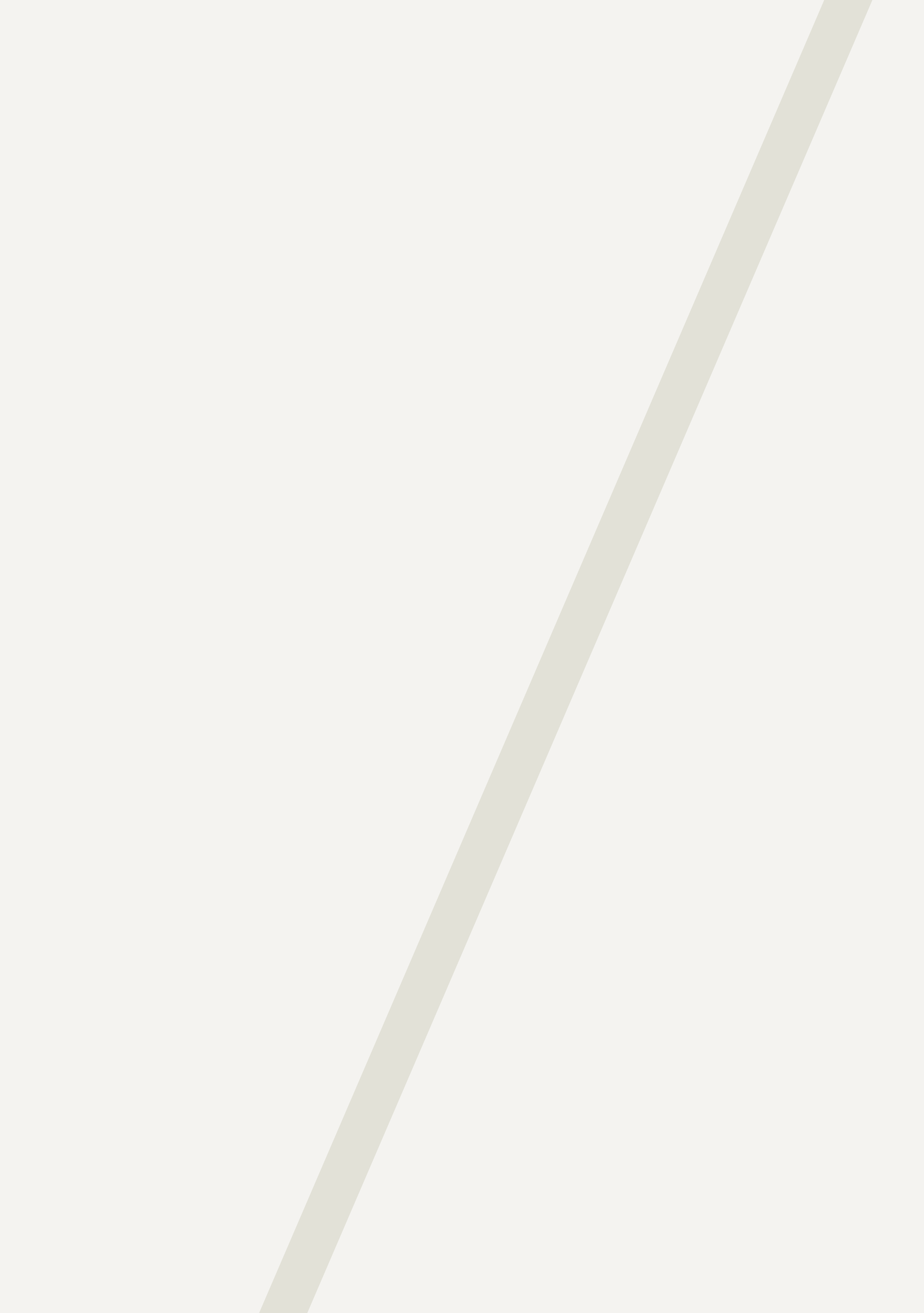
ASCENTIAL

UNLOCK THE FUTURE

ANNUAL REPORT 2018



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More information online:
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STRATEGIC REPORT

2018 IN SUMMARY

ASCENTIAL IS A SPECIALIST, GLOBAL INFORMATION COMPANY THAT HELPS THE WORLD'S MOST AMBITIOUS BUSINESSES WIN IN THE DIGITAL ECONOMY.

2018 has been a year of refining the shape of our business to support our customers more directly in three key areas of their operations: Product Design, Marketing and Sales.

Within our Product Design segment, the strategy to focus the core business on driving greater efficiency, pushing harder in emerging markets and rolling out the new products was successful. We saw continued growth in WGSN, with product lines such as Insight gaining increasing traction, providing brands and manufacturers with the trend and consumer insight they need.

2018 was a more challenging year for our Marketing segment, with both Cannes Lions and MediaLink reporting declines in revenue. Nevertheless, Cannes Lions enjoyed a successful reset: refining its offering and making fundamental changes to the format of the event, including shortening the festival to five days, and restructuring the awards categories to reflect changes to the industries they serve. These changes met with positive customer reaction (including a record high NPS score) and strong support from key stakeholders. Cannes Lions also extended its digital offering with the launch of The Work followed by the acquisition of WARC, the digital subscription product for marketing effectiveness. At MediaLink we made good progress reshaping the business to align with our strategic goals. In practice, this means an increased focus on our work with brands and we expect to see the fruits of this reshaping in 2019.

In our Sales segment we saw strong growth in the ecommerce analytics products, along with the combination of existing (One Click Retail, Clavis Insight, Planet Retail RNG) and acquired (BrandView) businesses to form Edge by Ascential. We also launched two new editions of Money20/20: Asia in Singapore and China in Hangzhou, as well as successfully relocating Money20/20 Europe to a larger venue in Amsterdam.

We saw continued strong performance from our Built Environment & Policy segment for 2018, with all three brands contributing double-digit growth in the year.

The announcement of the strategic review and the subsequent sale of the Exhibitions business was an important milestone. Having set out a clear strategy for our Company, we conducted an assessment of these assets to explore whether they were compatible with this vision. We came to the conclusion that although these brands were market leading, there were clearer opportunities to deploy capital in higher growth segments, better aligned to our mission. As such, we sold the business to ITE Group in July for £300m. This year we also acquired WARC, BrandView (now part of Edge) and FlyWheel, the managed services business for brands on Amazon.

In the face of such change, we have put great efforts into building a strong culture within Ascential, placing great emphasis on Learning and Development, harmonising our performance management process, rewarding our people at quarterly and annual awards and laying solid foundations for our Corporate Responsibility and Diversity and Inclusion strategies. Our Women in Leadership work is a pleasing first step and garnered much interest internally.

2018 was a successful year of transformation, with the adoption of new business segments aligned to our clear strategy to serve our customers in the digital economy.

REVENUE[1]	ORGANIC REVENUE GROWTH[1]
£348.5m /2017: £292.9m/	6.3%
ADJUSTED EBITDA[1]	**ADJUSTED EBITDA MARGIN[1]**
£101.8m /2017: £94.7m/	29.2% /2017: 32.3%/
ADJUSTED DILUTED EARNINGS PER SHARE[1]	**NET DEBT LEVERAGE[1]**
15.3p /2017: 13.6p/	1.1x /2017: 2.3x/

1 From continuing operations.

COMPANY OVERVIEW

PRODUCT DESIGN

Unlock trends that enable our customers to design for tomorrow's consumer, today

REVENUE

£78m

/2017: £74m/

WGSN
BY ASCENTIAL

The leading global supplier of trend forecasts, market intelligence and insight to design-orientated consumer businesses.

MARKETING

Unlock insight and connections for better decision making and more targeted campaigns

REVENUE

£116m

/2017: £111m/

The world's largest and most widely recognised international benchmark and festival for creativity in the branded communications industry.

MEDIALINK
BY ASCENTIAL

Strategic advisory firm serving partners at the intersection of media, marketing, advertising, entertainment, technology and finance.

Global digital subscription based business that helps brands, agencies and media platforms assess marketing effectiveness across all channels.

SALES

Unlock data, analytics and industry-specific platforms to maximise distribution opportunities and drive growth

REVENUE

£121m

/2017: £78m/

The leading congress in the payments and financial services innovation sector, focusing on the evolution of payment and financial services through mobile, retail, marketing services, data and technology.

EDGE
BY ASCENTIAL

The recently integrated digital retail strategy and analytics business, offering sales and share measurement, digital shelf performance, price and promotion analysis and global retail trends information.

A provider of managed services to brands on Amazon.

RWRC
BY ASCENTIAL

World Retail Congress, which brings together the leaders of the global retail industry, and Retail Week, an events and information services business.

BUILT ENVIRONMENT & POLICY

Unlock critical intelligence across environmental property risk, construction and government policy

REVENUE

£34m

/2017: £31m/

Market leading provider of environmental risk data.

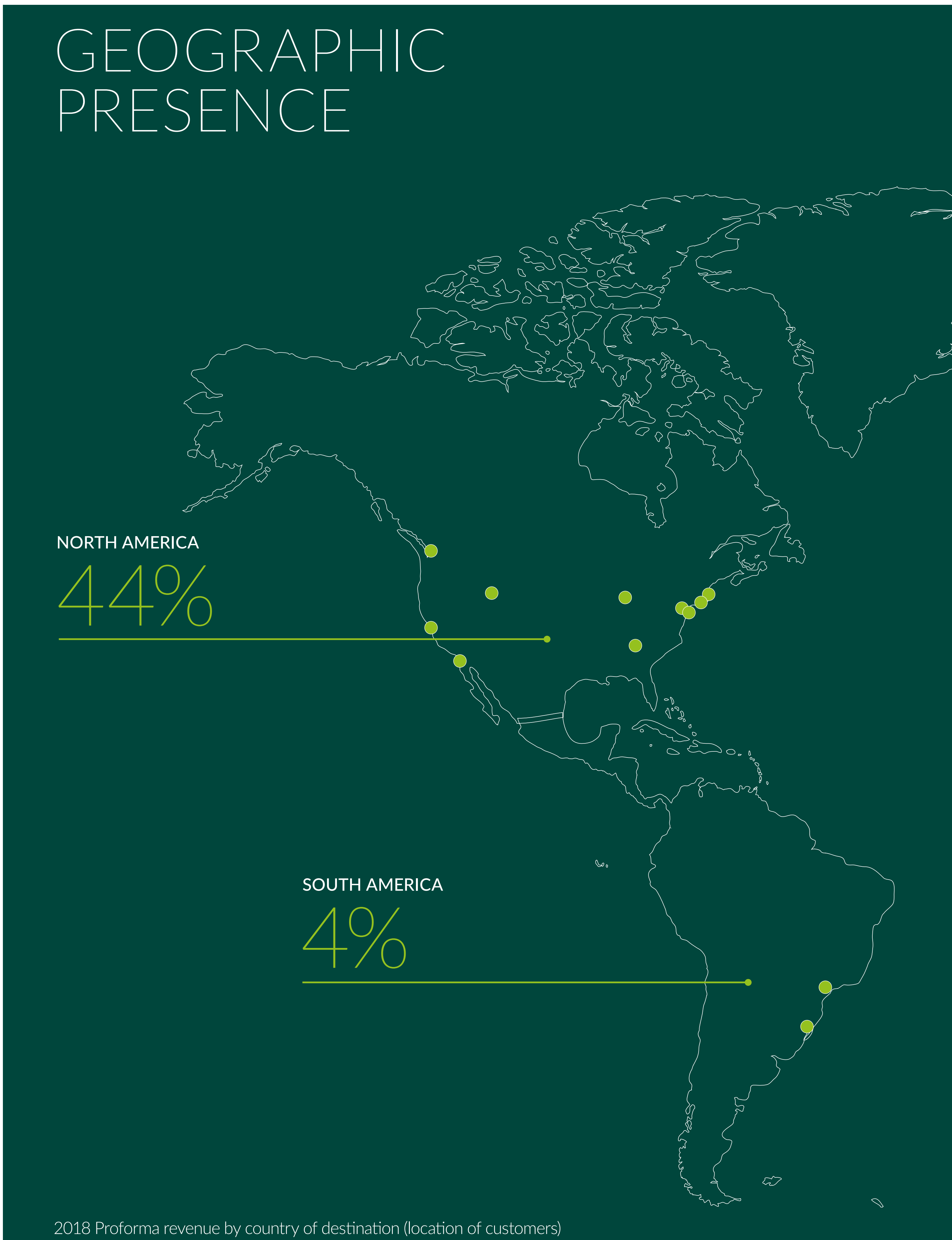
Glenigan

Provider of construction project sales leads, industry data, analysis, forecasting and company intelligence.

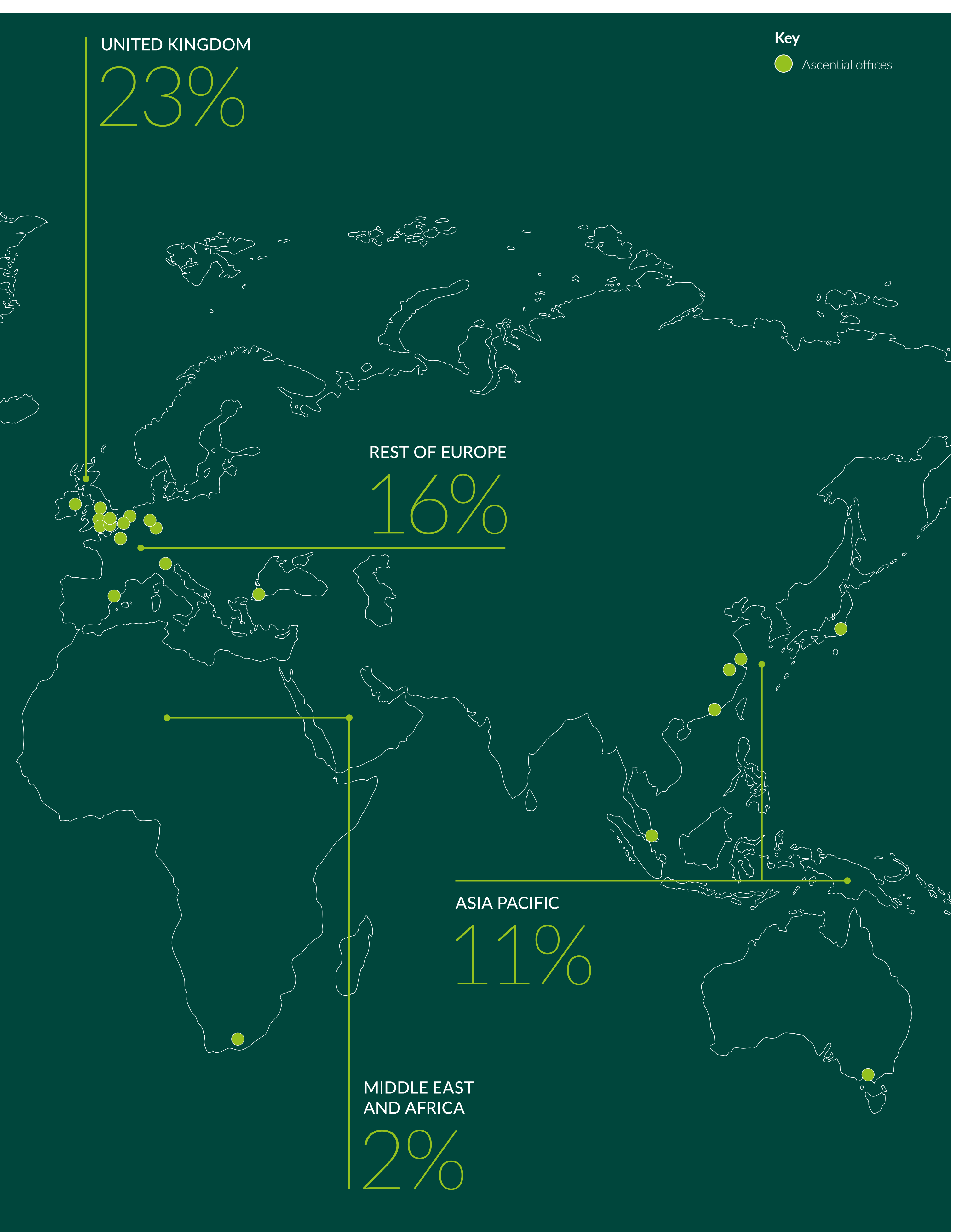
DeHavilland
Definitive political intelligence

A leading provider of political intelligence and monitoring services in the UK and EU.

GEOGRAPHIC PRESENCE



2018 Proforma revenue by country of destination (location of customers)


UNITED KINGDOM
23%
Key
Ascential offices
REST OF EUROPE
16%
ASIA PACIFIC
11%
MIDDLE EAST
AND AFRICA
2%

CHIEF EXECUTIVE'S STATEMENT

Our strategy and focus on the digital economy has delivered another year of strong growth in 2018, further amplified by recent high growth acquisitions.

> Our performance reflects the value that customers place on our critical information.

Duncan Painter / Chief Executive Officer

Continued record of organic growth

Revenue from continuing operations was £348.5m (2017: £292.9m), a reported growth of 19.0% and an Organic growth of 6.3% or 9.6% on a Proforma basis. We have grown EBITDA by 3.8% on an Organic basis and by 12.5% on a Proforma basis and delivered an Adjusted EBITDA margin of 29.2% (2017: 32.3%), allowing for the acquisition of higher growth, lower margin, businesses whilst continuing our planned investment to support our market leadership in our core markets.

Operating model based on customer needs

Following the completion of the disposal of the Exhibitions business in July 2018, we adopted a new operating model to align with our strategy of serving the needs of customers in Product Design, Marketing and Sales:

- Product Design: global trend forecasting and insight (WGSN)
- Marketing: global creative benchmark, effectiveness measurement and strategic advisory (Cannes Lions, WARC, MediaLink)
- Sales: global ecommerce data, analytics and managed services, FinTech consumer payments and retail intelligence (Edge, Flywheel Digital, Money20/20, RWRC)

Ascential also powers political, construction and environmental intelligence brands DeHavilland, Glenigan and Groundsure, which form a fourth operating segment, Built Environment & Policy.

The shape of our business going into 2019 has directly benefited from our transformation, with a higher mix of subscription based revenue streams with faster growth levels.

A year of developing our critical capabilities

Our strategic goal is to be the specialised information provider that ensures our customers, who are primarily organisations who create and distribute consumer products, are able to win and thrive in the digital commerce economy.

We are confident that we now have the critical capabilities we need in our business to achieve our strategic goals. We have built a unique information set across the life cycle of Product Design, Marketing and Sales to enable our customers to win in the digital commerce economy. We will continue to review how we build out our capabilities to better serve our customers in China, and although we believe we can develop our existing capabilities through

Customer capability segments	Market leading products	New product lines
Product Design	• WGSN trend forecasting – 16 categories • WGSN Lifestyle & Interiors • WGSN Mindset	• WGSN Insight – consumer trends • WGSN Barometer – consumer insights • Coloro – colour system and tools • WGSN Beauty – beauty trends
Marketing	• Cannes Lions – creativity benchmark • The Work – digital platform on award winning creative work • WARC – digital platform for marketing effectiveness • MediaLink – digital transformation and advisory for media	• Cannes Lions – new segments (Sports and Creative Strategy) launched • Cannes Lions Digital Pass – watch the Festival online • WARC for advertisers and media owners • CLX – next generation media marketing platform
Sales	• Money20/20 – payments and FinTech • Edge – price & promotion • Edge – retail insights • Edge – market share • Edge – digital shelf • Flywheel Digital – managed retail services • Flywheel Digital – Amazon Marketing Services optimisation	• Edge – total ecommerce

organic investment, we continue to review potential acquisition opportunities to accelerate and provide further unique information as part of this expansion.

In 2017, we set out the critical functionality we needed to develop to position us as the most advanced and best positioned company in this space and we have made good progress in executing against this, particularly in the high growth Sales segment.

Product Design

2018 was a successful year for our Product Design segment with Organic revenue growth accelerating to 7%.Over the last few years, we have launched a number of new products in our Product Design sector and are now the clear market leader in trend forecasting in all major product categories. This has provided us with a strong foundation for our business and we have continued to maintain high retention rates with our customers. Our newer products address lifestyle and interiors, broader consumer trends, a colour system, emerging market coverage and consumer insights. These, together with our new WGSN Beauty trends product for 2019 put us in a strong position for further growth in this segment.

Marketing

As previously announced, 2018 was a challenging year for our Marketing segment, with an Organic revenue decline of 8%. Our focus in the second half of the year has been to position our Cannes Lions and MediaLink brands to be able to return to growth in the full year of 2019. Since the acquisition of WARC and the launch of Cannes Lions' The Work and the Digital Pass, digital products today make up over 10% of this segment's revenues. We expect to see continued strong growth in these new digital product lines in 2019.

The event reset activity we undertook for the 2018 Cannes Lions festival saw a record Net Promoter Score and the major agency holding companies have all reconfirmed their support

REVENUE FROM CONTINUING OPERATIONS

£348.5m

/2017: £292.9m/

OPERATING PROFIT FROM CONTINUING OPERATIONS

£40.2m

/2017: £31.3m/

ADJUSTED EBITDA[1]

£101.8m

/2017: £94.7m/

1 Alternative performance measures are explained on page 30.

CHIEF EXECUTIVE'S STATEMENT CONTINUED

> We end 2018 with a robust balance sheet that provides flexibility and underpins our confidence for our prospects in 2019 and beyond.

for the 2019 festival. MediaLink has continued its planned transition away from retainer contracts with small digital publishing and adtech organisations towards brand orientated work. A cost restructure was implemented in the second half of 2018 to align with this focus.

CLX is a new two-day summit for industry VIPs launched for Cannes Lions 2019. It is designed around immersive and interactive experiences with some of the world's most exciting media and entertainment creators. We see this joint development between Cannes Lions and MediaLink as an enabler of 2019 growth.

Sales

2018 has been a seminal year for building out our capabilities in the Sales segment and we now have market leadership in most of the key areas we identified as important for this segment.

Our FinTech consumer payments capability has been expanded through the launch of two new geographies for our market-leading platform Money20/20 in Asia and China. The overall platform has continued to perform strongly with Organic growth of 37% in 2018.

We now have a comprehensive set of capabilities to help our customers win in today's ecommerce-driven environments. During 2018 we launched Edge by Ascential, which delivers industry-leading ecommerce driven data, insights and advisory services for brands and retailers. Formerly BrandView, Clavis Insight, One Click Retail and Planet Retail RNG, Edge by Ascential delivers the industry's most accurate and actionable sales-driving data to support our customers through the cycle of market share assessment, digital shelf management, price & promotion optimisation and retail insights. With the recent acquisition of Flywheel Digital, we can now also provide our customers with a platform-driven total product management service for both retail management and marketing services promotion on the Amazon platform.

Built Environment & Policy

Our Built Environment & Policy segment continues to trade well with revenue growth of 12% and an expanded Adjusted EBITDA margin of 41%. There are no plans to proactively review any strategic decisions for this segment in the medium term.

Strong balance sheet and focused capital allocation

We continued to apply a rigorous capital allocation framework to our business. This was evidenced through the recycling of capital from the disposal of the Exhibitions business which was completed in July 2018 for a total cash consideration (adjusted for cash disposed and working capital) of £296.4m into higher growth business investments and M&A.

The disposal allowed us to further focus on our strategic priority of enabling customers to win in the digital economy and has increased our capacity to invest in our target disciplines of Product Design, Marketing and Sales. We have allocated part of the capital released from the disposal of the Exhibitions business to the acquisitions of WARC, BrandView and Flywheel Digital.

Apart from the potential to accelerate growth in China and an ongoing interest in strengthening the depth and quality of the unique data we own, we are now focusing our efforts on the integration and engineering of our own new products and therefore expect M&A activity to be a less pronounced feature of the next stage of our development.

We ended 2018 with a robust balance sheet that provides flexibility and underpins our confidence for our prospects in 2019 and beyond.

A culture aligned to our future

We have a unique set of Company beliefs and behaviours that are ingrained in our people and ways of working worldwide. We aim to think big and see the bigger picture to help our customers translate insight into advantage. We are thought-provoking and persuasive, always searching for a better way to help our customers win. We encourage our teams to be visionary and confident, so that we continue to define the way forward in these exciting new markets.

> We have executed our priority divestments as well as ensuring that we have built up the critical capabilities we need to be successful going forward.

As part of the work to consistently embed these values and leadership beliefs across the Group, we have continued to develop a "One Ascential" culture across all brands and geographies. For the first time, this year we ran a single unified employee engagement survey globally which both evidenced our progress in developing our people strategy, and enabled us to develop a clear plan to further improve across all engagement areas in 2019. Ralph Tribe, our Chief People Officer, discusses this in further detail in the Our People section on pages 42 to 44.

We continue to evolve our operating model to align more effectively with our strategy and we have adapted our reward model to reflect the structure of our income and incentivising our teams on long term sustainable value creation. We expect to continue evolving the operating model during 2019 to further streamline how we work.

Summary

2018 has been a critical year for our business. We have executed our priority divestments as well as ensuring that we have built up the critical capabilities we need to be successful going forward. We have developed a unique information set across the life cycle of Product Design, Marketing and Sales and as we continue to join up our information, teams and capabilities, we identify more opportunities to help our customers. We can see a clear path to achieving double-digit growth for Ascential as we continue to help our customers grow their businesses in the accelerating digital economy.

Our focus over the next 12 months will be on returning the Marketing segment to growth, consolidating and integrating the high growth acquisitions we have made, and leveraging the wider potential of the unique information we own across Product Design, Marketing and Sales.

Outlook

We are now at an advanced stage of our multi-year strategy to support global brands as they navigate fast-paced change in the digital commerce economy. Our evolution in 2018 was supported by three high growth acquisitions, partially reallocating the proceeds of the Exhibitions business.

Our focus has now shifted to integrating our unique information services to continue to give our global customer base access to the information they need. We have taken action to return our Marketing segment to growth in 2019, following the successful reset of Cannes Lions in 2018, and the realignment of MediaLink to focus on large brand reviews and projects. We remain well placed to enhance our market leadership in 2019 and to pursue our medium-term target of double-digit growth.

Duncan Painter
Chief Executive Officer
22 February 2019

MARKET REVIEW

We provide companies with the best information to ensure they are designing, marketing and selling their products to the best standard they can, within the digital economy and particularly within the digital marketplaces across the world.

Macro-environmental context – the digital revolution

Humanity has evolved through periods of revolution. The last most significant change was the industrial revolution with the introduction of machines. The impact of this was most felt over 100 years ago, but we still reap the rewards today. We are the generation who will drive this next revolution: the digital revolution. Although this revolution will affect many aspects of human culture – health, life expectancy, life quality, ethical standards (positively and negatively) – it could also establish a more level playing field for every human and country. It will provide easy access for all people to products, health services, work, financial products and digital infrastructure.

Our customers look to us to help them optimise the way they design, promote and sell their products. The world is demanding that our customers make products to reduce wastage, reduce dependency on ingredients driving obesity, create brands that encourage and support well-being for all. And the digital revolution is impacting the status quo of the markets we serve:

- Persistent disruption across the supply chain is a reality for brands, retailers and consumers.
- The players defining the future of commerce are the marketplace companies including Amazon, Alibaba, JD.Com and Instacart, and those that control delivery across the last mile like grub hub, DaDa, and Just Eat. These market place companies are changing the rules on how companies that create products reach consumers. They have very different business models but each benefits from a network effect. Once consumers engage with these network effect platforms the quality of choice, price, service, and most importantly convenience make them magnets for their future commerce demands. These companies also benefit from their access to, and their cost of, capital as they attract much higher valuation multiples than the traditional incumbents.
- The organisations that have controlled these markets for the last 40 years – global consumer goods companies like Procter and Gamble, retailers like Walmart and marketing companies like WPP – are being challenged for their market leadership and need to adapt rapidly to either leverage the strengths of these marketplaces or to become marketplaces of their own. The role of brands, wholesalers and stores has changed forever – most importantly small to large brands will compete in highly segmented ways for category growth in a way the incumbent model never allowed. This will mean the major product players no longer have their locked-in previous advantages.
- Every business is reinventing its go-to-market strategy and all are about lean innovation, automation, cultural change and upskilling to realign themselves to the new way of working.

Ascential's position within this market

Ten years ago, our business, as with the rest of the publishing industry, was hit by the digital revolution. Many companies were not able to survive, but for Ascential, after seven years of radical change, we have transformed to become a thought-leader in many critical areas, positioned to help our customers face this digital revolution with confidence.

We have built up a unique information set across the life cycle of Product Design, Marketing and Sales and we are uncovering more opportunities to further assist our customers as we become more joined up with our information, teams and capabilities.

KEY MARKET TRENDS

1. Continued rise of online commerce and marketplaces

Online retail and advertising spend continues to grow at pace across the world, continuing the shift in retailer and brand focus to online channels. This has also given rise to shortened development and release cycles (most apparent and established in the apparel market), test and learn strategies and the use of more advanced customer analytics. These digital marketplaces are continuing to grow strongly, eroding traditional high street retail. Amazon in the key Western markets and Alibaba/JD in China are becoming increasingly dominant and taking ever larger proportions of customer spend. As a result, brands are ramping up focus on these platforms. Additionally, the platforms are increasingly giving manufacturers self-serve advertising tools which allow brands to influence the digital shelf, and for the platforms this opens up a high margin revenue stream.

Impact on Ascential: The majority of Ascential's products are focused on helping our customers succeed in the growing digital economy, and these market trends clearly support this strategy. Flywheel Digital and Edge in particular are directly exposed to the growth in digital marketplaces and commerce. Ascential is uniquely positioned to both manage the advertising on major western digital marketplaces and measure the impact of that advertising.

2. Transformation of the global advertising market

As the shift to online commerce continues, so does the shift and evolution of how product owners market their goods. The growth and concentration of online advertising spend is changing the way in which these product owners go to market, with shifts from the old agency model towards in-house teams and end-to-end consultancies that advise on the full customer journey. This has created pressure on traditional agency models, while data and technology organisations (martech, consultancies and adtech) have, conversely, flourished. Despite concerns over control and transparency, the major platforms are expected to continue to dominate the online space since this is where consumers spend their time and money. Amazon, in particular, has been pushing its advertising division hard and experienced significant growth in 2018.

Impact on Ascential: Many of Ascential's products benefit from this shift in marketing and advertising. FlyWheel Digital, in particular, has benefited from the growth in Amazon advertising, which it manages on behalf of brands. WARC has benefited from the focus on advertising effectiveness and the need to understand campaign ROI, while the in-housing trend has helped drive subscriptions from brand owners. Cannes Lions and MediaLink, however, were negatively impacted by these trends in 2018 Cannes Lions due to the pressure on traditional advertising agencies, and MediaLink from consolidation of digital spend to a few key platforms.

3. The changing consumer

In the hyper-connected digital economy, the needs of consumers are changing. Gen-Z is now the largest single population group and is having a profound impact on the way brands interact with their markets. As consumers become increasingly demanding, the pace of change has itself accelerated: the growth in direct-to-consumer has shortened the product development cycle and made it even more critical that brands stay ahead. Understanding the consumer, identifying the right needs and building the right products to sell with the right message through the right channels are now priorities.

Impact on Ascential: Ascential's products across Product Design, Marketing and Sales all benefit from changes in consumer attitudes, as retailers, brands and agencies need to adapt their approaches to be successful. WGSN helps product designers understand these changing needs and develop successful products. Cannes Lions helps brands and agencies understand how to market to the ever-evolving consumer. Edge and FlyWheel Digital help brands optimise their sales approach as consumer attitudes and demands change.

4. A brave new financial services world

The trend towards the convergence of a consumer's social life, retail life and financial life continues to gather pace. This is most evident from the Chinese tech/internet giants but is increasingly emerging in the West too. As these organisations rapidly grow their footprint in financial services, the start-up and challenger banks are doing the same with lower customer bases but superior customer experiences. This is accelerating the change of pace for the incumbents in the industry, from traditional banks to payments companies to even traditional technology companies, as they search for new answers to compete. New technology is beginning to converge as the industries turn their attention to leveraging AI projects with cloud, blockchain and quantum computing. Regulation continues to play a front and centre role in shaping the financial services sector with the emphasis on reducing barriers to entry to stimulate competition and provide a level playing field, with the ultimate aim to improve services to consumers and business while protecting their interest.

Impact on Ascential: Continued change and innovation is at the heart of Money20/20. As the market continues to develop and change, a forum to learn, connect and do business becomes increasingly important. From a broader Ascential perspective, vertical integration of marketplaces with payments (and lending) is likely to yield future opportunities given FlyWheel Digital and Edge's expertise around the point of sale.

5. Brexit uncertainty

Brexit uncertainty continues to impact Sterling foreign exchange rates, and suppress UK and Eurozone economic growth. Property markets in the UK have stagnated as buyers and sellers wait to understand the outcome and impact of Brexit negotiations and major investments in the UK are being put on hold. International businesses are focused on Brexit planning and understanding the potential implications.

Impact on Ascential: The impact of Brexit uncertainty is mitigated at a Group level (see Risk management section on page 37) however specific brands are impacted more directly: uncertainty surrounding Brexit is a positive driver for DeHavilland due to increased demand for political intelligence and impact analysis. However, the negative impact being felt by the UK property and construction markets results in a drag on Glenigan and Groundsure, while investments and home moves are put on hold until there is more certainty surrounding Brexit impact.

BUSINESS MODEL

OUR PURPOSE

We believe that consumers across the globe should have access to the products and services they need, at a fair price. We drive this forward by helping our customers to excel across design, marketing and sales in the digital economy.

Points of differentiation

OUR PLATFORM

People

- Thought leadership on the digital revolution
- Deep specialist knowledge of industries and markets in which we operate
- Global network
- Forward-thinking, challenging and visionary culture

Intellectual

- Robust and scalable technology platforms
- Use of best-in-class data harvesting technology
- Proprietary analytics algorithms
- Value from accumulation of consumer trading data sets
- Content archives
- Individual brand values and market leading positions

Relationships

- Long-term relationships with some of the world's top consumer product and services companies and platforms
- Holistic proposition across the consumer value chain provides potential to leverage broader customer relationships
- Global reach of partner relationships

Financial

- Good operating cash generation
- Strong organic growth rates
- Robust balance sheet
- Access to substantial committed bank facilities
- Clear capital allocation priorities

WHAT WE DO

Product Design

Through our market-leading trend forecasting and insights, we help global brands design for tomorrow's customer, today.

+ **Page 20** For more information

Marketing

We help our customers create, execute and measure the creativity and effectiveness of marketing campaigns and strategies that will generate more demand from their customers in a digital economy.

+ **Page 21** For more information

Sales

Our ecommerce analytics and managed services brands deliver data, analytics and industry-specific intelligence to maximise distribution opportunities, identify key products and drive growth. Our FinTech payments congress focuses on the evolution of payments and financial services.

+ **Page 22** For more information

Built Environment & Policy

Our brands provide market-leading environmental, construction and political intelligence, enabling informed and accurate decisions.

+ **Page 23** For more information

REVENUE STREAMS

REVENUE BY TYPE

£77.8m

Subscriptions	94%
Advisory	6%

REVENUE BY TYPE

£116.3m

Subscriptions	12%
Advisory	40%
Delegates	18%
Awards	20%
Space & Sponsorship	8%
Other	2%

REVENUE BY TYPE

£120.9m

Subscriptions & Managed Services	50%
Advisory	3%
Delegates	25%
Space & Sponsorship	20%
Other	2%

REVENUE BY TYPE

£34.3m

Subscriptions	42%
Advisory	4%
Transactional	54%

OUTCOMES

Customers

We help our customers to succeed in the digital economy and we measure our success through Net Promoter Scores and retention rates.

Our People

We offer our people a rewarding career, full of opportunity to grow and develop. We measure our success through our annual employee engagement survey.

Communities

We support our communities though charitable donations, working towards operating sustainable events, and operating responsibility across our suppliers, partners and other stakeholders.

Shareholders

- Long term sustainable returns.
- Dividend policy – targeting 30% of adjusted earnings per share.

STRATEGY

OBJECTIVE

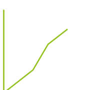
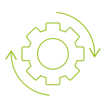
Our strategic goal is to be the global market leader in delivering specialist information that enables our customers to win in the digital commerce economy.

OUR PRIORITIES

Market leading

Accelerate organic growth

Capital allocation

WHAT WE SAID WE'D DO IN 2018		WHAT WE DID
Establish Money20/20 as the leading FinTech payments event platform.		• Successful launch of Money20/20 Asia (NPS +18) • Transfer of Europe to Amsterdam with strong growth (NPS +39) • Solid launch year performance for Money20/20 China
Accelerate the growth of the recently launched WGSN products, establishing leadership across the new segments of Insight and Coloro.		• Strong growth across the ecommerce and insight products • Encouraging enterprise customer engagement with Coloro
Create the leading enterprise insight platform for market planning, digital shelf, market share, promotion, content and trade research.		• Acquisition of BrandView and Flywheel Digital • Launch of Edge by Ascential, integrating Clavis, Planet Retail RNG, Clavis and BrandView. Edge by Ascential offers a single and crisp value proposition to customers though providing the data insights and advisory solutions needed to win in an ecommerce driven-world • Acquisition of Flywheel Digital
Evolve Cannes Lions platform to ensure a consistent measure of creativity throughout the digital economy and new media formats. Accelerate Cannes Lions digital propositions.		• Successful re-set of Cannes Lions with the reaction and feedback to the new model outweighing in-year impact on revenues and profits • Cannes Lions digital offering extended with the launch of The Work and Digital Pass, as well as the acquisition of WARC (digital subscription product on marketing effectiveness)
Maintain market leading customer retention levels across key brands.		• WGSN value retention: 92% • Strong value retention across Edge
Optimise capital allocation to enable our goals and continue to simplify the Company.		• Conclusion of Exhibitions strategic review and sale • Acquisition of WARC, BrandView and Flywheel Digital

We are now at an advanced stage of our multi-year strategy to support global brands as they navigate fast-paced change in the digital commerce economy.

Duncan Painter / Chief Executive Officer

WHAT WE PLAN TO DO IN 2019

High execution focus for our 2019 growth brands

- Accelerate market leadership across our digital information brands
- Focus on sales and customer management
- Significant contribution from marketing driving sales activities
- Grow significantly the value of our largest customers globally through our strategic client programme

Risk: Customer end-market development; Economic and geopolitical conditions

Page 38 For more information

Full integration of Edge by Ascential

- Complete the integration of the teams, business systems and products into a single platform for our customers
- Drive high cross-sell growth
- Finalise total ecommerce capabilities and create capability stack for Alibaba and JD.com

Risk: New product and capability development

Page 39 For more information

Marketing segment back to growth

- Cannes Lions – growth through new entries segments, expanding delegates from brand customers and return to higher levels of holding company participation
- MediaLink – accelerate growth of large brand reviews and projects, increase retention rates for activation retainer business lines

Risk: Customer end-market development; Economic and geopolitical conditions

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Achieve outstanding customer service programmes through 2019

- Improved NPS scores
- High focus on retention

Risk: Competition/substitution

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Continuing policy of focused capital allocation

Risk: New product and capability development; Acquisitions and disposals

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KPIs

REVENUE FROM CONTINUING OPERATIONS (£M)

Year	Value
2018	348.5
2017	292.9

ADJUSTED EBITDA (£M)

Year	Value
2018	101.8
2017	94.7

ADJUSTED EBITDA MARGIN (%)

Year	Value
2018	29.2
2017	32.3

LEVERAGE RATIO (X)

Year	Value
2018	1.1
2017	2.3

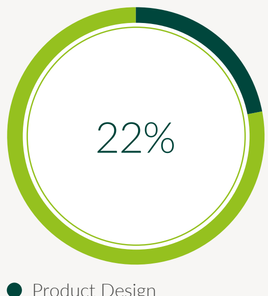
SEGMENTAL REVIEW

PRODUCT DESIGN

Revenue grew organically by 7% to £77.8m (2017: £73.6m), with Adjusted EBITDA growing to £28.1m (2017: £22.5m) and margin improving to 36%, from 31% in 2017.

WGSN, the Company's largest brand, is the leading global supplier of trend forecasts, market intelligence and insight to the fashion industry and other businesses in design-orientated consumer markets. In 2018, it grew revenue by 7% on an Organic basis to £77.8m, while retention rates remained strong at 92%. WGSN continues to gain traction with products launched in recent years such as our digital shelf offering (now sold to financial services customers), the broader consumer trends product Insight (growing over 80% to £5m of billings), brand sentiment tool Barometer and new colour system Coloro. These not only provide new revenue opportunities with existing customers but also broaden WGSN's customer base beyond apparel. A new initiative for 2019 is the launch of a specific trend product for the Beauty industry.

PRODUCT DESIGN
SEGMENTAL REVENUE AS A % OF TOTAL REVENUE



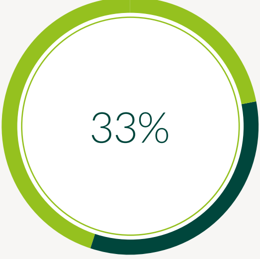
● Product Design revenue **£77.8m**

SEGMENTAL REVIEW

MARKETING

Revenue of £116.3m (2017: £110.6m) represented an Organic decline of 8% (down 6% on a Proforma basis), driven by Cannes Lions and MediaLink. As a result, the Adjusted EBITDA fell to £38.9m (2017: £48.1m), with margin reducing from 43% in 2017 to 33%.

MARKETING
SEGMENTAL REVENUE AS A % OF TOTAL REVENUE



● Marketing revenue £116.3m

Cannes Lions is the world's largest and most widely recognised international benchmark and festival for creativity in the branded communications industry. Following extensive discussions last year with key stakeholders, the 2018 festival featured important changes, most notably a new awards structure that included the retirement of three Lion awards and a reduction of over 120 sub-categories. Additionally, the festival was focused into a five-day period (previously it was held over eight), a feature that makes participation more cost effective for our customers. In 2018, owing principally to the one-year withdrawal of Publicis and the refreshed awards structure, revenues declined by 8%. The overall revenue mix continued to move away from advertising agency holding companies towards brands, media platforms and consultancies.

Cannes Lions has three main revenue streams – award entries, delegates, and partnerships and digital:

- Award entries accounted for 37% of revenue. Volumes fell by 21%, driven both by the one-year Publicis withdrawal and the retirement of Lions awards and awards sub-categories. Good levels of interest in the new Lions such as Social & Influencer and Brand Experience & Activation offset long established declines in Print and Outdoor Lions categories.
- Delegate passes accounted for 38% of revenue. Delegate revenue declined in 2018, mainly as a result of reduced participation by agency holding companies, including Publicis, combined with the standardisation to a single five-day pass. A new initiative in 2018 was the "Cannes Curated" product for major brand groups.
- Partnerships and digital revenues were 24% of Cannes Lions revenues and grew 27% compared to last year. The strong growth was driven by digital revenues and consultancy fees from the Creative Leadership programmes that Cannes Lions undertook with three major brands. The launch of The Work and Lions Digital Pass were important steps to broaden engagement with the creative community beyond the physical environment of Cannes. This, together with the acquisition of WARC, further develops Cannes Lions' year-round digital revenue streams.

