

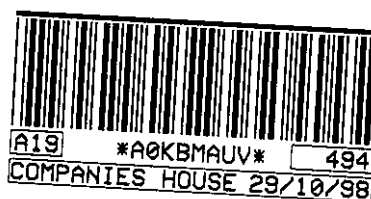
EUROMONITOR PLC  
AND SUBSIDIARY COMPANIES

COMPANY NUMBER: 1040587

FINANCIAL STATEMENTS

- for the year ended -

31 MARCH 1998



GOODMAN JONES  
Chartered Accountants  
29/30 Fitzroy Square  
London W1P 6LQ

Reference PJR/4094/APD

**EUROMONITOR PLC**  
**AND SUBSIDIARY COMPANIES**

**DIRECTORS**

R.N. Senior  
T.J. Fenwick  
G. Westbrook  
S.F. Hunter  
I. Sismey

**SECRETARY**

T.J. Fenwick

**REGISTERED OFFICE**

60/61 Britton Street  
London  
EC1M 5NA

**BUSINESS ADDRESS**

60/61 Britton Street  
London  
EC1M 5NA

**AUDITORS**

Goodman Jones  
Chartered Accountants  
29/30 Fitzroy Square  
London  
W1P 6LQ

**PRINCIPAL BANKERS**

Bank of Scotland plc  
14/16 Cockspur Street  
London  
SW1Y 5BL

EUROMONITOR PLC  
AND SUBSIDIARY COMPANIES

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

**Page**

- |   |  |
|---|--|
| 1 | Report of the directors                          |
| 3 | Auditors' report                                 |
| 4 | Consolidated profit and loss account             |
| 5 | Consolidated statement of total gains and losses |
| 6 | Consolidated balance sheet                       |
| 7 | Balance sheet                                    |
| 8 | Consolidated cashflow statement                  |
| 9 | Notes to the financial statements                |

## **EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

### **REPORT OF THE DIRECTORS**

#### **FINANCIAL STATEMENTS**

The directors present their report and the audited financial statements for the year ended 31 March 1998.

#### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

Euromonitor is engaged in the provision of business and marketing information and analysis. The activities of the company and its subsidiaries include the research and creation of market information databases which are published as market reports, journals, business reference books and directories and which are distributed in print on paper and electronic formats. The company also provides custom market analysis and consultancy services.

In the year to March 1998 the company's turnover rose to £6,596,406 an increase of 21% on 1997. The net profit before taxation increased to £189,034.

The company has continued to build its editorial and marketing resources to take advantage of increased demand from clients. Strong sales growth has been achieved through the policy of development of the company's research and distribution infrastructure reported on in previous years.

The Directors intend to maintain this policy of developing the company's resources to derive full benefit from the opportunities open to it in the marketplace and to build the infrastructure needed to develop and sustain increased profitability.

#### **DIVIDEND AND TRANSFER TO RESERVES**

The directors do not recommend payment of a dividend.

It is proposed that a profit of £148,872 is transferred to reserves.

#### **YEAR 2000 ISSUE**

The directors are aware and have assessed the risk to the business resulting from the change to year 2000. The group's own accounting system and the computers on which it is reliant will not be affected.

The directors will be requesting assurance from the group's customers and suppliers that they have carried out similar reviews of their systems and are dealing with any problems that have arisen.

#### **DIRECTORS**

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:-

	Class of shares	Number of shares	
		1998	1997
R.N. Senior	Ordinary shares	21,250	21,250
T.J. Fenwick	Ordinary shares	11,250	11,250
<i>Executive directors</i>			
G. Westbrook	Ordinary shares	-	-
S.F. Hunter	Ordinary shares	-	-
I. Sismey	Ordinary shares	-	-

## EUROMONITOR PLC AND SUBSIDIARY COMPANIES

### REPORT OF THE DIRECTORS (CONTINUED)

#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the group and of the profit or loss of the group for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or company will continue in business;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the notes to the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 steps for the prevention and detection of fraud and other irregularities.

