

EUROMONITOR PLC
AND SUBSIDIARY COMPANIES

COMPANY NUMBER: 1040587

FINANCIAL STATEMENTS

- for the year ended -

31 MARCH 1999

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 1999

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 1999.

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. These are distributed both in print on paper and electronic formats. The company also provides custom market analysis and consultancy services.

In the year to March 1999 the company's turnover increased by 15% to £7,587,557. The results show a loss before taxation of £32,792.

During the period under review the company continued to pursue the initiatives of the previous year and increased the pace of development of its editorial and marketing resources to take advantage of the increased market opportunities identified. Strong sales growth continues to be achieved as a result of the policy of development of the company's research and distribution infrastructure as reported in previous years. The loss reported is in line with this policy and reflects the costs incurred in developing new products and in establishing a new subsidiary operation in Singapore.

The Directors are committed to a continuance of the policy of developing the company's services 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

The directors do not recommend payment of a dividend.

YEAR 2000 ISSUE

Since the change to the year 2000 there have been no adverse effects on the operations or financial results of the business.

The directors continue to monitor the effect to the business resulting from the change to the year 2000.

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	
		1999	1998
R.N. Senior	Ordinary shares	21,250	21,250
T.J. Fenwick	Ordinary shares	11,250	11,250
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 138 days in aggregate for the Group.

TAXATION STATUS

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

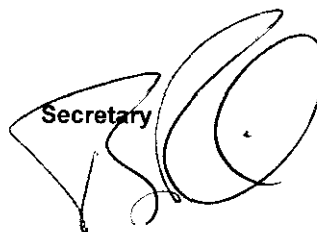
AUDITORS

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

By order of the board

Date:

26/1/00

Secretary 

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

AUDITORS' REPORT TO THE MEMBERS OF EUROMONITOR PLC

We have audited the financial statements on pages 4 to 20 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 1999 and of the loss 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: 31/1/00

EUROMONITOR PLC AND SUBSIDIARY COMPANIES**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1999**

	NOTES	1999 £	1998 £
TURNOVER	2	7,587,557	6,569,406
Cost of sales		<u>(3,927,983)</u>	<u>(3,262,667)</u>
		3,659,574	3,306,739
Distribution costs		(1,357,787)	(1,181,627)
Administrative expenses		<u>(2,255,542)</u>	<u>(1,883,278)</u>
OPERATING PROFIT	3	46,245	241,834
Interest receivable	4	0	1,536
Interest payable	5	<u>(79,037)</u>	<u>(54,336)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAX		(32,792)	189,034
Tax on loss on ordinary activities	8	(29,761)	(40,162)
RETAINED LOSS FOR THE YEAR	20	<u><u>(62,553)</u></u>	<u><u>148,872</u></u>

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

The notes on pages 9 to 20 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 1999

	1999	1998
	£	£
Loss attributable to the members of the parent company	(62,553)	148,872
Exchange difference on retranslation of net assets of subsidiary undertaking	5,474	(1,594)
Total recognised gains and losses relating to the year	<u>(57,079)</u>	<u>147,278</u>

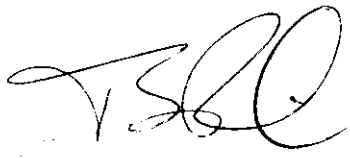

The notes on pages 9 to 20 form a part of these financial statements.

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 31 MARCH 1999

	NOTES	1999	1998
		£	£
FIXED ASSETS			
Tangible assets	10	547,625	558,374
CURRENT ASSETS			
Stock	12	732,967	660,214
Debtors	13	2,279,045	1,778,925
Cash at bank and in hand		10,213	46,575
		3,022,225	2,485,714
CREDITORS: Amounts falling due within one year	14	(2,237,123)	(1,585,283)
NET CURRENT ASSETS		785,102	900,431
TOTAL ASSETS LESS CURRENT LIABILITIES		1,332,727	1,458,805
CREDITORS: Amounts falling due in more than one year	15	(150,000)	(218,199)
PROVISIONS FOR LIABILITIES AND CHARGES	18	0	(800)
		1,182,727	1,239,806
CAPITAL AND RESERVES			
Called up share capital	19	50,000	50,000
Profit and loss account	20	1,132,727	1,189,806
		1,182,727	1,239,806