Overall, the changes to the Festival's format were extremely well received by participants, resulting in an NPS score of 53, the highest on record. This, together with development of the digital offering, the launch of two new awards categories in 2019 and the high level of stakeholder engagement evident during the Festival, positions Cannes Lions well for growth.

MediaLink is a strategic advisory firm serving customers at the intersection of media, marketing, advertising and entertainment. There are four revenue streams: retainers, projects, executive search and events (bespoke content and hosted meeting programmes at events like Cannes Lions and the Consumer Electronics Show, CES). Revenue in 2018 declined 7% on the prior year (on a Proforma basis), driven by an ongoing strategic change to the business. The mix of clients has changed following a deliberate shift in focus towards more brand-led work, with a reduction in revenue from digital publishers and AdTech businesses.

WARC, acquired in July 2018, is a global digital subscription-based business that helps brands, agencies and media platforms assess marketing effectiveness across all channels. In the 2018 year (on a Proforma basis) it grew revenue by 8% while maintaining a retention rate of over 90%. Growth was subdued by the planned closure of certain print products, and ongoing digital subscriptions revenue grew by 13%.

The launch of **CLX** (a media and entertainment summit to be held at Cannes Lions in 2019 in partnership with MediaLink) is expected to be a driver of future growth for the Marketing segment.

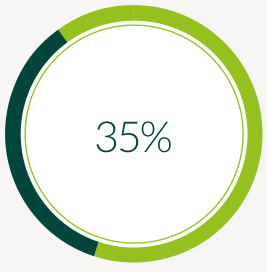
SEGMENTAL REVIEW

SALES

Revenue grew by 25% on an Organic basis (30% on a Proforma basis) to £120.9m (2017: £78.0m), with Adjusted EBITDA growing to £36.9m (2017: £29.3m) and margin declining to 31% (2017: 38%).

SALES

SEGMENTAL REVENUE AS A % OF TOTAL REVENUE



● Sales revenue **£120.9m**

The revenue growth was led by strong growth from Money20/20 Europe, along with the two launches, in Singapore and China. **Edge** (18%) and **Flywheel Digital** (110%), on a Proforma basis, also contributed strongly to the growth. In terms of EBITDA, the acquisition of Clavis in December 2017 was the main factor in reducing margin.

Money20/20 is the leading congress in the FinTech consumer payments sector, focusing on the evolution of consumer payment and financial services through mobile, retail, marketing services, data and technology. 2018 revenues delivered an excellent Organic growth rate of 37%.

In the first half, Money20/20 Asia was launched successfully, taking place in Singapore in March 2018. The event delivered revenues of £6.8m.

Now in its third year, Money20/20 Europe relocated to its new home of Amsterdam in June 2018 and delivered revenues of £17.3m, an Organic revenue growth of 33% partially enabled by the enlarged exhibition space in Amsterdam.

In the second half, Money20/20 USA, the original and largest edition now in its seventh year, was held in October 2018 in Las Vegas. It reported revenue of £29.4m, an Organic growth of 4%. The final event of the year was the inaugural edition of Money20/20 in China which was held in November 2018 in Hangzhou and delivered revenues of £2.5m.

£'m	2018	2017
Asia (Singapore, March)	**6.8**	–
Europe (2018 Amsterdam, 2017 Copenhagen, June)	**17.3**	12.3
USA (Las Vegas, October)	**29.4**	28.2
China (Hangzhou, November)	**2.5**	–
Total revenue	**56.0**	40.5

Edge by Ascential, the recently integrated digital retail strategy and analytics business, comprises the businesses formerly known as One Click Retail, Clavis, BrandView and Planet Retail RNG. To date integration has prioritised the alignment of customer facing functions, while the consolidation of the underlying product, technology and business systems platforms is ongoing. Overall in 2018 Edge recorded (on a Proforma basis) revenue of £55.7m, an Organic and Proforma growth of 18%.

Edge Market Share (formerly One Click Retail), a leading provider of ecommerce sales and share measurement for product manufacturers, grew revenue by 40% in 2018. This was driven by the signing of 37 new customers and the expansion of 11 existing US customers into new geographies.

Edge Digital Shelf (formerly Clavis, acquired in December 2017), the leader in optimising manufacturers' product performance across hundreds of retailer websites, grew revenue (on a Proforma basis) by 22% in 2018. This was driven by the signing of 26 new customers and the expansion of several existing customers into new geographies (primarily APAC).

Edge Price & Promotion (formerly BrandView, acquired in September 2018) is a leading global information provider to retailers and manufacturers, allowing them to measure and manage pricing and promotion activity and drive sales across both offline and online market places. Edge Price & Promotion grew revenue (on a Proforma basis) by 16%, driven by the signing of 40 new customers and the expansion of several existing European customers into the US.

Retail Insights (formerly Planet Retail RNG), a provider of information to consumer product companies, retailers and consultants on global retail trends, saw revenues decline slightly, mainly driven by reduced advisory revenues. The launch of a new platform, providing customers with more powerful data, analysis and visualisation tools, is designed to improve customer retention and new business win rates in 2019.

Flywheel Digital, a provider of managed services to brands on Amazon, was acquired in November 2018. In 2018 (on a Proforma basis) it recorded revenue growth of 110%, while it more than doubled its customer numbers (to over 70).

RWRC recorded revenue growth of 2%. World Retail Congress, which brings together the leaders of the global retail industry, held its 2018 event in Madrid, which grew strongly. Retail Week, an events and information services business covering the retail industry, refocused in 2018 to deliver fewer, but larger events. The highlight was Tech.18, which doubled revenue in its second year.

SEGMENTAL REVIEW

BUILT ENVIRONMENT & POLICY

Revenue grew by 12% overall to £34.3m, with all three businesses contributing double-digit growth in the year. As a result, the EBITDA margin improved to 41%, from 30% in 2017.

Groundsure, the market leading provider of environmental risk data, had another strong year, outperforming a subdued UK residential property market (down 2%), with revenue growth of 10%. This success was achieved through further product innovation in 2019, rolling out the new technologies that underpin its flagship Avista product across the full product range.

Glenigan, a provider of construction project sales leads, industry data, analysis, forecasting and company intelligence, delivered a 15% revenue growth.

DeHavilland, a leading provider of political intelligence and monitoring services in the UK and EU, grew revenues by 10%.

BUILT ENVIRONMENT & POLICY
SEGMENTAL REVENUE AS A % OF TOTAL REVENUE

● Built Environment & Policy revenue £34.3m

FINANCIAL REVIEW

2018 was another year of good organic growth in revenue combined with solid growth in EBITDA. Strong cash generation resulted in closing net debt leverage of 1.1x, after continued investment in the business and M&A.

> A core KPI and strategic goal of the Company is Organic revenue growth as this is the most efficient method of growth, measures the underlying health of the business and is a key driver of shareholder value creation.

Mandy Gradden / Chief Financial Officer

Overview

The results for the year are set out in the consolidated profit and loss statement and summarised in the table below and show, for continuing operations, revenue of £348.5m (2017: £292.9m), a growth of 19.0% (or 6.3% on an Organic basis, and 9.6% on a Proforma basis), and operating profit of £40.2m up 28.4% (2017: £31.3m). Adjusted EBITDA was £101.8m (2017: £94.7m) an Organic growth of 3.8% or 12.5% growth on a Proforma basis. We also delivered strong cash flow in 2018 with free cash flow from continuing operations after tax and capex of £77.1m (2017: £80.1m), a free cash flow conversion of 76%. Operating cash flow conversion was 105%.

A core KPI and strategic goal of the Company is Organic revenue growth as this is the most efficient method of growth, measures the underlying health of the business and is a key driver of shareholder value creation. Organic revenue growth eliminates the impact of acquisitions (counting them only once they have been owned for 12 months) and disposals and that element of growth which is driven by changes in foreign exchange rates. It is an alternative performance measure and is discussed in more detail on page 30. Proforma growth is measured in a similar way to Organic growth but assumes that the Company's acquisitions were all made on 1 January 2017 and is therefore a measure of the rate of growth of the brands owned today.

Adjusted EBITDA is also an alternative performance measure and is used in the day-to-day management of the business to aid comparisons with peer group companies, manage banking covenants and provide a reference point for assessing our operational cash generation. It eliminates items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from events which are non-recurring or intermittent, and while they may generate substantial income statement amounts, do not relate to the ongoing operational performance that underpins long-term value generation.

Continuing operations

£'m	2018	2017	Reported growth rate	Organic growth rate	Proforma growth rate
Revenue	**348.5**	292.9	19.0%	6.3%	9.6%
Adjusted EBITDA	**101.8**	94.7	7.5%	3.8%	12.5%
Adjusted EBITDA margin	**29.2%**	32.3%	–	–	–

Segmental results

Following the sale of the Exhibitions business in July 2018, the Group changed from two to four reportable segments to align our operating model to the needs of the end customers we serve. The four reportable segments are Product Design, Marketing, Sales and Built Environment & Policy. Information regarding the results of each reportable segment is included below and restated for 2017 to enhance comparability.

2018 £'m	**Product Design**	**Marketing**	**Sales**	**Built Environment & Policy**	**Corporate costs**	**Continuing operations**
Revenue	**77.8**	**116.3**	**120.9**	**34.3**	**(0.8)**	**348.5**
Organic revenue growth	***7%***	***(8%)***	***25%***	***12%***		***6.3%***
Proforma growth	***7%***	***(6%)***	***30%***	***12%***		***9.6%***
Adjusted EBITDA	**28.1**	**38.9**	**36.9**	**14.0**	**(16.1)**	**101.8**
Organic Adjusted EBITDA growth	***27%***	***(23%)***	***19%***	***53%***		***3.8%***
Proforma growth	***27%***	***(22%)***	***49%***	***53%***		***12.5%***
Adjusted EBITDA margin	***36%***	***33%***	***31%***	***41%***		***29.2%***
Depreciation and software amortisation	**(1.8)**	**(4.1)**	**(2.1)**	**(0.5)**	**(2.3)**	**(10.8)**
Adjusted operating profit	**26.3**	**34.8**	**34.8**	**13.5**	**(18.4)**	**91.0**

2017 (restated) £'m	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing operations
Revenue	73.6	110.6	78.0	30.7	–	292.9
Adjusted EBITDA	22.5	48.1	29.3	9.1	(14.3)	94.7
Adjusted EBITDA margin	*31%*	*43%*	*38%*	*30%*	–	*32.3%*
Depreciation and software amortisation	(2.3)	(3.9)	(1.0)	(0.6)	(1.5)	(9.3)
Adjusted operating profit	20.2	44.2	28.3	8.5	(15.8)	85.4

Revenue

The Company benefits from diverse revenue streams across its segments ranging from digital subscriptions to live events to advisory. Most of these revenue streams have recurring characteristics and benefit from our focus on customer retention.

Revenues from continuing operations in 2018 grew to £348.5m (2017: £292.9m), an increase of £55.6m or 19.0%. Adjusting for currency impacts and recent acquisitions Organic growth was 6.3% driven by double-digit growth of Money20/20 (37%), Edge Market Share (formerly One Click Retail (40%) as well as the Built Environment & Policy segment (12%) followed by the high single-digit growth of the Product Design segment (7%). This was offset by an 8% decline in the Marketing segment driven by Cannes Lions and MediaLink. Proforma revenue growth, which is a measure of how well the current portfolio of brands is growing, was 9.6%.

FINANCIAL REVIEW CONTINUED

Adjusted EBITDA

Adjusted EBITDA increased by 7.5% to £101.8m (2017: £94.7m) representing a 3.8% Organic growth rate. Adjusted EBITDA margin reduced to 29.2% due to the acquisition of Clavis, which was slightly loss making in the year overall despite achieving break-even in the final quarter, planned product investment in our Sales segment including two new launches for Money20/20, the acceleration of the Edge integration strategy and dilution of the margin in the Marketing segment as a result of revenue reduction. We saw strong margin growth in the Product Design segment and in the Built Environment & Policy segment, demonstrating the superior margin opportunities in scaled, mature, digital subscriptions businesses.

Reconciliation between Adjusted EBITDA and statutory operating profit

Adjusted EBITDA is reconciled to statutory operating profit as shown in the table below:

£'m	2018	2017
Adjusted EBITDA	**101.8**	94.7
Depreciation and software amortisation	**(10.8)**	(9.3)
Adjusted operating profit	**91.0**	85.4
Amortisation	**(30.6)**	(17.8)
Exceptional items	**(14.0)**	(32.5)
Share based payments	**(6.2)**	(3.8)
Statutory operating profit	**40.2**	31.3

Amortisation of acquired intangible assets

The amortisation charge of £30.6m (2017: £17.8m) on acquired intangible assets increased mainly due to full year charges for the acquired intangibles of MediaLink and Clavis as well as a proportional charge for the 2018 acquisitions of WARC, BrandView and Flywheel Digital offset by the impact of fully amortised assets. The Company undertakes a periodic review of the carrying value of its intangible assets of £786.0m (2017: £771.7m) which are supported by the value in use calculations and no impairment was identified in the current or prior year.

Exceptional items

The charge for exceptional items included in continuing operations in 2018 totalled £14.0m (2017: £34.3m) as set out in the table below and further explained in Note 5.

£'m	2018	2017
Deferred contingent consideration	**8.1**	27.7
Expenses related to acquisition	**5.9**	4.6
IPO expenditure and other	**–**	0.2
Exceptional items relating to continuing operations	**14.0**	32.5

The charge for deferred contingent consideration mainly relates to acquisition-related contingent employment costs on the acquisitions of One Click Retail, MediaLink, Clavis and Flywheel Digital which, absent the link to continued employment, would have been treated as consideration. The reduced charge in 2018 of £13.3m (2017: £26.6m) is offset by a credit on the revaluation of £5.2m (2017: £1.1m charge), mainly due to MediaLink's lower performance in the year.

Share-based payments

The charge for share-based payments of £6.2m (2017: £3.8m) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan.

- The charge in 2016 represented nine months' charge (of the 36 month service period) for the Company's inaugural grant of awards.
- 2017's charge includes both a 12-month charge for the 2016 award and a 10-month charge for the 2017 award.
- The 2018 charge includes the full annual charge for the 2016 and 2017 awards as well as a 10-month charge for the March 2018 award.

The 2019 charge will include full annual charges for the 2017 and 2018 awards as well as a 10 month charge for the expected grant in March 2019. The 2019 charge will also include the final three month charge for the 2016 award. The 2019 charge is therefore expected to be more representative of the share based payment charge going forward.

Finance costs

The adjusted net finance costs for the year were £11.9m (2017: £11.7m) as set out in the table below.

Adjusted net finance costs (£'m)	2018	2017
Interest payable on external debt	**(7.1)**	(5.8)
Interest receivable	**0.6**	0.2
Amortisation of loan arrangement fees	**(1.2)**	(1.3)
Discount unwind on contingent and deferred consideration	**(3.6)**	(4.3)
Net loss on foreign exchange and derivatives	**(0.6)**	(0.5)
Adjusted net finance costs	**(11.9)**	(11.7)

The interest expense on the Company's borrowings was £7.1m (2017: £5.8m) with the increase driven by the drawdown of the revolving credit facility (RCF) and slightly higher leverage during the first half, partially offset by interest income on the disposal proceeds which was deposited in money market funds. Other finance charges represent the unwind of the discount on deferred consideration, and will increase in 2019 to include a full 12 months relating to Flywheel Digital.

Taxation

A tax charge of £17.8m (2017: £18.7m) was incurred on continuing adjusted profit before tax of £79.7m (2017: £74.0m) resulting in an adjusted effective tax rate for the year of 22% (2017: 25%). Adjusting items total £50.8m (2017: £54.1m) and a tax credit of £8.9m arises on these adjusting items (2017: £10.7m). This equates to a total tax charge of £8.9m (2017: £10.7m) and an effective tax rate of 31% on the continuing profit before tax of £28.9m.

The ongoing adjusted effective tax rate of the Group is expected to be approximately 24–25% next year as a result of increasing profits in the US which are taxed at 26% compared to UK profits which are taxed at 19%.

Cash tax paid was £12.2m (2017: £7.9m) and the Group continued to benefit by £3.1m (2017: £6.7m) from the utilisation of historic tax losses in the UK and US, which are expected to continue to benefit the Group's cash flow over the medium term.

The Group has a total recognised deferred tax asset of £42.8m (2017: £47.1m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles and deferred consideration. The majority of this asset is expected to convert into cash savings over the next ten years. Meanwhile, our deferred tax liability amounted to £24.8m (2017: £31.3m) and related to non-deductible acquired intangibles and is not expected to convert into cash.

Discontinued operations

Discontinued operations relate to the Exhibitions business for the first six months of the 2018 financial year and includes the 13 Heritage Brands which were sold at various dates in 2017 in the comparator. The overall result for discontinued operations is comprised as follows and was restated in 2017 to include the Exhibitions business:

Discontinued operations (£'m)	**2018**	2017 Restated*
Revenue	**54.6**	105.8
Adjusted EBITDA	**19.8**	25.9
Depreciation and amortisation	**(0.3)**	(1.8)
Amortisation of acquired intangibles	**(3.1)**	(7.7)
Exceptional items including gain/(loss) on disposal	**176.5**	(3.0)
Share based payments	**(0.3)**	(0.6)
Profit before tax	**192.6**	12.8
Taxation	**(3.4)**	(6.7)
Profit after tax	**189.2**	6.1

* Revenue and cost of sales in 2017 have been restated for IFRS 15 (see Note 1). There is no impact on opening balance sheet, net profit or EPS. In addition, 2017 has been restated for the £1.8m loss on disposal of the Heritage Brands which had been treated as an exceptional item in continuing operations last year.

The exceptional item in discontinued operations includes the gain on disposal of £180.6m with no tax impact as a result of the application of the substantial shareholding exemption. This was offset by £3.6m of separation expenses, £0.3m revaluation of contingent consideration and £0.2m of items related to the disposal of the Heritage Brands in 2017.

Foreign currency translation impact

Ascential reports its results in Pounds Sterling and following US acquisitions and the significance of Cannes Lions (primarily Euro) and Money20/20 (primarily US Dollar and Euro), reported performance is increasingly sensitive to movements in the Euro and US Dollar against Pounds Sterling.

For most of 2018, Sterling was in line with the 2017 average Euro exchange rates but weakened against the Euro at the year end. Sterling weakened slightly against the US Dollar in 2018, as can be seen in the table below:

	Weighted average			Year-end rate		
Currency	**2018**	2017	Change	**2018**	2017	Change
Euro	**1.14**	1.14	0.1%	**1.12**	1.13	0.9%
US Dollar	**1.32**	1.30	(1.4%)	**1.28**	1.34	4.5%

When comparing 2018 and 2017, changes in currency exchange rates had a net adverse impact of £3.0m on revenue and £0.2m on Adjusted EBITDA. On a segmental basis, the adverse impact of changes in foreign currency exchange rates was as follows:

- Product Design: £1.6m impact on revenue and £0.3m impact on Adjusted EBITDA.
- Marketing: £1.1m impact on revenue and £0.1m impact on Adjusted EBITDA.
- Sales: £0.3m impact on revenue and £0.2m favourable impact on Adjusted EBITDA.
- Built Environment & Policy: no impact on revenue or Adjusted EBITDA.

For illustrative purposes, the table below provides details of the impact on revenue and Adjusted EBITDA if the actual reported results were restated for Sterling weakening by 1% against the USD and Euro rates in isolation.

£'m	**2018 Revenue**	**2018 Adjusted EBITDA**	2017 Revenue	2017 Adjusted EBITDA
Increase in revenue/Adjusted EBITDA if:				
Sterling weakens by 1% against USD in isolation	**1.5**	**0.7**	1.2	0.6
Sterling weakens by 1% against EUR in isolation	**1.0**	**0.7**	1.1	0.9

Furthermore, each 1% movement in the Euro to pounds Sterling exchange rate has a £1.5m (2017: £1.5m) impact on the carrying value of borrowings. Each 1% movement in the US Dollar has a circa £0.8m impact on the carrying value of borrowings (2017: £1.0m).

Earnings per share

Continuing adjusted diluted earnings per share of 15.3p per share is 12.5% ahead of the 13.6p per share recorded for 2017 and continuing diluted earnings per share of 4.8p per share is 71% ahead of the prior year figure of 2.8p.

Total diluted earnings per share were 51.4p (2017: 4.4p), driven in large part by the gain on disposal of the Exhibitions business.

Acquisitions and disposals

We regularly assess opportunities to acquire high-growth products and capabilities to serve our key end markets of Product Design, Marketing and Sales, and in 2018 incurred initial cash consideration of £97.7m for three bolt-on acquisitions.

WARC

In July 2018, we acquired WARC, a global digital subscription business helping brands, agencies and media platforms assess marketing effectiveness across all channels. It is a global leader in providing information and insight to understand and measure multi-channel advertising effectiveness. The initial cash consideration was £19.9m with deferred consideration of £4.5m payable in 2019. WARC is growing well and delivered revenue of £11.5m (up 8% on the prior year).

BrandView – Edge by Ascential

In August 2018, we acquired a leading global provider of price and promotion analytics to retailers and manufacturers for initial consideration of £29.8m plus a deferred consideration, expected to total £5.0m which is payable subject to the achievement of targets for subscription billings in 2018 and the first half of 2019. BrandView was merged into the Edge by Ascential brand in October. BrandView delivered £13.8m of revenue for the year (up 16% on the prior year).

FINANCIAL REVIEW CONTINUED

Flywheel Digital

In October 2018, we acquired a leading US-based provider of managed services to consumer product companies trading on the Amazon platform for an initial consideration of US$60m plus earnout payments payable over three years. Earnout consideration is payable in cash based on revenue of the business for 2019, 2020 and 2021 and is expected to total between approximately US$47m and US$196m. A portion of the earnout is subject to the founders remaining in employment with the company. The total potential consideration, including both the initial consideration and earnout payments, is capped at US$400m. Flywheel Digital is growing rapidly (with revenue in 2018 up 110% on 2017).

Detailed information on all acquisitions can be found in Note 12 on pages 110 to 112.

Exhibitions business

In July 2018, we successfully disposed of our Exhibitions business for a total net cash consideration of £296.4m, after adjusting for working capital and cash disposed. After transaction costs of £7.1m and the recycling of historic foreign exchange differences, a gain on disposal of £180.6m was recognised. Separation costs of £3.6m were recognised in exceptional items. Detailed information can be found in Note 13 on page 113.

Deferred consideration

The Company's preferred structure for M&A is to enter into long-term earn out arrangements with the founders of acquired companies and to link the earnout to both the post-acquisition performance of the acquired company and the continuing employment of the founders. Accounting for the earnout is complex and requires considerable judgements to be made about the expected future performance of the acquired company at the point of acquisition – especially difficult in the type of high growth, early stage companies that Ascential acquires.

The earnout is accounted for in three ways:

1. A liability for deferred consideration is established on the balance sheet at the point of acquisition based on that element of the earnout which is not dependent on the continuing employment of the founders. This amounted to £96.7m at December 2018 (2017: £97.9m). Any change in estimate is recorded as an exceptional item. This amounted to a credit of £4.9m in 2018 (2017: charge £1.1m) driven by the 2018 performance of the MediaLink business.
2. This liability is discounted to present value using the Company's cost of capital with the reversal of this discount being recorded as Other finance costs within the interest charge. This amounted to a charge of £3.6m in 2018 (2017: £4.3m).
3. Finally, that element of the deferred consideration that is contingent on the continuing employment of the founders is charged to the income statement as an exceptional item over the service life of those founders (typically three years). This amounted to a charge of £13.3m in 2018 (2017: £26.6m), which was offset by a credit for the revaluation of the earnout of £5.2m (2017: £1.1m charge).

In total, the Company expects to pay out deferred consideration of between £120m and £140m over the next three years for acquisitions to date. This is mainly contingent on the future performance of the acquired businesses which are estimated to grow their annual EBITDA by between approximately £23m and £33m between now and 2021.

Cash flow

Continuing operations

The Company generated Adjusted operating cash flow from continuing operations of £107.2m (2017: £98.1m) being a strong 105% operating cash flow conversion (2017: 104%). After increased investment in product development in our digital subscription products, internal productivity tools and the Company's data centre, capex increased to £18.7m or 5.3% of revenues up from £11.8m or 4.0% of revenues in 2017. Tax paid on profits from continuing operations increased from £6.2m to £10.9m, driven by an increase in profits as well as a change to UK tax rules that extends the period over which losses can be recovered. As a result, the Company generated free cash flow on continuing operations of £77.1m (2017: £80.1m), a decrease to 76% from 85%.

£'m	**2018**	2017
Adjusted EBITDA	**101.8**	94.7
Working capital movements	**4.9**	3.4
Adjusted cash generated from continuing operations	**106.7**	98.1
% operating cash flow conversion	***105%***	*104%*
Capital expenditure	**(18.7)**	(11.8)
Tax paid	**(10.9)**	(6.2)
Free cash flow from continuing operations	**77.1**	80.1
% free cash flow conversion	***76%***	*85%*

Discontinued operations

The Company generated Adjusted operating cash flow from discontinued operations of £3.4m (2017: £23.8m). The significant decline arose from reduced profit as the Exhibitions business was only owned for the first six months of the year and the disposal occurred at a seasonally low point for deferred income. Both the Exhibitions business and in the prior year the Heritage Brands had minimal capital expenditure.

£'m	**2018**	2017
Adjusted EBITDA	**19.8**	25.9
Working capital movements	**(16.4)**	(2.1)
Adjusted cash generated from discontinued operations	**3.4**	23.8
Capital expenditure	**–**	–
Tax paid	**(1.3)**	(1.7)
Free cash flow from discontinued operations	**2.1**	22.1

The consolidated cash flow statement (analysed between continuing and discontinued operations) and net debt position is summarised below and includes significant proceeds from the Company's business disposals totalling £290.0m (2017: £48.7m), as well as deferred and initial consideration paid on the Company's current and prior years' acquisitions totalling £164.7m (2017: £164.7m).

£'m	**2018**	2017
Free cash flow from continuing operations	**77.1**	80.1
Free cash flow from discontinued operations	**2.1**	22.1
Free cash flow from total operations	**79.2**	102.2
(Investment)/loan to joint venture	**(0.7)**	0.2
Acquisition consideration paid	**(156.4)**	(156.5)
Exceptional costs paid		
– Deferred consideration	**(8.3)**	(8.2)

£'m	2018	2017
– Other	(4.1)	(6.7)
Disposal proceeds received	290.0	48.7
Cash flow before financing activities	**199.7**	(20.3)
Net interest paid	(6.9)	(5.9)
Dividends paid	(22.8)	(20.0)
Proceeds of issue of shares net of expenses	0.4	0.1
Debt (repayment)/drawdown	(33.6)	33.0
Net cash flow	**136.8**	(13.1)
Opening cash balance	**45.8**	61.9
FX movements	(0.6)	(3.0)
Closing cash balance	**182.0**	45.8
Borrowings	(294.1)	(320.7)
Capitalised arrangement fees	2.3	3.3
Derivative financial instruments	–	0.1
Net debt	**(109.8)**	(271.5)

Returns to shareholders

The Board targets a dividend payout ratio of 30% of Adjusted profit after tax. Consequently, the Board is recommending a final dividend of 3.9p per share payable on 14 June 2019 to shareholders on the register on 17 May 2019 which, together with the Company's interim dividend of 1.9p paid in September 2018, makes a total dividend for the 2018 financial year of 5.8p (2017: 5.6p).

Other financial matters

Accounting developments

2018 was the first year of implementation of IFRS 15, Revenue from Contracts with Customers and IFRS 9, Financial Instruments. As explained in last year's Annual Report, there is no material impact on the Company from these new standards.

IFRS 16 is the new lease accounting standard and has been implemented on 1 January 2019. The most significant impacts of the new accounting standard are the recognition of operating lease liabilities on the balance sheet and the reclassification of the lease charge from EBITDA to depreciation and interest. The Group plans to adopt IFRS 16 using the full retrospective method. The impact on the profit before tax in the consolidated financial statements is insignificant. We estimate the increase in EBITDA to be in the range of £7.0m to £8.0m with a combined increase in depreciation and interest in a similar range. The impact of IFRS 16 for the year ended 31 December 2018 will be finalised and presented as a restatement along with the results for the half year ending 30 June 2019. The current level of operating leases held by the Group is disclosed in Note 29.

Capital structure

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt to equity balance. The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent comprising capital, reserves and retained earnings. The Group's policy is to borrow centrally to meet anticipated funding requirements. These borrowings, together with cash generated from the operations, are on-lent or contributed as equity to subsidiaries at market-based interest rates and on commercial terms and conditions.

The Company's sources of funding comprise operating cash flow and access to substantial committed bank facilities from a range of banks. The Company maintains a capital structure appropriate for current and prospective trading over the medium term and aims to operate net debt of 1.5 to 2.0 times EBITDA to allow a healthy mix of dividends and cash for investment in bolt-on acquisitions. Following the disposal of the Exhibitions business in July 2018 and the acquisitions of WARC, BrandView and Flywheel Digital in the second half of the year, the consolidated leverage ratio as at 31 December 2018 is 1.1x (2017: 2.3x), allowing flexibility to fund growth initiatives, future deferred consideration and bolt-on acquisitions.

Liquidity

On 12 February 2016 the Company entered into new term loan facilities of £66m, €171m and US$96m as well as a RCF of £95m. All mature in February 2021 and are currently subject to interest at 1.75% over LIBOR on the term loans and LIBOR plus 1.5% on the RCF. There is a leverage covenant limit of 4.0x (which drops to 3.5x in June 2019 until maturity) which is measured semi-annually.

As at 31 December 2018 and 2017, all of the term facilities, totalling £294.1m (2017: £288.9m) had been drawn. At 31 December 2018 none of the £95.0m of RCF had been drawn (2017: £31.8m). As a result of the Exhibitions disposal, £125.4m of cash is currently held in short-term deposits (2017: £18.4m). A refinancing is planned to take place in early 2020 ahead of the maturity of the facilities in February 2021.

Financial risk management

The Group is exposed to risks arising from the international nature of its operations and the financial instruments which fund them. These instruments include cash and borrowing and items such as trade receivables and trade payables which arise directly from operations. External borrowings are denominated 52% in Euros with the balance split between US Dollars (26%) and pounds Sterling (22%). The Company reviews and protects a proportion of its exposure to interest rate rises on the cost of borrowings through use of derivatives such as interest rate caps where appropriate. Principal risks (including strategic, operational, legal and other risks) are shown on pages 37 to 41.

Going concern

Ascential's business activities, performance and position, together with the factors likely to affect its future development, are set out on pages 10 to 33. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The processes in place for assessment, management and monitoring of risks, including the risks resulting from Brexit, are described on page 34. Details of the financial risk management objectives and policies are given on pages 123 to 127 in Note 32 to the consolidated financial statements.

The Directors believe that the Group is well placed to manage its business risks successfully. The Board's assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, show that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have assessed the Group's prospects and viability over a three-year period and the viability statement can be found on page 36. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements. In forming their view, the Directors have considered the Group's prospects for a period exceeding 12 months from the date when the financial statements are approved.

Mandy Gradden
Chief Financial Officer
22 February 2019

OUR ALTERNATIVE PERFORMANCE MEASURES

The Company aims to maximise shareholder value by optimising potential for return on capital through strategic investment and divestment, by ensuring the Company's capital structure is managed to support both strategic and operational requirements, and by delivering returns through a focus on organic growth and operational discipline.

The Board considers it helpful to provide, where practicable, performance measures that distinguish between these different factors – these are also the measures that the Board uses to assess the performance of the Company, on which the strategic planning process is founded and on which management incentives are based. Accordingly, this report presents the following non-GAAP measures alongside standard accounting terms as prescribed by IFRS and the Companies Act, in order to provide this useful additional information.

Organic growth measures

To assess whether the Company is achieving its strategic goal of driving organic growth, it is helpful to compare like-for-like operational results between periods. Income statement measures, both Adjusted and Reported, can be significantly affected by the following factors which mask like-for-like comparability:

- acquisitions and disposals of businesses lead to a lack of comparability between periods due to consolidation of only part of a year's results for these businesses;
- changes in exchange rates used to record the results of non-Sterling businesses result in a lack of comparability between periods as equivalent local currency amounts are recorded at different Sterling amounts in different periods; and
- event timing differences between periods. The Group has no biennial events, but when annual events are held at different times of year this can affect the comparability of half-year results.

Ascential therefore defines Organic growth measures, which are calculated with the following adjustments:

- results of acquired and disposed businesses are excluded where the consolidated results include only part-year results in either current or prior periods;
- prior year consolidated results are restated at current year exchange rates for non-Sterling businesses; and
- prior year results are adjusted such that comparative results of events that have been held at different times of year (if any) are included in the same period as the current year results.

Organic growth is calculated as follows:

£'m	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing operations
Revenue						
2018 – reported	77.8	116.3	120.9	34.3	(0.8)	348.5
Exclude acquisitions and disposals	*(0.7)*	*(16.0)*	*(24.0)*	–	–	*(40.7)*
2018 – Organic basis	77.1	100.3	96.9	34.3	(0.8)	307.8
Organic revenue growth	*7%*	*(8%)*	*25%*	*12%*	–	*6.3%*
2017 – reported	73.6	110.6	78.0	30.7	–	292.9
Exclude acquisitions and disposals	–	–	*(0.3)*	–	–	*(0.3)*
Currency adjustment	*(1.6)*	*(1.1)*	*(0.3)*	–	–	*(3.0)*
2017 – Organic basis	72.0	109.5	77.4	30.7	–	289.6

£'m	Product Design	Marketing	Sales	Built Environment & Policy	Central costs	Continuing operations
Adjusted EBITDA						
2018 – reported	28.1	38.9	36.9	14.0	(16.1)	101.8
Exclude acquisitions and disposals	*0.1*	*(2.1)*	*(1.7)*	–	–	*(3.7)*
2018 – Organic basis	28.2	36.8	35.2	14.0	(16.1)	98.1
Organic EBITDA growth	*27%*	*(23%)*	*19%*	*53%*	*(12%)*	*3.8%*
2017 – reported	22.5	48.1	29.3	9.1	(14.3)	94.7
Exclude acquisitions and disposals	–	*(0.1)*	*0.1*	–	–	–
Currency adjustment	*(0.3)*	*(0.1)*	*0.2*	–	–	*(0.2)*
2017 – Organic basis	22.2	47.9	29.6	9.1	(14.3)	94.5

Proforma growth measures

Proforma growth is measured in a similar way to Organic growth but assumes that the Company's acquisitions or disposals were all made on the first day of the comparative accounting period and is therefore a measure of the rate of growth of the brands owned today.

Proforma growth is calculated as follows:

£'m	Product Design	Marketing	Sales	Built Environment & Policy	Central costs	Continuing operations
Revenue						
2018 – reported	77.8	116.3	120.9	34.3	(0.8)	348.5
Include acquisitions	*–*	*5.6*	*22.3*	*–*	*–*	*27.9*
2018 – Proforma basis	77.8	121.9	143.2	34.3	(0.8)	376.4
Proforma revenue growth	*7%*	*(6%)*	*30%*	*12%*	*–*	*9.6%*
2017 – reported	73.6	110.6	78.0	30.7	–	292.9
Include acquisitions	*0.7*	*21.8*	*33.1*	*–*	*–*	*55.6*
Currency adjustment	*(1.6)*	*(2.2)*	*(1.2)*	*–*	*–*	*(5.0)*
2017 – Proforma basis	72.7	130.2	109.9	30.7	–	343.5
Adjusted EBITDA						
2018 – reported	28.1	38.9	36.9	14.0	(16.1)	101.8
Include acquisitions	*–*	*0.8*	*5.9*	*–*	*–*	*6.7*
2018 – Proforma basis	28.1	39.7	42.8	14.0	(16.1)	108.5
Proforma EBITDA growth	*27%*	*(22%)*	*49%*	*53%*	*(12%)*	*12.5%*
2017 – reported	22.5	48.1	29.3	9.1	(14.3)	94.7
Include acquisitions	*–*	*3.1*	*(1.2)*	*–*	*–*	*1.9*
Currency adjustment	*(0.3)*	*(0.4)*	*0.6*	*–*	*–*	*(0.1)*
2017 – Proforma basis	22.2	50.8	28.7	9.1	(14.3)	96.5

OUR ALTERNATIVE PERFORMANCE MEASURES

CONTINUED

Adjusted profit measures

Ascential uses Adjusted profit measures to assist readers in understanding underlying operational performance. These measures exclude income statement items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from events which are non-recurring or intermittent, and while they may generate substantial income statement amounts, do not relate to the ongoing operational performance that underpins long-term value generation. The income statement items that are excluded from Adjusted profit measures are referred to as Adjusting items.

Both Adjusted profit measures and Adjusting items are presented together with statutory measures on the face of the income statement. In addition, the Company presents a non-GAAP profit measure, Adjusted EBITDA, in order to aid comparisons with peer group companies and provide a reference point for assessing operational cash generation. Adjusted EBITDA is defined as Adjusted Operating Profit before depreciation and amortisation. The Company measures operational profit margins with reference to Adjusted EBITDA.

Adjusting items

Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other financial statements. Adjusting items include exceptional items, amortisation of acquired intangibles and share based payment charges. These items are defined and explained in more detail as follows:

Exceptional items

Exceptional items are recorded in accordance with the policy set out in the Annual Report. They arise from both portfolio investment and divestment decisions and from changes to the Group's capital structure, and so do not reflect current operational performance. These items are presented within a separate column on the face of the income statement, but within their relevant income statement caption to assist in the understanding of the performance and financial as these types of cost do not form part of the underlying business.

Amortisation of intangible assets acquired through business combinations

Charges for amortisation of acquired intangibles arise from the purchase consideration of a number of separate acquisitions. These acquisitions are portfolio investment decisions that took place at different times over several years, and so the associated amortisation does not reflect current operational performance.

Share-based payments

Following the IPO a number of employee share schemes have been introduced, resulting in a lack of comparability between periods in respect of share scheme costs – particularly as the income statement charge builds up to a normalised level over a three-year period. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

Tax related to adjusting items

The elements of the overall Company tax charge relating to the above Adjusting items are also treated as Adjusting. These elements of the tax charge are calculated with reference to the specific tax treatment of each individual Adjusting item, taking into account its tax deductibility, the tax jurisdiction concerned, and any previously recognised tax assets or liabilities.

Adjusted cash flow measures

The Company uses Adjusted cash flow measures for the same purpose as Adjusted profit measures, to assist readers of the accounts in understanding the ongoing operational performance of the Group. The two measures used are Adjusted Cash Generated from Operations, and Free Cash Flow. These are reconciled to IFRS measures as follows:

£'m	**2018**	2017
Cash generated from operations	**76.7**	107.0
Add back: acquisition-related contingent employment cash flow	**21.0**	8.2
Add back: other exceptional cash flow	**12.4**	6.7
Adjusted cash generated from operations	**110.1**	121.9

£'m	**2018**	2017
Net cash from operating activities	**64.5**	99.1
Add back: acquisition-related contingent employment cash flow	**21.0**	8.2
Add back: other exceptional cash flow	**12.4**	6.7
Less: capital expenditure	**(18.7)**	(11.8)
Free cash flow	**79.2**	102.2

The Company monitors its operational balance sheet efficiency with reference to operational cash conversion, defined as Free cash flow as a percentage of Adjusted EBITDA.

Glossary of alternative performance measures

Term	Description
Adjusted EBITDA	Adjusted operating profit excluding depreciation and software amortisation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of revenue
Adjusted effective tax rate	Adjusted tax charge expressed as a percentage of Adjusted profit before tax
Adjusted EPS	EPS calculated with reference to Adjusted profit for the period
Adjusted operating profit	Operating profit excluding Adjusting items
Adjusted profit before tax	Profit before tax excluding Adjusting items
Adjusted tax charge	Tax charge excluding Adjusting items
Cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA
Effective tax rate	Tax charge expressed as a percentage of Profit before tax
Exceptional items	Items within Operating profit separately identified in accordance with Company accounting policies
Free cash flow	Cash flows before exceptionals, portfolio investments and divestments, and financing
Net debt leverage	The ratio of Net debt to Adjusted EBITDA
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma revenue growth	Revenue growth on a like-for-like basis assuming the Company's acquisitions were all made on 1 January 2017
Proforma EBITDA growth	Adjusted EBITDA growth on a like-for-like basis assuming the Company's acquisitions were all made on 1 January 2017

RISK MANAGEMENT

Effective risk management is key to the success of our business. Risk is ultimately about future uncertainty, both opportunities and threats, and future events which might impact on our business performance.

Managing business risks

We do not seek to eliminate all risk but to ensure that we only take risks that are relevant to our strategic goals and balanced by proportionate reward. We do this through our risk management framework which provides a systematic process for the identification and management of the key risks and opportunities which may impact the delivery of our strategic objectives.

Risk governance

It is the responsibility of all of our colleagues to manage risks within their domain. Ultimately, accountability for risk management resides with the Board which is responsible for ensuring that there is an adequate and appropriate risk management framework and culture in place.

Our framework for risk management promotes a bottom-up approach with top-down support and challenge. The risk register is central to the process for capturing and discussing risks throughout the business. Risk is managed at a divisional level, as well as at a key brand and business partner function level. Acquired businesses are transitioned into the Ascential risk management framework as part of a formal integration programme. Risk assessment follows a standard framework to assess impact and likelihood, to enable a more consistent aggregation of risk across the Group.

