

30 DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments, other than acquisition option commitments, are summarised as follows:

	2007 £m	2006 £m
Non-current assets		
Derivative financial assets	14.4	12.4
Current assets		
Derivative financial assets	16.1	26.9
Non-current liabilities		
Derivative financial liabilities	(8.1)	(1.6)
Current liabilities		
Derivative financial liabilities	(4.8)	(2.9)
Net derivative financial assets	17.6	34.8

The maturity profile of the Group's derivative financial assets is as follows:

	Cash flow hedges £m	Net investment hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial assets £m
2007				
Within one year	0.3	10.0	5.8	16.1
Between one and two years	-	-	1.5	1.5
Between two and five years	-	-	-	-
Over five years	-	12.2	0.7	12.9
	-	12.2	2.2	14.4
	0.3	22.2	8.0	30.5
2006				
Within one year	1.1	2.2	23.6	26.9
Between one and two years	0.3	5.0	0.6	5.9
Between two and five years	-	1.6	1.4	3.0
Over five years	-	3.5	-	3.5
	0.3	10.1	2.0	12.4
	1.4	12.3	25.6	39.3

30 DERIVATIVE FINANCIAL INSTRUMENTS CONTINUED

The maturity profile of the Group's financial liabilities is as follows:

	Fair value hedges £m	Cash flow hedges £m	Net investment hedges £m	Derivative not qualifying for hedge accounting £m	Derivative financial liabilities £m
2007					
Within one year	-	(0.6)	(1.3)	(2.9)	(4.8)
Between one and two years	-	-	-	-	-
Between two and five years	-	-	(0.9)	-	(0.9)
Over five years	(5.8)	-	(1.4)	-	(7.2)
	(5.8)	-	(2.3)	-	(8.1)
	(5.8)	(0.6)	(3.6)	(2.9)	(12.9)
2006					
Within one year	-	-	(0.8)	(0.8)	(1.6)
Between one and two years	-	-	-	-	-
Between two and five years	-	-	-	-	-
Over five years	(2.3)	-	(0.6)	-	(2.9)
	(2.3)	-	(0.6)	-	(2.9)
	(2.3)	-	(1.4)	(0.8)	(4.5)

31 FINANCIAL ASSETS AND LIABILITIES

The Group's treasury policies are set out in the Financial and Treasury Review on pages 33 to 35.

The maturity profile of the Group's borrowings is as follows:

	Overdrafts £m	Bank loans £m	Bonds £m	Loan notes £m	Total £m
2007					
Within one year	6.4	-	-	36.8	43.2
Between one and two years	-	-	-	-	-
Between two and five years	-	144.2	-	-	144.2
Over five years	-	-	838.5	-	838.5
	-	144.2	838.5	-	982.7
	6.4	144.2	838.5	36.8	1,025.9
2006					
Within one year	1.2	1.7	-	9.4	12.3
Between one and two years	-	-	-	-	-
Between two and five years	-	178.1	-	-	178.1
Over five years	-	-	653.9	-	653.9
	-	178.1	653.9	-	832.0
	1.2	179.8	653.9	9.4	844.3

31 FINANCIAL ASSETS AND LIABILITIES CONTINUED

Fixed and floating rate borrowings, before taking account of derivative instruments, are analysed by type of debt and currency as follows:

	Overdrafts £m	Bank loans £m	Bonds £m	Loan notes £m	Total £m
2007					
Sterling	0.9	79.0	838.5	33.4	951.8
US dollar	3.2	65.2	–	3.4	71.8
Euro	2.1	–	–	–	2.1
Other	0.2	–	–	–	0.2
	6.4	144.2	838.5	36.8	1,025.9
Analysed as:					
Fixed rate interest	–	–	838.5	–	838.5
Floating rate interest	6.4	144.2	–	36.8	187.4
	6.4	144.2	838.5	36.8	1,025.9
2006					
Sterling	0.2	38.6	653.9	9.4	702.1
US dollar	1.0	136.1	–	–	137.1
Euro	–	3.5	–	–	3.5
Other	–	1.6	–	–	1.6
	1.2	179.8	653.9	9.4	844.3
Analysed as:					
Fixed rate interest	–	–	653.9	–	653.9
Floating rate interest	1.2	179.8	–	9.4	190.4
	1.2	179.8	653.9	9.4	844.3

The above currency borrowings are analysed by types of interest rate as follows:

	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
2007					
Analysed as:					
Fixed rate interest	838.5	–	–	–	838.5
Floating rate interest	113.3	71.8	2.1	0.2	187.4
	951.8	71.8	2.1	0.2	1,025.9
2006					
Analysed as:					
Fixed rate interest	653.9	–	–	–	653.9
Floating rate interest	48.2	137.1	3.5	1.6	190.4
	702.1	137.1	3.5	1.6	844.3

31 FINANCIAL ASSETS AND LIABILITIES CONTINUED

Analysis by currency and interest rate profile, stated after taking account of derivative instruments, excluding the effect of forward currency contracts, as at 30th September, 2007 and at 1st October, 2006, was as follows:

	Sterling £m	US dollar £m	Australian £m	Euro £m	Other £m	Total £m
2007						
Analysed as:						
Fixed rate interest	489.8	319.0	18.7	–	–	827.5
Floating rate interest	188.3	7.8	–	2.1	0.2	198.4
	678.1	326.8	18.7	2.1	0.2	1,025.9
2006						
Analysed as:						
Fixed rate interest	298.5	287.9	42.3	–	–	628.7
Floating rate interest	121.6	88.9	–	3.5	1.6	215.6
	420.1	376.8	42.3	3.5	1.6	844.3

The above tables do not take into consideration the effect of US dollar, Australian dollar, Euro and Canadian dollar forward contracts which are used by the Group to create 'synthetic currency debt'. The impact of including these derivatives on the above table would be as follows:

	Sterling £m	US dollar £m	Australian £m	Euro £m	Other £m	Total £m
2007						
Analysed as:						
Fixed rate interest	489.8	319.0	18.7	–	–	827.5
Floating rate interest	68.1	127.6	0.4	2.1	0.2	198.4
	557.9	446.6	19.1	2.1	0.2	1,025.9
2006						
Analysed as:						
Fixed rate interest	298.5	287.9	42.3	–	–	628.7
Floating rate interest	99.1	117.1	(14.0)	7.3	6.1	215.6
	397.6	405.0	28.3	7.3	6.1	844.3

The Group has issued loan notes which attract interest at rates of approximately LIBID to LIBID minus 1%. The loan notes are repayable at the option of the loan note holders with a six month notice period and are treated as a current liability.

The interest rates charged on the Group's bank loans are based on LIBOR plus a margin and ranged as follows:

	2007 High %	2007 Low %	2006 High %	2006 Low %
Sterling	7.30	4.23	5.61	4.72
US dollar	6.23	5.32	5.86	4.07
Australian dollar	–	–	6.54	5.75

31 FINANCIAL ASSETS AND LIABILITIES CONTINUED

The Group's bonds have been adjusted from their nominal values to take account of premia, direct issue costs and discounts. The issue costs, premia and discounts are amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £3.7 million (2006 £3.2 million) and the unamortised premia amounts to £16.2 million (2006 £19.4 million).

A proportion of the Group's bonds are hedged using fixed to floating swaps. Changes in the fair value of the swaps are recognised in the income statement and at the same time the carrying value of the hedged bonds is adjusted for movements in the hedged risk to the extent effective and those adjustments are also recognised in the income statement.

During the year the Group redeemed £9.4 million of its existing 2021 bonds at a cost of £12.6 million and issued a new 20-year £200 million 6.375% bond receiving proceeds amounting to £197.8 million after costs of £2.2 million were deducted.

The nominal values of the bonds are as follows:

	2007 £m	2006 £m
7.5% Bonds 2013	300.0	300.0
5.75% Bond 2018	175.0	175.0
10% Bonds 2021	156.4	165.0
6.375% Bonds 2027	200.0	–
	831.4	640.0

The Group also had outstanding interest rate swaps of £75.0 million (2006 £75.0 million) with the Group paying floating rates of between 4.71% and 4.76% (2006 4.71% and 4.76%). In the prior year the Group had a US\$ interest rate swap outstanding amounting to a principal of US\$10.0 million with the Group paying a fixed rate of 5.00%.

The Group also had outstanding cross currency, fixed to fixed, interest rate swaps. These amounted to £255.5 million/US\$485 million (2006 £239.6 million/US\$430.1 million) resulting in the Group paying fixed US dollar interest at rates of between 4.40% and 6.07% (2006 2.62% and 5.34%), £18.8 million/Aus\$45.0 million (2006 £41.8 million/Aus\$100.0 million) with the Group paying fixed Australian dollar interest at rates of between 6.15% and 6.22% (2006 5.66% and 6.44%). In the prior year the Group also had outstanding ¥23.4 billion/£127.8 million with the Group paying fixed Japanese Yen interest of JPY 0.90%.

The Group also had a number of outstanding interest rate caps. These amounted to US\$130.0 million notional (2006 US\$60.0 million) at rates of between 4.00% and 6.00% (2006 4.00% and 6.00%).

The Group's cross currency swaps and forward contracts are treated as net investment hedges, hedging the Group's overseas investments and the swaps are all treated as fair value hedges.

