxation	5,316,277	1,496,988
Theoretical tax at standard tax rate (2007 30%)	1,594,883	449,096
Effects of		
- Expenditure that is not tax deductible	22,979	29,087
- Decelerated capital allowances	58,213	41,803
- Unrelieved tax losses	138,324	131,458
- Higher tax rate on overseas earnings	6,306	6,907
- Foreign tax credit	(23,905)	(40,446)
- Adjustments in respect of previous periods	5,174	(32,702)
Actual current taxation charge	<u>1,801,974</u>	<u>585,203</u>

## Deferred taxation

The deferred tax asset comprises

	2008 £	2007 £
Capital allowances in excess of depreciation	69,536	16,591
	<u>69,536</u>	<u>16,591</u>

**Notes to the Financial Statements (Continued)**

31 March 2008

**10. DIVIDENDS**

	2008 £	2007 £
Interim equity dividend paid	3,021,333	1,216,000
	<u>3,021,333</u>	<u>1,216,000</u>

**11. PROFIT FOR THE FINANCIAL YEAR**

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account had not been included in these financial statements. The profit for the financial year is as follows

	2008 £	2007 £
Holding company's profit for the financial year	3,316,197	1,380,909
	<u>3,316,197</u>	<u>1,380,909</u>

**12. TANGIBLE ASSETS GROUP**

	Freehold property £	Short leasehold properties £	Office equipment, fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2007	4,425,000	496,997	1,959,966	64,346	6,946,309
Additions	-	-	303,258	-	303,258
Disposals	-	-	(322,291)	-	(322,291)
Currency translation	-	5,276	32,245	-	37,521
At 31 March 2008	4,425,000	502,273	1,973,178	64,346	6,964,797
<b>Depreciation</b>					
At 1 April 2007	200,000	359,386	1,122,560	39,176	1,721,122
Charged in year	50,000	67,946	362,304	6,293	486,543
Disposals	-	-	(215,761)	-	(215,761)
Currency translation	-	1,026	10,952	-	11,978
At 31 March 2008	250,000	428,358	1,280,055	45,469	2,003,882
<b>Net book value</b>					
At 31 March 2008	4,175,000	73,915	693,123	18,877	4,960,915
At 31 March 2007	4,225,000	137,611	837,406	25,170	5,225,187

The net book value of tangible fixed assets includes £8,781 (2007 £31,916) in respect of assets held under finance leases. Depreciation charged in the year on those assets amounted to £2,927 (2007 £29,193).

## Notes to the Financial Statements (Continued)

31 March 2008

12 TANGIBLE ASSETS (Continued)  
COMPANY

	Freehold property	Short leasehold properties	Office equipments, fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2007	4,425,000	431,600	1,427,199	64,346	6,348,145
Additions	-	-	142,843	-	142,843
Disposals	-	-	(315,930)	-	(315,930)
At 31 March 2008	4,425,000	431,600	1,254,112	64,346	6,175,058
<b>Depreciation</b>					
At 1 April 2007	200,000	346,670	863,187	39,175	1,449,032
Charged in year	50,000	44,389	249,624	6,293	350,306
Disposals	-	-	(214,807)	-	(214,807)
At 31 March 2008	250,000	391,059	898,004	45,468	1,584,531
<b>Net book value</b>					
At 31 March 2008	4,175,000	40,541	356,108	18,878	4,590,527
At 31 March 2007	4,225,000	84,930	564,012	25,171	4,899,113

The net book value of tangible fixed assets includes £8,781 (2007 £31,916) in respect of assets held under finance leases. Depreciation charged in the year on those assets amounted to £2,927 (2007 £29,193).

## Notes to the Financial Statements (Continued)

### 31 March 2008

#### 13. INVESTMENTS

	Shares in Group Undertakings £
<b>Cost</b>	
At 1 April 2007	136,563
Acquisitions	52,921
Provision for impairment	(174,222)
At 31 March 2008	15,262

Investment in group undertakings are stated at the lower of cost and net realisable value. During the year, the company made a provision in respect of the diminution in value of Euromonitor International China Limited.

