

Financial statements Euromonitor International Limited

For the Year Ended 31 March 2011

TUESDAY



L2QC8ZNJ

LD7

29/11/2011

2

COMPANIES HOUSE

Company No. 1040587

Officers and professional advisers

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

Contents

Report of the directors	3 - 6
Independent auditor's report	7 - 8
Accounting policies	9 - 12
Profit and loss account	13
Group balance sheet	14
Company balance sheet	15
Group cash flow cash flow statement	16
Other primary statements	17
Notes to the financial statements	18 - 32

Report of the directors

The directors present their report and the financial statements of the group for the year ended 31 March 2011

Principal activities and business review

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

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 13, the group has achieved a 29% increase on turnover and operating profit has increased by 80%

The Directors welcome the increase in revenues but recognise the positive impact of currency movements on reported operating profit. The Directors anticipate further increases in revenues in 2011

The consolidated balance sheet on page 14 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

	2011	2010
	£	£
Return on Capital Employed percentage	163%	126%
Gross Margin percentage	72%	62%
Debtor Days	99	100

Return on Capital Employed (ROCE) = Operating profit as a percentage of shareholders funds plus interest bearing long-term liabilities

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

Euromonitor International 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

Results and dividends

The profit for the year, after taxation, amounted to £9,856,796 (2010 £6,213,742) Particulars of dividends paid are detailed in note 20 to the financial statements

The directors approved a payment of an ordinary dividend of £7,306,781 (2010 £nil)

Financial risk management objectives and policies

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 not significant The main foreign currencies in which the group operates are US dollar and Euro The group has begun to engage in Forward Currency contracts 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

Payment of Creditors

It is the group's policy to settle agreed outstanding accounts in accordance with the terms and condition 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 17 days (2010 22) days in aggregate for the group

Directors

The directors who served the company during the year and up to the date of this report are listed on page 1

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the year, the company made charitable donations of £23,975 (2010 £7,491)

Euromonitor International Limited
Financial statements for the year ended 31 March 2011

6

Auditor

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'T J Fenwick', written over a horizontal line.

T J Fenwick

Secretary

28 November 2011

Independent auditor's report to the members of Euromonitor International Limited

We have audited the group and parent company financial statements ("the financial statements") of Euromonitor International Limited for the year ended 31 March 2011. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2011 and of the group's 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.

Independent auditor's report to the members of Euromonitor International Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Mark Henshaw (Senior Statutory Auditor)

For and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
London

28 November 2011

.

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

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

Turnover

Turnover consists of the amount earned (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

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

Fixed assets

All fixed assets are initially recorded at cost. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	-	Straight line over 50 years
Leasehold Property	-	Straight line over the life of the lease
Fixtures & Fittings	-	15% Reducing Balance
Motor Vehicles	-	25% Reducing Balance
Computer Equipment	-	Straight line over 3 years

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

Stocks

Stocks 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 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 obsolete items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Finance lease agreements

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.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

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.

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 payable on the unremitted earnings of the overseas subsidiaries and associates where there is not 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 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 recognised gains and losses.

Foreign currencies

Group

The financial statements of the overseas subsidiaries 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.

Financial instruments

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Profit and loss account

	Note	2011 £	2010 £
Group turnover	1	56,317,525	43,528,234
Cost of sales		(15,828,493)	(16,496,684)
Gross profit		40,489,032	27,031,550
Other operating charges	2	(26,737,549)	(19,411,776)
Operating profit	3	13,751,483	7,619,774
Interest receivable		30,263	28,325
Interest payable and similar charges	6	(26,946)	(33,926)
Profit on ordinary activities before taxation		13,754,800	7,614,173
Tax on profit on ordinary activities	8	(3,898,004)	(1,400,431)
Profit for the financial year	9	9,856,796	6,213,742

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

Group balance sheet

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	10	4,578,753	4,774,960
Current assets			
Stocks	12	479,538	566,091
Debtors	13	15,961,855	13,789,950
Cash at bank		16,875,332	11,089,510
		33,316,725	25,445,551
Creditors, amounts falling due within one year	14	(32,266,082)	(26,252,505)
Net current assets/(liabilities)		1,050,643	(806,954)
Total assets less current liabilities		5,629,396	3,968,006
Creditors, amounts falling due after more than one year	15	(1,936,906)	(2,250,057)
		3,692,490	1,717,949
Capital and reserves			
Called-up equity share capital	18	36,007	38,007
Other reserves	20	20,591	20,591
Profit and loss account	20	3,635,892	1,659,351
Shareholders' funds	22	3,692,490	1,717,949

These financial statements were approved by the directors and authorised for issue on 28 November 2011, and are signed on their behalf by