RISK MANAGEMENT FRAMEWORK

Set strategy
Define a sustainable strategy to achieve Ascential's goals

Define strategic objectives
Agree clear strategic objectives

Define risk appetite
Determine the level of risk that can be taken in pursuit of the strategic objectives

Risk assessment
Apply the approved risk assessment process to identify and manage key risks

Deliver
Deliver strategic objectives through informed decision making

RISK GOVERNANCE FRAMEWORK

TOP-DOWN OVERSIGHT, ACCOUNTABILITY, MONITORING AND ASSURANCE

The Board

- Holds overall responsibility for Ascential's risk management and internal control systems
- Sets risk appetite taking into account strategic objectives
- Sets the tone and influences the culture of risk management
- Completes robust assessment of principal risks

Audit Committee

Monitors the adequacy and effectiveness of internal control and risk management systems

Ensures that a robust assessment of the principal risks facing the Company has been undertaken

Monitors and reviews the effectiveness of the Internal Audit function

Executive Committee

Prioritises principal risks

Allocates resources to manage risks according to potential impact

Communicates priorities to the business

Reviews Risk Committee registers to agree aggregate risk register

Identifies emerging actions where Group-wide action is required

Risk Committees

(divisional/brand/business partner functions)

Identifies risks and risk owners

Scores impact of risk on a mitigated and unmitigated basis according to consistent risk scoring methodology

Identifies controls and mitigations to manage risk

Agrees action plans to strengthen controls or address deficiencies

Reviews progress with action plans and current risks

Identifies emerging risks

BOTTOM-UP: IDENTIFICATION OF RISKS AND MITIGATIONS

RISK MANAGEMENT CONTINUED

Risk assurance

The Internal Audit function provides second-line assurance as to the effectiveness of the internal control environment through its primary responsibilities:

- reviews and assesses the internal control environment with focus on control effectiveness, quality and continuous improvement;
- determines whether controls are appropriate to provide financial, managerial and operating information that is accurate, reliable and timely;
- determines whether risks are appropriately identified and managed;
- assesses whether assets are appropriately safeguarded; and
- evaluates the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on Ascential.

More information on the work of the Internal Audit function is included in the Audit Committee report on page 61.

Long-term viability statement

The Directors have assessed the prospects and viability of the Group in accordance with Provision C2.2 of the 2016 UK Corporate Governance Code. This assessment has been based on a three-year timeframe, covering the period to 31 December 2021, which is considered appropriate because it aligns with the Company's strategic planning and financial forecasting horizon, and because, in relation to viability, it provides a sufficiently long period for stress testing scenarios to be modelled through at least one complete business cycle.

The Company's prospects have been assessed mainly with reference to the Company's strategic planning and associated long-range financial forecast. This incorporates a detailed bottom-up budget for each part of the business. The budgeting and planning process is thorough and includes input from most operational line managers as well as senior management, and forms the basis for most variable compensation incentives.

The Board also participates during the year in both strategic planning and reviewing the detailed bottom-up budgets. The outputs from this process include full financial forecasts of EBITDA, Adjusted earnings, cash flow, working capital and net debt.

The Directors consider that the planning process and forecasts provide a sound underpinning to management's expectations of the Group's prospects.

The Directors carried out a robust assessment of the principal risks facing the Group, including those that could threaten its business model, future performance, solvency or liquidity. This assessment was made with reference to the Company's current position and prospects, strategy and principal risks, including how these are managed.

The Directors also assessed the potential impact on the Company's prospects should certain risks to the business materialise. This was done by considering specific severe but plausible scenarios aligned to the principal risks identified on pages 37 to 41, applied to stress test the long-range financial forecast. The six scenarios considered to have the most serious impact on the financial viability of the Company were modelled in detail.

The specific scenarios were:

- a global recession, designed to capture the impact of the most serious plausible manifestation of macro-economic risks;
- a serious safety and security incident at a major event;
- the loss of a major customer;
- a substantial breach of cyber security and associated loss of data;
- a significant change in underlying data sources resulting in reduced data availability for our ecommerce services; and
- the combination of the two most serious individual scenarios (recession and cyber).

For each scenario, the modelling captured the impact on key measures of profitability, cash flow, liquidity and debt covenant headroom. Scenarios included the effects of plausible mitigation plans where appropriate. In all cases modelled, the Group was able to continue to fund its operations and to comply with debt covenant requirements.

Based on this assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2021.

PRINCIPAL RISKS

Principal risks are those that the Board considers would have the most impact on Ascential's strategic objectives.

Principal risks and uncertainties

The Board has made a robust assessment of the principal risks facing the business including those related to its business model, future performance, solvency or liquidity, and has considered them in the formulation of the Long-term viability statement.

Brexit risk

As part of this assessment, the Board considered an impact analysis of the risks associated with Britain exiting the EU. As there remain significant uncertainties and unknowns in respect of the final deal that may be struck, the impact analysis focused on the worst case scenario of a 'disorderly hard' Brexit (i.e no withdrawal agreement reached in 2018 or an agreement reached that does not obtain parliamentary approval from the UK or EU 27, and the UK begins operating on World Trade Organization rules on 30 March 2019).

The conclusion of this analysis was that the most significant threat to Ascential is the increased broader economic uncertainty including risk of recession. The impact of this threat is mitigated by the diversification of Ascential's business, both geographically and across sectors and industries (see the Business model on page 16 and Market review on page 14 for more detail). Additionally, recession planning forms part of Ascential's risk management process and the influence of Brexit on recession risk has been considered and monitored as part of this process. A range of severe but plausible outcomes were also considered when performing sensitivity analysis on long range financial projections.

The analysis also considered more specific and direct challenges to Ascential's business model and operations under the categories of: political, economic, talent, trade in services, trade in goods, technology, property, supply chain, tax, banking and corporate structuring. With the exception of the economic risk discussed above, the risk of the impacts being material for Ascential at a Group level was considered low. This is consistent with the fact that Ascential is primarily a service-based company, with a diversified set of businesses and geographical footprint. The Board has therefore concluded that it remains appropriate to identify and manage impacts from Brexit under the relevant specific principal risk rather than recording Brexit as a discrete principal risk.

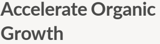
PRINCIPAL RISKS CONTINUED

The Board considers the following to be the Company's principal risks:

BUSINESS AND STRATEGIC

Description	Link to strategy	Impact	Mitigation
Customer end-market development	**Market Leading**	Our customers operate in a variety of end-markets, each with their own competitive pressures affecting customer preferences and spend. Changes in these end-markets could increase completion, reduce customer spend, or make our products less relevant to customer needs, which could lead to a loss of market share and profitability.	• We have increased our levels of investment in new product development. • We have prioritised the development of digital products within our capital allocation. • We are developing a strategic sales capability to optimise engagement with large global corporates and increase the number of strategic customer relationships. • We have a strategic focus on customer retention to give early indication of changes to perceived value of products.
Economic and geopolitical conditions	**Accelerate Organic Growth**	Significant recession could lead to reduced customer demand for our products and services. Political and regulatory changes may disrupt patterns of trade, impose operating inefficiencies or affect the Company's tax position.	• Our brands hold market leading positions in their respective markets and many are closely integrated into customers' operational processes which increases the resiliency of revenues in the face of reduced demand. • We conduct recession modelling which gives early visibility of recession, enabling plans to be implemented proactively to minimise the impact of recession. • We conducted a Brexit impact assessment to identify any mitigation actions required. • We monitor the geopolitical landscape and develop plans to respond to specific threats or opportunities.
Competition/ substitution	**Market Leading**	Increased competition, e.g. from well-funded new entrants, aggregators or shifting market dynamics creating opportunities for consultancy firms, could result in a reduction in market share and revenue.	• We have a strategic focus on product development to ensure continued relevance to customers. • We maintain awareness of emerging technology and market developments through a variety of sources including relationships with existing vendors and independent partners, market research and involvement with peer networks. • We closely monitor the competitive landscape to identify opportunities and threats.

BUSINESS AND STRATEGIC CONTINUED

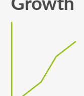
Description	Link to strategy	Impact	Mitigation
New product and capability development	**Market Leading**	The ability to grow our revenues organically is central to Ascential's sustainability, and development of new products and capabilities is a key driver for organic growth. Failure to successfully execute this development could negatively impact Ascential's growth rates and profitability.	• We have formal project plans for all new product. development, with appropriate gating and milestones. • Our performance against those plans is monitored by the Executive Committee.
Acquisitions and disposals	**Capital Allocation**	Growth through acquisitions entails several risks, including the ability to identify acquisition opportunities, to achieve the expected benefits, to integrate acquired businesses with our existing businesses, to retain staff and to preserve sources of competitive advantage. Acquisitions which move the Group into different geographies or markets increase operational complexity. Disposals may not realise appropriate value. Acquisitions which do not deliver anticipated value or are a poor strategic fit may lead to a loss of profitability, market share and damage to reputation.	• We have a strong and experienced M&A team, overseen by the Chief Executive Officer, with clear acquisition/disposal criteria, careful due diligence and pre-completion planning for integration/transitional service agreements. • We have a formal project management function to manage post-acquisition integration. • We conduct post-transaction reviews to identify any key learning points to inform future transactions.
People risk	 **Accelerate Organic Growth**	A lack of effective succession planning could undermine achievement of key business objectives, particularly in parts of the business that are structurally exposed to higher key person risk. High employee attrition in key areas would increase the risk to delivery of strategic and financial goals. Strategic skills shortages and inability to attract talent could compromise execution of growth, new product development and business efficiency programmes, leading to weaker organic growth and margins.	• The Nomination Committee has continued to oversee succession planning to ensure robust succession plans, particularly for senior management. • The operational restructure of Ascential and transition to 'One Ascential' improves management capacity and mitigates key person risk. • We have increased our employee engagement score, with identified actions planned to drive engagement further. • We have significantly increased the proportion of direct recruitment which has improved our recruitment ability and quality of hire.

How the risk has changed

The level of uncertainty in economic and political conditions has continued to increase as has the pace of change in our customer end-markets. This increasing pace of change is considered to be a new constant and the Company is well placed to respond positively to these changes. 2018 was a critical year for establishing the capabilities we need. This completed, 2019 will be a year to focus on integrating the unique information sources now within the Group and returning the Marketing segment to growth.

PRINCIPAL RISKS CONTINUED

OPERATIONAL

Description	Link to strategy	Impact	Mitigation
Reliance on data providers	**Accelerate Organic Growth**	The change in availability or structure of data provided by suppliers could negatively impact Ascential's ability to provide its product and services, and increase costs/reduce profitability.	• We have continued to invest in our ability to respond flexibly and quickly to changes in data availability and structures, as well as in alternative data sources. • We are building more strategic relationships with key data suppliers to gain earlier visibility of changes.
Loss, misuse or theft of proprietary, employee or customer data	**Accelerate Organic Growth**	Loss of proprietary data could undermine the value that we derive from our intellectual property. We have an obligation to protect customer and employee data and loss or misuse of this data could result in a loss of reputation, and regulatory sanctions or fines. There is a risk of financial loss through successful phishing attacks or other cyber infiltration.	• We maintain and test network security, network resilience and business continuity plans, and monitor emerging threats to ensure our preparations and responses are current. • We have a cyber incident response process agreed. • We have established an Information Governance Committee and appointed a Data Protection Officer to ensure compliance with GDPR and other relevant regulation. • We train our employees and raise their awareness on how to behave with regard to information security best practices, particularly phishing and social engineering.
Venue availability, security and access	**Accelerate Organic Growth**	Our events are held at specific locations which may become unavailable for use through damage, or may become available only on uneconomic terms. Travel disruption or safety risks from a variety of causes such as natural disasters, civil disorder, political instability and terrorism may prevent both customers and our own staff from reaching the event location, or lead to customers being unwilling to travel.	• We have comprehensive security plans for each event with appropriate mitigation incorporated into operational planning, including contingency planning with local authorities and police. • We maintain close relationship with major venue providers, and maintain contingency plans to move events or dates if necessary. • We maintain insurance cover in respect of certain event cancellation risks.
Business resilience	**Accelerate Organic Growth** 	Employees, customers, suppliers or assets may be directly or indirectly impacted by adverse security or natural events. IT service interruption (either through malicious attack, human error, lack of data centre capacity or other operational failure) could interrupt all aspects of the Group leading to lost revenue for transactional brands and damage to the reputation of our subscription based brands.	• We have developed a Group Crisis Management Plan, to manage how Ascential's leadership team directs the business through any major incident or crisis which might severely disrupt operations, threaten business performance or damage reputation. • We have implemented a High Availability Programme, including resilience between data centres, for our core applications. • We have long-term contracts with our key suppliers which are professionally procured and include rigorous service level agreements.

How the risk has changed

We see the risk of cyber attack as continuous and look to maintain our response against the increasing sophistication of attacks. Although following the disposal of the Exhibitions business we have significantly fewer events, we continue to give serious consideration to terrorism and the perception of increased terrorist risk and have robust event security plans in place to preserve our resilience to these threats.

FINANCIAL

Description	Link to strategy	Impact	Mitigation
Financial risk	Accelerate Organic Growth	We have material exposures to different currencies and functions in these currencies affect the reported financial results. As a global business, we are subject to many forms of taxation in many different jurisdictions. Tax law and administration is complex and tax authorities may challenge our application of tax law, potentially leading to lengthy and costly disputes and material tax changes.	• The impact of movements in US Dollar and Euro currencies against Sterling is set out on page 27. • Our approach to foreign exchange risk is set out in Note 32 to the financial statements on page 123. • We have an experienced tax function, supported by professional advisers, who maintain a constructive relationship with tax authorities, and keep up to date with changes in tax legislation and in the development of our business to enable effective tax planning. • We make full, accurate and timely disclosures in submissions to tax authorities that we work with collaboratively to achieve early agreement and certainty on complex matters whenever possible.
How the risk has changed		The risk of higher currency volatility has increased as a result of the ongoing Brexit uncertainty, as well as increased level of uncertainty around the US fiscal policy including trade negotiations. The increase in geographical diversification has reduced the Group's exposure to foreign exchange volatility on an underlying performance basis.	

REGULATORY

Description	Link to strategy	Impact	Mitigation
Regulation	Accelerate Organic Growth	Change in regulation could make our current business models unprofitable or unsustainable. Increased revenues in geographies with more complex regulatory environments or expansion into new geographies can increase the risk of regulatory breaches. Compliance failures could lead to criminal and civil prosecution, including fines, censure, reputational damage and inability to trade in certain jurisdictions.	• Our legal team, supported by professional advisers, monitors changes in regulations and emerging best practice in the sector and in key policy areas. It is responsible for ensuring an appropriate compliance framework, with effective policies, processes and reporting. Each part of the business has individuals responsible for embedding regulatory compliance within the business. • We have continued our training and awareness programmes across the business.
How the risk has changed		We view the level of regulatory risk as unchanged, although the potential impact of Brexit on the UK regulatory regime will be closely monitored.	

OUR PEOPLE

We work hard to attract and retain the best people in the industry to work across all of our brands and teams, and aim to be a destination employer in every one of our key operating territories and markets.

Ascential brings together talented people and brilliant brands.

Ralph Tribe / Chief People Officer

Setting direction – The "One Ascential conference"

We hold our all-Company conference in January each year and this enables more than 1,400 individuals to hear and engage in this year's strategy, plan and goals for the business from the very beginning of each annual business cycle. It aligns objectives and interests, as well as giving our people an exceptional opportunity to network, share learnings and collaborate in relation to our business goals. Our annual conference and Gala Awards night has become an important part of our journey to a more informed and connected Ascential. The event is a large investment by the Company, but we believe it is key to continuing to share, learn and connect with colleagues and celebrate the great work of individuals and teams across the business. This year was our most international conference yet, with nearly half of participants coming from outside the UK.

Our people's opinions matter

Our people's opinions matter and we hold regular updates to inform them on business progress and answer any questions they may have, and gather their ideas on improving customer and internal engagement.

We conduct and act upon our annual employee engagement survey, which, along with face-to-face feedback, helps us understand what people think, and what they want to achieve in their careers with us.

As we develop a "One Ascential" culture across all brands and geographies, we are progressively aligning key people processes globally. For the first time, this year we ran a single unified engagement survey globally. Our aggregated engagement score improved four points to 74 (out of 100) with scores for Manager Quality, Pride, Motivation and Loyalty indicators all above 80. We have a clear plan to drive further improvement across all engagement areas in 2019 and are targeting a score of 80.

Each area of the business also regularly hosts face-to-face all-staff meetings (known as Town Halls), webinars and team briefings to share news and progress against priorities.

At the 2018 Company conference, our CEO and CFO hosted an open, live Q&A session, taking questions from the floor. Responses were recorded and posted to the intranet for anyone unable to attend. The post-event survey recorded this as one of the most popular segments and it was repeated in January 2019. Midway through the year, when we announced our half-year 2018 results, the CEO and CFO again hosted a webinar for staff, as well as meeting external analysts, investors and members of the press.

Valuing the diversity our people bring

Our business success is driven by difference and we value what everyone brings. We welcome all employees without unfair or unlawful discrimination and aim to inspire everyone to do their best work and build their careers with us. In our most recent global engagement survey, 91% of our people agreed that individual differences were respected and people were treated fairly at Ascential (external benchmark norm: 83%).

The Company has again contributed to the Hampton-Alexander review, which aims to drive an improvement in the gender balance in FTSE leadership. The review has a stated target of 33% representation of women on FTSE 350 Boards and Executive Committees, as well as in the direct reports to the Executive Committee, by the end of 2020. The November 2018 review once again showed that Ascential ranks number 1 in the FTSE 350 for women on boards, with 57% women on our plc Board. We also exceed the 33% target for the wide leadership population, with 36.6% women in the combined group of the Executive Committee and their direct reports.

Whilst we are happy with the gender mix of our Board, there is more work to be done. We do still have a gender pay gap and we are focused on addressing this. For us, the gap exists because whilst 53% of our employees are women (2017: 57%), only 49% of our managers are female (2017: 52%), and at the most senior levels less than 40% of our leaders are women.

We therefore need to recruit, encourage, support and promote more women into our senior leadership group to address the gender pay gap. To accelerate our progress in tackling this issue, we launched a significant new Women in Leadership programme during the year, led by Carla Busazi, Managing Director of WGSN. We ran surveys and focus groups to gather ideas on how to improve career development outcomes and inclusion efforts, and this resulted in a clear plan of action starting in January 2019. New initiatives will include a Company-wide mentoring scheme where all senior leaders will take on at least two mentees, explicit promotion of flexible working, and refined recruitment policies.

Share ownership

One of our business beliefs is that when the Company prospers, we want everyone who has contributed to prosper.

When we floated the Company on the London Stock Exchange in February 2016, everyone employed by the business at that time was gifted 500 shares subject only to their continued employment in 2019. Later in 2016, we launched the UK and International Sharesave and US Stock Purchase saving plans for employees wishing to invest in Ascential plc shares. These plans enable people in any one of our offices around the world who wish to enrol to save a set sum each month and in future years buy shares at a discounted purchase price. In total, 42% of all eligible employees participate, and saving levels have increased by 43% from an average of £178 per month in 2017 to £256 per month in 2018.

Benefits

As part of an attractive overall employment package, people are offered a range of benefits, which they have the opportunity to amend during the year. We seek to offer solutions that suit our different generations, so benefits are frequently reviewed and introduced, extended or removed depending on demand and feedback. Our goal is to have all employees in any given country and any part of the business operate on consistent terms and conditions.

Employee development

Ascential is a fast-paced, international business. We are a responsible destination employer and are determined to attract and retain the best in our industry by offering our people great opportunities to develop and grow their skills and careers with us. We invest seriously in development and reconfirmed our commitment to learning by launching "Ascential Learn Fest" at the 2018 all-Company conference. This was a new one-of-a-kind learning experience that capitalised on the fact that everyone was in one place for our January conference and all employees were able to choose three world-class training sessions from a choice of seven, in one intense day of highly relevant learning. Feedback was exceptional and we will refresh and repeat the idea annually.

We also launched a number of new training programmes during 2018, including a new global Leadership Development programme, a new programme for all line managers, and our "Peak Performance" programme aimed at driving new performance-enhancing skills and techniques across the whole workforce. Each programme is available in both live and virtual formats to maximise accessibility and participation rates amongst all our people across all our locations.

OUR VALUES AND LEADERSHIP BELIEFS

FORWARD THINKING

We think big and see the bigger picture to help our customers translate insight into advantage

Leadership beliefs

- Focus – we prioritise and keep things simple
- Facts – we use data and insight to inform our work
- Empathy – we can be relied upon for fairness and consideration

CHALLENGING

We are thought-provoking and persuasive – always searching for a better way to get things done

Leadership beliefs

- Creativity – we are smart, proactive innovators
- Transparency – we tell it as it is
- Openness – we insist on honesty, integrity and openness

TRANSFORMATIVE

We are visionary and confident – making changes happen

Leadership beliefs

- All-in – we have a clear focus on outcome
- No silos – we are one team

OUR PEOPLE CONTINUED

Employee recognition

We offer regular recognition and rewards linked to performance.

The most hotly contested recognition scheme each year is the Ascential Excellence Awards, which is open to all employees. Judged by senior leaders of the business, they are a fun and effective way for the achievements of individuals and teams to be recognised. The highlight of this award programme is during the annual Ascential conference when winners of holidays funded by the Company – including for the top content and product creators, marketers, business partners and highest sales achievers in each business area – are announced. Perhaps unsurprisingly, this year we had more entries than ever before.

Elite is a reward programme to recognise the brilliant work of our people: from sales and marketing excellence to exemplary teamwork and above-and–beyond performance in every discipline. Each quarter, a small group of winners is recognised and rewarded with an experience, which have included tickets to exclusive venues, dinners and sporting days out. This year 30 of our Q2 winners were taken on an educational trip to China where they were able to participate in Money20/20 China at its inaugural launch event and visit Alibaba, one of the biggest platforms in Ascential's eco-system. Key learnings and insights were filmed and narrated by participants and then communicated in a series of live videos to all employees across Ascential so that everyone might benefit from the experience.

Embedding industry leading standards

Ascential runs a number of formal cross-brand Professional Communities in key areas such as Sales, Content and Marketing.

The Ascential Sales Academy is led by internal and external sales experts and offers many sales performance programmes and leadership alumni programmes. This year, this community developed a major new Sales Leader development programme that will go live early in 2019.

To ensure we set ourselves up for future success, inspire world-class content and embed a content excellence culture, Ascential offers a Content First programme. Run by several of Ascential's most respected and successful content leaders with an outstanding track record in driving exceptional content, the in-house Content First programme aims to further embolden our content talent across the whole business to deliver the content our customers need, when they need it and in a simple to find and digest format. This year we evolved our bespoke Content Leaders programme where content leaders from around the world were brought together to collaborate with peers to drive content innovation within their own teams and brands. Armed with robust data on customer insight and market knowledge, these leaders continue to raise the standard of Ascential's content to be the best in each of the industries we serve.

Our values and leadership beliefs

The Ascential Beliefs were fully launched at the 2018 conference and have gathered good momentum since then. They allow us to define how we do things at Ascential, supplementing people's understanding of what we do. These Beliefs are now clearly presented on all key websites including our Corporate site and our Recruitment and Careers site, as well as being directly incorporated into key people processes such as Performance Appraisal and Development Review. We believe that this framework is an important contributing factor to our very high scores for Organisational Integrity (86%) in our annual engagement survey. They give people extra confidence in their leaders, where most (87%) agreed that our Executive team led by example in relation to these beliefs, and why so many (88%) of our people are proud to work here.

Ralph Tribe
Chief People Officer
22 February 2019

CORPORATE AND SOCIAL RESPONSIBILITY REPORT

We are focused on supporting our community and having a positive impact on our people, and the customers we serve.

SUPPORTING OUR CHARITY PARTNERS

The Prince's Trust

Ascential is passionate about education and helping young people to get a better start in life. We have an active and impactful relationship with The Prince's Trust – our work in 2018 included:

- Sponsorship of the Educational Achiever of the Year Award at its national annual awards – this year's winner received three months full paid work experience with Cannes Lions, including two weeks on site at the festival in Cannes in June 2018.
- Seven Ascential Executives travelled to the UK regions from Glasgow to Belfast to join the judging committee for next year's winner for Educational Achiever of the Year, also returning to attend the Regional Awards Ceremony for the successful Nominees.
- Support for the Trust at our events – donating a stand at Pure London in the February and July show for two entrepreneurial fashion designers giving them their first trade show. We also donated a stand at the BETT Show in January for The Prince's Trust, as well as a Speakers Slot for the main stage arena.
- Involvement in the "Get Hired" programme and "Get Started" programmes, giving three candidates work experience. Two more candidates are being interviewed for a 2019 start.
- Our CSR Ambassador, Vicky Ogden, won the Outstanding Individual Award at the Trust's Partnership Awards. Ascential was also nominated for All Round Hero for company under 5,000 employees from The Partnership Awards.
- CEO support for The Fairbridge programme, which offers group activities and one-to-one support to develop the skills and confidence – both Duncan Painter and Natasha Christie-Miller visited the centre in 2018 with Ascential's video team filming to encourage awareness.

This year we participated again in The Prince's Trust Million Makers competition. Million Makers is a Dragons' Den-style fundraising challenge which sees teams of employees from companies across the UK competing to raise £10,000 or more over a period of six months. Team Aspire, our 2018 Million Makers team, raised over £350,000 in 2018 through various fund raising initiatives with colleagues and key partners, including a Golf Day, a Company-wide Tough Mudder, a Gala Dinner, a global cycle ride challenge, bake sales and raffles. Our contributions to Million Makers has grown considerably over the years:

Year	Contribution (£'000)
2013	32
2014	73
2015	88
2016	170
2017	301
2018	**350**

MILLION MAKERS TEAM RAISED OVER
£350,000

MediaLink

Driving positive change in the industry.

MediaLink raised over £200,000 in 2018, supporting a wide variety of charitable causes both inside and outside of the marketing industry. The range of emphasis spans social movements supporting disenfranchised groups, child advocacy, veteran and active duty military support, cures for chronic diseases and patronage of the arts. MediaLink's focus remains on causes important to the marketing industry at large as well as those important to our clients and staff.

Every year, selection is based on historical precedent as well as a handful of new charities focused on timely issues that emerge as vital to the health of the marketing industry, notably preserving free speech and equality in the workforce.

Within the marketing industry, MediaLink executives dedicate service in the form of board membership to several key not-for-profit industry organisations like the Advertising Council, Inc. and the Paley Center for Media, in addition to providing charitable donations. The Advertising Council, Inc. in particular is allocated a high annual budget for its focus on public service communications that raise awareness and inspire action on numerous causes. Michael Kassan, CEO and Chairman, MediaLink, is a member of the Advertising Council Board, the American Advertising Federation, the Hollywood Radio and Television Society, the Paley Center for Media, and the UJA Marketing Communications Committee, of which he is Chair. He has also served as Chairman of the California State Senate Select Committee on the Entertainment Industry.

CORPORATE AND SOCIAL RESPONSIBILITY REPORT CONTINUED

SUPPORTING OUR CHARITY PARTNERS CONTINUED

WGSN and Just Like Us

In 2018 WGSN partnered with LGBT+ charity Just Like Us.

The charity is focused on supporting young LGBT+ people, ensuring that they hear powerful positive messages about being LGBT+ from other LGBT+ young people. It is building a national network of university student volunteers, giving them the skills they need to communicate with impact, and sending them into secondary schools to share their stories, challenge stereotypes, and explain why LGBT+ equality is important.

People from the WGSN Content, Mindset, Sales and Product teams partnered with Just Like Us, and our people are now working with the charity to deliver presentation skills to Ambassadors recruited from universities across the UK. A crack team of seasoned public speakers was pulled together from across WGSN, who duly made the college-aged young people feel so at ease that we were told more of the students felt comfortable enough to share their own stories than ever before.

Through WGSN's industry contacts, the charity gained access to an ASOS supplier, who kindly took on the printing of a t-shirt order, offering Just Like Us a significant cost saving on its previous order. WGSN also secured the services of high-profile Instagrammer and Fendi collaborator Reilly, who agreed to allow Just Like Us to use one of his artworks for printing on t-shirts.

We were also able to offer the charity access to our meeting rooms in London and, in the future, we hope to help it with its social media strategy and website. It's been a strong and inspiring start to a relationship we want to maintain and grow in 2019.

Groundsure – giving back to the community

The dedication of our people is at the heart of Groundsure's success.

Our success in the market is mirrored by support for various charities and organisations making a positive social impact.

The Humanitarian OpenStreetMap Team brings the team's expertise to life, with many Groundsure people spending hours helping to map out areas in response to natural disasters, to help aid recovery teams to find and help the people affected. The team completed 12 sessions in 2018, with five Groundsure people per session.

Groundsure also hosts Codebar, an initiative to promote diversity in tech. Codebar is a UK non-profit with individual chapters based around the UK, aiming to make technology and computing more accessible to underrepresented people in the community. Groundsure hosts and sponsors regular workshops and have facilitated up to 30 attendees to collaborate to learn programming in a safe and supportive environment.

Ascential Pride, our first LGBTQ+ network, was also founded by the Groundsure team.

Volunteering day – a global initiative

We encourage all our people to take one day per year to volunteer with a charity of their choice.

In 2018, examples included our Hong Kong office volunteering on a Nature Reserve WWF Wetlands, and the Glenigan team in Bournemouth helping with the distribution and selection of food banks since August.

Staff from Ascential, DeHavilland, and WGSN also took part in the "Let's Get Cooking" initiative for the Bloomsbury Community Centre, which provides a hot three course lunch for elderly and homeless people. And our UK-based people also supported The Harington Scheme, a garden centre for young people with learning difficulties, with two groups from across the business working together weeding, clearing, pruning and planting for a full day.

PROMOTING EQUALITY

Money20/20 – Rise Up

Money20/20 took a fearless approach in addressing gender inequality in the financial services industry during the 2018 Las Vegas event, launching Rise Up: a new, annual programme designed to empower female leaders through actionable skills, tools, and mentorship to help them take their careers to the next level.

The goals of the programme are to:
- embrace inclusivity as a strategic imperative to drive our industry forward;
- amplify the business benefits of inclusivity across the financial services and FinTech industry;
- empower women with actionable skills and learnings that can catapult their careers to the next level;
- actively support and inspire women early in their careers to take advantage of the bold content, industry luminaries and career changing opportunities at Money20/20; and
- serve as a platform to inspire others to create actionable plans for inclusion and empowerment in our industry.

In 2018, a cohort of 30 women were chosen to take part in an exclusive Money20/20 curated agenda, complete with a series of bespoke content sessions and unique networking opportunities. Alongside regular programming, they took part in one-to-one mentoring with the most respected industry leaders, private meetings with keynote speakers and special events. The programme will continue throughout 2019.

Alongside Rise Up, and further demonstrating our sustained commitment to promoting diversity and inclusion in the financial services and FinTech arena, Money20/20 Europe will also sponsor the third European Women Payments Network (EWPN) annual conference, continuing the partnership between the two organisations. The EWPN 2019 conference will move to the RAI in Amsterdam and take place alongside Money20/20 Europe in June 2019.

Cannes Lions – nurturing diverse talent

In 2018 Cannes Lions reinforced its commitment to promoting diversity within the creative industry. Collaborating with HP on the #MoreLikeMe project, it is part of an initiative to cultivate the talent of young, diverse creators. The programme chose 15 amateur creators to attend the 2018 Cannes Lions Festival and attend mentoring sessions and networking events.

The Roger Hatchuel Academy is another initiative for young, aspiring creatives. The six-day programme is aimed at students interested in pursuing a creative career in advertising. This year Cannes Lions challenged our reps to provide three nominations from diverse backgrounds focusing on underrepresented groups within their specific countries. We've also partnered with Google Creative Campus to bring a further ten individuals and all chosen participants will attend Google Mountain View for five days in autumn 2019 to further develop their skills.

As members of the Unstereotype Alliance, Cannes Lions continues to promote criteria for judging centred on recognising and avoiding harmful stereotypes. Further, the R/GA and Cannes Lions Start-up Academy now focuses on fostering female founders and encourages start-ups with at least 51% ownership by a female founder to apply.

See It Be It, a Cannes Lions initiative, provides executive training, mentoring and exclusive networking opportunities for mid-level creative women from across the world. The curated programme, launched in 2014, focuses on supporting future female creative leaders and facilitating them with the tools and support network they need to succeed and thrive. In 2018, See It Be It partnered with Spotify, the first major brand partnership for the programme to date, to take the programme to a new level and extend the global outreach through regional events in Toronto, New York, Dubai, Karachi, LA., Sydney and Sofia. Chief Creative Officer at Badger & Winters, Madonna Badger was announced as the Global Chair of the programme for a three-year tenure.

CORPORATE AND SOCIAL RESPONSIBILITY REPORT CONTINUED

PROMOTING EQUALITY CONTINUED

Retail Week – Be Inspired

Retail Week's Be Inspired programme continues to grow in scale and influence. It has now amassed the support of 90 ambassadors throughout the sector, including the leaders of WHSmith, Greggs, Post Office, White Stuff and Habitat.

A major development for Be Inspired in 2018 was the launch of its Senior Leadership Academy in November – an annual 12-month programme specifically for senior retailers identified by our retail partners as high-potential future leaders. It is widely recognised that to help address the lack of balance at boardroom level in retail, more needs to be done to develop that pipeline. The Senior Leadership Academy is the Be Inspired response to that challenge. Our open-to-all monthly workshops also benefited even more retailers last year, with 539 attending throughout the year – up 12% on 2017.

The 2018 conference was another highlight, with a 21% increase in those attending in 2017, and resulting in an NPS score of 72. Some 465 delegates from 132 different brands heard from some of the biggest names in retail, technology and media, including Ann Summers CEO Jacqueline Gold CBE, Global President of Mars Foods, Fiona Dawson, and co-founder of NotOnTheHighStreet.com, Holly Tucker MBE.

Support continues to grow throughout the sector. Accenture became headline sponsor last year after a year's association as consulting partner, and were joined by partners from a range of sectors including property, technology and recruitment who are recognising the value of Be Inspired and its ability to effect real change in gender diversity throughout business.

SUSTAINABILITY

Operating sustainable events

In 2018 our Events Operations team launched an internal Sustainability Committee to focus efforts and share ideas to make our events as green as possible. We are working more closely than ever with event production companies and venues, checking their recycling and sustainability policies and asking for reports and existing policies.

And we are seeing success. For the first time this year, Money20/20 US found an alternative 100% recyclable material to use for all foam board branding it used across the event. W e are now looking to roll this out across all events. We are continually working to find environmentally friendly solutions for our event assets. For example, in 2019 Cannes Lions will be using cardboard water bottles instead of plastic, eliminating the use of 70,000 single use plastic bottles around the festival.

We are working with suppliers who can provide badge wallets and lanyards made of recycled plastics and continue to look at how we can make sure we are always using the greenest options for any sponsored assets that are being purchased by us as the organiser. The delegate bags for all events are biodegradable and certified vegan, made in 100% carbon neutral factories with organic cotton.

As we move into 2019 we are looking to partner with other large-scale event companies to try and solve these problems as an industry.

Cannes Lions – Lions for Good

Cannes Lions operates two awards as part of Lions for Good – the SDG Lion and Glass: The Lions for Change.

Introduced with the support of the United Nations, the SDG Lions aims to advance awareness of the Sustainable Development Goals – unanimously adopted by world leaders at the United Nations in 2015 – by encouraging the creative industries to focus on harnessing creativity to positively impact the world. In its inaugural year the SDG Lion received 898 entries generating a total of €323,280 in funds. We announced the distribution of these funds to Friends of the Palau National Marine Sanctuary and the Palau Pledge Legacy Team (the client behind The Palau Pledge which won the first SDG Lions Grand Prix at Cannes Lions 2018).

The SDG Lion is part of the Good Track at Cannes Lions, along with Glass: The Lion for Change, which also donates the funds generated from entries. In 2018 Cannes Lions announced that €114,450 of the proceeds from the 2018 Glass Lion will be used to fund initiatives furthering research into identifying and combating harmful stereotypes in advertising. The beneficiaries are The Geena Davis Institute on Gender in Media and UN Women's Unstereotype Alliance.

Cannes Lions also continued to support the ACT Responsible initiative.

WGSN sustainability forum

Established in 2017, WGSN's Sustainability board is a self-nominated group who are passionate about sustainability, and improving the environmental and people impact of the industries we service.

The 14 members include representatives from WGSN Fashion, Insight, Lifestyle and Interiors and AI Ventures with a full spectrum of editorial seniority across activewear, materials, interiors, retail, denim, print and graphics, kidswear, consumer insights, marketing, beauty and travel. The group meet on a monthly basis to create internal learning sessions and to discuss editorial strategy.

The aim is simple; we use our position as the industry's leading trend forecaster to help our clients to become more sustainable, highlighting the opportunities this presents and helping them to navigate this daunting evolution of our industry.

2018 saw sustainability shoot into our client's strategic priorities as the fashion industry's impact on the environment and resources placed it as the second most polluting industry globally, with an estimated annual US$500bn lost through clothing underutilisation and lack of recycling*.

Throughout the year, WGSN's internal Sustainability board ran an internal learning programme of speaker sessions and resources to upskill the Content team on this fast-evolving and complex topic. The team reached out to global thought leaders in the field of sustainability to bring us up to speed on cutting-edge developments from bioengineered colour dyes, to closed loop systems, chemical recycling and block chain technology for supply chain transparency.

Our materials team produced sourcing guides that help our clients understand the impact of their fabric choices on everything from water usage to animal husbandry. Our trends team continues to track the latest style influencers in the field; sustainability is consistently the number one trending hashtag within WGSN's daily trend feed. As our clients seek to better understand consumer expectations on the subject, our WGSN Insight reports were among our top 20 reports of the year including Sustainability and the Consumer which had over 13,000 unique page views.

The Sustainability board also writes WGSN's monthly Sustainability Bulletin, which is published across all WGSN platforms reporting on the latest news and developments from new brands and technologies to changes in government legislation.

* Ellen MacArthur Foundation, A New Textiles Economy: Redesigning fashion's future (2017, www.ellenmacarthurfoundation.org/publications).

Environmental

Our environmental footprint has been significantly decreased by the sale of our Exhibitions business.

As a data-led information business, we now have a reduced direct environmental impact. However, we work hard to ensure that our events have as low environmental impact as they can and continue to minimise our direct environmental impact where we can. You can read more about how we run sustainable events on page 48.

In our office buildings Ascential works with our landlords to ensure installation of energy efficient low-temperature hot water, water-efficient low-flush toilets, low-energy lighting and low-power technology across all its offices. We recycle in all of our offices, and promote recycling.

We continue to focus on digital content, greatly reducing our paper consumption. Even though print requirements for the business have further declined, we optimise paper efficiency through use of best-in-class printing equipment and technology.

As a global business, there is a need for our people to travel to our various global offices. However, we do encourage all our people to work collaboratively using the technology available, reducing the need to fly. This year we introduced a new global communication system Fuze, to better support our people as they communicate and collaborate across the globe.

Full details of our direct and indirect greenhouse gas emissions are set out in the Directors' Report on page 78.

CORPORATE AND SOCIAL RESPONSIBILITY REPORT CONTINUED

OPERATING RESPONSIBLY

Operating responsibly

Our suppliers, partners and other third parties involved in the provision of goods or services are important to us. They underpin our ability to serve our customers and while delivering our valued and trusted products it is important to us that we and our suppliers do business responsibly, ethically and lawfully.

Third Party Code of Conduct

Ascential's Third Party Code of Conduct outlines our ethical approach to doing business and explains the standards we require our suppliers to abide by directly and in their own supply chains. The main principles of this Code are:

- No Forced, Involuntary or Child Labour: There is no forced, involuntary or debt bonded labour in any form including slavery or trafficking of persons. There are no workers under the age of 15, or where it is higher, the mandatory school leaving age in the local country. The use of legitimate workplace apprenticeship programmes, which comply with all laws and regulations, is supported.
- Freedom of Association: Workers, without distinction, have the right to associate freely, join or not join labour unions, seek representation and join workers' councils as well as the right of collective bargaining in accordance with local laws.
- Diversity and equality: There is equality of opportunity and treatment regardless of physical attributes or condition (including pregnancy), gender, religion (or absence of such beliefs), political opinion, nationality, sexual orientation, age or ethnic background. Equal pay for work of equal value is supported. Discrimination or intimidation towards and between employees is opposed, including all forms or threats of physical and psychological abuse.
- Business Integrity: There is no tolerance of any form of corruption, bribery, fraud, extortion or embezzlement and business is conducted in a manner that avoids conflicts of interest.
- Fair Competition: Fair business, advertising and competition are supported.
- Intellectual Property, Privacy and Data Security: There is respect for and protection of intellectual property rights, data and confidential information to safeguard them against and prohibit loss and unauthorised use, disclosure, alteration or access. Our intellectual property and confidential information are handled and data processed on our behalf only for the purposes for which they were made available, received or collected in accordance with the reasonable directions provided by us.
- Business Continuity: Any disruptions of business are prepared for (including but not limited to natural disasters, terrorism or cyber attacks). Risks are frequently assessed and appropriate controls put in place and regularly tested.
- Quality, Health, Safety and Environment: All required quality, health, safety and environment-related permits, licences and registrations are obtained, maintained and kept up to date and their operational and reporting requirements are followed. Proper provision is made for the health, safety and welfare of employees, visitors, contractors, the community and the environment. Health, safety and environmental risks are regularly assessed and appropriate controls are put in place bearing in mind the prevailing knowledge of the industry and of any specific hazards.

The full Third Party Code of Conduct is available on our website at www.ascential.com.

OPERATING RESPONSIBLY CONTINUED

Modern Slavery

Ascential recognises that slavery, forced labour and human trafficking (Modern Slavery) is a global issue and one that Ascential understands affects innocent lives. Ascential has a zero tolerance approach to Modern Slavery of any kind. Our work to eliminate Modern Slavery is supported by customers, suppliers and Ascential employees.

We assess the risk of Modern Slavery in our internal operations and our external supply chain against criteria including: (i) geography (countries where bonded labour is more prevalent); (ii) sectors (the nature of product or service procured or supplied and whether it is typically associated with unfair labour practices); and (iii) the nature of our business operations. Our assessments are informed by sources such as the Walk Free Foundation. During 2017, all high risk suppliers were contacted and required to adopt our Third Party Code of Conduct and to complete a questionnaire designed to identify any areas of non-compliance with that code, as well as confirm that our supply chain is slavery and human trafficking free. This process was continued through 2018 for suppliers classified as medium risk. We reserve the right to terminate the business supplier relationship without consequence or liability if a supplier fails to fulfil the minimum standards outlined in our code.

Our full Modern Slavery Statement, which has been approved by the Board, is available on our website www.ascential.com/aboutus.

Anti-corruption Policy

We have a formal anti-corruption policy, which is communicated to all employees, that prohibits offering, promising or giving a bribe; requesting, agreeing to receive, or accepting a bribe; and bribing a foreign public official to obtain or retain business or a business-related advantage.

The policy includes details of how employees can report any suspected violations of the policy confidentially to the Ethics Helpline, Protect, and assurances that concerns raised in good faith will not be criticised or penalised in any way. The Board has appointed the Audit Committee to review the implementation of this policy and the Audit Committee periodically monitors and audits compliance. There were no reported breaches of the Bribery Act during 2018. We also require our suppliers to adopt a zero tolerance approach to bribery and corruption through our Third Party Code of Conduct.