#### **PAYMENTS TO CREDITORS**

The Group does not have any specific policy in relation to payment of creditors, however, it is the Group's policy to settle agreed outstanding accounts in accordance with 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 46 days in aggregate for the Group.

#### **TAXATION STATUS**

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

#### **AUDITORS**

The auditors, Goodman Jones, Chartered Accountants, are willing to be re-appointed in accordance with section 385 of the Companies Act 1985.

Date: 16th Dec 1999

By order of the board

Secretary

## EUROMONITOR PLC AND SUBSIDIARY COMPANIES

### AUDITORS' REPORT TO THE MEMBERS OF EUROMONITOR PLC

We have audited the financial statements on pages 4 to 21 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

#### **Respective responsibilities of the directors and auditors**

As described in the Directors' Report the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

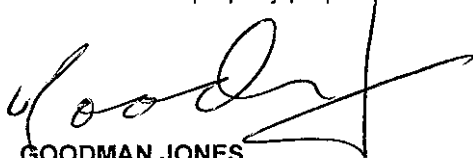
#### **Basis of opinion**

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

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

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and group as at 31 March 1998 and of the profit and cashflow statement of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GOODMAN JONES**  
Registered Auditors  
Chartered Accountants

29/30 Fitzroy Square  
London  
W1P 6LQ

Date: 26/10/98

**EUROMONITOR PLC AND SUBSIDIARY COMPANIES****CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 1998**

	NOTES	1998 £	1997 £
<b>TURNOVER</b>	<b>2</b>	6,569,406	5,428,085
Cost of sales		<u>(3,262,667)</u>	<u>(2,650,256)</u>
		3,306,739	2,777,829
Distribution costs		(1,181,627)	(986,896)
Administrative expenses		<u>(1,883,278)</u>	<u>(1,603,959)</u>
<b>OPERATING PROFIT</b>	<b>3</b>	241,834	186,974
Interest receivable	<b>4</b>	1,536	2
Interest payable	<b>5</b>	<u>(54,336)</u>	<u>(51,382)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		189,034	135,594
Tax on profit on ordinary activities	<b>8</b>	<u>(40,162)</u>	<u>(31,034)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		148,872	104,560
Dividends		0	0
<b>RETAINED PROFIT FOR THE YEAR</b>	<b>20</b>	<u>148,872</u>	<u>104,560</u>

None of the group's activities were acquired or discontinued during the above two financial years.

The notes on pages 9 to 21 form a part of these financial statements.

**EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

**CONSOLIDATED STATEMENT OF TOTAL GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 1998**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Profit attributable to the members of the parent company	148,872	104,560
Exchange difference on retranslation of net assets of subsidiary undertaking	(1,594)	(2,639)
<b>Total recognised gains and losses relating to the year</b>	<b><u>147,278</u></b>	<b><u>101,921</u></b>

The notes on pages 9 to 21 form a part of these financial statements.

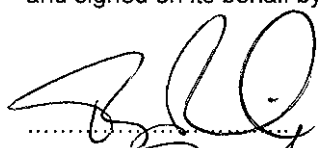
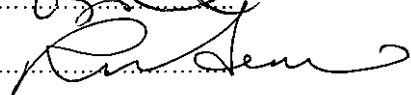


**EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

**CONSOLIDATED BALANCE SHEET AT 31 MARCH 1998**

	NOTES	1998		1997	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		558,374		508,493
<b>CURRENT ASSETS</b>					
Stock	12	660,214		620,028	
Debtors	13	1,778,925		1,427,552	
Cash at bank and in hand		<u>46,575</u>		<u>21,069</u>	
		2,485,714		2,068,649	
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(1,585,283)</u>		<u>(1,478,849)</u>	
<b>NET CURRENT ASSETS</b>			900,431		589,800
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,458,805</u>		<u>1,098,293</u>
<b>CREDITORS: Amounts falling due in more than one year</b>	15		(218,199)		0
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18		(800)		(5,765)
			<u>1,239,806</u>		<u>1,092,528</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		50,000		50,000
Profit and loss account	20		<u>1,189,806</u>		<u>1,042,528</u>
			<u>1,239,806</u>		<u>1,092,528</u>