The effect of these derivatives on the Group's interest rate exposure on bonds and bank debt is as follows:

	Including the effect of financial instruments		Excluding the effect of financial instruments	
	2007 %	2006 %	2007 %	2006 %
Sterling bank loans	5.83	4.79	5.83	4.79
US dollar bank loans	5.70	5.30	5.70	5.30
Australian dollar bank loans	–	6.02	–	6.02
Bonds	6.78	6.83	7.33	7.67

Market risk

The Group's primary market risks are interest rate fluctuations and exchange rate movements. Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist.

The fair values of interest rate swaps, interest rate options and forward foreign exchange contracts set out below represent the replacement costs calculated using market rates of interest and exchange at 30th September, 2007. The fair value of long-term borrowings has been calculated by discounting expected future cash flows at market rates for disclosures purposes only.

Interest rate risk

The Group's interest rate exposure management policy is aimed at reducing the exposure of the consolidated businesses to changes in interest rates. This is achieved by issuing fixed rate sterling bond debt and through interest rate hedges described above. The tables on the preceding pages provide an analysis of the Group's exposure to fixed and floating rate debt. The Group's exposure to cash flow risk is considered low in comparison to the Group's total interest rate risk.

31 FINANCIAL ASSETS AND LIABILITIES CONTINUED

The carrying and fair values of the Group's financial instruments are set out in the table below:

	2007 Carrying value £m	2007 Fair value £m	2006 Carrying value £m	2006 Fair value £m
Trade and other receivables	434.3	434.3	367.6	367.6
Cash and cash equivalents	70.4	70.4	97.3	97.3
Trade and other payables	621.7	621.7	526.7	526.7
Short-term borrowings	43.2	43.2	12.3	12.3
Long-term borrowings	982.7	1,028.6	832.0	905.1
Interest rate swaps (swapping fixed rate debt to floating)	(5.8)	(5.8)	(2.3)	(2.3)
Interest rate caps	0.8	0.8	-	-
Fixed to fixed cross currency swaps	10.3	10.3	33.6	33.6
Forward foreign exchange contracts	4.7	4.7	-	-

Short-term borrowings comprise bank loans, overdrafts, finance lease and deferred consideration. Long-term borrowings comprise bank loans, bonds and deferred consideration.

Foreign exchange rate risk

Translation exposures arise on the earnings and net assets of business operations in countries with currencies other than those of each of the parent companies, most particularly in respect of the US businesses. The net asset exposures are hedged, to a significant extent, by a policy of denominating borrowings in currencies where significant translation exposures exist, most notably US dollars.

Credit risk

The Group seeks to limit interest rate and foreign exchange risks described above by the use of financial instruments and as a result has a credit risk from the potential non-performance by the counterparties to these financial instruments, which are unsecured. The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged. The Group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents. Credit risks are controlled by monitoring the credit quality of these counterparties, principally licensed commercial banks and investment banks with strong long-term credit ratings, and of the amounts outstanding with each of them.

The Group has treasury policies in place which do not allow concentrations of risk with individual counterparties and do not allow significant treasury exposures with counterparties which are rated lower than AA by Standard and Poor's, Moody's or Fitch.

There is no concentration of debtors in the Group.

The Group considers its maximum exposure to credit risk to be as follows:

	2007 £m	2006 £m
Trade and other receivables	360.9	324.5
Bank deposits	70.4	97.3
Derivative financial instruments	30.5	39.3
Expiring in more than one year		
Trade and other receivables	4.0	4.1
	465.8	465.2

Liquidity risk

The Group ensures that there are sufficient committed loan facilities in order to meet short-term business requirements after taking into account the Group's holding of cash and cash equivalents together with any distribution restrictions which exist. It is believed that these facilities together with the Group's bond issuances will be sufficient to cover the likely short- and long-term cash requirements of the Group.

Associates, joint ventures and other investments will in general arrange and maintain their own financing and funding requirements. In most cases such financing will be non-recourse to DMGT plc.

31 FINANCIAL ASSETS AND LIABILITIES CONTINUED

Committed borrowing facilities

The Group's borrowing facilities, which are unsecured, bear interest charged at LIBOR plus a margin based on the Group's ratio of net debt to EBITDA. Additionally each facility contains a covenant based on a minimum interest cover ratio.

The following undrawn committed borrowing facilities were available to the Group as at 30th September, 2007 and at 1st October, 2006, in respect of which all conditions precedent had been met:

	2007 £m	2006 £m
Expiring in less than one year	120.0	-
Expiring in less than one year	-	-
Expiring in more than one year but not more than two years	-	260.0
Expiring in more than two years	119.5	115.2
	239.5	375.2

Fair value hedges

The Group's policy is to use interest rate swaps to convert a proportion of its fixed rate debt to floating rates in order to hedge the interest rate risk with changes in fair value of the hedging instrument recognised in the income statement for the period together with the changes in the fair value of the hedged item due to the hedged risk, to the extent the hedge is effective.

The Group has entered into interest rate swaps to hedge the exposure to changes in the fair value of fixed rate borrowings due to interest rate movements which could affect the income statement.

Interest rate derivatives with a principal amount of £75.0 million (2006 £75.0 million) were in place at 30th September, 2007 swapping fixed rate sterling debt into floating rate sterling debt.

The gains and losses on the borrowings and related derivatives designated as fair value hedges included in the income statement for the year ended 30th September, 2007 were:

	1st October, 2006 £m	Fair value movement gain/(loss) £m	30th September, 2007 £m
Sterling interest rate swaps	(2.3)	(3.0)	(5.3)
Sterling debt	2.3	3.0	5.3
Total	-	-	-

Cash flow hedges

The Group enters into two types of cash flow hedge: fixed to fixed cross currency interest rate swaps and foreign exchange derivatives which fix the exchange rate on a portion of future currency expenditure.

All cash flow hedges were effective throughout the year ended 30th September, 2007.

Net investment hedges

The Group enters into forward currency sales and cross currency swaps to hedge the Group's investment in foreign operations.

All net investment hedges were effective throughout the year ended 30th September, 2007.

Tax equalisation swaps

The Group enters into forward currency sales/purchases which hedge tax payable/receivable when long-term intercompany non-trading balances are revalued ("Tax Equalisation Swaps").

Tax Equalisation Swaps are not designated as hedging instruments under IAS 39.

31 FINANCIAL ASSETS AND LIABILITIES CONTINUED

Financial Assets

Currency and interest rate composition of financial assets

Currency	Non-current assets available-for-sale investments £m	Cash and cash equivalents £m	Total £m
2007			
Sterling	50.2	19.2	69.4
US dollar	2.1	24.6	26.7
Australian dollar	–	2.4	2.4
Canadian dollar	–	0.8	0.8
Euro	–	8.2	8.2
Other	–	15.2	15.2
	52.3	70.4	122.7
Of which:			
Floating rate interest	52.3	70.4	122.7

Currency	Non-current assets available for sale investments £m	Cash and cash equivalents £m	Total £m
2006			
Sterling	69.4	41.1	110.5
US dollar	1.8	29.8	31.6
Australian dollar	2.0	0.8	2.8
Euro	–	15.0	15.0
Other	–	10.6	10.6
	73.2	97.3	170.5
Of which:			
Floating rate interest	70.8	97.3	168.1
Non-interest bearing	2.4	–	2.4
	73.2	97.3	170.5

Financial asset maturity profile

The maturity profile of the carrying value of the Group's financial assets at the end of the year was as follows:

	2007 £m	2006 £m
In one year or less, or on demand	122.7	170.5

31 FINANCIAL ASSETS AND LIABILITIES CONTINUED

The interest rates received on the Group's sterling bank deposits ranged as follows:

	2007 High %	2007 Low %	2006 High %	2006 Low %
Cash and cash equivalent	5.80	4.47	4.70	4.05

32 RETIREMENT BENEFITS

The newspaper divisions of the Group operate a number of pension schemes covering most major UK group companies under which contributions are paid by the employer and employees.

The schemes for most employees are funded defined benefit pension arrangements, providing service-related benefits, based on final pensionable salary. In addition, a number of defined contribution pension plans are operated by certain divisions of the Group where this type of pension provision aligns with the business model. The assets of all the schemes are held independently from the Group's finances and in the UK are administered by trustees or trustee companies.

The total net pension costs of the Group for the year ended 30th September, 2007 were £31.1 million (2006 £34.4 million).

Aberdeen Journals

The sale by the Group of Aberdeen Journals Limited on 2nd April, 2006 crystallised from a pensions viewpoint on 30th September, 2006 following a period of continued participation by employees of that company in the Group's defined benefit pension schemes. The sale triggered payments totalling £25.9 million to these schemes to deal with the debts arising under Section 75 of the Pensions Act 2004. The payment was received by the schemes on 9th February, 2007. A number of the members involved agreed to transfer their accrued pension benefits to their new employer's pension scheme, and an appropriate payment was made from the DMGT schemes in this respect.

Metal Bulletin

The acquisition by Euromoney Institutional Investor plc of Metal Bulletin plc on 6th October, 2006 included a defined benefit obligation in respect of the Metal Bulletin Pension Scheme (MBPS). As a result of this acquisition, at that date the defined benefit obligation of the Group increased by £21.7 million and the fair value of pension scheme assets increased by £17.7 million resulting in an increase of the net pension liability of £4.0 million. The impact of the acquisition of MBPS on the balance sheet disclosures, and the subsequent pension costs arising, are included in the figures reported below.