Whistleblowing policy

We have a formal whistleblowing policy which encourages all staff to report suspected wrongdoing, in the knowledge that their concerns will be taken seriously and investigated appropriately, and that their confidentiality will be respected.

Wrongdoing includes failure to comply with legal obligations or regulations, including bribery and corruption. The policy also aims to reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken. We provide details of a confidential helpline operated by an independent third party, Protect, as well as contact details for the Independent Chairman of the Audit Committee within the policy.

GOVERNANCE

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

The Board is committed to maintaining very high standards of corporate governance and ensuring values and behaviours are consistent across the business.

Scott Forbes / Chairman

Dear Shareholder,

We are committed to the highest standards of corporate governance, which along with our Company beliefs and behaviours, underpin the integrity of our operations and are the foundation for how we create sustainable value for our stakeholders.

The Board is accountable to Ascential's shareholders for good governance and this report, along with the Directors' Remuneration Report, describes how we have complied with the UK Corporate Governance Code 2016 throughout the year. We note that the 2018 UK Corporate Governance Code will apply from 1 January 2019 and we will report compliance with the 2018 Code in next year's Annual Report.

Our goal is to be the global market leader in delivering specialist information that enables our customers to win in the digital commerce economy. 2018 has been a critical year in establishing the capabilities we need and we are now well positioned to become the global leader for specialist information in the digital commerce economy. You can read more about our 2018 performance in the Chief Executive's Statement on page 10.

We know that it is critical to build and maintain successful relationships with all of our key stakeholders. Our employees are one of our most important group of stakeholders and we have implemented a wide range of actions to build a "One Ascential" culture and drive higher engagement. We conduct an annual engagement survey to measure how well we are doing with our plans to drive employee engagement and the results of the 2018 survey were very encouraging, with an increase in our overall engagement score from 2017. You can read more about the results of the engagement survey and other key processes, programmes and events in the Our People report on page 42.

Leadership
The Directors continue to provide strong leadership, with an effective mix of experience and capabilities. As our strategy has evolved, so has our commitment to match the strategic priorities of our Company with the profile of our Board. The Board continuously compares these priorities and profiles, and has undertaken its recurring externally facilitated Board strategy review to ensure that we continue to have the optimum Board composition. I will report on the outcomes of this review in the 2019 Annual Report.

We have also focused on career development and succession planning to ensure that we have a healthy talent pipeline for senior management, Executive Committee and Board roles. A development plan has been created for key executives. This is explained in further detail in the Nomination Committee report on page 66.

Effectiveness
2018 is the third year in our three-year performance evaluation cycle and we conducted an internal Board evaluation process during the year. We intend to conduct an externally facilitated review during 2019.

We followed a similar process to that used in 2017, with a focus on key strengths, Board processes and behaviours that have improved, opportunities for continued development and risks that might benefit from more attention from the Board. Responses from individual Directors were provided to the Company Secretary, who anonymised the feedback before circulating to the Board for discussion. The Senior Independent Director consulted with other Directors to seek specific feedback on the Chairman's performance, which was discussed with the Board without the Chairman present.

The Board is operating effectively. Directors agreed that there has been thoughtful and rapid progress with the development and execution of changes to the strategy and business model. The Board has been able to spend a significant portion of its time on strategic priorities, whilst maintaining an appropriate balance of operational reporting and governance. There continued to be a positive atmosphere for constructive debate, supported by relevant, clear and well-presented Board papers which create a productive environment within Board meetings.

The Directors also agreed that key areas for continued development were to maintain an in-depth understanding of the evolving customer propositions including contributions from acquired businesses. Directors will focus on enhancing knowledge of the ecommerce sector and China.

The Board evaluation process confirmed that the Board has worked effectively during the year, with a committed Board who are very engaged with the Ascential business. All Directors will offer themselves for re-election at the forthcoming Annual General Meeting.

Accountability
The Board considers principal risks throughout the year, as well as formally reviewing principal risks and the risk management framework. The Audit Committee reviews the system of internal controls and reports this work to the Board, which then reviews the effectiveness of internal controls in place throughout the year.

As part of the assessment of principal risks, the Board considered an impact analysis of the risks associated with Britain exiting the EU. As there remain significant uncertainties and unknowns in respect of the final deal that may be struck, the impact analysis focused on the worst case scenario of a 'disorderly hard' Brexit. You can read more about our principal risks and risk management framework on pages 37 to 41, and on the work of the Audit Committee on pages 61 to 65.

Non-executive engagement
The non-executive directors devote considerable time to developing their knowledge and understanding of the business. All Non-Executive Directors have attended Cannes Lions and Money 20/20 events, and have engaged meaningfully with a wide range of senior management in and outside of the boardroom.

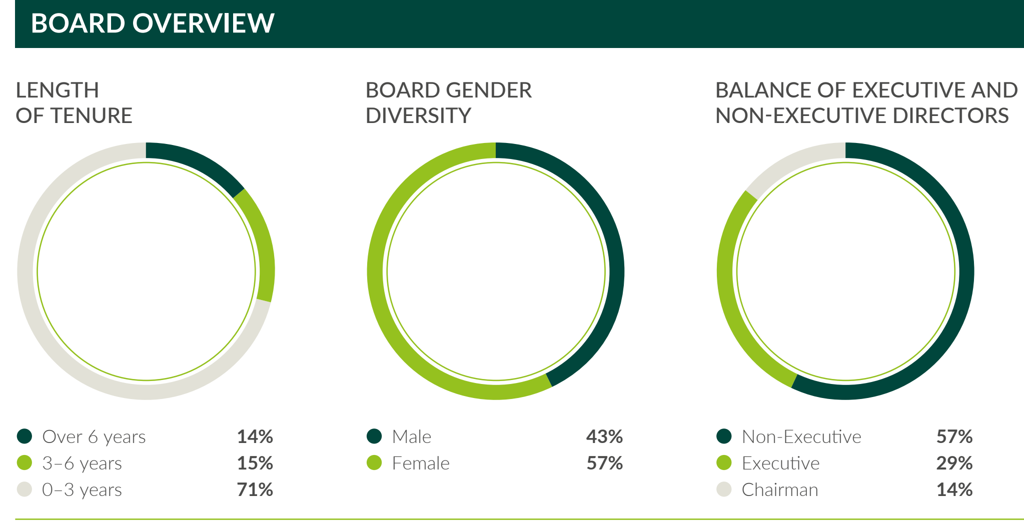
In addition to formal Board meetings, the Directors attend an annual offsite meeting to review strategy. These extended meetings also give the Board the opportunity to hear directly from external speakers, including key customers or experts in a particular sector or market relevant to Ascential's growth plans.

Relations with shareholders
As Chairman, I am responsible for effective communication with shareholders and for ensuring that the Board understands the views of major shareholders. During the year, I have met with several shareholders and the Company's brokers provide the Board with unattributed feedback from investors after each results roadshow.

We run an extensive investor activity programme and activity in 2018 included product deep dives on Cannes Lions, Clavis and One Click Retail, Money 20/20 Asia and a Capital Markets Day focussed on Flywheel Digital and Edge by Ascential. You can read more about the investor relations programme on page 60.

Scott Forbes
Chairman
22 February 2019

BOARD OVERVIEW



BOARD OF DIRECTORS

	SCOTT FORBES Chairman	**DUNCAN PAINTER** Chief Executive Officer	**MANDY GRADDEN** Chief Financial Officer
Appointment to the Board	January 2016	October 2011	January 2013
Experience	Scott has over 35 years' experience in operations, finance and mergers and acquisitions including 15 years at Cendant Corporation, which was formerly the largest provider of travel and residential property services worldwide. Scott established Cendant's international headquarters in London in 1999 and led this division as group managing director until he joined Rightmove.	Duncan joined the Group in October 2011 as CEO. Following four years of turnaround of the business and growth, Top Right Group (previously known as EMAP) was rebranded as Ascential and successfully floated on the London Stock Exchange in 2016. Before joining the Group, Duncan was an executive at Sky plc, where he supported its growth objectives of 10 million customers. Prior to that, he was Global Product Leader at Experian plc, and Founder and Chief Executive Officer of consumer intelligence company ClarityBlue, which was acquired by Experian in 2006.	Mandy was previously the CFO at Torex, the privately held retail technology firm, and was a key member of the team that managed the successful turnaround and sale of that business. Prior to that, she was CFO at the listed business and technology consultancy, Detica Group plc. Earlier, she was Director of Corporate Development at Telewest and Group Financial Controller at Dalgety. Mandy qualified as a chartered accountant with Price Waterhouse in 1992.
External appointments	**Chairman** Rightmove plc Cars.com Inc Innasol Group Ltd **NED** Travelport Worldwide Ltd Please see page 67 for details of planned changes	**NED** ITV plc	**NED and Audit Committee Chair** SDL plc
Independent	Yes	No	No
Committees	Nomination Committee (Chair)	None	None

RITA CLIFTON
Senior Independent Non-Executive Director

May 2016

Rita has worked with many of the world's leading companies on their brand strategies. She was vice chairman and strategy director at Saatchi & Saatchi, and for over 15 years was London CEO and then chairman at Interbrand, the world's leading brand consultancy.

Rita has also held a number of board roles in the not-for-profit sector, including the Government's Sustainable Development Commission and as Trustee, then Fellow, of WWF. She is on the Assurance and Advisory Panel for BP's Target Neutral and is a director of Henley Festival.

NED
ASOS plc
Nationwide Building Society

Chairman
Brandcap

Yes

Audit Committee
Nomination Committee

PAUL HARRISON
Non-Executive Director

January 2016

Paul served as an independent non-executive director of Hays plc until November 2017, chairing its audit committee from 2007 to 2011 and then its remuneration committee from 2011. Paul acted as CFO for Wandisco plc, a software company before his role as CFO of Just Eat plc.

A chartered accountant, Paul worked for PriceWaterhouse before joining The Sage Group plc, where he served on its board for 13 years as CFO. Paul also sits on the advisory panel for Tech City's Future Fifty Programme.

Chief Financial Officer
Just Eat plc

Yes

Audit Committee (Chair)
Remuneration Committee

JUDY VEZMAR
Non-Executive Director

January 2016

Judy was Chief Executive Officer of LexisNexis International, a division of Reed Elsevier plc, from 2001 until February 2014. LexisNexis is a leading provider of content enabled workflow solutions, employing 3.200 people. Judy was responsible for the successful expansion of online services to over 100 countries.

Prior to LexisNexis, she held executive roles within the Xerox Corporation in the US and Europe.

None

Yes

Remuneration Committee (Chair)
Nomination Committee

GILLIAN KENT
Non-Executive Director

January 2016

Gillian has an executive career of over 25 years in software, internet, digital media and mobile technologies. Previously, Gillian held various senior roles at Microsoft including Managing Director of MSN UK, creating one of the UK's largest online services businesses.

Both at Microsoft and in a range of other businesses, including media, fashion and as CEO of Propertyfinder.com she established her expertise in building markets and brands for products and services.

NED
Pendragon plc
Mothercare plc
NAHL Group plc
Coull Ltd

Chairman
No Agent Technologies Ltd

Yes

Audit Committee
Remuneration Committee

A STRONG GOVERNANCE FRAMEWORK

The Board has ultimate responsibility for the overall leadership of Ascential.

Scott Forbes / Chairman

Role and operation of the Board

The Board oversees the development of a clear strategy, monitors operational and financial performance against agreed goals and objectives, and ensures that appropriate controls and risk systems exist to manage risk.

The Board has agreed a schedule of matters reserved for the Board's decision:

- Strategy, annual budgets and medium-term plans
- Approval of the annual and interim results, material acquisitions, disposals and contracts
- Approval of risk appetite and review of principal risks
- Ensuring that a sound system of internal control and risk management is maintained
- Changes relating to the Company's capital structure
- Approval of a dividend policy
- Changes to Board composition

At the date of this report, the Board comprises seven Directors; the Chairman, the Chief Executive, the Chief Financial Officer; and four independent Non-Executive Directors.

With support from the Company Secretary, the Chairman sets the annual Board agenda programme and Board meeting agendas. He ensures that enough time is devoted, both during formal meetings and throughout the year, to discuss all material matters including strategic, financial, operational, risk, people and governance.

All Directors make every effort to attend every meeting in person except in extraordinary circumstances. If a Director is unable to attend a meeting, they are provided with all meeting materials and provide their views to the Chairman, or other Directors, in advance of the meeting.

The Directors indicated as part of the Board evaluation process that the Board materials are relevant, clear and well presented and contribute to a constructive debate and strong Board engagement.

In addition to the schedule of formal Board meetings, the Chairman and the Non-Executive Directors meet periodically without the Executive Directors present, and the Senior Independent Director meets with the other Non-Executive Directors without the Chairman present.

Board roles

Chairman

The Chairman provides leadership to the Board, setting its agenda, style and tone to promote constructive debate and challenge between the Executive and Non-Executive Directors. He ensures that there are good information flows from the Executive to the Board, and from the Board to the Company's key stakeholders.

The Chairman leads an annual Board effectiveness review and is responsible for ensuring all new Directors have an appropriate tailored induction programme.

Chief Executive

The Chief Executive has day-to-day responsibility for the effective management of the business and for ensuring that the Board's decisions are implemented. He leads the development of strategy for approval by the Board, as well as working with the Chief Financial Officer to develop budgets and medium-term plans to deliver the agreed strategy.

The Chief Executive is responsible for providing regular reports to the Board on all matters of significance, to ensure that the Board has accurate, clear and timely information on all key matters.

Chief Financial Officer

The Chief Financial Officer supports the Chief Executive in developing and implementing strategy, as well as overseeing the financial performance of the Group. She leads the development of the finance function to provide insightful financial analysis that informs key decision making.

The Chief Financial Officer works with the Chief Executive to develop budgets and medium-term plans to deliver the agreed strategy.

The Chief Financial Officer also leads investor relations activities and communication with investors alongside the Chief Executive.

Senior Independent Director

The Senior Independent Director acts as a sounding board for the Chairman and is available to the other Non-Executive Directors, including acting as an intermediary where necessary. She is also available as an intermediary to shareholders if they have concerns which the normal channels through the Chairman or Chief Executive have failed to resolve or would be inappropriate.

Independent Non-Executive Directors

The Non-Executive Directors scrutinise and monitor the performance of management, including the constructive challenge of the Executive Directors. They bring independence and a different perspective to the Board and oversee the integrity of financial information, financial controls and systems of risk management.

Company Secretary

The Company Secretary supports the Chairman and is available to all Directors to provide governance advice and assistance. She works with the Chairman and the Chairs of the Board Committees to develop agendas and ensures that the Board receives sufficient, pertinent, timely and clear information. She also ensures compliance with the Board's procedures and applicable rules and regulation.

Governance structure

The management and day-to-day running of the Group, including the development and implementation of strategy, monitoring the operating and financial performance, and the prioritisation and allocation of resources, have been delegated to executive management. Certain Board responsibilities are delegated to formal Board Committees, which play an important governance role through the work they carry out.

Principal Board Committees

Audit Committee

Chaired by Paul Harrison

- Reviews the Group's financial reporting and recommends to the Board that the Reports and Accounts should be approved;
- Reviews and reports to the Board on the effectiveness of internal controls; and
- Assesses the independence and effectiveness of the internal and external auditors.

You can read more about the Audit Committee on **pages 61 to 65**

Remuneration Committee

Chaired by Judy Vezmar

- Sets the Remuneration Policy for the Group;
- Sets the individual remuneration of the Executive Directors and senior management;
- Engages and consults with shareholders on proposed material changes to the Remuneration Policy; and
- Approves awards under the Group's share based incentive plans.

You can read more about the Remuneration Committee and the Remuneration Policy on **pages 68 to 75**

Nomination Committee

Chaired by Scott Forbes

- Reviews the composition of the Board and its Committees;
- Ensures that appropriate procedures are in place for the nomination, selection, training and evaluation of Directors; and
- Has responsibility for Executive Directors and Senior Management succession planning.

You can read more about the Nomination Committee on **pages 66 to 67**

Board activity during the year

The Board spent its time during the formal meetings held in 2018 on the following activities:

Strategy

- Held a two-day offsite meeting to refine strategy and assess capabilities and opportunities in each of our three key segments;
- Approved the 2019 annual budget and an updated medium-term plans in the context of the agreed strategy; and
- Approved the acquisitions of Brand View and Flywheel Digital.

For more information on our strategy see **page 18**

People

- Our Directors met with a range of senior management from across the business;
- Received updates from the Chief People Officer on people strategy; and
- Reviewed the results of the engagement survey.

For more information on our people see **page 42**

Risk

- Reviewed and approved the principal risk register;
- Considered an impact analysis of the risks associated with Britain exiting the EU;
- Reviewed recession dashboards to monitor likelihood of macro-economic downturn; and
- Reviewed the effectiveness of internal controls, including but not limited to a report from the Audit Committee.

For more information on risk management see **page 34**

Shareholder engagement

- Reviewed reports from the Company's brokers and advisers on shareholders and analyst feedback following results presentations;
- Reviewed regular investor relations reports relating to share price, trading activity and movements in institutional investor shareholdings;
- Held a Capital Markets Day with a focus on the newly acquired Flywheel Digital and the recently launched Edge by Ascential; and
- Received reports from the Executive Directors following meetings with investors.

For more information on our investor relations programme see **page 60**

Performance

- Monitored operating and financial performance against plans;
- reviewed the year end and interim results; and
- conducted deep dive reviews of different brands across the Group.

For more information on our performance, see the Chief Executive's Statement on **page 11** and the KPIs on **page 19**

Other

- Approved the 2017 Annual Report and Notice of the 2018 Annual General Meeting;
- Approved the 2017 final and 2018 interim dividends;
- Approved the capital allocation policy; and
- Reviewed the Group's annual insurance programme.

Board attendance during the year

We expect all Directors to attend every meeting in person except in extraordinary circumstances, or where a meeting is called at short notice. If a Director is unable to attend a meeting, he or she is provided with the same information as the other Directors in advance of the meeting and given the opportunity to express their views before the meeting, usually to the Chairman who will share with the other Directors at the meeting.

In addition to the schedule of formal schedule of meetings, the Chairman and the Non-Executive Directors meet periodically without the Executive Directors present, and the Senior Independent Director meets with the other Non-Executive Directors without the Chairman present.

There were seven formal Board meetings held during 2018. All directors attended all meetings, with the exception of Rita Clifton and Judy Vezmar who both were unable to attend one meeting each due to long-standing conflicting commitments. Both reviewed the Board materials in advance of the meeting and gave their input to the Chairman, who ensured that their contributions were reflected at the meeting.

Information flow at Board and Committee meetings

The Chairman agrees each meeting agenda with input from the Chief Executive and the Company Secretary, using an annual forward agenda as the basis to ensure that all important issues are addressed throughout the year and a good balance is struck between operational and strategic focus. Meeting agendas and supporting papers are circulated to the Board at least five days ahead of the meeting. The Company Secretary ensures that any actions arising from each meeting are tracked and completion of these actions is reported to the Board. Board Committees operate a similar process with the Chairperson of each Committee agreeing the agenda with the Company Secretary and relevant members of senior management. Any Board or Committee member can call for reports on additional matters of interest.

A STRONG GOVERNANCE FRAMEWORK CONTINUED

Induction and development

There were no new Directors during 2018 so there are no specific induction activities to report. There is an agreed induction programme that takes into account any previous experience that a Director may already have and typically includes meetings with senior executives across the Group as well as information on the Group's structure, business segments and operations, and policies to develop each Director's understanding of the Group, its strategy, key risks and challenges.

The Board's forward agenda is designed to include deep dive reviews on all material aspects of the Group to develop Directors' understanding of the business and ensure they meet with a range of senior management. The Board also receive specific updates on relevant developments, such as the new UK Corporate Governance Code.

Directors' conflicts of interest

The Board has a procedure in place for Directors to declare conflicts of interest and for such conflicts to be considered for authorisation. A Director may be required to leave a Board meeting if a matter upon which a conflict has been declared is discussed. External appointments or other significant commitments of the Directors require prior approval of the Board. The current external appointments of the Directors are set out on pages 56 and 57.

Internal control statement

The Board acknowledges its responsibility for establishing and maintaining the Group's system of internal controls and it receives reports identifying, evaluating and managing significant risks within the business. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against misstatement or loss.

The Board, assisted by the Audit Committee, has carried out a review of the effectiveness of the system of internal controls during the year ended 31 December 2018 and the period up to the date of approval of the consolidated financial statements contained in the Annual Report. The Board confirms that no significant weaknesses or failings were identified as a result of this review.

Investor relations

In addition to the activities explained on page 55, there is an ongoing invest relations programme of meetings with institutional investors and analysts, and participation in conferences covering a wide range of issues within the constraints of publicly available information including strategy, performance and governance. Ascential held a Capital Markets Day in December 2018, giving investors the opportunity to meet with the senior management team and to gain a more in-depth understanding of Flywheel Digital and Edge by Ascential. The presentations are web cast and are available for viewing on the Ascential website.

Institutional shareholders and analysts have regular contact with the Executive Directors and the Head of Investor Relations. All shareholders are kept informed of significant developments by announcements and other publications on our website www.ascential.com/investors. There are defined procedures in place to ensure that the requirements of the Market Abuse Regulations are met.

The Board receives regular reports from the Head of Investor Relations, covering movements in the holdings of institutional shareholders and other trading activity. The Board is also provided with current analyst opinions and forecasts, as well as feedback from FTI and from its joint corporate brokers, Goldman Sachs International and Numis Securities Limited. This includes direct feedback from investors and analysts on a non-attributed basis. All of the Directors are available to meet with shareholders although contact with the Non-Executive Directors would normally be through the Chairman (Scott Forbes) or the Senior Independent Director (Rita Clifton) in the first instance.

Annual General Meeting ("AGM")

The AGM of the Company will take place at 3pm on Wednesday 8 May 2019 at Coworth Park Hotel, Blacknest Road, Ascot, Berkshire SL5 7SE, UK. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM.

All proxy votes received in respect of each resolution at the AGM are counted and the balance for and against, and any votes withheld, are indicated. At the meeting itself, voting on all the proposed resolutions is conducted on a poll rather than a show of hands, in line with recommended best practice.

All Directors will be in attendance at the AGM and available to answer shareholders' questions. The Notice of the AGM can be found in a separate booklet which is posted to shareholders at the same time as this report and is also available on the Ascential website. The Notice of AGM sets out the business of the meeting and an explanatory note on all resolutions. Separate resolutions are proposed in respect of each substantive issue. Results of resolutions proposed at the AGM will be published on the Ascential website after the meeting.

UK Corporate Governance Code Compliance Statement

We have complied with all principles and provisions of the 2016 UK Code on Corporate Governance ("the Code") throughout the financial year ended 31 December 2018. This Corporate Governance Statement and the cross-referenced reports within set out our approach to applying the Code.

Louise Meads
Company Secretary
22 February 2019

REPORT OF THE AUDIT COMMITTEE

The Audit Committee helps the Board ensure sound governance and has specific oversight of internal controls, financial reporting and internal and external audit effectiveness.

Paul Harrison / Chairman of the Audit Committee

2018 KEY ACTIVITIES

- Reviewed the significant financial judgements made during the year
- Considered the accounting treatment of acquisitions and disposals made during the year
- Considered the implications of IFRS 16 (Lease accounting)
- Oversight of the Risk Management Framework
- Conducted a review of the Annual Report and Accounts to confirm that it was fair, balanced and capable of being readily understood by shareholders
- Reviewed the viability statement and the key judgements included therein
- Reviewed the effectiveness of internal controls and risk management
- Reviewed external and Internal Audit findings
- Reviewed payment practices reporting data
- Approved the engagement of KPMG in a non-audit capacity in accordance with the approved non-audit services policy
- Approved a revised Internal Audit Plan for 2019

CONFIRMATION OF INDEPENDENCE

The Committee comprises only independent Non-Executive Directors. The Head of Internal Audit and the KPMG Audit Partner are standing attendees.

The Chief Financial Officer, Group Financial Controller and Chief Executive Officer are invited to attend on request.

Paul Harrison
Chairman of the Audit Committee

REPORT OF THE AUDIT COMMITTEE CONTINUED

Dear Shareholder,

I am pleased to introduce the Report of the Audit Committee for 2018 which describes our activities and areas of focus during the year.

Significant financial judgements and financial reporting

We conducted a review of the significant financial judgements made during the year as well as key financial reporting matters and these are described in more detail on page 63 of this report. In addition to our routine consideration of the potential for fraud in revenue recognition and management override of controls, we also considered the following key reporting judgements:

- Carrying value of goodwill and acquired intangible assets;
- Acquisition accounting;
- Recognition and valuation of deferred and contingent consideration;
- New segmental reporting;
- Recognition of deferred tax assets and disclosure; and
- Adjusted performance measures.

We assessed the prospects and viability of the Group, based on the Group's strategic planning, long range financial forecast and the potential impact of the business should certain risks to the business materialise. We confirmed that a three-year timeframe continued to be appropriate for this assessment and reported to the Board that, based on this assessment, there was a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2021. We also recommended that the Board should continue to adopt the going concern basis for preparation of the Financial Statements.

Risk management

The principal risks facing the Company are robustly assessed by the Board as a whole. More detail on these risks and the risk management framework are set out on pages 34 and 35. The ongoing monitoring and effectiveness review of the Group's risk management and internal control systems are described on page 64. The assessment of risk and the review of the risk management systems feeds into the process for assessing the longer-term viability of the Company, which is described further on page 36.

Internal Audit

We have appointed EY as our partner in our co-sourced Internal Audit model, enabling us to benefit from access to specialist subject matter expertise and leveraging of technologies for deeper intelligence on potential business risks. We approved the 2018/19 Internal Audit Plan and received Internal Audit reports on findings from reviews. More detail on Internal Audit is given on page 64.

IFRS 16

IFRS 16 is effective from 1 January 2019 and has been adopted from that date. It replaces all existing lease guidance and introduces a single on-balance sheet model for lessee accounting. The Group has advanced its assessment of the potential impact on the consolidated financial statements resulting from the application of IFRS 16. These changes will be restated in the financial statements for 2019 with the actual impact of adopting the new standard still being subject to change until the Group presents its first financial statements.

Paul Harrison
Chairman of the Audit Committee
22 February 2019

Role and composition

Role of the Audit Committee

The Audit Committee helps the Board ensure sound governance and has specific oversight of internal controls and financial management, review of financial reporting and assessment of the effectiveness of internal and external audit.

Membership and meetings

In addition to its members, other individuals and external advisers may attend each Committee meeting at the request of the Chairman. The Committee Chairman has regular meetings with KPMG without management present, and at least once a year, the Committee meets with KPMG and the Head of Internal Audit without management present. The Committee also meets with the Chief Financial Officer without other management or KPMG in attendance.

Paul Harrison is a chartered accountant and has more than 15 years' experience as Chief Financial Officer of listed companies, most recently as the current CFO of Just Eat plc, a FTSE 100 online marketplace business. Paul chaired the audit committee of Hays plc for four years until 2011, when he became the Senior Independent Director. The Board considers that Paul has sufficient recent and relevant experience to discharge his duties as Chairman of the Audit Committee. The other members of the Audit Committee, Rita Clifton and Gillian Kent, both have previous experience of acting as a member of audit committees.

The Committee meets at least three times a year. During 2018, the Committee met five times and all members were in attendance at all meetings.

Committee activity in 2018

Financial reporting

The main responsibility the Committee has in respect of financial reporting is to review with the management team and our external auditors, KPMG, whether the interim and full year financial statements are appropriate. In particular, this means reviewing, assessing and challenging where required:

- accounting policies and principles applied;
- new accounting standards (for example, IFRS 16);
- accounting treatment for acquisitions;
- material accounting judgements and assumptions made by management, or significant issues or audit risks identified by KPMG;
- whether the Annual Report and Financial Statements are fair, balanced and understandable and provide the necessary information for shareholders to assess the Company's position and performance, business model and strategy; and
- compliance with relevant accounting standards and other legal or regulatory financial reporting requirements, including the UK Corporate Governance Code.

Viability statement

We reviewed the process undertaken and conclusions reached to support the Company's viability statement which can be found in full on page 36. Our review included:

- challenging management on whether the three-year time period adopted remained appropriate and aligned with the long-term forecasting of the Group;
- challenging whether management's assessment of the principal risks facing the Group and their potential impact was appropriate;
- considering whether there were any additional risks which could impair solvency or which, whilst not necessarily principal risks in themselves, could become severe if they occur in conjunction with other risks;
- considering the likelihood of the risks occurring in the time period selected and the impact severity in the event that they did occur; and
- challenging management as to the appropriateness of the assumptions used in stress testing and modelling scenarios.

Significant financial judgements in 2018

The key reporting judgements considered by the Committee and discussed with the external auditor during the year were:

Issue	Judgement
Carrying value of goodwill and acquired intangible assets	The Committee reviewed the carrying value of goodwill and other intangible assets for impairment, including a detailed review of the assumptions underlying the "value in use" calculations for businesses identified as cash generating units ("CGU"). The key assumptions underlying the calculations are primarily the achievability of the long-term business plan, CGU specific discount rates, anticipated revenue growth in the short-term and long-term growth assumptions. For further information, please see Note 14 of the consolidated financial statements on pages 114–116. The Committee reviewed management's analysis and underlying assumptions, and were satisfied with the conclusions which demonstrated that no impairment or revision to useful economic life is needed.
Acquisition accounting	Acquired businesses give rise to material assets and liabilities at the point of acquisition that are based on estimates and judgements about future performance. The provisional recognition of goodwill, intangible assets, other assets and liabilities and estimates of the fair value of consideration transferred were based on a number of assumptions. Often, significant elements of consideration are deferred, contingent on future performance, and may be subject to other conditions such as continued employment of key management personnel. Significant judgement is involved in assessing the relevant forecast, and selecting the appropriate discount rates. The Committee reviewed the acquisition accounting calculations and underlying estimates and assumptions for WARC, BrandView and Flywheel Digital, which were all acquired during 2018. In respect of acquisitions in earlier years, the Committee reviewed the calculations in respect of deferred consideration and acquisition-related contingent employment costs in light of changes in forecast, in order to ensure these continued to be appropriate.
Recognition and valuation of deferred and contingent consideration	Where a business combination agreement provides for an adjustment to the consideration, contingent on future performance over the contractual earnout period, the Group accrues the fair value, based of the estimated additional consideration payable as a liability at acquisition date. To the extent that deferred contingent consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate discount rate and carried at net present value in the consolidated balance sheet. The liability is measured against the contractually agreed performance targets at each subsequent reporting date with any adjustments recognised in the consolidated income statement. Acquisition-related employment costs are linked to continued employment of the founders over the contractual agreed period and are also contingent on future performance of the acquired business and are treated as remuneration and recognised as an expense in the consolidated income statement. The estimation of the likely liability requires the Group to make judgements concerning the future performance of related business over both the deferred contingent consideration period and the period of employment. The Committee reviewed the proposed changes to the fair value of the deferred and contingent consideration which is based on the approved three-year plan and is satisfied with its valuation and recognition in the Financial Statements.
Segmental reporting	IFRS 8 (Operating Segments) sets out the criteria that must be fulfilled in order to meet the definition of an operating segment. Following the disposal of the Exhibitions business in July 2018, the Committee reviewed the proposal to report four new continuing reportable and operating segments for the year ended 31 December 2018 and restate the 2017 financial information for comparability.
Value of recoverable tax losses	The determination of profits subject to tax is calculated according to complex laws and regulations, the interpretation and application of which can be uncertain. In addition, deferred tax assets and liabilities require judgement in determining the amounts to be recognised, with consideration given to the timing and level of future taxable income over multiple years. The main area of judgement is the recognition of the US deferred tax asset. The Committee reviewed a report on the background to the Group's historic US net operating losses, the extensive period over which they will be recovered in cash and other significant judgements and rigorously challenged. It also considered reports presented by KPMG before determining that the amount recognised as deferred tax asset is appropriate. The Committee reviewed the proposed disclosures on taxation in Note 9 and agreed that the presentation of taxation, including deferred taxes, appropriately addresses the significant change in the international tax environment and that sufficient and appropriately transparent disclosures are provided.
Adjusted performance measures	The Group uses certain non-GAAP measures of performance, as, in the opinion of the Directors this provides a better understanding of the underlying performance of the business, and provides better comparability with other peer group companies. The use and definition of these measures is a matter of judgement. The Committee ensures that there is equal prominence given to adjusted and statutory performance measures, and that there are full reconciliations between the two where appropriate. The Committee discussed these measures with both management and advisers, including KPMG, to ensure that the measures were reasonable, and reviewed their use in the context of the overall Annual Report to ensure that this was consistent with the Code requirement to be fair, balanced and understandable.

REPORT OF THE AUDIT COMMITTEE CONTINUED

Fair, balanced and understandable

The Board asked the Committee to consider whether the 2018 Annual Report is fair, balanced and provides the necessary information for shareholders to assess the Company's position and prospects, business model and strategy. In performing this review, the Committee considered the following questions:

- Is the Annual Report open and honest with the whole story being presented?
- Have any sensitive material areas been omitted?
- Is there consistency between different sections of the Annual Report, including between the narrative and the financial statements, and does the reader get the same message from reading the two sections independently?
- Is there a clear explanation of key performance indicators and their linkage to strategy?
- Is there a clear and cohesive framework for the Annual Report with key messages drawn out and written in accessible language?

Following this review, and the incorporation of the Committee's comments, we were pleased to advise the Board that, in our view, the Annual Report is fair, balanced and understandable in accordance with the requirements of the UK Corporate Governance Code.

Financial Reporting Council ("FRC") Review of Report and Accounts for the year ended 31 December 2017

During the year the FRC communicated with the Company regarding its review of our Annual Report for the year ended 31 December 2017. There were no significant questions or queries resulting from the FRC's review, although some additional disclosure items have been included within the 2018 Annual Report to provide the reader with a better understanding.

The FRC's review was conducted in accordance with Part 2 of the Committee's Operating Procedures and provides no assurance that the report and accounts are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

Internal controls

The Board, with the assistance of the Audit Committee, regularly monitors and reviews the policies and procedures making up the Group's internal control and risk management system. To support this monitoring, the Audit Committee reviewed reports from senior management, Internal Audit and KPMG.

The major components of the internal controls systems include:

- clearly defined operational structure, accountabilities and authority limits;
- detailed operational planning and forecasting;
- thorough monitoring of performance and changes in outlook; and
- established risk management processes.

Specific matters considered in relation to controls effectiveness included:

- control self-assessment process and findings;
- legal regulatory compliance updates;
- review of tax risks and compliance issues;
- fraud, ethical issues and whistleblowing occurrence;
- health and safety; and
- legal claims.

A formal control self-assessment process was in place during the year in relation to financial controls. This process describes each control objective, the controls required to meet the objective, the frequency of operating the control and the evidence to be retained by management to demonstrate the control exists. Management teams across the Group self-assess their compliance with this framework.

Progress towards completion of actions identified to improve internal control is regularly monitored by management and the Audit Committee, which provides assurance to the Board. The Board considers that none of the areas of improvement identified constitute a significant weakness.

External audit

The Committee is responsible for ensuring that the external auditor provides an effective source of assurance for the Group's financial reporting and controls, including that the necessary independence and objectivity is maintained. We also are responsible for recommending the appointment, reappointment or removal of the external auditor, and negotiating and agreeing the external audit fees.

Audit tender

KPMG was appointed as the Group's auditor in 2010 and we intend to conduct a competitive audit tender process before the end of 2020, in accordance with the EU Statutory Audit regime and the Competition and Markets Authority Order (CMA Order). A new lead audit engagement partner led the 2018 audit, in accordance with KPMG's independence rules.

For the financial year ending 31 December 2018, we have recommended to the Board that KPMG be reappointed under the current external audit contract and the Directors will be proposing KPMG's reappointment at the Annual General Meeting on 8 May 2019.

Effectiveness

KPMG attends each scheduled meeting of the Committee and presented its reports on our half-year and full-year financial results, as well as its planning reports in advance of each audit. We meet with KPMG without management present at least once a year. These sessions provide an opportunity for open dialogue and we typically discuss KPMG's relationship with executive management and particular audit risks identified. We also challenge KPMG on the independence of its audit. In addition, I meet with the audit engagement partner outside of the formal Committee environment at least once per year. We also meet with management without KPMG present to discuss its view of KPMG's effectiveness and quality of work delivered, as well as reviewing the results of a survey of finance staff throughout the Group.

During the year, we assessed the findings of the Audit Quality Review and challenged KPMG on how it would address issues which may impact the Ascential audit. The Committee is satisfied that KPMG has conducted an effective audit for the 2019 financial year and has therefore recommended to the Board that KPMG be reappointed at the 2019 AGM.

Independence

As part of our work to manage the external auditor relationship, and the annual effectiveness review, we consider whether there are adequate safeguards to protect auditor objectivity and independence. In conducting our annual assessment, we consider feedback from the Chief Financial Officer, the level and nature of non-audit fees accruing to the external auditor, KPMG's formal letter of independence, and the length and tenure of the external auditor and of the audit engagement partner.

Non-audit services

The purpose of the non-audit services policy is to mitigate any risks threatening, or appearing to threaten, the external audit firm's independence and objectivity arising through the provision of non-audit services which either create conflicts of interest between the external audit firm and the Group or place the external audit firm in the position of auditing its own work.

We approved a revised non-audit services policy in 2017 to ensure compliance with the new EU Statutory Audit regime and this policy remained appropriate in 2018. The policy sets out which services are prohibited and cannot be provided by the external auditor. The auditor is generally only engaged for audit and related activities (such as annual covenant compliance audits). However, if there is a case to use the external auditor to provide non-audit services, permission is required prior to the engagement of the external auditor in accordance with the following table:

Value of non-audit services	Approver
<£25,000	Group Financial Controller or Chief Financial Officer
£25,000–£50,000	Chairman of the Audit Committee
>£50,000	Audit Committee

When considering whether permission should be granted, the approver will assess whether the provision of such services impairs the auditor's independence or objectivity, whether the skills and experience make the auditor the most suitable supplier of the non-audit service, the fee to be incurred and the criteria which govern the compensation of the individuals performing the audit.

During the year, the Committee pre-approved the engagement of KPMG to provide a review of our working capital report in relation to the disposal of the Exhibitions business for a total fee of £138,375. A breakdown of total audit and non-audit fees paid to KPMG during 2018 is set out in Note 4 to the financial statements. These non-audit services were pre-approved in accordance with the non-audit services policy.

Internal Audit There was a formal Internal Audit function in place during the year, utilising EY as our co-source partner. The purpose of the Internal Audit function is to consider whether the system of internal control is adequately designed and operating effectively to respond to the Group's principal risks, and to provide independent objective assurance to senior management and to the Board through its committees. Internal Audit accomplishes its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. To provide for the independence of Internal Audit, its personnel as well as the co sourced party report to the Group Financial Controller, who also acts as Director of Internal Audit and is accountable to the Committee in respect of that role. The Group Financial Controller attends all Audit Committee meetings and has the opportunity to meet independently with the Chairman of the Audit Committee.

The Committee approves the annual Internal Audit Plan, and receives a report on Internal Audit activity and progress against that plan. We monitor the status of internal audit recommendations and management's responsiveness to their implementation. We also challenge management where appropriate to provide us with assurance that our control environment is robust and effective.

Whistleblowing

The Committee has approved a whistleblowing policy which encourages all staff to report suspected wrongdoing, in the knowledge that their concerns will be taken seriously and investigated appropriately, and that their confidentiality will be respected. The policy also aims to reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken. We provide details of a confidential helpline operated by an independent third party, as well as my own contact details within the policy. The Committee receives reports on any whistleblowing incidents that are reported during the year. Any significant issues relating to potential fraud would be escalated to the Audit Committee Chairman immediately.

Paul Harrison
Chairman of the Audit Committee
22 February 2019

REPORT OF THE NOMINATION COMMITTEE

The Board evaluation process confirmed that the Board is operating effectively with thoughtful and rapid progress in the development and execution of changes to the strategy and business model. Focus in 2019 will be on the continued development of talent and succession planning as well as continuing to ensure optimum Board composition.

Scott Forbes / Chairman

2018 HIGHLIGHTS

- Considered the succession planning requirements for the Board and senior management team and approved a career development and succession plan to ensure a healthy talent pipeline for senior executives
- Reviewed and confirmed the independence of the Non-Executive Directors
- Reviewed the outcome of the employee engagement survey and the resulting action plans

ROLE OF THE NOMINATION COMMITTEE

- Evaluates the balance of skills, knowledge and experience, and size, structure and composition of the Board and Board Committees
- Considers retirements and appointments of additional and replacement Directors and Committee members
- Approves the design of the Board evaluation process
- Assists the Board in the consideration and development of appropriate corporate governance principles

CONFIRMATION OF INDEPENDENCE

- The UK Corporate Governance Code recommends that a majority of the members should be independent Non-Executive Directors and that it is chaired by the Board Chairman or a Non-Executive Director
- The Nomination Committee is chaired by the Board Chairman, Scott Forbes, and the other members are Rita Clifton and Judy Vezmar, both independent Non-Executive Directors

Scott Forbes
Chairman

Dear Shareholder,

I am pleased to introduce the Report of the Nomination Committee for 2018.

The Committee focus during the year was on the further development of talent and succession plans for senior management. This included a review of a detailed analysis of the existing skills and experience of the senior management team, and development areas to build longer-term succession options for executive management.

The Committee also received updates from the Chief People Officer on other strategic people matters including culture, diversity, engagement levels, retention levels, and strategic skills and capability planning. More details on Ascential's progress in these areas is set out in the Our People section on pages 44 to 46.

We have four female Board members, representing 57%, which exceeds the one-third recommended by the Hampton-Alexander review. We also exceed the one-third recommendation in the wider leadership population (the Executive Committee and their direct reports) with 36.6% female representation in this group. However, we acknowledge that women remain under-represented in our senior leadership, as 53% of our total 1.788 employees are women. We have launched a Women in Leadership programme to accelerate our progress addressing gender equality and plan to build on this programme to address wider diversity and inclusion challenges.

The Committee's policy towards Board appointments

The most important priority of the Committee has been, and will continue to be, ensuring that members of the Board collectively possess the broad range of skills, expertise and industry knowledge, and business and other experience, necessary for the effective oversight of the Group. The Committee takes account of a number of factors before recommending any new appointments to the Board, including relevant skills to perform the role, experience, knowledge and diversity.