The financial statements were approved by the board on 28/100 and signed on its behalf by

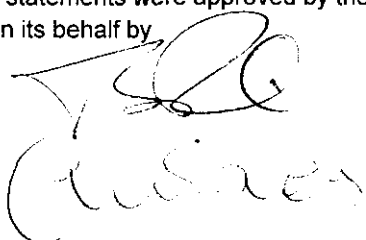
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) Directors
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The notes on pages 9 to 20 form a part of these financial statements.

EUROMONITOR PLC**BALANCE SHEET AT 31 MARCH 1999**

	NOTES	1999		1998	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		475,926		526,853
Investments (related undertakings)	11		771		770
			<u>476,697</u>		<u>527,623</u>
CURRENT ASSETS					
Stock	12	732,967		660,214	
Debtors	13	2,352,164		1,766,205	
Cash at bank and in hand		<u>5,048</u>		<u>17,835</u>	
		3,090,179		2,444,254	
CREDITORS: Amount falling due within one year	14	<u>(2,337,492)</u>		<u>(1,662,017)</u>	
NET CURRENT ASSETS			752,687		782,237
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,229,384</u>		<u>1,309,860</u>
CREDITORS: Amount falling due after more than one year	15		(150,000)		(218,199)
PROVISIONS FOR LIABILITIES AND CHARGES	18		<u>0</u>		<u>(800)</u>
			<u>1,079,384</u>		<u>1,090,861</u>
CAPITAL AND RESERVES					
Called up share capital	19		50,000		50,000
Profit and loss account	20		<u>1,029,384</u>		<u>1,040,861</u>
			<u>1,079,384</u>		<u>1,090,861</u>

The financial statements were approved by the board on 23/1/00
and signed on its behalf by



)
) Directors
)

The notes on pages 9 to 20 form a part of these financial statements.

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

	NOTES	1999	1998
		£	£
CASH FLOW FROM OPERATING ACTIVITIES	22	(271,141)	402,063
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23	(58,039)	(54,686)
TAXATION		(1,524)	(41,425)
CAPITAL EXPENDITURE	23	(186,838)	(215,879)
Cash (outflow)/inflow before use of liquid resources and financing		<u>(517,542)</u>	<u>90,073</u>
FINANCING			
Increase/(decrease) in debt	23	<u>64,567</u>	<u>(20,966)</u>
		64,567	(20,966)
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u><u>(452,975)</u></u>	<u><u>69,107</u></u>
<hr/>			
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	24		
(DECREASE)/INCREASE IN CASH IN THE YEAR		(452,975)	69,107
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(64,567)</u>	<u>3,049</u>
Change in net debt resulting from cash flows		<u>(517,542)</u>	<u>72,156</u>
MOVEMENT IN NET DEBT IN THE YEAR		(517,542)	72,156
Net debt at 1 April 1998		(548,603)	(620,759)
NET DEBT AT 31 MARCH 1999		<u><u>(1,066,145)</u></u>	<u><u>(548,603)</u></u>

The notes on pages 9 to 20 form a part of these financial statements.

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

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 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 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 1999

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.

