

# **Euromoney Institutional Investor PLC**

Preliminary Statement

September 30 2014

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# Chairman's Statement

Highlights	2014	2013	change
Revenue	<b>£406.6 m</b>	£404.7 m	-
<b>Adjusted results</b>			
• Adjusted operating profit	<b>£119.8 m</b>	£121.1 m	(1%)
• Adjusted profit before tax	<b>£116.2 m</b>	£116.5 m	-
• Adjusted diluted earnings a share	<b>70.6 p</b>	71.0 p	(1%)
<b>Statutory results</b>			
• Operating profit	<b>£103.6 m</b>	£105.6 m	(2%)
• Profit before tax	<b>£101.5 m</b>	£95.3 m	+7%
• Diluted earnings a share	<b>59.2 p</b>	56.7 p	+4%
Net debt	<b>£37.6 m</b>	£9.9 m	(£27.7m)
Final dividend	<b>16.00 p</b>	15.75 p	+2%

A detailed reconciliation of the group's adjusted results is set out in the appendix to the Chairman's Statement and note 7.

- Headline revenues ahead of last year at £406.6m
- Underlying revenues increased by 3%
- Delphi platform delivering growth and good pipeline of new products
- Adjusted profit before tax in line with last year at £116.2m
- Adjusted operating margin down 1% reflecting investment in digital strategy
- Net debt increased by £27.7m due to acquisitions and purchase of own shares
- Strong operating cash conversion and low gearing
- Final dividend increased by 2% to 16p
- First quarter trading has started in line with board's expectations

Commenting on the results, chairman Richard Ensor said:

*"We have continued to invest in the business despite the difficult trading conditions. The Delphi content platform was successfully launched and the focus in 2015 will include rolling out Delphi's functionality to Euromoney's other titles and investing in a strong pipeline of new information services and databases, while accelerating the move to a digital-only format for most of the group's titles by the end of 2016.*

*The pressures on the investment banking sector from increased regulation and compliance costs show no real sign of easing. However, other organic growth initiatives in events and data provide confidence in the company's longer term growth strategy, while its strong balance sheet and cash flows provide plenty of headroom for future investment and selective acquisitions."*

## Highlights

Euromoney Institutional Investor PLC, the international online information and events group, achieved an adjusted profit before tax of £116.2m for the year to September 30 2014, against £116.5m in 2013. Adjusted diluted earnings a share were 70.6p (2013: 71.0p). The directors recommend a 2% increase in the dividend to 16.00p, giving a total for the year of 23.00p (22.75p) to be paid to shareholders on February 12 2015.

Total revenues for the year were marginally ahead of last year at £406.6m. Underlying revenues, after adjusting for acquisitions and disposals, increased by 3% at constant currency. The underlying revenue trends reported for the first half for subscriptions and advertising largely continued into the second, while event revenue growth was driven by a combination of increased event volumes and favourable timing. The adjusted operating margin fell from 30% to 29%, reflecting the group's continued strategic investment in digital publishing.

The new Delphi content platform was launched successfully earlier in the year and is already starting to generate benefits for businesses such as BCA and the newly launched *GlobalCapital* news and data service for international capital markets. The digital focus in 2015 will include rolling out Delphi's functionality to the group's other titles and investing in a strong pipeline of new information services and databases, while accelerating the move to a digital-only format for most of the group's titles by the end of 2016.

Net debt at September 30 was £37.6m compared with £28.6m at March 31 and £9.9m at last year end. The increase reflects net acquisition spend of £55.7m, including £45.6m for the purchase of Mining Indaba and £12.5m for *Infrastructure Journal*, and £21.5m spent buying the company's own shares to satisfy expected future rewards under its new long-term incentive plan. Underlying cash flows remain strong and there is plenty of headroom for the group to pursue its selective acquisition strategy.

## Strategy

The group's strategy remains the building of a robust and tightly focused global online information business with an emphasis on emerging markets. This strategy is being executed through increasing the proportion of revenues derived from electronic subscription products; investing in technology to drive the online migration of the group's products as well as developing new electronic information services; building large, must-attend annual events; maintaining products of the highest quality; eliminating products with a low margin or too high a dependence on print advertising; maintaining tight cost control; retaining and fostering an entrepreneurial culture; and using a healthy balance sheet and strong cash flows to fund selective acquisitions.

The main focus of 2014 has been the completion of Project Delphi including the launch of the group's new platform for authoring, storing and delivering its content. The Delphi content platform will improve the quality of existing subscription products and reduce the time to market for new digital information services. The first products launched on the platform included BCA Analytics, a standalone interactive charting tool which has already generated sales of nearly \$1m, and the *GlobalCapital* news and data service for international capital markets which combines content from *EuroWeek*, *Asiamoney* and a number of smaller newsletters, as well as a new offshore renminbi service. For BCA, the real value of Delphi is still to come: first from BCA Edge, a fully integrated online research service including a content dashboard featuring live reports, personalised views and alerts, theme insights and recommendations for trades and asset allocation. Delphi will also help BCA accelerate its plans to launch a number of new research services over the next two years.

In 2015, Delphi's digital authoring tool and enhanced search functionality will be rolled out across the group's titles. Further investment will also be made in an exciting pipeline of new products for launch on the Delphi platform in 2015 and 2016, including new or enhanced services for HedgeFund Intelligence, Metal Bulletin and Euromoney, as well as several new financial databases. Restructurings took place in 2014 with a view to consolidating or reducing the number of print products, and several print titles were closed or sold. With the help of Delphi, the group expects most of its titles to be digital-only by the end of 2016.

The group's investment in new products is not limited to those on the Delphi platform. One of the most exciting opportunities is the Investor Intelligence Network launched by Institutional Investor. This private online network brings together some of the largest asset owners and managers around the world and allows them to connect, share knowledge and put capital to work. This disruptive technology connects buyers, sellers and intermediaries in the asset management industry. Revenues will come from capital introduction fees, data services, platform fees and, subject to regulatory approval being obtained, the ability to charge basis points on capital placed.

Acquisitions are a key part of the group's growth strategy. The group completed four small transactions in 2013, all of which have been integrated successfully and are performing well. In October 2013 the group acquired *Infrastructure Journal*, a leading information source for the international infrastructure markets. Its deal database and news coverage were combined with the deal analysis, awards and events of Euromoney's *Project Finance* to create the most comprehensive online source of news, analysis and data for the infrastructure market. The business was re-launched under the *IJ Global* brand in March 2014. In July the group acquired the *Investing in African Mining Indaba* ("Mining Indaba"), the largest mining event in emerging markets, as part of its strategy to build on its strength in the global commodities sector. The group will draw on its strong links to institutional investors and governments to enhance the investor content and networking opportunities which have been at the heart of Mining Indaba's success.

Since the year end, the group has announced plans to acquire a 15.5% equity stake in a company ("New Dealogic") incorporated by The Carlyle Group to acquire Dealogic Holdings plc (Dealogic) alongside Carlyle and Dealogic's founders. This investment fits Euromoney's strategy of expanding the scope of its activities in the global financial information and analytics sector. Dealogic, with its strong brand and global adoption levels among investment banks in the US, EMEA and Asia-Pacific, offers Euromoney attractive strategic and financial upside. Euromoney's investment will be funded through the sale to New Dealogic of its interests in two businesses, Capital DATA and Capital NET, which Dealogic and Euromoney have jointly operated since the 1980s. The transaction values Euromoney's participation in these two businesses at \$85m, comprising equity in New Dealogic of \$59m and cash and preference shares of \$26m. The transaction is subject to regulatory approval and is expected to complete by the end of December. While the transaction has significant long-term financial upside, in the short-term the loss of earnings from the Capital DATA and Capital NET arrangements\* will more than offset the group's share of profits from New Dealogic and lead to earnings dilution of approximately 2% in 2015.

As part of a regular portfolio review, at the beginning of the year the group reviewed the strategy for its training division and concluded that MIS Training Institute, the Boston-based provider of audit and information security training, offered limited synergies with the rest of Euromoney's financial training business and would require significant investment to drive future growth. Accordingly, the business was sold to a private equity buyer on April 1 for an initial consideration of £6.6m and deferred consideration of up to £2.2m.

Following the expiry of the lease for one of its London properties, the company has decided to consolidate its offices in refurbished premises a short distance away in Bouverie Street, off Fleet Street. The new space has significantly larger floor plates and will reflect a more modern working environment, encourage a digital-first culture and give the group more flexibility for expansion. It will, however, increase the group's operating costs by £2m a year. At the same time the company expects to release up to £10m of capital from the sale of its freehold and leasehold interests later in 2015.

## Currency

As highlighted in previous statements, the group generates approximately two thirds of both its revenues, including approximately a third of its UK revenues, and profit before tax in US dollars. The exposure to US dollar revenues in its UK businesses is hedged using forward contracts to sell US dollars, which delays the impact of movements in exchange rates for at least a year. However, the group does not hedge the foreign exchange risk on the translation of overseas profits. While it endeavours to match foreign currency borrowings with investments, as debt levels have fallen the related foreign currency finance cost has been of only limited benefit as a hedge against the translation of overseas profits.

The strength of sterling against the US dollar started to have a negative impact on the translation of overseas profits towards the end of the first half and had a more significant impact in the second half. The average sterling-US dollar rate for the year to September 30 was \$1.66 (2013: \$1.56). This reduced headline revenue growth rates for the year by approximately four percentage points and adjusted profit before tax by approximately £5m. Each one cent movement in the US dollar rate reduces profits on translation by approximately £0.6m on an annualised basis.

The revenue tables below show headline growth rates as well as those at constant currency. Underlying revenue growth rates exclude the impact of acquisitions, disposals and currency movements.

#### Trading Review

Total revenues were in line with last year at £406.6m. At constant currency total revenues increased by 4% and, once acquisitions and disposals are excluded, underlying revenues by 3%.

	2014 £m	2013 £m	Headline change	Change at constant exchange rates	Underlying change at constant exchange rates
<b>Revenues</b>					
Subscriptions	205.0	206.2	(1%)	5%	2%
Advertising	53.6	57.6	(7%)	(3%)	(4%)
Sponsorship	56.9	51.0	12%	18%	12%
Delegates	71.2	69.4	3%	5%	5%
Other	13.4	12.0	12%	15%	14%
Sold/closed businesses	3.6	9.2	(61%)	(60%)	(3%)
FX gains/(losses) on forward contracts	2.9	(0.7)	-	-	-
<b>Total revenue</b>	<b>406.6</b>	<b>404.7</b>	<b>-</b>	<b>4%</b>	<b>3%</b>
Less: revenue from acquisitions/disposals	(9.1)	(5.5)			
<b>Underlying revenue</b>	<b>397.5</b>	<b>399.2</b>			

Trading conditions have remained difficult, particularly in the investment banking sector, where there has been no real sign of an easing of the pressures from increased compliance, a tougher regulatory regime, tighter capital adequacy tests and record fines for bank misdemeanours including most recently the global settlements for foreign exchange manipulation. The commodities sector has also suffered from price weakness and lower trading volumes. In contrast, the performance of the group's businesses serving the asset management industry has improved over the course of the year, although the natural lag effect of subscriptions means the full benefit will not be seen until 2015. The strength of sterling against the US dollar also had a negative impact on revenues in 2014, although more recent currency trends have been positive.

The main driver of underlying revenue growth was a 12% increase in event sponsorship and a 5% increase in delegate revenues largely from new financial market events in the second quarter and favourable timing of events. Underlying subscription revenues have been increasing at a steady rate of 2% for the past 18 months from a combination of new products and a gradual return to growth of the asset management sector. Underlying advertising revenues continued to decline in 2014 largely due to reduced bank spend.

The adjusted operating margin fell from 30% to 29% as a result of the group's continued strategic investment in digital publishing including the new Delphi content platform. Delphi was launched in March and has full year running costs of £4m including amortisation of the build costs. Permanent headcount has increased by 49 to 2,191 people since September 30 2013 reflecting acquisitions and the increased investment in technology and new products.