Defined Benefit Schemes

Each of the defined benefit schemes operated by the Group are administered by a trustee company which is required to act in the best interest of the beneficiaries of that scheme. The appointment of trustee directors is determined by the trust documentation of each scheme, and associated legislation, and requires the appointment of both Company and Member-nominated Directors (MNDs). The selection of MNDs has to date been in accordance with the opt-out arrangements put forward by the principal employer in July 1997, as permitted under The Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 1996. However, these arrangements expired in July 2007, and new legislation is in place. Each trustee company is currently reviewing its procedures on the nomination and selection of MNDs and will communicate the new arrangements to members within the next few months.

The Group has informed the trustees of the two main schemes, The Mail Newspapers Pension Scheme and The Harmsworth Pension Scheme, of its intention to merge these schemes. The trustees of both schemes have set up a sub-committee to consider the impact of the merger and, in particular, to ensure that the benefits and interests of all scheme members are protected. There will be no change in the benefits provided to any members as a result of the merger. It is expected that the merger will be completed by 30th November, 2007.

Full actuarial valuations are carried out triennially by the actuary using the projected unit credit method. The figures in this note are based on calculations performed as part of the work being carried out for the actuarial valuations of the main schemes as at 31st March, 2007, and adjusted to 30th September, 2007 by the actuary. However, the results of the formal valuation of the schemes as at 31st March, 2007 are not expected to become available until early in 2008.

The company cash contribution rate to the main schemes during the year was 18% of pensionable salaries (2006 18%).

At 30th September, 2007, the defined benefit obligation to the Group relating to the DMGT AVC Plan was £56.6 million (2006 £62.1 million). The assets of the Plan were £66.8 million (2006 £65.7 million), producing a surplus of £10.2 million (2006 £3.6 million). However, as indicated in the disclosures below, an adjustment has been made to cap the value of assets in the Plan since the surplus is not recoverable by the Group. Thus, the net value of the Plan in the Group balance sheet is £nil (2006 £nil). The Plan is closed to further member contributions. The Plan has had no impact on the pension cost reported in these financial statements.

The main schemes have a two-tiered benefit structure represented by a "Standard" section and a "Pension +" section. In the "Standard" section, employees pay contributions of 5% of pensionable salaries and have benefits based on a normal retirement age of 65. Under the "Pension +" section, employees currently pay contributions of 7.5% and enjoy a higher benefit accrual rate and lower normal retirement age than in the "Standard" section. The schemes remain open to eligible new employees who, after one year's service, can join the "Standard" section with an option to join the "Pension +" section after a further four years' service. Members are able to make additional voluntary contributions (AVCs) into unit-linked funds held within each scheme. No benefit obligation arises to the Group from these AVCs and the related unit-linked AVC assets have been excluded from the scheme assets reported below.

32 RETIREMENT BENEFITS CONTINUED

A reconciliation of the net pension obligation reported in the balance sheet is shown in the following table:

	2007 schemes in surplus	2007 schemes in deficit	2007 Total £m	2006 schemes in deficit
Present value of defined benefit obligation	(1,556.0)	(221.1)	(1,777.1)	(1,830.1)
Assets at fair value	1,648.2	219.7	1,867.9	1,682.4
Impact of asset ceiling on AVC Plan	(10.2)	-	(10.2)	(3.6)
Surplus/(Deficit) reported in the balance sheet	82.0	(1.4)	80.6	(151.3)

The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its balance sheet. Having taken account of the rules of the schemes, the fact that the schemes remain open to new accrual, and the current and anticipated levels of service cost and cash contributions, the Company considers that recognition of the schemes' surpluses on its balance sheet is in accordance with the interpretations of IFRIC 14. In 2006, all schemes were in deficit.

The surplus for the year, set out above, excludes a related deferred tax liability of £22.5 million (2006 asset £37.6 million).

A reconciliation of the present value of the defined benefit obligation is shown in the following table:

	2007 £m	2006 £m
Defined benefit obligation at start of year	(1,830.1)	(1,717.3)
Service cost	(44.8)	(50.0)
Interest cost	(92.1)	(85.9)
Past service cost	(1.3)	(2.9)
Settlements/curtailments	-	5.9
Member contributions	(9.1)	(9.6)
Benefit payments	72.3	72.7
Bulk transfer to Aberdeen Journals	20.4	-
Acquisition of Metal Bulletin	(21.7)	-
Actuarial movement	129.3	(43.0)
Defined benefit obligation at the end of year	(1,777.1)	(1,830.1)

A reconciliation of the fair value of assets is shown in the following table:

	2007 £m	2006 £m
Fair value of assets at start of year	1,682.4	1,538.6
Expected return on assets	113.8	106.1
Company contributions	53.2	23.2
Member contributions	9.1	9.6
Bulk transfer to Aberdeen Journals	(20.4)	-
Benefit payments	(72.3)	(72.7)
Acquisition of Metal Bulletin	17.7	-
Actuarial movement	84.4	77.6
Fair value of assets at end of year	1,867.9	1,682.4

32 RETIREMENT BENEFITS CONTINUED

The fair value of the assets held by the pension schemes and the long-term expected rate of return on each class of assets are shown in the following table:

	Equities	Bonds	Property	Other assets	Total
2007					
Value at 30th September, 2007 (m)	1,356.6	254.0	156.0	101.3	1,867.9
% of assets held	72.60	13.60	8.40	5.40	100.00
Long-term rate of return expected at 1st October, 2006 (%)	7.80	4.90	6.50	5.50	7.10
2006					
Value at 1st October, 2006 (m)	1,240.2	175.8	136.0	130.4	1,682.4
% of assets held	73.70	10.40	8.00	7.90	100.00
Long-term rate of return expected at 2nd October, 2005 (%)	7.60	4.40	6.50	4.40	6.90
2005					
Value at 2nd October, 2005 (m)	1,142.7	168.6	122.8	104.5	1,538.6
% of assets held	74.30	10.90	8.00	6.80	100.00
Long-term rate of return expected at 3rd October, 2004 (%)	7.80	4.30	6.50	4.30	7.20

The trust deed of each of the schemes explicitly prohibits investment of the scheme assets in employer-related investments, apart from those required in order that a passively managed UK equity portfolio can be utilised by the trustees. The value of DMGT 'A' Ordinary Non-Voting Shares held by the UK equity passive manager on behalf of the schemes at 30th September, 2007 was £0.7 million (2006 £0.7 million).

The assumption for the expected overall rate of return on assets is a weighted average of the expected returns for each asset class based on the proportion of assets held in each class at the beginning of the year. The expected return on bonds has been selected having regard to gross redemption yields at the start of the year. The expected returns on equities and property are based on a combination of estimated risk premiums over Government bond yields, the gross redemption yields on bonds, and consensus economic forecasts for future returns.

The actual return on plan assets was £198.2 million (2006 £183.7 million) representing the expected return plus the associated actuarial gain or loss during the year.

The main financial assumptions are shown in the following table:

	2007 %	2006 %
Price inflation	3.30	2.90
Salary increases	4.60	4.40
Pension increases	3.30	2.90
Discount rate for scheme liabilities	5.90	5.00
Expected overall rate of return on assets	7.10	6.90

The discount rate for scheme liabilities reflects yields at the balance sheet date on high quality corporate bonds. All assumptions were selected after taking actuarial advice.

Recent improvements in longevity have led to a review of mortality assumptions as a part of the actuarial valuation of the schemes as at 31st March, 2007. As explained above, the results of this valuation are not expected until early 2008. However, the Company has decided to revise the mortality assumptions taking account of scheme experience, 'medium cohort' projections, and an allowance for future improvement in life expectancy. At the same time, the Company has decided to make an allowance for the extent to which employees have chosen to commute part of their pension for cash. Further review of these assumptions will be possible when the results of the formal valuation are known.

The table below illustrates examples of the assumed average life expectancies from age 60 for the principal schemes:

	2007 Future life expectancy from age 60 (years)	2006 Future life expectancy from age 60 (years)
For a current 60-year old male member of the scheme	25.4	23.2
For a current 60-year old female member of the scheme	27.9	26.4
For a current 45-year old male member of the scheme	26.5	24.2
For a current 45-year old female member of the scheme	29.0	27.4

32 RETIREMENT BENEFITS CONTINUED

The amounts charged to the income statement based on the above assumptions are shown in the following table:

	2007 £m	2006 £m
Service cost	44.8	50.0
Interest cost	92.1	85.9
Expected return on assets	(113.8)	(106.1)
Past service cost	1.3	2.9
Settlements/curtailments	-	(5.9)
Net charge to income statement	24.4	26.8

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted. The table below indicates the effect from changes in the principal assumptions used above:

	2007 £m
Mortality	
Change in pension obligation at 30th September, 2007 from a 1 year change in life expectancy	+/- 53.3
Change in 2007 pension cost from a 1 year change	+/- 4.0
Salary Increases	
Change in pension obligation at 30th September, 2007 from a 25bps change	+/- 14.4
Change in 2007 pension cost from a 25bps change	+/- 2.0
Discount Rate	
Change in pension obligation at 30th September, 2007 from a 25bps change	+/- 33.1
Change in 2007 pension cost from a 25bps change	+/- 1.9

Amounts recognised in the statement of recognised income and expense (SORIE) are shown in the following table:

	2007 £m	2006 £m
Actuarial gain recognised in SORIE	213.7	38.2
Impact of asset ceiling on AVC Plan	(6.6)	(3.6)
Total gains recognised in SORIE	207.1	34.6
Cumulative actuarial gain recognised in SORIE at beginning of year	49.8	15.2
Cumulative actuarial gain recognised in SORIE at end of year	256.9	49.8

The Group expects to contribute approximately £26.3 million to the schemes during the 2008 financial year.