#### Group undertakings

The shares in group undertakings, which are held by the company, comprise investments in the following subsidiary undertakings:

	Overseas country of incorporation	Activity	Group interest in ordinary shares
Euromonitor International Inc	USA	Publishers and market researchers	100%
Euromonitor Publications Limited	England	Dormant	100%
Euromonitor International (Asia) PTE Limited	Singapore	Publishers and market researchers	100%
Euromonitor International China Limited	China	Publishers and market researchers	100%
Euromonitor International Eastern Europe	Lithuania	Publishers and market researchers	100%

Euromonitor International China Limited has a 31 December year-end as this is a statutory requirement in China.

#### 14. STOCKS

	Group 2008 £	Company 2008 £	Group 2007 £	Company 2007 £
Work in progress	716,996	716,996	341,848	341,848
Finished goods and goods for resale	118,950	118,950	146,225	146,225
	835,946	835,946	488,073	488,073

The replacement cost of the above stocks would not be significantly different from the values stated.

## Notes to the Financial Statements (Continued)

31 March 2008

## 15 DEBTORS

	Group 2008 £	Company 2008 £	Group 2007 £	Company 2007 £
Trade debtors	7,952,459	7,952,459	5,993,042	5,993,042
Amounts owed by subsidiary undertakings	-	1,018,830	-	4,714,277
Other debtors	75,888	51,202	43,850	25,555
Prepayments and accrued income	331,906	225,607	335,495	222,489
Deferred tax asset	81,488	77,556	16,591	20,473
	<u>8,441,741</u>	<u>9,325,654</u>	<u>6,388,978</u>	<u>10,975,836</u>

## 16 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2008 £	Company 2008 £	Group 2007 £	Company 2007 £
Bank loan and overdrafts	265,089	265,089	227,303	227,303
Other loans	282,057	284,445	151,364	151,364
Trade creditors	735,219	586,522	850,921	654,343
Corporation tax	1,159,980	1,214,487	12,091	23,879
Other taxes and social security costs	657,102	565,870	467,566	443,287
Directors current accounts	533,438	533,438	283,101	283,101
Net obligations under finance leases and hire purchase contracts	8,737	8,737	12,632	12,632
Accruals and deferred income	14,994,844	14,976,307	13,088,245	13,080,265
Other creditors	129,431	80,994	154,836	109,306
	<u>18,765,897</u>	<u>18,515,889</u>	<u>15,248,059</u>	<u>14,985,480</u>

## 17 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2008 £	Company 2008 £	Group 2007 £	Company 2007 £
Bank loans	2,698,493	2,698,493	2,877,516	2,877,516
Other loans	-	-	286,636	286,636
Net obligations under finance leases and hire purchase contracts	-	-	8,737	8,737
Accruals and deferred income	251,526	217,427	8,049	8,049
Other Creditors	258,333	-	-	-
	<u>3,208,352</u>	<u>2,915,920</u>	<u>3,180,938</u>	<u>3,180,938</u>

The company has a mortgage on its registered property. The mortgage has a variable annual interest rate of LIBOR plus 1.875% and is repayable in 180 equal quarterly instalments.

**Notes to the Financial Statements (Continued)**

31 March 2008

**18. DEBT AND FINANCE LEASE OBLIGATIONS**

The company's borrowings, including debenture loans, bank loans, overdrafts and obligations under finance leases, are analysed by maturity below

	<b>Group 2008 £</b>	<b>Company 2008 £</b>	<b>Group 2007 £</b>	<b>Company 2007 £</b>
<b>Due within one year or on demand</b>				
Bank and other loans	555,883	558,271	391,299	391,299
<b>Due in more than one year but not more than two years</b>				
Bank and other loans	237,947	237,947	512,129	512,129
<b>Due in more than two years but not more than five years</b>				
Bank and other loans	599,798	599,798	553,856	553,856
<b>Due in more than five years</b>				
Bank and other loans	<u>1,860,748</u>	<u>1,860,748</u>	<u>2,106,904</u>	<u>2,106,904</u>
	<u>3,254,376</u>	<u>3,256,764</u>	<u>3,564,188</u>	<u>3,564,188</u>

