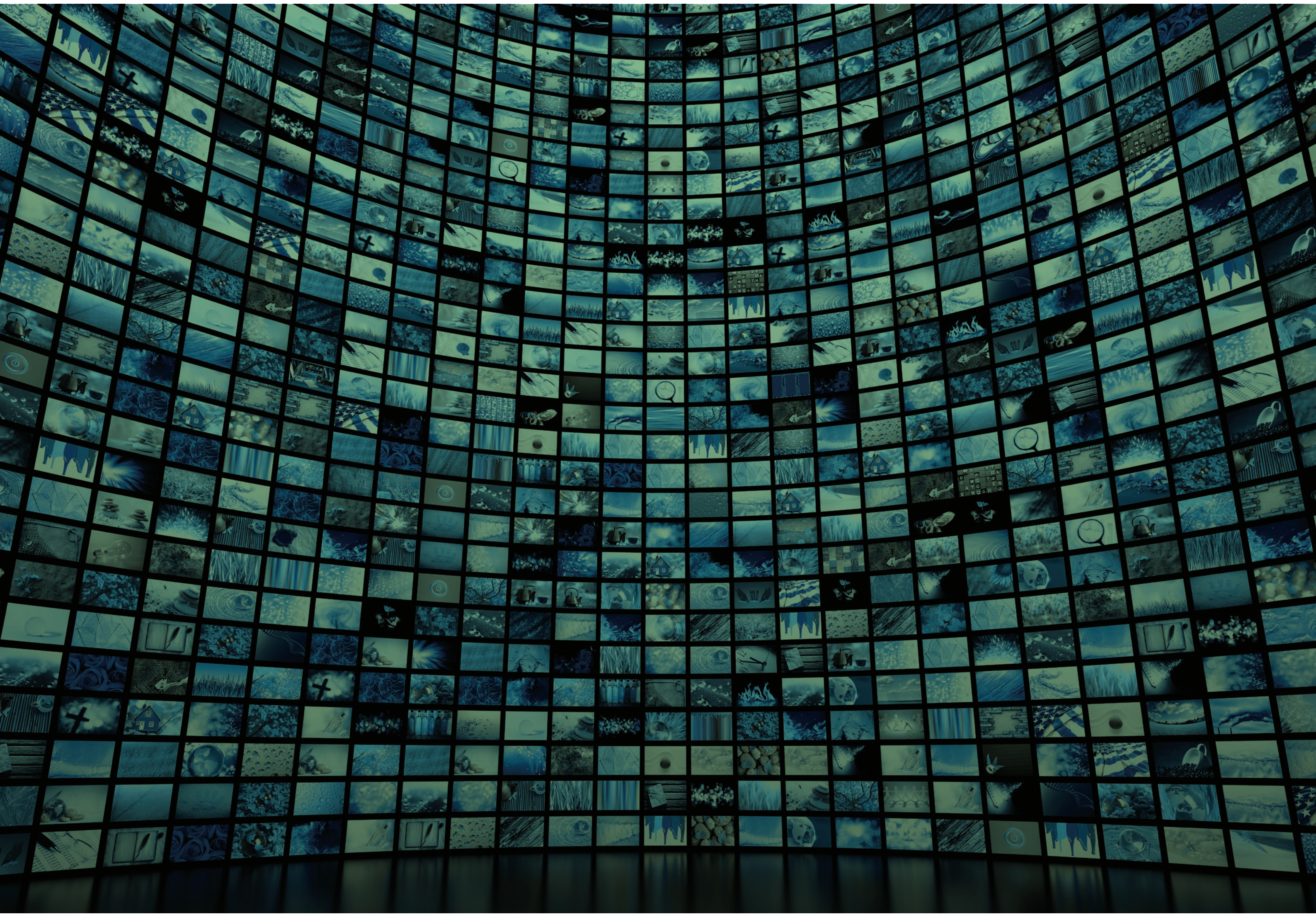
ASCENTIAL



INFORM. CONNECT.

Ascential plc Annual Report 2016

Ascential plc is a global business-to-business media group, listed on the London Stock Exchange. Our focused portfolio of market-leading brands enable an informed and connected business world that leads to better decisions and creates opportunities.

Our brands are organised under two divisions based on operational expertise: Exhibitions & Festivals and Information Services.

- In the Exhibitions & Festivals segment, we organise large-scale exhibitions, congresses and festivals where customers come together to form business relationships and transact. Key brands in this segment are Cannes Lions, Spring and Autumn Fair and Money20/20.

- In Information Services, we provide high quality, industry-specific business intelligence, and forecasting via digital subscription products. Key brands in this segment are WGSN and Groundsure.

We also have strong positions in specific marketplaces, particularly: consumer goods and services through to consumer consumption; education technology; construction, environmental and manufacturing; and Government services.

To continue to retain and attract new customers in these core markets, we offer world-class valuable content which is accessed via all mainstream platforms from anywhere in the world. Increasingly, we expect that our brands will deliver both digital and face-to-face propositions.

We employ more than 1,600 people and our headquarters are in London. We have offices in 15 countries, and our main operating locations are in the UK and US.

To view and download our interactive version of this Report, please visit www.ascential.com.

Key highlights

2016 was another year of strong growth in revenue, profits and cash flows. Key highlights were:

- our listing on the London Stock Exchange;
- the launch of Money20/20 Europe, Lions Entertainment, Bett Middle East, WGSN Insight and the WGSN single platform contributing to organic growth on continuing operations of 9.5%;
- the acquisition of One Click Retail;
- the decision to sell 13 Heritage Brands to refine focus to scalable market-leading events and information services brands with no material print advertising revenue; and
- the acquisition, after the year end, of MediaLink.

We have retained our focus on customer retention and engagement. Our goal throughout the year has been to further increase the number of customers we serve and simplify how we work so that we may deliver sustainable organic revenue growth, strong cash flow and increased margins.

Financial highlights

	Year ended 31 December		Growth – reported	Growth – organic[1]
	2016 £m	2015 £m	%	%
Revenue from continuing operations				
Exhibitions & Festivals	180.0	150.4	19.7%	12.3%
Information Services	119.6	106.2	12.6%	5.4%
Continuing revenue	299.6	**256.6**	**16.8%**	**9.5%**
Adjusted EBITDA from continuing operations[2]				
Exhibitions & Festivals	73.5	56.9	29.2%	17.5%
Margin	40.8%	37.8%		
Information Services	35.1	29.7	18.2%	4.7%
Margin	29.3%	28.0%		
Central costs	(12.7)	(10.0)		
Continuing EBITDA	95.9	**76.6**	**25.2%**	**11.5%**
Margin	32.0%	29.9%		
Adjusted operating profit from continuing operations[3]	83.0	60.8	36.5%	
Operating profit from continuing operations	32.1	24.3	32.1%	
Loss before tax from continuing operations	(1.8)	(43.6)		
Free cash flow[4]	90.9	79.9		
Free cash flow conversion	85%	88%		
Net debt[5]	223.7	382.3		
Leverage	2.1x	4.2x		

1 "Organic" growth is calculated to provide a more meaningful analysis of underlying performance. The following adjustments are made: (a) constant currency (restating FY15 at FY16 exchange rates); (b) event timing differences between periods (if any); and (c) excluding the part-year impact of acquisitions (of RNG and OCR) and disposals (of MBI). There were no event timing differences in 2015 or 2016. See the reconciliation on page 26.

2 Adjusted EBITDA is IFRS operating profit before expensing: (a) depreciation of tangible fixed assets and amortisation of software; (b) exceptional items; (c) amortisation of acquired intangible assets; (d) impairment of tangible fixed assets and software intangibles; and (e) share-based payments.

3 Adjusted operating profit is IFRS operating profit before expensing: (a) exceptional items; (b) amortisation of acquired intangible assets; (c) impairment of tangible fixed assets and software intangibles; and (d) share-based payments.

4 Free cash flow is cash generated from operations before exceptional items, less capital expenditure and tax paid. Free cash flow conversion is this measure of free cash flow divided by Adjusted EBITDA from both Continuing and Discontinued Operations. See the reconciliation on page 25.

5 Leverage is net debt divided by Adjusted EBITDA from both Continuing and Discontinued Operations.

Company overview

Our customers are at the heart of everything that we do

Data overload and saturation is driving customers to be ever more discerning, selecting a smaller number of trusted brands where they know they can rely on the information and access they gain and the difference it makes to their businesses. Our aim is to ensure our brands are the most sought out and trusted.

We are expert at two types of products: large-scale, content driven events and valued information services. Our brands increasingly offer both digital and live event elements, which enable customers to access valued information through market-leading products and platforms. Our clear operating structure makes us simple to deal with and allows our customers fast access to the information and connections they need.

Exhibitions & Festivals: £180.0m (2015: £150.4m)

60%
Group revenue

68%
Group EBITDA

Exhibitions, Festivals and Congresses

- Cannes Lions
- Lions regional festivals
- Money20/20
- Spring and Autumn Fair
- Bett
- Pure
- CWIEME
- RWM
- Glee
- BVE
- World Retail Congress
- UKTI

Information Services: £119.6m (2015: £106.2m)

40%
Group revenue

32%
Group EBITDA

- WGSN
- One Click Retail
- Planet Retail/RetailNet Group
- Retail Week
- Glenigan
- Groundsure
- DeHavilland

Our events include large-scale exhibitions, congresses and festivals where customers come together to form business relationships and transact. Key brands in this segment include Cannes Lions, Money20/20, Spring/Autumn Fair, Bett and CWIEME.

Key brands in our Information Services segment, which provide high-quality intelligence, include WGSN, Groundsure and One Click Retail. MediaLink was acquired shortly after the year end.

16 of our 20 continuing product lines are number one in their markets.

In 2016, our top five brands represented 69% of the Group's revenue from continuing operations and together they grew faster than our other brands. We continued to deliver customer service improvements and invested in additional content, broader access and expanded reach both online and offline to ensure market-leading positions were further extended.

How Ascential helps its customers

What it is/ key progress this year

Cannes Lions

Since 1954, the Cannes Lions International Festival of Creativity has brought the branded communications industry together every year at the number one global festival to learn, network and celebrate.

The Festival in June marks the culmination and start of the creative year, when a global community of the world's most inventive, talented and creative people set the agenda for the year ahead.

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Money20/20

The world's leading FinTech event is acknowledged as being centre stage of the payments industry.

Founded in the US five years ago, Money20/20 successfully launched its first European edition in April – and was Ascential's biggest launch to date.

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Spring Fair / Autumn Fair

The UK's largest trade show is the gateway to UK retailing. The shows offer 13 show sections and welcome around 60,000 visitors and are constantly edited to serve the needs of more than 2,500 exhibitors.

Improved targeting, marketing and visitor experiences have driven the quality of visitors and overall event expansion assisted by onsite rebook and location-based pricing.

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How Ascential helps its customers

What it is/ key progress this year

WGSN

Leading global provider of market intelligence and trend forecasts for the fashion and design led industries. Now on a simple subscription platform with a single sign on, WGSN inspires and validates millions of business decisions by designers, buyers, merchandisers and C-suite executives to help plan and trade their product ranges effectively.

See page 41

Groundsure LOCATION INTELLIGENCE

Transforming environmental data into location intelligence for land and property markets, Groundsure provides conveyancers, lenders, architects, engineers and homebuyers precise up-to-date reports to help them make better property transaction decisions

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One Click Retail ONLINE SIMPLIFIED

A high growth e-commerce business providing actionable insights and business intelligence that enables suppliers to maximise their sales through Amazon and Walmart online.

One Click Retail provides market share data at an SKU and category level, along with the drivers (including traffic, conversion, price and promotions, out-of-stock levels and reviews) and the specific actions to take to affect these drivers.

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Chairman's Statement

Scott Forbes
Chairman

As Chairman, it is my pleasure to report full-year results which demonstrate a strong performance for the year ended 31 December 2016.

The hallmark of this past year has been rapid, assured and continual progress against all of our priority goals. The IPO served as a catalyst for the seamless evolution of our focused portfolio of events and information services brands into a more integrated and customer-centric group.

Our larger, market-leading and scalable brands continued to lead the way with the development of new products and delivered strong organic growth. We augmented our capabilities with enhanced, data-driven forecasting and digital tools that enable more engagement with our customer communities.

The acquisition of One Click Retail in August 2016 strengthened our e-commerce analytics offering across the fashion and consumer product industries and our most recent announcement – the transaction with Cannes Lions' long-time partner MediaLink announced in February 2017 – reinforces our digital advisory expertise to sectors not limited to the branded communication industry. Both of these high-growth acquisitions improve the diversification of Ascential's footprint outside of the UK.

The Company continues to refine its portfolio and, after year end, announced the planned disposal of 13 publishing-led Heritage Brands, the first of which, Health Service Journal, was sold in January 2017.

Our History

2008-2012

- Acquired by funds advised by Apax Partners/Guardian Media Group
- Duncan Painter appointed as CEO
- Transform programme – £37m invested

2013

- Mandy Gradden appointed CFO
- Acquired Educar, Mindset and Stylesight
- Disposal of Infrastructure Journal and AME Info

Credit for this year's performance is squarely placed with our talented and energetic management team who have been open to advice from a newly formed plc Board. Our Board was fully code-compliant shortly after the IPO with a broad range of relevant capabilities and a gender diversity that was recognised to be the best amongst the 350 most valuable FTSE companies with 57% female representation – a profile that is reflective of our broader employee base.

Our former principal shareholders participated in an orderly disposal of the majority of their shares, resulting in a diversified share register of quality institutional investors. We are grateful to have been the beneficiaries of sound guidance received from former Chairman Tom Hall of Apax, and Non-Executive Director David Pemsel of Guardian Media Group, both of whom stepped down from the Board in September 2016 with our thanks for their contributions.

Continual customer engagement and a commitment to improve our proposition by our 1,600+ talented employees have led to admirable accomplishments in 2016. On behalf of the Board, I would like to take this opportunity to thank all our employees and customers for what has been a very successful year.

Group performance

The 2016 financial year was another successful one. Reported revenues from continuing operations grew by 16.8%, including the beneficial impacts of both acquisitions and currency. Revenue from continuing operations grew 9.5% on an Organic basis, Adjusted EBITDA was up 11.5% to £95.9m, margins expanded from 29.9% to 32.0% and free cash flow conversion was 85%. As these results show, we place a premium on organic growth. We are also committed to enhancing our proposition and capabilities through selective acquisitions.

Dividend

Ascential plc was incorporated in January 2016 and, as indicated at the time of the IPO, the Board targets a dividend payout ratio of 30% of Adjusted profit after tax. Consequently, the Board is recommending a final dividend of 3.2p per share to be paid on 15 June 2017 to shareholders on the register on 19 May 2017 which, together with the Company's maiden interim dividend of 1.5p paid in November 2016, makes a total dividend for the 2016 financial year of 4.7p.

Outlook

While still early in 2017, we are encouraged by the current level of forward bookings and solid performances at events that have already taken place. The market is very dynamic and the Board is confident about our prospects for continued success in 2017.

Scott Forbes
Chairman
24 February 2017

2014

- Business welcomed Money 20/20

2015

- Business welcomed RetailNet Group
- Disposal of Media Business Insight
- Rebranded to Ascential

2016

- IPO on London Stock Exchange
- Business welcomed One Click Retail
- Disposal of Naidex

2017

- Heritage Brands held for sale
- Disposal of Health Service Journal
- Business announced acquisition of MediaLink

Our capabilities: growth

Money20/20

Money20/20, the world's largest FinTech event, is acknowledged as being at the centre of the payments industry. Founded in the US five years ago, Money20/20 successfully launched its first European edition in April 2016 – and was Ascential's biggest launch to date.

Money20/20 Europe was created in collaboration with our customers to provide a world-class experience for European FinTech innovators that directly met the needs of the industry specific to Europe. The content team then set out to create an unparalleled agenda with local, regional and global contributors from the entire commerce ecosystem, including retail, mobile, marketing services, data and technology.

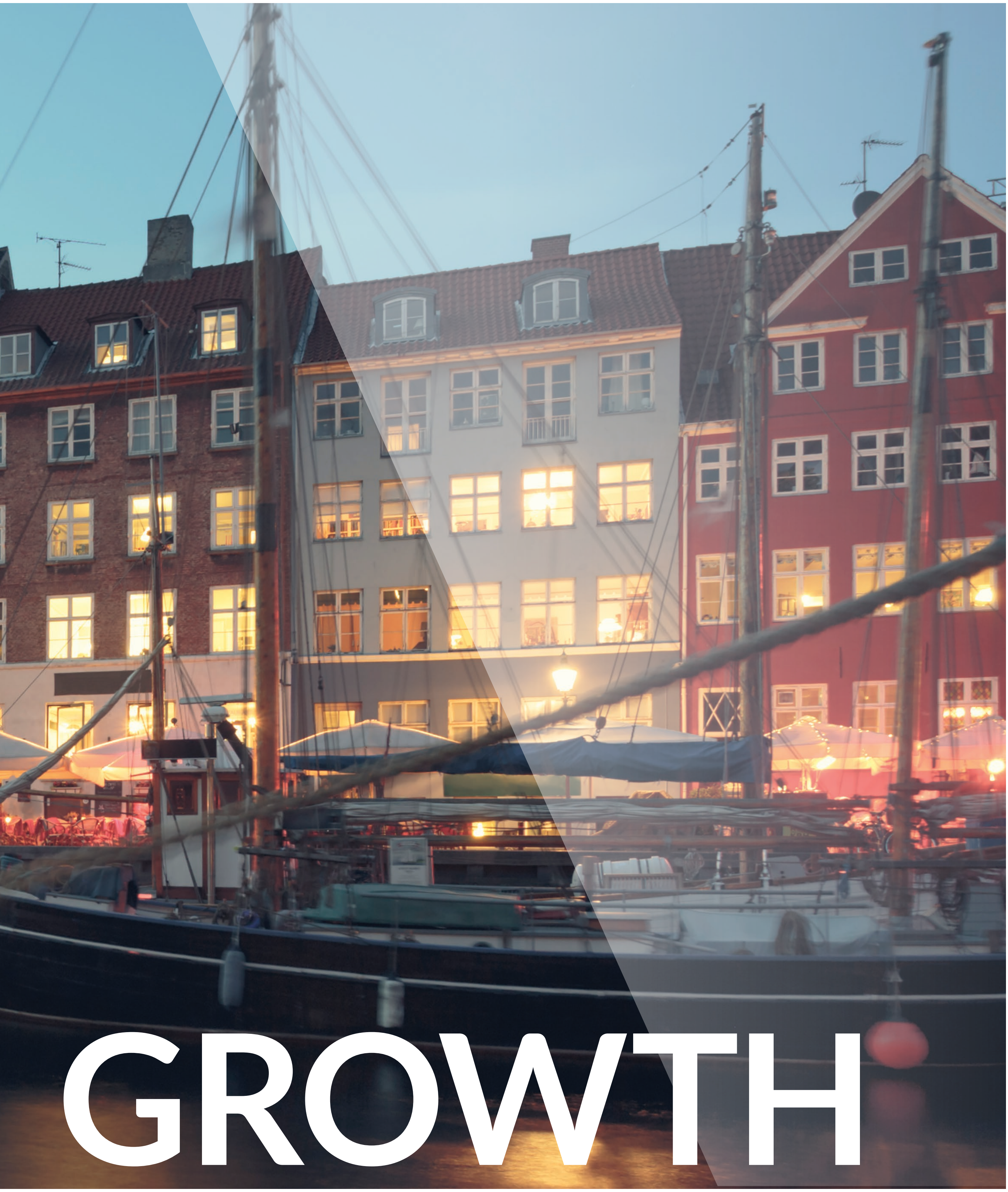
The event in Copenhagen delivered a platform where industry leaders could connect. Attending were the key companies and individuals building, disrupting and challenging the ways consumers and businesses manage, spend and borrow money. Money20/20 Europe provided an opportunity to come together at scale and attracted more than 3,700 attendees, 420 industry leading speakers, 200 sponsors, 100 media partners and C-level executives from 75 countries. This was a superb example of getting a launch right and we have already announced a further extension of the Money20/20 brand as it will launch in Asia in 2018.

One Click Retail
ONLINE SIMPLIFIED

In a significant move to strengthen our products and services in the consumer goods and services to consumer consumption market segment, we acquired the market-leading e-commerce data analytics provider, One Click Retail, in August 2016. The business operates in an exciting part of the retail vertical, providing actionable insights to help leading consumer goods companies optimise their e-commerce activities, drive sales and optimise search engine performance.

The insights focus on product market share, its drivers, and the actions that can be taken to increase sales. Recent developments include the acquisition of international customers outside the US, the extension of the Dashboard to cover Walmart and the development of new subscription products: eCommSEO (to optimise e-commerce search rankings), PromoTrack (to enable tracking and optimising of promotional activity) and 3P Track (covering third party sales in the broader Amazon marketplace).

One Click Retail enjoys a 142% customer value retention rate. As a high-growth, globally scalable subscription information service product, One Click Retail fits with Ascential's strategy of owning scalable, global market leading products.