2. TURNOVER	1999	1998
Analysis by :-	£	£
Geographical market		
United Kingdom and Europe	4,290,885	3,974,425
Rest of the World	3,296,672	2,594,981
	<u>7,587,557</u>	<u>6,569,406</u>
3. OPERATING PROFIT		
The operating profit is stated after charging:-		
Depreciation	198,681	186,169
Auditors' remuneration:-		
Audit services	18,000	15,000
Non-audit services	19,731	12,250
Operating lease rentals		
Land & buildings	<u>215,188</u>	<u>198,677</u>
4. INCOME FROM INVESTMENTS		
Bank interest and other interest receivable	<u>0</u>	<u>1,536</u>

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Interest on overdue tax	4,967	0
On bank loans and overdrafts	60,141	38,562
Other loans	12,429	15,388
Hire purchase interest	1,500	386
	<u>79,037</u>	<u>54,336</u>

6. DIRECTORS AND EMPLOYEES

Staff costs:-

Wages and salaries	2,806,628	2,330,827
Social security costs	246,482	221,888
Other pension costs	150,158	103,878
	<u>3,203,268</u>	<u>2,656,593</u>

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

	Number	Number
Marketing	21	19
Production	53	50
Consultancy	38	28
Administration	12	9
	<u>124</u>	<u>106</u>

Directors' emoluments:

	£	£
Remuneration for management services	417,999	430,532
Pension contributions	91,678	58,524
	<u>509,677</u>	<u>489,056</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	150,528	165,251
Highest paid director's pension costs	43,550	29,261
	<u>194,078</u>	<u>194,512</u>

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

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 £150,158 (1998 £103,878).

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	1999 £	1998 £
The taxation charge based on the loss before tax comprises:-		
U.K. corporation tax at 21% (1998 - 21%)	14,146	34,500
Overseas taxation	774	10,627
Transfer to deferred taxation	<u>(800)</u>	<u>(4,965)</u>
	14,120	40,162
Adjustment in respect of prior years	<u>15,641</u>	<u>0</u>
	<u><u>29,761</u></u>	<u><u>40,162</u></u>

9. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The amount of loss dealt with in the accounts of the parent company is £11,477.

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

10. TANGIBLE ASSETS

GROUP

	Short leasehold properties	Office equipment, fixtures & fittings	Motor vehicles	Total
	£	£	£	£
<u>Cost</u>				
At 1 April 1998	312,614	904,099	41,985	1,258,698
Exchange adjustment	46	2,257	0	2,303
Additions	36,626	150,212	0	186,838
At 31 March 1999	349,286	1,056,568	41,985	1,447,839
<u>Depreciation</u>				
At 1 April 1998	77,980	604,832	17,512	700,324
Exchange adjustment	47	1,162	0	1,209
Charge for the year	26,665	165,897	6,119	198,681
At 31 March 1999	104,692	771,891	23,631	900,214
Total net book values				
At 31 March 1999	244,594	284,677	18,354	547,625
At 1 April 1998	234,634	299,267	24,473	558,374

COMPANY

Cost

At 1 April 1998	311,240	840,053	41,985	1,193,278
Additions	21,936	102,795	0	124,731
At 31 March 1999	333,176	942,848	41,985	1,318,009

Depreciation

At 1 April 1998	76,679	572,234	17,512	666,425
Charge for the year	24,707	144,832	6,119	175,658
Disposals	0	0	0	0
At 31 March 1999	101,386	717,066	23,631	842,083

Total net book values

At 31 March 1999	231,790	225,782	18,354	475,926
At 1 April 1998	234,561	267,819	24,473	526,853

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

10. TANGIBLE ASSETS (continued)

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

	1999 £	1998 £
Net book values:		
Motor vehicles	<u>15,921</u>	<u>21,227</u>
Depreciation charge for the year:		
Motor vehicles	<u>5,306</u>	<u>7,076</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
	£	£	£
Cost			
At 1 April 1998	770	3,000	3,770
Additions	<u>1</u>	<u>0</u>	<u>1</u>
AT 31 March 1999	<u>771</u>	<u>3,000</u>	<u>3,771</u>
Provision for diminution in value			
At 1 April 1998 and 31 March 1999	<u>0</u>	<u>3,000</u>	<u>3,000</u>
Net Book value at			
31 March 1999	<u>771</u>	<u>0</u>	<u>771</u>
31 March 1998	<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 International (Asia) PTE Limited	100 % Ordinary	Singapore	Publishers & market researchers