**19. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

The company's net obligations under finance leases and hire purchase contracts are repayable as follows

	<b>Group 2008 £</b>	<b>Company 2008 £</b>	<b>Group 2007 £</b>	<b>Company 2007 £</b>
In one year or on demand	8,804	8,804	13,205	13,205
Between one and five years	-	-	8,804	8,804
			<u>22,009</u>	<u>22,009</u>
Finance charges and interest allocated to future accounting periods	<u>(67)</u>	<u>(67)</u>	<u>(640)</u>	<u>(640)</u>
	<u>8,737</u>	<u>8,737</u>	<u>21,369</u>	<u>21,369</u>
Included in current liabilities	<u>(8,737)</u>	<u>(8,737)</u>	<u>(12,632)</u>	<u>(12,632)</u>
	<u>-</u>	<u>-</u>	<u>8,737</u>	<u>8,737</u>

## Notes to the Financial Statements (Continued)

31 March 2008

## 20 SHARE CAPITAL

	2008 £	2007 £
<b>Authorised</b>		
48,551 Ordinary shares of £1 each	48,551	48,551
30,005 "A" Ordinary shares of £1 each	30,005	30,005
20,004 "B" Ordinary shares of £1 each	20,004	20,004
1,440 "C" Ordinary shares of £1 each	1,440	1,440
	<u>100,000</u>	<u>100,000</u>
<b>Allotted and fully paid</b>		
30,005 "A" Ordinary shares of £1 each	30,005	30,005
20,004 "B" Ordinary shares of £1 each	20,004	20,004
	<u>50,009</u>	<u>50,009</u>

## SHARE-BASED PAYMENTS

As at 31 March 2008 there were outstanding share options granted (but not yet exercised) under the Company's Enterprise Management Incentive plan in respect of ordinary shares of £1 each, as follows

Exercise Expiry Date	Exercise price (£)	Number of share options outstanding at 1 April 2007	Options granted/(exercised /lapsed) during the year	Number of options outstanding at 31 March 2008
1 February 2013	312.5	1,280	-	1,280
26 April 2016	150	2,000	-	2,000

The vesting of these options is subject to an "exit event" and expire after 10 years if no such event occurs. The share options issued during the year are intended to run in parallel with the option granted to on 1 February 2003. Accordingly, for the purposes of FRS 20 "Share based payments" these options are deemed to have zero value.

For the adoption of FRS 20 "Share based payments" the fair value of the options is estimated at the date of grant using the binomial valuation model. The following table gives the assumptions applied to the options granted.

Grant date	27 April 2006
Share price at grant date	£132.89
Exercise price	£150.00
Vesting period (years)	7
Expected volatility	40%
Option life (years)	10
Expected life (years)	7
Risk free rate	4.7%
Expected dividends expressed as a dividend yield	-
Possibility of ceasing employment before vesting	-
Fair value per option	£62.80

The expected volatility is based on historical volatility over the last three years. The expected life is the average expected period to exercise. The risk-free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

The total charge for the period relating to employee share-based payment plans was £17,900 (2007 £16,700).