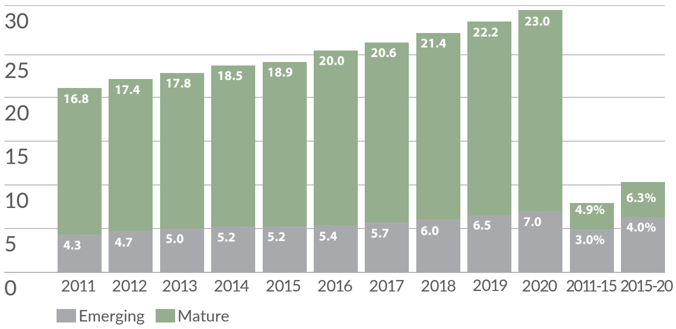


GROWTH

Market overview

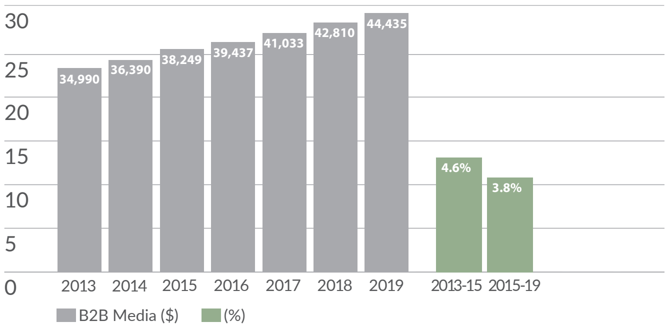
The global exhibitions industry is expected to have grown 5.1% in 2016 to $25.3bn and it is projected to grow at 4.5% CAGR from 2015 to 2020[1].

AMR Globex 2016 Total Market ($bn)



The global business-to-business trade, business and company information market (excluding exhibitions) meanwhile, is expected to have grown 3.2% in 2016 to $39.5bn and it is projected to grow at 3.8% CAGR from 2015 to 2019[2].

Outsell 2016 B2B Media, Business and Company Information 2016 ($)



They are both highly fragmented: top 10 exhibitions organisers represent only 19% of their market[3], while top 10 information market players represent only 28% of their market[4]. New organic and inorganic opportunities arise in these markets over time as end-markets and technologies evolve, generating demand for new events and digital products.

These markets are expected to outpace GDP growth because of a growing importance of data and information on the one hand, and face-to-face interactions on the other.

Ascential market positioning
Companies that operate in these markets generally attempt to target and gain market leadership in selected end-markets. 16 of Ascential's 20 continuing brands, representing 91% of the Group's Adjusted EBITDA from continuing operations in 2016, are number 1 in their respective end-markets. Furthermore, several of Ascential's key products occupy global positions, including WGSN, Cannes Lions and Money20/20.

1 AMR Globex 2016. The global exhibition organising market: assessment and forecast to 2020. NB: AMR figures relate to top 14 exhibition markets globally, excluding Indonesia.
2 Outsell B2B Media, Business & Company Information 2016 Market Performance Report
3 AMR Globex 2016. The global exhibition organising market: assessment and forecast to 2020.
4 Outsell B2B Media, Business & Company Information 2016 Market Performance Report.

Our strengths – What makes us different

Focused portfolio of market-leading brands

16 of our 20 continuing brands occupy number one positions in their markets. These generated 87% of the Group's revenues from continuing operations and 91% of Adjusted EBITDA in 2016.

At the heart of customer needs

A key pillar of our operations is a "customer first" strategy. This puts customer needs at the heart of Group strategy with constant research and analytics to ensure product development meets or exceeds their expectations.

Self-reinforcing business models

Network effects in our leading products enable products to benefit from their market-leading positions by driving the best propositions, leading to more customers and enabling us to sub-segment and extend their propositions, thereby further enhancing the products' market-leading positions.

Disciplined operational approach and portfolio management

The Group's growth is underpinned by a relentless focus on its top growth brands, a few key customer-focused initiatives in a given year and customer retention. Active portfolio management ensures attention and resources are directed to those product brands with the strongest prospects.

Strong track record of growth

On a constant currency basis, excluding the impact of acquisitions and disposals, Group revenues grew in 2013, 2014, 2015 and 2016 by 7%, 7%, 6% and 6% respectively.

Clear organic growth strategy

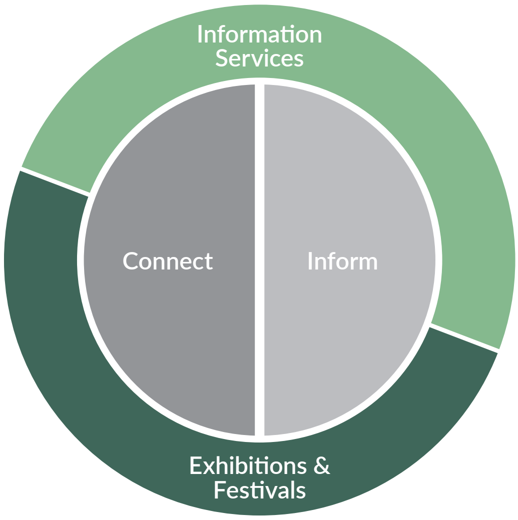
The Group has multiple levers for growth underpinned by its retention-first approach and through increasing the number of customers that buy our products and by seeking to upsell and cross-sell new products that we develop to our customer base.

Strong margins and good cash generation

Through careful cost control and concentration of our cost base towards key products in each segment, the Group's continuing Adjusted EBITDA margin has grown from 29.9% in 2015 to 32.0% in 2016. Our negative working capital profile, combined with modest capital expenditure requirements, result in a high conversion of adjusted EBITDA to cash. In 2016, free cash flow conversion was 85%.

Business model

A scalable business of market-leading brands



Ascential connects and informs its customers through Exhibitions & Festivals and Information Services.

Customers come together at Ascential's large-scale events to form business relationships, identify key market trends and transact.

Exhibitions generate revenues primarily from stand space sales to suppliers, who see exhibitions as sales and marketing events which enable them to generate sales, introduce new products, generate leads, provide product information, build their brands, and educate and service new and existing buyers.

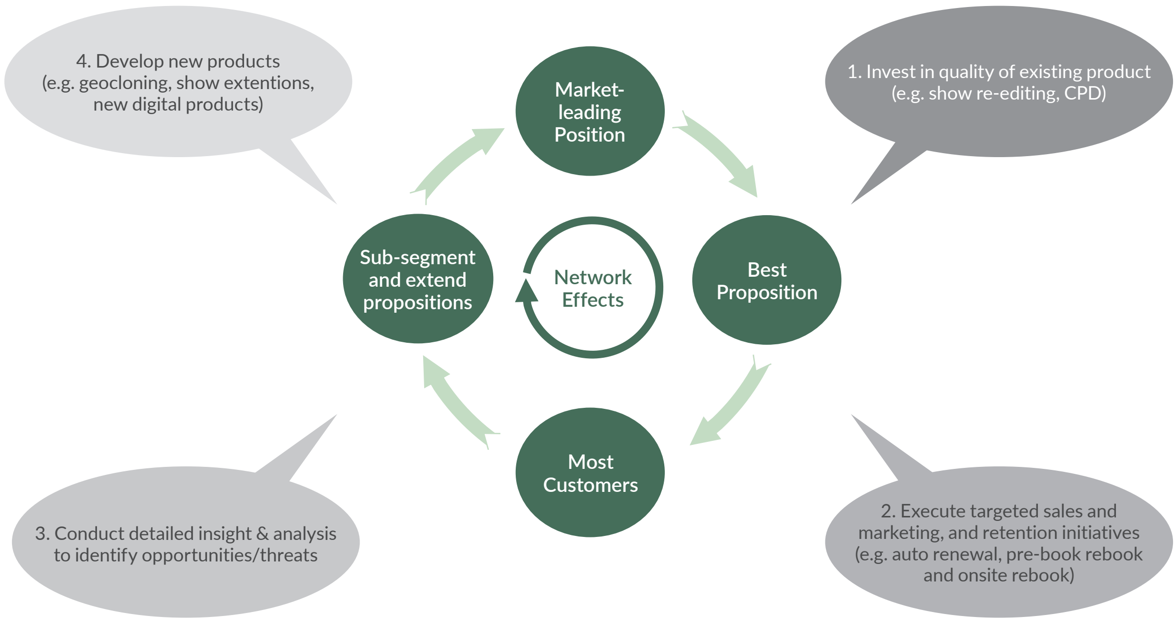
Festivals generate revenues primarily from delegate sales, award entry fees and sponsorship. They cater to industry participants who want to win accolades for their work (with a view to this validation driving additional future sales), identify new prospective suppliers or clients, be inspired, learn, network and celebrate on an international if not global level.

Customers purchase Ascential Information Services to identify, evaluate and act upon key industry trends, growth opportunities and risks. Subscription information services generate the vast majority of their income from digital subscriptions, while transactional services operate on a pay-per-report basis.

Ascential's leading product brands are based on a virtuous circle business model, whereby the development of the best proposition enables targeted sales and marketing to drive the most customers to that proposition, which gives Ascential the opportunity to sub-segment customers and extend propositions to their specific needs, and thereby reinforce a market-leading position.

Cannes Lions is the world's leading festival for creativity in branded communications. As the influence of Cannes Lions has grown, it has attracted a broad spectrum of companies and delegates, facilitating the launch of new propositions that reinforce Cannes Lions' market leadership. For example, Lions Health was successfully launched as part of Cannes Lions in 2014, Lions Innovation was launched as part of Cannes Lions in 2015, and Lions Entertainment was launched in 2016.

WGSN is the leading provider of information that helps fashion and design-led companies to design, buy (for resale) and market products that are on trend. The breadth, depth and accuracy of its trend forecasts and other information has attracted over 6,000 customers and more than 93,000 users. As the user base extended beyond fashion designers, WGSN was well positioned to launch WGSN InStock in 2013, targeting buyers and merchandisers, with data enabling price, colour, range architecture comparisons and tracking. Similarly, WGSN re-launched Lifestyle and Interiors (a trends product that helps customers design furniture, soft goods and consumer goods, and to position their brands appropriately) in 2015 and WGSN Insight, which provides consumer and market intelligence and trends, in 2016.



Chief Executive's Review

Duncan Painter
Chief Executive Officer

2016 was another year of strong organic growth as we grew both revenues and profits, driven by our focus on our top brands and customer retention as well as the innovative and creative nature of our organisation. The launch of new products such as WGSN Insight, Money20/20 Europe and Lions Entertainment made a significant contribution to our 2016 success and we also made substantial progress in reshaping our portfolio of market-leading brands towards those with higher organic growth.

Track record of growth, high margins and good cash generation
We delivered a strong operating performance in 2016 with a 9.5% Organic growth in revenue from continuing operations to £299.6m and an 11.5% Organic growth in Adjusted EBITDA from continuing operations to £95.9m with an expansion in margin from 29.9% in 2015 to 32.0% in 2016.

We also continued to generate good cash flow with free cash flow of £90.9m (2015: £79.9m), representing free cash conversion of 85% (2015: 88%). This cash generation, in combination with the net proceeds of the IPO, has enabled us to invest in the business whilst also acquiring high quality growth companies, managing our balance sheet and returning capital to shareholders through dividends.

Clear organic growth strategy
We continue to deploy multiple initiatives for growth across our brands with the aim of firstly retaining existing customers, secondly increasing the number of new customers and thirdly growing the average revenue per customer.

Our 2016 growth initiatives built on those deployed over recent years and included the launch of new digital products (such as WGSN Insight and a newly expanded and upgraded version of WGSN Instock), geographical expansion of our events (such as Bett Middle East and Money20/20 Europe) and show extensions (such as Lions Entertainment).

Focused portfolio of market-leading brands underpinned by diversified and recurring revenue streams
Brand portfolio
Following our decision to separate and hold the Group's 13 Heritage Brands for sale and our acquisitions of One Click Retail and, after the year end, the acquisition of MediaLink, we will now operate a focused portfolio of 20 market-leading brands. 16 of these hold clear number one positions in their respective markets. We firmly believe that our focus of management time on a smaller group of market-leading brands is a key driver of our continued organic growth success.

Our top five brands by Adjusted EBITDA are:

- in Information Services: WGSN and Groundsure; and
- in Exhibitions & Festivals: Cannes Lions, Spring and Autumn Fair and Money20/20

These top brands remain our primary focus for capital allocation. Through this focus, together they grow faster than our other brands and their contribution is an increasing proportion of the Group's revenues and profits. In 2016, our top five brands represented 69% of the Group's revenue from continuing operations (2015: 66%) and 81% of our Adjusted EBITDA (2015: 75%).

Revenue by type
The Group benefits from diverse revenue streams, the majority of which have recurring characteristics. Following the treatment of the Heritage Brands as discontinued, the most significant change over the last year has been a reduction in print advertising, which now represents less than 1% of Group revenue (2015: 4%).

Revenue by geography
Ascential is growing strongly in international markets. The majority of our brands serve a global customer base. Accelerated by our acquisition of One Click Retail and the treatment of the Heritage Brands as discontinued, our share of revenue from overseas markets increased again and now just 38% of revenues come from customers based in the UK (2015: 48%). The recently announced acquisition of MediaLink will further reduce the dependence on UK markets.

The proportion of revenues from the Americas grew to 29% despite recessionary headwinds in Brazil, driven by the performance of Money20/20, WGSN and Cannes Lions and the acquisition of One Click Retail. Asia Pacific, Middle East and Africa and other Europe contributed 11%, 4% and 18% respectively.

Disciplined operational approach
The foundation of our growth is, and will continue to be, our focus on customer retention. There is no better way to judge the quality of our products than to measure how many customers choose to renew their contracts with us each year and we spend considerable time reviewing those customers who do churn. Retention rates have again performed well across our top brands. We have also seen our broader Net Promoter Scores and product usage statistics increasing.

Chief Executive's Review continued

Portfolio management
We regularly adjust and optimise our portfolio of brands. We continue to assess both a range of bolt-on acquisition opportunities as well as the potential disposal of certain lower growth or sub-scale elements of our portfolio.

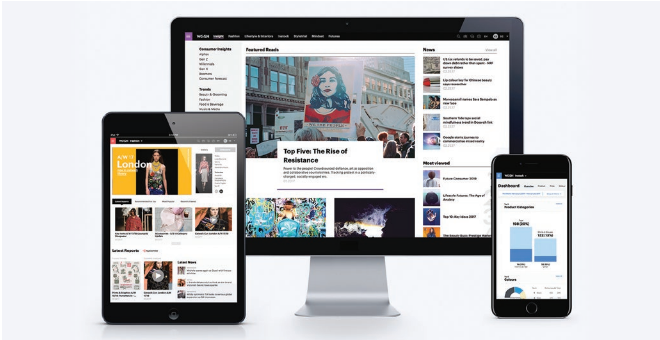
Joint venture in China
We were pleased to see WGSN's long-anticipated Chinese joint venture with CTIC start trading in April 2016 and have now further solidified our relationship and funded the joint venture with an investment of £4.5m to develop a specific product for the Chinese domestic and international markets.

One Click Retail
In August 2016 we acquired One Click Retail, a fast growing US-based provider of analytics that helps major brands optimise their e-commerce activities. Customers include consumer products companies such as Procter & Gamble, HP, Unilever, Hamilton Beach, Nestle and Panasonic. Revenue is generated predominantly through recurring annual subscriptions to the company's Dashboard product, which provides insights to help customers drive sales through Amazon and other e-commerce retailers – an increasingly important channel for many of them. The insights focus on product market share, its drivers, and the actions that can be taken to increase sales. We introduced analysts and investors to the product in detail during our November Capital Markets Day. One Click Retail more than doubled its revenues in 2016.

Heritage Brands
As part of our growth strategy to focus our resources and investment on our largest brands and those with the highest growth potential, after the year end, in January 2017, we announced that we had separated 13 Heritage Brands into a separate operating entity that is held for sale. The Heritage Brands are Health Service Journal, MEED, Drapers, Nursing Times, Local Government Chronicle, Construction News, New Civil Engineer, Ground Engineering, H&V News and RAC, Retail Jeweller, Materials Recycling World and the architecture titles including Architects' Journal, The Architectural Review and the associated World Architecture Festival. Each provides essential content to the loyal subscribers and industries they serve across three platforms – digital, events and print. The Heritage Brands generated revenue of £57.9m in 2016 (2015: £62.5m) and £11.6m of Adjusted EBITDA (2015: £14.3m), constant currency declines of 10.2% and 19.7% respectively.

Consistent with the evolution of our internal management reporting structure during 2016, we have reported the Heritage Brands as a separate segment. As a result of ongoing discussions, the Board now considers a sale of the segment to be highly probable and has therefore classified it as a discontinued operation.

In January 2017, we were pleased to announce the sale of the first of the Heritage Brands, Health Service Journal, to Wilmington plc. This was the first key milestone in finding the right future home for these brands and highlighted their attractiveness to new owners.



MediaLink
After the year end, in February 2017, we announced the acquisition of US-based MediaLink. MediaLink provides advisory and business services to media platforms and brands seeking to drive growth through better marketing. Serving the consumer goods and services segment, it has worked with Cannes Lions' customers since 2011 where it hosts content and client-oriented meetings and events as part of the official Festival fringe. MediaLink fits Ascential's strategy to own market-leading brands in selected complementary marketplaces that offer trusted information and valuable connections to businesses.

Management
Effective 1 August 2016, the two operating companies in the Exhibitions & Festivals segment were combined under the leadership of Philip Thomas, formerly CEO of the Lions Festivals operating company. Mark Shashoua, formerly CEO of i2i Events, left the Company to pursue other opportunities with our sincere thanks for his achievements. We are delighted that Jose Papa, formerly CEO of WGSN, accepted the leadership of Cannes Lions and that Kevin Silk, formerly COO of WGSN, assumed the leadership of WGSN with Natasha Christie-Miller remaining as CEO of Plexus.

Our former Strategy Director, Michael Lisowski, has taken on an expanded role as Chief Operating Officer for Ascential. His new position covers proposition development, customer insight and research and product management and is a critical investment in skills and capabilities to assist our brand teams to continue our growth and also to raise the bar on the quality and ambition of the products we create.

We were also pleased to welcome Stephen Martincic to the Group as Chief Brand and Marketing Officer from FCB, the global, fully integrated marketing communications company, where he was responsible for building FCB's brand across the globe. Stephen has taken on a critical new role for the Group to ensure we are truly focusing on the fast-changing needs of our customers and honing how we position and message our capabilities to maximise customer engagement and our organic growth objectives.

These changes illustrate the strength and depth of our management team and we are delighted that our succession planning has allowed us to be able to promote from within the Company as well as attract exciting new talent.

Strategic priorities for 2017
Our strategy and priorities for 2017 are on track – we will continue to focus most of our efforts on organic growth opportunities underpinned by customer retention as well as leveraging the competencies of newly acquired companies.

Throughout 2017 we expect to benefit from the increasing convergence of event products that connect our customers and information services that inform them.

Outlook
The new financial year has started well. Since the year end, Spring Fair, Bett London and Pure Spring have taken place and performed overall in line with our expectations. While still early in 2017, we are encouraged by the current level of forward bookings and are confident of another good year of growth for the Group.

Our customers and our people
Our continued strong performance and results would simply not have been possible without the dedication and commitment of our teams across the business and their passion to serve our long, loyal and valued customers.

I want to thank our customers and our teams for continuing to be at the heart of Ascential's continued success.

Duncan Painter
Chief Executive Officer
24 February 2017

Strategy summary

Accelerating growth

The Group is focused on five strategic priorities with a view to delivering superior, sustainable growth and shareholder returns.

Strategic priority

Enhance the Group's market positions

Extend the market-leading positions of the Group's brands, and deepen our coverage of customer needs, through incremental and new product development based on detailed data analysis and customer input.

Progress

- Launch of Money20/20 Europe
- Launch of WGSN Insight
- Launch of Lions Entertainment
- Launch of Bett Middle East
- Functionality improvements to WGSN Instock

Strategic priority

Drive organic growth

To further drive organic growth, we will seek to increase product penetration in our current markets, sell existing products to new customer types, extend sales and marketing of our products into new geographies and adjacent markets, and explore new channels to market. We intend to increase average revenue per customer further by upselling products to our existing customers, cross-selling under-penetrated products into existing customer bases, selectively optimising pricing and developing new products.

Progress

- On a constant currency basis, excluding the impact of acquisitions and disposals, Group revenues grew in 2013, 2014, 2015 and 2016 by 7%, 7%, 6% and 6% respectively. This growth was driven by a number of initiatives, including:
  - Selective optimisation of pricing across our product brands to ensure prices are aligned with customer value and return on investment
  - Introduction of new value propositions and product bundles in WGSN, Cannes Lions and Groundsure, among others
  - Continuous optimisation of our sales and marketing operations, in particular through our Sales Elite Club scheme and investments in supporting technologies (focused in 2016 on Cannes Lions)

Strategic priority

Drive retention

We aim to further improve customer retention with improvements in customer service and further product development.

In Exhibitions & Festivals, we will continue to improve and deepen our content offerings with well-known, highly relevant, industry speakers our attendees want to access and additional knowledge we wrap around these key players. We will use new technologies to improve service and streamline rebooking.

In Information Services, we will constantly strengthen our products in response to customer feedback, and improve customer service and renewal approaches.