#### Business Review

**Research & Data:** underlying revenues, which are derived predominantly from subscriptions, fell by 1%. This has been a consistent trend throughout the year following a tough 2013 for both the banking and asset management sectors with the burden of additional compliance costs on information buying budgets. Sales and renewal rates for the group's research businesses, BCA and NDR, improved in the second half, the benefits from which should be seen in 2015, although revenue growth in 2014 was held back by the lag effect of the difficult 2013. The cost pressures facing investment banks have also affected the performances of the group's emerging market information and data products, EMIS and CEIC, although again there were signs of a recovery in the second half. The adjusted operating margin was down 2% at 40% mainly due to investments made by BCA in the Delphi content platform and NDR's repurposing of its content into new, more targeted products.

**Financial Publishing:** underlying revenues increased by 7% reflecting the group's newly combined infrastructure finance business, *IJ Global*, and a strong performance from *LatinFinance*, offset by weakness in other financial titles from their dependence on banks for advertising. The reduction in the adjusted operating margin reflects the continued investment in the transition to a digital publishing model including the launch of *GlobalCapital* using the Delphi content platform.

**Business Publishing:** the 2% increase in underlying revenues reflects a good performance from the wholesale telecoms information business, TelCap, offset by tough commodities and energy markets faced by Metal Bulletin and Gulf Publishing. As with Financial Publishing, the adjusted operating margin fell after investment in digital publishing including Metal Bulletin's steel information service and a new pricing database.

	2014	2013	Headline	Change at	Underlying	Operating	Operating
Revenues	£m	£m	change	constant	change at	margin	margin
				exchange	constant	2014	2013
				rates	exchange	£m	£m
					rates		
Research and data	126.5	131.3	(4%)	2%	(1%)	40%	42%
Financial publishing	80.3	75.6	6%	10%	7%	28%	32%
Business publishing	67.8	68.9	(2%)	2%	2%	34%	38%
Conferences and seminars	106.1	99.4	7%	12%	9%	29%	29%
Training	19.4	21.0	(8%)	(2%)	(2%)	20%	18%
Sold/closed businesses	3.6	9.2	(61%)	(60%)	(3%)	13%	16%
FX gains/(losses) on forward contracts	2.9	(0.7)	-	-	-	-	-
<b>Total revenue</b>	<b>406.6</b>	<b>404.7</b>	- 4%		3%	29%	30%
Less: revenue from acquisitions/disposals	(9.1)	(5.5)					
<b>Underlying revenue</b>	<b>397.5</b>	<b>399.2</b>					

**Conferences & Seminars:** underlying event revenues increased by 9% from a combination of new financial market events in the US, the favourable timing of events, and the strength of Institutional Investor's subscription-based memberships for the asset management industry. In contrast, markets for commodities-related events including metals and coal have been more challenging.

**Training:** revenues for the training division, which relies heavily on customers in the banking sector, fell by 2%. The adjusted operating margin improved from 18% to 20% following a restructuring undertaken last year and the sale of the lower margin MIS business.

#### Financial Review

The adjusted profit before tax of £116.2m compares to a statutory profit before tax of £101.5m. The statutory profit before tax is usually lower than the adjusted profit before tax because of the impact of acquired intangible amortisation and non-cash movements in acquisition liabilities. A detailed reconciliation of the group's adjusted and statutory results is set out in the appendix to this statement.

A net exceptional credit of £2.6m (2013: £2.2m credit) has been recognised. This includes a £6.8m profit from the sale of MIS Training offset by exceptional acquisition, restructuring and property costs of £4.2m.

The long-term incentive expense of £2.4m (2013: £2.1m) reflects the cost of CAP 2014 awards which were granted in June 2014. The charge in 2013 reflected the final cost of CAP 2010.

Interest payable on the group's committed borrowing facility fell by £1.2m to £1.3m, reflecting lower funding costs. Headline net finance costs of £2.1m (2013: £10.4m) include a non-cash charge of £0.6m (2013: £7.6m) for increases in deferred acquisition liabilities.

The adjusted effective tax rate was 22%, the same as 2013. The tax rate in each period depends mainly on the geographic mix of profits and applicable tax rates. The group continues to benefit from reductions in the UK corporate tax rate, offset by higher US taxes. The adjusted effective tax rate is expected to fall to 20% in 2015, in line with the reduction in the UK corporate tax rate.

#### Net Debt, Cash Flow and Dividend

Net debt at September 30 was £37.6m compared with £28.6m at March 31 and £9.9m at last year end. The increase largely reflects £55.7m of net acquisition spend and £21.5m to purchase the company's own shares to satisfy future CAP 2014 rewards. A further £2.6m was invested in Project Delphi, bringing the total project cost to date to £10.0m, of which £9.3m has been capitalised and is being amortised over a four-year period.

The operating cash conversion rate was 92% (2013: 88%). The rate was less than 100% in 2014 and 2013 as the vesting of options under CAP 2010 triggered cash outflows of approximately £9m in both years for which the expense was accrued in previous years. The underlying operating cash conversion rate, adjusting for this timing difference, was 100% (2013: 103%).

The group's debt is provided through a dedicated multi-currency borrowing facility from Daily Mail and General Trust plc, the group's parent. In November 2013 the group replaced its US\$300m (£185m) facility, which was due to expire in December 2013, with a new US\$160m (£99m) facility which expires in April 2016.

The company's policy is to distribute a third of its after-tax earnings by way of dividends. Pursuant to this policy, the board recommends a final dividend of 16.00p a share (2013: 15.75p) giving a total dividend for the year of 23.00p a share (2013: 22.75p). As explained in previous announcements, the earlier than expected achievement of the CAP 2010 profit target triggered an accelerated CAP expense of £6.6m in 2011 which was not charged against earnings for dividend purposes that year, but spread over the period to which it originally related (i.e. mostly 2012 and 2013). This has enabled a small increase in the final dividend despite the decrease in adjusted diluted earnings a share.

#### Capital Appreciation Plan (CAP)

The CAP is the long-term incentive scheme designed to retain and reward those who drive profit growth and is an integral part of the group's successful growth strategy. The CAP was first introduced in 2004, since when it has been a key driver of the more than fivefold increase in the company's adjusted profit before tax.

Shareholders approved the introduction of CAP 2014 at the AGM in January 2014. It has a similar structure to CAP 2010. Initial awards under CAP 2014 were granted on June 20 to approximately 250 senior employees and executive directors. A maximum of 3.5m ordinary shares and £7.6m of cash will be used to satisfy CAP 2014 awards. The shares will be acquired in the market under the authority granted by shareholders at the AGM, and 1.7m shares were acquired during 2014 at a cost of £21.5m. CAP awards are expected to vest in three tranches in 2018, 2019 and 2020, subject to certain performance tests.

The primary performance test for CAP 2014 requires the group to achieve growth in adjusted profit before tax (and CAP expense) of at least 10% a year over a four-year period, i.e. £173.6m by 2017 from a base of £118.6m in 2013. If the primary performance test is not satisfied in 2017 the awards will lapse, subject to the secondary performance test. The secondary performance test requires the group to achieve an adjusted profit before tax (and CAP expense) of at least 84.9% of the primary performance target, i.e. £147.4m, equivalent to growth of 6% a year, at which point only one third of the awards will vest. If the adjusted profit before tax (and CAP expense) in 2017 is between the secondary and primary targets, then between 33% and 100% of the CAP awards will vest according to a sliding scale.

The rules of the CAP require these performance targets to be adjusted for significant acquisitions or disposals during the performance period. The only significant transaction in the period was the acquisition of Mining Indaba, as a result of which the primary and secondary performance targets have been increased to £178.4m and £151.5m, respectively. These performance targets will also require adjustment for the Dealogic transaction once it completes.

The maximum cost of CAP 2014 is £41m if the primary performance test is satisfied in 2017 and all subsequent performance tests are satisfied in full. The CAP cost will be amortised over the expected six-year life of CAP 2014. Given the uncertainty of both financial markets and the timing of future acquisitions and disposals, the significant digital investment requirements, and the volatility of exchange rates, it is difficult to estimate the level of profit the group will achieve in 2017. For the purpose of provisioning, the group has decided to amortise the CAP cost on the assumption that only the secondary performance test will be satisfied by 2017. This means that initially the CAP amortisation charge assumes a total CAP cost of £30m. The charge in future years will be adjusted once there is more visibility over future profits. On this basis the CAP charge for 2014 is £2.4m and the expected charge for 2015 is £6.1m.

#### Outlook

The pressures on the investment banking sector from increased regulation and compliance costs show no real sign of easing. It is the investment banks' fixed income activities which are most important to Euromoney and which have been hardest hit over the past couple of years from low trading volumes and volatility, as well as weak commodity prices. In contrast, the group's businesses serving the asset management sector have seen conditions improve during 2014 and recent trends in subscription sales and renewal rates suggest these businesses are positioned for further growth in 2015.

Looking ahead, the acquisition of Mining Indaba should contribute approximately £5m to operating profits in 2015. However, it is anticipated that adjusted operating profits will be reduced by approximately £3m from unfavourable event timing differences, property costs will increase by £2m following the London office relocation, and the group's adjusted operating margin will also be reduced by the impact of a full year's Delphi costs and investment in other new products including the Investor Intelligence Network. In addition, the full year impact of the cost of CAP 2014 will reduce adjusted profit before tax by nearly £4m. Further, as previously reported, the proposed Dealogic transaction will lead to earnings dilution in 2015 of approximately 2% assuming it completes at the end of December as expected.

First quarter trading has started in line with the board's expectations. As usual at this time, there is little visibility into the start of the next calendar year when new budgets are set by most customers. While the trading environment remains challenging, the initial reaction to the Delphi content platform has been very positive and the pipeline for new Delphi-based products is strong which, with other organic growth initiatives in events and data, provides confidence in the company's longer term growth strategy. At the same time, the company's low balance sheet gearing and strong cash flows provide plenty of headroom for future investment and acquisitions.

\*For the year to September 30 2014, Euromoney's subscription revenues and adjusted operating profits included licence fees of £5.7 million from Capital DATA, while its adjusted profit before tax included an amount of £0.3m from equity accounting for its 48.4% interest in Capital NET.

Richard Ensor  
Chairman  
November 19 2014  
END

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#### NOTE TO EDITORS

Euromoney Institutional Investor PLC ([www.euromoneyplc.com](http://www.euromoneyplc.com)) is listed on the London Stock Exchange and is a member of the FTSE 250 share index. It is a leading international business-to-business media group focused primarily on the international finance, metals and commodities sectors. It owns more than 70 brands including *Euromoney*, *Institutional Investor* and *Metal Bulletin*, and is a leading provider of economic and investment research and data under brands including BCA Research, Ned Davis Research, and the emerging market information providers, EMIS and CEIC. It also runs an extensive portfolio of conferences, seminars and training courses for the financial and commodities markets. The group's main offices are in London, New York, Montreal and Hong Kong and more than a third of its revenues are derived from emerging markets.

## Appendix to Chairman's Statement

### Reconciliation of Consolidated Income Statement to adjusted results for the year ended September 30 2014

The reconciliation below sets out the adjusted results of the group and the related adjustments to the statutory Income Statement that the directors consider necessary in order to provide an indication of the adjusted trading performance.

	Notes	Adjusted £000's	Adjust- ments £000's	2014 Total £000's	Adjusted £000's	Adjust- ments £000's	2013 Total £000's
<b>Total revenue</b>	2	<b>406,559</b>	-	<b>406,559</b>	404,704	-	404,704
<b>Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items</b>	2	<b>119,809</b>	-	<b>119,809</b>	121,088	-	121,088
Acquired intangible amortisation	9	-	(16,735)	(16,735)	-	(15,890)	(15,890)
Long-term incentive expense		(2,367)	-	(2,367)	(2,100)	-	(2,100)
Exceptional items	3	-	2,630	2,630	-	2,232	2,232
<b>Operating profit before associates</b>		<b>117,442</b>	<b>(14,105)</b>	<b>103,337</b>	118,988	(13,658)	105,330
Share of results in associates		264	-	264	284	-	284
<b>Operating profit</b>		<b>117,706</b>	<b>(14,105)</b>	<b>103,601</b>	119,272	(13,658)	105,614
Finance income	4	248	1,298	1,546	595	-	595
Finance expense	4	(1,799)	(1,873)	(3,672)	(3,340)	(7,609)	(10,949)
<b>Net finance costs</b>		<b>(1,551)</b>	<b>(575)</b>	<b>(2,126)</b>	(2,745)	(7,609)	(10,354)
<b>Profit before tax</b>		<b>116,155</b>	<b>(14,680)</b>	<b>101,475</b>	116,527	(21,267)	95,260
Tax expense on profit	5	(25,722)	112	(25,610)	(25,241)	3,006	(22,235)
<b>Profit after tax</b>		<b>90,433</b>	<b>(14,568)</b>	<b>75,865</b>	91,286	(18,261)	73,025
<b>Attributable to:</b>							
Equity holders of the parent		89,832	(14,568)	75,264	90,884	(18,261)	72,623
Equity non-controlling interests		601	-	601	402	-	402
		<b>90,433</b>	<b>(14,568)</b>	<b>75,865</b>	91,286	(18,261)	73,025
<b>Diluted earnings per share</b>	7	<b>70.60p</b>	<b>(11.45)p</b>	<b>59.15p</b>	70.96p	(14.26)p	56.70p

Adjusted figures are presented before the impact of amortisation of acquired intangible assets (comprising trademarks and brands, databases and customer relationships), exceptional items, net movements in acquisition deferred consideration and acquisition commitments. In respect of earnings, adjusted amounts reflect a tax rate that includes the current tax effect of the goodwill and intangible assets.