Included in scheme assets is an advance payment into the Group's pension schemes amounting to £25.1 million in respect of the 2007 contributions (2006 £23.6 million).

UK defined contribution plans

The Group operates a number of defined contribution pension plans. Currently, these are principally trust-based arrangements, with an aggregate value of £27.0 million (2006 £26.0 million) at the year end. The growth of online businesses coupled with acquisitions is likely to mean that a higher portion of the Group's employees will be offered defined contribution arrangements in future and it is expected that these plans will progressively be amended to operate on a group personal pension basis, following approval of this approach by the Group's divisions.

The pension cost attributable to these plans during the year amounted to £3.6 million (2006 £5.2 million).

Overseas pension plans

Overseas subsidiaries of certain Group divisions operate defined contribution retirement benefit plans, primarily in North America and Australia. The pension cost attributable to these plans during the year amounts to £4.6 million (2006 £2.4 million).

Pension arrangements for executives

The Group operates a two-tier, contributory defined benefit pension scheme for senior executives (including executive Directors), details of which are incorporated in the above disclosures. It is the Group's policy that annual bonuses, payments under the Executive Bonus Scheme and benefits in kind are not pensionable.

32 RETIREMENT BENEFITS CONTINUED

Included in UK defined contribution plans above are investments in a funded unapproved retirement benefit scheme for certain executives of the Group including two executive Directors who were subject to the pensionable earnings cap imposed by HM Revenue & Customs under the previous tax regime. The assets of this scheme are held under individual trusts independently from the Group's finances. There was no additional investment in these individual trusts during the year (2006 £0.2 million) as the Group has terminated its investment with effect from 5th April, 2006 to coincide with the tax changes introduced from that date.

Stakeholder pension

DMGT provides access to a stakeholder pension plan for relevant employees who are not eligible for the other pension schemes operated by the Group.

33 PROVISIONS

	2007 £m	2006 £m
Current liabilities		
Other provisions	22.7	46.2
Non-current liabilities		
Other provisions	49.0	47.1

Movements on other provisions during the year were as follows:

	Note	Coupon discount £m	Lease £m	Redundancy and reorganisation £m	Deferred consideration £m	Legal £m	Other £m	Total £m
Current liabilities								
At beginning of year		1.0	0.3	0.3	39.3	2.8	2.5	46.2
Additions	15	–	–	–	6.2	–	–	6.2
Charged during year		0.4	0.6	–	–	4.4	3.0	8.4
Utilised during year		(0.4)	–	(0.3)	–	(2.5)	(1.2)	(4.4)
Transfer from non-current liabilities		0.2	–	–	7.1	–	0.2	7.5
Transfer to loan notes	13	–	–	–	(8.6)	–	–	(8.6)
Deferred consideration paid	14	–	–	–	(29.1)	–	–	(29.1)
Notional interest on deferred consideration	8	–	–	–	1.0	–	–	1.0
Adjustment to previous year estimate	17	–	–	–	(2.4)	–	–	(2.4)
Exchange adjustment		–	–	–	(2.2)	–	0.1	(2.1)
At end of year		1.2	0.9	–	11.3	4.7	4.6	22.7

33 PROVISIONS CONTINUED

	Note	Lease £m	Deferred consideration £m	Legal £m	Other £m	Total £m
Non-current liabilities						
At beginning of year		0.7	41.8	1.0	3.6	47.1
Correct misallocation in prior year analysis		1.5	–	–	(1.5)	–
Additions	15	–	21.6	–	–	21.6
Charged during year		–	–	0.7	0.9	1.6
Utilised during year		(0.4)	–	(0.2)	(1.5)	(2.1)
Transfer to current liabilities		–	(7.1)	–	(0.4)	(7.5)
Deferred consideration paid	14	–	(0.5)	–	–	(0.5)
Notional interest on deferred consideration	8	–	1.8	–	–	1.8
Adjustment to previous year estimate	17	–	(7.0)	–	–	(7.0)
Exchange adjustment		–	(6.0)	–	–	(6.0)
At end of year		1.8	44.6	1.5	1.1	49.0

Other provisions principally comprise long service leave provisions of £2.2 million (2006 £2.4 million), dilapidation provisions of £0.1 million (2006 £0.8 million) and contract discount provision of £2.2 million (2006 £1.0 million).

The Group's coupon discount and redundancy and reorganisation provisions are all expected to be utilised within the next 12 months. The lease provisions are dependent on the terms of the lease whilst the timing of cash flows for legal disputes have been split using Directors' best estimates.

The uncertainties surrounding and the nature of the Group's deferred consideration provisions are disclosed in critical accounting judgements and key sources of estimation uncertainty (note 2). The maturity profile of the Group's deferred consideration provision is as follows:

	2007 £m	2006 £m
Expiring in one year or less	11.3	39.3
Expiring between one and two years	22.9	5.9
Expiring between two and five years	21.7	35.9
	55.9	81.1

34 DEFERRED TAXATION

	Note	Accelerated capital allowances £m	Goodwill and intangibles £m	Revaluation and roll over gains £m	UK capital losses £m	Overseas trading losses and tax credits £m	Pension scheme surplus/deficit £m	Other £m	Total £m
Disclosed within non-current liabilities		(0.2)	15.0	10.9	(10.9)	(19.6)	–	5.8	1.0
Disclosed within non-current assets		36.1	17.7	–	–	(4.7)	(52.9)	(8.7)	(12.5)
At 2nd October, 2005		35.9	32.7	10.9	(10.9)	(24.3)	(52.9)	(2.9)	(11.5)
(Credit)/charge to income		6.4	(9.3)	(4.7)	4.7	(5.2)	4.9	(4.6)	(7.8)
(Credit)/charge to equity		–	–	–	–	–	10.4	(3.1)	7.3
Owned by subsidiaries acquired		(1.4)	36.8	–	–	–	–	–	35.4
Owned by subsidiaries sold		(0.7)	–	–	–	–	–	–	(0.7)
Exchange adjustment		–	3.9	–	–	–	–	–	3.9
At 1st October, 2006		40.2	64.1	6.2	(6.2)	(29.5)	(37.6)	(10.6)	26.6
Disclosed within non-current liabilities		40.2	67.1	6.2	(6.2)	(13.8)	(37.6)	(13.6)	42.3
Disclosed within non-current assets		–	(6.5)	–	–	(15.7)	–	6.5	(15.7)
(Credit)/charge to income		(2.7)	(15.6)	2.5	(2.5)	7.7	(0.4)	4.8	(6.2)
(Credit)/charge to equity		–	2.8	–	–	–	58.0	(4.0)	(56.8)
Owned by subsidiaries acquired	15	–	55.2	–	–	–	–	(1.0)	54.2
Owned by subsidiaries sold	16	–	(0.2)	–	–	–	–	–	(0.2)
Exchange adjustment		–	(4.4)	–	–	–	–	2.5	(1.9)
Effect of change in tax rate :									
Income statement		(2.7)	(1.5)	(0.4)	0.4	–	(0.4)	–	(4.6)
Equity		–	–	–	–	–	2.9	–	2.9
At 30th September, 2007		34.8	100.4	8.3	(8.3)	(21.8)	22.5	(8.3)	127.6
Disclosed within non-current liabilities		34.8	101.0	8.3	(8.3)	(20.5)	22.5	(2.2)	135.6
Disclosed within non-current assets		–	(0.6)	–	–	(1.3)	–	(6.1)	(8.0)
At 30th September, 2007		34.8	100.4	8.3	(8.3)	(21.8)	22.5	(8.3)	127.6

The disclosures set out above restate the 2006 deferred tax note to assist the user of the Group's Report and Accounts to better understand the Group's deferred tax assets and liabilities.

(i) The deferred tax assets disclosed in the balance sheet in respect of overseas tax losses, relate primarily to trading losses incurred in the US and have been recognised on the basis that the Directors are of the opinion, based on recent and forecast trading, that sufficient suitable taxable profits will be generated in the relevant territories in future accounting periods, such that it is considered probable that these assets will be recovered. Of these assets, £10.1 million will expire between 2017 and 2025. The remaining assets have no expiry date.

(ii) There is an unrecognised deferred tax asset of £25.3 million (2006 £19.5 million) which relates primarily to overseas tax losses where there is insufficient certainty that these losses will be utilised in the foreseeable future. There is an additional unprovided deferred tax asset relating to capital losses carried forward of £20.7 million (2006 £26.1 million).

(iii) There is a potential taxable temporary difference in respect of the Group's investments in subsidiaries, branches, associates and joint ventures, principally in relation to as yet unremitted earnings from overseas subsidiaries. The Group has estimated the potential taxable temporary difference to be approximately £801.5 million (2006 £615.6 million).