The Committee has historically engaged external recruitment consultants with whom the Group has no other relationship to assist with the identification of suitable candidates, based on a comprehensive candidate search brief. The shortlisted candidates met with members of the Board on a one-one-one basis before the Committee made its recommendation of the preferred candidate to the Board. It is the Committee's intention to continue with this policy.

Non-Executive Director appointments to the Board are for an initial term of up to three years. Non-Executive Directors are typically expected to serve two three-year terms, although the Board may invite the Director to serve for an additional period on the recommendation of the Committee. Non-Executive Directors are appointed under a formal appointment letter which are available for inspection at the registered office of the Company during normal business hours and at the AGM.

External directorships

We acknowledge that many institutional investors have raised concern where company directors have a significant number of directorship and this was the basis of the 22% of votes cast against the re-election of Scott Forbes as Chairman. Mr Forbes will be resigning as a director of Travelport Worldwide Ltd following the expected completion of the announced sale of that business, and has informed investors of his intention to retire from the board of Rightmove plc in May 2020.

The Committee keeps under review the number of external directorships held by each Director and performance evaluation is used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties. Mr Forbes has continued to demonstrate that he has sufficient capacity to meet his commitments to Ascential, including during periods where a greater than usual involvement from Directors is required.

Any external appointments or other significant commitments of the Directors require the prior approval of the Chairman, or, in the case of the Chairman, the Senior Independent Director.

Board effectiveness

The policy on Board effectiveness reviews is that an externally led evaluation of the Board, Committees and individual Directors will be conducted every third year. An internal Board effectiveness evaluation was conducted during the year. The results of the evaluation were very positive and more detail on this is set out on page 55. In addition to this Board effectiveness review, the Board has undertaken its recurring externally facilitated Board strategy review to ensure optimum Board composition.

Attendance at Committee meetings

The Committee meets at least annually. During 2018, the Committee met twice and all members were in attendance at both meetings.

In addition to Committee members and the Company Secretary, the Chief Executive and Chief People Officer often attend meetings at the invitation of the Committee.

Scott Forbes
Chairman of the Nomination Committee
22 February 2018

DIRECTORS' REMUNERATION REPORT

Our current approach to applying the Directors' Remuneration Policy continues to be effective and we are not proposing any changes to the application of the Policy for 2019.

Judy Vezmar / Chairman of the Remuneration Committee

2018 HIGHLIGHTS

- 2017 Annual Report on Remuneration approved at the 2018 AGM with 99.8% of support from shareholders
- Continued strong revenue growth of 19.0% on a reported basis (6.3% on an Organic basis/9.6% on a Proforma basis)
- Solid Adjusted EBITDA growth of 7.5% on a reported basis (3.8% on an Organic basis/12.5% on a Proforma basis)
- Bonuses earned at 20% of the maximum based on stretching Adjusted EBITA and revenue targets
- Good link between long-term performance and remuneration with the initial PSP award made following the IPO in 2016 vesting in full in March 2019 as a result of Ascential delivering top decile relative TSR performance versus the FTSE 250 constituents (excluding Investment Trusts), and exceeding the maximum target for EBITA growth

KEY ACTIVITIES OF THE COMMITTEE

- Reviewing the Remuneration Policy to ensure continued effectiveness
- Reviewing base salaries for Executive Directors and senior management
- Agreeing remuneration packages and arrangements for senior employees
- Approving the bonus outturn for Executive Directors and senior management
- Setting bonus targets for Executive Directors and approving them for senior management
- Considering the extent to which the performance conditions attached to the initial PSP awards have been met
- Engaged by management in relation to changes in Remuneration Policy for the wider employee base
- Approving awards under the Company's share plans
- Approving the Directors' Remuneration Report

CONFIRMATION OF INDEPENDENCE

- The 2016 Code recommends that the Remuneration Committee comprises at least three independent Non-Executive Directors, and is chaired by one of these Directors
- The Remuneration Committee is chaired by Judy Vezmar, and the other members are Gillian Kent and Paul Harrison, all of whom are independent Non-Executive Directors

Judy Vezmar
Chairman of the Remuneration Committee

Dear Shareholder,

The Directors' Remuneration Policy, which was approved at the AGM in May 2017 with over 98% support, continued to apply in 2018 and will continue to apply for 2019.

Our policy is heavily weighted towards long-term performance through our long-term incentive plan and the requirement to defer half of annual bonus into shares. Our performance measures are growth focused and quantifiable and include Adjusted EBITA (50% weighting) and revenue (50% weighting) in the annual bonus plan and EPS growth (75% weighting) and relative total shareholder return (25% weighting) in our long-term incentive plan. Our pay model is also supported through the significant shareholdings of the Executive Directors.

In light of the relationship between pay and performance we achieved in 2018, we concluded that our current approach to applying the Directors' Remuneration Policy continues to be effective and appropriate for a Company focused on delivering sustained long term growth and we are not proposing any changes to the application of policy for 2019.

Performance and reward in 2018

Ascential delivered strong results during 2018, with revenue from continuing operations of £348.5m (2017: £292.9m), growth of19.0% on a reported basis, or 6.3% on an Organic Basis and 9.6% on a Proforma basis and Adjusted EBITDA grew by 7.5% to £101.8m (2017: £94.7m). More details on the Group's performance during the year can be found on pages 10 to 13.

Annual bonus targets for Executive Directors are linked to revenue and Adjusted EBITA, which the Committee considers to be effective measures of successful implementation of the Group's strategy. Reflecting the challenging nature of the bonus targets set, notwithstanding the growth in revenue and Adjusted EBITA noted above, the Executive Directors were both awarded an annual bonus in relation to 2018 performance of 25% of salary (20% of maximum). More details on the targets set and performance achieved can be found on page 75.

The first awards made under the Company's Performance Share Plan following IPO in 2016 will vest fully in March 2019. 25% of the award was subject to the Company's total shareholder return measured against a comparator group comprising the constituents of the FTSE 250 Index, excluding investment trusts. Ascential's total shareholder return was in the 92nd percentile over the measurement period, resulting in full vesting for this element. The remaining 75% of the award was subject to cumulative Adjusted EBITA targets over the three financial years to 31 December 2018. Actual cumulative Adjusted EBITA of £314.0m exceeded the target for maximum vesting of £296.3m, and the award therefore vests in full. When reviewing the extent to which the performance conditions had been satisfied, the Committee considered whether any adjustments were necessary to ensure that material events during the measurement period had not made the performance conditions materially less difficult to satisfy and concluded that no such adjustments were necessary. The Executive Directors are subject to a two-year holding period for these vested shares, net of any shares sold to meet tax and social security liabilities.

All employees in eligible countries were once again invited to participate in the Group's Sharesave plans, which give employees the opportunity to benefit from the business success they help to create. We have also continued the practice of awarding £1,000 of free shares under the Share Incentive Plan during the year for our colleagues joining Ascential following the acquisition of WARC, BrandView and Flywheel to help build a sense of shared purpose, and recognise and reward our new colleagues for their positive contribution to our growth and performance.

How the policy will be implemented for the 2019 financial year

We have reviewed the Executive Directors' base salaries, in the context of the increases that will be awarded in 2019 to employees across the Group. We concluded that, in line with the employee population, the base salaries of the Executive Directors will be increased by 2.5% with effect from 1 April 2019.

The annual bonus plan will continue to be subject to a maximum of 125% of base salary and measured against stretching financial targets. 50% of the bonus will be based on Adjusted EBITA and 50% will be based on revenue. As was the case in previous years, half of any bonus earned will be deferred into shares, which vest after a three-year period.

In line with our policy, Performance Share Plan awards will be made to Executive Directors at 200% of salary for the CEO and 175% of salary for the CFO. 75% of the award will be measured against growth in Adjusted EPS and 25% against relative TSR versus the FTSE 250 Index (excluding investment trusts). In setting the performance targets, we reviewed the range of Adjusted EPS targets in light of macro-economic conditions and performance expectations, and the range was re calibrated from 6% to 13%, to 6% to 15%. This range was considered to be similarly challenging to the range set to apply to the 2018 PSP, having taken into account current circumstances. Full details of the performance targets to be applied are set out on page 75. Any shares vesting will be subject to a further two-year holding period.

Corporate governance developments

The publication of the 2018 UK Corporate Governance Code in July has introduced a number of matters which the Committee will consider in the coming months. In particular, this will include the enhancements to the remit of the Committee together with consideration of enhanced policy and reporting requirements. As noted above, since our current Remuneration Policy remains appropriate the Committee does not propose any changes in 2019. A full review of the Remuneration Policy will be undertaken in 2019 and will be subject to shareholder approval at the 2020 AGM.

I hope that you find the information in this report helpful and I look forward to your support at the Company's AGM in May 2019.

Judy Vezmar
Chairman of the Remuneration Committee
22 February 2019

DIRECTORS' REMUNERATION REPORT CONTINUED

Annual Report on Remuneration – subject to an advisory vote at the 2019 AGM

This report has been prepared in accordance with the provisions of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). This report has also been prepared in line with the recommendations of the 2016 UK Corporate Governance Code.

This part of the Directors' Remuneration Report sets out a summary of how the Directors' Remuneration Policy was applied during 2018. The policy in place for the year was approved by shareholders at the 2017 AGM. This Annual Report on Remuneration will be subject to an advisory vote at the 2019 AGM. Various disclosures in this report about the Directors' remuneration have been audited by Ascential's independent auditor, KPMG LLP. Where information has been audited, this has been clearly indicated.

What is the role of the Remuneration Committee?

The Remuneration Committee ("the Committee") has responsibility for determining the overall pay policy for Ascential. In particular, the Committee is responsible for:

- determining the framework or broad policy for the fair remuneration of Ascential's Executive Directors and Chairman, and certain other senior management;
- consulting with shareholders and their advisory bodies in advance of significant changes to Remuneration Policy;
- approving their remuneration packages and service contracts, giving due regard to the comments and recommendations of the UK Corporate Governance Code as well as the Financial Conduct Authority's rules and associated guidance;
- ensuring that the Remuneration Policy is adequate and appropriate to attract, motivate and retain personnel of high calibre and provides, in a fair and responsible manner, reward for their individual contributions;
- reviewing the ongoing appropriateness and relevance of the Remuneration Policy, overseeing any major changes in remuneration and employee benefits structures throughout Ascential;
- approving the design of, and determining targets for, performance-related pay schemes operated by Ascential and approving the total annual payments made under such schemes; and
- reviewing the design of all share incentive plans for approval by the Board and shareholders. For any such plans, the Committee determines each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to Executive Directors and other senior management, and the performance targets to be used.

The Committee's terms of reference are available on Ascential's website.

What is the composition of the Remuneration Committee?

The Committee is made up of independent Non-Executive Directors. There is cross-membership with the Audit Committee, whose remit includes review of risk management, to ensure that there is alignment between the Group's key risks and its Remuneration Policy. The Committee members are Judy Vezmar (Chairman), Gillian Kent and Paul Harrison. Regular attendees include the external remuneration adviser, the Chairman, Chief Executive, Chief People Officer, Chief Financial Officer and Company Secretary. No attendee is present when their own remuneration is being discussed.

Committee attendance during the year

The Committee held four meetings during the year and all members attended all meetings.

Total remuneration for the financial year to 31 December 2018 (Audited)

The following tables report the total remuneration receivable in respect of qualifying services by each Director for the year ended 31 December 2018.

£'000		Salary & fees	Taxable benefits[1]	Annual bonus[2]	Long-term incentive[3]	Pension[4]	Total
Executive							
Duncan Painter	**2018**	**535**	**9**	**134**	**1,530**	**47**	**2,255**
	2017	509	5	302	–	40	856
Mandy Gradden	**2018**	**361**	**4**	**90**	**898**	**33**	**1,386**
	2017	344	4	204	–	27	579
Non–Executive							
Scott Forbes	**2018**	**173**	**–**	**–**	**–**	**–**	**173**
	2017	170	–	–	–	–	170
Rita Clifton	**2018**	**56**	**–**	**–**	**–**	**–**	**56**
	2017	55	–	–	–	–	55
Paul Harrison	**2018**	**61**	**–**	**–**	**–**	**–**	**61**
	2017	60	–	–	–	–	60
Gillian Kent	**2018**	**51**	**–**	**–**	**–**	**–**	**51**
	2017	50	–	–	–	–	50
Judy Vezmar	**2018**	**61**	**–**	**–**	**–**	**–**	**61**
	2017	60	–	–	–	–	60
Total	**2018**	**1,298**	**13**	**224**	**2,428**	**80**	**4,043**
Total	2017	1,248	9	506	–	67	1,830

1 Benefits include private medical insurance, life assurance, income protection insurance and the use of a Company driver.
2 Bonus was calculated as a percentage of annual salary received during the year – i.e. pro rated for salary increase in April each year. Any bonus amounts deferred under the Deferred Annual Bonus Plan are shown in the bonus figure for the year in which they were awarded.
3 The PSP award granted in March 2016 has a performance period ended 31 December 2018 and will vest at a level of 100%. As vesting is post the year end, an average share price for Q4 2018 has been used to calculate the long-term incentive value in the above table. See page 71 for details of the performance conditions.
4 Pension amounts are cash allowance paid in lieu of pension contributions which are calculated as 9% of salary.

Mandy Gradden is also a non-executive director of SDL plc and received fees totalling £55,000 in 2018 from that external appointment. Duncan Painter is a non-executive director of ITV plc and received fees totalling £43,369 in 2018 from that external appointment.

How was the annual bonus payment determined? (Audited)

The bonus elements with targets for the year, performance against these targets, and the resulting payouts are set out below.

Target	Weighting	Threshold		Target		Maximum		Actual		
	%	Required result	Payout as % of maximum	Required result	Payout as a % of maximum	Required result	Payout as a % of maximum	Actual result	Payout as a % of maximum	Payout as % of target
Revenue	50	381.1	0	423.4	50	436.1	100	403.0	26	52
EBITA	50	107.6	0	119.5	50	125.5	100	110.8	14	28

Financial metrics for the annual bonus plan include discontinued operations, are measured at constant currency and the targets have been adjusted from budget rates to reflect the actual exchange rates that were in force during 2018.

The Committee therefore determined that in respect of the year to 31 December 2018, the resulting annual bonus awards were as follows:

	Maximum opportunity % of salary	Actual % of salary	Total awarded	Paid in cash	Deferred in shares
Duncan Painter	125%	25%	£133,688	£66,844	£66,844
Mandy Gradden	125%	25%	£90,159	£45,080	£45,080

The Committee confirmed the level of bonus payouts were appropriate with respect to the 2018 performance. At the time of setting the targets, the Committee considered the target ranges to provide an appropriate balance between being achievable at the bottom end of the performance ranges and providing a stretch target at the top end of the ranges. The targets above are the adjusted targets that allow for acquisitions and divestments during the year. The adjustments to the original targets ensured that the restated numbers were no more or less challenging but for the material transactions that took place during the year. This process included, for example, increasing the targets for expected performance for acquired businesses. These adjustments ensured that the targets were able to fulfil their original intent. In addition, the original targets were considered similarly demanding to those set for 2018 allowing for changes to the Group and, for any bonuses to become payable, a threshold EBITA was set at £107.6m, which was ahead of the threshold target set in 2018 of £98.1m.

The annual bonus is subject to deferral and 50% of the above awards will be paid as conditional share awards with a three-year vesting period.

What equity awards are eligible to vest based on performance to 31 December 2018? (Audited)

The Performance Share Plan award granted on 21 March 2016 was subject to performance conditions concluding on 31 December 2018.

Target	Weighting	Threshold		Maximum		Actual	
	%	Target	% vesting of each element	Target	% vesting of each element	Achievement	% Actual vesting
Cumulative EBITA (2016 + 2017 + 2018)	75	£262.4m	25	£296.3m	100	£314.0m	100
Relative TSR v FTSE 250 (excluding investment trusts)	25	Median (50th percentile)	25	Upper quartile (75th percentile)	100	92nd percentile	100

With regard to the EBITA performance condition, the Committee also considered the impact of adjusting the above targets and actual performance achieved for material events during the performance period. The Committee was comfortable that irrespective of the route of testing the condition, the target had been achieved in full.

The value included in the table above setting out total remuneration for the year ending 31 December 2018 has been prepared, in line with the relevant regulations, using a three-month average share price to 31 December 2018. The award is due to vest on 21 March 2019.

What equity awards have been granted during the year? (Audited)

The Executive Directors received the following awards under the Performance Share Plan ("PSP") and the Deferred Annual Bonus Plan ("DABP") during the year. Awards made under the DABP relate to the mandatory deferral of 50% of the 2017 bonus payable to Executive Directors into shares.

	Type of award	Number of shares	Face value (£)	Face value as a % of salary[1]	Threshold vesting	End of performance period
Duncan Painter	PSP	263,078	1,049,997	200%	25%	31 December 2020
	DABP	37,842	151,035	29%	–	–
Mandy Gradden	PSP	155,216	619,498	175%	25%	31 December 2020
	DABP	25,606	102,199	29%	–	–

1 Face value as a percentage of salary has been calculated on the Directors' annual salary at the date of grant in March 2018.

DIRECTORS' REMUNERATION REPORT CONTINUED

The 2018 PSP and DABP awards were both granted as conditional awards. The share price at the date of grant for both awards was £3.99. Awards under the DABP are not subject to performance criteria as they are the element of the 2017 performance related to annual bonus paid as deferred shares which will normally vest three years after the date of grant. The 2018 PSP Awards are subject to the following performance criteria, which are measured independently:

Performance criteria	Weighting	Threshold) (25% vesting)	Stretch (100%)	Measurement period
Adjusted EPS Compound Annual Growth Rate ("CAGR")	75%	6%	13%	CAGR measured over the three financial years to 2020, using 2017 as the base year
Relative Total Shareholder Return[1]	25%	Median	Upper quartile	Average Net Return Index of Company and each member of the constituent group ("Average Return") during the three-month period ending on 31 December 2017 to the Average Return during the three month period to 31 December 2020

1 The comparator group for the purposes of the TSR performance condition is the constituents of the FTSE 250 Index (excluding investment trusts).

What other interests do the Directors have in Ascential share plans?

Free shares under the Share Incentive Plan were granted in connection with the IPO at a share price of £2.00, being the IPO Offer Price. The share price at the date of grant was £2.36. Both Executive Directors participate in the Ascential Save As You Earn scheme saving a monthly amount of £500, as a result of which, on 30 September 2016 they were granted options over ordinary shares in Ascential plc. Options are ordinarily exercisable for a period of six months following the end of a three-year savings contract and subject to the payment of an exercise price per share under option of £2.04, a 20% discount on the share price at the date of offer.

The table below summarises the outstanding awards made to the Executive Directors.

Duncan Painter

Scheme	Interests at 1 Jan 2018	Granted in year	Lapsed in year	Exercised in year	Interests at 31 Dec 2018	Date of grant	Exercise price (£)	Vesting date	Expiry date
PSP	402,500	–	–	–	402,500	21 Mar 16	nil	21 Mar 19	20 Mar 26
PSP	307,219	–	–	–	307,219	07 Mar 17	nil	07 Mar 20	06 Mar 27
PSP	–	263,078	–	–	263,078	08 Mar 18	nil	08 Mar 21	n/a
DABP	19,201	–	–	–	19,201	07 Mar 17	nil	07 Mar 20	06 Mar 27
DABP	–	37,842	–	–	37,842	08 Mar 18	nil	08 Mar 21	n/a
SAYE	8,823	–	–	–	8,823	30 Sep 16	2.04	01 Nov 19	30 Apr 20
SIP[1]	509	7	–	–	516	10 Mar 16	nil	10 Mar 19	n/a
Total	738,252	300,927	–	–	1,039,179				

Mandy Gradden

Scheme	Interests at 1 Jan 2018	Granted in year	Lapsed in year	Exercised in year	Interests at 31 Dec 2018	Date of grant	Exercise price (£)	Vesting date	Expiry date
PSP	236,250	–	–	–	236,250	21 Mar16	nil	21 Mar 19	20 Mar 26
PSP	184,081	–	–	–	184,081	07 Mar 17	nil	07 Mar 20	06 Mar 27
PSP	–	155,216	–	–	155,216	08 Mar 18	nil	08 Mar 21	n/a
DABP	13,099	–	–	–	13,099	07 Mar 17	nil	07 Mar 20	06 Mar 27
DABP	–	25,606	–	–	25,606	08 Mar 18	nil	08 Mar 21	n/a
SAYE	8,823	–	–	–	8,823	30 Sep 16	2.04	01 Nov 19	30 Apr 0
SIP[1]	509	7	–	–	516	10 Mar 16	nil	10 Mar 19	n/a
Total	442,762	180,829	–	–	623,591				

1 The shares granted in the year were dividend shares.

The closing share price of Ascential's Ordinary Shares at 31 December 2018 was 377.0p and the closing price range from 1 January 2018 to 31 December 2018 was 346.1p to 465.0p.

Ordinary shares required to fulfil entitlements under the PSP, DABP, SAYE and SIP may be provided by Ascential's Employee Benefits Trusts ("EBT"). As beneficiaries under the EBT, the Executive Directors are deemed to be interested in the Ordinary Shares held by the EBT which, at 31 December 2018, amounted to 393,893. Assuming that all awards made under Ascential's share plans vest in full, Ascential has utilised 2.2% of the 10% in ten years and 1.6% of the 5% in five years dilution limits.

What pension payments were made in 2018? (Audited)

The table below provides details of the Executive Directors' pension benefits:

	Cash in lieu of contribution to DC-type pension plan £'000
Duncan Painter	40
Mandy Gradden	28

Each Executive Director has the right to participate in Ascential's defined contribution pension plan or to elect to be paid some or all of their contribution in cash. Pension contributions and/or cash allowances are capped at 9% of salary, less, in the case of cash allowances, an amount equal to employers' national insurance contributions on that amount.

Were there any payments made to past Directors during 2018? (Audited)

There were no payments made to any past Directors during the year.

What are the Directors shareholdings and is there a guideline? (Audited)

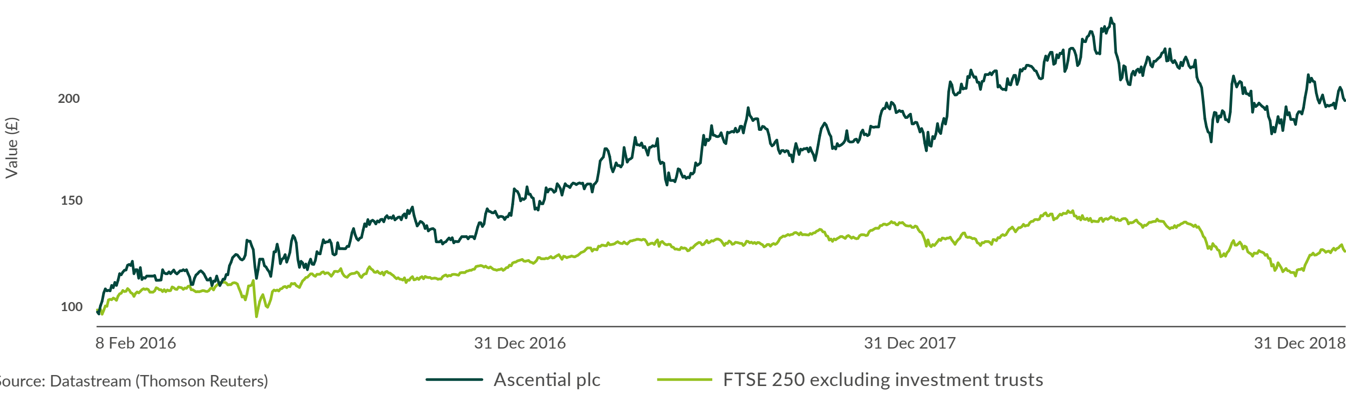
Details of the Directors' interests in shares (including those of their connected persons) are shown in the table below.

				Outstanding awards			
Director	Beneficially owned at 31 Dec 2018	Beneficially owned at 31 Dec 2017	Shareholder guideline achieved?	PSP	DABP	SAYE	SIP
Duncan Painter	3,592,558	3,551,020	Yes	972,797	57,043	8,823	516
Mandy Gradden	771,771	771,771	Yes	575,547	38,705	8,823	516
Scott Forbes	206,050	206,050	n/a	–	–	–	–
Rita Clifton	–	–	n/a	–	–	–	–
Paul Harrison	2,820	–	n/a	–	–	–	–
Judy Vezmar	50,000	50,000	n/a	–	–	–	–
Gillian Kent	–	–	n/a	–	–	–	–
Total	4,623,199	4,578,841		1,548,344	95,748	17,646	1,032

To align the interests of the Executive Directors with shareholders, each Executive Director must build up and maintain a shareholding in Ascential equivalent to 200% of base salary. Until the guideline is met, Executive Directors are required to retain 50% of any PSP and DABP share awards that vest (or are exercised) net of tax.

How does the CEO's pay compare to Ascential's performance?

This graph shows a comparison of Ascential's total shareholder return (share price growth plus dividends paid) with that of the FTSE 250 (excluding investment trusts) since Admission. This index has been selected as it comprises companies of a comparable size and complexity and provides a good indication of Ascential's relative performance.



Source: Datastream (Thomson Reuters)

This graph shows the value, by 31 December 2018, of £100 invested in Ascential plc on 08 February 2016, compared with the value of £100 invested in the FTSE 250 (excluding investment trusts) on a daily basis.

DIRECTORS' REMUNERATION REPORT CONTINUED

The total remuneration figure for the CEO during 2017 and 2018 is shown below. The total remuneration figure includes the annual bonus which was awarded based on performance in those years. Where that bonus was subject to deferral, it is shown in the year in which it was awarded. The performance period for the 2016 PSP award ended in 2018 and as such is included in the 2018 column.

	2018	2017
Total remuneration (£'000)	**2,255**	856
Annual bonus (% of maximum)	**20**	47.5
Long-term incentive plan (% of maximum vesting)	**100**	–

How does the change in CEO's pay compare to that for Ascential employees?

The movement in the salary and annual bonus for the CEO, who is the highest paid Director, between the current and previous financial year compared to that for the average UK employee is shown below.

	Percentage change
CEO	
Salary	5.1
Bonus	(55.7)
Taxable benefits	No material change
Average employee	
Salary	6.5
Bonus	(2.6)
Taxable benefits	No material change

The first award under the Company's LTIP granted in March 2016 will vest in full in 2019. This has not been included in the above table as there is no comparator from which to calculate the percentage movement.

How much does Ascential spend on pay and dividends? (Audited)

	2018	2017
Total employee costs	**£150.5m**	£136.4m
Dividend per ordinary share[1]	**5.8p**	5.6p

1 The 2017 figure of 5.6p is the total dividend per ordinary share paid in respect of the 2017 financial year. The 2018 figure of 5.8p is the 2018 interim dividend and the proposed 2018 final dividend per ordinary share, which is subject to shareholder approval at the 2019 AGM.

What advice did the Committee receive?

The Committee received advice from Korn Ferry during the year, which does not provide any services to the Company. Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct, which requires that its advice is objective and impartial. Total fees paid during the year for providing advice and information related to remuneration and employee share plans to the Committee were £29,230 to Korn Ferry.

The CEO and other senior management were invited to attend meetings as the Committee considered appropriate, but did not take part in discussions directly regarding their own remuneration.

The Committee's terms of reference are available on Ascential's website or are available in hard copy on request from the Company Secretary.

What votes were received in relation to the Directors' Remuneration Policy at the 2017 AGM and the Annual Report on Remuneration at the 2018 AGM?

	Remuneration Policy	%	Annual Report on Remuneration	%
Votes cast in favour	343,536,389	98.60	355,234,928	99.79
Votes cast against	4,878,355	1.40	749,299	0.21
Total votes cast	348,414,744		355,984,227	
Abstentions	502		2,859,961	

How will the Directors' Remuneration Policy be used in the 2019 financial year?

Base salary

The base salaries of the Executive Directors will be increased by 2.5% with effect from 1 April 2019, in line with the wider employee group, taking Duncan Painter's salary to £551,450 and Mandy Gradden's salary to £371,950.

Annual bonus plan

The annual bonus plan will continue to be subject to a maximum of 125% of base salary and measured against stretching financial targets. 50% of the bonus will be based on Adjusted EBITA and 50% will be based on revenue. Half of any bonus earned will be deferred into shares which vest after a three-year period.

The Committee has chosen not to disclose, in advance, the performance targets for the forthcoming year as these include items which the Committee considers commercially sensitive. An explanation of bonus payouts and performance achieved, along with the targets set, will be provided in next year's Annual Report on Remuneration. The range of targets set for 2019 is considered to be similarly challenging to a range of targets set for 2018 allowing for current commercial circumstances.

Performance Share Plan

The Committee intends to grant PSP awards to the Executive Directors in 2019 at 200% of salary for Duncan Painter and 175% of salary for Mandy Gradden.

75% of the award will be measured against growth in Adjusted EPS and 25% against relative TSR versus the FTSE 250 Index (excluding investment trusts). Each element will be assessed independently of each other.

The Adjusted EPS targets that are intended to apply to the 2019 PSP awards were set following the Committee's review of internal financial planning, external market expectations, current macro-economic conditions and range of targets to apply will require annual growth of between 6% and 15% per annum (increased from 6% to 12%) from the 2018 Adjusted EPS result. These targets are considered to be no less challenging than the range of targets set for the 2018 awards, providing a realistic incentive at the lower end of the performance range, but with full vesting requiring exceptional outperformance in the current commercial context.

A summary of the 2019 performance targets is set out below:

Performance criteria	Weighting	Threshold (25% vesting)	Stretch (100% vesting)	Measurement period
Adjusted EPS Compound Annual Growth Rate ("CAGR")	75%	6%	15%	CAGR measured over the three financial years to 2021, using 2018 as the base year
Relative Total Shareholder Return	25%	Median	Upper quartile	Average Return Index of Company and each member of the constituent group ("Average Return") during the three-month period ending on 31 December 2018 to the Average Return during the three-month period to 31 December 2021

Vesting between threshold and maximum will be measured on a straight line basis.

Shares normally vest after a three-year performance period, subject to a further two-year holding period whereby the Executive Directors will be restricted from selling the net of tax shares which vest.

What are the current and future Non-Executive Director fees?

In line with the Executive Directors and the wider employee population, the fees of the Chairman and the Non-Executive Directors will increase by 2.5% with effect from 1 April 2019.

	2019 £	2018 £	% change
Board Chairman	**178,606**	174,250	2.5%
Basic fee	**52,531**	51,250	2.5%
Additional fee for Senior Independent Director	**5,000**	5,000	–
Additional fee for Committee Chairman	**10,000**	10,000	–

DIRECTORS' REPORT

Index to principal Directors' Report and Listing Rule disclosures

Relevant information required to be disclosed in the Directors' Report may be found in the following sections:

Information	Section in Annual Report	Pages
Principal risks and uncertainties	Strategic Report	37–41
Disclosure of information to auditor	Directors' Report	79
Directors in office during the year	Corporate Governance Report	58
Dividend recommendation for the year	Strategic Report	29
Directors' indemnities	Directors' Report	76
Corporate responsibility	Strategic Report	45–51
Greenhouse gas emissions	Directors' Report	78
Financial instruments – risk management objectives and policies	Notes to the Financial Statements	123–127
Future developments of the Company	Strategic Report	13
Employment policies and employee involvement	Strategic Report and Directors' Report	42–44, 79
Structure of share capital, including restrictions on the transfer of securities, voting rights and interests in voting rights	Directors' Report	77
Political donations	Directors' Report	78
Rules governing changes to Articles of Association	Directors' Report	78
Going concern statement	Strategic Report	29

The information referred to in the above table from the applicable sections of the Annual Report is incorporated by reference into this Directors' Report.

Strategic Report

The Strategic Report is set out on pages 2 to 51 and was approved by the Board on 22 February 2019. It is signed on behalf of the Board by Duncan Painter, Chief Executive Officer.

Cautionary statement

The review of the business and its future development in the Annual Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for these strategies to succeed. It should not be relied on by any other party for any other purpose. The review contains forward-looking statements which are made by the Directors in good faith based on information available to them at the time of the approval of these reports and should be treated with caution due to inherent uncertainties associated with such statements. The Directors, in preparing the Strategic Report, have complied with s417 of the Companies Act 2006.

Directors' indemnities

The Company maintained appropriate insurance to cover Directors' and Officers' liability for itself and its subsidiaries and such insurance was in force for the whole of the year ended 31 December 2018.

The Company also indemnifies the Directors under deeds of indemnity for the purposes of section 236 of the Companies Act 2006. Such indemnities contain provisions that are permitted by the director liability provisions of the Companies Act 2006 and the Company's Articles of Association.

Share capital and rights attaching to shares

Details of the Company's share capital and movements during the year are set out in Note 25 to the financial statements, which is incorporated by reference into this report. This includes the rights and obligations attaching to shares and restrictions on the transfer of shares. The ordinary shares of £0.01 each are listed on the London Stock Exchange (LSE: ASCL.L). The ISIN of the shares is GB00BYM8GJ06.

All ordinary shares (this being the only share class of the Company) have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as set out in the Articles.

Without prejudice to any rights attached to any existing shares and subject to relevant legislation, the Company may issue shares with such rights or restrictions as determined by either the Company by ordinary resolution or, if the Company passes a resolution to so authorise them, the Directors.

Subject to legislation, the Articles and any resolution of the Company, the Directors may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any shares to such persons, at such times and generally on such terms as the Directors may decide. The Company may issue any shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or the holder, on such terms and in such manner as the Company may determine by ordinary resolution and the Directors may determine the terms, conditions and manner of redemption of any such shares. No such resolutions are currently in effect.

Subject to recommendation of the Board, shareholders may receive a dividend. Shareholders may share in the assets of the Company on liquidation.

Voting rights

Each ordinary share entitles the holder to attend, speak and vote at general meetings of the Company. A resolution put to the vote of the meeting shall be decided on a poll rather than a show of hands in line with recommended best practice.

On a poll, every member who is present in person or by proxy shall have one vote for every share of which they are a holder. The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. No member shall be entitled to vote at any general meeting either in person or by proxy, in respect of any share held by him, unless all amounts presently payable by him in respect of that share have been paid. Save as noted, there are no restrictions on voting rights nor any agreement that may result in such restrictions.

Shares held by the Employee Benefit Trust (“EBT”)

The Group has an Employee Benefit Trust which can hold shares to satisfy awards under employee share schemes. At 31 December 2018, the EBT held 393,893 shares. Voting rights in relation to any shares held in the EBT are exercisable by the trustee; however, in accordance with best practice guidance, the trustee abstains from voting.

Restrictions on transfers of securities

The Articles do not contain any restrictions on the transfer of ordinary shares in the Company other than the restrictions imposed by laws and regulations.

Interest in voting rights

Details of the share capital of the Company are set out in Note 25 to the Financial Statements.

As at 31 December 2018 and 21 February 2019, the Company received notifications in accordance with the FCA’s Disclosure and Transparency Rule 5.1.2 of the following interests in the voting rights of the Company.

	As at 31 December 2018		**As at 21 February 2019**	
Shareholder	Number of voting rights notified	Percentage of voting rights over ordinary shares of £0.01 each	**Number of voting rights notified**	**Percentage of voting rights over ordinary shares of £0.01 each**
Merian Global Investors	75,872,665	18.9	**75,872,665**	**18.9**
Ameriprise Financial, Inc	40,209,488	10.0	**40,209,488**	**10.0**
BlackRock Inc	36,041,597	9.0	**36,041,597**	**9.0**
FMR LLC	21,944,402	5.5	**21,944,402**	**5.5**
T Rowe Price Associates, Inc	20,315,108	5.1	**20,315,108**	**5.1**

Greenhouse gas emissions statement

As part of the Companies Act 2006 (2013 Regulations), Ascential is required to provide details of its global greenhouse gas (GHG) emissions. We are required to disclose the Company’s emission of carbon dioxide (CO_2) as well as a CO_2 intensity value, while stating the methodology used to calculate these emissions.

DIRECTORS' REPORT CONTINUED

The table below includes combustion of fuel (Scope 1) and purchased electricity (Scope 2) at our offices and in our Company vehicles for 2017 and 2018:

	2018	2017	Unit
Emissions type			
Scope 1[1]	**48.22**	66.99	Tonnes of CO_2
Scope 2[2]	**686.73**	709.8	Tonnes of CO_2
TOTAL	**734.95**	776.79	Tonnes of CO_2
Intensity factors			
Total headcount	**1,644**	1,857	Full-time equivalence (FTE)
Total area	**24,932**	21,316	Square metres
Carbon intensity 1: Area			
Scope 1	**1.93**	3.14	Kg of CO_2 per m^2
Scope 2	**27.54**	33.30	Kg of CO_2 per m^2
TOTAL	**29.47**	36.44	Kg of CO_2 per m^2
Carbon intensity 2: Headcount			
Scope 1	**29.33**	36.07	Kg of CO_2 per FTE
Scope 2	**417.72**	382.23	Kg of CO_2 per FTE
TOTAL	**447.05**	418.30	Kg of CO_2 per FTE

1 Scope 1 emissions are calculated from fuel use in Company-leased vehicles using the distance-based calculation method (DEFRA GHG conversion factors 2016). Emissions from personal or privately hired vehicles used for Company business are considered to be Scope 3 (GHG protocol) and as such are not included in the 'Operational control' boundary approach (see 'Methodology and scope').

2 Scope 2 emissions are calculated from energy consumption at Ascential offices (excluding home workers). CO_2 figures are based on the energy consumption of Ascential's operations with estimates used for the remainder based on office surface area. Where the consumption of energy other than electricity (e.g. natural gas) is supplied as part of a leased building's SLA and is not available, this information has not been included in the data.

Methodology and scope

Carbon dioxide emissions data has been collected, calculated, consolidated and analysed following the GHG Protocol (Corporate Accounting & Reporting Standard) following the 'operational control' approach. Emissions factors for locations were sourced from the IEA 2017 CO_2 emissions from fuel combustion figures based on country-level factors. The boundary for reporting extends to include all entities and facilities that are owned or leased by Ascential and are also actively managed by Ascential.

Timeframe and future reporting

This is the third year of reporting our CO_2 emissions. Moving forward, we will continue to report year-over-year emissions data. Furthermore, Ascential intends to review its environmental data management process with a view to improving data collection, accuracy and disclosure.

Changes to the Company's Articles

The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders. No amendments are proposed to be made to the existing Articles of Association at the forthcoming AGM.

Authority to allot shares

Under the Companies Act 2006, the Directors may only allot shares if authorised to do so by shareholders in a general meeting. The authority conferred on the Directors at a general meeting of shareholders held on 9 May 2018 expires on the date of the forthcoming AGM. An ordinary resolution will be proposed at the 2019 AGM to seek a new authority to allow the Directors to allot ordinary shares up to a maximum nominal amount, representing approximately two-thirds of the Company's issued share capital of which approximately one-third of the Company's issued ordinary share capital can only be allotted pursuant to a rights issue. The Directors have no present intention of exercising this authority which will expire at the conclusion of the AGM in 2020 or 8 August 2020 if earlier.

Political donations

The Company did not make any political donations during the year.

Significant contracts

The only significant contract to which the Company is a party that takes effect, alters or terminates upon a change of control of the Company is the Senior Facility Agreement dated 12 February 2016, which contains customary prepayment, cancellation and default provisions including mandatory repayment of all loans provided on a change of control.

In addition, the Company's subsidiaries have venue agreements with The City of Cannes for the provision of a venue which requires a notification requirement only in the former and notification and best endeavours to ensure terms are maintained in the latter on a change of control.

Employment practices

All employment decisions are made irrespective of colour, race, age, nationality, ethnic or national origin, sex, mental or physical disabilities, marital status or sexual orientation. For employees who may have disability, the Group ensures proper procedures and equipment are in place to aid them. When it comes to training, career development and promotion, all employees are treated equally and job applications are always judged on aptitude. Further details on the Group's policies on engagement and employment practices is set out on pages 42 to 44.

Auditor

Each of the Directors has confirmed that:

a. so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
b. the Director has taken all reasonable steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Post balance sheet events

There were no reportable post balance sheet events.

Annual General Meeting

The AGM of the Company will take place at 3pm on 8 May 2019 at Coworth Park Hotel, Blacknest Road, Ascot, Berkshire SL5 7SE, UK. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM.

The Notice of AGM can be found in a separate booklet which is being mailed out at the same time as this report. It is also available at Ascential.com. The Notice sets out the resolution to be proposed at the AGM and an explanation of each resolution. The Directors consider that all of the resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole. To that end, the Directors unanimously recommend that shareholders vote in favour of each of them.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT CONTINUED

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the annual financial report

We confirm to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a fair review of the development and performance of the issuer and the undertakings included in the consolidation taken as a whole, together with description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors' Report of Ascential plc was approved by the Board and signed on its behalf by

Louise Meads
Company Secretary
22 February 2019

For and on behalf of the Board of Ascential plc
Company number: 9934451

INDEPENDENT AUDITOR'S REPORT

to the members of Ascential plc

1. Our opinion is unmodified

We have audited the financial statements of Ascential plc ("the Company") for the year ended 31 December 2018 which comprise the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the parent company statement of changes in equity, the parent company statement of financial position, and the related notes, including the parent and group accounting policies in notes 1 & 2 respectively.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the shareholders on 16 July 2016. The period of total uninterrupted engagement is for the three financial years ended 31 December 2018. Prior to that we were auditor to the group's previous parent company, but which, being unlisted, was not a public-interest entity. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: group financial statements as a whole	£2.0m (2017: £2.7m) 5.4% (2017: 4.6%) of normalised profit before tax from continuing operations	
Coverage	75% (2017: 85%) of group revenue 86% (2017: 94%) of group profit before tax from continuing operations	

Key audit matters	**vs 2017**	
Recurring risks	Revenue recognition	<>
	Recognition of deferred tax assets in respect of US losses	<>
Event driven	Valuation of contingent consideration for One Click Retail, Medialink, Clavis, Brand View and Flywheel acquisitions	Λ
Parent company recurring risk	Recoverability of cost of investment in subsidiaries and intra-group debtors	<>

INDEPENDENT AUDITOR'S REPORT CONTINUED

For the period ended 31 December 2018

2. Key audit matters: assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Revenue recognition (£319.8 million; 2017: 270.2m) *Refer to page 61 (Audit Committee Report), page 96 (accounting policy) and page 103 (financial disclosures).*	**2018/2019 sales** The Group earns revenue from a variety of sources. The resulting large volume of non-homogenous transactions creates a risk of processing error. In addition revenue is the most material figure in the financial statements and is considered to be a main driver of results, and as such had the greatest effect on our allocation of resources in planning and completing the audit. For event based revenues (2018 revenue: £121.4m; 2017: £114.1m), there is a significant lead time in the billing of customers that can occur up to a year prior to an event taking place. As such, there is a risk due to error that revenue is recognised in the wrong period, particularly for events held close to the year end. For subscription based revenues (2018 revenue: £138.2m; 2017: £106.2m) and advisory and marketing revenues (2018 revenue: £60.2m; 2017: £49.9m), contracts are entered into which span the 31 December year end. There is a risk, due to error, that the deferral and recognition of revenues does not appropriately match the underlying terms of customer contracts, in particular the period over which the performance obligations are met.	Our procedures included: **Test of details:** For event based revenues, selecting a sample of revenue transactions recognised in the year and deferred revenue at the year end and assessing whether the related revenue has been recorded in the period in which the event occurred. **Test of details:** For subscription based and advisory and marketing revenues, selecting a sample of transactions recorded in revenue in the year and deferred and accrued revenue at the year end and checking whether the related revenue has been recognised over the period in which the performance obligations are met based on the underlying terms of the customer contract. **Test of details:** We obtained 100% of the journals posted in respect of revenue and, using computer assisted audit techniques, analysed these to identify and investigate any entries which appeared unusual based upon the specific characteristics of the journal, considering in particular whether the debit side of the journal entry was as expected, based on our business understanding. **Our results:** The results of our testing were satisfactory and we found no instances of revenue recorded in the incorrect period (2017: no instances).