Further analysis of the adjusting items is presented in notes 3, 4, 5, 7 and 9 to the Preliminary Statement.



# Consolidated Income Statement

for the year ended September 30 2014

	Notes	2014 £000's	2013 £000's
<b>Total revenue</b>	2	<b>406,559</b>	404,704
<b>Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items</b>	2	<b>119,809</b>	121,088
Acquired intangible amortisation	9	(16,735)	(15,890)
Long-term incentive expense		(2,367)	(2,100)
Exceptional items	3	2,630	2,232
<b>Operating profit before associates</b>		<b>103,337</b>	105,330
Share of results in associates		264	284
<b>Operating profit</b>		<b>103,601</b>	105,614
Finance income	4	1,546	595
Finance expense	4	(3,672)	(10,949)
<b>Net finance costs</b>	4	<b>(2,126)</b>	(10,354)
<b>Profit before tax</b>		<b>101,475</b>	95,260
Tax expense on profit	5	(25,610)	(22,235)
<b>Profit after tax</b>		<b>75,865</b>	73,025
<b>Attributable to:</b>			
Equity holders of the parent		75,264	72,623
Equity non-controlling interests		601	402
		<b>75,865</b>	73,025
Basic earnings per share	7	<b>59.49p</b>	57.88p
Diluted earnings per share	7	<b>59.15p</b>	56.70p
Adjusted basic earnings per share	7	<b>71.00p</b>	72.43p
Adjusted diluted earnings per share	7	<b>70.60p</b>	70.96p
Dividend per share (including proposed dividends)	6	<b>23.00p</b>	22.75p

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

# Consolidated Statement of Comprehensive Income

for the year ended September 30 2014

	2014 £000's	2013 £000's
<b>Profit after tax</b>	<b>75,865</b>	<b>73,025</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Change in fair value of cash flow hedges	(1,642)	(3,298)
Transfer of gains on cash flow hedges from fair value reserves to Income Statement:		
Foreign exchange gains in total revenue	990	2,320
Foreign exchange gains/(losses) in operating profit	164	(176)
Interest rate swap gains in interest payable on committed borrowings	-	226
Net exchange differences on translation of net investments in overseas subsidiary undertakings	(207)	(7,167)
Translation reserves recycled to Income Statement	(482)	-
Net exchange differences on foreign currency loans	(3,448)	4,317
Tax on items that may be reclassified	36	90
<b>Items that will not be reclassified to profit or loss:</b>		
Actuarial (losses)/gains on defined benefit pension schemes	(2,297)	1,433
Tax credit/(charge) on actuarial gains/losses on defined benefit pension schemes	459	(287)
<b>Other comprehensive expense for the year</b>	<b>(6,427)</b>	<b>(2,542)</b>
<b>Total comprehensive income for the year</b>	<b>69,438</b>	<b>70,483</b>
<b>Attributable to:</b>		
Equity holders of the parent	69,418	69,774
Equity non-controlling interests	20	709
	<b>69,438</b>	<b>70,483</b>

# Consolidated Statement of Financial Position

as at September 30 2014

	Notes	2014 £000's	2013 £000's
<b>Non-current assets</b>			
Intangible assets			
Goodwill	9	383,934	356,574
Other intangible assets	9	161,509	149,039
Property, plant and equipment		16,924	16,792
Investments		72	702
Deferred consideration		1,532	-
Deferred tax assets		-	5,015
Derivative financial instruments		179	746
		<b>564,150</b>	<b>528,868</b>
<b>Current assets</b>			
Trade and other receivables		79,845	79,245
Deferred consideration		354	-
Current income tax assets		6,470	5,436
Group relief receivable		613	-
Cash at bank and in hand		8,571	11,268
Derivative financial instruments		2,611	1,736
		<b>98,464</b>	<b>97,685</b>
<b>Current liabilities</b>			
Acquisition commitments	12	(2,088)	(539)
Deferred consideration	12	(10,389)	(7,040)
Trade and other payables		(25,385)	(26,841)
Liability for cash-settled options		(147)	(7,435)
Current income tax liabilities		(9,125)	(12,653)
Group relief payable		-	(473)
Accruals		(47,973)	(48,381)
Deferred income	10	(122,263)	(117,296)
Committed loan facility		-	(20,177)
Loan notes		(490)	(1,028)
Derivative financial instruments		(1,322)	(909)
Provisions		(2,164)	(3,974)
		<b>(221,346)</b>	<b>(246,746)</b>
<b>Net current liabilities</b>		<b>(122,882)</b>	<b>(149,061)</b>
<b>Total assets less current liabilities</b>		<b>441,268</b>	<b>379,807</b>
<b>Non-current liabilities</b>			
Acquisition commitments	12	(11,277)	(14,498)
Deferred consideration	12	-	(9,085)
Liability for cash-settled options and other non-current liabilities		(804)	(498)
Preference shares		(10)	(10)
Committed loan facility		(45,677)	-
Deferred tax liabilities		(19,101)	(16,838)
Net pension deficit		(4,787)	(2,883)
Derivative financial instruments		(385)	-
Provisions		(2,704)	(2,236)
		<b>(84,745)</b>	<b>(46,048)</b>
<b>Net assets</b>		<b>356,523</b>	<b>333,759</b>
<b>Shareholders' equity</b>			
Called up share capital	11	320	316
Share premium account		102,011	101,709
Other reserve		64,981	64,981
Capital redemption reserve		8	8
Own shares		(21,582)	(74)
Reserve for share-based payments		39,158	37,122
Fair value reserve		(22,259)	(20,216)
Translation reserve		36,706	38,707
Retained earnings		149,564	102,959
<b>Equity shareholders' surplus</b>		<b>348,907</b>	<b>325,512</b>
Equity non-controlling interests		7,616	8,247
<b>Total equity</b>		<b>356,523</b>	<b>333,759</b>

# Consolidated Statement of Changes in Equity

for the year ended September 30 2014

	Share capital £000	Share premium account £000	Other reserve £000	Capital redemp- tion reserve £000	Own shares £000	Reserve for share- based pay- ments £000	Fair value reserve £000	Trans- lation reserve £000	Retained earnings £000	Total £000	Equity non- control- ling interests £000	Total £000
At September 30 2012	311	99,485	64,981	8	(74)	36,055	(18,152)	40,728	58,033	281,375	6,549	287,924
Profit for the year	-	-	-	-	-	-	-	-	72,623	72,623	402	73,025
Other comprehensive (expense)/income for the year	-	-	-	-	-	-	(2,064)	(2,021)	1,236	(2,849)	307	(2,542)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	(2,064)	(2,021)	73,859	69,774	709	70,483
Exercise of acquisition commitments	-	-	-	-	-	-	-	-	18	18	(18)	-
Recognition of acquisition commitments	-	-	-	-	-	-	-	-	(4,404)	(4,404)	-	(4,404)
Non-controlling interest recognised on acquisition	-	-	-	-	-	-	-	-	-	-	1,402	1,402
Credit for share-based payments	-	-	-	-	-	1,067	-	-	-	1,067	-	1,067
Cash dividends paid	-	-	-	-	-	-	-	-	(27,156)	(27,156)	(413)	(27,569)
Exercise of share options	5	2,224	-	-	-	-	-	-	-	2,229	18	2,247
Tax relating to items taken directly to equity	-	-	-	-	-	-	-	-	2,609	2,609	-	2,609
<b>At September 30 2013</b>	<b>316</b>	<b>101,709</b>	<b>64,981</b>	<b>8</b>	<b>(74)</b>	<b>37,122</b>	<b>(20,216)</b>	<b>38,707</b>	<b>102,959</b>	<b>325,512</b>	<b>8,247</b>	<b>333,759</b>
Profit for the year	-	-	-	-	-	-	-	-	75,264	75,264	601	75,865
Other comprehensive expense for the year	-	-	-	-	-	-	(2,043)	(2,001)	(1,802)	(5,846)	(581)	(6,427)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	(2,043)	(2,001)	73,462	69,418	20	69,438
Exercise of acquisition commitments	-	-	-	-	-	-	-	-	176	176	(176)	-
Adjustment arising from change in non-controlling interest	-	-	-	-	-	-	-	-	44	44	114	158
Credit for share-based payments	-	-	-	-	-	2,036	-	-	-	2,036	-	2,036
Cash dividend paid	-	-	-	-	-	-	-	-	(28,771)	(28,771)	(589)	(29,360)
Own shares acquired	-	-	-	-	(21,508)	-	-	-	-	(21,508)	-	(21,508)
Exercise of share options	4	302	-	-	-	-	-	-	-	306	-	306
Tax relating to items taken directly to equity	-	-	-	-	-	-	-	-	1,694	1,694	-	1,694
<b>At September 30 2014</b>	<b>320</b>	<b>102,011</b>	<b>64,981</b>	<b>8</b>	<b>(21,582)</b>	<b>39,158</b>	<b>(22,259)</b>	<b>36,706</b>	<b>149,564</b>	<b>348,907</b>	<b>7,616</b>	<b>356,523</b>

## Consolidated Statement of Changes in Equity *continued*

for the year ended September 30 2014

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT) and Euromoney Employee Share Trust (EEST). The EEST was incorporated in February 2014 to facilitate the purchase of shares for the Capital Appreciation Plan 2014. The trusts waived the rights to receive dividends. Interest and administrative costs are charged to the profit and loss account of the trusts as incurred.

	<b>2014</b>	2013
	<b>Number</b>	Number
Euromoney Employees' Share Ownership Trust	<b>58,976</b>	58,976
Euromoney Employee Share Trust	<b>1,747,631</b>	-
<b>Total</b>	<b>1,806,607</b>	58,976
Nominal cost per share (p)	<b>0.25</b>	0.25
Historical cost per share (£)	<b>11.95</b>	1.25
Market value (£000)	<b>18,337</b>	684

The other reserve represents the share premium arising on the shares issued for the purchase of Metal Bulletin plc in October 2006.