The financial statements were approved by the board on ..... and signed on its behalf by

)  
 ) Directors  
 )

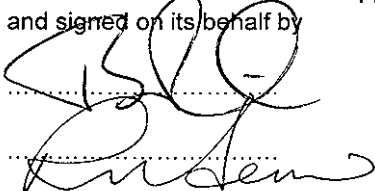
The notes on pages 9 to 21 form a part of these financial statements.

**EUROMONITOR PLC**

**BALANCE SHEET AT 31 MARCH 1998**

	NOTES	1998		1997	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		526,853		486,046
Investments (related undertakings)	11		<u>770</u>		<u>770</u>
			527,623		486,816
<b>CURRENT ASSETS</b>					
Stock	12	660,214		620,028	
Debtors	13	1,766,205		1,424,202	
Cash at bank and in hand		<u>17,835</u>		<u>8,784</u>	
		2,444,254		2,053,014	
<b>CREDITORS: Amount falling due within one year</b>	14	<u>(1,662,017)</u>		<u>(1,545,263)</u>	
<b>NET CURRENT ASSETS</b>			782,237		507,751
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,309,860</u>		<u>994,567</u>
<b>CREDITORS: Amount falling due after more than one year</b>	15		(218,199)		-
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18		<u>(800)</u>		<u>(5,765)</u>
			<u>1,090,861</u>		<u>988,802</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		50,000		50,000
Profit and loss account	20		<u>1,040,861</u>		<u>938,802</u>
			<u>1,090,861</u>		<u>988,802</u>

The financial statements were approved by the board on .....  
and signed on its behalf by



)  
) Directors  
)

*16th October 1998*

The notes on pages 9 to 21 form a part of these financial statements.

**EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

**CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998**

	NOTES	1998		1997	
		£	£	£	£
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>22</b>		402,063		19,825
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>23</b>		(54,686)		(46,218)
<b>TAXATION</b>			(41,425)		(29,972)
<b>CAPITAL EXPENDITURE</b>	<b>23</b>		(215,879)		(128,383)
Cash inflow / outflow before use of liquid resources and financing			<u>90,073</u>		<u>(184,748)</u>
<b>FINANCING</b>					
Decrease/(increase) in debt	<b>23</b>	<u>(20,966)</u>	(20,966)	<u>21,944</u>	21,944
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>			<u><u>69,107</u></u>		<u><u>(162,804)</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	<b>24</b>		
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		69,107	(162,804)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>3,049</u>	<u>(21,944)</u>
Change in net debt resulting from cash flows		<u>72,156</u>	<u>(184,748)</u>
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>		<u>72,156</u>	<u>(184,748)</u>
Net debt at 1 April 1997		<u>(620,759)</u>	<u>(436,011)</u>
<b>NET DEBT AT 31 MARCH 1998</b>		<u><u>(548,603)</u></u>	<u><u>(620,759)</u></u>

The notes on pages 9 to 21 form a part of these financial statements.

## **EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

#### **ACCOUNTING POLICIES**

##### **1.1 BASIS OF ACCOUNTING**

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

##### **1.2 TURNOVER**

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

##### **1.3 DEPRECIATION**

Depreciation is provided using the following rates and bases to reduce by annual installments the cost of the tangible assets, less estimated residual value, over their estimated useful lives:-

Freehold buildings	Straight line over fifty years
Leasehold properties	Straight line over the life of the lease
Fixtures, fittings, furniture & office equipment	15% Reducing balance
Motor vehicles	25% Reducing balance
Computer equipment	33 1/3% Straight line

##### **1.4 STOCK**

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

##### **1.5 DEFERRED TAX**

Deferred tax is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

##### **1.6 LEASING AND HIRE PURCHASE**

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term or their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

##### **1.6 BASIS OF CONSOLIDATION**

The consolidated financial statements include the parent undertaking and all its subsidiary undertakings drawn up to 31 March each year.