35 CALLED UP SHARE CAPITAL

	Authorised 2007 £m	Authorised 2006 £m	Allotted, issued and fully paid 2007 £m	Allotted, issued and fully paid 2006 £m
Ordinary shares of 12.5 pence each	2.5	2.5	2.5	2.5
'A' Ordinary Non-Voting shares of 12.5 pence each	48.5	48.5	46.9	47.7
	51.0	51.0	49.4	50.2

	2007 Number of shares	Authorised 2006 Number of shares	Allotted, issued and fully paid 2007 Number of shares	Allotted, issued and fully paid 2006 Number of shares
Ordinary shares	20,000,000	20,000,000	19,886,472	19,886,472
'A' Ordinary Non-Voting shares	388,000,000	388,000,000	375,423,794	381,844,636
	408,000,000	408,000,000	395,310,266	401,731,108

The two classes of shares are equal in all respects, except that the 'A' Ordinary Non-Voting shares do not have voting rights and hence their holders are not entitled to vote at general meetings of the Company.

On 23rd May, 2007, the Company cancelled 6,907,444 'A' Ordinary Non-Voting shares as part of the Group's buy back programme.

During the year 486,602 'A' Ordinary Non-Voting shares were allotted for aggregate consideration of £2,744,996 with aggregate nominal value of £60,825 under the terms of the Company's 1997 Executive Share Option scheme.

At 30th September, 2007, options were outstanding under the terms of the Company's 1997 and 2006 Executive Share Option Schemes over a total of 6,423,854 (2006 6,138,512) 'A' Ordinary Non-Voting shares.

36 RESERVES

	Note	2007 £m	2006 £m
Share premium account			
At beginning of year		9.7	8.3
Issue of shares		2.7	1.4
At end of year		12.4	9.7
Capital redemption reserve			
At beginning of year		-	-
On cancellation of ordinary shares		0.8	-
At end of year		0.8	-
Revaluation reserve			
At beginning of year		46.5	88.9
Revaluation reserves recycled to income statement on impairment of GCap Media plc		24.4	-
Transfer to retained earnings unrealised gain on GCap Media plc shares		(24.4)	-
Transfer to retained earnings following disposal of properties previously revalued		(0.7)	-
Fair value movement in available-for-sale assets	21	0.2	(26.7)
Transfer to income statement on disposal of Reuters Group plc shares		-	(15.7)
At end of year		46.0	46.5

The revaluation reserve arises following revaluation of the Group's available-for-sale investments and historic amounts relating to previous GAAP which were not transferred to retained earnings on transition to IFRS. Additionally, at the start of the year, £30.7 million relating to an unrealised gain on disposal of businesses to GWR Group plc (now GCap Media plc) in 2005 was included within revaluation reserves. During the year the Group transferred £24.4 million to revenue reserves following the impairment of the investment during the year.

36 RESERVES CONTINUED

	Note	2007 £m	2006 £m
Shares held in treasury			
At beginning of year		(63.1)	(40.0)
Purchase of own shares		(32.8)	(32.4)
Own shares released on vesting of share options		4.9	9.3
Own shares cancelled		46.6	-
At end of year		(44.4)	(63.1)

The Group's investment in its own shares is classified within shareholders' funds as shares held in treasury. At 30th September, 2007 this investment comprised the cost of 6,353,906 'A' Ordinary Non-Voting shares (2006 9,692,016 shares). The market value of these shares at 30th September, 2007 was £40.0 million (2006 £58.8 million).

Translation reserve			
At beginning of year		8.2	19.1
Exchange differences on translation of overseas operations		1.8	(21.9)
Translation reserves recycled to income statement on disposals		(0.1)	-
Transfer of gain on cash flow hedges from fair value reserves to income statement		(2.7)	-
Increase in fair value of hedging derivatives		19.8	11.3
Current tax on net investment hedges		-	(0.3)
At end of year		27.0	8.2

The translation reserve arises on the translation into Sterling of the net assets of the Group's foreign operations, offset by changes in fair value of financial instruments used to hedge this exposure.

Retained earnings			
At beginning of year		423.8	224.7
Net profit for the year		107.0	251.5
Dividends paid		(53.2)	(48.6)
Actuarial gains on defined benefit pension schemes	32	207.1	34.6
Credit to equity for share-based payments	39	18.1	11.6
Settlement of exercised share options of subsidiary		(13.2)	(25.3)
Put options arising on shareholdings yet to be acquired	i	(18.5)	(11.7)
Transfer from revaluation reserves unrealised gain on GCap Media plc		24.4	-
Exercise of acquisition option commitments		7.2	-
Cancellation of shares held in treasury		(46.6)	-
Transfer from revaluation reserves following disposal of properties previously revalued		0.7	-
Minority interests arising from business combinations		-	1.3
Shares issued to minorities		-	0.7
Dividends paid to minorities		-	(7.7)
Movement in losses attributable to minorities which are borne by the Group	37	5.4	-
Transfer minority share of items reported directly in equity	37	(1.1)	-
Current tax taken to reserves		0.3	-
Deferred tax on actuarial gain	34	(60.9)	(10.4)
Deferred tax on other items taken directly to equity	34	1.2	3.1
At end of year		601.7	423.8
At end of year – Total Reserves		643.5	425.1

36 RESERVES CONTINUED

The Group has reclassified certain comparative figures within equity in order to present these items better in accordance with the relevant headings. This has resulted in a decrease in translation reserves amounting to £6.7 million, an increase in other movements in share option schemes of £6.9 million, an increase in put options arising on shareholdings yet to be acquired of £3.3 million and an increase in tax on items taken directly to equity of £3.1 million.

(i) £18.5 million (2006 £11.7 million) representing the fair value of written put options granted to minority shareholders in the year has been recorded as a reduction in equity on initial recording, as the arrangement represents a transaction with equity holders. Changes in fair value after initial recognition are recorded in the income statement.

37 MINORITY INTERESTS

	2007 £m	2006 £m
At beginning of year	-	-
Share of profit	15.3	11.7
Dividends paid	(8.9)	(7.7)
Shares issued	0.5	2.2
Minority interests arising from business combinations	2.3	1.3
Share of items reported directly in equity	1.1	(2.7)
Other transactions with minorities	0.2	-
Movement in losses attributable to minorities which are borne by the Group	(5.4)	(4.8)
Minority share of new equity in Euromoney	22.7	-
Exchange adjustment	(0.2)	-
At end of year	27.6	-

When losses attributable to minorities exceed the minorities' interests in the subsidiaries' equity, the minorities share of losses is carried forward in Group retained earnings. At 30th September, 2007 no minority losses were borne in Group retained earnings in line with the Group's accounting policy as set out in note 2 (2006 £5.8 million).

38 COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

	2007 £m	2006 £m
Tangible fixed assets:		
Contracted but not provided in the financial statements	3.3	28.1

At 30th September, 2007 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2007 Properties £m	2007 Plant and equipment £m	2006 Properties £m	2006 Plant and equipment £m
Within one year	25.6	2.1	22.7	3.2
Between one and two years	21.0	2.2	20.6	2.3
Between two and five years	52.0	4.1	53.0	2.2
After five years	71.6	-	72.6	-
	170.2	8.4	168.9	7.7

The Group's most significant leasing arrangements related to rented properties. The Group negotiates lease contracts according to the Group's needs with a view to balancing stability and security of tenure and lease terms with the risk of entering into excessively long or onerous arrangements. Of the Group's rented properties, the most significant commitment relates to the head office premises at 2 Derry Street, London W8 5TT. This lease expires on 25th December, 2022.

The Group entered into arrangements with its ink suppliers to obtain ink for the period to 2010 at competitive prices and to secure supply. At the year end, the commitment to purchase ink over the period was £65.4 million (2006 £85.5 million).

The Group has entered into agreements with certain printers for periods up to 2022 at competitive prices and to secure supply. At the year end, the commitment to purchase printing capacity over the period was £33.4 million (2006 £38.3 million).

38 COMMITMENTS AND CONTINGENT LIABILITIES CONTINUED

Contingent liabilities

The Group is exposed to libel claims in the ordinary course of business and makes provision for the estimated costs to defend such claims.

Four writs claiming damages for libel have been issued in Malaysia against Euromoney Institutional Investor and three of its employees in respect of an article published in one of Euromoney's magazines, International Commercial Litigation, in November 1995. The writs were served on Euromoney on 22nd October, 1996. The total amount claimed is 280 million Malaysian ringgits, £40.3 million (2006 £40.2 million). No provision has been made in these accounts since the Directors do not believe that Euromoney has any material liability in respect of these writs.

39 SHARE-BASED PAYMENTS

The Group offers a number of share-based remuneration schemes to Directors and certain employees. The principal schemes comprise share options under the DMGT, Euromoney and within DMG Information, Risk Management Solutions (RMS), Genscape, Trepp and Dolphin Executive Share Option Schemes (ESOS), the Euromoney Capital Appreciation Plan and the Company's LTIP. Share options are exercisable after three years, subject in some cases to the satisfaction of performance conditions, and up to ten years from the date of grant at a price equivalent to the market value of the respective shares at the date of grant.

The Group operates a long-term incentive plan for senior employees of the Group's local media division based on profit and revenue targets. Participants in the scheme have the choice of being rewarded with a cash bonus or by taking A ordinary DMGT plc shares. Where a participant chooses to take shares it is a condition of the scheme that the shares must be held for a minimum of two years. No shares were awarded, forfeited or lapsed during the year.