# Consolidated Statement of Cash Flows

for the year ended September 30 2014

	2014 £000's	2013 £000's
<b>Cash flow from operating activities</b>		
Operating profit	103,601	105,614
Share of results in associates	(264)	(284)
Acquired intangible amortisation	16,735	15,890
Licences and software amortisation	1,962	301
Depreciation of property, plant and equipment	2,908	3,926
Profit on disposal of property, plant and equipment	(7)	-
Long-term incentive expense	2,367	2,100
Profit on disposal of businesses and recycled cumulative translation differences	(6,834)	-
Impairment of carrying value of associate	444	-
Negative goodwill	-	(4,449)
Decrease in provisions	(1,326)	(786)
<b>Operating cash flows before movements in working capital</b>	<b>119,586</b>	<b>122,312</b>
Increase in receivables	(5,838)	(4,343)
Decrease in payables	(3,589)	(11,813)
<b>Cash generated from operations</b>	<b>110,159</b>	<b>106,156</b>
Income taxes paid	(19,553)	(17,230)
Group relief tax paid	(2,927)	(1,970)
<b>Net cash from operating activities</b>	<b>87,679</b>	<b>86,956</b>
<b>Investing activities</b>		
Dividends paid to non-controlling interests	(589)	(413)
Dividends received from associate	323	268
Interest received	242	239
Purchase of intangible assets	(3,236)	(6,314)
Purchase of property, plant and equipment	(3,105)	(2,701)
Proceeds from disposal of property, plant and equipment	10	2
Payment following working capital adjustment from purchase of subsidiary	(9)	(1,711)
Purchase of subsidiary undertaking, net of cash acquired	(58,001)	(20,971)
Proceeds from disposal of non-controlling interest	158	-
Proceeds from disposal of discontinued operation	5,345	-
Receipt following working capital adjustment from purchase of associate	-	49
<b>Net cash used in investing activities</b>	<b>(58,862)</b>	<b>(31,552)</b>
<b>Financing activities</b>		
Dividends paid	(28,771)	(27,156)
Interest paid	(1,372)	(3,142)
Interest paid on loan notes	-	(3)
Issue of new share capital	306	2,229
Payments to acquire own shares	(21,508)	-
Payment of acquisition deferred consideration	(2,849)	(5,329)
Purchase of additional interest in subsidiary undertakings	(369)	(153)
Redemption of loan notes	(538)	(199)
Loan repaid to DMGT group company	(326,903)	(196,264)
Loan received from DMGT group company	350,819	172,488
<b>Net cash used in financing activities</b>	<b>(31,185)</b>	<b>(57,529)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,368)</b>	<b>(2,125)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>11,268</b>	<b>13,544</b>
Effect of foreign exchange rate movements	(329)	(151)
<b>Cash and cash equivalents at end of year</b>	<b>8,571</b>	<b>11,268</b>

## Note to the Consolidated Statement of Cash Flows

Net Debt	2014 £000's	2013 £000's
Net debt at beginning of year	(9,937)	(30,838)
Net decrease in cash and cash equivalents	(2,368)	(2,125)
Net (increase)/decrease in amounts owed to DMGT group company	(23,916)	23,776
Redemption of loan notes	538	199
Interest paid on loan notes	-	3
Accrued interest on loan notes	-	(2)
Effect of foreign exchange rate movements	(1,913)	(950)
<b>Net debt at September 30</b>	<b>(37,596)</b>	<b>(9,937)</b>
<b>Net debt comprises:</b>		
Cash and cash equivalents	8,571	11,268
Committed loan facility	(45,677)	(20,177)
Loan notes	(490)	(1,028)
<b>Net debt</b>	<b>(37,596)</b>	<b>(9,937)</b>

The group's debt is provided through a dedicated US\$160 million multi-currency borrowing facility from Daily Mail and General Trust plc (DMGT). In November 2013 the group replaced its US\$300 million (£185 million) facility with the new US\$160 million (£99 million) facility which expires at the end of April 2016. Interest is payable on this facility at a variable rate of between 1.35% and 2.35% above LIBOR dependent on the ratio of adjusted net debt to EBITDA. Exceeding the covenant would result in the group being in breach of the facility, potentially resulting in the facility being withdrawn or impediment of management decision making by the lender. Management regularly monitor the covenant and prepare detailed debt forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach. At September 30 2014, the group's net debt to adjusted EBITDA was 0.30 times and the committed undrawn facility available to the group was £53.0 million.

The group's strategy is to use excess operating cash to pay down its debt. The group generally has an annual cash conversion rate (the percentage by which cash generated from operations covers operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items) of 100% or more due to much of its subscription, sponsorship and delegate revenue being paid in advance. However, the group's cash conversion rate was 92% (2013: 88%) due to cash payments during the year in respect of the vesting of options under the CAP which were accrued in previous years.

# Notes to the Preliminary Statement

## 1 Basis of preparation

The financial information set out in this statement is based on the group's financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU. This financial information does not constitute the group's statutory accounts for the year ended September 30 2014 or 2013 but is derived from those accounts. Statutory accounts for 2013 have been delivered to the Registrar of Companies, and those for 2014 will be delivered following the company's Annual General Meeting. The auditors have reported on those accounts; their report was unqualified and did not draw attention to any matters by way of emphasis without qualifying their report and did not contain a statement under s498 (2) or (3) Companies Act 2006.

### Accounting policies

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

The same accounting policies, presentation and methods of computation are followed in these financial statements as were applied in the group's 2013 annual audited financial statements, except as described below.

- IFRS 7 (amendments), 'Offsetting Financial Assets and Financial Liabilities' – disclosures (effective for accounting periods beginning on or after January 1 2013). The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. The adoption of IFRS 7 (amendments) has no material impact on the financial statements of the group except for additional disclosures.
- IFRS 13, 'Fair Value Measurement' (effective for accounting periods beginning on or after January 1 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned with IFRSs and US GAAP, do not extend to the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The adoption of IFRS 13 has no material impact on the financial statements of the group except for additional disclosures.
- IAS 19 (revised), 'Employee Benefit', issued in June 2011 (effective for accounting periods beginning on or after January 1 2013). The interest cost on pension plan liabilities and expected return on plan assets reported in previous years have been replaced with a net interest amount. The group have amended the presentation of prior year comparative amounts to reflect these requirements. There is no material impact of adopting IAS 19 (amended) on the profit for the years presented.

### Going concern, debt covenants and liquidity

The results of the group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Chairman's Statement.

The financial position of the group, its cash flows and liquidity position are set out in this report. The group meets its day-to-day working requirements through a dedicated US\$160 million multi-currency borrowing facility from Daily Mail and General Trust plc (DMGT) which expires at the end of April 2016 (see note 19 to the group financial statements). The facility's covenant requires the group's net debt to be no more than three times adjusted EBITDA on a rolling 12 month basis. At September 30 2014, the group's net debt to adjusted EBITDA was 0.30 times and the committed undrawn facility available to the group was £53.0 million.

The group's forecasts and projections, after taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level and covenants of its current borrowing facility.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing this annual report.

## 2 Segmental analysis

	United Kingdom		North America		Rest of World		Eliminations		Total	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's
<b>Revenue</b>										
<b>by division and source:</b>										
Research and data	21,854	17,571	80,747	87,993	23,897	25,846	(3)	(90)	126,495	131,320
Financial publishing	50,833	46,609	32,200	32,170	1,949	2,444	(4,728)	(5,576)	80,254	75,647
Business publishing	48,900	48,621	19,327	21,137	1,786	1,766	(2,212)	(2,653)	67,801	68,871
Conferences and seminars	39,350	44,717	50,481	45,720	16,710	9,633	(411)	(686)	106,130	99,384
Training	15,226	16,410	1,343	1,675	2,970	2,979	(117)	(99)	19,422	20,965
Closed businesses	1,290	3,155	2,139	5,680	183	418	(32)	(76)	3,580	9,177
Foreign exchange losses on forward contracts	2,877	(660)	-	-	-	-	-	-	2,877	(660)
<b>Total revenue</b>	<b>180,330</b>	<b>176,423</b>	<b>186,237</b>	<b>194,375</b>	<b>47,495</b>	<b>43,086</b>	<b>(7,503)</b>	<b>(9,180)</b>	<b>406,559</b>	<b>404,704</b>
Investment income (note 4)	-	3	64	2	171	228	-	-	235	233
<b>Total revenue and investment income</b>	<b>180,330</b>	<b>176,426</b>	<b>186,301</b>	<b>194,377</b>	<b>47,666</b>	<b>43,314</b>	<b>(7,503)</b>	<b>(9,180)</b>	<b>406,794</b>	<b>404,937</b>



## 2 Segmental analysis *continued*

	United Kingdom		North America		Rest of World		Total	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's
<b>Revenue</b>								
<b>by type and destination:</b>								
Subscriptions	37,681	33,519	94,808	99,167	72,473	73,418	204,962	206,104
Advertising	7,028	6,686	23,010	24,467	23,566	26,476	53,604	57,629
Sponsorship	6,330	7,370	24,737	21,638	25,858	22,022	56,925	51,030
Delegates	7,382	7,004	15,832	16,292	47,947	46,121	71,161	69,417
Other	2,784	2,715	7,535	6,245	3,131	3,047	13,450	12,007
Sold/closed businesses	278	445	1,994	5,403	1,308	3,329	3,580	9,177
Foreign exchange gains/(losses) on forward contracts	2,877	(660)	-	-	-	-	2,877	(660)
<b>Total revenue</b>	<b>64,360</b>	<b>57,079</b>	<b>167,916</b>	<b>173,212</b>	<b>174,283</b>	<b>174,413</b>	<b>406,559</b>	<b>404,704</b>

	United Kingdom		North America		Rest of World		Total	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's
<b>Operating profit<sup>1</sup></b>								
<b>by division and source:</b>								
Research and data	10,549	8,549	34,310	40,263	5,732	5,919	50,591	54,731
Financial publishing	15,740	17,530	6,313	5,822	333	514	22,386	23,866
Business publishing	15,483	16,834	7,474	9,033	(149)	(27)	22,808	25,840
Conferences and seminars	8,936	13,290	16,373	14,145	5,284	1,443	30,593	28,878
Training	3,427	3,227	73	150	396	488	3,896	3,865
Sold/closed businesses	263	583	214	951	(24)	(34)	453	1,500
Unallocated corporate costs	(9,454)	(15,754)	(798)	(1,292)	(666)	(546)	(10,918)	(17,592)
<b>Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items</b>	<b>44,944</b>	<b>44,259</b>	<b>63,959</b>	<b>69,072</b>	<b>10,906</b>	<b>7,757</b>	<b>119,809</b>	<b>121,088</b>
Acquired intangible amortisation <sup>2</sup> (note 9)	(6,869)	(4,608)	(9,485)	(10,886)	(381)	(396)	(16,735)	(15,890)
Long-term incentive expense	(1,146)	(1,017)	(1,090)	(880)	(131)	(203)	(2,367)	(2,100)
Exceptional items (note 3)	(2,887)	2,812	6,062	(394)	(545)	(186)	2,630	2,232
<b>Operating profit before associates</b>	<b>34,042</b>	<b>41,446</b>	<b>59,446</b>	<b>56,912</b>	<b>9,849</b>	<b>6,972</b>	<b>103,337</b>	<b>105,330</b>
Share of results in associates							264	284
Finance income (note 4)							1,546	595
Finance expense (note 4)							(3,672)	(10,949)
<b>Profit before tax</b>							<b>101,475</b>	<b>95,260</b>
Tax expense (note 5)							(25,610)	(22,235)
<b>Profit after tax</b>							<b>75,865</b>	<b>73,025</b>

1. Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items (refer to the appendix to the Chairman's Statement).
2. Acquired intangible amortisation represents amortisation of acquisition related non-goodwill assets such as trademarks and brands, customer relationships and databases (note 9).

## 2 Segmental analysis *continued*

	Acquired intangible amortisation		Long-term incentive expense		Exceptional items		Depreciation and amortisation	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's
<b>Other segmental information by division:</b>								
Research and data	(9,469)	(10,373)	(628)	(655)	(547)	(213)	(1,224)	(1,256)
Financial publishing	(3,434)	(1,672)	(464)	(238)	(1,202)	3,321	(30)	(13)
Business publishing	(2,322)	(2,507)	(232)	(298)	(28)	(16)	(28)	(21)
Conferences and seminars	(1,403)	(1,224)	(441)	(84)	(167)	(533)	(42)	(57)
Training	-	-	(116)	(493)	(23)	(115)	(6)	(14)
Sold/closed businesses	-	-	-	-	6,834	-	-	-
Unallocated corporate costs	(107)	(114)	(486)	(332)	(2,237)	(212)	(3,540)	(2,866)
	<b>(16,735)</b>	<b>(15,890)</b>	<b>(2,367)</b>	<b>(2,100)</b>	<b>2,630</b>	<b>2,232</b>	<b>(4,870)</b>	<b>(4,227)</b>

	United Kingdom		North America		Rest of World		Total	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's	2014 £000's	2013 £000's
<b>Non-current assets (excluding derivative financial instruments, deferred consideration and deferred tax assets)</b>								
<b>by location:</b>								
Goodwill	137,669	106,837	236,369	239,175	9,896	10,562	383,934	356,574
Other intangible assets	73,681	52,650	86,978	95,256	850	1,133	161,509	149,039
Property, plant and equipment	14,661	13,673	1,757	2,486	506	633	16,924	16,792
Investments	72	702	-	-	-	-	72	702
<b>Non-current assets</b>	<b>226,083</b>	<b>173,862</b>	<b>325,104</b>	<b>336,917</b>	<b>11,252</b>	<b>12,328</b>	<b>562,439</b>	<b>523,107</b>
Capital expenditure by location	(2,465)	(1,618)	(397)	(788)	(243)	(295)	(3,105)	(2,701)

The group has taken advantage of paragraph 23 of IFRS 8 'Operating Segments' and does not provide segmental analysis of net assets as this information is not used by the directors in operational decision making or monitoring business performance.