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

12. STOCK	1999		1998	
	Group £	Company £	Group £	Company £
Finished goods and goods for resale	<u>732,967</u>	<u>732,967</u>	<u>660,214</u>	<u>660,214</u>
13. DEBTORS				
	Group £	Company £	Group £	Company £
Trade debtors	1,858,431	1,849,737	1,417,609	1,417,609
Amounts owed by subsidiary undertakings	0	93,969	0	0
Other debtors	11,849	11,849	19,856	19,856
Prepayments and accrued income	<u>408,765</u>	<u>396,609</u>	<u>341,460</u>	<u>328,740</u>
	<u>2,279,045</u>	<u>2,352,164</u>	<u>1,778,925</u>	<u>1,766,205</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
	Group £	Company £	Group £	Company £
Bank loan and overdrafts	874,840	874,840	458,227	458,227
Payments received on account	7,205	7,205	22,584	22,584
Trade creditors	696,785	644,703	624,867	585,867
Amounts owed to subsidiary undertakings	0	178,029	0	134,929
Corporation tax	99,625	85,559	49,317	34,500
Other taxes and social security costs	214,045	214,045	108,126	108,126
Directors loan accounts	195,000	195,000	120,000	120,000
Directors current accounts	26,190	26,190	6,256	6,256
Net obligations under finance leases and hire purchase contracts	6,518	6,518	8,752	8,752
Other creditors	68,016	60,127	79,020	79,020
Accruals and deferred income	<u>48,899</u>	<u>45,276</u>	<u>108,134</u>	<u>103,756</u>
	<u>2,237,123</u>	<u>2,337,492</u>	<u>1,585,283</u>	<u>1,662,017</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 1999

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

	1999		1998	
	Group £	Company £	Group £	Company £
Net obligations under finance leases and hire purchase contracts	0	0	8,199	8,199
Other creditors	150,000	150,000	210,000	210,000
	<u>150,000</u>	<u>150,000</u>	<u>218,199</u>	<u>218,199</u>

16. BORROWINGS

	1999		1998	
	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>1,069,840</u>	<u>1,069,840</u>	<u>578,227</u>	<u>578,227</u>

17. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1999		1998	
	Group £	Company £	Group £	Company £
<u>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:-</u>				
In one year, or less or on demand	8,199	8,199	10,433	10,433
Between one and two years	0	0	8,694	8,694
	<u>8,199</u>	<u>8,199</u>	<u>19,127</u>	<u>19,127</u>
Finance charges and interest allocated to future accounting periods	(1,681)	(1,681)	(2,176)	(2,176)
	<u>6,518</u>	<u>6,518</u>	<u>16,951</u>	<u>16,951</u>
Included in current liabilities	<u>(6,518)</u>	<u>(6,518)</u>	<u>(8,752)</u>	<u>(8,752)</u>
	<u>0</u>	<u>0</u>	<u>8,199</u>	<u>8,199</u>

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

18. PROVISIONS FOR LIABILITIES AND CHARGES

GROUP AND COMPANY

Deferred tax is calculated at 21% (1998: 21%) analysed over the following timing difference :-

	Fully provided	
	1999	1998
	£	£
On the excess of capital allowances over depreciation		
At 1 April 1998	800	5,765
Arising during the year	(800)	(4,965)
At 31 March 1999	0	800

19. SHARE CAPITAL

Authorised

50,000 ordinary shares of £1 each

	1999	1998
	£	£
50,000 ordinary shares of £1 each	50,000	50,000

Allotted, called up and fully paid

50,000 ordinary shares of £1 each

	1999	1998
	£	£
50,000 ordinary shares of £1 each	50,000	50,000

On 30 July 1999, the company made a bonus issue of 20,600 ordinary shares, of £1 each. On the same date the shareholders approved the repurchase of 20,591 ordinary shares, of £1 each, at a price of £24.28 per ordinary share. The total cost of the repurchase was £499,984.