The Group also operates a long-term incentive scheme for senior employees of the Group's national newspaper division based on cumulative profit targets for the three years to 30th September, 2007. At the end of each of the three years participants in the scheme are invited to pledge their annual bonus either as cash or by taking A ordinary DMGT plc shares both of which must be committed to the scheme until the end of its three year life. The scheme vested at 30th September, 2007 and so a matching award will be made to each participant in the coming year. No shares were awarded, forfeited or lapsed during the year.

For equity-settled share-based payment transactions, IFRS 2 applies to grants of shares, share options or other equity instruments made after 7th November, 2002 that had not vested by 1st January, 2005.

The charge to the income statement is analysed as follows:

		2007	2006
		£m	£m
DMGT	ESOS	1.5	1.1
	LTIP	0.6	0.5
Euromoney	CAP	9.6	4.3
	SAYE	0.3	-
	ISI	0.2	0.1
DMG Information	RMS	4.6	4.9
	Genscape	0.8	0.6
	Trepp	0.5	-
	Dolphin	-	0.1
		18.1	11.6

39 SHARE-BASED PAYMENTS CONTINUED

Further details of these schemes are set out below:

	2007 Number of share options	2007 Weighted average exercise price £	2006 Number of share options	2006 Weighted average exercise price £
DMGT 1997 Executive Share Option Scheme				
Outstanding at 1st October, 2006	5,006,512	6.94	5,490,734	6.91
Exercised during the year	(486,602)	5.64	(238,222)	5.79
Expired during the year	(272,556)	7.07	(246,000)	7.40
Outstanding at 30th September, 2007	4,247,354	7.08	5,006,512	6.94
Exercisable at 30th September, 2007	1,293,000	7.19	1,818,456	6.82
Exercisable at 1st October, 2006	1,818,456	6.82	2,085,456	6.74

No share options were granted during the year.

The weighted average share price at the date of exercise for share options exercised during the period was £5.64.

The options outstanding at 30th September, 2007 had a weighted average exercise price of £7.08 (2006 £6.94) and a weighted average remaining contractual life of 4.7 years.

The inputs into the Black-Scholes model are as follows:

Scheme type	Options under the DMGT 1997 Executive Share Option Scheme				
	16th December, 2002	2nd January, 2003	8th December, 2003	16th June, 2004	6th December, 2004
Date of grant					
Market value of shares at date of grant (p)	573.00	581.50	607.50	684.00	723.50
Option price (p)	573.00	581.50	607.50	684.00	723.50
Number of share options outstanding	666,500	62,000	757,000	5,000	999,854
Term of option (years)	10	10	10	10	10
Assumed period of exercise after vesting (years)	6.5	6.5	6.5	6.5	6.5
Exercise price (p)	573.00	581.50	607.50	684.00	723.50
Risk-free rate (%)	5.00	5.00	4.80	4.60	4.50
Expected dividend yield (%)	1.61	1.58	1.65	1.51	1.52
Volatility (%)	20.00	20.00	20.00	20.00	20.00
Fair value per option (p)	134.7	136.7	142.8	160.7	170.0

Expected volatility has been estimated based upon relevant historic data in respect of the DMGT plc 'A' ordinary share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability.

39 SHARE-BASED PAYMENTS CONTINUED

The Group did not re-price any of its outstanding options during the year.

	2007 Number of share options	2007 Weighted average exercise price £	2006 Number of share options	2006 Weighted average exercise price £
DMGT 2006 Executive Share Option Scheme				
Outstanding at 1st October, 2006	1,132,000	6.90	-	-
Granted during the year	1,070,500	6.88	1,150,000	6.90
Expired during the year	(26,000)	6.93	(18,000)	6.98
Outstanding at 30th September, 2007	2,176,500	6.89	1,132,000	6.90
Exercisable at 30th September, 2007	-	-	-	-
Exercisable at 1st October, 2006	-	-	-	-

No share options were exercised or forfeited during the year.

The options outstanding at 30th September, 2007 had a weighted average exercise price of £6.89 (2006 £6.90) and a weighted average remaining contractual life of 8.8 years.

	2007 Number of share options	2006 Number of share options
Options granted during the period were as follows		
27th November, 2006	1,070,500	-
31st March, 2006	-	1,052,000
5th July, 2006	-	98,000
	1,070,500	1,150,000

The aggregate of the estimated fair values of the options granted on the above dates is £1.6 million (2006 £1.8 million).

The inputs into the Black-Scholes model are as follows:

Scheme type	Options under the DMGT 2006 Executive Share Option Scheme		
	31st March, 2006	5th July, 2006	27th November, 2006
Date of grant			
Market value of shares at date of grant (p)	698.00	610.50	688.00
Option price (p)	698.00	610.50	688.00
Number of share options outstanding	1,021,000	98,000	1,057,500
Term of option (years)	10	10	10
Assumed period of exercise after vesting (years)	7	7	7
Exercise price (p)	698.00	610.50	688.00
Risk-free rate (%)	4.50	4.80	4.30
Expected dividend yield (%)	1.72	2.01	1.90
Volatility (%)	20.00	20.00	20.00
Fair value per option (p)	153.0	143.5	150.9

Expected volatility has been based upon relevant historic data in respect of the DMGT plc 'A' ordinary share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability.

The Group did not re-price any of its outstanding options during the year.

39 SHARE-BASED PAYMENTS CONTINUED

	2007 Number of awards	2007 Weighted average exercise price £	2006 Number of awards	2006 Weighted average exercise price £
DMGT Long Term Incentive Plan				
Outstanding at 1st October, 2006	903,402	7.07	1,006,441	7.06
Awarded during the year	155,415	7.17	111,261	7.88
Expired during the year	(40,692)	7.07	(214,300)	7.43
Outstanding at 30th September, 2007	1,018,125	7.09	903,402	7.07
Exercisable at 30th September, 2007	-	-	-	-
Exercisable at 1st October, 2006	-	-	-	-

No awards were exercised or forfeited during the year.

The awards outstanding at 30th September, 2007 had a weighted average exercise price of £7.09 (2006 £7.07) and a weighted average remaining contractual life of 1.5 years.

	2007 Number of awards	2006 Number of awards
Awards made during the year were as follows:		
1st January, 2007	155,415	-
1st January, 2006	-	111,261
	155,415	111,261

The aggregate of the estimated fair values of the awards granted on the above dates is £0.8 million (2006 £0.7 million).

The inputs into the Black-Scholes model are as follows:

Scheme type Date of grant	Options under the DMGT Long Term Incentive Plan				
	1st January, 2003	1st January, 2004	1st January, 2005	1st January, 2006	1st January, 2007
Market value of shares at date of grant (p)	593.80	703.50	753.00	788.00	717.00
Award price (p)	593.80	703.50	753.00	788.00	717.00
Number of awards outstanding	111,557	221,743	95,650	111,261	155,415
Term of awards (years)	5	5	5	5	5
Assumed period of exercise after vesting (years)	-	-	-	-	-
Exercise price (p)	-	-	-	-	-
Risk-free rate (%)	5.00	4.80	4.50	4.50	4.30
Expected dividend yield (%)	1.55	1.42	1.46	1.52	1.82
Volatility (%)	20.00	20.00	20.00	20.00	20.00
Fair value per option (p)	451.30	534.70	572.30	598.90	544.90

Expected volatility has been based upon relevant historic data in respect of the DMGT plc 'A' ordinary share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability.

The Group did not re-price any of its outstanding awards during the year.

39 SHARE-BASED PAYMENTS CONTINUED

The Euromoney Capital Appreciation Plan (CAP)

The CAP was introduced in 2005. Each of the CAP awards comprises an option to subscribe for ordinary shares of 0.25p each in the company for an exercise price of 0.25p per ordinary share. The awards become exercisable on satisfaction of certain performance conditions and lapse to the extent unexercised on 30th September, 2014. The initial performance condition (increased during 2007 to reflect the acquisition of Metal Bulletin) was achieved in the year to 30th September, 2007 and the option pool (of a maximum of 7.5 million shares) will be allocated between the holders of outstanding awards. One third of the awards will vest on 14th February, 2008 with the other two thirds vesting in equal tranches in the following two years, but only if the primary and secondary performance conditions are met. Otherwise vesting is deferred until both the profit target of £57.0 million achieved in 2007 is achieved again and the profits of the individual participants' businesses are at least 75% of that achieved in 2007 but no later than by reference to the year ending 30th September, 2012.

	2007 Number of share options	2007 Weighted average exercise price £	2006 Number of share options	2006 Weighted average exercise price £
Euromoney Option Schemes				
Outstanding at 1st October, 2006	2,447,965	4.04	2,706,688	3.97
Granted during the year	140,578	4.19	92,393	3.69
Exercised during the year	(107,049)	4.01	(228,878)	3.02
Expired during the year	(227,768)	4.09	(122,238)	3.97
Outstanding at 30th September, 2007	2,253,726	4.05	2,447,965	4.04
Exercisable at 30th September, 2007	2,253,726	4.05	2,447,965	4.04
Exercisable at 1st October, 2006	2,447,965	4.04	2,706,688	3.97

The weighted average share price at the date of exercise for share options exercised during the year was £5.91.

The options outstanding at 30th September, 2007 had a weighted average exercise price of £4.05 (2006 £4.04) and a weighted average remaining contractual life of 3.3 years.