T J Fenwick
 Director
 Company Registration Number 1040587

Company balance sheet

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	10	4,285,205	4,410,583
Investments	11	1,690,120	1,683,503
		<u>5,975,325</u>	<u>6,094,086</u>
Current assets			
Stocks	12	479,538	566,091
Debtors	13	16,180,547	14,759,097
Cash at bank		11,998,540	7,540,196
		<u>28,658,625</u>	<u>22,865,384</u>
Creditors' amounts falling due within one year	14	<u>(31,969,709)</u>	<u>(26,775,005)</u>
Net current liabilities		<u>(3,311,084)</u>	<u>(3,909,621)</u>
Total assets less current liabilities		<u>2,664,241</u>	<u>2,184,465</u>
Creditors' amounts falling due after more than one year	15	<u>(1,469,048)</u>	<u>(1,703,941)</u>
		<u>1,195,193</u>	<u>480,524</u>
Capital and reserves			
Called-up equity share capital	18	36,007	38,007
Other reserves	20	20,591	20,591
Profit and loss account	20	1,138,595	421,926
Shareholders' funds		<u>1,195,193</u>	<u>480,524</u>

These financial statements were approved by the directors and authorised for issue on ²⁸ November 2011, and are signed on their behalf by



T J Fenwick
Director

Company Registration Number 1040587

Group cash flow cash flow statement

	Note	2011 £	2010 £
Net cash inflow from operating activities	23	15,943,823	9,559,327
Returns on investments and servicing of finance	23	3,317	(5,601)
Taxation	23	(2,558,046)	(2,761,129)
Capital expenditure and financial investment	23	(130,557)	(233,461)
Equity dividends paid		(7,306,781)	—
Cash inflow before financing		<u>5,951,756</u>	<u>6,559,136</u>
Financing	23	(165,934)	(7,983,305)
Increase/(decrease) in cash	23	<u>5,785,822</u>	<u>(1,424,169)</u>

The accompanying accounting policies and notes form part of these financial statements.

Other primary statements

Statement of total recognised gains and losses

	2011 £	2010 £
Profit for the financial year		
attributable to the shareholders of the parent company	9,856,796	6,213,742
Company buy back of shares	2,000	(7,737,998)
Stamp duty on newly issued shares	-	(38,750)
Net currency translation (loss)/gain	(575,478)	44,493
Total gains and losses recognised for the year	9,283,318	(1,518,513)

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

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.

2 Other operating charges

	2011 £	2010 £
Distribution costs	13,659,315	9,535,813
Administrative expenses	13,078,234	9,875,663
	<u>26,737,549</u>	<u>19,411,476</u>

3 Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Operating lease rentals		
- plant and machinery	9,529	5,169
- land and buildings	987,041	875,107
Auditor's remuneration		
- fees payable to the company's auditors for the audit of financial statements	43,200	42,000
- other services relating to taxation		19,000
Loss/(gain) on foreign exchange transactions	394,061	238,927
Depreciation of the tangible fixed assets		
- owned by the company	306,212	465,990
- held under finance lease	-	7,793
Research and development expenditure	<u>15,828,493</u>	<u>15,011,181</u>

4 Particulars of employees

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	21,576,725	19,781,710
Social security costs	2,326,383	2,239,573
Other pension costs	187,210	192,892
	<u>24,090,318</u>	<u>22,214,175</u>

5 Directors

Remuneration in respect of directors was as follows

	2011 £	2010 £
Remuneration receivable	1,937,519	1,571,592
Value of company pension contributions to money purchase schemes	61,330	47,273
	<u>1,998,849</u>	<u>1,618,865</u>

Remuneration of highest paid director

	2011 £	2010 £
Total remuneration (excluding pension contributions)	358,000	317,750
Value of company pension contributions to money purchase schemes	1	1
	<u>358,001</u>	<u>317,751</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2011 No	2010 No
Defined benefit schemes	<u>10</u>	<u>10</u>

6 Interest payable and similar charges

	2011 £	2010 £
Interest payable on bank borrowing	147	3,115
Finance charges payable under finance leases	535	1,210
Other similar charges payable	26,264	29,601
	<u>26,946</u>	<u>33,926</u>

7 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 £248,540 (2010 £192,892).