20. PROFIT AND LOSS ACCOUNT

GROUP

	1999	1998
	£	£
At 1 April 1998	1,189,806	1,042,528
Retained loss for the year	(62,553)	148,872
Exchange differences on retranslation of net assets of subsidiary undertaking	5,474	(1,594)
At 31 March 1999	1,132,727	1,189,806

COMPANY

	1999	1998
	£	£
At 1 April 1998	1,040,861	938,802
Retained loss for the year	(11,477)	102,059
At 31 March 1999	1,029,384	1,040,861

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

GROUP

	1999 £	1998 £
Total recognised gains and losses	(57,079)	147,278
Shareholders' funds as at 1 April 1998	<u>1,239,806</u>	<u>1,092,528</u>
Shareholders' funds as at 31 March 1999	<u><u>1,182,727</u></u>	<u><u>1,239,806</u></u>

Represented by:-

Equity interests	<u><u>1,182,727</u></u>	<u><u>1,239,806</u></u>
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COMPANY

Loss for the financial year	(11,477)	102,059
Shareholders' funds as at 1 April 1998	<u>1,090,861</u>	<u>988,802</u>
Shareholders' funds as at 31 March 1999	<u><u>1,079,384</u></u>	<u><u>1,090,861</u></u>

Represented by:-

Equity interests	<u><u>1,079,384</u></u>	<u><u>1,090,861</u></u>
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22. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	1999 £	1998 £
Operating profit	46,245	241,834
Depreciation	198,681	186,169
Profit on disposal of fixed assets	0	(1,868)
Increase in stocks	(72,753)	(40,186)
Increase in debtors	(500,120)	(351,373)
Increase in creditors	52,426	369,081
Non cash movement being exchange differences	<u>4,380</u>	<u>(1,594)</u>
Cash flow from operating activities	<u><u>(271,141)</u></u>	<u><u>402,063</u></u>

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

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

	1999	1998
	£	£
Returns on investments and servicing of finance		
Interest received	0	36
Interest paid	(56,539)	(54,336)
Interest element on hire purchase contracts	(1,500)	(386)
Net cash outflow from returns on investments and servicing of finance	<u>(58,039)</u>	<u>(54,686)</u>
Capital expenditure		
Purchase of tangible fixed assets	<u>(186,838)</u>	<u>(215,879)</u>
Net cash outflow from capital expenditure	<u>(186,838)</u>	<u>(215,879)</u>
Financing		
Receipts from issue of loans	75,000	0
Repayment of loans	0	(20,000)
Repayment of capital on hire purchase contracts and finance lease rentals	<u>(10,433)</u>	<u>(966)</u>
Net cash inflow/(outflow) from financing	<u>64,567</u>	<u>(20,966)</u>

EUROMONITOR PLC AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

24. ANALYSIS OF NET DEBT

	Beginning of year £	1999 Cash flow £	Other Movements £	End of year £
Cash at bank and in hand	46,575	(36,362)	0	10,213
Bank overdrafts	(458,227)	(416,613)	0	(874,840)
Debt due within one year	(120,000)	(75,000)	0	(195,000)
Finance lease	(16,951)	10,433	0	(6,518)
	<u>(548,603)</u>	<u>(517,542)</u>	<u>0</u>	<u>(1,066,145)</u>

25. REVENUE COMMITMENTS

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

GROUP	Land & buildings		Other	
	1999 £	1998 £	1999 £	1998 £
Operating leases which expire :				
Within one year	49,488	0	54,044	41,267
Within two to five years	136,899	35,927	0	43,144
After five years	185,000	243,000	0	0
	<u>371,387</u>	<u>278,927</u>	<u>54,044</u>	<u>84,411</u>

COMPANY

Operating leases which expire :				
Within one year	0	0	54,044	41,267
Within two to five years	58,000	0	0	43,144
After five years	185,000	243,000	0	0
	<u>243,000</u>	<u>243,000</u>	<u>54,044</u>	<u>84,411</u>

26. TRANSACTIONS WITH DIRECTORS

Included in books and market research information costs is an amount of £68,975 (1998:£65,501) 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.