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

No profit and loss account is presented for Euromonitor PLC as provided by section 230(3) of the Companies Act 1985.

## **EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

#### **ACCOUNTING POLICIES (continued)**

##### **1.7 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.

##### **1.8 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 ruling at the balance sheet date. All differences are taken to the profit and loss account.

<b>2. TURNOVER</b>	<b>1998</b>	<b>1997</b>
Analysis by :-	£	£
Geographical market		
United Kingdom and Europe	3,974,425	3,492,884
Rest of the World	2,594,981	1,935,201
	<u>6,569,406</u>	<u>5,428,085</u>
<b>3. OPERATING PROFIT</b>		
The operating profit is stated after charging:-		
Depreciation	186,169	107,505
Auditors' remuneration:-		
Audit services	15,000	13,000
Non-audit services	12,250	9,980
Operating lease rentals		
Land & buildings	198,677	96,518
Plant & machinery	10,969	12,663
	<u>1,536</u>	<u>2</u>
<b>4. INCOME FROM INVESTMENTS</b>		
Bank interest and other interest receivable	<u>1,536</u>	<u>2</u>

# **EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

### **5. INTEREST PAYABLE AND SIMILAR CHARGES**

	1998 £	1997 £
Interest on overdue tax	0	2,727
On bank loans and overdrafts	53,950	48,263
Hire purchase interest	386	392
	<u>54,336</u>	<u>51,382</u>

### **6. DIRECTORS AND EMPLOYEES**

Staff costs:-

Wages and salaries	2,330,827	2,016,007
Social security costs	221,888	259,892
Other pension costs	103,878	76,273
Other costs	0	8,042
	<u>2,656,593</u>	<u>2,360,214</u>

The average number of persons employed by the company is analysed as

	Number	Number
Marketing	19	18
Production	50	49
Consultancy	28	21
Administration	9	10
	<u>106</u>	<u>98</u>

Directors' emoluments:

	£	£
Remuneration for management services	430,532	443,610
Compensation for loss of office	0	8,042
Pension contributions	58,524	40,632
	<u>489,056</u>	<u>492,284</u>

The number of directors who have made payments into the following pension schemes:

Money purchase	<u>4</u>	<u>4</u>
----------------	----------	----------

The division of directors' emoluments is as follows:-

Highest paid director	165,251	149,671
Highest paid director's pension costs	29,261	17,150
	<u>194,512</u>	<u>166,821</u>

## EUROMONITOR PLC AND SUBSIDIARY COMPANIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

#### **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 £103,878 (1997 £76,273).

#### **8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1998 £	1997 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 21% (1997 - 21%)	34,500	21,282
Overseas taxation	10,627	8,541
Transfer to deferred taxation	(4,965)	1,208
	40,162	31,031
Adjustment in respect of prior years	0	3
	40,162	31,034

#### **9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The amount of profit dealt with in the accounts of the parent company is £102,059.

**EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

**10. TANGIBLE ASSETS**

**GROUP**

	Short leasehold properties	Office equipment, fixtures & fittings	Motor vehicles	Total
	£	£	£	£
<b><u>Cost</u></b>				
At 1 April 1997	286,173	742,811	39,382	1,068,366
Exchange adjustment	121	3,214	0	3,335
Additions	57,805	158,074	28,303	244,182
Disposals	(31,485)	0	(25,700)	(57,185)
At 31 March 1998	<u>312,614</u>	<u>904,099</u>	<u>41,985</u>	<u>1,258,698</u>
<b><u>Depreciation</u></b>				
At 1 April 1997	86,486	451,197	24,211	561,894
Exchange adjustment	49	1,265	0	1,314
Charge for the year	22,930	152,370	10,869	186,169
Disposal	(31,485)	0	(17,568)	(49,053)
At 31 March 1998	<u>77,980</u>	<u>604,832</u>	<u>17,512</u>	<u>700,324</u>
Total net book values				
At 31 March 1998	<u>234,634</u>	<u>299,267</u>	<u>24,473</u>	<u>558,374</u>
At 1 April 1997	<u>199,759</u>	<u>293,563</u>	<u>15,171</u>	<u>508,493</u>