	2007 Number of share options	2006 Number of share options
Options granted during the period were as follows		
30th September, 2007	140,578	-
30th September, 2006	-	92,393
	140,578	92,393

The aggregate of the estimated fair values of the options granted on the above dates is £589,022 (2006 £340,930).

The inputs into the Black-Scholes model are as follows:

Scheme type	Tranche 1 20th June, 2005	CAP Tranche 2 20th June, 2005	Tranche 3 20th June, 2005
Date of grant			
Market value of shares at date of grant (p)	401.0	401.0	401.0
Option price (p)	0.25	0.25	0.25
Number of share options outstanding	2,500,000	2,500,000	2,500,000
Term of option (years)	10	10	10
Assumed period of exercise after vesting (years)	3.28	4.53	5.53
Exercise price (p)	0.25	0.25	0.25
Risk-free rate (%)	5.0	5.0	5.0
Dividend growth (%)	8.4	8.4	8.4
Fair value per option (£)	3.28	3.02	2.82

39 SHARE-BASED PAYMENTS CONTINUED

The inputs into the Black-Scholes model are as follows:

Scheme type	Executive Options			SAYE		
	4th December, 2002	28th January, 2004	1st February, 2004	4th January, 2005	1st February, 2006	5th January, 2007
Date of grant						
Market value of shares at date of grant (p)	259.0	419.0	405.0	423.0	461.0	524.0
Option price (p)	259.0	419.0	324.0	338.0	369.0	419.0
Number of share options outstanding	376,000	335,000	1,138	26,143	77,250	125,563
Term of option (years)	10	10	4	4	4	4
Assumed period of exercise after vesting (years)	5.5	5.5	3.0	3.0	3.0	3.0
Exercise price (p)	259.0	419.0	324.0	338.0	369.0	419.0
Risk-free rate (%)	4.10	4.10	4.80	4.80	4.80	4.80
Expected dividend yield (%)	3.90	3.90	3.40	3.40	3.40	3.40
Volatility (%)	30.00	30.00	30.00	30.00	30.00	30.00
Fair value per option (£)	0.52	0.72	1.11	1.24	1.24	1.51

Scheme type	Internet Securities, Inc. cash settled options		
	2nd February, 2004	11th May, 2005	28th February 2006
Date of grant			
Market value of shares at date of grant (p)	n/a	n/a	n/a
Option price (p)	n/a	n/a	n/a
Number of share options outstanding	77,282	2,500	51,000
Term of option (years)	10	10	10
Assumed period of exercise after vesting (years)	6.5	5.5	4.5
Exercise price (p)	n/a	n/a	n/a
Risk-free rate (%)	n/a	n/a	n/a
Expected dividend yield (%)	n/a	n/a	n/a
Dividend growth (%)	n/a	n/a	n/a
Fair value per option (US\$)	18.57	18.57	18.57

The Capital Appreciation Plan (CAP) options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise. Under IFRS 2, Internet Securities, Inc. options are classified as cash settled options. As such their related fair value equates to the fair value at the balance sheet date. For both these option schemes, the expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share-based expense recognised in the year for the CAP options was £9,629,000 (2006: £4,307,000), for Executive and Save as You Earn options £202,000 (2006 £121,000) and for Internet Securities, Inc. options £345,000 (2006 nil).

RMS options plan

RMS options were granted at market value. The options become exercisable after a four-year vesting period and lapse 10 years from the grant date. The stock issued under the plan must be held for nine months and they are subject to put or call options where DMGT plc and DMGI have the right to settle in DMGT 'A' ordinary shares. The options plan classification changed from cash-settled plan in June 2005 to equity settled plan following a change of settlement feature of stock issued under the plan.

	2007 Number of share options	2007 Weighted average exercise price \$	2006 Number of share options	2006 Weighted average exercise price \$
RMS Option Scheme				
Outstanding at 1st October, 2006	1,537,033	29.78	883,724	16.61
Granted during the year	949,525	36.39	1,109,233	29.78
Forfeited during the year	(199,907)	36.39	(106,037)	29.78
Exercised during the year	(109,892)	36.39	(349,887)	29.78
Outstanding at 30th September, 2007	2,176,759	36.39	1,537,033	29.78
Exercisable at 30th September, 2007	2,176,759	36.39	1,537,033	29.78
Exercisable at 1st October, 2006	1,537,033	29.78	883,724	16.61

The weighted average share price at the date of exercise for share options exercised during the year was \$36.39 (2006 \$29.78).

The options outstanding at 30th September, 2007 had a weighted average share price of \$36.39 (2006 \$29.78) and a weighted average remaining contractual life of 8.1 years.

39 SHARE-BASED PAYMENTS CONTINUED

	2007 Number of share options	2006 Number of share options
Options granted during the period were as follows		
1st October	794,875	976,999
2nd October	4,000	-
3rd October	-	3,500
9th October	1,200	-
10th October	-	2,500
23rd October	3,200	-
7th November	4,000	-
9th November	-	30,000
13th November	2,500	-
30th November	10,000	-
1st December	1,000	-
4th December	2,500	-
1st January	500	-
1st February	-	23,600
26th February	1,000	-
1st March	19,500	-
13th March	-	4,200
1st April	6,250	-
3rd April	-	21,000
1st May	81,000	-
14th May	6,500	-
15th May	1,000	-
29th May	1,000	-
30th May	-	1,500
1st June	500	-
11th June	1,000	-
12th June	-	2,134
18th June	3,000	-
22nd June	-	4,000
26th June	-	7,500
30th June	-	20,000
15th July	2,000	-
17th July	-	4,000
23rd July	1,000	-
1st August	-	1,500
6th August	2,000	-
28th August	-	1,200
11th September	-	1,200
18th September	-	1,200
29th September	-	2,000
30th September	-	1,200
	949,525	1,109,233

The aggregate of the estimated fair values of the options granted on the above dates is \$9.8 million (2006 \$9.5 million).

39 SHARE-BASED PAYMENTS CONTINUED

The inputs into the Black-Scholes model are as follows:

Scheme type Date of grant	Options in RMS				
	During 2001	During 2002	During 2003	During 2004	During 2005
Market value of shares at date of grant (US cents)	526.0	481.0	556.0	913.0	1,661.0
Option price (US cents)	526.0	481.0	556.0	913.0	1,661.0
Number of share options outstanding	18,225	10,441	53,585	88,056	135,492
Term of option (years)	–	0.67	1.67	2.67	3.67
Assumed period of exercise after vesting (years)	6-9	6-9	6-9	6-9	6-9
Exercise price (US cents)	526.0	481.0	556.0	913.0	1,661.0
Risk-free rate (%)	4.00	4.00	4.00	4.00	4.00
Expected dividend yield (%)	2.00	2.00	2.00	2.00	2.00
Volatility (%)	35.00	35.00	35.00	35.00	35.00
Fair value per option (US cents)	2,222.0	2,243.0	2,138.0	1,791.0	1,253.0

Scheme type Date of grant	Options in RMS	
	During 2006	During 2007
Market value of shares at date of grant (US cents)	2,978.0	3,639.0
Option price (US cents)	2,978.0	3,639.0
Number of share options outstanding	954,655	916,305
Term of option (years)	4.27	3.80
Assumed period of exercise after vesting (years)	6-9	6-9
Exercise price (US cents)	2,978.0	3,639.0
Risk-free rate (%)	4.00	4.67
Expected dividend yield (%)	2.00	2.00
Volatility (%)	35.00	35.00
Fair value per option (US cents)	857.0	1,029.0

RMS Options were granted at market value. The options become exercisable after a four-year vesting period and lapse after 10 years from grant date. Previously, the stock issued under the plan was subject to a nine month holding period, which has been subsequently removed during 2007. The stock issued under the plan is subject to put or call options where DMGT has the right to settle in DMGT 'A' ordinary shares or cash. The options plan classification changed from cash settled plan in June 2005 to equity settled plan following a change of settlement feature of stock issued under the plan.

Expected volatility was determined by calculating the historical volatility of comparable companies.

Genscape options plan

Genscape options were granted at market value. The options become exercisable after a three-year vesting period and lapse after 10 years from the grant date. The stock issued under the plan is subject to put or call options where DMGT has the right to settle in DMGT 'A' ordinary shares.

	2007 Number of share options	2007 Weighted average exercise price \$	2006 Number of share options	2006 Weighted average exercise price \$
Genscape Option Scheme				
Outstanding at 2nd October, 2006	4,549,632	2.79	–	–
Granted during the year	–	–	4,549,632	2.79
Forfeited during the year	(50,000)	2.79	–	–
Outstanding at 30th September, 2007	4,499,632	2.79	4,549,632	2.79
Exercisable at 30th September, 2007	4,499,632	2.79	4,549,632	2.79
Exercisable at 1st October, 2006	4,549,632	2.79	–	–

There were no share option exercises during the year.

The options outstanding at 30th September, 2007 had a weighted average remaining contractual life of 8.7 years.

39 SHARE-BASED PAYMENTS CONTINUED

	2007 Number of share options	2006 Number of share options
Options granted during the period were as follows		
May	–	4,449,632
September	–	100,000
	–	4,549,632

The aggregate of the estimated fair values of the options granted on the above dates is \$nil (2006 \$3.3 million).