Progress

- Strengthened content offerings in specific events and information services, including WGSN and Cannes Lions. Refined and extended use of churn prediction models
- Refined and increased emphasis on rebooking at events, including for Money20/20
- Continued roll out of auto-renewal subscription contracts

Strategic priority

Increase margins

By focusing on our top brands and placing our attention on operational excellence, we intend to continue to improve our profitability and increase the Group's Adjusted EBITDA margin.

Strategic priority

Selectively manage portfolio

We will continue to make selective acquisitions in high-growth areas while divesting non-core assets. The Group will evaluate bolt-on opportunities from time to time against specific acquisition criteria including suitability for international expansion and ability to add value to existing customer base.

Progress

- Adjusted EBITDA margin increased from 25.4% in 2013 to 30.1% in 2016
- We carefully allocate our cost base towards the highest potential brands
- Well-invested sales, marketing and finance systems in place

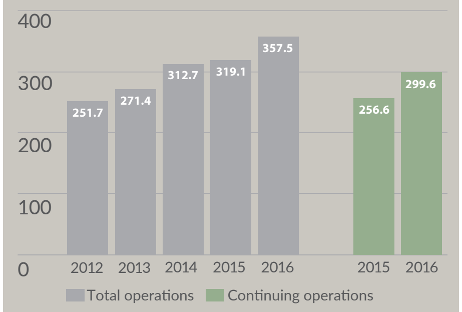
Progress

Acquisitions
- CWIEME (2012)
- Educar (2013)
- Mindset (2013)
- Stylesight (2013)
- Money20/20 (2014)
- RetailNet Group (2015)
- One Click Retail (2016)
- MediaLink (2017)

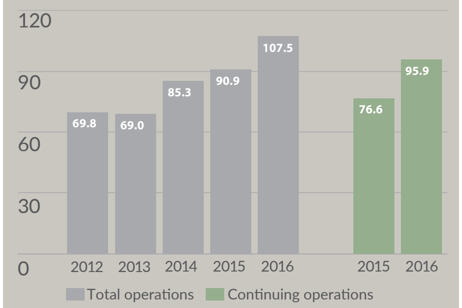
Disposals
- CAP (2012)
- AME Info (2013)
- IJ (2013)
- MBI (2015)
- Naidex (2016)
- HSJ (2017)
- 12 other Heritage Brands held for sale (2017)

KPIs

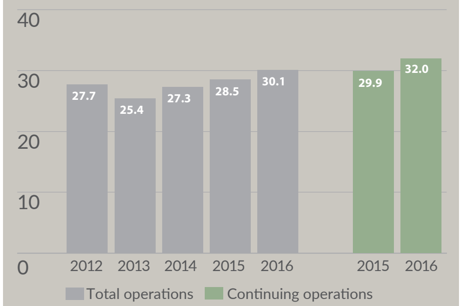
Revenue (£m)



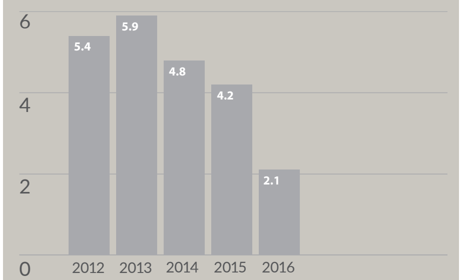
Adjusted EBITDA (£m)



Adjusted EBITDA margin (%)



Leverage ratio (x)



Financial Review

Mandy Gradden
Chief Financial Officer

Overview
These results for 2016 are the first for Ascential plc following its IPO in February. Immediately prior to the offering, the Group underwent a pre-IPO reorganisation as part of which Ascential plc was incorporated and acquired the Group. The basis of preparation note on page 128 describes how the pre-IPO reorganisation has been accounted for under the principles of "reverse acquisition accounting" such that these financial statements are presented as if the Company had always owned the Group.

In 2015 the Group had two reportable trading segments – Exhibitions & Festivals and Information Services. During 2016, and consistent with the evolution of its internal management reporting structures, the Group has reported the Heritage Brands referred to earlier as a separate, third trading segment. As a result of ongoing discussions, the Board now considers a sale of the segment to be highly probable and has therefore reclassified it as a discontinued operation. This means that the results of the Heritage Brands for both 2016 and 2015 are included as a single line item within profit after tax on the face of the income statement. This Financial Review therefore firstly addresses the key trends in continuing operations and then, as a separate section, discontinued operations.

40.8%
Adjusted EBITDA margin
Exhibitions & Festivals

29.3%
Adjusted EBITDA margin
Information Services

The results for the year are set out in the consolidated profit and loss statement and show, for continuing operations, revenue of £299.6m (2015: £256.6m), an Organic growth of 9.5%, and reported operating profit of £32.1m (2015: £24.3m). Adjusted EBITDA was £95.9m (2015: £76.6m), an Organic growth of 11.5%. The Group also delivered strong cash flow in 2016 with free cash flow of £90.9m (2015: £79.9m), a conversion of 85% (2015: 88%).

A core KPI and strategic goal of the Group is Organic revenue growth as this is the most efficient method of growth that measures the underlying health of the business and is a key driver of shareholder value creation. Organic revenue growth eliminates the distorting impact of acquisitions 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 25.

Adjusted EBITDA is also an alternative performance measure discussed in detail on page 24. It is used in the day-to-day management of the Group in order to aid comparisons with peer group companies, manage banking covenants and provide a reference point for assessing the operational cash generation of the Group. 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.

The Group monitors its operational balance sheet efficiency with reference to operational cash conversion, defined as Free Cash Flow as a percentage of Adjusted EBITDA. The section on alternative performance measures on page 27 also defines these terms.

Segmental results
A summary of the operational performance of the Group across the three segments is given in the table below.

£'m	Exhibitions & Festivals	Information Services	Central costs	**Continuing operations**	Discontinued operation Heritage Brands	Total
2016						
Revenue	180.0	119.6	–	**299.6**	57.9	357.5
Revenue growth[1]	*12.3%*	*5.4%*	–	***9.5%***	*(10.2)%*	*5.6%*
Adjusted EBITDA	73.5	35.1	(12.7)	**95.9**	11.6	107.5
Adjusted EBITDA growth[1]	*17.5%*	*4.7%*		***11.5%***	*(19.7)%*	*6.5%*
Adjusted EBITDA margin	*40.8%*	*29.3%*		***32.0%***	*20.0%*	*30.1%*
Depreciation	(3.3)	(5.7)	(3.9)	**(12.9)**	(1.8)	(14.7)
Adjusted operating profit	70.2	29.4	(16.6)	**83.0**	9.8	92.8
Amortisation				**(28.8)**	(2.5)	(31.3)
Exceptional items				**(20.7)**	(1.9)	(22.6)
Share-based payments				**(1.4)**	(0.1)	(1.5)
Operating profit				**32.1**	5.3	37.4
2015						
Revenue	150.4	106.2	–	256.6	62.5	319.1
Adjusted EBITDA	56.9	29.7	(10.0)	76.6	14.3	90.9
Adjusted EBITDA margin	*37.8%*	*28.0%*		*29.9%*	*22.9%*	*28.5%*
Depreciation	(2.2)	(5.4)	(8.2)	(15.8)	(1.7)	(17.5)
Adjusted operating profit	54.7	24.3	(18.2)	60.8	12.6	73.4
Amortisation				(26.6)	(2.9)	(29.5)
Exceptional items				(9.4)	(1.7)	(11.1)
Share-based payments				(0.5)	–	(0.5)
Operating profit				24.3	8.0	32.3

1 Growth is presented on an Organic, constant currency basis, which excludes the impact of acquisitions and disposals and movements in foreign exchange rates as further described on page 25.

Financial Review continued

Continuing operations

Revenue

Revenues from continuing operations in 2016 grew to £299.6m (2015: £256.6m), an increase of £43.0m. However, direct comparability was affected by the disposal of the MBI business in January 2015, the acquisition of RetailNet Group in June 2015, the establishment of WGSN's 49% joint venture with CTIC – whereby revenue of the joint venture is no longer consolidated, the acquisition of One Click Retail in August 2016 and movements in exchange rates between the two years.

Adjusting for these factors, Organic growth in revenue from continuing operations was as follows:

Year-on-year Organic revenue growth	2016	2015
Exhibitions & Festivals	+12.3%	+13.1%
Information Services	+5.4%	+3.6%
Continuing operations	+9.5%	+9.0%

Adjusted EBITDA

Adjusted EBITDA from continuing operations increased to £95.9m (2015: £76.6m), an increase of £19.3m on a reported basis and an expansion in Adjusted EBITDA margin of 2.1 percentage points to 32.0%. The reported growth in Adjusted EBITDA was impacted by the same factors described above. On an Organic basis, Group Adjusted EBITDA grew by 11.5%, with Exhibitions & Festivals growing at 17.5% and Information Services growing at 4.7%.

Foreign currency translation impact

Following the Group's acquisition of One Click Retail and the growth of Cannes Lions and Money20/20, the Group's reported performance is increasingly sensitive to movements in both the euro and US dollar against pounds sterling. In 2016, sterling weakened substantially against both the US dollar and euro compared to 2015, as can be seen in the table below:

	Weighted average rate			Closing rate		
Currency	2016	2015	Change	2016	2015	Change
Euro	1.25	1.40	10%	1.17	1.36	14%
US dollar	1.30	1.53	14%	1.23	1.48	17%

When comparing 2016 and 2015, changes in currency exchange rates had a favourable impact of £13.7m on Group revenue and £7.7m on Group Adjusted EBITDA. On a segmental basis, the favourable impact of changes in foreign currency exchange rates was as follows:

- Exhibitions & Festivals: £9.9m impact on revenue and £5.7m impact on Adjusted EBITDA.
- Information Services: £3.8m impact on revenue and £2.0m impact on Adjusted EBITDA.

In 2016, on a continuing basis, the Group:

- received approximately 29% of its revenue, incurred 9% of its costs and generated 70% of its Adjusted EBITDA in euros; and
- received approximately 22% of its revenue, incurred 14% of its costs and generated 37% of its Adjusted EBITDA in US dollars.

The Group's external borrowings are denominated 50% in euros with the balance split between US dollars and pounds sterling. Following the Group's recent US acquisitions and planned disposal of the Heritage Brands, in 2017 the Group will review the denomination of the currency of its external borrowings.

Amortisation and impairment

Amortisation of intangible assets acquired through business combinations was £28.8m in 2016 (2015: £26.6m) with the increase of £2.2m due to the acquisition of One Click Retail as well as the impact of the strength of the US dollar against sterling in respect of the Group's US intangibles. The Group undertakes a periodic review of the carrying value of its intangible assets and as a result of this review there was no impairment recognised in the current or prior year relating to intangible assets acquired through business combinations.

Share-based payments
The charge for share-based payments of £1.4m for Continuing operations (2015: £0.5m) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan as well as a small charge for the pre-IPO Long Term Incentive Plan ("LTIP"). Further details are set out in Note 10.

Exceptional items
The following table sets out the exceptional items incurred by the Group that have been excluded from Adjusted EBITDA. As further explained on page 95, the Group considers that separately identifying such items improves comparability of the financial results.

Exceptional items (£'m)	2016	2015
IPO expenditure	3.6	1.7
Deferred consideration		
– Acquisition-related contingent employment costs (One Click Retail)	5.3	–
– Acquisition-related contingent employment costs (Money20/20)	4.4	5.5
– Adjustment to deferred consideration on prior year acquisitions (Money20/20)	6.2	–
– Adjustment to deferred consideration on prior year acquisitions (other)	(0.6)	–
Expenses related to acquisition and disposal activities	1.6	0.9
Acquisition integration costs	0.1	0.9
Expenses of previous holding company structure	0.1	0.1
Professional fees on capital restructuring	–	0.3
Exceptional items relating to continuing operations	**20.7**	9.4

The acquisition-related contingent employment costs relate to primarily deferred consideration on the acquisition of Money20/20 and of One Click Retail which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements, approximately half the deferred consideration is contingent on both (i) the results of the business in the post-acquisition period and (ii) the continued employment of the founders. In accordance with IFRS, this element of the deferred consideration is treated as an expense recognised over the contractual service periods. In 2016 this expense amounted to £9.7m (2015: £5.5m) and further exceptional expense is expected in 2017-2019 in respect of these two acquisitions.

In addition, an adjustment to deferred consideration of $7.8m arose in respect of the initial recognition of the deferred consideration as capital as a result of the excellent performance of Money20/20 Europe in 2016, which was significantly better than original expectations.

Net finance costs
The Group's net finance expense (net finance cost less net finance income) for the year was £33.8m (2015: £72.7m) with the substantial reduction driven by the reduction in external leverage and borrowing costs and the repayment of shareholder debt on IPO.

The non-recurring costs of the shareholder debt that existed prior to the IPO of £5.3m (2015: £43.9m) and the write-off of unamortised loan arrangement fees that occurred on refinancing of £10.7m (2015: £4.3m) have been treated as adjusting items. The adjusted net finance expense after eliminating these non-recurring items was as follows:

Adjusted net finance expense (£'m)

	2016	2015
Interest payable on external debt	(10.1)	(28.3)
Interest receivable	0.1	0.1
Amortisation of loan arrangement fees	(1.4)	(2.4)
Other finance charges	(2.9)	(2.3)
Foreign exchange and derivatives (loss)/gain	(3.5)	8.4
	17.8	24.5

The interest expense on the Group's borrowings was £10.1m (2015: £28.3m) with the reduction driven by the repayment of debt as well as the reduced rate of interest payable following the Group's IPO in mid-February 2016.

Financial Review continued

Taxation
The Group's tax charge on profit from continuing operations was a credit of £13.4m (2015: £11.3m) and was made up of a current tax charge of £4.1m (2015: £0.3m) and a deferred tax credit of £17.5m (2015: £11.6m). This comprised:

- an adjusted tax charge of £10.9m up from £4.6m in the prior year, being an effective tax rate of 17% (2015: 13%); and
- a tax credit of £24.3m (2015: £15.9m) on loss on adjusting items of £66.9m (2015: £79.9m), primarily relating to the credit on the unwind of the deferred tax liability relating to acquired intangibles.

The effective tax rate of 17% on adjusted profit before tax benefited from £8.3m (2015: £5.8m) of further recognition of US tax losses as a deferred asset following a later than expected change of control restriction and an increase in the value of the US group at the point of that change of control. Absent this further loss recognition, the effective tax rate on Adjusted profit before tax would have been 29%.

Cash tax paid was a small cash outflow of £3.5m (2015: £1.2m) as the Group continued to benefit by £8.7m (2015: £1.7m) from the utilisation of historic tax losses in the UK and US which are expected to benefit the Group's cash flow over the medium term.

The Group has a total deferred tax asset of £54.9m (2015: £40.2m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles and deferred consideration and this is expected to convert into cash savings over the next 15 years. Its deferred tax liability amounted to £30.3m (2015: £40.7m) and related to acquired intangibles.

As described in detail on page 66, the recognition of deferred tax assets on US losses requires considerable judgements to be made including overall future trading performance of the US group, assessment of future earn-outs payable and valuation of the US group at the point of change of control. In total, a net deferred tax asset of £17.4m (2015: £11.5m has been recognised in respect of US taxes. It is notable that each 1% change in the US Federal Tax Rate by the US tax authorities would impact the balance sheet and tax charge by £0.7m.

Discontinued operations
Revenue from discontinued operations in 2016 was £57.9m (2015: £62.5m), a reduction of £4.6m or 10.2% on an Organic basis. The key driver of the reduction was the performance of the MEED brand where, despite a strong performance from its high value digital subscriptions product MEED Projects, revenue fell by £1.9m mainly attributable to the conferences line of revenue. In addition, print advertising revenue in the UK brands fell by £3.1m.

Adjusted EBITDA was £11.6m, down by £2.7m from the £14.3m in the prior year as the business was only able to partially mitigate the £4.6m revenue drop. In discontinued operations, the Group also incurred £1.9m of exceptional costs in preparing the Heritage Brands for sale including vendor diligence, legal fees, separation costs and write-off of leasehold improvements. In the prior year, the Group had incurred exceptional costs of £1.7m as a result of the creation of the Plexus operating company from the combination of EMAP, MEED, 4C Group and Planet Retail.

The Adjusted tax charge attributable to discontinued operations was £1.8m (2015: £2.1m), being an adjusted effective tax rate of 18.4% (2015: 16.7%).

Capital structure and the IPO refinancing
On 12 February 2016, in order to achieve an opening leverage ratio of c.2.5x, the Group refinanced its borrowing facilities and entered into new post-IPO term loan facilities of £66m, €171m and $96m as well as a revolving credit facility of £95m. Together with the net proceeds of the IPO of £183m, the Group used the new term loan facilities to repay all amounts under the Group's existing senior facilities and to cancel certain related hedging arrangements.

The facilities mature in February 2021, have an initial rate of interest of 2.25% over LIBOR and are subject to a net leverage ratio covenant of 4.5x, which is measured at December 2016 and then semi-annually thereafter. The covenant ratio falls to 4.0x in December 2017. Arrangement fees of £5.3m were incurred and will be amortised over the term of the facility.

The Group's strong operating cash flow was partially deployed on the acquisition of One Click Retail, and after accounting for adverse foreign exchange and derivative movements of £32.6m during the year, the Group's leverage ratio reduced to 2.1x at 31 December 2016 from 2.5x immediately following the IPO and 4.2x at the end of the prior year. The Group's leverage target is 1.5-2.0x to allow a healthy mix of dividends and cash for investment in bolt-on acquisitions.

Acquisitions and disposals
As part of the management of its focused portfolio of products, Ascential regularly assesses opportunities to acquire high-growth products operating in sectors with the potential for scale that may benefit from Ascential's know-how and infrastructure. The Group actively managed its portfolio of product brands in 2016 and 2017 to date.

One Click Retail
In August 2016, the Group acquired 100% of US-based e-commerce analytics provider Oneclickretail.com LLC ("One Click Retail") for initial cash consideration of $44m plus future earn outs expected to total $85m. The future earn outs are based on multiples of Adjusted EBITDA of the business for the four years 2016 to 2019 payable in cash or, for certain elements, shares at Ascential's option. A portion of the earn-out payments is also subject to founders remaining in employment with the company. The total aggregate consideration, including initial consideration and earn out payments, is capped at $225m in the event that stretching profit targets are reached, and will be paid over the period to February 2020. The Group incurred £0.9m of professional fees on the acquisition which it recorded as an exceptional cost, and the business contributed £3.1m of revenue and £2.2m of Adjusted EBITDA to the Group's 2016 results.

Heritage Brands
As part of its growth strategy to focus its resources and investment on its largest brands and those with the highest growth potential, after the year end, in January 2017, the Group announced that it had separated 13 Heritage Brands into a separate operating entity that is held for sale. Consistent with the evolution of its internal management reporting structure during 2016, the Group has reported the Heritage Brands as a separate segment. As a result of ongoing discussions, the Board now considers a sale of the segment to be highly probable and has therefore reclassified it as a discontinued operation. The Heritage Brands generated revenue of £57.9m in 2016 (2015: £62.5m) and £11.6m of Adjusted EBITDA (2015: £14.3m).

Also in January 2017, the Group announced the sale of the first of the Heritage Brands, Health Services Journal to Wilmington plc for a consideration of £19m, payable in cash subject to normal working capital adjustments at completion. In 2016, HSJ generated revenue of £10m and EBITDA of £2.8m.

MediaLink
In February 2017 the Group announced that, subject to customary regulatory approvals, it had agreed to acquire 100% of US-based media advisory and business services provider MediaLink for an initial cash consideration of $69m plus future earnouts expected to total between $42m and $62m payable in cash or, for certain elements, shares at Ascential's option. A portion of the earn-out payments is subject to founders remaining in employment with the company. MediaLink is growing rapidly and delivered unaudited revenue of $54m and Adjusted PBT of $14m in 2016, with year-on-year growth of 29% and 24% respectively.

Financial Review continued

Cash flow
The Group's cash flow statement and net debt position can be summarised as follows:

£'m	2016	2015
Adjusted EBITDA	107.5	90.9
Working capital movements	–	1.1
Adjusted cash generated from operations	107.5	92.0
Capital expenditure	(13.1)	(10.9)
Tax paid	(3.5)	(1.2)
Free cash flow	90.9	79.9
% free cash flow conversion	85%	88%
Exceptional costs paid	(11.6)	(12.1)
Loan to joint venture	(4.5)	(0.1)
Acquisition consideration paid	(39.4)	(19.6)
Disposal proceeds received	0.2	10.6
Cash flow before financing activities	35.6	58.7
Net interest paid	(20.8)	(37.9)
Dividends paid	(6.0)	–
Proceeds of issue of shares net of expenses	188.5	0.2
Debt (repayments)/drawdown	(189.4)	0.9
Net cash flow	7.9	21.9
Opening cash balance	44.4	21.7
FX movements	9.6	0.8
Closing cash balance	61.9	44.4
Borrowings	(290.3)	(436.1)
Capitalised arrangement fees	4.3	10.5
Derivative financial instruments	0.4	(1.1)
Net debt	(223.7)	(382.3)

The Group generated Adjusted operating cash flow of £107.5m (2015: £92.0m), an increase of 17%, due to the strong operational performance of the business.