## 3 Exceptional items

Exceptional items are items of income or expense considered by the directors, either individually or if of a similar type in aggregate, as being either material or significant and which require additional disclosure in order to provide an indication of the underlying trading performance of the group.

	2014 £000's	2013 £000's
Acquisition costs	(901)	(822)
Restructuring and other exceptional costs	(2,859)	(1,395)
Profit on disposal of businesses and recycled cumulative translation differences	6,834	-
Impairment of carrying value of associate	(444)	-
Negative goodwill	-	4,449
	<b>2,630</b>	<b>2,232</b>

For the year ended September 30 2014 the group recognised a net exceptional credit of £2,630,000. This comprised an exceptional credit for the profit on disposal of MIS Training Institute Holdings, Inc. offset by exceptional acquisition, restructuring and property costs, and impairment of carrying value of associate. The acquisition costs of £901,000 are in connection with the acquisitions of Infrastructure Journal and Mining Indaba. The restructuring and other exceptional costs of £2,859,000 include costs of £1,545,000 for the move of the group's London headquarters and restructuring costs of £1,314,000 from the reorganisation of certain businesses including closure of print products. The group's tax charge includes a related tax charge of £263,000.

For the year ended September 30 2013 the group recognised a net exceptional credit of £2,232,000. This comprised an exceptional credit for negative goodwill offset by acquisition, restructuring and other exceptional costs. The negative goodwill of £4,449,000 arose from the valuation of the intangible assets of Quantitative Techniques (QT), acquired for zero consideration. The acquisition costs of £822,000 are in connection with the acquisitions of TTI/Vanguard, Insider Publishing, Centre for Investor Education and QT. The exceptional restructuring and other costs of £1,395,000 include restructuring costs to integrate the business and assets of QT before the completion date and other restructuring costs across the group. The group's tax charge included a related tax credit of £372,000.

#### 4 Finance income and expense

	2014 £000's	2013 £000's
<b>Finance income</b>		
Interest income:		
Interest receivable from short-term investments	235	233
Net movements in acquisition commitments (note 12)	1,298	-
Fair value gains on financial instruments:		
Ineffectiveness of interest rate swaps and forward contracts	13	362
	<b>1,546</b>	<b>595</b>
<b>Finance expense</b>		
Interest expense:		
Interest payable on committed borrowings	(1,349)	(2,561)
Interest payable on loan notes	-	(2)
Net interest expense on defined benefit liability	(120)	(67)
Net movements in acquisition commitments (note 12)	-	(2,888)
Net movements in acquisition deferred consideration (note 12)	(1,873)	(4,721)
Interest on tax	(330)	(710)
	<b>(3,672)</b>	<b>(10,949)</b>
<b>Net finance costs</b>	<b>(2,126)</b>	<b>(10,354)</b>

	2014 £000's	2013 £000's
<b>Reconciliation of net finance costs in Income Statement to adjusted net finance costs</b>		
Total net finance costs in Income Statement	(2,126)	(10,354)
Add back:		
Net movements in acquisition commitments	(1,298)	2,888
Net movements in acquisition deferred consideration	1,873	4,721
	<b>575</b>	<b>7,609</b>
Adjusted net finance costs	<b>(1,551)</b>	<b>(2,745)</b>

The reconciliation of net finance costs in the Income Statement has been provided since the directors consider it necessary in order to provide an indication of the adjusted net finance costs.

#### 5 Tax on profit on ordinary activities

	2014 £000's	2013 £000's
<b>Current tax expense</b>		
UK corporation tax expense	6,906	9,732
Foreign tax expense	12,695	12,522
Adjustments in respect of prior years	(570)	(540)
	<b>19,031</b>	<b>21,714</b>
<b>Deferred tax expense</b>		
Current year	6,107	1,859
Adjustments in respect of prior years	472	(1,338)
	<b>6,579</b>	<b>521</b>
<b>Total tax expense in Income Statement</b>	<b>25,610</b>	<b>22,235</b>
Effective tax rate	<b>25%</b>	<b>23%</b>

The adjusted effective tax rate for the year is set out below:

## 5 Tax on profit on ordinary activities *continued*

	2014 £000's	2013 £000's
<b>Reconciliation of tax expense in Income Statement to adjusted tax expense</b>		
Total tax expense in Income Statement	25,610	22,235
Add back:		
Tax on intangible amortisation	4,114	5,592
Tax on exceptional items	(263)	(372)
	3,851	5,220
Tax on US goodwill amortisation	(3,837)	(4,092)
Tax adjustments in respect of prior years	98	1,878
	112	3,006
<b>Adjusted tax expense</b>	<b>25,722</b>	<b>25,241</b>
Adjusted profit before tax (refer to the appendix to the Chairman's Statement)	116,155	116,527
Adjusted effective tax rate	22%	22%

The group presents the above adjusted effective tax rate to help users of this report better understand its tax charge. In arriving at this rate, the group removes the tax effect of items which are adjusted for in arriving at the adjusted profit disclosed in the appendix to the Chairman's Statement. However, the current tax effect of goodwill and intangible items is not removed. The group considers that the resulting adjusted effective tax rate is more representative of its tax payable position, as the deferred tax effect on the goodwill and intangible items is not expected to crystallise.

The actual tax expense for the year is different from 22% of profit before tax for the reasons set out in the following reconciliation:

	2014 £000's	2013 £000's
<b>Profit before tax</b>	<b>101,475</b>	<b>95,260</b>
Tax at 22% (2013: 23.5%)	22,325	22,386
Factors affecting tax charge:		
Different tax rates of subsidiaries operating in overseas jurisdictions	6,238	2,914
Associate income reported net of tax	(73)	(67)
US state taxes	1,075	987
Goodwill and intangibles	63	38
Disallowable expenditure	92	2,629
Other items deductible for tax purposes	(3,394)	(3,607)
Tax impact of consortium relief	(618)	(657)
Deferred tax credit arising from changes in tax laws	-	(510)
Adjustments in respect of prior years	(98)	(1,878)
<b>Total tax expense for the year</b>	<b>25,610</b>	<b>22,235</b>

In addition to the amount charged to the Income Statement, the following amounts relating to tax have been directly recognised in other comprehensive income and equity:

	Other comprehensive income		Equity	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's
Current tax	-	-	(2,690)	(2,058)
Deferred tax	(495)	197	996	(551)
	<b>(495)</b>	<b>197</b>	<b>(1,694)</b>	<b>(2,609)</b>

## 6 Dividends

	2014 £000's	2013 £000's
<b>Amounts recognisable as distributable to equity holders in period</b>		
Final dividend for the year ended September 30 2013 of 15.75p (2012: 14.75p)	19,917	18,342
Interim dividend for year ended September 30 2014 of 7.00p (2013: 7.00p)	8,969	8,827
	<b>28,886</b>	27,169
Employee share trust dividend	(115)	(13)
	<b>28,771</b>	27,156
Proposed final dividend for the year ended September 30	20,501	19,917
Employee share trust dividend	(289)	(9)
	<b>20,212</b>	19,908

## 7 Earnings per share

	2014 £000's	2013 £000's
<b>Basic earnings attributable to equity holders of the parent</b>	75,264	72,623
Acquired intangible amortisation	16,735	15,890
Exceptional items	(2,630)	(2,232)
Net movements in acquisition commitments	(1,298)	2,888
Net movements in acquisition deferred consideration	1,873	4,721
Tax on the above adjustments	(3,851)	(5,220)
Tax on US goodwill amortisation	3,837	4,092
Tax adjustments in respect of prior years	(98)	(1,878)
<b>Adjusted earnings</b>	<b>89,832</b>	90,884

## 7 Earnings per share *continued*

	<b>2014 Basic earnings per share</b>	<b>2014 Diluted earnings per share</b>	2013 Basic earnings per share	2013 Diluted earnings per share
	<b>Number 000's</b>	<b>Number 000's</b>	Number 000's	Number 000's
Weighted average number of shares	127,506	127,506	125,532	125,532
Shares held by the employees' share ownership trusts	(990)	(990)	(59)	(59)
<b>Weighted average number of shares</b>	<b>126,516</b>	<b>126,516</b>	<b>125,473</b>	<b>125,473</b>
Effect of dilutive share options		720		2,605
<b>Diluted weighted average number of shares</b>		<b>127,236</b>		<b>128,078</b>

	<b>Basic pence per share</b>	<b>Diluted pence per share</b>	Basic pence per share	Diluted pence per share
<b>Basic earnings per share</b>	<b>59.49</b>	<b>59.49</b>	57.88	57.88
Effect of dilutive share options		(0.34)		(1.18)
<b>Diluted earnings per share</b>		<b>59.15</b>		56.70
Effect of acquired intangible amortisation	13.23	13.15	12.66	12.41
Effect of exceptional items	(2.08)	(2.07)	(1.78)	(1.74)
Net movements in acquisition commitments	(1.03)	(1.02)	2.30	2.25
Net movements in acquisition deferred consideration	1.48	1.47	3.76	3.69
Effect of tax on the above adjustments	(3.04)	(3.02)	(4.15)	(4.07)
Effect of tax on US goodwill amortisation	3.03	3.02	3.26	3.19
Effect of tax adjustments in respect of prior years	(0.08)	(0.08)	(1.50)	(1.47)
<b>Adjusted basic and diluted earnings per share</b>	<b>71.00</b>	<b>70.60</b>	<b>72.43</b>	<b>70.96</b>

The adjusted diluted earnings per share figure has been disclosed since the directors consider it necessary in order to give an indication of the underlying trading performance.

All of the above earnings per share figures relate to continuing operations.

## 8 Acquisitions and disposals

### Purchase of new business

#### Infrastructure Journal (IJ)

On October 15 2013 the group acquired 100% of the assets of Infrastructure Journal, a leading information source for the international infrastructure markets, from Top Right Group for a cash consideration of £12,500,000, followed by a further cash payment of £267,000 in January 2014. The acquisition of IJ is consistent with the group's strategy of investing in online subscription and events businesses which will benefit from its global reach.

The final acquisition accounting is set out below:

	Book value £000's	Fair value adjustments £000's	Final fair value £000's
<b>Net assets:</b>			
Intangible assets	-	6,404	6,404
Property, plant and equipment	219	(219)	-
Trade and other receivables	479	-	479
Trade and other payables	(1,207)	-	(1,207)
	<b>(509)</b>	<b>6,185</b>	<b>5,676</b>
<b>Net assets acquired (100%)</b>			<b>5,676</b>
<b>Goodwill</b>			<b>7,091</b>
<b>Total consideration</b>			<b>12,767</b>
<b>Consideration satisfied by:</b>			
Cash			12,500
Working capital adjustment			267
			<b>12,767</b>
<b>Net cash outflow arising on acquisition:</b>			
Cash consideration			12,500
Less: cash and cash equivalent balances acquired			-
			<b>12,500</b>

Intangible assets represent a brand of £2,068,000, databases of £2,941,000, and customer relationships of £1,395,000, for which amortisation of £754,000 has been charged in the year. The brand will be amortised over its useful economic life of 20 years. The databases and customer relationships will be amortised over their useful economic lives of up to ten years.

Goodwill arises from the anticipated profitability and future operating synergies from integrating the acquired operations within the group. All of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of the assets acquired includes trade receivables of £367,000, all of which are contracted and are expected to be collectable.

IJ contributed £1,360,000 to the group's revenue, £503,000 to the group's operating profit and £125,000 to the group's profit after tax for the period between the date of acquisition and March 31 2014. In addition, acquisition related costs of £744,000 were incurred and recognised as an exceptional item in the Income Statement for the year ended September 30 2014 (note 3). If the acquisition had been completed on the first day of the financial year, IJ would have contributed £1,558,000 to the group's revenue and £228,000 to the group's profit before tax for the period between the date of acquisition and March 31 2014 (excluding exceptional costs above). From April 1 2014 the business was merged with an existing Euromoney business, *Project Finance*, and the merged business was rebranded *IJ Global*. As such it is impossible to disclose the contribution of IJ as a standalone business to the group's revenue and profit for the six months from April 1 to September 30 2014.

