

NOTE 1 Segment information**Prior year restatement**

The 2009 analysis of turnover and operating profit by regional business has been restated where appropriate. The results of the Washington-based CQ-Roll Call Group have been included in the Americas regional business segment as disclosure of the turnover and operating profits of these businesses would, in the directors' view, be seriously prejudicial to the commercial interests of the Group. The restatement also reflects changes to the management structures of the other regional businesses after the Group was regionalised last year.

	Turnover		Operating profit	
	2010	2009 Restated	2010	2009 Restated
	£000	£000	£000	£000
Analysis by regional business				
United Kingdom	54,465	56,377	16,375	15,320
CEMEA	72,411	82,085	12,193	15,324
Americas and CQ-Roll Call Group	160,125	137,088	24,707	21,058
Asia	29,011	33,127	640	604
Other businesses	3,920	4,120	3,620	3,401
	319,932	312,797	57,535	55,707

Other businesses include Ryder Street Properties (which owns and manages the Economist Complex in London). The Americas turnover includes £23,945,000 in respect of acquisitions and its operating profit includes £1,535,000.

The segmental analysis above includes the following for the discontinued CFO businesses:

	Turnover		Operating profit	
	2010	2009	2010	2009
	£000	£000	£000	£000
CEMEA	454	2,318	(117)	(509)
Americas	8,249	14,305	747	1,803
Asia	-	1,362	55	(1,020)
	8,703	17,985	685	274

NOTE 1 Segment information (continued)

	Turnover		Profit before tax		Net liabilities	
	2010	2009	2010	2009	2010	2009
Analysis by origin of legal entity	£000	£000	£000	£000	£000	£000
United Kingdom	182,442	194,654	37,151	40,162	(78,705)	(31,789)
Europe	5,194	2,529	1,574	295	547	1,720
North America	123,950	106,420	11,926	13,271	73,167	10,366
Asia	8,346	9,194	(638)	1,969	3,202	4,610
	319,932	312,797	50,013	55,697	(1,789)	(15,093)

The above analysis by origin of legal entity in North America includes £23,945,000 turnover, £1,535,000 profit before tax and £2,115,000 net liabilities in respect of acquisitions.

The following is included for discontinued businesses:

	Turnover		Profit before tax		Net liabilities	
	2010	2009	2010	2009	2010	2009
	£000	£000	£000	£000	£000	£000
United Kingdom	454	2,318	(432)	(509)	(8,322)	(7,890)
North America	8,249	15,667	(153)	767	4,775	(468)
	8,703	17,985	(585)	258	(3,547)	(8,358)

	Turnover by customer location	
	2010	2009
	£000	Restated £000
United Kingdom	52,098	53,395
North America	161,270	138,474
Europe	59,321	71,162
Asia	30,456	34,112
Other	16,787	15,654
	319,932	312,797

The above turnover by customer location includes £23,945,000 turnover in respect of acquisitions in North America.

The following is included for discontinued businesses:

	2010	2009
	£000	£000
Europe	454	2,749
North America	8,249	13,849
Asia	-	1,387
	8,703	17,985

NOTE 5 Net interest payable

	2010	2009
	£000	£000
Interest receivable	147	284
Interest payable and similar charges	(5,128)	(1,129)
Other finance (charges)/income	(1,575)	835
	(6,556)	(10)
Interest payable on bank overdrafts and loans	(1,971)	(921)
Amortisation of issue costs of bank loan	(54)	-
Interest payable on other loans	(2,895)	-
Interest payable on finance lease	(208)	(208)
Interest payable and similar charges	(5,128)	(1,129)
Unwinding of discounts on onerous property contract provisions	(25)	(14)
Net return on pension scheme and other post-retirement liabilities	(1,550)	849
Other finance (charges)/income	(1,575)	835

NOTE 6 Profit on ordinary activities before taxation

	2010	2009
	£000	£000
Profit on ordinary activities before taxation is stated after charging the following:		
Auditor's remuneration		
Audit of the company's annual accounts	116	114
Fees payable to the company's auditor and its associates for other services		
Audit of the company's subsidiaries	233	175
Further assurance services	38	75
Tax advice and compliance	305	492
Corporate finance services	360	211
Other services	155	-
Operating lease rentals		
Plant and equipment	268	220
Land and buildings	6,785	5,337
Depreciation and amortisation		
On owned assets	2,793	2,720
On assets held by finance lease	55	55
Amortisation of goodwill	4,573	1,870
Costs incurred in reorganising acquired businesses	1,138	77