8 Taxation on ordinary activities

Analysis of charge in the year

	2011 £	2010 £
Current tax		
<i>United Kingdom corporation tax</i>		
UK current tax on income for the year	2,828,934	1,369,829
Adjustments in respect of previous periods – UK	4,366	(13,657)
	<hr/> 2,833,300	<hr/> 1,356,172
<i>Foreign Tax</i>		
Current tax on income for the year	908,220	177
Adjustments in respect of previous periods – Foreign tax	136,705	-
	<hr/> 1,044,925	<hr/> 177
Deferred taxation		
Net reversal of timing differences	21,718	22,275
Prior year adjustment	(1,939)	21,807
	<hr/> 19,779	<hr/> 44,082
Tax charge on profit on ordinary activities	<hr/> 3,898,004	<hr/> 1,400,431

8 Taxation on ordinary activities (continued)

Current tax reconciliation

	2011	2010
	£	£
Factors affecting the tax charge for the period are shown below		
Profit on ordinary activities before taxation	13,754,800	7,614,173
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom 28% (2010 28%)	<u>3,851,344</u>	<u>2,116,344</u>
Effect of		
-Expenditure that is not tax deductible	76,761	21,966
-Decelerated capital allowances	(38,978)	(7,673)
-Prior year foreign tax adjustment	4,643	-
-Differences in tax rates	57,223	(302,337)
-Other short term timing differences	7,818	7,851
-Overprovision in respect of prior years	9,009	(13,657)
-Unrelieved tax losses	(18,472)	(347,482)
-Deduction in relation to share schemes	(229,600)	-
-Foreign tax credit	26,416	(118,661)
	<u>3,746,164</u>	<u>1,356,351</u>

	2011	2010
	£	£
Deferred taxation		
The deferred tax asset comprises		
Accelerated capital allowances	(22,892)	(70,049)
Other timing differences	-	(5,012)
Currency translation	-	-
	<u>(22,892)</u>	<u>(75,061)</u>

9 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £8,023,450 (2010 £6,070,425)

10 Tangible fixed assets

Group	Freehold Property £	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost						
At 1 Apr 2010	4,425,000	524,014	969,018	96,184	1,696,535	7,710,751
Additions	—	—	23,716	20,810	86,031	130,557
Disposals	—	—	(56,641)	(31,107)	(824,201)	(911,949)
At 31 Mar 2011	<u>4,425,000</u>	<u>524,014</u>	<u>936,093</u>	<u>85,887</u>	<u>958,365</u>	<u>6,929,359</u>
Depreciation						
At 1 Apr 2010	350,000	522,220	560,825	45,710	1,457,036	2,935,791
Charge for the year	50,000	1,794	75,085	16,256	163,077	306,212
On disposals	—	—	(42,679)	(26,271)	(822,447)	(891,397)
At 31 Mar 2011	<u>400,000</u>	<u>524,014</u>	<u>593,231</u>	<u>35,695</u>	<u>797,666</u>	<u>2,350,606</u>
Net book value						
At 31 Mar 2011	<u>4,025,000</u>	<u>—</u>	<u>342,862</u>	<u>50,192</u>	<u>160,699</u>	<u>4,578,753</u>
At 31 Mar 2010	<u>4,075,000</u>	<u>1,794</u>	<u>408,193</u>	<u>50,474</u>	<u>239,499</u>	<u>4,774,960</u>

Included within the net book value of £4,578,753 is £Nil (2010 £23,380) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2010 £7,793).

Company	Freehold Property £	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost						
At 1 Apr 2010	4,425,000	431,600	504,733	96,184	971,516	6,429,033
Additions	—	—	—	20,810	22,171	42,981
Disposals	—	—	—	(31,107)	(584,542)	(615,649)
At 31 Mar 2011	<u>4,425,000</u>	<u>431,600</u>	<u>504,733</u>	<u>85,887</u>	<u>409,145</u>	<u>5,856,365</u>
Depreciation						
At 1 Apr 2010	350,000	429,807	332,378	45,709	860,556	2,018,450
Charge for the year	50,000	1,793	27,793	16,256	67,681	163,523
On disposals	—	—	—	(26,271)	(584,542)	(610,813)
At 31 Mar 2011	<u>400,000</u>	<u>431,600</u>	<u>360,171</u>	<u>35,694</u>	<u>343,695</u>	<u>1,571,160</u>
Net book value						
At 31 Mar 2011	<u>4,025,000</u>	<u>—</u>	<u>144,562</u>	<u>50,193</u>	<u>65,450</u>	<u>4,285,205</u>
At 31 Mar 2010	<u>4,075,000</u>	<u>1,793</u>	<u>172,355</u>	<u>50,475</u>	<u>110,960</u>	<u>4,410,583</u>

10 Tangible fixed assets (continued)

Included within the net book value of £4,285,205 is £Nil (2010 £23,380) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2010 £7,793).