**Notes to the Financial Statements (Continued)**  
**31 March 2008**

**21 PROFIT AND LOSS RESERVE**

	<b>Group £</b>	<b>Company £</b>
At 1 April 2007	1,669,498	1,593,488
Retained profit for the year	3,579,150	3,316,197
Dividends	(3,021,333)	(3,021,333)
Share based transactions	17,900	17,900
Currency translation	(47,492)	-
At 31 March 2008	<u>2,197,723</u>	<u>1,906,252</u>

**22. OTHER RESERVES**

	<b>Capital Redemption Reserve £</b>
<b>Group and Company</b>	
At 1 April 2007 and 31 March 2008	<u>20,591</u>

## Notes to the Financial Statements (Continued)

31 March 2008

## 23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

GROUP	2008 £	2007 £
Total recognised gains and losses	3,531,658	884,286
Share based transactions	17,900	16,700
Dividends	(3,021,333)	(1,216,000)
Net change in shareholders' funds	528,225	(315,014)
Opening shareholders' funds	1,740,098	2,055,112
Closing shareholders' funds	2,268,323	1,740,098
<b>COMPANY</b>	<b>2008 £</b>	<b>2007 £</b>
Total recognised gains and losses	3,316,197	1,380,909
Share based transactions	17,900	16,700
Dividends	(3,021,333)	(1,216,000)
Net change in shareholders' funds	312,764	181,609
Opening shareholders' funds	1,664,088	1,482,479
Closing shareholders' funds	1,976,852	1,664,088

## 24. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2008 £	2007 £
Operating profit	5,299,020	1,570,674
Depreciation	486,543	424,076
Loss on disposal of fixed assets	106,530	1,475
Share based transactions	17,900	16,700
(Increase) in stocks	(347,873)	(88,867)
(Increase) in debtors	(1,987,866)	(645,432)
Increase in creditors	2,707,175	3,682,347
Currency translation	(73,035)	(49,126)
	6,208,394	4,911,847

## 25 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008 £	2007 £
Increase in cash	1,937,113	1,016,373
Cash flow from decrease in debt and lease finance	309,812	404,639
Change in net funds resulting from cash flows	2,246,925	1,421,012
Movement in net funds in the year	2,246,925	1,421,012
Net funds at 1 April 2007	4,502,669	3,081,657
Net funds at 31 March 2008	6,749,594	4,502,669

**Notes to the Financial Statements (Continued)**  
**31 March 2008**

**26 ANALYSIS OF NET FUNDS**

	At 1 April 2007 £	Cash flow £	Other movements £	At 31 March 2008
Cash at bank and in hand	8,066,857	1,937,113	-	10,003,970
<b>Net cash</b>	<b>8,066,857</b>	<b>1,937,113</b>	<b>-</b>	<b>10,003,970</b>
Debt due after one year	(3,164,152)	465,659	-	(2,698,493)
Debt due within one year	(378,667)	(168,479)	-	(547,146)
Finance leases	(21,369)	12,632	-	(8,737)
<b>Borrowings</b>	<b>(3,564,188)</b>	<b>309,812</b>	<b>-</b>	<b>(3,254,376)</b>
<b>Net funds</b>	<b>4,502,669</b>	<b>2,246,925</b>	<b>-</b>	<b>6,749,594</b>

**27. RELATED PARTY TRANSACTIONS**

**Transactions and balances with group and related undertakings**

The company has taken advantage of the exemption, permitted by Financial Reporting Standard No 8, not to disclose transactions with the Euromonitor International Plc group of companies

Included in books and market research information costs is an amount of £40,214 (2007 £46,530) in respect of services provided on an arms length basis by Information Exchange, a business in which a director G Westbrook has a material interest

# Notes to the Financial Statements (Continued)

## 31 March 2008

### 28. FINANCIAL COMMITMENTS

#### Operating lease commitments

The payments which the company is committed to make in the next year under operating leases are as follows

GROUP		2008 £	2007 £
(i)	Land and buildings, leases expiring		
	within one year	-	50,495
	one to five years	286,578	244,623
	beyond five years	327,902	103,329
		<u>614,480</u>	<u>398,447</u>
			2007 £
(ii)	Other leases expiring		
	within one year	23,412	33,571
	one to five years	6,980	33,394
		<u>30,392</u>	<u>66,965</u>
COMPANY		2008 £	2007 £
(i)	Other leases expiring		
	within one year	21,606	33,571
	one to five years	-	21,606
		<u>21,606</u>	<u>55,177</u>