NOTE 23 Notes to consolidated cashflow statement

Reconciliation of operating profit to net cash inflow from operating activities	2010			2009		
	Continuing £000	Discontinued £000	Total £000	Continuing £000	Discontinued £000	Total £000
Operating profit	56,850	685	57,535	55,433	274	55,707
Depreciation of tangible fixed assets	2,738	110	2,848	2,578	197	2,775
Goodwill amortisation	4,573	-	4,573	1,870	-	1,870
Loss on sale of tangible fixed assets	511	-	511	18	-	18
Decrease in stocks	751	116	867	420	163	583
Decrease in debtors	454	39	493	2,853	574	3,427
Decrease in creditors	(171)	(1,273)	(1,444)	(7,451)	(1,155)	(8,606)
Increase in unexpired subscriptions and deferred revenue	5,313	146	5,459	3,899	(167)	3,732
Decrease in provisions	(7,435)	-	(7,435)	(2,816)	-	(2,816)
Net cash inflow from operating activities	63,584	(177)	63,407	56,804	(114)	56,690

Net cash inflow from operating activities was reduced by £5,000,000 due to special defined-benefit pension contributions (2009: £nil).

Analysis of net funds/(debt)	At April 1st		Debt £000	Acquisitions £000	Other		At March 31st 2010 £000
	2009 £000	Cashflow £000			non-cash changes £000	Exchange movement £000	
Cash in hand	11,389	23,499	-	3	-	(2,264)	32,627
Cash placed on short-term deposits	30,965	(21,668)	-	-	-	(771)	8,526
Total cash balances	42,354	1,831	-	3	-	(3,035)	41,153
Debt due within one year	(4,210)	-	3,782	-	(5,627)	428	(5,627)
Debt due after one year	(25,232)	-	(51,705)	-	6,384	(3,166)	(73,719)
Finance leases due within one year	(1)	1	-	-	(1)	-	(1)
Finance leases due after one year	(2,521)	-	-	-	1	-	(2,520)
Net funds/(debt)	10,390	1,832	(47,923)	3	757	(5,773)	(40,714)

At March 31st 2010 cash balances included £1,929,000 (2009: £1,828,000) of deposits collected from tenants of the Group's property business. This cash is only accessible in the event of the tenant defaulting.

NOTE 24 Pension and other post-retirement liabilities

	2010	2009
Analysis of pension and other post-retirement liabilities and assets (net of deferred tax)	£000	£000
UK Group scheme	2,164	(3,987)
Post-retirement benefits	(2,445)	(2,305)
	(281)	(6,292)

The Group operates pension schemes for most of its employees throughout the world, which are funded by the Group. The main scheme for UK staff who joined before 2003 (the UK Group scheme) provides funded defined benefits. The scheme has a defined contribution underpin and provides for those employees who joined before 2003, for the better of defined benefit and defined contribution benefits. Defined contribution schemes are operated for UK and non-UK staff. In addition, the Group provides unfunded, unapproved pension arrangements in respect of certain employees. The assets of each scheme are held in separate trustee-administered funds with independent qualified actuaries or other professionals acting as advisers. Actuarial valuations are undertaken at regular intervals.

The defined-benefit scheme has been closed to new members since January 1st 2003; a defined contribution scheme is now available to new joiners. As a result, under the projected unit credit method, the current service cost is expected to increase as members approach retirement. The company contributed 21.7% of pensionable salaries and £350,000 to fund ongoing service costs and scheme expenses. It also contributed £6,292,000 in the year to repay the deficit. The best estimate of contributions expected to be paid to the scheme in 2011 is £3,622,000.

The most recent full actuarial valuation of the UK defined-benefit scheme was at January 1st 2007. This showed the market value of assets of the main UK scheme to be £156,656,000. The actuarial valuation of pension liabilities was £181,472,000, leaving a deficit of £24,816,000. The actuarial method used for the valuation was the projected unit credit method. The Minimum Funding Requirement was replaced by the Scheme Specific Funding (SSF) regulations from completion of the January 1st 2007 valuation. The foregoing liabilities represent the SSF Technical Provisions as agreed by the Group and the trustees. The SSF level of funding was 86%. The valuation was updated to March 31st 2007 and showed the market value of assets to be £159,218,000 and the actuarial valuation of pension liabilities £171,112,000, leaving a deficit of £11,894,000. The March 2007 valuation was used as a basis for determining the ongoing company funding rate, effective December 1st 2007. The next valuation is currently being performed with an effective date as of January 1st 2010 in accordance with the statutory funding objective. The results are not yet available.

The FRS 17 valuation reflects HM Revenue and Custom (HMRC) rules relating to commutation of tax-free cash effective April 6th 2006. Past scheme experience indicates that the majority of retirees take the maximum level of cash available. Cash commutation factors, which are regularly reviewed by the trustees, remained based around a factor of 13:1 at age 65.

The main overseas schemes and one UK scheme are based on defined contributions; amounts totalling £473,000 (2009: £349,000) were accrued in respect of these schemes at year end.