A major feature of the Group's cash flow in 2016 was the IPO, which generated proceeds of £200.0m or £188.5m net of expenses, which was used to reduce the Group's indebtedness. Capex was slightly ahead of 2015 at £13.1m (2015: £10.9m) reflecting a fit out of the Group's Paddington offices to accommodate the entire Exhibitions & Festivals business following the combination of the i2i and Lions operating companies under a single leadership.

The Group therefore generated free cash flow of £90.9m (2015: £79.9m), an increase of 14%, which was used to fund interest payments, acquisition costs and exceptional items with the balance reducing net indebtedness.

Earnings per share
Earnings per share has been presented on both a statutory and Proforma basis. The Proforma basis is based on the 400.0m shares in issue upon IPO (as opposed to those in issue at part way through the IPO restructuring) and is therefore more relevant to ongoing shareholders of the Group.

Adjusted diluted Proforma EPS of 15.5p per share is 48% ahead of the 10.5p per share recorded for 2015 and total diluted Proforma EPS of 3.9p per share is substantially ahead of the prior year loss per share of 6.3p.

Capital reduction
Ascential plc was incorporated in January 2016 and acquired the Group's business operations in February 2016. As part of the IPO restructuring, the Company completed a reduction of its share capital, whereby:

(i) the entire amount standing to the credit of the Company's share premium account was cancelled;
(ii) 876m deferred shares (which were issued by way of a bonus issue for the purpose of capitalising the Company's capital reserve) were cancelled; and
(iii) the nominal value of each issued ordinary share in the capital of the Company was reduced from £0.10 to £0.01 each (the "Capital Reduction").

Following the Capital Reduction, as at 8 June 2016, the issued share capital of the Company consisted of 400,542,500 ordinary shares of £0.01 each. The distributable reserves created by the Capital Reduction amount to £476.2m.

Dividends
Ascential plc was incorporated in January 2016 and, as indicated at the time of the IPO, the Board targets a dividend payout ratio of 30% of Adjusted profit after tax. Consequently, the Board is recommending a final dividend of 3.2p per share to holders on the register on 19 May 2017 which, together with the Company's maiden interim dividend of 1.5p paid in November 2016, makes a total dividend for the 2016 financial year of 4.7p.

Mandy Gradden
Chief Financial Officer
24 February 2017

Alternative performance measures

The Group aims to maximise shareholder value by optimising potential for return on capital through strategic portfolio investment and divestment, by ensuring the Group'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 that it is 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 Group. Accordingly, the Annual 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.

Adjusted profit measures
The Group 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 Group presents a non-GAAP profit measure, Adjusted EBITDA, in order to aid comparisons with peer group companies and provide a reference point for assessing the operational cash generation of the Group. Adjusted EBITDA is defined as Adjusted Operating Profit before depreciation. The Group measures operational profit margins with reference to Adjusted EBITDA.

Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other financial statements. Details of the charges and credits presented as Adjusting items are set out in Note 7 to the financial statements. The basis for treating these items as Adjusting is as follows:

Exceptional items
Exceptional items are recorded in accordance with the Group's policy set out in Note 1 to the financial statements. 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.

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
As a result of the IPO a number of employee share schemes have been introduced, as set out in Note 10 to the financial statements. As a result, there is a lack of comparability between periods in respect of share scheme costs. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

Gains on disposal
Gains on disposal of businesses arise from divestment decisions that are part of strategic portfolio management, and do not reflect current operational performance.

Finance costs
Certain elements of finance costs incurred as a result of debt refinancing and are therefore a result of changes to the Group's capital structure. In addition, as part of the IPO, shareholder debt was converted to equity, and as a result there is a lack of comparability between periods in respect of the interest previously incurred on this shareholder debt. 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 Group 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 Group uses Adjusted cash flow measures for the same purpose as Adjusted profit measures, in order 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	2016	2015
Cash generated from operations	95.9	79.9
Add back: acquisition-related contingent employment cash flow	4.0	–
Add back: other exceptional cash flow	7.6	12.1
Adjusted cash generated from operations	107.5	92.0

£'m	2016	2015
Net cash from operating activities	92.4	78.7
Add back: acquisition-related contingent employment cash flow	4.0	–
Add back: other exceptional cash flow	7.6	12.1
Less: capital expenditure	(13.1)	(10.9)
Free cash flow	90.9	79.9

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

Organic growth measures
In order to assess whether the Group is achieving its strategic goal of driving organic growth, it is helpful to compare like-for-like operational results between periods. Reported income statement measures, both Adjusted and statutory, 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 results 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 significant biennial events, but when annual events are held at different times of year this can affect the comparability of half-year results.

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

- results of acquired and disposed businesses are excluded where the Group 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 are included in the same period as the current year results.

Alternative performance measures continued

Organic growth is calculated as follows:

£'m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations	Discontinued operation Heritage Brands	Total
Revenue						
2016 – reported	**180.0**	**119.6**	**–**	**299.6**	**57.9**	**357.5**
Exclude acquisitions and disposals	**–**	**(7.6)**	**–**	**(7.6)**	**–**	**(7.6)**
2016 – Organic basis	**180.0**	**112.0**	**–**	**292.0**	**57.9**	**349.9**
Organic revenue growth	12.3%	5.4%	–	9.5%	(10.2)%	5.6%
2015 – reported	150.4	106.2	–	256.6	62.5	319.1
Exclude acquisitions and disposals	–	(3.8)	–	(3.8)	–	(3.8)
Currency adjustment	9.9	3.8	–	13.7	2.0	15.7
2015 – Organic basis	160.3	106.2	–	266.5	64.5	331.0
Adjusted EBITDA						
2016 – reported	**73.5**	**35.1**	**(12.7)**	**95.9**	**11.6**	**107.5**
Exclude acquisitions and disposals	**–**	**(3.8)**	**–**	**(3.8)**	**–**	**(3.8)**
2016 – Organic basis	**73.5**	**31.3**	**(12.7)**	**92.1**	**11.6**	**103.6**
Organic EBITDA growth	17.5%	4.7%	–	11.5%	(19.7)%	6.5%
2015 – reported	56.9	29.7	(10.0)	76.6	14.3	90.9
Exclude acquisitions and disposals	–	(1.8)	–	(1.8)	–	(1.8)
Currency adjustment	5.7	2.0	–	7.7	0.2	8.0
2015 – Organic basis	62.6	29.9	(10.0)	82.5	14.5	97.1

Proforma EPS

Changes to the Group's capital structure affecting the number of shares in issue will affect the comparability of earnings per share between periods. In order to present a consistent measure of earnings between periods, the Group presents Proforma measures of EPS in which major changes to the number of shares in issue are presented as if they had occurred on the first day of the comparative period. In presenting the 2016 financial statements, the IPO which completed on 12 February 2016 is treated as such a major change, and so accordingly Proforma EPS is calculated using a weighted average number of shares as if the IPO had occurred at the beginning of the 2015 financial year. Details are set out in Note 14 of the financial statements.

Glossary of alternative performance measures

Term	Description	Further details
Adjusted EBITDA	Adjusted operating profit excluding depreciation	Income statement Alternative performance measures
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of revenue	Alternative performance measures
Adjusted effective tax rate	Adjusted tax charge expressed as a percentage of Adjusted profit before tax	Income statement Alternative performance measures
Adjusted EPS	EPS calculated with reference to Adjusted Profit for the year	Income statement Financial statements Note 14
Adjusted operating profit	Operating profit excluding Adjusting items	Income statement Alternative performance measures
Adjusted profit before tax	Profit before tax excluding Adjusting items	Income statement Alternative performance measures
Adjusted tax charge	Tax charge excluding Adjusting items	Income statement Alternative performance measures
Cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA	Alternative performance measures
Effective tax rate	Tax charge expressed as a percentage of profit before tax	
Exceptional items	Items within Operating profit separately identified in accordance with Group accounting policies	Alternative performance measures Financial statements Note 1
Free cash flow	Cash flows before exceptionals, portfolio investments and divestments, and financing	Alternative performance measures
Net debt leverage	The ratio of net debt to Adjusted EBITDA	
Organic revenue growth	Revenue growth on a like-for-like basis	Alternative performance measures
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis	Alternative performance measures
Proforma Adjusted EPS	Adjusted EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2015	Income statement Financial statements Note 14 Alternative performance measures
Proforma EPS	EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2015	Income statement Financial statements Note 14 Alternative performance measures

Risk factors and risk management

Overview

In pursuing its strategic objectives the Group is inevitably exposed to risks that could prevent those goals being realised in part or whole. It is only by taking on the challenge of managing risk that the Group can expect to succeed. Accordingly, the Group's policy in relation to risk does not seek to eliminate all risk, but to ensure risks are identified, assessed and their potential impacts managed in a cost-effective way to achieve an acceptable level of risk by deploying appropriate controls.

Approach

The Board is responsible for ensuring risk management procedures across the Group are effective, for reviewing the major risks and emerging issues identified by the business, and for considering the potential impact of significant risks on the long term prospects and viability of the Group. Management are responsible for ensuring risk management procedures are followed, with clear roles, responsibilities and accountabilities for risk management throughout the business, risk registers kept up to date and prompt implementation of agreed tasks. To give effect to these responsibilities, the Group operates both bottom-up and top-down risk management processes.

Bottom-up

Each operating division has a Risk Committee comprising divisional leaders and other functional heads, and risk registers that identify and prioritise risks identified by Committee members. Ascential's Legal Director attends every Risk Committee to provoke discussion and share best practice across the Company. Each Risk Committee profiles the risk on impact and likelihood, devising appropriate controls and remedial plans to avoid or mitigate those risks based on the threat level. Actions to implement the remedial plans are allocated to a Committee member to implement, and progress is monitored with update reports back to the Committee.

Top-down

The Board monitors the bottom-up view, to identify emerging risks where Group-wide action is needed (e.g. cyber security, terrorism threat). The top risks and emerging trends are then combined with risks identified during strategic planning, and risks identified by considering external viewpoints on risks relevant to the business, to form a consolidated risk register. This is then critically appraised by senior management to ensure risks have been consistently rated and that proper attention has been given to different types of risk, classified as strategic, operational, technological, financial and regulatory risk.

The Board conducts regular reviews of the consolidated risk register, and considers reports from management on the operation of the bottom-up processes, in order to form its assessment of the effectiveness of risk management procedures and the principal risks facing the Group.

Risk trends

While the risks faced by the Group are never static and continue to evolve in nature or in threat level, during the year management have devoted considerable time to deciding upon and implementing responses to the following risks where we consider the threat levels have increased:

Cyber security

In common with most businesses, we have seen an increase in the number of attempts to penetrate our IT security measures, or to attempt to initiate fraudulent activities by deception such as phishing. The business has intensified its cyber security programme reporting directly to the CEO to respond to this increased threat, driven by the IT team but involving all functions in the business in developing the programme and tracking progress, together with weekly reporting to senior management on current threat levels and incidents.

Terrorism

Terrorist events and the perception of increased terrorist events have always received serious consideration and planning. The Group has a dedicated security function with relevant training and continues to engage highly qualified third party security advisory firms to conduct security reviews of events and our office locations throughout the world. Such work covers preventative measures, crisis management procedures and business continuity plans, and working with business teams to integrate these measures into regular operational practice. In addition we continue to work closely with venue providers, external security firms, local police and other security forces, to ensure close co-ordination between all parties in dealing with this threat.

Brexit

The decision by the UK to leave the EU has created a range of uncertainty in and outside the UK. Most aspects of the Group are best served by keeping a watching brief and in preparation for quick response if a situation were to develop requiring action to best position the Company to defend or leverage the opportunity created on behalf of the Company's multi-national customers. The main areas we monitor are impacts on the macro-economic environment, and regulatory and tax frameworks. The Group's immediate priority is to support staff who may, in the future, be personally affected by changes to residence and employment rights, including EU nationals working for us in the UK, to ensure we continue to benefit from the talents and commitment of these highly valued colleagues.

Principal risks

Principal risks
The Board considers the following to be the most significant of the risks facing the Group:

Risk and potential impact	How we manage the risk
1 Macro-economic and geopolitical conditions Customer demand for the Group's products is affected by economic and geopolitical conditions. Uncertainty about future developments may suppress customer confidence. Economic changes may reduce demand for services over an extended period, with time lags dependent on customer budgeting and procurement cycles. Political and regulatory changes (such as those that will arise from the UK's exit from the EU and change in the US political landscape) may disrupt patterns of trade, reduce demand, impose operating inefficiencies, additional costs and compliance burdens, and may also significantly affect the Group's tax position.	The Group's brands hold market-leading positions in their respective markets and many are closely integrated into customers' operational processes. We believe this makes the Group's revenues more resilient in the face of reduced demand. The Group regularly reviews political and economic conditions and outlook in the main market sectors and geographies it operates in, to assess whether it needs to change either product offerings or cost structures. While many of the impacts of Brexit and the US election results are not yet known, the sense of uncertainty exists. The Group is being thoughtful about how to best position itself in evolving markets while concurrently engaged in active communication with employees.
2 Acquisitions Risks are inherent when undertaking acquisitions and disposals. Furthermore, execution risks must be considered when integrating acquired businesses into Company operations and corporate structure including retention of staff, preserving value of assets that provide competitive advantage and realising benefits expected from a transaction.	The Group takes a disciplined approach to portfolio management decisions, with clear acquisition criteria, careful due diligence and pre-completion planning for integration.
3 Geographic expansion An element of the Group's growth strategy is expanding in fast growing geographic markets. Rapid expansion presents management, logistical and compliance challenges. Inadequate plans or poor execution in addressing these challenges may damage the Group's growth prospects and reputation.	The Group's plans for expansion into new markets are developed as part of the annual strategic planning cycle. Implementation of these plans involves careful selection of local partners, support from professional advisers, and regular monitoring by senior management. In most major geographies we have through 2016 appointed an Ascential leader to own the governance and operations for the Group across all brands operating within that region.

Principal risks continued

Risk and potential impact	How we manage the risk
4 Customer end-market development The Group's 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 competition, reduce customer spend, make the Group's products less relevant to customer needs, or otherwise affect the Group's competitiveness and/or profitability.	The Group's strategic focus on customer retention ensures we stay close to customer sentiment and have early indications of whether there is a change in the perceived value of our products. Customer satisfaction is measured regularly, and detailed usage is tracked to ensure continued relevance of product offerings. The Group continues to invest in new product development, and enhancements to existing products, to respond to changing needs and ensure continuing value to the customer.
5 Reputation and performance of top brands The Group's businesses enjoy a high degree of brand recognition in part attributable to the continued relevance of customer proposition to customer demand and reputation for quality and service. This underpins their ability to attract or retain customers. The Group generates a high proportion of revenues and EBITDA from its top brands. A meaningful diminution in reputation, relevance or performance of the Group's top brands could materially and adversely affect the Group performance.	The Group's senior management team devote substantial time to its major products, managing and advising the talented operating teams to ensure they are focused on priorities and delivering excellent customer experience. Each business is operated with a sharp focus on ensuring operational excellence across all brands. The Group also allocates capital to products with the highest potential to grow both scale and returns, whilst carefully reviewing extensions into adjacent market spaces to ensure these do not dilute the brand value of the core offering.
6 Venue availability and access The Group's events are held at specific locations on particular dates each year. These specific locations may be unavailable for use through damage, or may become available only on uneconomic terms. In addition, various factors may disrupt travel or pose a safety risk, preventing both customers and our own staff from reaching the event location, or leading to customers being unwilling to travel. Examples of such factors include natural disasters, risk of disease, civil disorder, political instability, and terrorism.	The Group maintains close relationships with major venue providers, and also maintains contingency plans to move events if necessary. Business continuity plans are also in place to minimise disruption and financial impact. Our contractual terms provide some protection against the risk of late cancellation, and we maintain insurance cover in respect of certain event cancellation risks.

Risk and potential impact	How we manage the risk
7 Physical safety and security There are risks associated with the safety and welfare of staff and visitors, both in its operational premises and at the Group's events. The most serious of these, such as fire, natural disasters, civil disorder and terrorism, have the potential to lead to serious injury and death.	The Group has appointed a Security Officer with responsibility for ensuring all our businesses are integrating safety and security management into their operations. The Group has enlisted the support of the top security firms and advisers to support the conduct security reviews of major events and offices resulting in the undertaking of preventative measures, crisis management procedures and business continuity plans. These reviews have been, and will be, refreshed regularly, on a Group-wide basis. The Group also ensures the business adheres to health and safety legislation and Group policies which are reviewed regularly at divisional level. Divisional policies and procedures also incorporate factors specific to their business model and operating locations together with place of work evaluations that are integrated into business continuity plans.
8 Technology security The Group relies on electronic platforms and distribution systems to provide customer service. The Group also relies on IT systems to manage the Group's business data, communications, and business processes. These systems are also heavily dependent on the internet, both as a means of distribution and for hosting services. These systems could suffer damage or interruption from a variety of causes, including fire, natural disasters, power outages, systems failures, security breaches, cyber attacks and viruses. Such incidents could disrupt the Group's business, requiring management time and incurring additional cost to resolve the issue. This could also result in transaction errors, processing inefficiencies, and the loss of sales and customers. In addition, breaches of data security systems or other unauthorised access to the Group's data could damage its reputation and lead to a risk of loss of customers, liability for damages, litigation and more onerous compliance requirements from government regulators.	The Group's IT function maintains and tests network security, network resilience and business continuity plans, and monitors emerging threats to ensure our preparations and responses are current. We also make use of industry-leading software and services in support of these activities. The Group runs quarterly meetings with representation from all major products and central Group functions to review technology security issues and risks, and to ensure appropriate responses are put in place. Each business develops its own clearly defined security objectives in collaboration with the central Group IT function, which are reviewed and updated on a regular basis by the senior management of that business.

Principal risks continued

Risk and potential impact	How we manage the risk
9 Technological change The Group's products depend on custom-designed IT platforms. These platforms require continual development to ensure the services remain competitive, by enhancing existing offerings and building new solutions to meet customer requirements. The Group also develops IT systems to support its own internal operations. Such technological development carries the risks of poor quality implementation, delivery delays, and failure to deliver the expected benefits such as desired customer solutions, business improvements or cost efficiencies. In addition customer-facing platforms may be rendered obsolete by newer technologies offering faster, more flexible or more relevant solutions to customer needs.	The Group reviews all major technology development proposals at a senior level, and manages subsequent delivery through robust project management. There are rigorous policies and processes in respect of maintenance and updates of hardware and software infrastructure to ensure systems are robust and up to date. The Group maintains an awareness of emerging technology developments through a variety of sources including relationships with existing vendors and independent partners, market research, and involvement with peer networks.
10 Currency fluctuations The Group receives revenues and incurs costs in currencies other than pounds sterling. Material movements in exchange rates relative to pounds sterling could adversely affect the Group's reported results and financial position.	The Group's approach to management of foreign exchange risk is set out in Note 2 to the financial statements.
11 Taxation The Group has operations in 15 countries and multiple states in the United States and sells its products and services into around 150 countries, and so is subject to many different forms of taxation in many different jurisdictions. Tax law and administration is complex, and tax authorities may challenge the Group's application of tax law, potentially leading to lengthy and costly disputes and material tax charges.	The Group maintains an experienced tax function, supported by external professional advisers, to ensure that the Group maintains a constructive relationship with tax authorities, and keeps up to date with changes in tax legislation and in the development of the Group's operations.

Viability and Going Concern statements

Viability Statement
The Directors have assessed the prospects and viability of the Group in accordance with Provision C.2.2 of the UK Corporate Governance Code. This assessment has been based on a three-year timeframe, covering the period to 31 December 2019, which is considered appropriate because it aligns with the Group'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.

Prospects
The Group's prospects have been assessed mainly with reference to the Group's strategic planning and associated long-range financial forecast. This incorporates, as the first year, 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 Group's current position and prospects, the Group's strategy and the Group's principal risks, including how these are managed, as detailed on page 28.

Stress testing
The Directors also assessed the potential impact on the Group's prospects should certain risks to the business materialise. This was done by considering specific scenarios aligned to the principal risks identified above, applied to stress test the long-range financial forecast. Of these, the five scenarios considered to have the most serious impact on the financial viability of the Group were modelled in detail, and a sixth scenario was modelled that combined the two most serious individual scenarios. The specific scenarios were as follows:

- a global recession, designed to capture the impact of the most serious plausible manifestation of macro-economic risks;
- a major event venue being unavailable at short notice, with no equivalent alternative venue available;
- a serious safety and security incident at a major event;
- a substantial breach of cyber security and associated loss of data; and
- the loss of a major customer.

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.

Confirmation of viability
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 Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2019.

Going Concern Statement
The Group's business activities, performance and position, together with the factors likely to affect its future development, are set out in the Strategic Report. 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 are described on page 28. Details of the financial risk management objectives and policies of the Group are given on pages 100 to 101 in note 3 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. 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.

Our Capabilities: Product

CANNES LIONS

To ensure we are simple to do business with, Cannes Lions significantly overhauled its customer experience this year – including improvements to its accommodation services, signposting at the event itself and badge collection at the Palais. This included more desks, longer opening hours, new printers, instant scan barcode email and smart paper badges. As a result, peak waiting times at registration fell from 45 minutes in 2015 to 3 minutes in 2016.