11 Investments

Company	Group companies £
Cost	
At 1 April 2010	1,683,503
Additions	6,617
At 31 March 2011	<u>1,690,120</u>
Net book value	
At 31 March 2011	<u>1,690,120</u>
At 31 March 2010	<u>1,683,503</u>

Group Undertakings

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

	Country of incorporation	Group interest in ordinary shares	Nature of business
Euromonitor International Inc			Publishers and market researchers
	USA	100%	
Euromonitor Publications Limited	England	100%	Dormant
Euromonitor International (Asia) PTE Limited	Singapore	100%	Publishers and market researchers
Euromonitor International China Limited	China	100%	Publishers and market researchers
Euromonitor International Eastern Europe Research Monitor (Central and South Africa) (Pty) Limited	Lithuania	100%	Publishers and market researchers
Euromonitor International (Chile) Limited	Chile	100%	Publishers and market researchers
Euromonitor International (Australia) Pty Limited	South Africa	100%	Publishers and market researchers
	Australia	100%	Publishers and market researchers

Euromonitor International China Limited has a 31 December year-end as this is a statutory requirement in China. Research Monitor (Central and South Africa) (Pty) Limited has a 28 February year end following its incorporation on 1 March 2008. All of the other group undertakings have a 31 March year end.

12 Stocks

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Work in progress	400,997	320,018	400,997	320,018
Finished goods	78,541	246,073	78,541	246,073
	<u>479,538</u>	<u>566,091</u>	<u>479,538</u>	<u>566,091</u>

13 Debtors

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	15,307,314	12,217,095	15,307,314	12,216,995
Amounts owed by group undertakings	–	–	383,691	1,122,112
Corporation tax repayable	–	343,977	–	365,711
Other debtors	203,600	100,342	146,814	48,698
Deferred Tax	22,892	75,061	31,471	69,881
Directors current accounts	–	748,084	–	748,084
Prepayments and accrued income	428,049	305,391	311,257	187,616
	<u>15,961,855</u>	<u>13,789,950</u>	<u>16,180,547</u>	<u>14,759,097</u>

14 Creditors: amounts falling due within one year

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	137,700	151,305	137,700	151,305
Trade creditors	737,723	611,739	517,355	403,045
Amounts owed to group undertakings	–	–	868,328	956,978
Amounts due under finance leases	2,480	9,170	2,480	9,170
Corporation tax	863,918	–	417,589	–
Other taxation and social security	973,369	850,247	889,943	627,023
Other creditors	778,601	389,563	364,023	389,563
Accruals and deferred income	28,772,291	24,240,481	28,772,291	24,237,921
	<u>32,266,082</u>	<u>26,252,505</u>	<u>31,969,709</u>	<u>26,775,005</u>

15 Creditors: amounts falling due after more than one year

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	860,627	998,346	860,627	998,346
Amounts due under finance leases	–	2,480	–	2,480
Other creditors	467,858	546,116	–	–
Accruals and deferred income	608,421	703,115	608,421	703,115
	<u>1,936,906</u>	<u>2,250,057</u>	<u>1,469,048</u>	<u>1,703,941</u>

16 Commitments under operating leases

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as set out below

The group	2011		2010	
	Land and Buildings	Other items	Land and Buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	972,682	54,982	397,512	244,114
Within 2 to 5 years	3,299,658	55,666	1,855,912	539,970
After more than 5 years	1,573,581	-	1,755,248	-
	<u>5,845,921</u>	<u>110,648</u>	<u>4,008,672</u>	<u>784,084</u>

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as set out below

The company	2011		2010	
	Land and Buildings	Other items	Land and Buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	-	31,403	-	31,403
Within 2 to 5 years	-	29,491	-	60,893
After more than 5 years	-	-	-	-
	<u>-</u>	<u>60,894</u>	<u>-</u>	<u>92,296</u>

17 Deferred taxation

The movement in the deferred taxation provision during the year was

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Asset brought forward	75,061	119,142	69,881	99,884
Decrease in provision	(52,169)	(44,081)	(38,410)	(30,003)
Asset carried forward	22,892	75,061	31,471	69,881

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	22,892	-	75,061	-

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	31,471	-	69,881	-

18 Share capital

Allotted and called up

	2011		2010	
	No	£	No	£
2,000 "A" Ordinary shares fully paid of £1 each	-	-	-	-
50,009 "Y" Ordinary shares fully paid of £0.24 each	12,502	12,502	12,502	12,502
50,009 "Z" Ordinary shares fully paid of £0.51 each	25,505	25,505	25,505	25,505
	36,007	36,007	38,007	38,007

19 Share Based Payments

As at 31 March 2011 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

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 £nil (2010 £nil).