**COMPANY**

<b><u>Cost</u></b>				
At 1 April 1997	284,920	703,459	39,382	1,027,761
Additions	57,805	136,594	28,303	222,702
Disposals	(31,485)	0	(25,700)	(57,185)
At 31 March 1998	<u>311,240</u>	<u>840,053</u>	<u>41,985</u>	<u>1,193,278</u>
<b><u>Depreciation</u></b>				
At 1 April 1997	85,651	431,853	24,211	541,715
Charge for the year	22,513	140,381	10,869	173,763
Disposals	(31,485)	0	(17,568)	(49,053)
At 31 March 1998	<u>76,679</u>	<u>572,234</u>	<u>17,512</u>	<u>666,425</u>
Total net book values				
At 31 March 1998	<u>234,561</u>	<u>267,819</u>	<u>24,473</u>	<u>526,853</u>
At 1 April 1997	<u>199,269</u>	<u>271,606</u>	<u>15,171</u>	<u>486,046</u>



# **EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

### **10. TANGIBLE ASSETS (continued)**

Included above are assets held under finance and hire purchase contracts as follows:-

	1998 £	1997 £
Net book values:		
Motor vehicles	<u>21,227</u>	<u>0</u>
Depreciation charge for the year:		
Motor vehicles	<u>7,076</u>	<u>0</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

### **11. INVESTMENTS**

#### **COMPANY**

	Subsidiary undertakings	Other invest- ments	Total
	£	£	£
<u>Cost</u>			
At 1 April 1997 and 31 March 1998	<u>770</u>	<u>3,000</u>	<u>3,770</u>
<u>Provision for diminution in value</u>			
At 1 April 1997 and 31 March 1998	<u>0</u>	<u>3,000</u>	<u>3,000</u>
<u>Net Book value at</u>			
31 March 1998	<u>770</u>	<u>0</u>	<u>770</u>
31 March 1997	<u>770</u>	<u>0</u>	<u>770</u>

#### **Subsidiary undertakings**

	Description and Proportion of share capital held	Country of registration	Nature of Business
Euromonitor International Inc.	100 % Ordinary	United States of America	Publishers & market researchers
Euromonitor Publications Limited	100 % Ordinary	England	Dormant

# **EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

12. STOCK	1998		1997	
	Group £	Company £	Group £	Company £
Finished goods and goods for resale	<u>660,214</u>	<u>660,214</u>	<u>620,028</u>	<u>620,028</u>
13. DEBTORS				
	Group £	Company £	Group £	Company £
Trade debtors	1,417,609	1,417,609	1,107,578	1,107,578
Other debtors	19,856	19,856	45,375	45,375
Prepayments and accrued income	<u>341,460</u>	<u>328,740</u>	<u>274,599</u>	<u>271,249</u>
	<u>1,778,925</u>	<u>1,766,205</u>	<u>1,427,552</u>	<u>1,424,202</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
	Group £	Company £	Group £	Company £
Bank loan and overdrafts	458,227	458,227	501,828	501,828
Payments received on account	22,584	22,584	10,533	10,533
Trade creditors	624,867	585,867	535,836	525,499
Amounts owed to subsidiary undertakings	0	134,929	0	99,026
Corporation tax	49,317	34,500	41,425	21,282
Other taxes and social security costs	108,126	108,126	188,065	188,065
Directors loan accounts	120,000	120,000	140,000	140,000
Directors current accounts	6,256	6,256	11,442	11,442
Net obligations under finance lease and hire purchase contracts	8,752	8,752	0	0
Other creditors	79,020	79,020	1,325	1,325
Accruals and deferred income	<u>108,134</u>	<u>103,756</u>	<u>48,395</u>	<u>46,263</u>
	<u>1,585,283</u>	<u>1,662,017</u>	<u>1,478,849</u>	<u>1,545,263</u>

The bank overdraft is secured by a debenture incorporating a fixed and floating charge over the assets of the company.