These and other changes resulted in positive shifts in customer satisfaction scores for key experience indicators including badge pick up (+27%), WiFi (+12%), access to talks (+7%), app usability (+3%). Overall Net Promoter Score ('NPS') for the Festival was up 4% to 47%.

Making us easier to do business with is a key driver of our business and progress with Cannes Lions shows where we are getting this right.

WGSN

WGSN launched "One WGSN" in March 2016.

This is the new WGSN single subscription platform which unites all its services onto one platform thereby making it easier to access all WGSN products with a single sign on. This is the first time customers have been able to seamlessly navigate all products and instantly get access to fashion, lifestyle design, consultancy and other WGSN products in the range.

This visibility has helped underpin an increase in average product holding from 1.13 in 2015 to 1.19 in 2016.

Segmental review – Exhibitions & Festivals

The Exhibitions & Festivals segment comprises large-scale exhibitions, congresses and festivals that bring communities together to connect and trade; to be inspired, to learn and to celebrate. In 2016, the Exhibitions & Festivals segment delivered revenues of £180.0m, (2015: £150.4m), up 19.7% or 12.3% on an Organic basis driven by the launch of Money20/20 Europe and continuing strong performance from Cannes Lions.

The division continued to invest in its key products, ensuring that content at each event is relevant and valuable to its customers and the quality of visitors remains high. The division also continued to benefit from initiatives introduced in prior years, including on-site rebooking for the following year's event and location-based exhibition stand pricing.

Ascential's events are broadly divided into three product types:

1. Those of significant scale, which define the markets they serve and deliver multiple streams of revenue. At these high-growth events, which include Cannes Lions and Money20/20, content for the audience is critical and requires constant innovation and investment.

2. Global, market-leading, exhibition brands – such as CWIEME and Bett – which have both delivered several successful new editions in additional geographies over recent years. Content is becoming increasingly important at these events, and great care is taken to improve all elements of the shows to ensure the events remain valued and relevant to both visitors and exhibitors.

3. UK-based exhibition brands, with loyal followings with many exhibitors returning year after year. This segment includes Spring and Autumn Fair, the UK's largest trade fair. All products in this segment deliver large audiences and are trusted barometers of the industries they serve. All would be difficult to geo-clone internationally, but offer strong cash flow and a large repeat business.

The top five events of this segment are Cannes Lions, Money20/20, Spring/Autumn Fair, Bett and CWIEME. These products contributed 83% of the segment's revenue.

Cannes Lions
Cannes Lions serves the branded communications industry and is the largest creative community for networking, inspiration, learning and celebration. Each year, more agencies, media owners and clients attend the week-long Cannes Lions Festival of International Creativity as the centrepiece of a year-round campaign for creativity. In 2016, Cannes again received a record number of award entries, up 8% over 2015 to more than 43,000, and grew paying delegates by 5% to more than 10,000. Overall, revenues for Cannes Lions increased to £55.5m in 2016 (2015: £42.5m), up 18% on an Organic basis.

Cannes Lions has taken steps to strengthen brand advocacy by both improving customer experience across both live and digital touch points, and by putting creativity first:

- A key aim for 2016 was to improve the customer experience with the launch of online accommodation booking, a new VIP welcome experience, dramatically reduced waiting time for badge collection, improved event signposting and content navigation. The improvements made resulted in a net improvement of overall event NPS of 4% points to 47%.

- An ambitious content-led campaign, “Thank you Creativity”, was developed by the Cannes Lions in-house team which delivered 55,500 sessions on its own microsite, 291,000 video views and 6.8m media impressions.

As a result of these and other initiatives, delegate engagement grew significantly. More than 16,000 people attended 23 Official Fringe events, while the official app was downloaded 12,500 times and there were 762,000 swipes on the new networking app.

To maintain its relevance in its core sectors, and deepen the Festival’s appeal to new and associated industries, the Lions – the awards presented at the Festival – and the format of the event itself are under constant review. As a result, Cannes Lions has launched adjacent festival events, all of which have performed well:

- Lions Health was launched in 2014, meeting the unique needs of the healthcare industry. In its third year, Lions Health grew 77% to deliver revenue of £2.5m. It received over 2,000 entries for the Pharma and Health & Wellness Lions, an increase of 40% compared to the previous year.
- Now in its second year, Lions Innovation grew 19% to deliver revenues of £1.8m, attracted more than 1,000 entries to the Creative Data and Innovation Lions, up 30% versus 2015.
- 2016 saw the launch of Cannes Lions’ third adjacent festival in as many years, which delivered first year revenues of £1.4m. Lions Entertainment brought together creative power-players from the music, film, gaming, sports and television industries. Across two days delegates enjoyed live content on four stages. From more than 600 entries, the inaugural Grand Prix in the new Entertainment Lions for Music went to the music video of “Formation” by Beyoncé, made by Prettybird Culver City.

These events underpin the strategy of Cannes Lions, as it seeks to expand its customer base across the full spectrum of the branded communications industry, and retain its long-standing reputation as the barometer of excellence in creativity.

> “Cannes rewards creativity that makes an impression, not just delivers impressions. For McDonald’s we’ve seen ROI 54% higher with creative that wins Lions than creative that doesn’t.”

Global brand development, McDonald's Corporation

Segmental review – Exhibitions & festivals continued

Money20/20
Money20/20, the world's leading FinTech event, is well positioned in a strong market. It delivered revenues of £34.7m in 2016 (2015: £18.7m), up 60% over a year earlier. Founded five years ago, Money20/20 has grown very strongly and the volume of paying delegates now stands at more than 13,000. Over the same period, volume of exhibitors rose from 77 in 2012 to 562 in 2016.

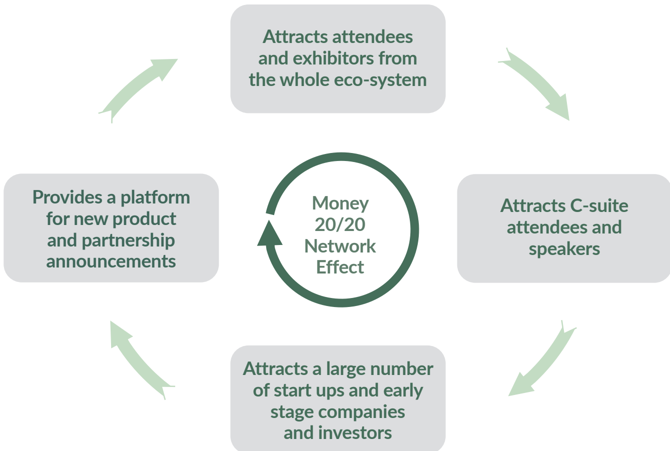
Money20/20 revenue by show	2016 £'m	2015 £'m	Organic growth
Las Vegas, USA	26.9	18.7	17%
Copenhagen, Europe	7.8	–	n/a
Total	34.7	18.7	60%

In its third year of Ascential ownership, Money20/20 welcomed more than 10,700 attendees (2015: 10,400) at the most recent US edition, held in Las Vegas in October 2016. The event also continued to attract increasing numbers of CEOs and C-suite executives, with more than 1,700 attending. In total, more than 3,100 companies were represented, from 85 countries around the world. The event ran four distinct content streams and welcomed over 500 speakers including Jack Dorsey of Twitter and Square and Douglas Feagin of Ant Financial Group, the financial services arm of Alibaba.

Following discussions with customers, April 2016 saw the launch of Money20/20 Europe, created to specifically address the unique needs and challenge of the European markets. In its first year, the event welcomed 3,700 attendees, 420 industry-leading speakers, 200 sponsors, 100 media partners and C-level executives from 75 countries. This was a significant 2015 investment, and delivered revenues of £7.8m. It was Ascential's biggest launch to date and a superb example of getting a launch right.

Following the success of Money20/20 Europe, we further assessed the global FinTech market and announced the launch of Money20/20 Asia to be held in March 2018 in Singapore. This will provide the platform for pan-Asian and global companies to join forces and explore the unique opportunities fuelling the growth of the Asia Pacific payments landscape.

How Money20/20 works



Spring and Autumn Fair
Spring Fair is the UK's largest trade exhibition and is amongst Europe's biggest home and gift events. Together with its Autumn edition, it is the gateway to UK retailing and attracts around 60,000 UK and international visitors from independent and major multiple retailers to e-commerce specialists and department stores. The show covers 13 key buying sections which are regularly evolved in line with the evolution of UK retail generally. Locations of each section are also reviewed to ensure each one is working to best effect for those attending the event and to allocate the most space to those sections with the highest demand.

All revenue at Spring and Autumn Fairs is derived from exhibitors as the events are free to attend for visitors. 2016 revenues were £34.3m, up 3% (2015: £33.1m). On-site rebooking, enabling customers to secure their stand location a year ahead, continues to be a major focus. In 2016, Spring and Autumn Fairs achieved contracted bookings of over 70% of stand revenue within three months of the previous year's event. This feature gives good forward visibility and enables the sales team to focus on customer service and new business sales.

Location based pricing (differentiating stand price based on position in the hall and stand design) improved yield overall by 5%. It is important to deliver return on investment for exhibitors and visitors alike and operational excellence – driving retention through relevance and value – remains the overall focus at the event.

Bett
Bett is the leading educational technology series of global events and leadership summits. Bett brings together people, ideas, practices and technologies so that educators and learners can fulfil their potential. Across the global series, Bett welcomed almost 50,000 visitors from 139 countries in 2016, including 80 Ministries of Education. It delivered revenues of £15.7m, up 9% on the prior year (despite challenging economic conditions for its Brazilian edition) and deepened its strategic partnerships with both Microsoft and TES.

Since 2012, Bett has expanded beyond the UK and now has a presence in five key geographies – Brazil, Mexico, Middle East, Malaysia and the UK. The main edition is held in London each January and attracts leading industry speakers, educationalists, major sponsorship partners, education bodies and Government Ministers who have chosen this platform to announce changes to Government education policy.

In 2016 Bett held its inaugural event in the Middle East in Abu Dhabi and successfully rolled out value based pricing in London across four pricing zones aligned to stand location.

CWIEME
CWIEME serves the automotive, consumer electronics and power generation sectors. In 2016, CWIEME delivered revenues of £8.8m (2015: £8.9m), up 2% in local currency.

Berlin is the main CWIEME event connecting engineers with suppliers for electric motors and transformers. The event has also several regional editions: Istanbul in Europe; Chicago in the US and Shanghai, China. As Berlin continues to mature, CWIEME works closely with its customers worldwide to ensure all the shows remain relevant, with appropriate content at all events. This enables it to continually improve its proposition thereby driving retention. CWIEME is also evolving regional and trade partnerships, particularly in the US and China.

Other Exhibitions & Festivals product performance
Beyond the top five products in this segment, revenues at our smaller products declined by 9% to £31.0m (2015: £32.8m). The main element of the £1.8m decline was a £2.2m decline in revenues from the service we supply to UK Trade and Investment following delays stemming from a departmental restructuring.

The other brands or products within the Exhibitions & Festivals segment are:

- Pure (trend-inspired fashion trade shows)
- Lions Regionals (Eurobest, Lynx, Spikes and Tanagrams)
- RWM (resource efficiency trade show)
- World Retail Congress (global retail congress held in Dubai)
- Glee (garden and outdoor living trade show)
- UKTI (exporter introduction services)
- Broadcast Video Expo (broadcast and video trade show)
- Naidex (disability aids trade show – sold in July 2016)

Industry awards
To be acknowledged by our peers is a great source of pride and industry awards are always hard-fought. At the recent AEO Excellence Awards we were delighted that Money20/20 won in three categories: the Innovation Award, Best Marketing Campaign and, for the second year in a row, Best Tradeshow Exhibition Overseas. At the Conference Awards in July, Bett topped the podium in the Best Conference Series category, and Money20/20 took the Best Marketing Award and Overseas Conference of the Year Award. At the Exhibition News Awards, CWIEME Istanbul was recognised as the best brand expansion and Giovanni Musio was awarded the Best Organiser Marketer Award.

Looking ahead
Over recent years, the Exhibitions & Festivals segment has created a fast-growing business with market-leading, international products. It aims to deliver market-defining customer engagement and harness technology to further improve digital experiences around the events. This shift will deliver year round access to the event and its content, by bringing the digital space closer to the physical attendee experience.

In 2017 Ascential's Exhibitions & Festivals division aims to offer more customer-focused, data-led products that bring the membership communities of each event together year round.

Segmental review – Information Services

Ascential's Information Services segment provides high-quality, industry-specific business intelligence and forecasting with high customer engagement and retention. The division delivered revenues of £119.6m in 2016 (2015: £106.2m), up 12.6% or 5.4% on an Organic basis.

Brands within Information Services are WGSN, Groundsure, Glenigan, DeHavilland, Planet Retail/RetailNet Group and Retail Week. Following its acquisition in August 2016, we also welcomed One Click Retail to the Information Services segment.

All products within the Information Services division serve customers with must-have information through multiple digital formats. They are targeted to specific job roles and often embedded in customer workflows making them more difficult to disrupt. Expert content teams on each brand craft and curate answers to important questions to help customers make smarter business decisions and succeed.

Needs served

	Strategic and tactical decision making	Business development	Learning and development	Belonging
WGSN	✓			✓
Groundsure	✓		✓	
Glenigan	✓	✓		
DeHavilland	✓	✓		
Planet Retail/RNG	✓	✓	✓	
Retail Week		✓	✓	✓
One Click Retail	✓	✓		

75% of Information Services' revenues are derived from subscriptions, with transactional revenues contributing 13%. The balance of revenues relate to advisory services (5%), conferences and awards (5%) and digital and other marketing solutions (2%). We have continued to migrate towards a digital-only business and, following the discontinuance of the Heritage Brands, print advertising revenue now represents less than 1% of Group revenue.

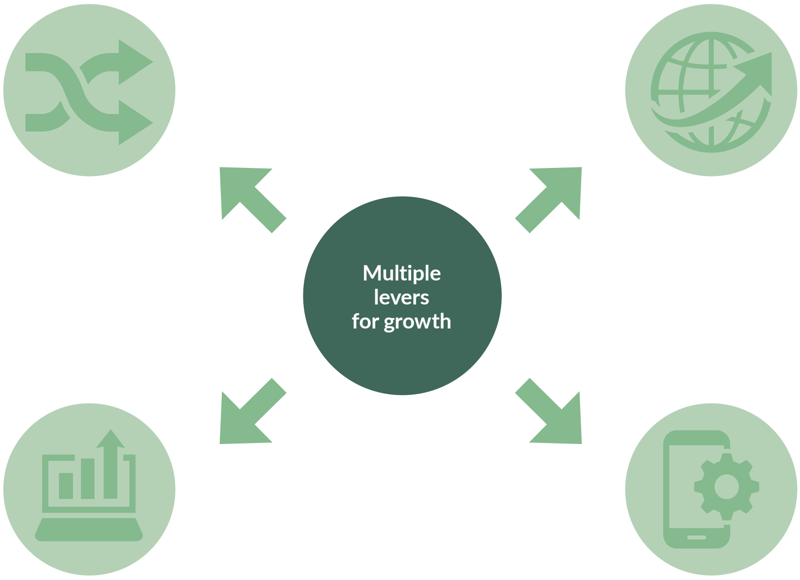
Dynamics of digital products

1. Answers or insights we provide are important to our customers' decisions
2. Unique or critical insights that are hard to replicate. Built on strong historical information assets that, in the main, cannot be easily recreated
3. Continuously leverage these unique assets to create new, valuable information products
4. Track record of delivery of accurate projections or insights
5. Industry leading customer retention is underpinned by their trust and confidence

Organic growth – multiple levers deployed

Adjacent markets
Lions Entertainment (2016)
Bett Academies (2017)

Geographic expansion
Money20/20 Europe
Bett Middle East
Money20/20 Asia (2018)



Expansion across the functional areas of the customer
WGSN Insight
WGSN Mindset
Retail Week prospect
Retail Week Connect
Cannes Lions Archive

New product development
WGSN Instock enhancements
WGSN Single Platform
Groundsure 2

WGSN
WGSN is the clear global leader for market intelligence, insight and trend forecasts to the fashion industry and design-led companies around the world. It is Ascential's largest product, representing 22% of the business. It delivered revenues of £67.4m in 2016 (2015: £60.5m), up 6% on an Organic basis.

WGSN serves more than 6,000 customer organisations and enjoys a customer value retention rate of 92%. Many years ahead of a WGSN global trend forecast launch, WGSN filters global influences through its experts to determine trend direction. Insights are supplemented by big data analytics and WGSN produces reports in six languages, as well as an extensive images library.

Its strategy is to deliver multiple products to help designers, buyers, merchandisers and marketers plan as well as trade their product lines more effectively.

> "With WGSN's retail analytics, what used to take weeks, now takes minutes."
>
> **Director of Merchandise Planning, Garnet Hill**

In April 2016, WGSN launched its new single subscription platform, which unites all its services onto one platform. Customers can now access all WGSN products with a single sign on. This is the first time customers have been able to seamlessly navigate all products and instantly get access to fashion, lifestyle design, consultancy and other WGSN products. This visibility has helped deliver an increase in average product holding from 1.13 in 2015 to 1.19 in 2016.

Also in April 2016, the first of WGSN's joint ventures with CTIC, started trading which marked a major milestone towards growing and developing the Chinese market for WGSN's products.

In today's fast fashion marketplace, it is vital for retailers to understand trend adoption and offer the right product, at the right time, at the right price. Businesses cannot rely on intuition alone. To meet this need and mitigate pressure on margins, WGSN launched Instock in 2013 and today there are more than 200 retailers tracked in Instock every day.

In October 2016, WGSN launched WGSN Insight, offering customers deeper insight into fast changing consumer behaviours to enable them to discover the future consumer with the best-in-class consumer, marketing and retail insights customers.

Groundsure

Groundsure, a transactional business, is a market-leading provider of environmental risk data. It addresses the needs of conveyancers, architects, engineers and other participants in the UK residential and commercial property industry. Groundsure assesses risk related to flood, contaminated land, ground stability, planning and other environmental matters.

Mainly operating through resellers, the business delivered £15.3m in 2016 (2015: £14.2m), up 8% year on year. Revenue was up 14% in the first half and up 3% in the second half, performing somewhat better than the overall market in which residential transactions in England and Wales in the first half grew by 11% and declined by 8% in the second half, driven in part by changes to the stamp duty regulations.

Residential sales model

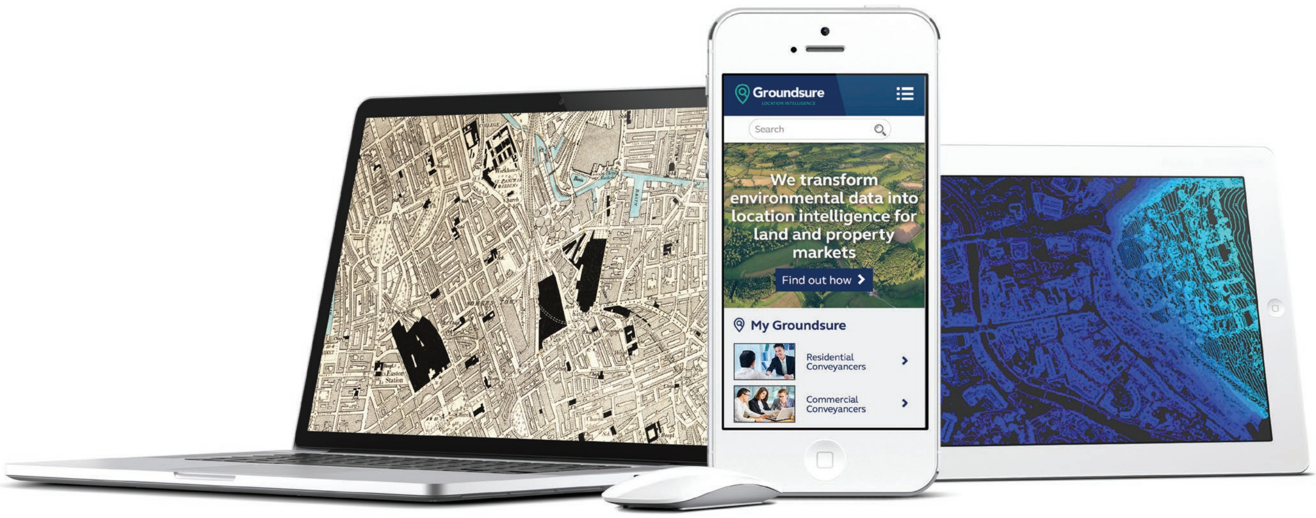
One Click Retail

Ascential regularly assesses opportunities to acquire high-growth products operating in sectors with the potential for scale that may benefit from its know-how and infrastructure. Information services to the e-commerce industry was identified as an attractive part of the retail vertical and, as a result, Ascential acquired One Click Retail, a leading e-commerce data analytics service provider, to help accelerate it globally through, for example, cross-selling their products to existing clients of Ascential.

