

Overview	1-9
Business review	10-21
Governance	22-39
Financial statements	40-83
Additional information	84-88

2 Segment information

Primary reporting format – business segments

The Group operates in one business segment, being the provision of public relations services. A second business segment, being research, is not large enough to require segmental disclosure.

Secondary reporting format – geographical segments

The Group's operations are based in four main geographical areas. The UK is the home country of the Parent Company.

	Revenue £'000	Profit before income tax £'000	Adjusted profit before income tax ¹ £'000	Total assets £'000	Capital expenditure £'000
Year ended 31 July 2009					
UK	16,544	1,166	2,493	10,338	180
Europe and Africa	9,774	674	866	3,940	62
US and Canada	31,233	5,348	5,963	15,421	92
Asia Pacific	7,843	421	421	4,738	141
Head Office	–	(4,451)	(4,494)	11,021	114
	65,394	3,158	5,249	45,458	589
Year ended 31 July 2008					
UK	18,787	2,336	2,520	13,096	785
Europe and Africa	10,074	1,164	1,164	4,085	52
US and Canada	27,522	5,576	5,704	16,186	559
Asia Pacific	6,724	667	667	4,262	366
Head Office	–	(4,227)	(3,473)	8,523	349
	63,107	5,516	6,582	46,152	2,111

¹Adjusted profit before income tax has been reached by adjusting profit before income tax for movements in fair value of financial instruments, reorganisation costs incurred in the year, the unwinding of the discount on deferred consideration and share purchase obligation, and goodwill impairment charges. See note 5 Reconciliation of pro-forma financial measures.

3 Employee information

	2009 £'000	2008 £'000
Staff costs for all employees, including Directors, consist of:		
Wages and salaries	39,011	37,906
Social security costs	3,713	3,327
Pension costs	1,125	985
Share-based payment (credit)/charge	(57)	237
	43,792	42,455

The Group recognised restructuring costs of £1,950,000 (see note 5). £1,503,000 of the reorganisation costs can be attributed to headcount reductions and are in addition to staff costs of £43,792,000. Of the £1,503,000, £1,251,000 relates to staff reductions required to reflect revenue expectations in the worsening economy, £82,000 due to the Text Seattle office closure and £170,000 due to the merger of Inferno Communications Limited with Bite Communications Limited on 1 May 2009.

Notes to the accounts continued

3 Employee information (continued)

	2009 Number	2008 Number
The average number of employees during the year, by geographical location, was as follows:		
UK	201	229
Europe and Africa	115	133
US and Canada	278	307
Asia Pacific	232	226
Head Office	21	18
	847	913

Details of Directors' remuneration by Director are set out below:

	Salary and fees 2009 £'000	Performance- related cash bonus 2009 £'000	Shares receivable under LTIP 2009 £'000	Pension contributions 2009 £'000	Taxable benefits 2009 £'000	Total 2009 £'000	Total 2008 £'000
Executive Directors							
Tim Dyson	401	–	–	42	13	456	392
David Dewhurst	185	–	13	19	2	219	225
Non-executive Directors							
Will Whitehorn	104	–	–	–	–	104	100
Ian Taylor	39	–	–	–	–	39	37

During the year the following performance shares were awarded to Directors:

	Number of shares	Grant date	End of performance period
Executive Directors			
David Dewhurst	80,000	Nov 2008	31 July 2011
Non-executive Directors			
Will Whitehorn	30,000	Oct 2008	31 July 2011
Ian Taylor	30,000	Oct 2008	31 July 2011

During the year the following Directors held options to purchase 2.5p ordinary shares:

	Unexercised options at 1 August 2008	Granted during year	Exercised during year	Unexercised options at 31 July 2009	Exercise price	Date from which exercisable
David Dewhurst	200,000	–	–	200,000	30.0p	22.10.2005

The share-based payment credit recognised in relation to Directors for the year ended 31 July 2009 is £9,000 (2008: £13,000 charge).