Two of the directors, R.N. Senior and T.J. Fenwick, have advanced sums of money to the company. The loans bear interest at 5% per annum above the base rate of The Bank of Scotland, subject to minimum rate of 12% per annum.

# EUROMONITOR PLC AND SUBSIDIARY COMPANIES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998		1997	
	Group £	Company £	Group £	Company £
Net obligations under finance leases and hire purchase contracts	8,199	8,199	0	0
Other creditors	210,000	210,000		
	<u>218,199</u>	<u>218,199</u>	<u>0</u>	<u>0</u>

### 16. BORROWINGS

	1998		1997	
	Group £	Company £	Group £	Company £
<u>The borrowings of the group and company are repayable as follows:-</u>				
In one year, or less or on demand	<u>578,227</u>	<u>578,227</u>	<u>641,828</u>	<u>641,828</u>

### 17. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1998		1997	
	Group £	Company £	Group £	Company £
<u>The company's net obligations under</u>				
In one year, or less or on demand	10,433	10,433	0	0
Between one and two years	8,694	8,694	0	0
	<u>19,127</u>	<u>19,127</u>	<u>0</u>	<u>0</u>
Finance charges and interest allocated to	(2,176)	(2,176)	0	0
	<u>16,951</u>	<u>16,951</u>	<u>0</u>	<u>0</u>
Included in current liabilities	<u>(8,752)</u>	<u>(8,752)</u>	<u>0</u>	<u>0</u>
	<u>8,199</u>	<u>8,199</u>	<u>0</u>	<u>0</u>

# **EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

### **18. PROVISIONS FOR LIABILITIES AND CHARGES**

#### **GROUP AND COMPANY**

Deferred tax is calculated at 21% (1997: 21%) analysed over the following timing difference :-

	Fully provided	
	1998	1997
	£	£
On the excess of capital allowances over depreciation		
At 1 April 1997	5,765	4,557
Arising during the year	(4,965)	1,208
At 31 March 1998	800	5,765

### **19. SHARE CAPITAL**

#### Authorised

50,000 ordinary shares of £1 each

#### Allotted, called up and fully paid

50,000 ordinary shares of £1 each

	1998	1997
	£	£
50,000 ordinary shares of £1 each	50,000	50,000
50,000 ordinary shares of £1 each	50,000	50,000

### **20. PROFIT AND LOSS ACCOUNT**

#### **GROUP**

At 1 April 1997  
Retained profit for the year  
Exchange differences on retranslation of net assets of subsidiary undertaking

At 31 March 1998

	1998	1997
	£	£
At 1 April 1997	1,042,528	940,607
Retained profit for the year	148,872	104,560
Exchange differences on retranslation of net assets of subsidiary undertaking	(1,594)	(2,639)
At 31 March 1998	1,189,806	1,042,528

#### **COMPANY**

At 1 April 1997  
Retained profit for the year

At 31 March 1998

	£	£
At 1 April 1997	938,802	873,004
Retained profit for the year	102,059	65,798
At 31 March 1998	1,040,861	938,802

# **EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

### **21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
<b>GROUP</b>		
Total recognised gains and losses	147,278	101,921
Shareholders' funds as at 1 April 1997	<u>1,092,528</u>	<u>990,607</u>
Shareholders' funds as at 31 March 1998	<u><u>1,239,806</u></u>	<u><u>1,092,528</u></u>
Represented by:-		
Equity interests	<u><u>1,239,806</u></u>	<u><u>1,092,528</u></u>
<b>COMPANY</b>		
Profit for the financial year	102,059	65,798
Shareholders' funds as at 1 April 1997	<u>988,802</u>	<u>923,004</u>
Shareholders' funds as at 31 March 1998	<u><u>1,090,861</u></u>	<u><u>988,802</u></u>
Represented by:-		
Equity interests	<u><u>1,090,861</u></u>	<u><u>988,802</u></u>