One Click Retail's customers include Procter & Gamble, HP, Unilever, Hamilton Beach, Nestle and Panasonic. Revenue is generated predominantly through recurring annual subscriptions to the company's Dashboard product which provides insights to help customers drive sales through e-commerce, including Amazon and Walmart, the two largest online retailers in the world.

One Click Retail grew revenues to £7.4m in 2016, a growth of 103% with a 142% customer value retention rate. £3.1m of this revenue was delivered in the four months following its acquisition.

As a high-growth, globally scalable subscription information service product, One Click Retail fits with Ascential's strategy of owning scalable, global market-leading products with synergy potential with existing brands.



Other Information Services products
Planet Retail helps consumer goods companies identify and execute sales and new market opportunities with retailers utilising its global retailer distribution model. The business also provides a leading executive education programme and successful advisory service.

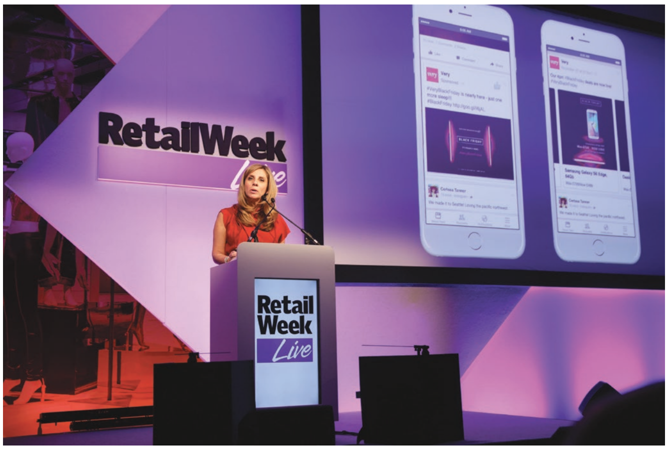
Retail Week was established in 1988 and has more than 8,000 subscribers. With an attractive revenue mix, Retail Week is transitioning to a corporate subscriptions model, with more than 40% of subscribers now on a corporate subscription. Retail Week Prospect, launched in 2015, is the brand's high-value data product extension.

Glenigan helps clients identify and win construction contracts and leads. During the year, it has continued its migration to a single interface, with enhanced search functionality, deliverable across all media devices. Glenigan grew its revenues in 2016 by 11%.

Finally DeHavilland, our online political intelligence service, grew revenues by 10% in 2016.

Industry awards
Many of our talented individuals and leading information services brands were award winners in 2016. Retail Week (the PPA's "Business Media Brand of the Year") which sits at the very heart of the UK retail industry, and its MD Chris Brook-Carter, were rewarded by the UK Government Equalities Office (Women's Business Council's "Men as Agents of Change") and Victoria Hart, Retail Week's Head of Operations – Conferences & Bespoke Events, was also recognised (PPA's Connect Awards "Events Leader of the Year").

Also acknowledged last year were WGSN (the "Stackmaster Marketo Award" winner, which recognises the power of marketing technology and its use in enhancing marketing effectiveness), Glenigan (the PPA's "Digital Innovation of the Year" – the award that was won by HSJ Intelligence in 2015) and Nursing Times (PPA's "Business Editor of the Year" for Jenni Middleton and British Media Award's "Website of the Year"). The digital success of Nursing Times, Glenigan and Retail Week led to Plexus being named as PPA's Digital Publisher of the Year (Business Media).




RetailWeek
Live
CONTENT

Retail Week Be Inspired is a campaign to address the challenge of gender diversity within the UK retail sector's senior leadership. Retail Week believed that in order to make a difference it needed to elevate the debate about women in retail beyond just quotas and numbers to explore the career potential of women and provide practical inspiration and networking opportunities to encourage talented individuals to drive their own careers forward. Be Inspired was created to promote the careers of successful female retail leaders, highlight role models and inspire the next generation. In six months over 200 emerging female retail leaders have been given access to some of the most successful figures in the sector over a series of networking and story-telling breakfasts, evenings and a one day conference. The campaign was recognised with a "Men as Agents of Change" Award for Retail Week Managing Director, Chris Brook-Carter, from the Women's Business Council, part of the UK Government Equalities Office.

Bett is the leading education technology series of exhibitions and leadership summits. Since 2012, it has expanded beyond its UK hub to launch regional events around the world to serve local educators with strong content programmes tailored to their market and requirements. With the 2016 launch of Bett Middle East, it reached over 10,000 education leaders, and attracted around 50,000 visitors worldwide. It has a reputation as a very special and unique event and regularly welcomes government ministers to announce new education policies.

A core element of Bett is to deliver a plethora of inspiring speakers from within and outside the education technology industry invited to speak on its stage to inform and connect the thousands of people who attend. Bett believes that everyone has the potential to make a difference in education and is passionate about discovering, elevating and amplifying these game changers. Those delivering a standout experience in 2016 were 804 speakers, across 841 sessions and included 10 ministerial speeches.

People and values

Ascential brings together talented people and brilliant brands. We work hard to attract and retain the best people in the industry to work on our portfolio of leading products and aim to be a destination employer in every one of our key operating territories and markets.

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.

Our people's opinions matter
People's opinions matter and we hold regular updates to both inform them on business progress and answer any questions they may have.

We conduct and act upon annual employee opinion surveys which, along with face-to-face feedback, is key to help us understand what people think, and what they want to achieve in their careers with us. 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 2016 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 people unable to attend. The post-event survey recorded this as one of the most popular segments and it was repeated in January 2017. Early on the day we announced our half-year 2016 results, the CEO and CFO again hosted a webinar for staff, before meeting external analysts, investors and members of the press.

A leading approach to gender diversity
In 2016, the Company took part in the Hampton-Alexander review, which will see British business drive to improve further the number of women in senior leadership positions and on the Boards of FTSE 350 companies. The review had a stated aim that a third of all FTSE 100 leadership roles to be occupied by women by the end of 2020, up from 25% today. Ascential was highlighted in the November 2016 review as "leading the way" with 57.1% women on our plc Board, the highest in the entire FTSE 350.

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 the year, 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 who wish to enrol to save a set sum each month and in future years buy shares at a discounted purchase price. 33% of all eligible employees decided to participate, saving on average £203 per month.

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 speak to our different generations, so benefits are constantly reviewed and introduced, extended or removed depending on demand and feedback.

> "Leading the way with 57.1% women on plc Board"
>
> **Hampton-Alexander Review, November 2016**

A breakdown of our employees by gender and management positions, is shown below:

	Full time employees		Part time contracts		In management positions	
As at 31 December	2016	2015	2016	2015	2016	2015
Men	666 (43%)	646 (43%)	7 (8%)	8 (10%)	178 (43%)	178 (43%)
Women	891 (57%)	864 (57%)	77 (92%)	75 (90%)	239 (57%)	238 (57%)
Total	1,557	1,510	84	83	417	416

Employee engagement and rewards
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 careers with us. We offer regular training and reward linked to performance.

Ascential Excellence Awards
Some of the most hotly contested awards each year are the Ascential Excellence Awards, which are open to all employees. Judged by senior leaders of the business and external industry experts, they are a fun and effective way for the achievements of individuals and teams to be recognised and celebrated at a gala dinner during the all-Company conference each January.

Elite
This generous reward programme is open to every high-performing employee across the Group. Sales league winners, content creators and business support individuals are recognised with rewards, including tickets to exclusive venues, dinners and sporting days out. The highlight of the Elite programme is during the annual Ascential conference when winners of the “Holidays of a Lifetime” – including for the top content and highest sales achievers in each business area – are announced. Elite enables a clear line of sight from personal performance to personal reward.

Embedding industry leading standards
Ascential offers an annual sales academy, led by external sales experts, as well as a sales reward programme, sales performance programme and leadership Alumni programmes.

Content First programme
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 one 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.

The Ascential Content First programme will run for the next 24 months to ensure we develop our next generation of world-class content leaders. To achieve the overall aim of constantly improving content for our customers, we also offer additional opportunities for our content leaders to collaborate with other teams to assist them to drive content excellence within their own teams and brands. Armed with robust data around customer insight and market knowledge, these leaders will continue to raise the standard of Ascential’s content to be the best in each of the industries we serve.

All-Ascential conference
We held our first all-Company conference in January 2016 which enabled more than 1,000 individuals to network, share personal and team learnings and collaborate. 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 is key to continuing to share, learn, connect with colleagues and celebrate the great work of individuals and teams across the business.

Journey ahead
People is a core capability at which we must excel. While we have made good progress towards putting in place the structure, learning and support to enable everyone to reach their goals and develop their careers with us, we also recognise that there is always more to do on the journey ahead.

Ascential values

Laser focus	Creating value	Progressive growth
We have an absolute clarity of purpose. We help businesses create potential for an inspiring future. We do this through our products and services that bring together business communities and ideas.	We place great value in our people, in difference, diversity and an outward looking perspective. Our purpose is to create value for the industries we serve, our people, and for our investors by providing the most influential platforms and forums for leaders of industry. We derive true value from exceptional knowledge, brilliant relationships and looking for important and unique connections.	We are curious with a sense of purpose. We enable continuous growth for our people, our business and our customers, making us change-ready with a growth mind-set – collaborative, open, authentic, empathic and relevant.

Corporate and Social Responsibility

Wanting to make a difference to the industries we serve and communities we live in is a common goal at Ascential.

Customers are at the heart of everything we do every day, and we constantly review what we produce and how we do it to ensure we remain ahead. We have continued to progress our Corporate and Social Responsibility aims, particularly around supporting our employees and giving back to the communities we serve. Over the past 12 months we have also further reduced our environmental impact, and introduced policies around labour standards, human rights and anti-corruption policies throughout our business and supply chain. With these and other measures, we believe we are continuing to make a positive impact on our customers world-wide, the communities we live in and serve, and our people.

Increasing energy efficiency and recycling
We have a policy across all existing and new buildings to work with our landlords to ensure installation of energy efficient low temperature hot water, low energy lighting and low power technology. As a business, Ascential encourages recycling in all its forms.

Waste recycling
Ascential works closely with our facilities management company and landlords to highlight any and all initiatives. In 2016, the London-based business recycled 50 tonnes of material, including 16 tonnes of general waste and 34 tonnes of mixed paper. This is an increase over 2015 and 2014 and was recognised with a "most improved recycler" award in 2016 from one of our building landlords.

Reducing print in line with customer need
The business constantly seeks to improve print run efficiency and generate less waste on paper stock. It purchases the lowest paper volume necessary and uses only one or two grades across all titles and supplements. It also follows a criteria of mill assessment rated on product grade, energy consumption per tonne and percentage of recycled fibre content from certified forestry sources and continues to consolidate collection of overseas copies and scale back usage of polywraps.

The paper requirement of the Group has diminished in recent years with the sale of MBI in January 2015 and as many customers have increased consumption of content on mobile and other devices rather than print. This decline in paper requirements has continued in 2016 as several products have ceased print or reduced frequencies. Initiatives are in place to further reduce paper weight and volume in line with advances in paper technology and customer demand and a further significant drop in paper usage is expected in 2017 on the sale of the Heritage Brands.

Paper purchased in the business was 2,187 reams of A4 and 174 reams of A3. This is a reduction of 239 reams of A4 and 74 reams of A3 over 2015. Since 2014, the business has reduced its A4 and A3 paper usage by more than 50% and 40% respectively.

Paper usage	2013	2014	2015	**2016**
Magazine and other product print (tonnes)	12,144	11,057	894	**642**

Greenhouse gas emissions statement
Ascential is required to measure and report its direct and indirect greenhouse gas emissions by the Companies Act 2006. We are required to disclose the Company's emission of carbon dioxide (equivalence) as well as CO_2 intensity value while stating the methodology used to calculate these emissions. The table below includes both combustion of fuel and purchased electricity and gas associated with our offices.

	2016	Unit
Scope 1[1]	**73.4**	Tonnes of CO_2e
Scope 2[2]	**793.2**	Tonnes of CO_2e
Absolute carbon emissions (tCO_2)	**866.6**	Tonnes of CO_2e
Intensity factors:		
• Total area	**17,989**	Square metres
• Total headcount	**1,612**	Full time equivalence
Carbon intensity (area)	**48.2**	Kg of CO_2e per m^2
Carbon intensity (headcount)[3]	**538.3**	Kg of CO_2e per FTE
Year on year change	**n/a**	

1 Scope 1 emissions are from fuel used in company-leased vehicles and are calculated 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 are not included following the "operational control" boundary approach (see Methodology and scope).
2 Scope 2 emissions are from the consumption of energy at Ascential offices and do not include approximately 40 home workers. CO2 figures are based upon the energy consumption of approx. 84% of Ascential's operations (using office surface area) with estimates for the remainder. Where the consumption of energy other than electricity (eg 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.
3 Scope 3 does not include approximately 40 home workers.

Methodology and scope
Carbon dioxide equivalence emissions data has been collected, calculated, consolidated and analysed following the GHG Protocol (Corporate Accounting & Reporting Standard) and DEFRA Environmental Reporting Guidelines (2013) following the 'operational control' approach. 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
As this is the first year of reporting CO_2e emissions following our IPO last year, only data for 2016 has been shown. In future, year over year emission figures will be given. Furthermore, Ascential intends to review its environmental data management process with a view to continuing to improve data accuracy and disclosure going forward.

Business travel
Ascential's air travel showed a slight dip over the year earlier, but remains something that the business watches and aims to reduce. The level of business travel by air is partly explained by the need to frequently visit the US, following the move of the WGSN headquarters to New York in 2014, and the acquisition of US brands – Money20/20 in 2014; RetailNet Group in 2015 and One Click Retail in 2016. The Company continues to encourage the use of video conference facilities and webinars as much as possible so as to remove any unnecessary travel. Where possible, the business encourages business use of trains rather than cars.

Whistleblowers' policy
Ascential employees can report any malpractice without fear of reprisals. The Company has a robust whistleblower policy embedded in the employee handbook and available on the Intranet.

Business-wide training and zero tolerance to breaches of the Bribery Act
Following Company-wide training on the Bribery Act, people across the business continue to report no breaches of the Bribery Act.

Behaving ethically throughout our supply chain
For Ascential, our suppliers, partners and other third parties involved in the provision of goods or services to us are important. They underpin our ability to serve our customers through market-leading exhibitions, festivals and information services. While delivering these valued and trusted products, it is important to us that we and our suppliers do business responsibly, ethically and lawfully and in accordance with our code of conduct:

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.
No forced or involuntary labour	There is no forced, involuntary or debt bonded labour in any form including slavery or trafficking of persons.
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.
No child labour	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.
Fair competition	Fair, business, advertising and competition is supported.
Intellectual property, privacy and data security	There is respect for and protection of intellectual property rights, data and confidential information to safeguard it against and prohibit loss and unauthorised use, disclosure, alteration or access. Our intellectual property and confidential information is handled and data processed on our behalf only for the purposes for which it was made available, received or collected in accordance with the reasonable directions provided by us.
Business continuity	Any disruption of business is 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.
Regulations, permits and registrations	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.
Quality, health, safety and environment	Proper provision is made for the health, safety and welfare of employees, visitors and contractors and those impacted in the community who may be affected by their activities. Third parties act responsibly in relation to the environment, regularly assess health, safety and environmental risks and appropriate controls are put in place bearing in mind the prevailing knowledge of the industry and any specific hazards.

Corporate and Social Responsibility continued

Q&A

Duncan Painter, Chief Executive Officer, in conversation with Chris Brook-Carter, MD, Retail Week

Giving back
Ascential employees want to make a difference to the world they live in and the communities they serve. The business supports the pioneering children's hospital, Great Ormond Street, raising funds to pay for specialised equipment. Offices around the world also support local causes and raise much needed funds for their communities. Ascential matches certain fundraising by staff and gives employees time off to volunteer for an organisation or charity they wish to support.

The Company is a Patron of The Prince's Trust and employees give their time to help disadvantaged young people make a better start in life, and fundraise for this leading UK charity. For the third year in a row, an Ascential Million Makers team was awarded seed financing to support their efforts to raise significant levels of funds. Having raised almost £90,000 in 2015, the team's main focus was December's Gala Dinner, and they smashed through the prior year fundraising total to raise more than £170,000 in 2016.

Q. How long has Ascential been a Patron of The Prince's Trust?

A. Ascential became a Patron of The Prince's Trust in 2012. Our partnership was borne out of my strong belief that team engagement, collaboration and leadership skills are intrinsic to both life and business success, and that the privileged should give back.

Q. Why did Ascential choose The Prince's Trust over other charities to support?

A. The Prince's Trust is a great fit for us. One of the core traits of our people is their determination to improve the world around us for our customers, our community and ourselves. This determination manifests itself in many ways – not just fundraising, but also getting involved in the work of the charity itself. Around the business, people feel passionate about giving a better start and work confidence skills to young people less fortunate than ourselves. They could be our future.

Q. Why is it important to you that the business gives back?

A. Our business exists to make a difference to our customers and industries we serve, and to the communities we live in. We constantly seek to improve and better the world around us. We are proud to have helped many young people get a better start in life and we are looking forward to continuing to partner the Trust in its great work.

Q. How does Ascential raise money?

A. Any and all ways! People have successfully run bake sales, raffles, cycle rides, cocktail mixing and auctions of a host of prizes, donated by suppliers, customers or people in the business. We have also run casino tables at several of our Award events as well hosting our own Prince's Trust Gala Dinner which is our major annual fundraiser. This is attended by our customers, suppliers, our plc Board members as well as people from around the business, all keen to support the event. This has grown from strength to strength and I am so proud of the team that put it all together. Their hard work with our venue partners and persistence ensured the 2016 event was again well sponsored, with a fantastic auction and raised a truly remarkable £170,000.

Q. How else does Ascential support The Prince's Trust?

A. We have supported young people in our communities by both visiting our local Prince's Trust centres to see their work first hand, and by hosting a variety of workshops and mentoring – teaching CV preparation, job application writing and business skills. In 2017 we are working with The Prince's Trust to match 10 young people with an Ascential department – including marketing, IT, facilities, and PR, for a two week placement that complements their interests and skillset. Our talented people are keen and able to give their time and tutoring skills to mentor and bring alive the confidence and energy of the intern, while making a real difference to their future potential. Our aim is to offer more places by the end of the year.

Q. Do you personally get involved in any of the challenges?

A. I greatly admire those that have completed the major challenges of walking the Great Wall in China or the bike rides to Paris with some envy. I am looking forward to getting time this year to participate in some less arduous event and would love to find time in the next couple of years to do one of the bigger challenges. Right now, I believe I can add more personal value from the time and support I give to The Prince's Trust Corporate Sponsors Committee to develop new ideas and have offered our internal media resources and teams to support its campaigns. We have also introduced the Trust's great work to other corporate sponsors. A personal highlight each year is hosting a table at our fundraising dinner and encouraging audacious bids to drive the fundraising efforts of our annual Million Makers team. It's also a great occasion to cement relationships with the customers that attend – they get to see us in a non-work environment, and we can have fun while raising money for a great cause.

Q. How have you seen it contribute to the individuals within Ascential that have taken part in Million Makers?

A. Everyone who teaches or mentors someone from The Prince's Trust knows they are making a real difference to the life of a disadvantaged young person. Imparting life-changing skills builds confidence and strong relationship skills which can then be applied to our own business and to further improve how we serve our customers. Collaborating and working with young people means you have to listen to make sure you really understand what they mean, rather than what they say – this is a great skill to have and an important lesson for anyone to learn.

Q. What is your best personal memory of Ascential and The Prince's Trust?

A. There are many, but meeting the young people that The Prince's Trust supports is always a delight. A great memory from last year was seeing our Million Makers team take to the stage at the gala dinner and announcing our fundraising total for the night. There is little that can beat that.

Board of Directors

Scott Forbes
Chairman

Scott was appointed as an adviser to the Board in November 2015 and became Chairman in January 2016.

Scott currently serves as chairman of both Rightmove plc and Innasol Group Limited, and as a non-executive director of Travelport Worldwide Limited. He previously served as the chairman of Orbitz Worldwide until September 2015.

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.

Joined the Group:
January 2016

Independent:
Yes, on appointment

Committees:
Nomination Committee (Chair)

Duncan Painter
Chief Executive Officer

Duncan joined the Group in October 2011.

Duncan previously worked as an executive at Sky plc, Experian plc, was the founder of consumer intelligence company ClarityBlue, which was acquired by Experian in 2006, and Hitachi Data Systems. Duncan is also a director of the Professional Publishers Association, and a non-executive advisory board member to ThoughtRiver Limited and Investis Limited.

Joined the Group:
October 2011

Independent:
No

Committees:
None

Mandy Gradden
Chief Financial Officer

Mandy joined the Group in January 2013.

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.

She also sits as a non-executive director on the board, and is chairman of the audit committee, of SDL plc.

Joined the Group:
January 2013

Independent:
No

Committees:
None

Rita Clifton
Senior Independent Non-Executive Director

Rita joined the Board in May 2016.

She is also currently a non-executive director of ASOS plc and of Nationwide Building Society, and is a past non-executive director of Dixons Retail plc. Her background is in brand strategy, customer insight and marketing communication and she was a former Vice Chairman and Strategy Director at Saatchi & Saatchi and London CEO and then Chairman at Interbrand. She currently also chairs BrandCap, the brand consultancy and Populus, the research consultancy.