The inputs into the Black-Scholes model are as follows:

Scheme type Date of grant	Options in Genscape	
	During 2006	During 2007
Market value of shares at date of grant (US cents)	277.8	–
Option price (US cents)	277.8	–
Number of share options outstanding	4,499,632	–
Term of option (years)	5.00	–
Assumed period of exercise after vesting (years)	7-9	–
Exercise price (US cents)	277.8	–
Risk-free rate (%)	4.00	–
Expected dividend yield (%)	3.50	–
Volatility (%)	35.00	–
Fair value per option (US cents)	73.00	–

Genscape options were granted at market value. The options become exercisable after a three-year vesting period and lapse after 10 years from the grant date. The stock issued under the plan is subject to put or call options where DMGT has the right to settle in DMGT 'A' ordinary shares or cash.

Expected volatility was determined by calculating the historical volatility of comparable companies.

	2007 Number of share options	2007 Weighted average exercise price £	2006 Number of share options	2006 Weighted average exercise price £
Trepp Option Scheme				
Outstanding at 1st October, 2006	–	–	–	–
Granted during the year	511,570	2.54	–	–
Outstanding at 30th September, 2007	511,570	2.54	–	–
Exercisable at 30th September, 2007	170,523	2.54	–	–
Exercisable at 1st October, 2006	–	–	–	–

No options were exercised during the year.

39 SHARE-BASED PAYMENTS CONTINUED

The options outstanding at 30th September, 2007 had a weighted average remaining contractual life of four years.

	2007 Number of share options	2006 Number of share options
Options granted during the period were as follows		
1st October	511,570	–
	511,570	–

The aggregate of the estimated fair values of the options granted on the above dates is \$1.3 million (2006 \$nil).

The inputs into the Black-Scholes model are as follows:

Scheme type Date of grant	Options in Trepp During 2007
Market value of shares at date of grant (US cents)	1,190.00
Option price (US cents)	1,190.00
Number of share options outstanding	511,570
Term of option (years)	3
Assumed period of exercise after vesting (years)	2-5
Exercise price (US cents)	1,190.00
Risk-free rate (%)	4.67
Expected dividend yield (%)	4.30
Volatility (%)	35.00
Fair value per option (US cents)	254.00

Trepp Options were granted at market value. The options become exercisable after a three-year vesting period and lapse after five years from the grant date. The stock issued under the plan is subject to put or call options where DMGT has the right to settle in DMGT 'A' ordinary shares.

Expected volatility was determined by calculating the historical volatility of comparable companies.

40 ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is Rothermere Continuation Limited, a company incorporated in Bermuda.

41 RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures and associates are disclosed below.

Ultimate controlling party

The Company's ultimate controlling party is the Viscount Rothermere, the Company's Chairman. Transactions relating to the remuneration and shareholdings of the Viscount Rothermere are given in the Remuneration Report.

Transactions with Directors

There were no material transactions with Directors of the Company, except for those relating to remuneration and shareholdings, disclosed in the Remuneration Report.

For the purposes of IAS 24, Related Party Disclosures, Executives below the level of the Company's Board are not regarded as related parties.

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24. Further information about the individual Directors' remuneration is provided in the audited part of the Directors' Remuneration Report on pages 45 to 58.

	2007 £m	2006 £m
Short term employee benefits	5.9	5.1
Other long-term benefits	4.8	2.8
Share-based payments	1.2	0.9
	11.9	8.8

There were no retirement benefits or termination charges in 2006 or 2007.

41 RELATED PARTY TRANSACTIONS CONTINUED

Transactions with joint ventures and associates

Details of the Group's principal joint ventures and associates are set out in note 20.

Associated Newspapers has a 41.75% investment in Indigo Holidays Limited which is an associate. During the year, the Group received advertising revenue from Indigo Holidays of £nil (2006 £1,000). The Group has funded the ongoing costs of Indigo by way of loans during the year. Interest was charged on these loans during the year at base rate +1% and amounted to £600,000. The total amount due from Indigo on 30th September, 2007 was £3.7 million (2006 £6.3 million).

Associated Newspapers Limited has a 45% shareholding in Fortune Green Limited. During the year the Group received revenue for newsprint, computer and office services of £0.6 million (2006 £0.9 million). Amounts due from Fortune Green Limited at 30th September, 2007 were £40,000 (2006 £0.5 million).

Associated Newspapers Limited has a 20% share in the Newspapers Licensing Agency from which royalty revenue of £2.0 million was received (2006 £1.7 million). Commissions paid on this revenue total £0.4 million (2006 £0.3 million).

During the year, Northcliffe Media Limited sold its 25.88% investment in fish4 Limited for £0.1m. Wholesale recruitment charges of £162,000 were charged by fish4 Limited to the Group during the year.

Northcliffe Media Limited owns a 25% share of holdthefrontpage.co.uk Limited. During the year sales to Northcliffe Media Limited of £8,000 were disclosed as were £0.1 million of costs incurred by Northcliffe Media Limited. A balance of £10,000 was due to holdthefrontpage.co.uk Limited at the year end.

During the year, George Little Management LLP (GLM), a 49% associate of DMG World Media, Inc recorded US\$1.6 million (£0.9 million) (2006 US\$1.6 million or £0.9 million) of management revenue related to the California Gift Shows which is owned by DMG World Media (USA) Inc. GLM also recorded approximately US\$0.3 million (£0.2 million) (2006 \$0.3 million or £0.2 million) of management fee revenue related to shows owned by DMG World Media (Canada) Inc.

During the year, DMG World Media (USA) Inc received distributions from GLM in the amount of \$7.9 million (£4.0 million) (2006 \$6.8 million or £3.8 million).

During the year, Landmark charged management fees of £0.3 million (2006 £0.3 million) to Point X Limited, a joint venture of DMG Information Limited, and recharged costs of £0.1 million (2006 £0.1 million). Point X received royalty income from Landmark of £53,000 (2006 £51,000) and owed £48,000 to Landmark (2006 £0.2 million) at year-end.

PPR US Limited has a data purchase agreement with Real Capital Analytics Limited a 24.74% associate of DMG Information Inc., and during the year incurred \$98,000 (£50,000) of expense. RCA also became a client of PPR during the year which generated sales of \$23,000 (£12,000) in PPR.

During the year, Hobsons received dividend income of £0.2 million (2006 £0.2 million) from ECCTIS Limited.

Details of the Group's principal joint ventures and associates are set out in note 20.

At the year end, RMS Limited owes OYO RMS Limited \$64,000 (£32,000), (2006 \$22,000, £13,000).

Other related party disclosures

As at 30th September, 2007 there was a loan to an officer of the Company of £33,258 (2006 £33,258) which bears interest at 5% per annum. The maximum amount outstanding during the year was £33,258. At 30th September, 2007 there was a further loan outstanding of £3,733 made to the officer of the Company on 16th July. This loan bears interest at 6.25% per annum. The maximum amount outstanding during the year was £3,733.

At 30th September, 2007, the Group owed £1.2 million (2006 £0.7 million) to the pension schemes which it operates. This amount comprised employees' and employer's contributions in respect of September 2007 payrolls which were paid to the pension schemes in October 2007.

The Group recharges its principal pension schemes with costs of investment management fees. The total amount recharged during the year was £0.7 million (2006 £0.7 million).

42 POST BALANCE SHEET EVENTS

On 1st October 2007, the Group acquired the remaining 51% of the membership interests of George Little Management LLC (GLM) for cash consideration of £77.0 million (US\$155 million). Costs incurred were £0.3 million. dmg world media acquired an initial 25% of the membership interests in GLM in November 2000, followed by a subsequent 15% in January 2005. An additional 9% of the membership interests was acquired in January 2007 for £11.1 million (US\$21.8 million).

Following this latest acquisition, the total investment in GLM is £155 million.

42 POST BALANCE SHEET EVENTS CONTINUED

GLM is the largest producer and marketer of tradeshow for consumer goods in the US, serving industries such as giftware, social stationery, home textiles, tabletop, gourmet housewares, contemporary furniture and wellness. GLM is involved in the production of nearly 40 tradeshow in 15 cities across the US and Canada.

GLM is accounted for as an associate in the September 2007 financial statements. The final acquisition of 51% of GLM will be accounted for by the purchase method of accounting and GLM presented as a subsidiary undertaking from 1st October, 2007. IFRS 3, Business Combinations, requires the evaluation of the fair value of 100% of the net assets acquired on gaining control.

Provisional fair value of net assets acquired	Book value £m	Provisional Fair value adjustments £m	Provisional fair value £m
Goodwill	0.7	47.9	48.6
Intangible assets	–	117.5	117.5
Property, plant and equipment	0.8	–	0.8
Interests in associates	0.2	–	0.2
Prepaid show expenses	1.8	–	1.8
Trade and other receivables	2.0	–	2.0
Cash and cash equivalents	1.2	–	1.2
Trade and other payables	(4.6)	–	(4.6)
Deferred taxation	–	(32.9)	(32.9)
	2.1	132.5	134.6

The principal provisional fair value adjustments relate to intangible assets recognised relating to the exhibition brands, related deferred tax liability and £47.9 million attributable to goodwill which represents future synergies.

The fair values set out above are provisional as the Group is currently finalising the purchase price allocation.

If the acquisition of the remaining 51% of GLM had been completed on the first day of the financial year, Group revenues for the period would have been £33.9 million (US\$66.8 million) higher than reported and Group profit attributable to equity holders of the parent would have been £4.1 million (US\$8.0 million) higher.