### **22. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Operating profit	241,834	186,974
Depreciation	186,169	107,505
Profit on disposal of fixed assets	(1,868)	0
Increase in stocks	(40,186)	(78,415)
Increase in debtors	(351,373)	(143,967)
Decrease / increase in creditors	369,081	(46,844)
Non cash movement being exchange differences	<u>(1,594)</u>	<u>(5,428)</u>
<b>Cash flow from operating activities</b>	<u><u>402,063</u></u>	<u><u>19,825</u></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

**23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	1998 £	1997 £
<b>Returns on investments and servicing of finance</b>		
Interest received	36	2
Interest paid	(54,336)	(45,828)
Interest element on hire purchase contracts	(386)	(392)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(54,686)</u>	<u>(46,218)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(215,879)	(128,383)
<b>Net cash outflow from capital expenditure</b>	<u>(215,879)</u>	<u>(128,383)</u>
<b>Financing</b>		
Receipts from issue of debenture loans	0	145,000
Repayment of loans	(20,000)	(115,000)
Repayment of capital on hire purchase contracts and finance lease rentals	(966)	(8,056)
<b>Net cash (outflow)/inflow from financing</b>	<u>(20,966)</u>	<u>21,944</u>

# **EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

### **24. ANALYSIS OF NET DEBT**

	1998			
	Beginning of year	Cash flow	Other Movements	End of year
	£	£	£	£
Cash at bank and in hand	21,069	25,506	0	46,575
Bank overdrafts	(501,828)	43,601	0	(458,227)
Debt due within one year	(140,000)	20,000	0	(120,000)
Finance lease	0	966	(17,917)	(16,951)
	<u>(620,759)</u>	<u>90,073</u>	<u>(17,917)</u>	<u>(548,603)</u>

	1997			
	Beginning of year	Cash flow	Other Movements	End of year
	£	£	£	£
Cash at bank and in hand	28,732	(7,663)	0	21,069
Bank overdrafts	(345,462)	(156,366)	0	(501,828)
Debt due within one year	(110,000)	(30,000)	0	(140,000)
Finance lease	(8,056)	8,056	0	0
	<u>(434,786)</u>	<u>(185,973)</u>	<u>0</u>	<u>(620,759)</u>

### **25. REVENUE COMMITMENTS**

Annual commitments under non-cancellable operating leases are as follows:-

GROUP	Land & buildings		Other	
	1998	1997	1998	1997
	£	£	£	£
Operating leases which expire :				
Within one year	0	0	41,267	17,850
Within two to five years	35,927	26,883	43,144	66,405
After five years	<u>243,000</u>	<u>203,000</u>	<u>0</u>	<u>980</u>
	<u>278,927</u>	<u>229,883</u>	<u>84,411</u>	<u>85,235</u>

#### **COMPANY**

Operating leases which expire :				
Within one year	0	0	41,267	17,850
Within two to five years	0	0	43,144	66,405
After five years	<u>243,000</u>	<u>203,000</u>	<u>0</u>	<u>980</u>
	<u>243,000</u>	<u>203,000</u>	<u>84,411</u>	<u>85,235</u>

**EUROMONITOR PLC AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**

**26. TRANSACTIONS WITH DIRECTORS**

Included in books and market research information costs is an amount of £65,501 (1997:£52,943) in respect of services provided, on an arms length basis, by Information Exchange, a business in which a director, G. Westbrook, has a material beneficial interest.

**27. CONTROL**

The company is under the control of R.N. Senior and T.J. Fenwick as noted in the Directors Report.