Rita has 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.

Joined the Group:
May 2016

Independent:
Yes

Committees:
Audit Committee and Nomination Committee

Paul Harrison
Non-Executive Director

Paul joined the Board in January 2016.

In September 2016, Paul became CFO of Just Eat plc, a FTSE 250 online marketplace business. Prior to this, he acted as CFO for WANdisco plc, a software company listed on the London Stock Exchange and headquartered in California. Previously, Paul spent 16 years with The Sage Group plc, a FTSE 100 software company, serving on its board for 13 years as CFO.

Since 2007, Paul has served as an independent non-executive director on the board of Hays plc, chairing its audit committee from 2007 to 2011 and its remuneration committee from 2011 to present, over which period he has acted as Hay's senior independent director. A chartered accountant, Paul worked for Price Waterhouse before joining The Sage Group plc. Paul also sits on the advisory panel for Tech City's Future Fifty Programme.

Joined the Group:
January 2016

Independent:
Yes

Committees:
Audit Committee (Chair) and Remuneration Committee

Judy Vezmar
Non-Executive Director

Judy joined the Board in 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 United States and Europe.

Judy was a non-executive director of Rightmove plc from 2006 to 2015 and served on the audit, remuneration and nomination committees. She was also on the board of Blinkx plc, the online advertising business from 2014 to 2015.

Joined the Group:
January 2016

Independent:
Yes

Committees:
Remuneration Committee (Chair) and Nomination Committee

Gillian Kent
Non-Executive Director

Gillian joined the Board in January 2016 following 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.

Gillian is also an independent non-executive director at Pendragon plc, NAHL Group plc and Coull Ltd and chairman of No Agent Technologies Ltd.

Joined the Group:
January 2016

Independent:
Yes

Committees:
Audit Committee and Remuneration Committee

Corporate Governance Statement

Dear Shareholder,

I am pleased to introduce our Corporate Governance Report for 2016, which explains the corporate governance arrangements Ascential has in place, and includes reports from each of our three Board Committees.

Introduction
Our Board is committed to high standards of corporate governance and is responsible for ensuring that these standards, alongside the Company's values and behaviours are consistently applied throughout the Group as they underpin the integrity of the Group's operations, and deliver and preserve shareholder value.

This statement includes matters required to be disclosed by the UK Corporate Governance Code 2014 (the "Code"). The Code is available on the Financial Reporting Council's website at frc.org.uk. A new version of the Code was introduced in September 2016, and the revised provisions will apply to the Company for the 2017 financial year. The Board will therefore report on its implementation of the new version of the Code in next year's Annual Report.

Compliance with the Code
As at the date of this Report, the Company is in full compliance with the provisions of the Code.

At the time of Admission, the Company did not comply with all of the Code's provisions. We did not comply with the provisions surrounding the composition of the Board and its Committees for the whole of the period under review, which is explained in more detail below. However, we committed to take the necessary steps to fully comply within 12 months of joining the FTSE 250 Index, and we achieved that goal soon after Admission.

The Board is satisfied that the non-compliance with two provisions for part of the period did not impede its effectiveness, nor did it create any risk to shareholders. No individual dominated its decision-taking, no undue reliance was placed on particular individuals and there was sufficient challenge of Executive Directors in Board or relevant Committee meetings. The Board and relevant Committees operated effectively throughout the whole period; sound governance procedures were observed during the period and business objectives were met.

Code provision	Detail	Explanation of non-compliance
A.4.1	Until 12 May 2016, the Board did not appoint one of the Independent Non-Executive Directors to be the Senior Independent Director.	The Company appointed its Senior Independent Non-Executive Director on 12 May 2016, this being Rita Clifton, bringing the Board into full compliance with this provision from that date.
B.1.2	Until 12 May 2016, less than half of the Board were Independent Non-Executive Directors.	The Company became a member of the FTSE 250 Index during the reporting period. For FTSE 250 Index companies, at least half of the Board, excluding the Chairman, should comprise Independent Non-Executive Directors. The Company appointed Rita Clifton on 12 May 2016, bringing the Board into full compliance with this provision from that date. Furthermore, the two Non-Executive Directors who were not considered to be independent (Tom Hall and David Pemsel) resigned on 5 September 2016.

Directors
We appointed four new Independent Non-Executive Directors during the year. There was a rigorous process for the appointments as described in the report of the Nomination Committee on page 67.

Each Director brings their particular perspective to a discussion, drawn from a range of backgrounds in different industries and roles over many years. They bring constructive challenge, scrutiny and analysis of the Board's agenda with their significant financial and commercial experience. The Board share a common purpose of promoting the overall success of the Group, with a clear and unified vision of how it supports the executive team in their implementation of the Group's strategy whilst discharging governance and supervisory responsibilities.

All Directors will offer themselves for election by the shareholders at the forthcoming Annual General Meeting.

Board evaluation
As well as ensuring that the Board includes the appropriate balance between Executive and Independent Non-Executive Directors, we also recognise the need to be effective as a Board. Even though the Board was only constituted in 2016, the Directors strongly believed that a full evaluation process should be carried out in its first year to ensure the Board's proper performance from the outset. To that end, a thorough, externally facilitated evaluation process was carried out by an independent consultancy during the year, which is described on page 59.

Board responsibilities
The Board has adopted a formal schedule of matters reserved for its approval and has delegated other specific responsibilities to its Committees. This schedule sets out key aspects of the affairs of the Company which the Board does not delegate and is reviewed on an annual basis. This includes:

- receiving regular reports from the Chief Executive Officer on the Group's operations;
- reviewing regular financial information on the Group's performance;
- reviewing the Group's strategy and operating priorities, providing constructive challenge as necessary;
- agreeing the 2017 business plan and budget;
- evaluating the Group's portfolio – acquisitions, divestitures and other corporate transactions;
- overseeing the Group's governance and shareholder engagement;
- approving the dividend policy and capital structure;
- reviewing the full year and half year financial results;
- reviewing stakeholder engagement, and investor communications strategy;
- conducting a robust review of risks and agreeing a risk appetite;
- approving the Viability Statement; and
- completing the Board evaluation.

The management of the 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, has been delegated to executive management.

Committees of the Board
The Board has delegated authority to its Committees to carry out certain tasks on its behalf, allowing the Board to operate efficiently and to give the right level of attention and consideration to relevant matters. A summary of the terms of reference of each Committee is set out in the table below and the full terms of reference for each Committee are available on the Company's website at ascential.com.

	Nomination Committee	Audit Committee	Remuneration Committee
Members	Scott Forbes (Chair) Judy Vezmar Rita Clifton Gillian Kent (until 12 May 2016)	Paul Harrison (Chair) Gillian Kent Rita Clifton Judy Vezmar (until 12 May 2016)	Judy Vezmar (Chair) Paul Harrison Gillian Kent
Role and terms of reference	Reviews the structure, size and composition of the Board and its Committees. Makes appropriate recommendations to the Board.	Reviews and reports to the Board on the Group's financial reporting, internal control, whistleblowing, internal audit and the independence and effectiveness of the external auditors.	Responsible for all elements of the remuneration of the Executive Directors and the Chairman, and oversight of the remuneration of the senior management team.

Read more about each Committee's activities on pages 65 to 68.

Corporate Governance Statement continued

Board and Committee meetings and attendance

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of scheduled meetings held	7	3	4	2
Director				
Scott Forbes	7(7)	n/a	n/a	2(2)
Duncan Painter	7(7)	n/a	n/a	n/a
Mandy Gradden	7(7)	n/a	n/a	n/a
Paul Harrison	7(7)	3(3)	3(4)[1]	n/a
Judy Vezmar	7(7)	1(1)	4(4)	2(2)
Gillian Kent	6(7)[2]	1(3)[2]	4(4)	1(1)
Rita Clifton	5(6)[3]	2(2)	n/a	1(1)
David Pemsel	2(5)	n/a	n/a	n/a
Tom Hall	4(5)	n/a	n/a	n/a

The maximum number of meetings held during the year that each Director could attend is shown in brackets.

1 Paul Harrison was unable to attend a meeting due to a commitment arranged prior to his appointment.
2 Gillian Kent was unable to attend meetings due to commitments arranged prior to her appointment.
3 Rita Clifton was unable to attend a meeting due to a commitment arranged prior to her appointment.

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 views, which will then be shared at the meeting.

Board roles
There is a clear division of roles and responsibilities between the Chairman, Scott Forbes, and the Chief Executive Officer, Duncan Painter, which have been agreed by the Board and are set out in writing.

Rita Clifton was appointed the Senior Independent Director on joining the Board on 12 May 2016.

All Directors have access to the advice and services of the Company Secretary, Louise Meads, who was appointed on 6 February 2017. Prior to that, Mandy Gradden was the Company Secretary.

Board composition
At the date of this report, the Board consists of the Non-Executive Chairman, two Executive Directors and four Non-Executive Directors. Biographies of all members of the Board appear on pages 52 and 53.

The Davies Review on gender diversity, led by Lord Davies of Abersoch, recommended increasing the voluntary target for women's representation on boards of FTSE 350 companies to a minimum of 33%. As the Board is currently constituted, the Company exceeds this recommendation at 57%.

The Board and its Committees have an appropriate balance of skills, experience and knowledge of the Group to enable them to discharge their respective duties and responsibilities effectively. Their key responsibilities are:

Chairman	Leadership of the Board Ensuring the Board's effectiveness by creating and managing constructive relationships between the Executive and Non-Executive Directors Promoting debate and constructive challenge by the Non-Executive Directors Ensuring ongoing and effective communication between the Board and its key shareholders Setting the Board's agenda and ensuring that adequate time is available for discussions
Chief Executive Officer	Responsibility for the operational results of the Group Leading the development of the Group's objectives and strategic direction Ensuring that the Group's business and strategic plans are successfully executed Implementing decisions of the Board and its Committees Reviewing the Group's structure on an ongoing basis and recommending changes when appropriate Ensuring effective and ongoing communication with shareholders Building and managing the senior management team who have day to day management of the businesses within the Group
Chief Financial Officer	Support the Chief Executive Officer in developing and implementing strategy Overseeing the financial performance of the Group Leading the development of the finance function to provide insightful financial analysis that informs key decision making Leading treasury activities Leading investor relations activities and communication with investors alongside the Chief Executive Officer Working with the Chief Executive Officer to develop budgets and medium-term plans to support the agreed strategy
Non-Executive Directors	Scrutinising and monitoring the performance of management Constructively challenging the Executive Directors Bringing independence and a different perspective to the Board Supporting the management to deliver the Group's strategy Overseeing the integrity of financial information, financial controls and systems of risk management
Senior Independent Non-Executive Director	Meeting with the other Non-Executive Directors annually without the Chairman present Supporting the Chairman and acts as a sounding board for the Chairman and intermediary for other Directors when necessary Available to shareholders if they have concerns which the normal channels through the Chairman, Chief Executive Officer or other Directors have failed to resolve or would be inappropriate
Company Secretary	Support to the Chairman Assists the Board and its Committees to function effectively Available to all Directors to provide governance advice and assistance Ensures the Board receives sufficient, pertinent, timely and clear information Ensures compliance with the Board's procedures, and with applicable rules and regulation Facilitates induction and development programmes Acts as Secretary to the Board and all Committees

Board balance and independence
From 12 May 2016 to the date of this report, the Company has been compliant with the Code provision that at least half the Board, excluding the Chairman, should comprise Independent Non-Executive Directors. The Company became compliant with this provision on 12 May 2016 with Rita Clifton's appointment to the Board.

All of the current Non-Executive Directors (Paul Harrison, Judy Vezmar, Gillian Kent and Rita Clifton), are considered to be independent in character and judgement, and free of any business or other relationship which could materially influence their judgement. Scott Forbes was considered to be independent on appointment.

The Chairman's fees and the Non-Executive Directors' fees are disclosed on page 77, and they received no additional remuneration from the Company since the date of IPO.

The Company has a relationship agreement (the "Relationship Agreement") in place with its former principal shareholders, funds advised by Apax (the 'Apax Shareholders') and Guardian Media Group ("GMG"). While the Relationship Agreement is in force, the Apax Shareholders and GMG were entitled to appoint a Non-Executive Director each, providing they (and any of their respective associates, when taken together) hold voting rights over 15% or more of the Company's issued share capital; and information rights providing they (and any of their respective associates, when taken together) hold voting rights over 5% or more of the Company's issued share capital. The two Non-Executive Directors appointed by, and representing, the Apax Shareholders and GMG respectively, were Tom Hall and David Pemsel, and they were therefore not considered independent.

On 1 September 2016, the Apax Shareholders and GMG disposed of 80,000,000 ordinary shares in Ascential through a private placing. Tom Hall and David Pemsel resigned from the Board with effect from 5 September 2016.

Appointments to the Board
Non-Executive 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. Please refer to the Report of the Nomination Committee on page 67 for more information on the appointment process.

External directorships
Any external appointments or other significant commitments of the Directors require the prior approval of the Board.

Mandy Gradden is a non-executive director of SDL plc, a global content management and language translation software and services company, and Duncan Painter is a director of the Professional Publishers Association Limited, the publishing industry body which promotes companies involved in the production of media in the UK. During the year, Scott Forbes was appointed as a non-executive director of Travelport Worldwide Limited. Gillian Kent was appointed chairman of No Agent, and Duncan Painter was appointed a non-executive adviser to the Board of Investis Limited and ThoughtRiver Limited.

The Board is comfortable that these appointments do not impact on the time that any Director devotes to the Company.

Conflicts of interest
In accordance with the Company's Articles of Association, the Board has a process for Directors to declare conflicts of interests and for such conflicts to be considered for authorisation.

Letters of appointment
The Chairman and the Non-Executive Directors have letters of appointment which are available for inspection at the registered office of the Company during normal business hours and at the place of the AGM from at least 15 minutes before and until the end of the meeting.

Induction and development
Each Non-Executive Director appointed to the Board was provided with information on the Group's structure, business sectors and operations and policies to develop each Director's understanding of the Group and key issues that the Group faces. They also met with senior executives in the Company.

The Board is updated by the Group Legal Director on relevant material changes to laws and regulations. The Board also receives reports from the Company Secretary on current legal and governance issues. In addition, the Board meets once a year at one of the Group's main events/operational sites so that it has the opportunity to meet employees across the Group's global operations. In 2016 the Board met at Cannes Lions Festival and it received presentations from the senior Lions' employees. The Board also attended events at the Festival and met with key customers.

The Board held an offsite strategy day in September 2016 where it met with the senior management team. It discussed and approved the evolution of the Group's brands, the sustainability of the Group's strategy and organisation, and governance.

Information and support available to Directors
Full access to all relevant information is given to the Board. For Board meetings, this consists of an agenda, minutes of previous meetings and a comprehensive set of papers including regular business reports, provided to Directors in a timely manner in advance of meetings.

All the Directors have the opportunity to contribute independent challenge and rigour by voicing their concerns. Board decisions are noted in the minutes. Directors are entitled to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

Election of Directors
The Board can appoint any person to be a Director, either to fill a vacancy or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next AGM and shall then be eligible for election by the shareholders.

Board evaluation and effectiveness
A formal external evaluation of the Board, its Committees and individual Directors has taken place during the year, which was facilitated by Echelon Compensation Partners, Inc. This included the completion of a detailed questionnaire by each of the Directors, covering the Board's role, knowledge and skills, Board meetings and information flows, Board composition, succession planning, risk management, relations with shareholders and each of the Board Committees. The results were reviewed by the Board in December 2016. In addition, an assessment of the Chairman's performance was carried out, and feedback was provided to him individually as well as the Board.

Risk management
The Company does not have a separate Risk Committee; the Board is collectively 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 are described in a separate section on page 28.

Internal control framework
The Board acknowledges its responsibility for establishing and maintaining the Group's system of internal controls and it receives regular reports identifying, evaluating and managing significant risks within the business. The system of internal controls 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 material misstatement or loss.

The Audit Committee reviews the system of internal controls through reports received from management and external auditors. Details of the activities of the Audit Committee can be found in the Report of the Audit Committee on pages 65 to 66. 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 2016 and for 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 the review of effectiveness.

Relations with shareholders
The Company recognises the importance of communicating with its shareholders. The Company gives formal presentations of the full year and interim results as well as meeting with individual investors. During the year, the Company has directly engaged with over 100 institutional investors either face-to-face, via telephone, video-conferencing, or at investor conferences and roadshows in the UK and overseas.

There is also an ongoing investor relations programme of meetings with institutional investors, fund managers and analysts and conferences, covering a wide range of issues within the constraints of publicly available information, including strategy, performance and governance. The Company holds an annual Capital Markets Day. In 2016, it was held in London in November, giving shareholders the opportunity to meet with the senior management team, and to gain a more in-depth understanding of one area of the Group's business.

Institutional shareholders and analysts have regular contact with the Executive Directors. All shareholders are kept informed of significant developments by announcements and other publications on the Company's website ascential.com/investors. Care is exercised to ensure that any price-sensitive information is released to all shareholders, institutional and private, at the same time, in accordance with the requirements of the Market Abuse Regulations. Questions from individual shareholders are generally dealt with by the Executive Directors.

The Board receives regular reports on issues relating to share price, trading activity and movements in institutional investor shareholdings. The Board is also provided with current analyst opinions, forecasts and feedback from its joint corporate brokers, Goldman Sachs International and Numis Securities Limited, on the views of institutional investors on a non-attributed and attributed basis. Any major shareholders' concerns are communicated to the Board by the Executive Directors.

The Senior Independent Director, Rita Clifton, and other Non-Executive Directors are available to meet with shareholders and are offered the opportunity to attend meetings with major shareholders. Arrangements can be made to meet with them through the Company Secretary.

External auditors
The Independent Auditor's Report is set out on pages 83 to 86. We recommend to shareholders that KPMG LLP be appointed as auditors to the Company and the Group at the Company's inaugural Annual General Meeting.

Annual General Meeting ("AGM")
The AGM of the Company will take place at 11.00 am on 11 May 2017 at Coworth Park Hotel, Blacknest Road, Ascot, Berkshire SL5 7SE, United Kingdom. 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. We look forward to meeting with our shareholders to hear their views and answer the questions about the Group and its business.

The Notice of the AGM can be found in a separate booklet which is being mailed out at the same time as this report and is available on the Company's website. The Notice of the 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 Company's website ascential.com after the meeting.

Directors' Report

The Directors present their Annual Report and audited Financial Statements of Ascential plc (the "Company") and its subsidiaries (together, the "Group") for the financial year ended 31 December 2016. References to the Company may also include references to the Group. Information required to be part of the Directors' Report can be found elsewhere in the Annual Report and is incorporated into this report by reference.

Ascential plc is a public company limited by shares, incorporated in England and Wales. It has a premium listing on the London Stock Exchange. The Group is an international business-to-business media company with a focused portfolio of market-leading events and information services products.

Results and dividends
The Group's and Company's audited financial statements for the year ended 31 December 2016 are set out on pages 87 to 134.

The Directors recommend the payment of a final dividend of 3.2p per Ordinary Share. Subject to shareholders' approval at the 2017 AGM, the final dividend is expected to be paid on 15 June 2017 to Ordinary Shareholders registered as at the close of business on 19 May 2017.

Together with the interim dividend of 1.5p per Ordinary Share paid on 4 November 2016, this makes a total for the year of 4.7p per Ordinary Share.

Directors and Directors' interests
The following individuals were Directors of the Company for the year ended 31 December 2016, and to the date of approving this report unless otherwise stated:

		Appointed	Resigned
Scott Forbes	Chairman	11 Jan 2016	–
Duncan Painter	Chief Executive Officer	4 Jan 2016	–
Mandy Gradden	Chief Financial Officer	4 Jan 2016	–
Paul Harrison	Independent Non-Executive Director	21 Jan 2016	–
Judy Vezmar	Independent Non-Executive Director	21 Jan 2016	–
Gillian Kent	Independent Non-Executive Director	21 Jan 2016	–
Rita Clifton	Senior Independent Non-Executive Director	12 May 2016	–
Tom Hall	Non-Executive Director	11 Jan 2016	5 Sept 2016
David Pemsel	Non-Executive Director	11 Jan 2016	5 Sept 2016

All current Directors will stand for election at the 2017 AGM.

At each AGM, each Director then in office shall retire from office with effect from the conclusion of the meeting. When a Director retires at an AGM in accordance with the Articles of Association of the Company, the Company may, by ordinary resolution at the meeting, fill the office being vacated by re-electing the retiring Director. In the absence of such a resolution, the Directors shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director but not so that the total number of Directors shall exceed the maximum number fixed by or in accordance with the Articles.

The remuneration and share interests of the Directors who held office at 31 December 2016 are set out in the Annual Report on Remuneration on pages 77 to 82. The Directors' Remuneration Report contains details of the terms of employment of the Executive Directors, and the terms of appointment of the Chairman and the Non-Executive Directors.

On 1 December 2016, the Apax Shareholders and GMG disposed of 66,000,000 ordinary shares in Ascential through a private placing, such that each of their holdings were subsequently reduced and such that the Apax Shareholders now hold 14.5% and GMG Shareholders hold 8.7% of the issued share capital of the Company.