## 8 Acquisitions and disposals *continued*

### **Purchase of new business *continued***

#### *Investment in African Mining Indaba (Mining Indaba)*

On July 15 2014, the group acquired the trade and certain assets of the mining investment events division of US-based Summit Professional Networks. The principal asset acquired was the largest mining event in emerging markets, Investing in African Mining Indaba, for a cash consideration of £45,617,000 (US\$78,000,000) offset by a working capital adjustment of £212,000 (US\$362,000) received in September 2014. The acquisition of Mining Indaba is consistent with the group's strategy to consolidate and strengthen its position in the global metals and mining sector.

The acquisition accounting is set out below and is provisional pending final determination of the fair value of the assets and liabilities acquired:

	<b>Book value</b>	<b>Fair value</b>	<b>Provisional</b>
	<b>£000's</b>	<b>adjustments</b>	<b>fair value</b>
		<b>£000's</b>	<b>£000's</b>
<b>Net assets:</b>			
Intangible assets	-	22,149	22,149
Property, plant and equipment	2	(2)	-
Trade and other receivables	1,585	-	1,585
Trade and other payables	(1,974)	26	(1,948)
	<b>(387)</b>	<b>22,173</b>	<b>21,786</b>
<b>Net assets acquired (100%)</b>			<b>21,786</b>
<b>Goodwill</b>			<b>23,619</b>
<b>Total consideration</b>			<b>45,405</b>
<b>Consideration satisfied by:</b>			
Cash			45,617
Working capital adjustment			(212)
			<b>45,405</b>
<b>Net cash outflow arising on acquisition:</b>			
Cash consideration			45,617
Less: cash and cash equivalent balances acquired			-
			<b>45,617</b>

Intangible assets represent a brand of £14,513,000 and customer relationships of £7,636,000, for which amortisation of £426,000 has been charged for the period. The brand will be amortised over its useful life of 20 years. The customer relationships will be amortised over their useful economic lives of up to eight years.

Goodwill arises from the anticipated profitability and future operating synergies from integrating the acquired operations within the group. All of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of the assets acquired includes trade receivables of £1,359,000, all of which are contracted and are expected to be collectable.

Mining Indaba contributed £nil to the group's revenue, £343,000 loss to the group's operating profit and £268,000 loss to the group's profit after tax for the period between the date of acquisition and September 30 2014. In addition, acquisition related costs of £151,000 were incurred and recognised as an exceptional item in the Income Statement for the year ended September 30 2014 (note 3). If the acquisition had been completed on the first day of the financial year, Mining Indaba would have contributed £10,013,000 to the group's revenue and £5,766,000 to the group's profit before tax for the year (excluding exceptional costs above).



## 8 Acquisitions and disposals *continued*

### **Purchase of new business *continued***

#### *GGA Pte. Limited (GG Singapore)*

On June 26 2014 the group exercised its option to acquire the remaining 50% of the equity share capital of GG Singapore, whose sole asset is Global Grain Asia, an event for grain industry professionals in the Asia-Pacific region, for £127,000. This acquisition increased the group's equity shareholding to 100%.

The acquisition accounting is set out below and is provisional pending final determination of the fair value of the assets and liabilities acquired:

	Book value £000's	Fair value adjustments £000's	Provisional fair value £000's
<b>Net assets:</b>			
Trade and other receivables	6	-	6
Cash and cash equivalents	243	-	243
Trade and other payables	(117)	-	(117)
	<b>132</b>	<b>-</b>	<b>132</b>
<b>Net assets acquired (100%)</b>			<b>132</b>
<b>Goodwill</b>			<b>122</b>
<b>Total consideration</b>			<b>254</b>
<b>Consideration satisfied by:</b>			
Cash			127
Fair value of the initial equity interest before acquisition			127
			<b>254</b>
<b>Net cash inflow arising on acquisition:</b>			
Cash consideration			127
Less: cash and cash equivalent balances acquired			(243)
			<b>(116)</b>

Goodwill arises from the anticipated profitability and future operating synergies from combining the acquired operations within the group. The goodwill recognised is not expected to be deductible for income tax purposes.

GG Singapore contributed £nil to the group's revenue, £13,000 loss to the group's operating profit and £10,000 loss to the group's profit after tax for the period between the date of acquisition and September 30 2014. If the acquisition had been completed on the first day of the financial year, GG Singapore would have contributed £127,000 to the group's revenue and £13,000 to the group's profit before tax for the year.

#### *TTI Technologies, LLC (TTI/Vanguard) / Insider Publishing (IP) / Centre for Investor Education (CIE) / Quantitative Techniques (QT)*

During the financial year to September 30 2013, the group acquired TTI/Vanguard, IP, CIE and QT. The fair value of net assets acquired and consideration for the four acquisitions have been finalised and there were no changes since the year ended September 30 2013.

### **Set up of new business**

#### *Family Office Network Limited (FON)*

On October 1 2013 the group set up a new company, FON, for an initial investment of £165,000. On the same day, the company issued new ordinary shares, equivalent to 49% of the total equity share capital, to a non-controlling interest for £158,000. The group's equity shareholding decreased to 51%.

### **Increase in equity holdings**

#### *TTI Technologies, LLC (TTI/Vanguard)*

In January 2014 the group acquired 7.4% of the equity of TTI/Vanguard for a cash consideration of US\$410,000 (£247,000). The group's equity shareholding in TTI/Vanguard increased to 94.6%.

#### *Structured Retail Products Limited (SRP)*

In September 2014 the group purchased 0.76% of the equity share capital of SRP from one of its employees for a cash consideration of £122,000, representing the fair value of 0.76% of the assets at the date of acquisition, increasing the group's effective equity shareholding in SRP to 99.7%.

## 8 Acquisitions and disposals *continued*

### **Sale of business**

*MIS Training Institute Holdings, Inc. (MIS Training)*

On April 1 2014 the group sold 100% of its equity share capital in MIS Training for an initial cash consideration of US\$11,000,000 (£6,564,000), offset by a working capital adjustment of US\$1,098,000 (£655,000) paid in April 2014.

At the date of disposal a discounted deferred consideration receivable of US\$3,690,000 (£2,214,000) was recognised. In September 2014 deferred consideration of US\$119,000 (£73,000) was paid and the remaining discounted deferred consideration is expected to be received in cash between January 2015 and September 2019.

The net assets of MIS Training at the date of disposal were as follows:

	<b>Final fair value £000's</b>
<b>Net assets:</b>	
Goodwill	2,543
Property, plant and equipment	19
Trade and other receivables	1,223
Cash and cash equivalents	(19)
Trade and other payables	<b>(2,669)</b>
	<b>1,097</b>
<b>Net assets disposed (100%)</b>	<b>1,097</b>
Directly attributable costs	674
<b>Recycled cumulative translation differences</b>	<b>(482)</b>
<b>Profit on disposal (note 5)</b>	<b>6,834</b>
<b>Total consideration</b>	<b>8,123</b>
<b>Consideration satisfied by:</b>	
Cash	6,564
Working capital adjustments	(655)
Deferred consideration	2,214
	<b>8,123</b>
<b>Net cash inflow arising on disposal:</b>	
Cash consideration (net of working capital adjustments and directly attributable costs)	5,326
Less: cash and cash equivalent balances disposed	19
	<b>5,345</b>

The disposal of MIS Training gave rise to a profit on disposal of £6,834,000, after deducting disposal costs incurred, which were recognised as exceptional items (note 3) in the Income Statement.

The discounted deferred consideration is pre-determined pay-out amounts based on management best estimate of the results of the business for the period to December 31 2014, December 31 2015 and December 31 2016 and is calculated using the group's WACC at date of disposal. A sensitivity analysis was conducted and the result can be found in note 12.

## 9 Goodwill and other intangibles

	Acquired intangible assets							
	Trademarks & brands	Customer relation- ships	Databases	Total acquired intangible assets	Licences & software	Intangible assets in develop- ment	Goodwill	Total
	2014	2014	2014	2014	2014	2014	2014	2014
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>2014</b>								
<b>Cost/carrying amount</b>								
At October 1 2013	148,636	89,859	9,150	<b>247,645</b>	3,023	6,690	385,518	<b>642,876</b>
Additions	-	-	-	-	244	2,992	-	<b>3,236</b>
Transfer	-	-	-	-	9,598	(9,598)	-	-
Acquisitions (note 8)	16,581	9,031	2,941	<b>28,553</b>	-	-	30,832	<b>59,385</b>
Disposals	-	-	-	-	-	-	(3,450)	<b>(3,450)</b>
Exchange differences	(374)	(177)	(8)	<b>(559)</b>	58	(22)	(1,085)	<b>(1,608)</b>
<b>At September 30 2014</b>	<b>164,843</b>	<b>98,713</b>	<b>12,083</b>	<b>275,639</b>	<b>12,923</b>	<b>62</b>	<b>411,815</b>	<b>700,439</b>
<b>Amortisation and impairment</b>								
At October 1 2013	54,746	44,821	6,043	<b>105,610</b>	2,709	-	28,944	<b>137,263</b>
Amortisation charge	7,417	8,300	1,018	<b>16,735</b>	1,962	-	-	<b>18,697</b>
Disposals	-	-	-	-	-	-	(907)	<b>(907)</b>
Exchange differences	(19)	(62)	164	<b>83</b>	16	-	(156)	<b>(57)</b>
<b>At September 30 2014</b>	<b>62,144</b>	<b>53,059</b>	<b>7,225</b>	<b>122,428</b>	<b>4,687</b>	<b>-</b>	<b>27,881</b>	<b>154,996</b>
<b>Net book value/carrying amount at September 30 2014</b>	<b>102,699</b>	<b>45,654</b>	<b>4,858</b>	<b>153,211</b>	<b>8,236</b>	<b>62</b>	<b>383,934</b>	<b>545,443</b>

	Acquired intangible assets							
	Trademarks & brands	Customer relation- ships	Databases	Total acquired intangible assets	Licences & software	Intangible assets in develop- ment	Goodwill	Total
	2013	2013	2013	2013	2013	2013	2013	2013
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>2013</b>								
<b>Cost/carrying amount</b>								
At October 1 2012	139,259	77,103	9,171	<b>225,533</b>	2,865	625	362,267	<b>591,290</b>
Additions	-	-	-	-	216	6,098	-	<b>6,314</b>
Acquisitions	10,261	13,118	-	<b>23,379</b>	-	-	25,271	<b>48,650</b>
Disposals	-	-	-	-	(41)	-	-	<b>(41)</b>
Exchange differences	(884)	(362)	(21)	<b>(1,267)</b>	(17)	(33)	(2,020)	<b>(3,337)</b>
<b>At September 30 2013</b>	<b>148,636</b>	<b>89,859</b>	<b>9,150</b>	<b>247,645</b>	<b>3,023</b>	<b>6,690</b>	<b>385,518</b>	<b>642,876</b>
<b>Amortisation and impairment</b>								
At October 1 2012	47,480	37,572	5,262	<b>90,314</b>	2,466	-	29,202	<b>121,982</b>
Amortisation charge	7,479	7,572	839	<b>15,890</b>	301	-	-	<b>16,191</b>
Disposals	-	-	-	-	(41)	-	-	<b>(41)</b>
Exchange differences	(213)	(323)	(58)	<b>(594)</b>	(17)	-	(258)	<b>(869)</b>
<b>At September 30 2013</b>	<b>54,746</b>	<b>44,821</b>	<b>6,043</b>	<b>105,610</b>	<b>2,709</b>	<b>-</b>	<b>28,944</b>	<b>137,263</b>
<b>Net book value/carrying amount at September 30 2013</b>	<b>93,890</b>	<b>45,038</b>	<b>3,107</b>	<b>142,035</b>	<b>314</b>	<b>6,690</b>	<b>356,574</b>	<b>505,613</b>

## 10 Deferred income

	2014 £000's	2013 £000's
Deferred subscription income	94,447	90,401
Other deferred income	27,816	26,895
	<b>122,263</b>	<b>117,296</b>

## 11 Called up share capital

	2014 £000's	2013 £000's
<b>Allotted, called up and fully paid</b>		
128,133,417 ordinary shares of 0.25p each (2013: 126,457,324 ordinary shares of 0.25p each)	<b>320</b>	316

During the year, 1,676,093 ordinary shares of 0.25p each (2013: 2,107,793 ordinary shares) with an aggregate nominal value of £4,191 (2013: £5,270) were issued following the exercise of share options granted under the company's share option schemes for a cash consideration of £306,472 (2013: £2,228,590).