	The risk	Our response
Recognition of deferred tax assets in respect of US losses (£15 million; 2017: £13.8m) *Refer to page 63 (Audit Committee Report), page 101 (accounting policy) and page 117 (financial disclosures).*	**Subjective estimate** During 2016, the Group passed the threshold at which a change of control, as defined by the US Tax code, occurs. As a result, the historical losses of the Group's US businesses will be subject to a restriction on utilisation, based on the valuation of the US tax group at the time the change of control occurred. The amount of this restriction will not be known for certain until the position has been accepted by the US Internal Revenue Service. This requires the Group to make an estimate and significant judgement at the current year-end in respect of value attributed to the US business at the time of the control change and therefore the amount of tax losses available to offset future taxable profits. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of the US tax group at the time the change of control occurred has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 2) disclose the judgements and estimates made by the group.	Our procedures included: **Own tax expertise:** With the assistance of our own tax specialists we evaluated the Directors' interpretation of key aspects of the tax legislation. This included critically assessing the associated assumptions made in relation to the valuation of the US tax group's deferred tax assets against the independent advice taken by the Group and relevant tax legislation. **Assessing valuer's credentials:** We assessed the competence and objectivity of the external experts who prepared reports to support the associated assumptions underpinning valuation of the US tax group at the time the change of control occurred, and the effect of the restriction on the US tax group's deferred tax asset. **Assessing transparency:** We considered the adequacy of the related judgements and estimates disclosures provided in notes 2 and 17 of the Group financial statements. **Our results:** As a result of our work we found the level of deferred tax assets recognised to be acceptable (2017: acceptable).
Valuation of contingent consideration for the One Click Retail, Medialink, Clavis, Brand View and Flywheel acquisitions (£59.7 million; 2017: £59.4 million) *Refer to page 63 (Audit Committee Report), page 101 (accounting policy) and page 120 (financial disclosures).*	**Forecast-based valuation** The Group has recognised significant contingent consideration liabilities in respect of the One Click Retail, Medialink, Clavis, Brand View and Flywheel acquisitions. There is inherent uncertainty involved in forecasting revenue and profit margins of the acquired businesses, which determines the fair value of the liability at the acquisition date and as at the balance sheet date. The effect of these matters is that, as part of our risk assessment, we determined that the fair value of the contingent consideration liability has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 12) disclose the range of outcomes estimated by the group.	Our procedures included: **Assessing forecasts:** For the businesses acquired in the year (Brand View and Flywheel) businesses, we compared the forecast revenue and profit growth, used as the basis for the calculation of the fair value of the contingent consideration at the acquisition date and as at the balance sheet date, with the forecasts included in the due diligence reports obtained prior to the acquisition, recent performance of the business and current forecasts. For the previously acquired businesses (One Click Retail, Medialink, Clavis), we challenged the changes in the forecast revenue and profit growth compared to the forecasts used as the basis for the initial contingent consideration calculation, current forecasts, and to the recent performance of the business, taking into account changes in the agreements made in the year. **Assessing valuer's credentials:** For the businesses acquired in the year, we assessed the competence and objectivity of the external experts who prepared the due diligence reports used to support the methodology and assumptions within the forecasts. **Assessing transparency:** We assessed the adequacy of the group's disclosures about the potential range of future payments, and the estimates and judgements made by the Group in this regard. **Our results:** As a result of our work we found the level of contingent consideration recognised to be acceptable (2017: acceptable).

INDEPENDENT AUDITOR'S REPORT CONTINUED

For the period ended 31 December 2018

	The risk	Our response
Recoverability of cost of investment in subsidiary and intra-group debtors Investment (£452.8 million; 2017: £52.8 million) Intra-group debtors (£148.3 million; 2017: £598.8 million) *Refer to page 61 (Audit Committee Report), page 130 (accounting policy) and page 131 and 133 (financial disclosures).*	**Low risk, high value** Following restructuring of subsidiaries in the year a significant percent of the group's intra-group debt was capitalized and is now represented as investment in subsidiary. The amount of the parent company's investment in its subsidiary, which acts as an intermediate holding company for the rest of the company's subsidiaries, represents 75% (2017: 8%) of the parent company's assets. The carrying amount of the intra-group debtors balance comprises the remaining 25% (2017: 92%).	Our procedures included: **Tests of detail:** Comparing the carrying amount of parent company's only investment with the subsidiary's draft balance sheet and assessing the 99% of the group debtor balance to identify whether its net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether the group headed by the subsidiary has historically been profit-making. **Comparing valuations:** Comparing the carrying amount of the investment in the subsidiary to the group's market capitalisation as adjusted to exclude the liabilities of the parent company, being an approximation of the recoverable amount of the investment. **Our results:** We found the group's assessment of the recoverability of the investment in its subsidiary and the group receivables balance to be acceptable (2017: acceptable).

3. Our application of materiality and an overview of the scope of our audit

Materiality for the group financial statements as a whole was set at £2.0m (2017: £2.7m), determined with reference to a benchmark of profit before tax from continuing operations normalised to exclude this year's acquisition related contingent employment and capital costs as disclosed in notes 5 respectively, of £37.0m (2017: £58.8m), of which it represents 5.4% (2017: 4.6%).

Materiality for the parent company financial statements as a whole was set at £2.0m (2017: £2.7m), determined with reference to a benchmark of total assets of which it represents 1% (2017: 1%) and capped at group materiality.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £100,000 (2017: £135,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 71 (2017: 74) reporting components, we subjected 7 (2017: 7) to audits for group purposes and 2 (2017:1) to specified risk-focused audit procedures over revenue. The components for which we performed specified risk-focused procedures were not individually significant but were included in the scope of our group audit work in order to provide further coverage over the Group's results. The discontinued operations were also audited.

The group operates one shared service centre in India, the outputs of which are included in the financial information of the reporting components it services and therefore it is not a separate reporting component. The service centre is subject to specified risk-focused audit procedures, predominantly the testing of transaction processing controls. Additional procedures are performed at certain reporting components to address the audit risks not covered by the work performed over the shared service centre.

The components within the scope of our work accounted for the percentages illustrated opposite.

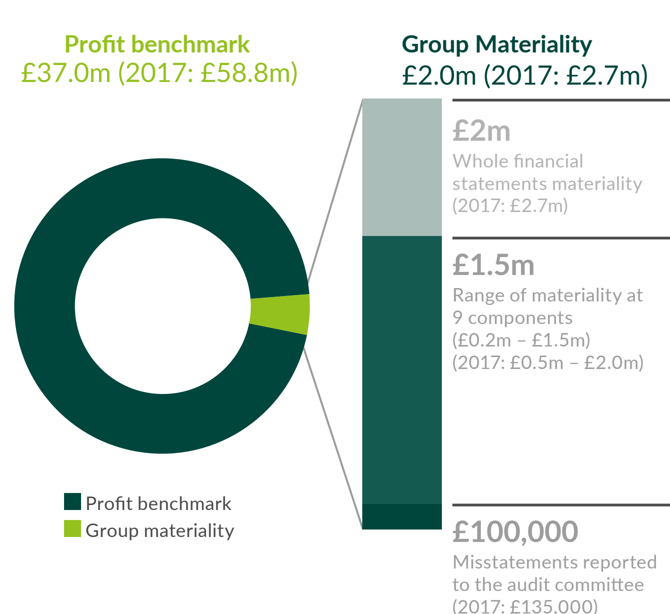
The remaining 25% (2017: 15%) of total group revenue, 14% (2017: 6%) of group profit before tax from continuing operations and 7.7% (2017: 13%) of total group assets is represented by 62 (2017: 66) reporting components, none of which individually represented more than 5% (2017: 4%) of any of total group revenue, group profit before tax or total group assets. For these residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

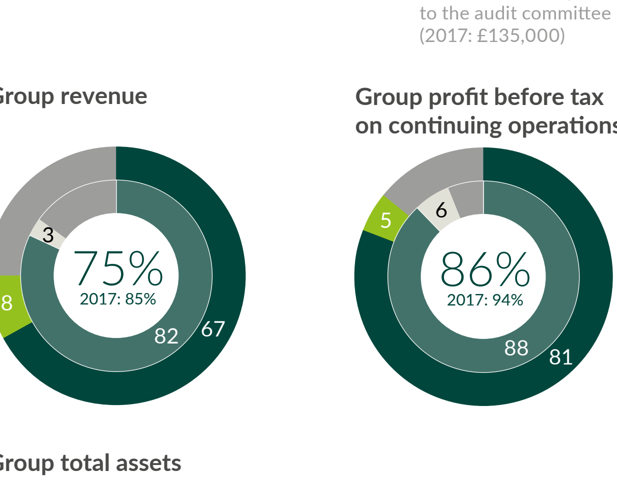
The work on one component (2017: none) was performed by component auditors and the rest, including the audit of the parent company, was performed by the Group team. Component materialities ranged from £0.2m to £1.5m (2017: £0.5m to £2.0m), having regard to the mix of size and risk profile of the Group across the components.

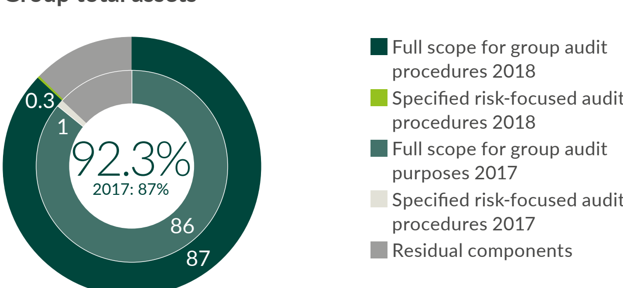
The Group team instructed components auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back.

The Group team performed procedures on discontinued operations disclosed in Note 10 and the items excluded from normalised group profit before tax.

Telephone conference meetings were held with the component auditors. At these meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.







INDEPENDENT AUDITOR'S REPORT CONTINUED

For the period ended 31 December 2018

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- The impact of a UK and/or a global recession;
- The postponement or cancellation of one of the group's major events; and
- A significant change in underlying data infrastructures resulting in reduced data availability for group's e-commerce services.

As these were risks that could potentially cast significant doubt on the Group's and the Company's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise. We also considered less predictable but realistic second order impacts, such as the impact of Brexit.

Based on this work, we are required to report to you if:

- we have anything material to add or draw attention to in relation to the directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 29 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within Directors' Statement of Viability on page 36 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the Directors' Statement of Viability of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

  Under the Listing Rules we are required to review the long-term viability statement. We have nothing to report in this respect.

  Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and

provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 79, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the company's regulatory and legal correspondence, and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to the component audit team of relevant laws and regulations identified at group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection, anti-bribery, and employment law, recognising the nature of the company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
22 February 2019

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018

		2018			Restated* 2017		
(£'m)	Note	Adjusted results	Adjusting items	Total	Adjusted results	Adjusting items	Total
Continuing operations							
Revenue	3	**348.5**	**–**	**348.5**	292.9	–	292.9
Cost of sales		**(125.2)**	**–**	**(125.2)**	(93.9)	–	(93.9)
Sales, marketing and administrative expenses		**(132.3)**	**(50.8)**	**(183.1)**	(113.6)	(54.1)	(167.7)
Operating profit	4	**91.0**	**(50.8)**	**40.2**	85.4	(54.1)	31.3
Adjusted EBITDA	3	**101.8**	**–**	**101.8**	94.7	–	94.7
Depreciation and amortisation	4	**(10.8)**	**(30.6)**	**(41.4)**	(9.3)	(17.8)	(27.1)
Exceptional items	5	**–**	**(14.0)**	**(14.0)**	–	(32.5)	(32.5)
Share-based payments	7	**–**	**(6.2)**	**(6.2)**	–	(3.8)	(3.8)
Operating profit	4	**91.0**	**(50.8)**	**40.2**	85.4	(54.1)	31.3
Share of the profit of associates and joint ventures accounted for using the equity method		**0.6**	**–**	**0.6**	0.3	–	0.3
Finance costs	8	**(12.5)**	**–**	**(12.5)**	(12.2)	–	(12.2)
Finance income	8	**0.6**	**–**	**0.6**	0.5	–	0.5
Profit/(loss) before taxation		**79.7**	**(50.8)**	**28.9**	74.0	(54.1)	19.9
Taxation	9	**(17.8)**	**8.9**	**(8.9)**	(18.7)	10.7	(8.0)
Profit from continuing operations		**61.9**	**(41.9)**	**20.0**	55.3	(43.4)	11.9
Discontinued operations							
Profit/(loss) from discontinued operations, net of tax	10	**15.5**	**173.7**	**189.2**	19.6	(13.5)	6.1
Profit for the year		**77.4**	**131.8**	**209.2**	74.9	(56.9)	18.0
Earnings per share (pence)							
Continuing operations							
– Basic	11	**15.5**	**(10.5)**	**5.0**	13.7	(10.8)	2.9
– Diluted	11	**15.3**	**(10.5)**	**4.8**	13.6	(10.8)	2.8
Continuing and discontinued operations							
– Basic	11	**19.3**	**32.9**	**52.2**	18.7	(14.2)	4.5
– Diluted	11	**19.1**	**32.3**	**51.4**	18.6	(14.2)	4.4

* Restated for discontinued operations (see Note 10).

The accompanying notes on pages 95 to 127 are an integral part of these consolidated financial statements. Adjusting items are detailed in Note 5.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

(£'m)	Note	2018 Adjusted results	2018 Adjusting items	2018 Total	2017 Adjusted results	2017 Adjusting items	2017 Total
Profit for the year		**77.4**	**131.8**	**209.2**	74.9	(56.9)	18.0
Other comprehensive income/(expense)							
Items that may be reclassified subsequently to profit or loss:							
Foreign exchange translation differences recognised in equity		**8.5**	**–**	**8.5**	(22.9)	–	(22.9)
Cumulative currency translation differences on disposals	13	**–**	**2.4**	**2.4**	–	2.4	2.4
Total other comprehensive income/(expense), net of tax		**8.5**	**2.4**	**10.9**	(22.9)	2.4	(20.5)
Total comprehensive income/(expense) for the year		**85.9**	**134.2**	**220.1**	52.0	(54.5)	(2.5)

The accompanying notes on pages 95 to 127 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(£'m)	Note	2018	2017
Assets			
Non-current assets			
Goodwill	14	**505.1**	489.1
Intangible assets	14	**280.9**	282.6
Property, plant and equipment	15	**9.2**	11.3
Investments	16	**6.1**	5.1
Other receivables	19	**–**	0.3
Deferred tax assets	17	**42.8**	47.1
		844.1	835.5
Current assets			
Inventories	18	**3.9**	17.8
Trade and other receivables	19	**114.4**	88.2
Financial assets		**–**	0.1
Cash and cash equivalents	20	**182.0**	45.8
		300.3	151.9
Total assets		**1,144.4**	987.4
Liabilities			
Current liabilities			
Trade and other payables	21	**81.1**	57.7
Deferred income		**90.6**	118.6
Deferred and contingent consideration	22	**32.3**	47.5
Current tax liabilities		**6.0**	12.1
Provisions	24	**2.8**	3.2
		212.8	239.1
Non-current liabilities			
Deferred income		**0.6**	3.6
Deferred and contingent consideration	22	**64.4**	50.4
External borrowings	23	**291.8**	317.4
Deferred tax liabilities	17	**24.8**	31.3
Provisions	24	**3.2**	2.6
		384.8	405.3
Total liabilities		**597.6**	644.4
Net assets		**546.8**	343.0
Equity			
Share capital	25	**4.0**	4.0
Share premium		**0.5**	0.1
Reserves		**542.3**	338.9
Total equity		**546.8**	343.0

The accompanying notes on pages 95 to 127 are an integral part of these consolidated financial statements. The consolidated financial statements were approved by the Board of Directors on 22 February 2019 and were signed on its behalf by:

Duncan Painter
Director

Mandy Gradden
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

(£'m)	Share capital	Share premium	Reserves: Merger reserve	Reserves: Group restructure reserve	Reserves: Translation reserve	Reserves: Treasury share reserve	Retained earnings	Total equity
At 1 January 2017	4.0	–	9.2	157.9	(17.4)	(0.1)	207.8	361.4
Profit for the year	–	–	–	–	–	–	18.0	18.0
Other comprehensive expense	–	–	–	–	(20.5)	–	–	(20.5)
Total comprehensive (expense)/income	–	–	–	–	(20.5)	–	18.0	(2.5)
Issue of shares	–	0.1	–	–	–	–	–	0.1
Share-based payments	–	–	–	–	–	–	3.6	3.6
Taxation on share-based payments	–	–	–	–	–	–	0.4	0.4
Dividends paid	–	–	–	–	–	–	(20.0)	(20.0)
At 31 December 2017	4.0	0.1	9.2	157.9	(37.9)	(0.1)	209.8	343.0
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**209.2**	**209.2**
Other comprehensive income	**–**	**–**	**–**	**–**	**10.9**	**–**	**–**	**10.9**
Total comprehensive income	**–**	**–**	**–**	**–**	**10.9**	**–**	**209.2**	**220.1**
Issue of shares	**–**	**0.4**	**–**	**–**	**–**	**–**	**–**	**0.4**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**5.7**	**5.7**
Taxation on share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**0.4**	**0.4**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(22.8)**	**(22.8)**
At 31 December 2018	**4.0**	**0.5**	**9.2**	**157.9**	**(27.0)**	**(0.1)**	**402.3**	**546.8**

The accompanying notes on pages 95 to 127 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

(£'m)	Note	2018	2017
Cash flow from operating activities			
Profit before taxation on continuing operations		**28.9**	19.9
Profit before taxation on discontinued operations	10	**192.6**	12.8
Adjustments for:			
Amortisation of acquired intangible assets	14	**33.7**	25.5
Amortisation of software intangible assets	14	**7.6**	6.1
Depreciation of property, plant and equipment	15	**3.5**	5.0
(Gain)/loss on disposal of business operations and investments	13	**(180.6)**	0.9
Acquisition-related employment costs and revaluation of contingent consideration	5	**8.1**	27.7
Share-based payments	7	**6.5**	4.4
Share of the profit of joint ventures accounted for using the equity method		**(0.6)**	(0.3)
Net finance costs	8	**11.9**	11.7
Cash generated from operations before changes in working capital and provisions		**111.6**	113.7
Changes in:			
Inventories		**2.6**	(1.1)
Trade and other receivables		**(9.7)**	(15.1)
Trade and other payables, net of interest payable		**(26.7)**	7.5
Provisions		**(1.1)**	2.0
Cash generated from operations		**76.7**	107.0
Cash generated from operations before exceptional operating items		**110.1**	121.9
Cash outflows for acquisition-related employment costs	22	**(21.0)**	(8.2)
Cash outflows for other exceptional operating items		**(12.4)**	(6.7)
Cash generated from operations		**76.7**	107.0
Tax paid		**(12.2)**	(7.9)
Net cash generated from operating activities		**64.5**	99.1
Cash flow from investing activities			
Acquisition of businesses net of cash acquired	12	**(97.7)**	(140.9)
Deferred and contingent consideration cash paid in the year	22	**(37.7)**	(15.6)
(Acquisition)/reduction of investments	16	**(0.7)**	0.2
Acquisition of software intangibles and property, plant and equipment		**(18.7)**	(11.8)
Disposal of businesses net of cash disposed of	13	**290.0**	48.7
Net cash used in investing activities		**135.2**	(119.4)
Cash flow from financing activities			
Proceeds from external borrowings	23	**32.4**	58.6
Repayment of external borrowings	23	**(66.0)**	(25.6)
Proceeds from issue of shares		**0.4**	0.1
Interest paid		**(6.9)**	(5.9)
Dividends paid to shareholders	26	**(22.8)**	(20.0)
Net cash used in financing activities		**(62.9)**	7.2
Net increase in cash and cash equivalents		**136.8**	(13.1)
Cash and cash equivalents at 1 January	20	**45.8**	61.9
Effect of exchange rate changes		**(0.6)**	(3.0)
Cash and cash equivalents at 31 December	20	**182.0**	45.8

The accompanying notes on pages 95 to 127 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. Basis of preparation and accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee, as adopted by the EU, and the Companies Act 2006 applicable to companies reporting under IFRS.

Ascential plc (the "Company") is a public company, which is listed on the London Stock Exchange and incorporated in the United Kingdom. The registered office is located at The Prow, 1 Wilder Walk, London W1B 5AP. The nature of the Company's operations are business-to-business information services which provide industry-specific business intelligence, insights and forecasting through data and digital subscription tools. The principle activities are information services for product design, marketing, sales and built environment & policy.

The consolidated financial statements are presented in Pounds Sterling ("GBP"), which is the Company's functional currency, and have been rounded to the nearest one decimal place except where otherwise indicated.

The consolidated financial statements have been prepared on a going concern basis (see page 29) and under the historical cost convention, with the exception of items that are required by IFRS to be measured at fair value, principally certain financial instruments. The Board's assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, show that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have assessed the Group's prospects and viability over a three-year period and the viability statement can be found on page 36. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements. In forming their view, the Directors have considered the Group's prospects for a period exceeding 12 months from the date when the financial statements are approved.

Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements and have been applied consistently to both periods presented, with new standards applied in the year for IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments'.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company, its subsidiaries and share of the results of its associates and joint ventures drawn up to 31 December 2018 using consistent accounting policies throughout the current and preceding years.

The trading results of business operations are included in profit from continuing operations from the date of acquisition or up to the date of disposal. Intra-group balances and transactions are eliminated in full on consolidation.

Foreign currency translation

The functional currency of subsidiaries, associates and joint ventures is the currency of the primary economic environment in which they operate. The consolidated financial statements are presented in Sterling, which is the presentational currency of the Group and the functional currency of the parent Company.

Foreign currency transactions are recorded at the exchange rate ruling at the date of transaction. Foreign currency monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. All differences are taken to the consolidated income statement except for those on foreign currency borrowings that provide a hedge against an investment in a foreign entity. These are taken directly to equity until the disposal of the investment, at which time they are recognised in the consolidated income statement. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in force at the date of the initial transaction.

As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into pounds Sterling at the rate of exchange applicable at the reporting date and their consolidated income statements are translated at the average exchange rates for the period. The exchange differences arising from the retranslation of foreign operations are taken directly to a separate component of equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the consolidated income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

Changes in fair value of derivative financial instruments entered into to hedge foreign currency net assets, and that satisfy the hedging conditions of IFRS 9, are recognised in the currency translation reserve (see separate accounting policy on derivative financial instruments).

Discontinued operations

The Group classifies an operation as discontinued when it has disposed of or intends to dispose of a business component that represents a separate major line of business or geographical area of operations. The post-tax profit or loss of the discontinued operations is shown as a single line on the face of the consolidated income statement, separate from the continuing operating results of the Group. When an operation is classified as a discontinued operation, the comparative consolidated income statement is represented as if the operation had been discontinued from the start of the comparative year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

1. Basis of preparation and accounting policies continued

Revenue

Revenue is measured based on the consideration specified in a contract with a customer. If multiple performance obligations exist within a contract, the revenue is allocated to the obligations based on the stand-alone selling price, with any discounts allocated evenly across the obligations. For contracts with rebates and therefore variable consideration, revenue is recognised based on the best estimate of the revenue net of the rebated amount.

Revenue is recognised when the Group satisfies the performance obligations, the timing of which is set out in Note 3.

Pre-paid subscription and event revenues are shown as deferred income and released to the income statement in accordance with the revenue recognition criteria above.

Barter transactions are those where goods and services, rather than cash, are exchanged between two third parties and revenue is recognised at fair value for the goods or services provided. Where goods or services are provided at a discount and dissimilar to the goods or services received, the discounted price is recorded as revenue with the corresponding amount included in operating costs.

Alternative Performance Measures

The consolidated financial statements include Alternative Performance Measures, including Adjusted EBITDA, as another measure of profitability of the trading performance of the Group. Adjusted EBITDA is a non-IFRS measure, defined as the Group's operating profit before expensing depreciation of tangible fixed assets and amortisation of software, exceptional items, amortisation of acquired intangible assets, impairment of tangible fixed assets and software intangibles and share-based payments. Refer to pages 30 to 33 for further details on Alternative Performance Measures.

Exceptional items

Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented as exceptional within their relevant income statement category to assist in the understanding of the performance and financial results of the Group as these types of cost do not form part of the underlying business. Examples of items that are considered by the Directors for designation as exceptional items include, but are not limited to:

- Significant capital structuring costs such as for the IPO as these are material and not a reflection of the ongoing business.
- Costs incurred as part of the acquisition and integration of acquired businesses as these are considered to be material. Acquisition-related employment costs, which, absent the link to continued employment, would have been treated as consideration are designed as exceptional items.
- Gains or losses on disposals of businesses are considered to be exceptional in nature as these do not reflect the performance of the Group.
- Material restructuring and separation costs within a segment incurred as part of a significant change in strategy as these are not expected to be repeated on a regular basis.

If provisions have been made for exceptional items in previous years, then any reversal of these provisions is treated as exceptional.

Finance costs and income

Finance costs are recognised on an effective yield basis. Finance income is recognised on the accruals basis.

Income tax

The Group is primarily subject to corporation tax in the UK, the US, Brazil and China and judgement and estimates of future profitability are required to determine the Group's deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the consolidated income statement, unless the tax relates to an item charged to equity, in which case the changes in tax estimates on those items will be reflected in equity.

Income tax on the profit or loss for the period comprises current tax and deferred tax. Income tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is tax payable based on taxable profits for the period, using tax rates that have been enacted or substantively enacted at the reporting date, along with any adjustment relating to tax payable in previous years. Taxable profit differs from net profit in the consolidated income statement in that income or expense items that are taxable or deductible in other years are excluded, as are items that are never taxable or deductible.

Using the liability method, deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for certain temporary differences, such as goodwill that is not deductible for tax purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year in which the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

The deferred tax assets and liabilities are only offset where they relate to the same taxing authority and the Group has a legal right to offset.

1. Basis of preparation and accounting policies continued

Business combinations

In accordance with IFRS 3 "Business Combinations", the fair value of consideration paid for a business combination is measured as the aggregate of the fair values at the date of exchange of assets given and liabilities incurred or assumed in exchange for control. The assets, liabilities and contingent liabilities of the acquired entity are measured at fair value as at the acquisition date. When the initial accounting for a business combination is determined, it is done so on a provisional basis with any adjustments to these provisional values made within 12 months of the acquisition date and are effective as at the acquisition date. To the extent that deferred consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate interest rate and, accordingly, carried at net present value in the consolidated balance sheet. The discount component is then unwound as an interest charge in the consolidated income statement over the life of the obligation. Where a business combination agreement provides for an adjustment to the cost of a business acquired contingent on future events, the Group accrues the fair value of the additional consideration payable as a liability at acquisition date. This amount is reassessed at each subsequent reporting date with any adjustments recognised in the consolidated income statement. If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is re measured at the acquisition date through the consolidated income statement. Transaction costs are expensed to the consolidated income statement as incurred.

Acquisition related expenses include contingent consideration payments agreed as part of the acquisition and contractually linked to ongoing employment as well as business performance (Acquisition-related employment costs). Acquisition-related employment costs are accrued over the period in which the related services are received and are recorded as exceptional costs.

Intangible assets

Goodwill

Goodwill arises where the fair value of the consideration given for a business exceeds the fair value of net identifiable assets of the business at the date of acquisition. Goodwill is allocated or grouped at the lowest levels, for which there are identifiable cash flows, known as cash generating units or CGUs. The Group considers that a CGU is a business unit because independent cash flows cannot be identified below this level.

Goodwill arising on acquisition is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable. For goodwill impairment purposes, no CGU is larger than the reporting segments determined in accordance with IFRS 8 "Operating Segments" before aggregation. The recoverable amount of goodwill is assessed on the basis of the value-in-use estimate for CGUs to which the goodwill relates. Where the carrying value exceeds the recoverable amount the goodwill is considered impaired. Any impairment is recognised in the consolidated income statement.

Other intangibles

Intangible assets other than goodwill are those that are distinct and can be sold separately or arise from legal rights. Intangible assets acquired as part of a business combination are capitalised at fair value at the date of acquisition. Intangible assets purchased separately are capitalised at cost.

The cost of intangible assets is amortised and charged to the consolidated income statement on a straight-line basis over their estimated useful lives as follows:

Brands	1–30 years
Customer relationships	8–20 years
Databases	3–10 years
Software	2–5 years

Useful lives are examined every year and adjustments are made, where applicable, on a prospective basis.

Website development costs (included under databases) relating to websites which are revenue generating are capitalised and amortised over three to five years. Development costs relating to websites which are not revenue generating are taken immediately to the consolidated income statement.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises expenditure directly attributable to the purchase of the asset. Assets are depreciated to their estimated residual value, on a straight-line basis, over their estimated useful life as follows:

Short leasehold property	over the period of the lease
Office equipment	2–5 years

Estimated useful lives and residual values are reviewed at each reporting date.

An item of property, plant or equipment is written off either on disposal or when there is no expected future economic benefit from its continued use. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the year the item is derecognised.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

1. Basis of preparation and accounting policies continued

Investments in associates and joint ventures

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Investments in associates and joint ventures are initially recognised at cost and thereafter are carried in the consolidated balance sheet at cost less any impairment in value. The consolidated income statement reflects the Group's share of an associate or joint venture's profit after tax. Where the Group's share of losses in an associate or joint venture exceeds its investment, the Group ceases to recognise further losses unless an obligation exists for the Group to fund the losses. Where a change in net assets has been recognised directly in the associate or joint venture's equity, the Group recognises its share of those changes in the statement of changes in equity when applicable.

Adjustments are made to align the accounting policies of the associate or joint venture with the Group's and to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its associates and joint ventures.

Trade investments

Investments in equity instruments are measured at fair value through profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents purchase cost, including attributable overheads, and is determined using a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Costs relating to future exhibitions, festivals and congresses are deferred within inventories at the lower of cost and net realisable value. These costs are charged to the consolidated income statement when the exhibition takes place.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less loss allowances.

Loss allowances are calculated for lifetime expected credit losses. Expected credit losses are a probability weighted estimate of credit losses and are calculated on actual historical credit losses over the past three years and adjusted to reflect differences between the historical credit losses and the Group's view of the economic conditions over the expected lives of the receivables. The amount of the loss is recognised in the consolidated income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

Cash and cash equivalents

Cash and cash equivalents includes cash, cash in transit, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents are as defined, net of outstanding bank overdrafts.

Derivatives and other financial instruments

Derivatives comprise interest rate swaps and caps. Derivatives are initially recognised and subsequently measured at fair value at each reporting date. Derivatives that do not qualify for hedge accounting are classified as a separate asset or liability. The fair value is determined by using market data and the use of established estimation techniques such as discounted cash flow and option valuation models. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged, as described below. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the consolidated income statement as they arise.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities. Further details of derivative financial instruments are disclosed below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method, with the exception of debt repurchases which are recognised in the consolidated income statement in the year of the repurchase.

1. Basis of preparation and accounting policies continued

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised only when it is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement. If the time value of money has a material effect on quantifying the provision, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance charge.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Share-based payments

Certain employees of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares. The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions is determined by an external consultant and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet reporting date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in the subsidiary's financial statements with the corresponding credit being recognised directly in equity. In cases where a subsidiary is recharged for the share-based payment expense, no such increase in investment is recognised.

Shares held by the Employee Benefit Trust

The Employee Benefit Trust ("EBT") provides for the issue of shares to Group employees under share incentive schemes. The Company has control of the EBT and accounts for the EBT as an extension to the Company in the consolidated financial statements. Accordingly, shares in the Company held by the EBT are included in the consolidated balance sheet at cost as a deduction from equity.

Leases

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's consolidated balance sheet. Operating lease payments are recognised as an expense in the consolidated income statement on a straight-line basis over the lease term. The benefit of any lease incentives is recognised as a reduction in rental expense on a straight-line basis over the life of the lease.

Accounting developments and changes

IFRS 15 and IFRS 9 have been applied from 1 January 2018 as described below. IFRS 16 has been issued and will be effective from 1 January 2019. The impact of IFRS 16 is described below.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principle-based, five-step model to be applied to all sales contracts. It replaces the separate models for goods, services and construction contracts under current IFRS. It also provides further guidance on the measurement of sales on contracts which have discounts and rebates.

The Group has adopted IFRS 15 using the retrospective method with practical expedients, meaning the cumulative effect of initially applying the standard is recognised as a restatement at the start of the earliest presented period, i.e. the opening comparative balance sheet at 1 January 2017. The practical expedient applied is that the new standard has only been applied to those contracts that are not considered completed at 1 January 2017. IFRS 15 has had no material impact on continuing operations, but an adjustment has been made to discontinued operations.

The result of our assessment on discontinued operations is a less than 0.2% impact on revenue and a less than 0.1% impact on retained earnings and therefore we have not restated the primary statements for these effects as the impact is not deemed material. For discontinued operations, the restatement resulted in a reduction to revenue and cost of sales of £0.9m for the year ended 31 December 2017, with no impact on profit before tax in either period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

1. Basis of preparation and accounting policies continued

IFRS 9 "Financial Instruments"

Endorsed by the EU – effective 1 January 2018

IFRS 9 applies a forward-looking impairment model that replaces the current applicable incurred loss model. In contrast to the complex and rules-based approach of IAS 39, the new hedge accounting requirements provide an improved link to risk management and treasury operations and will be simpler to apply. The adoption of IFRS 9 did not have a material impact on the Group's consolidated results or financial position and does not require a restatement of comparative figures.

The fair value of each category of the Group's financial instruments approximates to their carrying value. Where financial assets and liabilities are measured at fair values the measurement hierarchy, valuation techniques and inputs used are consistent with those used at 31 December 2017. There were no movements between different levels of the fair value hierarchy in the year.

IFRS 16 "Leases"

Endorsed by the EU – effective 1 January 2019

IFRS 16 is effective from 1 January 2019 and will be adopted from that date. It replaces all existing lease guidance and introduces a single on-balance sheet model for lessee accounting whereby a lessee recognises a right-of-use of asset and a lease liability for the obligation to make lease payments. The standard excludes leases of low-value assets and short-term leases. Lessor accounting remains similar to the current IAS 17 guidance.

These changes will be restated in the financial statements for 2019 with the actual impact of adopting the new standard at 1 January 2019 differing as the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

The Group has advanced its assessment of the potential impact on the consolidated financial statements resulting from the application of IFRS 16 and expects the impact not to be significant on profit before tax. The impact of IFRS 16 for the year ended 31 December 2018 will be finalised and presented as a restatement along with the results for the half year ending 30 June 2019.

The current level of operating leases held by the Group is disclosed in Note 29.

2. Critical accounting judgements and estimates

The preparation of these financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The actual future outcomes may differ from these estimates and give rise to material adjustments to the reported results and financial position of the Group.

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or complexity and assumptions or estimation are set out below and in more detail in the related notes.

Critical accounting judgements

- **Alternative Performance Measures (Note 5)**
  The Group uses alternative performance measures which are not defined or specified under IFRS and comprises adjusting items. Adjusting items include amortisation and impairment of acquired intangibles, share-based payments and exceptional items. The classification of exceptional items requires significant management judgement to determine the nature and presentation of such transactions. Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented as a separate column on the face of the income statement but within their relevant income statement caption. The Board views this as a relevant analysis to assist the reader in their understanding of the underlying performance and financial results of the Group. Note 5 provides an analysis of exceptional items.

Key sources of estimation

- **Business combinations**
  Initial recognition of goodwill and intangible assets (Note 12)
  Accounting for a business acquisition requires an assessment of the existence, fair value and expected useful economic lives of separable intangible assets such as brands, customer relationships and technology assets at the date of acquisition. The fair value of identifiable assets acquired and liabilities assumed on acquisition is based on a number of estimates, including estimates of future performance of related businesses, as is determining the expected useful economic life of assets acquired. The value attributed to these separable assets affects the amount of goodwill recognised and the value, together with the assessment of useful economic lives, determines future amortisation charges.

  Acquired brands are valued using the relief-from-royalty method which requires estimation of future revenues and estimation of a royalty rate that an acquirer would pay in an arm's length licensing arrangement to secure access to the same rights. The theoretical royalty payments are discounted to obtain the cash flows to determine the asset value, which also requires estimation of an appropriate discount rate. A TAB ("Tax amortisation benefit") is then applied.

2. Critical accounting judgements and estimates continued

Acquired customer relationships are valued using the multi-period excess earnings method ("MEEM approach") which starts with the total expected income streams for a business or group of assets as a whole and then deducts charges for all the other assets used to generate income. Residual income streams are discounted and a TAB is applied. The method requires estimation of future forecasts of the business and an appropriate discount rate.

Content and technology assets are valued using a depreciation replacement cost method, which requires an estimate of all the costs a typical market participant would incur to generate an exact replica of the intangibles asset in the context of the acquired business. The depreciated replacement cost method takes into account factors including economic and technological obsolescence.

In establishing the fair value and useful economic lives, the Group considers, for each acquisition and each asset or liability, the complexity of the calculations, the sources of estimation uncertainty and the risk of such estimations resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Details of those estimations that have a significant risk and the at-risk assets/liabilities are disclosed as appropriate in Notes 12 and 32; the significance of the risk will depend on the size of the acquisition. Such sources of estimation uncertainty include estimation of future cash flows, the determined weighted average cost of capital and estimated useful lives.

Valuation of contingent consideration and acquisition-related employment costs (Note 22)

Where a business combination agreement provides for an adjustment to the cost, contingent on future performance over the contractual earnout period, the Group accrues the fair value, based on the estimated additional consideration payable as a liability at acquisition date. To the extent that deferred contingent consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate discount rate and accordingly carried at net present value in the consolidated balance sheet. The liability is measured against the contractually agreed performance targets at each subsequent reporting date with any adjustments recognised in the consolidated income statement.

Acquisition-related employment costs are contingent on future performance of the acquired business and linked to continued employment of the founders over the contractual agreed period. They are treated as an expense and recognised as such in the consolidated income statement.

The estimation of the likely liability requires the Group to make judgements concerning the future performance of related business over the deferred contingent consideration period or the period of employment.

- **Taxation (Note 17)**
  Deferred tax assets are recognised to the extent that their utilisation is probable. The utilisation of deferred tax assets will depend on the judgement whether it is more likely than not that the Group will generate sufficient and suitable taxable income of the correct type and jurisdiction in the future, taking into account any restrictions on the length of the loss-carry forward period. Various factors are used to assess the probability of the future utilisation of deferred tax assets, including past operating results, operational plans and loss-carry forward periods. In particular, utilisation of our US tax losses is subject to a limitation triggered by change of control rules in the US and this limitation is driven by the valuation of the US business at the point of change in control. This is a key judgement area which remains uncertain until it is agreed with the tax authorities.

3. Operating segments

Following the sale of the Exhibition's business in July 2018, the Group changed from two to four reportable segments as the information presented to the Board (Chief Operating Decision Maker) on a monthly basis changed. End market risk and opportunities vary and capital allocation decisions are made on the basis of four reportable segments. The four reportable segments are Product Design, Marketing, Sales and Built Environment & Policy. The reportable segments offer different products and services, and are managed separately as a result of different capabilities, technology, marketing strategies and end market risk and opportunities. The following summary describes the operations in each of the Group's reportable segments:

- Product Design: global trend forecasting and insight (WGSN)
- Marketing: global creative benchmark, effectiveness measurement and strategic advisory (Cannes Lions, WARC, MediaLink)
- Sales: global ecommerce data, analytics and managed services, FinTech and retail intelligence (Edge, Flywheel Digital, Money20/20, RWRC)
- Built Environment & Policy: political, construction and environment intelligence brands (Groundsure, Glenigan, DeHavilland)
- Discontinued operations:
  - In 2018 (with 2017 profit or loss comparatives restated): the Exhibition's business which was previously part of the Exhibitions & Festivals segment and which was identified as a separate cash generating unit following the announcement of its strategic review in February 2018. The Exhibitions business was sold on 17 July 2018 (see Note 10).
  - In 2017: the 13 Heritage brands which were all sold in 2017.

Information regarding the results of each reportable segment is included below and restated for prior periods to enhance comparability. Reportable segment profits are measured at an adjusted operating profit level, representing reportable segment Adjusted EBITDA, less depreciation costs and amortisation in respect of software intangibles, without allocation of Corporate costs as reported in the internal management reports that are reviewed by the Board. Reportable segment Adjusted EBITDA and reportable segment Adjusted operating profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of the reportable segments relative to other comparable entities. Total assets and liabilities for each reportable segment are not disclosed because they are not provided to the Board on a regular basis. Total assets and liabilities are internally reviewed on a Group basis.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

3. Operating segments continued

Year ended 31 December 2018

(£'m)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs*	Continuing operations total	Discontinued operations	Total
Revenue	**77.8**	**116.3**	**120.9**	**34.3**	**(0.8)**	**348.5**	**54.6**	**403.1**
Adjusted EBITDA	**28.1**	**38.9**	**36.9**	**14.0**	**(16.1)**	**101.8**	**19.8**	**121.6**
Depreciation and software amortisation	**(1.8)**	**(4.1)**	**(2.1)**	**(0.5)**	**(2.3)**	**(10.8)**	**(0.3)**	**(11.1)**
Adjusted operating profit	**26.3**	**34.8**	**34.8**	**13.5**	**(18.4)**	**91.0**	**19.5**	**110.5**
Amortisation of acquired intangible assets						**(30.6)**	**(3.1)**	**(33.7)**
Exceptional items						**(14.0)**	**176.5**	**162.5**
Share-based payments						**(6.2)**	**(0.3)**	**(6.5)**
Operating profit						**40.2**	**192.6**	**232.8**
Share of net gain in equity-accounted investee						**0.6**	**–**	**0.6**
Finance costs						**(12.5)**		**(12.5)**
Finance income						**0.6**	**–**	**0.6**
Profit before tax						**28.9**	**192.6**	**221.5**

* Corporate costs include a £0.8m elimination for intercompany trading.

