



# IFRS

PRESENTATION TO ANALYSTS

7 JUNE 2005



## PARTICIPANTS

- Peter Williams, Finance Director
- Nicholas Jennings, Company Secretary
- John Donegan, Group Accountant & Treasurer



## EXECUTIVE SUMMARY

- Main IFRS adjustments
  - Employment benefits
  - Share based payments
  - Goodwill and intangibles
  - Dividends
  - Deferred tax
  - Financial instruments



## EXECUTIVE SUMMARY

- Still fluid and unaudited
- Interim adjusted pre-tax profit down by £12m
- Interim statutory post-tax profit up by £24m
- Opening net assets down by £231m
- No change to net debt



## INTRODUCTION

- Transition date 4 October 2004
- First comparative figures will be for this financial year
- 2005 opening balance sheet
- 2005 half year results
- IAS 39 from 3 October 2005



## IFRS P&L ADJUSTMENTS 2005 HALF YEAR

£ million	Adjusted Op. Profit	Adjusted PBT	Statutory PAT
UK GAAP	136	115	43
Goodwill	-	-	27
Pensions	(6)	(1)	(1)
Share-based payments	(3)	(3)	(3)
Holiday pay*	(6)	(6)	(6)
J/ associates income	-	(2)	-
Exceptional profit on sale of assets	-	-	5
Taxation	-	-	2
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IFRS	121	103	67
* half year quirk			
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IMPACT	(15)	(12)	24



# IFRS BALANCE SHEET ADJUSTMENTS

## 3 OCTOBER 2004

£ million	Total assets	Total liabilities	Total equity
UK GAAP	2,021	(1,619)	402
Pensions	(28)	(227)	(255)
Pensions advance payment	(26)	26	-
Deferred tax - pensions	60	8	68
Deferred tax - goodwill	-	(35)	(35)
Share-based payments	-	(44)	(44)
Dividend	-	30	30
Other	(4)	9	5
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IFRS	2,023	(1,852)	171
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IMPACT	2	(233)	(231)
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## PENSIONS

- IAS 19 accounting deficit as for FRS17 per 2004 annual report
- Overall impact similar to SSAP 24 charge
- Charge to operating profit mostly offset by credit to finance charges
- We will adopt the SORIE approach



## SHARE-BASED PAYMENTS

- DMGT share option scheme and LTIP
- Schemes within subsidiaries
- Euromoney Capital Appreciation Plan
- Risk Management Solutions (currently cash based, but likely to be amended)



## GOODWILL & INTANGIBLES

- No retrospective reinstatement
- No more amortisation of goodwill
- Identification of intangible assets
- Amortisation of intangibles - some over shorter lives



# FINANCIAL INSTRUMENTS

- IAS 39 from 3 October 2005
- Group treasury function uses vanilla derivatives to manage debt, tax, currency transaction/translation requirement
- Hedge accounting appropriate for current book
- No change to our policies or methodology
  - Keep debt ratio by currency in line with our earnings
  - Aim for 70% to 80% of debt fixed in the medium term
- Put options



## OTHER

- Development costs
  - No material changes
- Leases
  - No reclassification of operating leases
  - No material change to the charge in the P&L



## CASH FLOW AND NET DEBT

- Presentation only
- Cash v cash equivalents
- No impact on net debt



## BASIS OF PREPARATION

- The financial information presented in this presentation has been prepared in accordance with International Financial Reporting Standards ("IFRS"). This includes International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its committees up to 31 December 2004 and as interpreted by any regulatory bodies applicable to the Group. These standards and interpretations are subject to ongoing amendments by the IASB and subsequent endorsement by the European Commission and are therefore subject to possible change. As a result, information contained within this presentation will require updating for any subsequent amendment to or interpretation of IFRS required for first time adoption or those new standards that the Group may elect to adopt early.
- The UK GAAP information has been extracted from DMGT 2004 audited accounts and 2005 unaudited Interim Report; all other financial information, including adjustments and IFRS amounts, is unaudited pro forma information. It is possible that certain practices will emerge or develop around the policies and procedures applied under IFRS which could affect our actual 2005/6 financial reporting under IFRS.

DMGT



**END**

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