## 12 Acquisition commitments and deferred consideration

The group is party to contingent consideration arrangements in the form of both acquisition commitments and deferred consideration payments. IAS 39 'Financial Instruments' requires the group to recognise the discounted present value of the contingent consideration. This discount is unwound as a notional interest charge to the Income Statement. The group regularly performs a review of the underlying businesses to assess the impact on the fair value of the contingent consideration. Any resultant change in these fair values is reported as a finance income or expense in the Income Statement.

	Acquisition commitments		Deferred consideration	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's
At October 1	15,037	7,868	11,646	77
Additions from acquisitions during the year	-	4,404	-	12,177
Reduction from disposals during the year	-	-	(2,214)	-
Net movements in finance income and expense during the year (note 4)	(1,298)	2,888	1,873	4,721
Exercise of commitments	(247)	(82)	-	-
Paid during the year	(111)	-	(2,738)	(5,329)
Exchange differences to reserves	(16)	(41)	(64)	-
<b>At September 30</b>	<b>13,365</b>	<b>15,037</b>	<b>8,503</b>	<b>11,646</b>

Exchange differences to reserves were recorded within net exchange differences on translation of net investments in overseas subsidiary undertakings in the Statement of Comprehensive Income.

### Reconciliation of finance income and expense (note 4):

	Acquisition commitments		Deferred consideration	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's
Fair value adjustment during the year	(2,682)	1,619	800	3,887
Imputed interest	1,384	1,269	1,073	834
<b>Net movements included in finance income and expense</b>	<b>(1,298)</b>	<b>2,888</b>	<b>1,873</b>	<b>4,721</b>
<b>Unrealised (income)/expense included in net movements during the year</b>	<b>(2,485)</b>	<b>1,641</b>	<b>753</b>	<b>3,887</b>

## 12 Acquisition commitments and deferred consideration *continued*

### Maturity profile of contingent consideration:

	Acquisition commitments		Deferred consideration	
	2014 £000's	2013 £000's	2014 £000's	2013 £000's
<b>Assets</b>				
Prepayments (included in trade and other receivables)	-	-	-	(4,479)
Within one year (included in current assets)	-	-	(354)	-
In more than one year (included in non-current assets)	-	-	(1,532)	-
	-	-	(1,886)	(4,479)
<b>Liabilities</b>				
Within one year (included in current liabilities)	2,088	539	10,389	7,040
In more than one year (included in non-current liabilities)	11,277	14,498	-	9,085
	13,365	15,037	10,389	16,125
	13,365	15,037	8,503	11,646

The prepayments in 2013 represent deferred consideration paid in advance into escrow following the acquisitions of Insider Publishing (£2,400,000) and CIE (A\$3,600,000, (£2,079,000)). The escrows were released in financial year 2014 (note 8).

There is a deferred tax asset of £40,000 (2013: £168,000) relating to the acquisition commitments.

The discounted acquisition commitment and deferred consideration are based on pre-determined multiples of future profits of the businesses, and have been estimated on an acquisition by acquisition basis using available performance forecasts. The directors derive their estimates from internal business plans and financial due diligence. At September 30 2014, the weighted average growth rates used in estimating the expected profits range was 5%.

A one percentage point increase or decrease in growth rate in estimating the expected profits results in the acquisition commitment and deferred consideration liability at September 30 2014 increasing or decreasing by £186,000 and £255,000 respectively with the corresponding change to the value at September 30 2014 charged to the Income Statement in future periods.

## 13 Related party transactions

The group has taken advantage of the exemption allowed under IAS 24 'Related Party Disclosures' not to disclose transactions and balances between group companies that have been eliminated on consolidation. Other related party transactions and balances are detailed below:

- (i) The group had borrowings under a US\$160 million multi-currency facility with Daily Mail and General Holdings Limited (DMGH), a Daily Mail and General Trust plc (DMGT) group company, as follows:

	2014 US\$000's	2014 £000's	2013 US\$000's	2013 £000's
Amounts owing under US\$ facility at September 30	62,486	38,543	34,782	21,478
Amounts owing under GBP facility at September 30	-	7,895	-	-
Amounts due under current account facility at September 30	(1,234)	(761)	(2,108)	(1,301)
		45,677		20,177
Fees on the available facility for the year	-	417	-	856

- (ii) During the year the group expensed services provided by DMGT, the group's parent, and other fellow group companies, as follows:

	2014 £000's	2013 £000's
Services expensed	503	424

- (iii) Last year the group paid interest to DMGH and related companies in respect of interest rate swaps as follows:

	2014 US\$000's	2014 £000's	2013 US\$000's	2013 £000's
US\$ interest paid	-	-	963	617
GBP interest paid	-	-	-	50

### 13 Related party transactions *continued*

(iv) During the year DMGT group companies surrendered tax losses to Euromoney Consortium Limited under an agreement between the two groups. These tax losses are relievably against UK taxable profits of the group under HMRC's consortium relief rules:

	2014 £000's	2013 £000's
Amounts payable	1,626	1,971
Tax losses with tax value	2,168	2,628
Amounts owed by DMGT group at September 30	(387)	-

(v) During the year DMGT group companies surrendered tax losses to Euromoney Consortium 2 Limited under an agreement between the two groups. These tax losses are relievably against UK taxable profits of the group under HMRC's consortium relief rules:

	2014 £000's	2013 £000's
Amounts payable	226	565
Tax losses with tax value	302	754
Amounts owed by DMGT group at September 30	(226)	473

(vi) During the year the group received dividends from its associate undertakings:

	2014 £000's	2013 £000's
Capital NET Limited	291	268
GGA Pte. Limited	32	-
	323	268

### 14 Events after the balance sheet date

#### *Dividend*

The directors propose a final dividend of 16.00p per share (2013: 15.75p) totalling £20,212,000 (2013: £19,908,000) for the year ended September 30 2014. Subject to shareholder approval at the AGM on January 29 2015, this will be paid on Thursday February 12 2015 to shareholders on the register on Friday November 28 2014. It is expected that the shares will be marked ex-dividend on Thursday November 27 2014. In accordance with IAS 10 'Events After the Balance Sheet date', these financial statements do not reflect this dividend payable but will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending September 30 2014. During 2014, a final dividend of 15.75p (2013: 14.75p) per share totalling £19,917,000 (2013: £18,342,000) was paid in respect of the dividend declared for the year ended September 30 2013.

#### *Investment*

##### *Dealogic (New Dealogic)*

On November 5 2014, the group announced it will be acquiring 15.5% equity share capital in New Dealogic, a company incorporated by the Carlyle Group, for US\$59,200,000. The investment is funded through the sale of the group's investment in Capital DATA Limited and Capital NET Limited for a consideration of US\$85,000,000, settled by US\$59,200,000 of ordinary shares in New Dealogic, US\$4,600,000 in cash and US\$21,200,000 of zero-coupon redeemable preference shares in New Dealogic. The deal is set for completion by the end of December 2014. As such the additional IAS 10 'Events after the Reporting Period' disclosures are not provided.

#### *Sale of business*

On October 31 2014, the group completed the sale of its newsletter publications and web site services titled "Compliance Intelligence" (CI), "Fund Director Intelligence" (FD), "Fund Industry Intelligence" (FII), and "Real Estate Finance Intelligence" (REFI) to Pageant Media Limited for an initial cash consideration of US\$150,000, royalty consideration receivable of up to US\$800,000 over a 24 month period from the completion date, and a 50% share in the net profits from the 2015 Fund Industry Intelligence Awards to be held in March 2015. The additional IAS 10 'Events after the Reporting Period' disclosures are not provided because the initial accounting for the disposal is incomplete at the time this report is authorised for issue.




There were no other events after the balance sheet date.

## 15 Principal risks and uncertainties



The principal risks and uncertainties the group faces vary across the different businesses and are identified in the group's risk register. Management of significant risk is regularly on the agenda of the board and other senior management meetings.

The geographical spread and diverse portfolio of businesses within the group help to dilute the impact of some of the group's key risks.

The group's principal risks and uncertainties are summarised below. The arrows provide a pictorial indication of the change in level of perceived risk compared to last year.



Risk	Potential impact	Mitigation	Change
<p><b>Downturn in economy or market sector</b></p> <p>The group generates significant income from certain key geographical regions and market sectors.</p>	<p>Uncertainty in global financial markets increases the risk of a downturn or potential collapse in one or more areas of the business. If this occurs income is likely to be adversely affected and for events businesses some abandonment costs may also be incurred</p>	<p>The group has a diverse product mix and operates in many geographical locations. This reduces dependency on any one sector or region. Management has the ability to cut costs quickly if required or to switch the group's focus to new or unaffected markets e.g. through development of new vertical markets or transferring events to better performing regions.</p>	
<p><b>Travel risk</b></p> <p>The conference, seminar and training businesses account for approximately a third of the group's revenues and profits. The success of these events and courses relies heavily on the confidence in and ability of delegates and speakers to travel internationally</p>	<p>Significant disruptions to or reductions in international travel for any reason could lead to events and courses being postponed or cancelled and could have a significant impact on the group's performance.</p> <p>Past incidents such as transport strikes, extreme weather including hurricanes, terrorist attacks, fears over SARS and swine flu, and natural disasters such as the disruption from volcanic ash in Europe, have all had a negative impact on the group's results, although none materially.</p>	<p>Where possible, contingency plans are in place to minimise the disruption from travel restrictions. Events can be postponed or moved to another location, or increasingly can be attended remotely using online technologies.</p> <p>Cancellation and abandonment insurance is in place for the group's largest events, including Ebola cover for Mining Indaba, the group's newest conference taking place in South Africa in February 2015.</p>	
<p><b>Compliance with laws and regulations</b></p> <p>Group businesses are subject to legislation and regulation in the jurisdictions in which they operate. The key laws and regulations that may have an impact on the group cover areas such as libel, bribery and corruption, competition, data protection, privacy (including e-privacy), health and safety and employment law.</p> <p>More recently new financial regulations being introduced as a result of the financial crisis of 2008 have implications for the group's price reporting, benchmark and indices businesses (see published content risk below).</p>	<p>A breach of legislation or regulations could have a significant impact on the group in terms of additional costs, management time and reputational damage.</p> <p>In recent years responsibilities for managing data protection have increased significantly. The emergence of new online technology is further driving legislation and responsibilities for managing data privacy.</p> <p>Proposed new regulation by the European Union to improve market transparency under which prices, benchmarks and indices are provided, contributed to and used will affect a number of businesses in the group.</p> <p>Failure to comply with laws and regulations in any part of the world could result in significant financial penalties and reputational damage.</p>	<p>Compliance with laws and regulations is taken seriously throughout the group. A Code of Conduct (and supporting policies) sets out appropriate standards of business behaviour and highlights the key legal and regulatory issues affecting group businesses. Divisional and local management are responsible for compliance with applicable local laws and regulations, overseen by the executive committee and the board and supported by internal audit.</p> <p>A new compliance framework for price reporting, benchmark and indices businesses was implemented during the year, formalising standards of conduct, procedural guidance and staff training. Two ethics audits were also completed.</p> <p>The group has strict policies and controls in place for the management of data protection and privacy. This is supported by new computer-based training (CBT) being rolled out worldwide in 2015. The group has website technology to reinforce online legal and regulatory compliance.</p> <p>A new compliance handbook is being provided to all managers in all office locations this year, to support governance and further mitigate compliance risk.</p>	