*Year ended 31 December 2017, Restated**

(£'m)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	73.6	110.6	78.0	30.7	–	292.9	105.8	398.7
Adjusted EBITDA	22.5	48.1	29.3	9.1	(14.3)	94.7	25.9	120.6
Depreciation and software amortisation	(2.3)	(3.9)	(1.0)	(0.6)	(1.5)	(9.3)	(1.8)	(11.1)
Adjusted operating profit	20.2	44.2	28.3	8.5	(15.8)	85.4	24.1	109.5
Amortisation of acquired intangible assets						(17.8)	(7.7)	(25.5)
Exceptional items						(32.5)	(3.0)	(35.5)
Share-based payments						(3.8)	(0.6)	(4.4)
Operating profit						31.3	12.8	44.1
Share of net gain in equity-accounted investee						0.3	–	0.3
Finance costs						(12.2)	–	(12.2)
Finance income						0.5	–	0.5
Profit before tax						19.9	12.8	32.7

* Restated for new operating segments, and Discontinued operations (see Note 10) and IFRS 15 (see Note 1).

Exceptional items of £14.0 million (2017: £32.5 million) include £0.3 million (2017: £0.3 million), (£1.3) million income (2017: £11.3 million), £14.7 million (2017: £20.3 million) and £0.3 million (2017: £0.6 million) which are attributable to Product Design, Marketing, Sales and Corporate costs respectively.

Finance costs and finance income are not allocated to segments, as these types of activity are driven by the Group corporate function.

Revenue and non-current assets by location

Revenue from continuing operations is based on the location of customers or the location of business operations. Non-current assets analysis (excluding deferred tax and financial instruments) is based on geographical location.

The Group does not have any customers from whom revenue exceeds 10% of total revenue. Included in revenue is barter revenue arising from the exchange of goods or services of £0.9 million for the year ended 31 December 2018 (2017: £0.5 million).

3. Operating segments continued

(£'m)	Revenue		Non-current assets (excluding deferred tax and financial instruments)	
	2018	2017	**2018**	2017
United Kingdom	**81.0**	62.4	**377.2**	436.9
Other Europe	**56.1**	49.3	**103.5**	113.7
United States and Canada	**149.0**	126.3	**313.4**	227.0
Asia Pacific	**40.1**	30.0	**5.3**	4.8
Middle East and Africa	**8.4**	10.7	**–**	–
Latin America	**13.9**	14.2	**1.9**	6.0
Total	**348.5**	292.9	**801.3**	788.4

Additional segmental information on revenue The Group's revenue is derived from contracts with customers, and the nature and effect of initially applying IFRS 15 is disclosed in Note 1.

Disaggregation of revenue

The following table shows revenue disaggregated by major service lines, and the timing of revenue recognition:

(£'m)	Timing of revenue recognition	**2018**	Restated* 2017
Subscriptions	Over time	**70.6**	67.4
Advisory	Over time	**4.6**	3.7
Transactional	Point in time	**0.3**	0.3
Other	Point in time	**2.3**	2.2
Product Design		**77.8**	73.6
Delegates	Point in time	**22.0**	27.3
Stand space	Point in time	**0.9**	1.2
Sponsorship	Point in time	**9.0**	8.2
Awards/entries	Point in time	**24.7**	28.8
Subscriptions	Over time	**8.7**	2.3
Advisory	Over time	**47.6**	40.5
Other	Point in time	**3.4**	2.3
Marketing		**116.3**	110.6
Delegates	Point in time	**36.7**	28.6
Stand space	Point in time	**16.8**	11.0
Sponsorship	Point in time	**11.3**	9.0
Subscriptions	Over time	**44.6**	23.6
Marketing services	Over time	**2.7**	2.7
Advisory	Over time	**4.3**	2.7
Managed services	Over time	**4.1**	–
Other	Point in time	**0.4**	0.4
Sales		**120.9**	78.0
Subscriptions	Over time	**14.3**	12.9
Advisory	Over time	**1.0**	0.3
Transactional	Point in time	**18.7**	17.3
Other	Point in time	**0.3**	0.2
Built Environment & Policy		**34.3**	30.7
Corporate		**(0.8)**	–
Revenue from continuing operations		**348.5**	292.9

* Restated for new operating segments, and Discontinued operations (see Note 7).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

3. Operating segments continued

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(£'m)	Note	2018	2017
Receivables, which are included in "Trade and other receivables"	19	**64.2**	67.6
Contract assets – accrued income	19	**7.4**	4.8
Contract liabilities – deferred income		**91.2**	122.2

4. Operating profit

Amounts charged in arriving at continuing operating profit include:

(£m)	Note	2018	2017
Employee costs	6	**142.5**	111.2
Depreciation and software amortisation	14, 15	**10.8**	9.3
Amortisation of acquired intangible assets	14	**30.6**	17.8
Operating lease rentals		**8.8**	7.1
Impairment losses on trade receivables and contract assets	19	**2.8**	2.3

Fees paid to the auditor were as follows:

(£'m)	2018	2017
Fees paid to auditor for audit of the consolidated financial statements	**0.6**	0.5
Fees paid to auditor for audit of the Group's subsidiaries	**0.1**	0.1
Fees paid to auditor for audit-related assurance services*	**–**	–
Fees paid to auditor for other services*	**0.1**	–
Total	**0.8**	0.6

* Other services relate to the review of the disposal of the Exhibition's business (£138,000). Audit related assurance services relate to the review of the half-year interim statements (£36,620) and covenant reviews (£5,000).

Details of the Company's policy on the use of the auditor for non-audit related services, the reason why the auditor was used and how the auditor's independence was safeguarded are set out on page 64.

5. Exceptional items

Exceptional items included in operating profit from continuing operations:

(£'m)	Note	2018	2017
Acquisition-related expenses	22	**8.1**	27.7
Acquisition transaction and integration costs	12	**5.9**	4.6
IPO expenditure and other		**–**	0.2
Exceptional items included in profit from continuing operations		**14.0**	32.5

Acquisition-related expenses include payments agreed as part of the acquisition but linked to ongoing employment of £13.3 million (2017: £26.6 million) offset by revaluation of contingent consideration of £5.2 million (2017: £1.1 million charge).

Acquisition-related employment costs relate primarily to the acquisitions of One Click Retail, MediaLink, Clavis and Flywheel, which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements between 25% and 50% of deferred payments are contingent on both (i) the results of the business in the post-acquisition period; and (ii) the continued employment of the founders.

As part of the overall strategy of managing the Group's portfolio, costs incurred as part of the acquisition and integration of acquired businesses are considered to be material. In 2018 integration costs relate mainly to Edge. Acquisitions transaction costs include directly linked transaction costs as well as stamp duty where applicable. Integration spend is in relation to transferring acquired businesses onto the Group's IT and revenue platforms, merging of products and rebranding.

6. Employee information and Directors' remuneration
(a) Employee costs including Directors

(£'m)	Note	2018	2017
Wages and salaries		**120.9**	95.6
Social security costs		**12.4**	9.7
Defined contribution pensions cost		**2.5**	1.7
Redundancy costs		**0.5**	0.4
		136.3	107.4
Share-based payments and associated employment taxes	7	**6.2**	3.8
Total employee costs included in profit from continuing operations		**142.5**	111.2

The total employee costs including discontinued operations amounted to £150.5 million (2017: £136.4 million).

Average employee costs per employee including discontinued operations is £82,510 (2017: £76,758).

(b) Retirement benefits

The Group operates a defined contribution pension scheme in the UK and in certain other countries. The assets of the scheme are held by independent custodians and are kept entirely separate from the assets of the Group. The pension charge represents contributions due from the employer. During 2018 the total Group charge amounted to £2.7 million (2017: £2.2 million). At 31 December 2018 there were £0.7 million of contributions outstanding (2017: £0.3 million).

(c) Average monthly number of employees including Directors (continuing and discontinued)
(i) By geographical region

	2018	Restated 2017
United Kingdom	**1,015**	1,152
United States and Canada	**485**	368
Rest of the World	**324**	257
Total	**1,824**	1,777

(ii) By job function

	2018	Restated 2017
Cost of sales	**924**	814
Sales and marketing	**557**	640
Other administrative functions	**343**	323
Total	**1,824**	1,777

(d) Remuneration of Directors and key management personnel

Further details of the Directors' remuneration and share options are set out in the Remuneration Report on pages 68 to 75 which form part of these financial statements. Key management personnel comprised the Chief Executive Officer, Chief Financial Officer and Non-Executive Directors of the Group. The aggregate emoluments for key management are set out below:

(£'m)	2018	2017
Salaries, bonus and other short-term employee benefits	**2.0**	1.8
Share-based payments	**0.9**	0.7
Defined contribution pension	**–**	0.1
Total	**2.9**	2.6

During the year ended 31 December 2018, no Directors (2017: one Director) were a member of the Group's defined pension contribution scheme. Retirement benefits were not accrued for any Director at 31 December 2018 or 2017.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

7. Share-based payments

Analysis of charge to the consolidated income statement

(£'m)	**2018**	2017
Current plans		
Share Incentive Plans ("SIP")	**0.3**	0.3
Deferred Annual Bonus Plan ("DABP")	**0.1**	–
Performance Share Plans ("PSP")	**5.5**	3.3
Sharesave Scheme ("Sharesave")	**0.3**	0.2
Total charge	**6.2**	3.8

The total share-based payment charge including discontinued operations was £6.5 million (2017: £4.4 million) including £0.8 million of employment taxes (2017: £0.8 million). As as result, the amount credited to equity was £5.7 million (2017: £3.6 million).

The number and weighted average exercise price of outstanding and exercisable share options and share awards are detailed below:

	2018		2017	
	Number of shares/ options 000's	**Weighted average exercise price £**	Number of shares/ options 000's	Weighted average exercise price £
Outstanding at 1 January	**6,767**	**0.65**	4,496	0.75
Granted	**3,193**	**0.55**	3,060	0.54
Options exercised or shares vested	**(198)**	**2.14**	(190)	0.74
Surrendered or expired	**(764)**	**0.82**	(599)	0.80
At 31 December	**8,998**	**0.57**	6,767	0.65

	2018	2017
Weighted average fair value per share/option granted during the year (£)	**3.29**	2.42

At 31 December 2018 and 31 December 2017, all of the outstanding shares awards and options had either no exercise cost or an exercise price which was below the market price. At 31 December 2018 the market price was £3.77 (2017: £3.85) and the average share price for 2018 was £4.04 (2017: £3.37). For the Sharesave, the range of exercise prices for shares and options outstanding at 31 December 2018 was £2.04 to £3.58 (2017: £2.04 to £3.03). For the DABP and the PSP, all share options and share awards outstanding at 31 December 2018 had an exercise price of £nil (2017: £nil) or were conditional share awards which do not require payments from the participant to vest. The free shares awarded under the SIP do not require payment from the participant to vest. For further information, refer to Note 1.

For shares awards and options outstanding at 31 December 2018, the weighted average remaining contractual life was 1.35 years (2017: 1.81 years).

Measurement of fair values

The SIP, PSP, Sharesave and DABP are equity-settled plans, the fair value of which is determined at the date of grant and is not subsequently remeasured unless conditions on which the award was granted are modified.

The fair values of the SIP and Sharesave awards have been measured using the Black-Scholes model, while the PSP and DABP have been measured using Monte Carlo simulations. Non-market performance conditions were not taken into account in measuring fair values. Expected volatility is usually calculated over the period of time commensurate with the remainder of the performance period immediately prior to the date of the grant. The principal assumptions required by these methodologies for 2018 awards were:

	SIP	PSP	Sharesave	Sharesave (US)
Expected life	3 years	3 years	3 years	2 years
Risk-free interest rate	n/a	0.85%	0.57%	0.47%
Expected volatility	n/a	26.25%	26.8%	19.10%
Expected dividend yield	0%	1.41%	1.93%	1.93%

7. Share-based payments continued

Additional information about share-based payments

a) Share Incentive Plan

In 2016, the Group established the Employee Share Incentive Plan and International Employee Free Share Plan (collectively known as the "SIP") which enables employees to acquire shares of the Company, subject to service conditions. Free shares awarded to UK employees are held by an Employee Benefit Trust for the maturity period of three years. Conditional awards and cash equivalent awards granted to international employees also have a three-year maturity period.

In 2018, the Group made a conditional award of 80,984 (2017: 51,645) shares under the SIP.

b) Performance Share Plan

In 2016, the Group established the Executive Performance Share Plan ("PSP"), under which key management personnel and other senior employees are granted conditional awards, share options or a cash alternative. Awards can be granted with or without performance conditions. Where performance conditions have been set, 25% of the award is subject to a total shareholder return ("TSR") market performance condition and the remaining 75% is subject to a profit-related non-market performance condition. Executive Directors are required to hold their shares for a further two-year period (net of taxes) after vesting.

During the year to 31 December 2018, the Group granted conditional share awards over 2,540,790 shares under the PSP (2017: 2,430,593). Of the share awards granted during the year, 1,964,089 are subject to a TSR market performance condition and an Earnings Per Share non-market performance condition at a weighting of 25% and 75% respectively. The remaining share awards are not subject to additional performance criteria beyond service conditions.

c) Sharesave scheme

In 2016, the Group established the Employee Savings Related Share Option Plan, the International Savings Related Share Option Plan and the US Stock Purchase Plan (collectively known as the "Sharesave") under which employees enter into a savings contract and are granted options to acquire shares of the Company, subject to service conditions.

During the year to 31 December 2018, the Group granted 507,468 options under the Sharesave to qualifying UK and international employees (2017: 545,940). Under the UK and International plans, the options vest after three years and are exercisable within a six-month period. Under the US plan, they vest after two years and are exercisable for a three-month period.

d) Deferred Annual Bonus Plan ("DABP")

Under the DABP a portion of Executive Directors' annual bonus earned is deferred mandatorily into a share award, vesting after a three-year period. Awards are structured either as a nil-cost option or a conditional share award. During the year to 31 December 2018, the Group granted conditional share awards over 63,448 shares under the DABP (2017: 32,300).

8. Finance income and finance costs

(£'m)	Note	2018	2017
Interest on bank deposits		**0.6**	0.2
Foreign exchange gain on borrowings		**–**	0.3
Finance income		**0.6**	0.5
Interest payable on external borrowings		**(7.1)**	(5.8)
Amortisation of loan arrangement fees		**(1.2)**	(1.3)
Foreign exchange loss on cash and cash equivalents		**(0.6)**	(0.8)
Discount unwind on contingent and deferred consideration	22	**(3.6)**	(4.3)
Finance costs – adjusted results		**(12.5)**	(12.2)
Net finance costs from continuing operations		**(11.9)**	(11.7)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

9. Taxation

The tax charge for the year comprises:

(£'m)	2018	2017
Current tax		
UK current tax charge on income for the year at 19.0% (2017: 19.25%)	**6.5**	5.0
Overseas current tax charge on income for the year	**2.2**	2.9
Adjustments in respect of prior years	**(1.9)**	–
Total current tax charge	**6.8**	7.9
Deferred tax		
Current year	**1.2**	(16.5)
Adjustments in respect of prior years	**0.9**	(0.3)
Impact of rate changes on opening deferred tax balances	**–**	16.9
Total deferred tax charge	**2.1**	0.1
Total tax charge from continuing operations	**8.9**	8.0

During 2018 a deferred tax credit of £0.4 million (2017: £0.4 million) was recognised in equity relating to share-based payments.

The difference between the tax as credited in the consolidated income statement for the continuing operations and tax at the UK standard rate is reconciled below:

	2018			2017		
(£'m)	**Adjusted profit/tax**	**Loss on Adjusting items/tax**	**Total profit/ tax from continuing operations***	Adjusted profit/tax	Loss on Adjusting items/tax	Total profit/ tax from continuing operations*
Profit before tax	**79.7**	**(50.8)**	**28.9**	74.0	(54.1)	19.9
Expected tax charge/(credit) at the UK standard rate of 19.0% (2017: 19.25%)	**15.1**	**(9.7)**	**5.4**	14.2	(10.4)	3.8
Principal differences due to:						
Impact of rate changes	**–**	**–**	**–**	10.8	6.8	17.6
Impact of higher overseas tax rates	**3.3**	**(1.6)**	**1.7**	7.4	(8.3)	(0.9)
Trading losses not recognised for deferred tax purposes	**1.1**	**–**	**1.1**	–	–	–
Recognition of previously unrecognised trading losses	**(1.5)**	**–**	**(1.5)**	(12.7)	–	(12.7)
Recognition of previously unrecognised capital losses	**–**	**–**	**–**	–	0.1	0.1
Non-deductible legal, professional and M&A costs	**0.8**	**1.4**	**2.2**	–	0.6	0.6
Non-deductible share based payments expense	**–**	**0.4**	**0.4**	–	0.5	0.5
Other non-deductible items	**0.6**	**–**	**0.6**	0.1	–	0.1
Non-taxable/deductible exchange (gains)/losses	**–**	**–**	**–**	(0.4)	–	(0.4)
Non-taxable/deductible disposal (gains)/losses	**–**	**–**	**–**	(0.4)	–	(0.4)
Adjustments in respect of prior years	**(1.6)**	**0.6**	**(1.0)**	(0.3)	–	(0.3)
Total tax charge/(credit) for the year	**17.8**	**(8.9)**	**8.9**	18.7	(10.7)	8.0
Effective tax rate	**22%**	**18%**	**31%**	25%	20%	40%

* Tax on discontinued operations is set out in Note 10.

The Group's effective tax rate is higher than the UK's statutory tax rate, mainly due to its mix of profits with increased profits coming from the US.

The impact of rate changes in the prior year arose from the enactment of US tax reform on 22 December 2017 and the continuing reduction of the UK tax rate. The tax rate change included £17.2 million in respect of the US and £0.4 million for the UK.

The Group is subject to many different forms of taxation including, but not limited to, income and corporation tax, withholding tax and value added and sales taxes. The Group has operations in 15 countries and multiple states in the US and sells its products and services into more than 100 countries. Furthermore, the Group renders and receives cross-border supplies and services in respect of affiliated entities which exposes the Group to tax risk due to transfer pricing rules that apply in many jurisdictions.

9. Taxation continued

Tax law and administration is complex and often requires subjective determinations. In addition, tax audits by their nature, can take a significant period of time to be agreed with the tax authorities. Therefore, management is required to apply judgement to determine the level of provisions required in respect of its tax liabilities. The Directors' estimates of the level of risk arising from tax audit may change in the next year as a result of changes in legislation or tax authority practice or correspondence with tax authorities during specific tax audits. It is not possible to quantify the impact that such future developments may have on the Group's tax positions. Actual outcomes and settlements may differ from the estimates recorded in these consolidated financial statements. The Group currently anticipates that the outcome of these uncertainties will only be resolved after more than one year. However, even where uncertainties may not be resolved within one year, material adjustments may arise as a result of a reappraisal of the assets or liabilities within the next year.

10. Discontinued operations

Ascential's Exhibition's business was previously part of the Exhibitions & Festivals segment and was classified as a discontinued operation in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" following the announcement of the strategic review in February 2018. The Exhibitions business was sold on 17 July 2018. The prior period also includes the results of the 13 Heritage brands which were discontinued and sold in 2017.

The result of discontinued operations in 2017 also includes the results of the 13 Heritage Brands for the period under ownership until the disposals in 2017.

The results of the discontinued operations which have been included in the consolidated statement of profit and loss are as follows:

					Restated*		
			2018			2017	
(£'m)	Note	**Adjusted results**	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Revenue		**54.6**	**–**	**54.6**	105.8	–	105.8
Cost of sales		**(21.4)**	**–**	**(21.4)**	(42.2)	–	(42.2)
Sales, marketing and administrative expenses		**(13.7)**	**173.1**	**159.4**	(39.5)	(11.3)	(50.8)
Operating profit/(loss)		**19.5**	**173.1**	**192.6**	24.1	(11.3)	12.8
Adjusted EBITDA		**19.8**	**–**	**19.8**	25.9	–	25.9
Depreciation and amortisation		**(0.3)**	**(3.1)**	**(3.4)**	(1.8)	(7.7)	(9.5)
Exceptional items		**–**	**176.5**	**176.5**	–	(3.0)	(3.0)
Share-based payments		**–**	**(0.3)**	**(0.3)**	–	(0.6)	(0.6)
Operating profit/(loss)		**19.5**	**173.1**	**192.6**	24.1	(11.3)	12.8
Taxation		**(4.0)**	**0.6**	**(3.4)**	(4.5)	(2.2)	(6.7)
Profit/(loss) from discontinued operations, net of tax		**15.5**	**173.7**	**189.2**	19.6	(13.5)	6.1
Earnings per share (pence)							
– Basic	11	**3.8**	**43.4**	**47.2**	5.0	(3.4)	1.6
– Diluted	11	**3.8**	**42.8**	**46.6**	5.0	(3.4)	1.6

* Revenue and cost of sales have been restated for IFRS 15 (see Note 1), There is no impact on opening balance sheet, net profit, or basic or diluted EPS.

Exceptional items in discontinued operations of £176.5 million includes the gain on disposal of the Exhibitions business of £180.6 million offset by £3.6 million of separation expenses related the Exhibitions disposal, £0.3 million revaluation of contingent consideration on discontinued operations and £0.2 million of other items related to the disposal of Heritage Brands in the prior year. The prior year includes a restatement for the £1.8 million loss on disposal, which was reported as continuing exceptional items in the prior year.

During the year discontinued operations generated cash of £2.0 million (2017: £4.1 million) in respect of operating activities and generated £nil (2017: £nil) in respect of investing activities.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

11. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

Earnings per share have been calculated with respect to the net profit for the year for the Group, the continuing operations and the discontinued operations (Note 10).

	2018			2017		
	Adjusted results	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Profit attributable to equity shareholders of the Company (£'m)						
Profit for the year – continuing operations	**61.9**	**(41.9)**	**20.0**	55.3	(43.4)	11.9
Profit for the year – discontinued operations	**15.5**	**173.7**	**189.2**	19.6	(13.5)	6.1
Profit for the year	**77.4**	**131.8**	**209.2**	74.9	(56.9)	18.0
Earnings share number (m)						
Basic weighted average number of shares	**400.3**	**400.3**	**400.3**	400.1	400.1	400.1
Dilutive potential ordinary shares	**5.2**	**5.2**	**5.2**	2.2	2.2	2.2
Diluted weighted average number of shares	**405.5**	**405.5**	**405.5**	402.3	402.3	402.3
Earnings per share (pence)						
Basic earnings per share	**19.3**	**32.9**	**52.2**	18.7	(14.2)	4.5
Diluted earnings per share	**19.1**	**32.3**	**51.4**	18.6	(14.2)	4.4
Continuing operations						
Basic earnings per share	**15.5**	**(10.5)**	**5.0**	13.7	(10.8)	2.9
Diluted earnings per share	**15.3**	**(10.5)**	**4.8**	13.6	(10.8)	2.8
Discontinued operations						
Basic earnings per share	**3.8**	**43.4**	**47.2**	5.0	(3.4)	1.6
Diluted earnings per share	**3.8**	**42.8**	**46.6**	5.0	(3.4)	1.6

12. Business combinations

The Group acquired the following businesses during the years ended 31 December 2018 and 2017:

Name	Date of acquisition	Country of incorporation	Shares/asset deal	% acquired	Acquisition-related costs (£'m)
Marketing					
Media Link, LLC ("MediaLink")*	28 February 2017	USA	Shares	100%	0.9
Siberia LLC ("Siberia")*	18 September 2017	USA	Shares	100%	0.1
WARC Limited ("WARC")	2 July 2018	UK	Shares	100%	0.8
Product Design					
Sistema UseFashion Comercio de Informacaos Ltda ("Use fashion")*	29 November 2017	Brazil	Shares	100%	0.3
Sales					
Clavis Technology Limited ("Clavis")*	22 December 2017	Ireland	Shares	100%	2.3
ePossibilities Global Holdings Limited ("BrandView")	31 August 2018	UK	Shares	100%	0.8
Peloton Holdings, LLC ("Flywheel")	31 October 2018	USA	Shares	100%	1.0

* The details of the prior year acquisitions are set out in the 2017 Annual Report. In the current year a £0.9 million increase completion statement receipt was received in relation to the prior year Clavis acquisition offset by a £1.9 million decrease in net assets on finalisation of the purchase price allocation., which resulted in a £0.9 million increase in goodwill in Edge.

12. Business combinations continued

2018 Acquisitions

In following table sets out the key information relating to the businesses acquired in 2018:

	WARC	BrandView	Flywheel
Primary activity	Global digital subscription business that helps brands, agencies and media platforms assess marketing effectiveness across all channels	Leading global provider of price and promotion analytics to retailers and manufacturers	Leading US-based provider of managed services to consumer product companies trading on Amazon
Segment	Marketing	Sales	Sales
i) Deferred, contingent consideration:			
Contingent on results in financial years:		2019	2019–2021
Payable in:		2019	2020–2022
Estimated undiscounted amount		£5.0 million	£43.2/$55.3 million
Estimated discounted amount*		£5.0 million	£34.6/$44.2 million
Deferred consideration payable in:	2019	–	–
Estimated undiscounted amount	£4.5 million	–	–
Estimated discounted amount*	£4.5 million	–	–
ii) Acquisition-related employment payments:			
Contingent on results in financial years:	–	–	2019–2021
Payable in:	–	–	2020–2022
Estimated amount	–	–	£14.3m/$18.4 million
Exceptional cost related to acquisition-related employment cost in 2018	–	–	£1.5 million
Maximum total consideration payable**	£29.5 million	£40.0 million	£310/$400 million
Anticipated total earnouts (i and ii)	£4.5 million	£5.0 million	£36.1 million

* Included in total consideration in the goodwill calculation tables below. Consideration payable within one year is not discounted as explained under Note 1.

** Includes i) Deferred, contingent consideration; ii) Acquisition related employment payments; and iii) initial consideration per the goodwill calculation table on page 112.

The acquisition-related employment cost is being accrued over the period in which the related services are being received, recorded as exceptional costs.

To determine the estimated contingent consideration and the acquisition-related employment cost figures quoted above, the Directors are required to make an estimate regarding the future results. Any subsequent revaluations to contingent consideration as a result of changes in such estimations are recognised in the consolidated income statement and disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

12. Business combinations continued

The fair values of the identifiable assets purchased and liabilities assumed of the acquired companies as at the date of acquisition were as follows:

(£'m)	WARC	Edge	Clavis purchase price allocation finalisation	Flywheel*	Total
Brands	1.8	0.2	–	6.2	8.2
Customer relationships	8.9	10.4	–	25.6	44.9
Content	9.4	–	–	5.2	14.6
Technology	1.1	6.8	–	1.4	9.3
Property, plant and equipment	0.6	0.4	–	0.6	1.6
Trade receivables and other receivables	2.8	2.9	(3.2)	30.0	32.5
Cash	5.1	0.6	–	2.2	7.9
Trade and other payables	(1.1)	(1.6)	0.5	(23.0)	(25.2)
Provisions	(0.3)	(0.1)	(0.5)	–	(0.9)
Deferred income	(6.0)	(3.4)	1.4	(0.9)	(8.9)
Deferred tax liability	(3.6)	(3.0)	–	–	(6.6)
Total identifiable net assets at fair value	**18.7**	**13.2**	**(1.8)**	**47.3**	**77.4**
Initial cash consideration relating to business combination	25.0	29.8	–	51.7	106.5
Completion statement receipt	–	–	(0.9)	–	(0.9)
Working capital adjustment receivable in 2019	(0.2)	–	–	1.2	1.0)
Contingent consideration payable in 2019	–	5.0	–	–	5.0
Deferred consideration payable in 2019	4.5	–	–	–	4.5
Deferred and contingent consideration payable in 2020–2022	–	–	–	33.8	33.8
Total consideration	**29.3**	**34.8**	**(0.9)**	**86.7**	**149.9**
Goodwill on acquisition	**10.6**	**21.6**	**0.9**	**39.4**	**72.5**
Cash flow					
Acquisition of businesses (net of cash acquired)	**19.9**	**29.2**	**(0.9)**	**49.5**	**97.7**

* The fair values provided for Flywheel are provisional figures, being the best estimates currently available due to the proximity of the acquisition date to year end.

Of the £72.5 million of goodwill acquired during the period, £39.4 million (2017: £62.1 million) of goodwill is expected to be deductible for tax purposes.

From the date of acquisition, the businesses acquired in 2018 contributed £14.6 million revenue and £4.3 million EBITDA. If the acquisitions had taken place at the beginning of 2018, the business would have contributed £42.3 million revenue and £11.0 million EBITDA.

The goodwill of £72.5 million arising on acquisitions is attributable to workforce in place and the know-how within the business. With specific regard to WARC there buyer specific synergies on accessing capabilities and insight on the current marketing proposition by combining existing creative excellence insights with deep expertise of measuring marketing effectiveness. The combining of the creative insight and the measuring of marketing effectiveness strengthens the already available digital offering in the form of a combined subscription product. With specific regard to Flywheel, the know-how relates to the knowledge within the workforce on how to use the technology and the content to good effect. In BrandView, the goodwill is attributable to workforce in place and the acquisition of new customers.

13. Disposal of business operations

On 17th July 2018 the Group disposed of the Exhibition's business. The Group recognised a total gain on disposal of £180.6 million presented as an exceptional item within discontinued operations.

Exceptional items in discontinued operations (note 10) of £176.5 million includes the gain on disposal of the Exhibitions business of £180.6 million offset by £3.6 million of separation expenses related the Exhibitions disposal, £0.3 million revaluation of contingent consideration on discontinued operations and £0.2 million of other items related to the disposal of Heritage Brands in the prior year.

2017 results have been restated to report the loss on disposal of £1.8 million within discontinued operations (Note 10).

(£'m)	2018
Gross proceeds	297.8
Working capital adjustment	2.6
Cash and cash equivalents disposed of	(4.0)
Total proceeds	**296.4**
Net assets disposed of	(106.3)
Disposal costs	(7.1)
Recycling of deferred foreign exchange gains	(2.4)
Gain on disposal from discontinued operations	**180.6**

Assets and liabilities disposed of:

(£'m)	2018
Goodwill	67.3
Investments	0.2
Brands, customer relationships and databases	59.2
Tangible fixed assets including software	2.9
Deferred tax asset	0.8
Trade and other receivables	28.4
Trade and other payables	(41.9)
Provisions	(0.5)
Deferred tax liability on disposed intangibles	(10.1)
Net assets and liabilities disposed	**106.3**

* As a result of the disposal of the Exhibitions business, the Exhibitions & Festivals segment was split up and required historical goodwill to be allocated between Cannes Lions and Exhibitions. In line with IAS 36, the Group determined that the most appropriate allocation method was the relative valuation of each business. For the Exhibitions business this was the consideration received of £297.8 million and for Cannes Lions the most recent value-in-use calculation for the annual impairment review was used and an external valuation specialist reviewed the assumptions used in the value-in-use calculation.

The net inflow/(outflow) of cash in respect of the disposal of businesses is as follows:

(£'m)	2018
Cash proceeds received for current year disposals (net of cash disposed of)	296.4
Disposal costs paid	(6.4)
Net cash inflow	**290.0**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

14. Intangible assets and goodwill

(£'m)	Goodwill	Acquired intangibles: Brands*	Acquired intangibles: Customer relationships	Acquired intangibles: Content	Acquired intangibles: Technology	Software	Total
Cost							
At 1 January 2017	698.8	273.4	123.3	52.9	21.8	55.4	1,225.6
Additions	94.7	23.2	40.8	–	10.1	8.4	177.2
Disposals	(0.6)	(2.0)	–	–	–	(1.9)	(4.5)
Effect of movements in exchange rates	(14.4)	(4.0)	(5.3)	(1.4)	(1.1)	0.1	(26.1)
At 1 January 2018	**778.5**	**290.6**	**158.8**	**51.5**	**30.8**	**62.0**	**1,372.2**
Additions	**–**	**–**	**–**	**–**	**–**	**14.3**	**14.3**
Acquisitions of businesses	**72.5**	**8.2**	**44.9**	**14.6**	**9.3**	**0.2**	**149.7**
Disposals	**–**	**–**	**–**	**–**	**–**	**(2.9)**	**(2.9)**
Disposal of businesses	**(117.7)**	**(131.4)**	**(75.1)**	**(5.6)**	**–**	**(2.1)**	**(331.9)**
Transfers	**–**	**–**	**–**	**–**	**–**	**2.4**	**2.4**
Effect of movements in exchange rates	**10.8**	**2.3**	**3.4**	**0.3**	**0.7**	**0.4**	**17.9**
At 31 December 2018	**744.1**	**169.7**	**132.0**	**60.8**	**40.8**	**74.3**	**1,221.7**
Accumulated amortisation							
At 1 January 2017	(289.4)	(99.4)	(85.7)	(37.9)	(17.1)	(44.5)	(574.0)
Disposals	–	0.3	–	–	–	1.6	1.9
Amortisation	–	(13.3)	(6.3)	(5.3)	(0.6)	(6.1)	(31.6)
Effect of movements in exchange rates	–	0.2	2.1	0.5	0.4	–	3.2
At 1 January 2018	**(289.4)**	**(112.2)**	**(89.9)**	**(32.7)**	**(17.3)**	**(49.0)**	**(600.5)**
Disposals	**–**	**–**	**–**	**–**	**–**	**2.8**	**2.8**
Disposal of businesses	**50.4**	**82.3**	**67.4**	**3.2**	**–**	**2.1**	**205.4**
Amortisation	**–**	**(14.0)**	**(11.0)**	**(5.5)**	**(3.2)**	**(7.6)**	**(41.3)**
Transfers	**–**	**–**	**–**	**–**	**–**	**(1.0)**	**(1.0)**
Effect of movements in exchange rates	**–**	**(0.2)**	**(0.4)**	**(0.2)**	**(0.1)**	**(0.2)**	**(1.1)**
At 31 December 2018	**(239.0)**	**(44.1)**	**(33.9)**	**(45.2)**	**(20.6)**	**(52.9)**	**(435.7)**
Net book value							
At 31 December 2018	**505.1**	**125.6**	**98.1**	**15.6**	**20.2**	**21.4**	**786.0**
At 31 December 2017	489.1	178.4	68.9	8.8	13.5	13.0	771.7

* Prior year includes a brand value of £70.8 million with an indefinite life, which is now amortised over 20 years resulting in an amortisation charge of £3.3 million. As a result of the rebranding of Edge, the Group reduced the useful lives of acquired Intangibles within Edge to three years resulting in an amortisation charge of £1.5 million.

Included within software intangible assets at 31 December 2018 is £7.9 million (2017: £3.3 million) of assets under construction which were not being amortised at 31 December 2018.

No individual brands, customer relationships or databases are considered to be individually material.

Goodwill

As a result of the new operating model and change to reportable segments, the CGUs have been reassessed based on largely independently managed cash flows. The intangibles of each CGUs are assessed individually for impairment each year and more frequently if there are indicators of impairment.

14. Intangible assets and goodwill continued

The below table sets out the CGUs year on year and how they align to reportable segments.

<table>
<tr><th colspan="2">2017 CGU</th><th>2018 CGU</th><th>2018 reportable segment</th></tr>
<tr><td colspan="2">WGSN Group</td><td>Product Design</td><td>Product Design</td></tr>
<tr><td rowspan="5">Plexus Group</td><td>DeHavilland</td><td rowspan="3">Built Environment & Policy</td><td rowspan="3">Built Environment & Policy</td></tr>
<tr><td>Glenigan</td></tr>
<tr><td>Groundsure</td></tr>
<tr><td>Retail Week & WRC</td><td>Retail Week & WRC</td><td rowspan="6">Sales</td></tr>
<tr><td>PRNG</td><td rowspan="3">Edge*</td></tr>
<tr><td colspan="2">OCR</td></tr>
<tr><td colspan="2">Clavis</td></tr>
<tr><td colspan="2">–</td><td>Flywheel</td></tr>
<tr><td colspan="2" rowspan="2">Exhibitions & Festivals</td><td>Money20/20</td></tr>
<tr><td>Lions</td><td rowspan="3">Marketing</td></tr>
<tr><td colspan="2">–</td><td>WARC</td></tr>
<tr><td colspan="2">MediaLink</td><td>MediaLink</td></tr>
</table>

* Edge also includes BrandView which was acquired in 2018; refer to Note 12.

When testing for impairment, recoverable amounts for all of the Group's CGUs are measured at their value-in-use by discounting the future expected cash flows from the assets in the CGUs. These calculations use cash flow projections based on Board-approved budgets and plans.

The key assumptions and estimates used for value-in-use calculations are as follows:

Future expected cash flows

Cash flow forecasts for years one to three are derived from the most recent Board approved three-year plan, which has been prepared after considering the current economic environment in each of our markets. Cash flows beyond the plan period are extrapolated using a 2% (2017: 1%) long-term growth rate, which is also applied for the terminal value, in line with the IMF World Economic Outlook published in October 2018 and Duff & Phelps Valuation Handbook 2018, which represents the Company's best estimate of cash flow growth beyond the three-year plan. The estimates of future cash flows are consistent with experience adjusted for the Group's estimate of future performance.

WACC

The other inputs include a risk-adjusted, pre-tax discount rate, calculated by reference to the weighted average cost of capital ("WACC") of each country, or countries, the CGU operates in or a weighted average if the CGU operates in more than one country. Movement year on year in the pre-tax discount rate for CGUs is due to changes in market-based inputs and the Company specific risk, which is assessed based on economic outlooks.

The discount rates applied to the risk-adjusted cash flow forecasts, are set out below.

CGU	2018			2017		
	Pre-tax discount rate %	**Goodwill £'m**	**Intangibles £'m**	Pre-tax discount rate %	Goodwill £'m	Intangibles £'m
Product Design	**10.7**	**153.6**	**4.2**	10.5	151.2	9.8
Marketing						
Lions	**10.9**	**81.1**	**67.5**	10.1	81.1	70.8
WARC	**12.1**	**10.6**	**19.7**	–	–	–
MediaLink	**14.1**	**34.6**	**23.5**	12.2	32.7	25.1
Sales						
Edge	**12.4**	**120.9**	**86.6**	13.5	93.5	76.6
Money20/20	**11.3**	**37.4**	**13.6**	11.1	35.5	17.4
Flywheel	**14.7**	**39.4**	**37.8**	–	–	–
Retail Week & WRC	**11.0**	**4.0**	**5.7**	12.2	4.0	6.1
Built Environment & Policy	**9.9**	**23.5**	**0.9**	10.9	23.5	1.2
Discontinued operations	**–**	**–**	**–**	10.6	67.6	62.6
Total		**505.1**	**259.5**		489.1	269.6

* Restated for new CGUs.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

14. Intangible assets and goodwill continued

The Group has performed a sensitivity analysis across all CGUs which have goodwill and acquired intangible assets using reasonable possible changes in the already conservative future growth rates and increases in the pre-tax discount factors keeping all other assumptions constant. The sensitivity testing identified no reasonable changes in key assumptions that would cause the carrying amount of any CGU to exceed its recoverable amount.

15. Property, plant and equipment

(£'m)	Short leasehold property	Office equipment	Total
Cost			
At 1 January 2017	15.3	8.6	23.9
Additions	0.3	3.0	3.3
Acquisitions of businesses	1.0	0.7	1.7
Disposals	(0.5)	(0.8)	(1.3)
Effect of movements in exchange rates	0.1	–	0.1
At 1 January 2018	**16.2**	**11.5**	**27.7**
Additions	**1.8**	**2.1**	**3.9**
Acquisitions of businesses	**0.9**	**0.7**	**1.6**
Disposals	**(0.8)**	**(0.3)**	**(1.1)**
Disposal of businesses	**(6.3)**	**(1.4)**	**(7.7)**
Transfers	**(1.9)**	**(1.4)**	**(0.5)**
Effect of movements in exchange rates	**0.3**	**0.2**	**0.5**
At 31 December 2018	**10.2**	**14.2**	**24.4**
Depreciation			
At 1 January 2017	(5.0)	(7.5)	(12.5)
Depreciation	(3.2)	(1.8)	(5.0)
Disposals	0.3	0.8	1.1
At 1 January 2018	**(7.9)**	**(8.5)**	**(16.4)**
Depreciation	**(1.6)**	**(1.9)**	**(3.5)**
Disposals	**0.6**	**0.2**	**0.8**
Disposal of businesses	**3.7**	**1.1**	**4.8**
Transfers	**0.1**	**(0.9)**	**(0.8)**
Effect of movements in exchange rates	**–**	**(0.1)**	**(0.1)**
At 31 December 2018	**(5.1)**	**(10.1)**	**(15.2)**
Net book value			
At 31 December 2018	**5.1**	**4.1**	**9.2**
At 31 December 2017	8.3	3.0	11.3

16. Investments

(£'m)	2018	2017
At 1 January	**5.1**	5.0
Additions	**0.7**	–
Disposal	**(0.2)**	–
Write-off	**(0.1)**	–
Reduction of investments	**–**	(0.2)
Share of gain/(loss) in associate	**0.6**	0.3
At 31 December	**6.1**	5.1

Investments include shares in unlisted associated companies, joint ventures, two trade investments and a loan with the option to be converted to equity in a new associated company.