20 Reserves

Group

	Capital redemption reserve £	Profit and loss account £
At 1 April 2010	20,591	1,659,351
Profit for the year	-	9,856,796
Equity dividends	-	(7,306,781)
Other movements	-	(573,474)
At 31 March 2011	<u>20,591</u>	<u>3,635,892</u>

Company

	Capital redemption reserve £	Profit and loss account £
At 1 April 2010	20,591	421,926
Profit for the year	-	8,023,450
Equity dividends	-	(7,306,781)
At 31 March 2011	<u>20,591</u>	<u>1,138,595</u>

21 Disposal of subsidiary

On 31 March 2010, the Company sold its 100% interest in its subsidiary, Euromonitor International Inc to one of its other subsidiary companies' Euromonitor Publishing Limited. As both subsidiaries are consolidated fully, the effect of this transaction at the group level was nil. However, the Company recorded a profit of £1,476,379 on this transaction.

22 Reconciliation of movements in shareholders' funds

Group	2011	2010
	£	£
Profit for the financial year	9,856,796	6,213,742
Equity dividends	(7,306,781)	–
Currency translation	(573,474)	44,493
Company buy back of shares	(2,000)	(7,737,998)
Stamp duty on new shares issues	–	(38,750)
Company buy back of X shares	–	(12,002)
Net addition/(reduction) to shareholders' funds	1,974,541	(1,530,515)
Opening shareholders' funds	1,717,949	3,248,464
Closing shareholders' funds	3,692,490	1,717,949

Company	2011	2010
	£	£
Profit for the financial year	8,023,450	6,070,425
Equity dividends	(7,306,781)	–
Company buy back of shares	(2,000)	(7,737,998)
Stamp duty on new shares issues	–	(38,750)
Company buy back of X shares	–	(12,002)
Net addition/(reduction) to shareholders' funds	714,669	(1,718,325)
Opening shareholders' funds	480,524	2,198,849
Closing shareholders' funds	1,195,193	480,524

23 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2011 £	2010 £
Operating profit	13,754,800	7,619,774
Depreciation	306,212	473,783
Decrease in stocks	86,553	438,810
Increase in debtors	(2,647,942)	(3,510,844)
Increase in creditors	4,987,730	4,530,445
Currency translation	(543,530)	7,359
Net cash inflow from operating activities	<u>15,943,823</u>	<u>9,559,327</u>

Returns on investments and servicing of finance

	2011 £	2010 £
Interest received	30,263	28,325
Interest paid	(26,411)	(32,716)
Interest element of finance leases	(535)	(1,210)
Net cash inflow/(outflow) from returns on investments and servicing of finance	<u>3,317</u>	<u>(5,601)</u>

Taxation

	2011 £	2010 £
Taxation	<u>(2,558,046)</u>	<u>(2,761,129)</u>

Capital expenditure and financial investment

	2011 £	2010 £
Payments to acquire tangible fixed assets	<u>(130,557)</u>	<u>(233,461)</u>

Equity dividends paid

	2011 £	2010 £
Equity dividends paid	<u>(7,306,781)</u>	<u>—</u>
	<u>(7,306,781)</u>	<u>—</u>

23 Notes to the cash flow statement (continued)

Financing

	2011 £	2010 £
Purchase of own equity shares	(2,000)	(7,788,750)
Repayment of bank loans	(151,324)	(184,764)
Capital element of finance leases	(12,610)	(9,791)
Net cash outflow from financing	<u>(165,934)</u>	<u>(7,983,305)</u>

Reconciliation of net cash flow to movement in net funds

	2011 £	2010 £
Increase/(decrease) in cash in the period	5,785,822	(1,424,169)
Net cash outflow from decrease in debt and lease finance	<u>160,494</u>	<u>190,231</u>
Change in net funds	<u>5,946,316</u>	<u>(1,233,938)</u>
Net funds at 1 April	9,928,209	11,162,147
Net funds at 31 March	<u>15,874,525</u>	<u>9,928,209</u>

Analysis of changes in net funds

	At 1 Apr 2010 £	Cash flows £	At 31 Mar 2011 £
Net cash			
Cash in hand and at bank	<u>11,089,510</u>	<u>5,785,822</u>	<u>16,875,332</u>
Debt			
Debt due within 1 year	(151,306)	13,606	(137,700)
Debt due after 1 year	(998,346)	137,719	(860,627)
Finance leases	(11,650)	9,170	(2,480)
	<u>(1,161,302)</u>	<u>160,495</u>	<u>(1,000,807)</u>
Net funds	<u>9,928,208</u>	<u>5,946,317</u>	<u>15,874,525</u>

24 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