## 15 Principal risks and uncertainties *continued*



Risk	Potential impact	Mitigation	Change
<p><b>Data integrity, availability and cyber security</b></p> <p>The group uses large quantities of data including customer, employee and commercial data in the ordinary course of its business. The group also publishes data (see published content risk below).</p> <p>The integrity, availability and security of this data is key to the success of the group.</p>	<p>Any challenge to the integrity or availability of information that the group relies upon could result in operational and regulatory challenges, costs to the group, reputational damage to the businesses and the permanent loss of revenue. This risk has increased as the threat of cyber-attack has become more significant. A successful cyber-attack could cause considerable disruption to business operations.</p> <p>The wider use of social media has also increased information risk as negative comments made about the group's products can now spread more easily.</p>	<p>The group has comprehensive information security standards and policies in place which are reviewed on a regular basis. Access to key systems and data is restricted, monitored, and logged with auditable data trails. Restrictions are in place to prevent unauthorised data downloads. The group is subject to regular internal information security audits, supplemented by expert external resource. The group continues to invest in appropriate cyber defences including implementation of intrusion detection systems to mitigate the risk of unauthorised access.</p>	
<p>Information risk has increased as a result of the growing number of cyber-attacks affecting organisations around the world.</p>	<p>Although technological innovations in mobile working, the introduction of cloud-based technologies and the growing use of social media present opportunities for the group, they also introduce new information security risks that need to be managed carefully.</p>	<p>The group's Information Security Group meets regularly to consider and address cyber risks.</p> <p>Comprehensive back-up plans for IT infrastructure and business data are in place to protect the businesses from unnecessary disruption.</p>	
<p>The group's professional indemnity insurance provides cover for cyber risks including cyber-attack and data breach incidents.</p>		<p>The group's professional indemnity insurance provides cover for cyber risks including cyber-attack and data breach incidents.</p>	
<p><b>London, New York, Montreal or Hong Kong wide disaster</b></p> <p>The group's main offices are located in London, New York, Montreal and Hong Kong. A significant incident affecting these cities could lead to disruption to group operations.</p>	<p>An incident affecting one or more of the key offices could disrupt the ordinary operations of the businesses at these locations; a region-wide disaster affecting all offices could have much worse implications with serious management and communication challenges for the group and a potential adverse effect on results.</p> <p>The risk of office space becoming unusable for a prolonged period and a lack of suitable alternative accommodation in the affected area could also cause significant disruption to the business and interfere with delivery of products and services.</p>	<p>Business continuity plans are in place for all businesses. These plans are refreshed annually and a programme is in place for testing. If required, employees can work remotely.</p> <p>The group has robust IT systems with key locations (including the UK, US, Canada and Asia) benefiting from offsite data back-ups, remote recovery sites and third-party 24-hour support contracts for key applications.</p>	
	<p>Incidents affecting key clients or staff in these regions could also give rise to the risk of not achieving forecast results.</p>	<p>The group's business continuity planning helped its New York office to recover quickly and effectively from the significant disruption caused by Hurricane Sandy in 2012, and more recently maintain operations in its Bangkok office during the Thai political crisis earlier this year.</p>	





## 15 Principal risks and uncertainties *continued*

Risk	Potential impact	Mitigation	Change
<p><b>Published content risk</b></p> <p>The group generates a significant amount of its revenue from publishing information and data online in its magazines and journals. As a result, there is an inherent risk of error which, in some instances, may give rise to claims for libel. The rapid development of social media has increased this risk.</p> <p>The transition to online publishing means content is being distributed far quicker and more widely than ever before. This has introduced new challenges for securing and delivering content and effective management of content rights and royalties.</p> <p>The business also publishes databases and data services with a particular focus on high-value proprietary data. There is the potential for errors in data collection and data processing. The group publishes industry pricing benchmarks for the metals markets and more than 1000 equity and bond indices. The group also runs more than 100 reader polls and awards each year.</p>	<p>A successful libel claim could damage the group's reputation. The rise in use of social media, and in particular blogging, has increased this risk. Damage to the reputation of the group arising from libel could lead to a loss of revenue, including income from advertising. In addition there could be costs incurred in defending the claim.</p> <p>The failure to manage content redistribution rights and royalty agreements could lead to overpayment of royalties, loss of intellectual property and additional liabilities for redistribution of content.</p> <p>The integrity of the group's published data is critical to the success of the group's database, research and data services. The group also publishes extensive pricing information and indices for the global metals industries and financial markets. Errors in published data, price assessments or indices could affect the reputation of the group leading to fewer subscribers and lower revenues.</p> <p>Any challenge to the integrity of polls and awards could damage the reputation of the product and by association the rest of the group, resulting in legal costs and a permanent loss of revenue.</p>	<p>The group runs mandatory annual libel courses for all journalists and editors. Controls are in place, including legal review, to approve content that may carry a libel risk. Editorial controls are also in place for social media and this activity is monitored carefully.</p> <p>The group's policy is to own its content and manage redistribution rights tightly. Royalty and redistribution agreements are in place to mitigate risks arising from online publishing. Tight controls have been implemented for the verification, cleaning and processing of data used in its database, research and data services.</p> <p>Processes and methodologies for assessing metals and other commodity prices and calculating indices are clearly defined and documented. All employees involved with publishing pricing information or indices receive relevant training. Robust contractual disclaimers are in place for all businesses that publish pricing data, benchmarks and indices.</p> <p>Polls and awards are regularly audited and a firewall is in place between the commercial arm of the business and the editors.</p> <p>Key staff are aware of the significant risks associated with publishing content and strong internal controls are in place for reporting to senior management if a potential issue arises. These are documented in a publishing risk handbook provided to all journalists. The group also has libel insurance and professional indemnity cover.</p>	
<p><b>Loss of key staff</b></p> <p>The group is reliant on key management and staff across all of its businesses. Many products are dependent on specialist, technical expertise.</p>	<p>The inability to recruit and retain talented people could affect the group's ability to maintain its performance and deliver growth.</p> <p>When key staff leave or retire, there is a risk that knowledge or competitive advantage is lost.</p>	<p>Long-term incentive plans are in place for key staff to encourage retention. The directors remain committed to recruitment and retention of high-quality management and talent, and provide a programme of career opportunity and progression for employees including extensive training and international transfer opportunities.</p> <p>Succession planning is in place for senior management.</p>	

## 15 Principal risks and uncertainties *continued*

Risk	Potential impact	Mitigation	Change
<p><b>Failure of central back-office technology</b></p> <p>The business has invested significantly in central back-office technology to support the transition of the business from print to online publishing.</p> <p>The back-office provides customer and product management, digital rights management, e-commerce and performance and activity reporting. The platform supports a large share of the group's online requirements including key activities for publishing, events and data businesses.</p> <p>The back-office technology is critical to the successful functioning of the online business and hence carries a significant amount of risk.</p>	<p>A failure of the back-office technology may affect the performance, data integrity or availability of the group's products and services. Any extensive failure is likely to affect a large number of businesses and customers, and lead directly to a loss of revenues.</p> <p>Online customers are accessing the group's digital content in an increasing number of ways, including using websites, apps and e-books. The group relies on effective digital rights management technology to provide flexible and secure access to its content. An inability to provide flexible access rights to the group's content could lead to products being less competitive or allow unauthorised access to content, reducing subscription revenues as a result.</p> <p>The group's reliance on key suppliers, particularly IT suppliers, has increased. An operational or financial failure of a key supplier could affect the group's ability to deliver products, services or events with a direct impact on management time and financial results.</p>	<p>The group continues to invest significantly in its central back-office technology. The platform is planned, managed and run by a dedicated, skilled team and its progress and performance are closely monitored by the executive committee and the board.</p> <p>The group has digital rights management technology to ensure its content is adequately secured and changing customer requirements for accessing the group's products and services are met.</p> <p>Operational and financial due diligence is undertaken for all key suppliers as part of a formal risk assessment process. Contingency planning is carried out to mitigate risk from supplier failure.</p> <p>The group has made a substantial investment in e-commerce technology and hosting infrastructure to ensure the back-office platform continues to perform effectively.</p>	
<p><b>Acquisition and disposal risk</b></p> <p>As well as launching and building new businesses, the group continues to make strategic acquisitions where opportunities exist to strengthen the group. The management team reviews a number of potential acquisitions each year with only a small proportion of these going through to the due diligence stage and possible subsequent purchase. The strategy also results in the disposal of businesses that no longer fit the group's strategy.</p>	<p>There is a risk that an acquisition opportunity could be missed. The group could also suffer an impairment loss if an acquired business does not call on expert external advisers where generate the expected returns or fails to operate or grow. Additionally, there is a risk that a newly acquired business is not integrated into the group successfully or that the expected risks of a newly acquired entity are misunderstood. As a consequence a significant amount of management time could be diverted from other operational matters.</p> <p>The group is also subject to disposal risk, possibly failing to achieve optimal value from disposed businesses, failing to identify the time at which businesses should be sold or underestimating the impact on the remaining group from such a disposal.</p>	<p>Senior management perform detailed in-house due diligence on all possible acquisitions and call on expert external advisers where necessary. Acquisition agreements are usually structured to retain key employees in the acquired company and there is close monitoring of performance at board level of the entity concerned post-acquisition. The group acquired Mining Indaba and Infrastructure Journal during the year.</p> <p>The board regularly reviews the group's existing portfolio of businesses to identify under-performing businesses or businesses that no longer fit with the group's strategy and puts in place divestment plans accordingly. In 2014 the group disposed of MIS Training.</p>	

## 15 Principal risks and uncertainties *continued*

Risk	Potential impact	Mitigation	Change
<p><b>Failure of online strategy</b> The emergence of new technologies such as tablets and other mobile devices and the proliferation of social media are changing how customers access and use the group's products and services.</p> <p>The group has established a strategy to meet the many challenges of migrating the publishing businesses from traditional print media to online and to ensure the non-publishing businesses take advantage of new technology when advantageous to do so.</p> <p>This strategy has been pursued for a number of years.</p>	<p>The group's online strategy addresses a number of challenges arising from the group's transition from print media to an online business and changing customer behaviour.</p> <p>Competition has increased, with free content becoming more available on the Internet and new competitors benefiting from lower barriers to entry. A failure to manage pricing effectively or successfully differentiate the group's products and services could negatively affect business results.</p> <p>The customer environment is changing fast with an increasing number spending more time using the Internet. Print circulation is declining and a failure to convert customers from print risks a permanent loss of customers to competitors.</p> <p>Further changes in technology including the widespread use of tablets and other mobile devices and social media such as LinkedIn and Twitter are changing customer behaviour and will introduce new challenges.</p> <p>A failure in the group's online strategy to meet these challenges could result in a permanent loss of revenue.</p>	<p>The group is already embracing these challenges and overall sees the Internet and other technological advances as an opportunity not a threat.</p> <p>Significant investment in the group's online strategy has already been made and will continue for as long as necessary. New content management technology is being implemented across the group to enable more effective publishing to web, print and the rapidly increasing number of mobile platforms coming onto the market. Many of the group's businesses already produce soft copies of publications to supplement the hard copies as well as provide information and content via apps.</p> <p>The group's acquisition strategy has increased the number of online information providers in the business. However, while online revenues are important, the group's product mix reduces dependency on this income. For example, the group generates a third of its profits from its event businesses and face-to-face meetings remain an important part of customers' marketing activities.</p>	
<p><b>Treasury Operations</b> The group treasury function is responsible for executing treasury policy which seeks to manage the group's funding, liquidity and treasury derivatives risks. These include currency exchange rate fluctuations, interest rate risks, counterparty risk and liquidity and debt levels. These risks are described in more detail in note 18 to the group financial statements.</p>	<p>If the treasury policy does not adequately mitigate the group's financial risks or is not correctly executed, it could result in unforeseen derivative losses or higher than expected finance costs.</p> <p>The treasury function undertakes high-value transactions hence there is an inherent high risk of payment fraud or error having an adverse impact on group results.</p>	<p>The tax and treasury committee is responsible for reviewing and approving group treasury policies which are executed by the group treasury.</p> <p>Segregation of duties and authorisation limits are in place for all payments made. The treasury function is also subject to regular internal audit.</p>	
<p><b>Unforeseen Tax Liabilities</b> The group operates within many tax jurisdictions and earnings are therefore subject to taxation at differing rates across these jurisdictions.</p>	<p>The directors endeavour to manage the tax affairs of the group in an efficient manner; however, due to an ever-more complex international tax environment there will always be a level of uncertainty when provisioning for tax liabilities. There is also a risk of tax laws being amended by authorities in the different jurisdictions in which the group operates which could have an adverse effect on the financial results.</p>	<p>External tax experts and in-house tax specialists, reporting to the tax and treasury committee, work together to review all tax arrangements within the group and keep abreast of changes in global tax legislation.</p>	