16. Investments continued

(£'m)	2018	2017
Interest in trade investment	**0.8**	0.1
Interest in associates	**–**	0.2
Interest in joint ventures	**0.9**	0.4
Loan	**4.4**	4.4
At 31 December	**6.1**	5.1

17. Deferred tax assets and liabilities

The deferred tax balances shown in the consolidated balance sheet are analysed as follows:

(£'m)	2018	2017
Deferred tax assets	**42.8**	47.1
Deferred tax liabilities	**(24.8)**	(31.3)
Total	**18.0**	15.8

The major deferred tax assets and liabilities recognised by the Group, and the movements in the period, are set out below:

(£'m)	Non-deductible intangible assets	US deductible intangible assets	Share-based payments	Property, plant and equipment	Tax losses	Other	Total
At 1 January 2017	(30.3)	12.5	0.2	9.9	32.2	0.1	24.6
Credit/(charge) to the consolidated income statement for the year	2.9	9.7	0.3	(0.9)	2.6	–	14.6
Credit to equity	–	–	0.4	–	–	–	0.4
Adjustments in respect of prior years	–	–	–	0.1	0.3	–	0.4
Impact of rate changes	0.6	(7.4)	–	–	(10.1)	–	(16.9)
Acquisitions	(5.3)	–	–	–	–	–	(5.3)
Disposals	0.8	–	–	(0.1)	–	–	0.7
Foreign exchange movements	–	(1.2)	–	–	(1.5)	–	(2.7)
At 31 December 2017	(31.3)	13.6	0.9	9.0	23.5	0.1	15.8
Credit/(charge) to the consolidated income statement for the year	**3.6**	**(2.8)**	**0.8**	**(0.9)**	**(1.6)**	**–**	**(0.9)**
Credit to equity	**–**	**–**	**0.4**	**–**	**–**	**–**	**0.4**
Adjustments in respect of prior years	**(0.6)**	**–**	**0.1**	**(0.2)**	**(1.3)**	**1.0**	**(1.0)**
Acquisitions	**(6.8)**	**–**	**–**	**–**	**–**	**–**	**(6.8)**
Disposals	**10.1**	**–**	**(0.1)**	**(0.7)**	**–**	**–**	**9.3**
Foreign exchange movements	**0.2**	**0.2**	**–**	**–**	**0.8**	**–**	**1.2**
At 31 December 2018	**(24.8)**	**11.0**	**2.1**	**7.2**	**21.4**	**1.1**	**18.0**

* The above charge to the consolidated income statement for the year includes a credit of £0.3 million in respect of discontinued operations.

The above deferred tax balances are expected to reverse:

(£'m)	Non-deductible intangible assets	US deductible intangible assets	Share-based payments	Property, plant and equipment	Tax losses	Other	Total
Within 12 months	(3.1)	3.7	0.7	0.7	6.2	–	8.2
After 12 months	(21.7)	7.3	1.4	6.5	15.2	1.1	9.8
Total	(24.8)	11.0	2.1	7.2	21.4	1.1	18.0

In presenting its deferred tax balances, the Group does not offset assets and liabilities as the Group has no legally enforceable right to set off the arising current tax liabilities and assets when those deferred tax balances reverse.

No deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries and joint ventures as the Group is in a position to control the timing of their reversal and it is probable that such differences will not reverse in the foreseeable future.

The prior year movement includes the impact of the US tax rate change from 35% to 21% with effect for periods beginning after 31 December 2017. This resulted in a revaluation of US deferred tax assets and liabilities and an overall reduction of £16.6 million in the prior year. For the current year, the US deferred tax assets and liabilities remained valued using the Federal rate of 21% and where applicable the effective State tax rate of 5%.

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For the year ended 31 December 2018

17. Deferred tax assets and liabilities continued

US deductible intangible assets represents the value of deferred tax assets on US tax deductible intangibles and deferred consideration. These deferred tax assets are recognised at a blended US Federal and State tax rate of 26%.

Non-deductible intangibles represent the value of the deferred tax liability which arises on the fair value of acquired intangibles which are not deductible for tax purposes. The liability is valued at the tax rate applicable to the jurisdiction where the intangibles are located.

Deferred tax assets have been recognised on the basis that sufficient taxable profits are forecast to be available in the future to enable them to be utilised.

At 31 December 2018, the Group has the following tax losses:

(£'m)	Recognised 2018	Recognised 2017	Unrecognised 2018	Unrecognised 2017	Total 2018	Total 2017
US net operating losses	**71.3**	66.0	**127.0**	127.1	**198.3**	193.1
UK non-trading losses	**36.3**	54.1	**–**	–	**36.3**	54.1
Irish trading losses	**–**	–	**18.3**	16.4	**18.3**	16.4
UK capital losses	**–**	–	**114.9**	115.1	**114.9**	115.1
Other Rest of World losses	**–**	–	**3.9**	–	**3.9**	–
Total	**107.6**	120.1	**264.1**	258.6	**371.7**	378.7

The above losses represent the following value at tax rates applicable at the balance sheet date:

(£'m)	Recognised 2018	Recognised 2017	Unrecognised 2018	Unrecognised 2017	Total 2018	Total 2017
US net operating losses	**15.0**	13.8	**26.7**	26.7	**41.7**	40.5
UK non-trading losses	**6.4**	9.7	**–**	–	**6.4**	9.7
Irish trading losses	**–**	–	**2.3**	2.1	**2.3**	2.1
UK capital losses	**–**	–	**19.5**	19.6	**19.5**	19.6
Other Rest of World losses	**–**	–	**1.1**	–	**1.1**	–
Total	**21.4**	23.5	**49.6**	48.4	**71.0**	71.9

The Group has tax losses in the US totalling £198.3 million carried forward at 31 December 2018 (2017: £193.1 million). It has been agreed with the US tax authorities that these losses are available to offset against taxable profits subject to a restriction following the change of ownership that was deemed to have occurred upon the listing of Ascential plc in 2016. In line with the US tax rules, the restriction of losses is, to a large extent, based on the valuation of the US tax group at the change of control date and this will be agreed with the US tax authorities in due course. The valuation of the US tax group is therefore a source of estimation and an external valuation was commissioned in 2017 to support the Group's position. The recognised deferred tax asset is sensitive to a change in this valuation. The Board expects the deferred tax asset to be recovered over a number of years and considers it to be unlikely that there will be a consequential change in the estimates made that would lead to a material movement in the asset in the next 12 months.

18. Inventories

(£'m)	2018	2017
Deferred event costs	**1.9**	16.2
Physical stock	**2.0**	1.6
Total	**3.9**	17.8

19. Trade and other receivables

(£'m)	2018	2017
Current		
Trade receivables, net of the allowance for doubtful debts	**64.2**	67.6
Prepayments	**13.6**	8.9
Accrued income	**7.4**	4.8
Other receivables	**29.2**	6.9
Total	**114.4**	88.2
Non-current		
Other receivables	**–**	0.3
Total	**–**	0.3

19. Trade and other receivables continued

The carrying amounts of trade and other receivables are denominated primarily in pounds Sterling and US Dollars. The Directors consider that the carrying amount of receivables and prepayments approximates their fair value.

Trade receivables are non-interest bearing and are generally on 30-day terms and are shown net of an allowance for doubtful debts. As at 31 December 2018, the allowance for doubtful debts was £3.3 million (2017: £3.7 million). Movements in the allowance for doubtful debts were as follows:

(£'m)	2018	2017
At 1 January	3.7	2.4
Provided in the year	2.8	2.3
Utilised in the year	(1.9)	(1.0)
Disposal of business	(1.1)	–
At 31 December	**3.5**	3.7

Trade receivables of the continuing operations, net of the allowance for doubtful debts, are aged as follows:

2018 (£'m)	Loss rate	Gross carrying amount	Loss allowance	Credit note allowance	Net trade receivables	2017
Current (not past due)	0.2%	44.1	(0.1)	–	44.0	36.6
1–30 days past due	1.5%	12.1	(0.2)	(0.6)	11.3	13.6
31–90 days past due	11.5%	6.1	(0.7)	–	5.4	10.7
More than 90 days past due	41.7%	6.0	(2.5)	–	3.5	6.7
At 31 December		**68.3**	**(3.5)**	**(0.6)**	**64.2**	67.6

Loss rates are calculated based on actual credit losses over the past three years and adjusted to reflect differences between the historical credit losses and the Group's view of the economic conditions over the expected lives of the receivables. In addition to the loss allowance, there is a credit note allowance of £0.6 million (2017: £0.3 million) in the net trade receivables balance.

The maximum exposure to credit risk for trade receivables by geographical region was:

(£'m)	2018	2017
United Kingdom	17.3	22.3
Other Europe	10.9	12.6
United States and Canada	25.7	23.2
Asia Pacific	6.0	5.4
Middle East and Africa	1.1	1.2
Latin America	3.2	2.9
Total	**64.2**	67.6

20. Cash and cash equivalents

Cash and cash equivalents at 31 December 2018 of £182.0 million (2017: £45.8 million) relate to bank balances, including short-term deposits with an original maturity date of less than three months and cash in transit.

21. Trade and other payables

(£'m)	Note	2018	2017
Current			
Financial liabilities	32	75.9	53.8
Trade payables		10.3	10.3
Other payables		33.4	10.8
Accruals		32.2	32.7
Non-financial liabilities		5.2	3.9
Interest accruals		0.4	0.4
Taxes and social security costs		4.8	3.5
Total		**81.1**	57.7

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For the year ended 31 December 2018

22. Deferred and contingent consideration

The Group has liabilities in respect of deferred and contingent consideration payments under various business acquisition contracts.

(£'m)	Note	Sales	Marketing	Product design	Total	Level 3
At 1 January 2017		66.8	–	4.0	70.8	51.0
Additions		11.4	14.2	0.8	26.4	21.2
Acquisition-related employment costs accrued in the year	5	17.2	9.4	–	26.6	–
Revaluation of contingent consideration recognised in the consolidated income statement	5	0.4	0.7	–	1.1	1.1
Discount unwind on contingent and deferred consideration	8	3.3	1.0	–	4.3	4.3
Acquisition-related employment cash paid in year		(8.2)	–	–	(8.2)	–
Deferred and contingent consideration cash paid in the year		(12.1)	–	(3.5)	(15.6)	(13.1)
Effect of movements in exchange rates		(5.7)	(1.6)	(0.2)	(7.5)	(5.1)
At 31 December 2017		73.1	23.7	1.1	97.9	59.4
Additions		**38.8**	**4.5**	**0.1**	**43.4**	**33.8**
Acquisition-related employment costs accrued in the year	5	**11.7**	**1.6**	**–**	**13.3**	**–**
Revaluation of contingent consideration recognised in the continuing consolidated income statement	5	**(1.2)**	**(4.0)**	**–**	**(5.2)**	**(5.2)**
Revaluation of contingent consideration recognised in the discontinued consolidated income statement		**–**	**–**	**0.3**	**0.3**	**0.3**
Discount unwind on contingent and deferred consideration	8	**2.8**	**0.8**	**–**	**3.6**	**3.6**
Acquisition-related employment cash paid in year		**(16.4)**	**(4.6)**	**–**	**(21.0)**	**–**
Deferred and contingent consideration cash paid in the year		**(32.4)**	**(4.6)**	**(0.7)**	**(37.7)**	**(33.4)**
Effect of movements in exchange rates		**1.8**	**0.7**	**(0.2)**	**2.3**	**1.4**
Disposal of business		**–**	**–**	**(0.2)**	**(0.2)**	**(0.2)**
At 31 December 2018		**78.2**	**18.1**	**0.4**	**96.7**	**59.7**

(£'m)	2018	2017
Current	**32.3**	47.5
Non-current	**64.4**	50.4
Total	**96.7**	97.9

The total deferred and contingent consideration balance of £96.7 million (2017: £97.9 million) includes £59.7 million (2017: £59.4 million) which is categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs used in the fair value measurements are the determined weighted average cost of capital and the forecast future profits, billings or revenue of the acquired businesses. The Group three-year plan used to forecast future profits is approved by the Board and assessed against market consensus on a regular basis. For details of deferred and contingent consideration on current and comparative year acquisitions refer to Note 12.

The Directors consider that the carrying amount of deferred and contingent consideration of £96.7 million (2017: £97.9 million) approximate their fair value.

23. Borrowings

The maturity profile of the Group's borrowings, all of which are secured loans, was as follows:

(£'m)	2018	2017
Non-current		
Two to five years	**291.8**	317.4
Total borrowings	**291.8**	317.4

Borrowings are shown net of unamortised issue costs of £2.3 million (2017: £3.3 million). The carrying amounts of borrowings approximate their fair value detailed in Note 32.

23. Borrowings continued

Reconciliation of movement in net debt

(£'m)	Cash	Cash in transit	Short-term deposits	Interest rate cap	Borrowings	Net debt
At 1 January 2017	39.1	4.4	18.4	0.4	(286.0)	(223.7)
Exchange differences	(2.0)	–	(0.8)	–	2.7	(0.1)
External debt drawdown	–	–	–	–	(58.6)	(58.6)
External debt repayment	–	–	–	–	25.6	25.6
Non-cash movements	–	–	–	(0.3)	(1.1)	(1.4)
Net cash movement	(10.4)	(2.0)	(0.9)	–	–	(13.3)
At 31 December 2017	26.7	2.4	16.7	0.1	(317.4)	(271.5)
Exchange differences	**(0.4)**	**–**	**(0.2)**	**–**	**(6.9)**	**(7.5)**
External debt repayment	**–**	**–**	**–**	**–**	**66.0**	**66.0**
External debt drawdown	**–**	**–**	**–**	**–**	**(32.4)**	**(32.4)**
Non-cash movements	**–**	**–**	**–**	**(0.1)**	**(1.1)**	**(1.2)**
Net cash movement	**23.1**	**4.8**	**108.9**	**–**	**–**	**136.8**
At 31 December 2018	**49.4**	**7.2**	**125.4**	**–**	**(291.8)**	**109.8**

24. Provisions

(£'m)	Property provisions	Other	Total provisions
At 1 January 2017	1.3	2.0	3.3
Disposal of subsidiaries in the year	(0.5)	–	(0.5)
Provided in the year	0.8	2.5	3.3
Utilised in the year	(0.3)	–	(0.3)
At 31 December 2017	1.3	4.5	5.8
Acquisitions in the year	**0.4**	**–**	**0.4**
Disposal of subsidiaries in the year	**(0.5)**	**–**	**(0.5)**
Provided in the year	**0.5**	**1.2**	**1.7**
Released in the year	**–**	**(0.2)**	**(0.2)**
Utilised in the year	**–**	**(1.2)**	**(1.2)**
Effect of movements in exchange rates	**–**	**–**	**–**
At 31 December 2018	**1.7**	**4.3**	**6.0**

Provisions of continuing operations have been analysed between current and non-current as follows:

	2018			2017		
(£'m)	**Property provisions**	**Other**	**Total provisions**	Property provisions	Other	Total provisions
Current	**–**	**2.8**	**2.8**	–	3.2	3.2
Non-current	**1.7**	**1.5**	**3.2**	1.3	1.3	2.6
Total	**1.7**	**4.3**	**6.0**	1.3	4.5	5.8

The property provisions relate to ongoing lease commitments on dilapidation costs in properties in the UK. The weighted average maturity of these obligations is approximately six years. Other provisions relate to onerous contracts and warranty costs relating to businesses disposed of. The average weighted maturity of these obligations is approximately one year.

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For the year ended 31 December 2018

25. Share capital and reserves

Share capital

(£'m)	2018	2017
400,818,595 ordinary shares of £0.01 each (2017: 400,619,698)	**4.0**	4.0
Total	**4.0**	4.0

During the year 5,451 (2017: 8,348) and 193,446 (2017: 68,760) ordinary £0.01 shares were issued to employees under the PSP and Sharesave scheme respectively.

Treasury share reserve

Free shares awarded under the SIP are held by an Employee Benefit Trust ("EBT") on behalf of UK employees for a holding period of three years.

Movement in own shares held by the EBT:

	2018		2017	
	Number of shares	**Cost £m**	Number of shares	Cost £m
At 1 January	**448,744**	**0.1**	538,890	0.1
New shares purchased	**1,996**	**–**	4,354	–
Vesting of free shares	**(56,847)**	**–**	(94,500)	–
At 31 December	**393,893**	**0.1**	448,744	0.1

The market value of these shares as at 31 December 2018 was £1.5 million (2017: £1.7 million).

26. Dividends

Amounts recognised and paid as distributions to ordinary shareholders in the year comprise:

	2018		2017	
	£'m	**Pence per share**	£'m	Pence per share
2016 Final dividend	**–**	**–**	12.8	3.2
2017 Interim dividend	**–**	**–**	7.2	1.8
2017 Final dividend	**15.2**	**3.8**	–	–
2018 Interim dividend	**7.6**	**1.9**	–	–
Dividends paid	**22.8**	**5.7**	20.0	5.0

After the reporting date, the Board proposed a final dividend of 3.9 pence per ordinary share from distributable reserves, resulting in a total dividend of 5.8 pence per ordinary share for the year ended 31 December 2018. The final dividend is subject to approval by shareholders at the Annual General Meeting and is therefore not included in the consolidated balance sheet as a liability at 31 December 2018.

27. Subsidiary and related undertakings

Full details of the subsidiaries, associates and joint ventures of Ascential plc at 31 December 2018 are set out in Note 6 to the parent financial statements.

28. Related party transactions

During the year the Group incurred £0.1 million of costs which were recharged to a joint venture partner and subsequently recharged to Asian Advertising Festival (Spikes Asia) Pte Limited (2017: £0.1 million). The Group received £0.4 million of dividends from Asian Advertising Festival (Spikes Asia) Pte Limited (2017: £0.3 million).

During the year the Group incurred £nil of costs which were recharged to a joint venture partner, Huajia Textile Product Development (Shanghai) Co Ltd (2017: £0.4 million).

Other than the compensation of key management personnel, set out in Note 6, there are no other related party transactions requiring disclosure under IAS 24 "Related Party Disclosures".

29. Operating leases

The Group had total future minimum lease payments under non-cancellable operating leases as set out below:

(£'m)	2018 Land and buildings	2018 Other assets	2017 Land and buildings	2017 Other assets
Within one year	**10.5**	**–**	8.8	0.2
Two to five years	**18.6**	**0.1**	21.8	–
After more than five years	**4.3**	**–**	6.6	–
Total continuing operations	**33.4**	**0.1**	37.2	0.2
Discontinued operations – within one year	**–**	**–**	–	–
Total	**33.4**	**0.1**	37.2	0.2

The Group leases various offices under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases other equipment under non-cancellable operating lease agreements. The Group does not have any finance leases. These non-cancellable operating leases will be brought onto the balance sheet in 2019 when IFR 16 'Leases' comes into effect. See Note 1 for the estimated impact of adopting the new standard.

The Group sub-lets certain of its offices. The minimum lessee receipts total £3.3 million (2017: £4.1 million), receivable over the next four years.

30. Commitments and contingencies

Contracted commitments for assets under construction including software at 31 December 2018 totalled £0.2 million (2017: £0.3 million).

31. Events after the reporting date

There were no reportable events since the year end of 31 December 2018.

32. Financial instruments and financial risk management

Information about the Group's objectives, policies and processes for measuring and managing risk, the Group's exposure to the risks arising from financial instruments, and the Group's management of capital is disclosed below.

Market risk

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from future commercial transactions to which the Group is already committed, recognised assets and liabilities and net investments in foreign operations.

Foreign currency movements impact on the consolidated income statement together with its cash flow profile and leverage ratio position. The impact depends on whether there is a surplus or deficit in each currency from operating activities together with the interest and finance charge in those currencies. The Group's policy has been to protect its cash flow and leverage ratio position by maintaining a proportion of currency debt in proportion to its currency earnings to obtain natural offsets.

Net debt by currency was as follows:

	2018 Cash and borrowings £'m	2018 Total £'m	2017 Interest rate cap £'m	2017 Cash and borrowings £'m	2017 Total £'m
Pounds sterling	**63.2**	**63.2**	–	(53.1)	(53.1)
US dollars	**(37.1)**	**(37.1)**	0.1	(84.6)	(84.5)
Euros	**(141.7)**	**(141.7)**	–	(138.1)	(138.1)
Other currencies	**5.8**	**5.8**	–	4.2	4.2
Total	**(109.8)**	**(109.8)**	0.1	(271.6)	(271.5)

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32. Financial instruments and financial risk management continued

For illustrative purposes, the table below provides details of the impact on revenue and Adjusted EBITDA if the actual reported results were restated for sterling weakening by 1% against the US Dollar and Euro rates in isolation.

(£'m)	**2018** Revenue	**2018** Adjusted EBITDA	2017 Revenue	2017 Adjusted EBITDA
Increase in revenue/Adjusted EBITDA if:				
Sterling weakens by 1% against US Dollar in isolation	**1.5**	**0.7**	1.2	0.6
Sterling weakens by 1% against Euro in isolation	**1.0**	**0.7**	1.1	0.9

Additionally, each 1% movement in the Euro to pounds Sterling exchange rate has a circa £1.5 million (2017: £1.5 million) impact on the carrying value of borrowings. Each 1% movement in the US Dollar to pounds Sterling exchange rate has a circa £0.8 million impact on the carrying value of borrowings (2017: £1.0 million).

b) Cash flow and interest rate risk

Interest rate risk arises from medium and long-term borrowings to the extent that the underlying debt instruments are not at fixed rates of interest.

The Group has entered into interest rate caps to convert a portion of its bank borrowings from fully floating to capped rates to mitigate this risk. As at 31 December 2018, the total notional amount of outstanding interest rate caps to which the Group is committed is £115.2 million (2017: £109.2 million). The fair value of the interest rate caps as at 31 December 2018 was £nil (2017: £0.1 million current asset).

These interest rate caps are measured at fair value through profit or loss and are Level 2 financial instruments. These derivative instruments were not traded in an active market and the fair value is determined by using third party valuations based on forward yield curves. This technique maximises the use of observable market data where it is available and relies as little as possible on entity-specific estimates. All significant inputs required to fair value an instrument are observable.

In the year ended 31 December 2018, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 31 December 2018 would have decreased or increased by £1.4 million (2017: £1.4 million).

The effective annual interest rate at 31 December 2018 was 2.3% (2017: 1.9%).

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The maximum exposure to credit risk at the reporting date is the fair value of the financial assets in the consolidated balance sheet as disclosed below.

a) Treasury-related credit risk

The Group has treasury policies in place which manage the concentration of risk with individual counterparties and do not allow significant treasury exposures with counterparties. Each counterparty has an individual limit which comprises of their long-term and short-term ratings by Standard & Poor's and Moody's as well as their individual five-year Credit Default Swap price. As at 31 December 2018, cash and cash equivalents totalled £182 million (2017: £45.8 million), of which 97% (2017: 83%) was held with banks or financial institutions with long-term ratings of A-/A3 or better or short-term ratings of A-1/P-1.

In accordance with the Group's treasury policies and exposure management practices, counterparty credit exposure limits are continually monitored and no individual exposure is considered significant in the ordinary course of treasury management activity. The Company does not expect any significant losses from non-performance by these counterparties.

b) Trading risk

Risk arises principally from payment default by customers. The general policy of the Group is not to risk assess all new customers and so retail credit risk information has not been included in these consolidated financial statements. The Company does not, however, expect any significant losses in respect of receivables that have not been provided for as shown in Note 19.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity in the form of sufficient cash or funding from adequate credit facilities to meet such liabilities under both normal and stressed conditions.

32. Financial instruments and financial risk management continued

The Group's major banking facilities are detailed below:

As at 31 December 2018 (million)	Facility Local currency	Facility £	Drawn Local currency	Drawn £	Final maturity	Interest
Facility A	£66.0	66.0	£66.0	66.0	Feb 21	LIBOR plus 1.75%
Facility B	$96.0	75.1	$96.0	75.1	Feb 21	LIBOR plus 1.75%
Facility C	€171.0	153.0	€171.0	153.0	Feb 21	LIBOR plus 1.75%
Revolving credit facility	£95.0	95.0	–	–	Feb 21	LIBOR plus 1.5%
Total facilities		**389.1**		**294.1**		

As at 31 December 2017 (million)	Facility Local currency	Facility £	Drawn Local currency	Drawn £	Final maturity	Interest
Facility A	£66.0	66.0	£66.0	66.0	Feb 21	LIBOR plus 1.50%
Facility B	$96.0	71.1	$96.0	71.1	Feb 21	LIBOR plus 1.50%
Facility C	€171.0	151.8	€171.0	151.8	Feb 21	LIBOR plus 1.50%
Revolving credit facility	£95.0	95.0	$43.0	31.8	Feb 21	LIBOR plus 1.25%
Total facilities		383.9		320.7		

The Group's undrawn borrowings total £95.0 million (2017: £63.2 million) and represent the unutilised balance on the revolving credit facility which matures in 2021.

The Group is required to adhere to a net leverage ratio covenant which is measured at December and June. The covenant ratio fell to 4.0x in December 2017 and will fall to 3.5x in June 2019 where it will remain until maturity of the facilities in 2021. The Group operated within this covenant limit during 2018.

The Group has a margin ratchet on its interest rate based on the leverage position reported in its semi-annual covenant compliance certificate. Due to the leverage ratio increasing above 2.0x at the annual compliance certificate for 31 December 2017, the margins were increased by 0.25% from 18 April 2018 and these remained unchanged for the remainder of 2018.

The following is an analysis of the contractual undiscounted cash flows from continuing operations payable under financial and derivative liabilities:

(£'m)	Less than one month	Between one and three months	Between three and twelve months	In one to two years	In two to five years[1]	Total
At 31 December 2018						
Non-derivative financial liabilities						
Borrowings	–	–	–	–	294.1	294.1
Interest payments on borrowings	0.6	1.2	5.4	7.7	1.2	16.1
Trade payables, accruals and other payables	75.9	–	–	–	–	75.9
Deferred and contingent consideration	5.0	22.5	4.6	49.0	24.5	105.6
Total	**81.5**	**23.7**	**10.0**	**56.7**	**319.8**	**491.7**

(£'m)	Less than one month	Between one and three months	Between three and twelve months	In one to two years	In two to five years[1]	Total
At 31 December 2017						
Non-derivative financial liabilities						
Borrowings	–	–	–	–	320.7	320.7
Interest payments on borrowings	0.5	0.9	4.2	6.2	8.2	20.0
Trade payables, accruals and other payables	53.8	–	–	–	–	53.8
Deferred and contingent consideration	3.0	44.5	0.3	25.4	30.9	104.1
Derivative financial liabilities						
Derivative contracts – receipts	–	–	(0.1)	–	–	(0.1)
Total	57.3	45.4	4.4	31.6	359.8	489.5

1 No amounts are due in more than five years.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

32. Financial instruments and financial risk management continued

The financial and derivative liabilities are shown in the period in which they are due to be repaid. The interest payments on borrowings due in less than one month represents the actual interest due, while the interest due greater than one month is an estimate based on current interest rates and exchange rates. Cash flows in respect of borrowings represent contractual payments under the Group's lending facilities in place as at 31 December 2018. Borrowings as disclosed in Note 23 are stated net of unamortised arrangement fees of £2.3 million as at 31 December 2018 (2017: £3.3 million).

Both contingent consideration and acquisition-related employment costs are based on the future performance of the acquired business to which they relate. Performance is assessed using forecast profits and the current three-year plan which is updated annually. Forecasts are inherently a source of management estimation, resulting in a range of outcomes. The likely range of outcomes of the combined contingent consideration and acquisition-related employment costs are disclosed in Note 12 for current and prior year acquisitions.

Undiscounted future payments (£'m)	2018	2017
Contingent consideration	74.7	65.5
Acquisition-related employment costs to the extent to which they are accrued at 31 December	25.7	33.4
Deferred consideration which is not impacted by performance	5.2	5.2
Deferred and contingent consideration	**105.6**	104.1
Anticipated future payments on acquisition-related employment costs	16.8	26.8
Deferred and contingent consideration including anticipated future payments on acquisition-related employment costs	**122.4**	130.9

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt to equity balance. The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent comprising capital, reserves and retained earnings. The Group's policy is to borrow centrally to meet anticipated funding requirements. These borrowings, together with cash generated from the operations, are on-lent or contributed as equity to subsidiaries at market-based interest rates and on commercial terms and conditions.

Financial instruments by measurement basis

The carrying amount of financial instruments by category is as follows:

(£'m)	Note	2018	2017
Financial assets			
Financial assets at fair value through profit or loss			
Derivative financial assets		–	0.1
Financial assets not measured at fair value			
Trade receivables	19	64.2	67.6
Other receivables	19	29.2	6.9
Cash and cash equivalents	20	182.0	45.8
Total		**275.4**	120.4
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Contingent consideration	22	59.7	59.4
Financial liabilities at amortised cost			
Trade payables		10.3	10.3
Accruals	21	32.2	32.7
Interest accruals	21	0.4	0.4
Other payables	21	33.4	10.8
Deferred and contingent considerations		23.7	38.5
Borrowings		294.1	320.7
Total		**453.8**	472.8

The fair value of each category of the Group's financial instruments approximates their carrying value in the Group's consolidated balance sheet.

32. Financial instruments and financial risk management continued

Financial instruments in the category "fair value through profit or loss" are measured in the consolidated balance sheet at fair value. Fair value measurements can be classified in the following hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December:

	2018				2017			
(£'m)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative financial assets	–	–	–	–	–	0.1	–	0.1
Contingent consideration (Note 22)	–	–	59.7	59.7	–	–	59.4	59.4

There were no movements between different levels of the fair value hierarchy in the year.

PARENT COMPANY BALANCE SHEET

As at 31 December

(£'m)	Note	2018	2017
Assets			
Non-current assets			
Investments	6	**452.8**	52.8
Debtors – due after more than one year	7	**0.7**	0.3
		453.5	53.1
Current assets			
Debtors – due within one year	7	**148.5**	599.0
Cash		**0.1**	–
		148.6	599.0
Liabilities			
Current liabilities			
Creditors – due within one year	8	**2.1**	34.2
		2.1	34.2
Net assets		**600.0**	617.9
Equity			
Called-up share capital	9	**4.0**	4.0
Share premium		**0.5**	0.1
Treasury shares		**(0.1)**	(0.1)
Reserves		**595.6**	613.9
Total equity		**600.0**	617.9

The accompanying notes on pages 130 to 134 are an integral part of these financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

(£'m)	Share capital	Share premium	Reserves: Group restructure reserve	Reserves: Treasury share reserve	Reserves: Retained earnings	Total equity
At 1 January 2017	4.0	–	157.9	(0.1)	470.8	632.6
Profit for the year	–	–	–	–	1.6	1.6
Issue of new shares	–	0.1	–	–	–	0.1
Share-based payments	–	–	–	–	3.6	3.6
Dividends	–	–	–	–	(20.0)	(20.0)
At 31 December 2017	4.0	0.1	157.9	(0.1)	456.0	617.9
Loss for the year	**–**	**–**	**–**	**–**	**(1.4)**	**(1.4)**
Issue of new shares	**–**	**0.4**	**–**	**–**	**–**	**0.4**
Share-based payments	**–**	**–**	**–**	**–**	**5.7**	**5.7**
Taxation on share-based payments	**–**	**–**	**–**	**–**	**0.2**	**0.2**
Dividends	**–**	**–**	**–**	**–**	**(22.8)**	**(22.8)**
At 31 December 2018	**4.0**	**0.5**	**157.9**	**(0.1)**	**437.7**	**600.0**

The accompanying notes on pages 130 to 134 are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. Corporate information

Ascential plc (the "Company") is a company incorporated in the UK under the Companies Act 2006 and is listed on the London Stock Exchange. The registered office is located at The Prow, 1 Wilder Walk, London W1B 5AP. The registered company number is 09934451. Ascential plc is the parent Company of the Ascential Group (the "Group") and its principal activity is to act as the ultimate holding company of the Group.

2. Company accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council. The financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued by the Financial Reporting Council.

As the Company meets the definition of a qualifying company under FRS 100, as permitted by FRS 102, the Company has taken advantage of the following disclosure exemptions:

- Presentation of a statement of cash flows;
- Disclosure of key management personnel compensation;
- Disclosure of related party transactions between wholly-owned subsidiaries and parents within a group;
- Disclosures required under IFRS 2 "Share-Based Payments" in respect of Group settled share-based payments;
- Disclosures required by IFRS 7 "Financial Instruments: Disclosures";
- Certain disclosures required under IFRS 13 "Fair Value Measurement"; and
- Disclosure of information in relation to new standards not yet applied.

The financial statements have been prepared on a historical cost basis and on the going concern basis.

The Company's financial statements are presented in pounds Sterling being the Company's functional currency.

Going concern

The Group's principal objective, of which the "Company" is the holding company, is to manage cash and debt to safeguard the Group's ability to continue as a going concern for the foreseeable future. The Group retains sufficient resources to comfortably remain in compliance with the financial covenants of its bank facilities. The Directors have also assessed the Group's prospects and viability over a three-year period. The Directors therefore consider it appropriate to adopt the going concern basis in preparing the financial statements.

3. Income statement

The Company has taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present its income statement. The loss for the year to 31 December 2018 was £1.4 million (2017: £1.6 million).

Fees paid to the auditor during the year for the audit of the Company accounts were £20,000 (2017: £20,000). Fees paid by the Company to the auditor for other services was £nil (2017: £nil).

4. Principal accounting policies

Investments in subsidiaries

Subsidiaries are entities that are directly or indirectly controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The investment in the Company's subsidiaries is recorded at cost less provisions for impairment. Carrying values are reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible decline in carrying values. The Company uses forecast cash flow information and estimates of future growth to assess whether investments are impaired. If the results of operations in a future period are adverse to the estimates used for impairment testing, an impairment may be triggered at that point.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

4. Principal accounting policies continued

Share-based payments

Certain employees of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares. The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions is determined by an external consultant and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet reporting date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in the subsidiary's financial statements with the corresponding credit being recognised directly in equity. In cases where a subsidiary is recharged for the share-based payment expense, no such increase in investment is recognised.

Shares held by the Employee Benefit Trust

The EBT provides for the issue of shares to Group employees under share incentive schemes. The Company has control of the EBT and accounts for the EBT as an extension to the Company in the financial statements. Accordingly, shares in the Company held by the EBT are included in the balance sheet at cost as a deduction from equity.

5. Directors' emoluments

The Company has 2 employees other than the Directors. Full details of the Directors' remuneration and interests are set out in the Directors' Remuneration Report on pages 68 to 75.

6. Investments

(£'m)	**2018**	2017
At 1 January	**52.8**	52.8
Additions	**400.0**	–
At 31 December	**452.8**	52.8

In 2018 the Company subscribed for 400,000,000 Ordinary £1 shares in Ascential Financing Limited. The consideration for the allotment and issue of these shares comprised full and final settlement of the £400,000,000 loan balance due to the Company.

Name	Key
Subsidiaries	
United Kingdom	
Ascential Financing Limited	UK1
Plexus Network Limited	UK1
4C Dormant Limited	UK1
Ascential Information Services Limited	UK1
Ascential Group Limited	UK1
Ascential PrefCo Limited	UK1
Ascential Operations Limited	UK1
CLR Code Limited	UK1
De Havilland Information Services Limited	UK1
Ascential America (Holdings) Limited	UK1
Ascential America Limited	UK1
Flywheel Digital Limited	UK1
Ascential UK Holdings Limited	UK1
Ascential Radio Financing Limited	UK1
Glenigan Limited	UK1
Groundsure Limited	UK1
Ascential Events (Europe) Limited	UK1
Clavis Insight Limited	UK1
MediaLink Europe Limited	UK1
Planet Retail Limited	UK1
Rembrandt Technology Limited	UK1
4C Information Limited	UK1
Siberia Europe Limited	UK1
WGSN Group Limited	UK1
Worth Global Style Network Limited	UK1
WGSN Limited	UK1
BrandView Limited	UK1
ePossibilities Global (Holdings) Limited	UK1
ePossibilities USA Limited	UK1
The Gunn Report Limited	UK1
WARC Limited	UK1
World Advertising Research Center Limited	UK1

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

6. Investments continued

Name	Key	Name	Key
United States		**Germany**	
Media Link, LLC	US1	WGSN GmbH	GE1
OneClickRetail.com, LLC	US2	Planet Retail GmbH	GE2
Planet Retail (USA) LLC	US3	**Spain**	
Money2020, LLC	US4	WGSN Intelligence España SL	SP1
RetailnetGroup, LLC	US5	**Singapore**	SI1
ePossibilities USA LLC	US6	Ascential Events Pte Limited	
Flywheel Digital LLC	US7	**South Africa**	
Clavis Technology LLC	US8	WGSN (Pty) Limited	SA1
Siberia LLC	US9	**Hong Kong**	
WARC LLC	US5	Stylesight Limited	HK1
WGSN, Inc.	US3	WGSN (Asia Pacific) Limited	HK1
France		**China**	
Ascential Events France SAS	FR1	WGSN Business Information Consulting (Shanghai) Company Limited	CH1
Ireland		Clavis Information Technology (Shanghai) Limited	CH2
Clavis Technology Limited	IR1	Ascential Events (HangZhou) Company Limited	CH3
Jersey		Stylesight Information Technology (Shanghai) Company Limited	CH4
Ascential Jersey Financing Limited	JE1	**Turkey**	
Brazil		WGSN Group Trend Forecasting Moda Danişmanlik Hizmetleri Limited Şirketi	TU1
2WH Assessoria Empresarial Ltda	BR1		
Ascential Serviços de Informação Ltda	BR1	**Joint ventures**	
Mindset Comunicacao Marketing Ltda	BR1	Asian Advertising Festival (Spikes Asia) Pte Limited (50% owned)	JV1
Sistema Use Fashion Comércio de Informações Ltda	BR2	CTIC WGSN China Limited (49% owned)	JV2

All subsidiaries are indirectly wholly owned by Ascential plc, with the exception of Ascential Financing Limited which is directly owned.

Key to registered office addresses:

UK1	The Prow, 1 Wilder Walk, London W1B 5AP, England
JE1	44 Esplanade, St Helier, Jersey, Channel Islands JE4 9WG
BR1	Rua Tabapuã 841, Conjunto 15, 1° Andar, São Paulo, Brazil 04533-013
BR2	Av. Unisomos, no. 950, Condomínio Padre Rick – 410, São João Batista, City of São Leopoldo, State of Rio Grande do Sul, 93022-970, Brazil
US1	10880 Wilshire Boulevard, 19th floor, Los Angeles, California CA 90024, United States
US2	1209 Orange Street, Wilmington, New Castle, Delaware DE 19801, United States
US3	160 Greentree Drive, Suite 101, Dover, Delaware DE 19904, United States
US4	2140 South Dupont Highway, Camden, Kent, Delaware DE 19934, United States
US5	251 Little Falls Drive, Wilmington, New Castle, Delaware DE 19808, United States
US6	1675 South State Street, Suite B, Dover, Kent, Delaware DE 19901, United States
US7	11 North Washington Street, Suite 700, Rockville, Maryland MD 20850, United States

6. Investments continued

US8	108 West 13th Street, Wilmington, New Castle, Delaware, DE 19801, United States
US9	8 The Green, Suite A, Dover, Kent, Delaware DE 19901, United States
FR1	6 Place du Commandant Maria, Cannes 06400, France
IR1	7th floor, O'Connell Bridge House, D'Olier Street, Dublin 2, Ireland
GE1	Alte Ziegelei 2–4, 51491 Overath, Germany
GE2	Weserstraße 4, 60329 Frankfurt am Main, Germany
SP1	Aribau 175. Piso 1o 1a A 08036 Barcelona, Spain
SA1	Ideas Cartel, 3rd Floor, 113 Loop Street, Cape Town, 8001, South Africa
HK1	Suite 3201-03, 32/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong
CH1	Unit 39 of 7/F, No.2, Building 2, 999 Middle Huaihai Road, Xuhui District, Shanghai, PRC
CH2	Room 3301, No. 10 Yu Tong Road, Jing An District, Shanghai, People's Republic of China
CH3	Room 601, 603, 6/F, Building 2, Jiang Ning Tower, 27 Ningtai Road, Ningwei Town, Xiaoshan, Hangzhou, Zhejiang, PRC
CH4	Room 617, 28 Tan Jia Du Road, Putuo District, Shanghai, PRC
TR1	Cevdetpasa Caddesi, No. 31/7 Bebek, 34342 Istanbul, Turkey
SI1	63 Market Street #09-01, The Bank of Singapore Centre, Singapore 04892
JV1	21 Media Circle, #05-05 Infinite Studios, Singapore 138562
JV2	Floor 5, Building 29, No. 1 Lane 618, Dingyuan Road, Songjiang District, Shanghai, PRC

The Company also has the following indirectly wholly owned companies which were in liquidation as at 31 December 2017: Ascential Holdings Limited, Eden Acquisition 1 Limited, Eden Acquisition 2 Limited, Eden Acquisition 3 Limited, Eden Acquisition 4 Limited, Eden Bidco Limited, Eden Midco Limited, Eden Newco Limited, Eden Loanco Limited and Hazel Acquisition 1 Limited. These companies all have the registered address of 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands.

7. Trade and other receivables

(£'m)	2018	2017
Debtors – due within one year		
Amounts due from Group undertakings	**148.3**	598.8
Prepayments	**0.2**	0.2
	148.5	599.0
Debtors – due after more than one year		
Other debtors	**0.1**	0.1
Deferred tax asset	**0.6**	0.2
	0.7	0.3
Total	**149.2**	599.3

Amounts due from Group undertakings are non-interest bearing, unsecured and repayable on demand.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2018

7. Trade and other receivables continued

Deferred tax asset

(£'m)	2018	2017
At 1 January	**0.2**	0.1
Deferred tax credit in equity	**0.2**	–
Deferred tax credit in income statement for the year	**0.2**	0.1
At 31 December	**0.6**	0.2

The Directors consider that it is more likely than not that there will be sufficient taxable profits in the Group in the future such as to realise the deferred tax asset of the Company and therefore the asset has been recognised in these financial statements.

8. Creditors

(£'m)	2018	2017
Creditors – due within one year		
Amounts due to Group undertakings	**–**	32.8
Trade payables	**–**	0.1
Accruals	**0.5**	1.0
Other taxations and social security	**1.6**	0.3
Total	**2.1**	34.2

Amounts due to Group undertakings are non-interest bearing, unsecured and repayable on demand.

9. Share capital

Refer to Note 25 of the consolidated group accounts.

10. Dividends

Refer to Note 26 of the consolidated group accounts.

11. Related party transactions

The Company has taken advantage of the exemption under FRS 102 and therefore has not disclosed related party transactions with wholly owned subsidiaries.

The Company has no other related party transactions.

12. Commitments and contingencies

On 12 February 2016, the Group entered into a New Facilities Agreement of £66 million, €171 million and $96 million and a revolving credit facility of £95 million. The Company was identified as a guarantor to the New Facilities Agreement.

During the year the Company was a member of the Group cash pooling arrangement. This allows the Group to combine the liquidity of companies within the Group in order to distribute such cash centrally as required.

The Company is registered with H.M. Revenue & Customs as a member of the Ascential Limited Group for value added tax and Pay As You Earn purposes and is therefore jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of their value added tax, income tax and national insurance contributions liabilities.

13. Events after the reporting date

After the reporting date, the Board of Directors proposed a final dividend of 3.9p per ordinary share for the year ended 31 December 2018.

There were no other reportable events after 31 December 2018.

NOTES

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Ascential plc
The Prow
1 Wilder Walk
London W1B 5AP
ascential.com