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 8 February 2016 under section 551 of the 2006 Act expires on the date of the forthcoming AGM, and ordinary resolution 14 seeks a new authority to allow the Directors to allot ordinary shares up to a maximum nominal amount of £2,670,283 (267,028,333 shares, representing approximately two-thirds of the Company's existing share capital at 25 February 2017), of which 1,335,141 shares (representing 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 2018 or 11 August 2018 if earlier.

Authority to purchase own shares
By a resolution passed at the meeting of shareholders held on 8 February 2016, the Company was authorised to make market purchases of up to 40,000,000 of its ordinary shares, subject to minimum and maximum price restrictions. This authority will expire at the conclusion of the forthcoming AGM. As at the date of this report, the Company has not exercised any powers to purchase the Company's ordinary shares.

The Directors will seek authority from shareholders at the forthcoming AGM for the Company to purchase, in the market, up to a maximum of 40,054,250 of its own ordinary shares either to be cancelled or retained as treasury shares. The Directors have no present intention of exercising this authority which will expire at the conclusion of the AGM in 2018 or 11 August 2018 if earlier.

Share capital
The Company's issued share capital at 31 December 2016 and 24 February 2017 comprises 400,542,500 ordinary shares of £0.01 each which are listed on the London Stock Exchange (LSE: ASCL.L). The ISIN of the shares is GB00BYM8GJ06.

Further information regarding the Company's issued share capital and details of the movements in issued share capital during the year are provided in Note 31 to the Group's financial statements. All the information detailed in Note 31 forms part of this report and is incorporated into it by reference.

Details of employee share schemes are provided in Note 10 to the financial statements.

Capital reduction
During the year, the Company completed a reduction of share capital whereby the entire amount standing to the credit of the Company's share premium account was cancelled; 876,266,690 deferred shares (which were issued by way of a bonus issue for the purpose of capitalising the Company's capital reserve) were cancelled; and the nominal value of each issued ordinary share in the capital of the Company was reduced from £0.10 to £0.01 (the "Capital Reduction"). The Capital Reduction was necessary in order to provide the Company with the distributable reserves required to support the dividend policy.

The Capital Reduction was approved by a special resolution passed at a general meeting of the Company on 8 February 2016, and was formally approved by the High Court of Justice, Chancery Division, on 8 June 2016. Following registration of the order of the High Court with Companies House, the Capital Reduction became effective on 8 June 2016.

Following the Capital Reduction, as at 8 June 2016, the issued share capital of the Company consists of 400,542,500 ordinary shares of £0.01 each. The distributable reserves created by the Capital Reduction amount to £476.2m.

Rights attaching to shares
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 than 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 2016, the EBT held 538,890 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 transfer 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.

On 9 February 2016, the Company entered into an underwriting agreement with the Executive Directors, the Apax and GMG shareholders, Merrill Lynch International, Goldman Sachs International (the "Joint Global Coordinators"), BNP Paribas, Deutsche Bank AG London Branch, and Numis Securities Limited (the "Underwriters") in accordance with which the Apax and GMG shareholders agreed not to dispose of any ordinary shares in Ascential for a period of 180 days following Admission; and each of the Executive Directors agreed not to dispose of any ordinary shares in Ascential for a period of 360 days following Admission. Each member of the management team also agreed with the Company not to dispose of any ordinary shares in the Company for a period of 360 days following Admission.

Following the disposal of part of their shareholding on each of 1 September 2016 and 1 December 2016, Apax and GMG were subject to a lock-up for a period of 90 days for the remaining ordinary shares held by them.

All of the above arrangements are, or were, subject to certain customary exceptions.

Interests in voting rights
Details of the share capital of the Company are set out in Note 31 to the financial statements.

As at 31 December 2016 and 24 February 2017, notifications of interests at or above 3% in the issued ordinary share capital of the Company had been received from the following:

	At 31 December 2016		At 24 February 2017	
Shareholder	Number of ordinary shares/ voting rights notified	Percentage of voting rights over ordinary shares of £0.01 each	Number of ordinary shares/ voting rights notified	Percentage of voting rights over ordinary shares of £0.01 each
Old Mutual plc	74,898,846	18.70	76,254,618	19.04
Eden Debtco 2 S.a.r.l (a fund advised by Apax)	48,615,477	12.14	48,615,477	12.14
Guardian Media Group plc	34,866,087	8.70	34,866,087	8.70
BlackRock Inc.	22,999,099	5.74	24,412,566	6.09
AXA Investment Managers	24,218,035	6.05	24,218,035	6.05

Indemnities and insurance
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 financial year ending 31 December 2016.

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.

Environmental/carbon emissions
Details of the Company's and the Group's greenhouse gas emissions are set out in the Corporate and Social Responsibility section on pages 48 to 49 and form part of this report by reference.

Political donations
During the year no political donations were made.

Significant contracts
The only significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control of the Company are 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 and the NEC Birmingham 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.

Employee engagement and employment practices
The Board strives to instil a high performance culture with strong ethical values. 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 a 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 equal opportunities, employee engagement, employment policies, succession planning and women in senior management roles are set out in the People and values section on pages 46 to 47 and form part of this report by reference.

Corporate Governance Code
Further details on the Group's Corporate Governance Code are set out in the Corporate Governance Statement on pages 54 to 59 and form part of this report by reference.

External branches
The Group operated branches in Australia, Belgium, France, Germany, Hong Kong, Italy, Japan and Singapore during the year ended 31 December 2016.

Financial instruments
Details of the financial risk management objectives and policies of the Group are given on pages 100 to 101 in Note 3 to the consolidated financial statements and form part of this report by reference.

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.

KPMG LLP ("KPMG") was appointed as the auditor to the Company and the Group by the Board during the year. KPMG has expressed willingness to continue in office and a resolution to re-appoint KPMG will be proposed at the forthcoming AGM.

Post balance sheet events
The Group announced in January 2017 that it had separated 13 Heritage Brands into a separate operating entity that is held for sale. As a result of ongoing discussions, the Board now considers a sale of this operating entity to be highly probable and has therefore reclassified it as a discontinued operation.

Also in January 2017, the Group announced the sale of the first of the Heritage Brands, Health Services Journal, to Wilmington plc for a consideration of £19m, payable in cash subject to normal working capital adjustments on completion.

In February 2017, the Group announced that it had agreed to acquire 100% of US-based media advisory and business services provider Media Link for an initial cash consideration of $69m plus future earnouts expected to total between $42m and $62m.

Going concern
The going concern statement is set out on page 33 and is incorporated by reference and deemed to form part of this report.

Annual General Meeting
The AGM of the Company will take place at 11.00 am on 11 May 2017 at Coworth Park Hotel, Blacknest Road, Ascot, Berkshire SL5 7SE, United Kingdom. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM.

The Notice of the 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 resolutions 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 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 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

Directors' Report continued

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 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.

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 that 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 business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a 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
24 February 2017

Report of the Audit Committee

Dear Shareholder,

I am pleased to introduce the Report of the Audit Committee for 2016.

Overview
The Audit Committee helps the Board ensure sound governance. It has specific responsibility for oversight of internal controls and financial management, review of financial reporting and especially the key judgements, estimates and issues involved, assessing the Group's long term resilience, and oversight of the relationship with external auditor.

Responsibilities
The Committee's full terms of reference are available on the Company's website at www.ascential.com. The main responsibilities are to:

- review the content of the Company's Annual Report and Accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- review and assess accounting principles, policies, practices, and judgements and financial statement presentations, reviewing and challenging management where necessary;
- monitor the effectiveness of the Group's financial reporting process and the integrity of the financial statements of the Company, including its annual and half year reports, preliminary results announcement, dividend proposal and any other formal announcement relating to its financial performance;
- monitor the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems, and the policies and overall process for identifying and assessing business risks and managing their impact on the Company and the Group;
- monitor and review the effectiveness of the Group's internal audit function in the context of the Company's overall risk management system; and
- oversee the relationship with the external auditor, to assess the independence of the external auditor, and to assess the effectiveness of the audit process.

Membership and meetings
Members of the Committee and their attendance at Committee meetings in the period are set out on page 56.

The Board is satisfied that Paul Harrison has recent and relevant financial experience and is well qualified to serve as the Chairman of the Audit Committee. Paul is a qualified accountant and is the current CFO of Just Eat plc. He was the former CFO of Wandisco plc and The Sage Group plc. Both Rita Clifton and Gillian Kent have also sat on several audit committees.

The Committee met on three occasions during the year. The Company Secretary is secretary to the Committee. The CEO, CFO, and the Director of Financial Control regularly attend, as do representatives of the external auditor. Other staff members are invited to attend when the Committee considers topics on which they have specialist skills and knowledge, such as in relation to taxation or IT security. The Committee also has regular private meetings with the CFO and with the external auditor at which management are not present.

Annual Report and Accounts
The Committee has assessed the Annual Report and Accounts, to consider whether, taken as a whole, it is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, as required by the Code. In performing this assessment, it has taken into account the disclosure and prominence of items discussed during the year by the Board and by the Committee including, but not limited to, significant judgements and issues in relation to the financial statements, and also the processes by which management have gained assurance that Annual Report disclosures are appropriate. Based on this assessment, the Committee has advised the Board that, in its view, the Annual Report and Accounts meets the Code requirements.

Financial reporting
To meet its responsibilities for financial reporting, during the course of the year the Committee reviews reports from both management and the external auditor on the definition of, and compliance with, critical accounting policies, on developments in accounting standards and regulatory reporting requirements, and on key risks and matters of judgement in relation to financial reporting. The Committee routinely considers the appropriateness of accounting practices in respect of revenue recognition, capitalisation of development costs, and exceptional items.

The Committee considers the following issues to be the most significant matters of judgement in relation to the Annual Report and Accounts:

Carrying value of goodwill and acquired intangible assets
Goodwill and acquired intangible assets are material items in the Group's balance sheet. The carrying value is initially assessed at the date of acquisition with reference to expected future performance of the acquired business. Assets held for continued use are subsequently reassessed at least annually, based on updated forecasts of business performance. Assets held for resale are assessed based on prudent forecasts of sale proceeds net of disposal costs. 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. However, if the results of operations in a future period are adverse to the forecasts used for impairment testing (or in the case of assets held for sale, actual sale proceeds are lower than forecast), an impairment may be triggered at that point, or a reduction in useful economic life may be required.

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. Goodwill and intangible assets are based on expected future cashflows discounted to net present value. 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 appropriate forecast, and selecting the appropriate discount rates. The Committee reviewed the acquisition accounting calculations and underlying management estimates and assumptions in the case of One Click Retail which was bought during the year, and in respect to acquisitions in the earlier years it reviewed the calculations in

respect of deferred consideration and acquisition-related deferred remuneration in light of changes in forecast, in order to ensure these were appropriate.

However, if the future results of these businesses differ from the forecasts used for these calculations, there may be a material change in the value of these deferred liabilities.

Value of recoverable tax losses
The Group recognises £17.4m of tax losses expected to be utilised in respect of its US businesses. This valuation is highly sensitive to two assumptions: the future performance of the US businesses, and the amount of losses available to utilise. During the year, the Group has passed the threshold at which a change of control occurs, as defined by the US tax code. As a result, the historic losses of the Group's US businesses will be subject to a restriction on utilisation. The amount of this restriction will not be known for certain until tax filings in respect of 2016 have been filed and not challenged by the US Internal Revenue Service ("IRS"). The Committee has reviewed the assumptions used by management to support the current carrying value, together with the findings of the external auditor, and is satisfied that these are a reasonable estimate. However, should either the future performance of the US business or the valuation restriction accepted by the IRS differ significantly from these assumptions, there may be a material change in the value of these tax losses. It should also be noted that, as with all deferred tax items, these assets are based on tax rates currently enacted and so assume no change in those rates, and if these rates change then there could be a material impact on the carrying value.

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 discussed these measures with both management and advisers, including the external auditor, to ensure that the measures were reasonable, and reviewed their use in the context of the overall Annual Report and Accounts to ensure that this was consistent with the Code requirement to be fair, balanced and understandable.

Internal controls
The Committee undertakes an annual review of controls effectiveness, and also reviews control issues as they arise during the year in relation to operational and compliance control matters as well as financial controls. During the year it has also supported management in the establishment of an internal audit function, to provide additional assurance in relation to control matters. 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:

- cyber security procedures;
- legal regulatory compliance update covering Anti-Bribery, Modern Slavery Act, and General Data Protection Regulations;
- corporate Code of Conduct and Whistleblowing;
- review of tax risks and compliance issues;
- treasury policy review; and
- the decision to establish an independent internal audit function.

External audit
The Committee is responsible for ensuring that the external auditor both provides an effective source of assurance for the Group's financial reporting and controls, and maintains the necessary independence and objectivity.

Independence
The current external auditor, KPMG, was appointed in 2010 and so there is no requirement to tender the external audit engagement until 2020. The current lead audit partner, John Bennett, has been in post since 2013 and so will be obliged to step down after the 2017 audit. It is expected that, during 2017, KPMG will nominate a successor as lead audit partner to ensure a smooth handover during the course of the year.

The auditor is generally only engaged for audit and related activities and the Committee is responsible for enforcing the Group's policy on non-audit services provided by the external auditor. If there is a case to use the external auditor to provide non-audit services, prior permission is required from the Committee who will review the proposal to ensure that it will not impact the auditor's objectivity and independence. The policy also requires all permissible services with a fee greater than £100,000 be pre-approved by the Committee. A breakdown of total audit and non-audit fees charged by the external auditor for the year under review is shown in Note 8 to the financial statements. A summary of non-audit fees paid to the external auditor is provided to the Committee on a half yearly basis. During the year, KPMG were paid £0.8m in respect of services as reporting accountant on the listing of Ascential plc. These services were permissible under the FRC Ethical Standard and were authorised by the Board of the previous holding company of the Group prior to the formation and listing of Ascential plc. KPMG were also paid £44,000 in respect of tax services completed during 2016, and permitted by the Ethical Standard. From 1 January 2017, the Ethical Standard does not permit KPMG to provide certain services, including tax services.

Effectiveness
The Committee liaises directly with the external auditor throughout the year to review audit strategy and plans, to monitor progress and receive progress updates, and to review audit findings prior to announcement of the financial results. In addition, the Committee receives feedback from management and conducts a survey of finance staff throughout the Group. This regular involvement and feedback gives the Committee insight into the quality of work delivered and provides the basis for the Committee to conclude that is satisfied with the effectiveness of the external auditor. Accordingly, the Committee has recommended that KPMG be reappointed as auditor for the coming year.

Paul Harrison
Chairman of the Audit Committee
24 February 2017

Report of the Nomination Committee

Dear Shareholder,

I am pleased to introduce the Report of the Nomination Committee for 2016.

Role of the Committee and independence
Responsibilities
The Nomination Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and Committees of the Board. It considers retirements and appointments of additional and replacement Directors and Committee members and will make appropriate recommendations to the Board on such matters falling within its competency. The Nomination Committee also assists the Board in the consideration and development of appropriate corporate governance principles.

Independence
The Code recommends that a majority of the members of a FTSE 350 nomination committee should be independent non-executive directors and that the chairman of the board or an independent non-executive director should chair the committee. I am pleased to report that the Nomination Committee complies with these requirements and invite you to consider its terms of reference which can be found on our website: ascential.com/investors/corporate-governance.

Progress during the year
In our first year as a listed company and a member of the FTSE 250, the Committee met twice. The key focuses were:

Board appointments
It successfully identified and nominated Rita Clifton as the Senior Independent Non-Executive Director, meaning our Board composition and Committee membership is in full compliance with the provisions of the Code.

An external executive recruitment consultant, Korn Ferry (with whom the Group has no other relationship), was engaged to assist with the identification of suitable candidates. A comprehensive candidate search brief was agreed, including the required industry and public company skills, knowledge and experience required for the appointment of the Senior Independent Non-Executive Director. The shortlisted candidates each met with members of the Board on a one-on-one basis before the Committee made its recommendation of the preferred candidate to the Board.

Paul Harrison, Gillian Kent and Judy Vezmar were appointed Independent Non-Executive Directors prior to Admission and so the process for their appointment was led by the Chairman rather than the Nomination Committee.

Organisation and succession planning
The Committee also carried out an extensive organisation and succession planning review, covering the Chairman, members of the Board, Executive Directors and the senior management team. Various actions are being taken to ensure that robust plans continue to be in place for the year ahead. To assist the Committee achieve its objectives, the Chief Executive Officer and the People Director were invited to give presentations to the Nomination Committee.

Board effectiveness
The Nomination Committee oversaw a formal, externally led evaluation of the Board, Committees and individual Directors during the year. The results were very positive, especially when considered in the context of the Board's relatively recent formation – and confirmed that the Board has broad skills and a mix of backgrounds and that its members challenge management constructively.

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 should 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 variety of factors before recommending any new appointments to the Board, including relevant skills to perform the role, experience, knowledge and diversity.

Ascential endeavours to achieve appropriate diversity, including gender diversity, throughout the Company and concurs with the recommendations of Lord Davies' review. It brings me great pleasure to report that we have exceeded the recommended target of 25% female representation on our Board, as well as the higher target of one-third recommended by the Hampton-Alexander review in November 2016. Since four of our seven Board members are female, female representation is 57%. These appointments were made based on merit, against objective criteria, to ensure we appointed the best individual for each role.

The Committee will build on the positive feedback and suggestions from the Board effectiveness review as it progresses with its objectives in 2017. It will also continue to focus on the Group's succession plan and talent development to energise the senior management.

I will be available at the AGM to answer any questions on the work of the Committee.

Scott Forbes
Chairman of the Nomination Committee
24 February 2017

Directors' Remuneration Report

Annual Statement from the Chair of the Remuneration Committee

Dear Shareholder,

As the Chair of the Remuneration Committee, I am pleased to present, on behalf of the Board, our first Directors' Remuneration Report as a listed company since Admission on 12 February 2016. This report sets out Ascential's Remuneration Policy for Executive Directors, what we paid our Executive and Non-Executive Directors in the 10 month period since the IPO, and why.

This report is split into three sections:

1. This **Annual Statement,** which summarises the key decisions made by the Committee during the year and forms part of the Annual Report on Remuneration.
2. **Directors' Remuneration Policy** – this set outs the Remuneration Policy for the Executive Directors, Chairman and Non-Executive Directors. The Directors' Remuneration Policy will be put to a binding shareholder vote at the forthcoming AGM (we will disclose their views and voting in next year's Directors' Remuneration Report) and is consistent with that set out in the Admission Prospectus.
3. **Annual Report on Remuneration** – this sets out in detail how the Remuneration Policy has been applied in 2016, the remuneration received by Directors for the year and how the policy will be applied in 2017. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the AGM.

Performance and reward in 2016

2016 was an historic year for Ascential with our successful IPO occurring just after the start of the year. In celebration of this, in March 2016, we were pleased to offer an award of free shares worth £1,000 each to around 1,600 eligible employees at that time. In addition we established an employee Sharesave plan available to employees in all eligible countries.

2016 was also a year of strong business performance, as summarised on page 10. For the Group's continuing operations, reported revenue grew by 16.8%, or 9.5% on an organic, constant currency basis and Adjusted EBITDA was up 25.2%, or 11.5% on an organic, constant currency basis.

Annual bonuses of 25% of salary for the CEO and the CFO were earned in the financial year based on meeting key strategic performance goals relating to portfolio restructuring plans. Financial performance was strong and fully met expectations established with shareholders. Despite exceeding shareholder expectations and the stretching financial targets for Continuing Operations set by the Committee, the 98% threshold "gate" Group financial target was not met. The shortfall was attributable to under performance by our recently discontinued Heritage Brands. Notwithstanding the strong financial performance achieved for continuing operations, and rapid progress across organisation, Board, shareholder and portfolio objectives, the bonus attributable to revenue and profit performance is not payable unless the threshold profit gate has been achieved and no bonus was therefore awarded in relation to the financial performance conditions. Total bonus awarded to the Executive Directors in relation to the 2016 financial year is therefore 25% of salary.

As set out in the Admission prospectus, the maximum annual award under the Performance Share Plan ("PSP") is 200% of salary (rising to 250% in exceptional circumstances). An initial PSP award was granted following the IPO of 175% of salary for the CEO and 150% of salary for the CFO.

How the policy will be implemented for the 2017 financial year

Current salaries for Executive Directors were set prior to the IPO. No inflationary rises were awarded at the normal salary review date of 1 April 2016. The current Remuneration Committee has undertaken a review of their salaries taking into consideration the Executive Directors' performance, rapid progress of the business against all aspects of our agreed strategy and proactive consultation with shareholders comprising a majority of our shares, we have decided to increase Duncan Painter's salary to £525,000 and Mandy Gradden's to £354,000 effective 1 April 2017. The Committee believes that these increases will ensure that our Executive Directors are appropriately and fairly rewarded going forward.

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.

PSP 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). 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 shares which vest other than to settle any associated tax.

Key activities of the Committee

The Committee's key activities during the 2016 financial year were:

- agreement of the Committee's terms of reference;
- approving the 2015 bonus outcomes;
- agreeing remuneration packages and arrangements for senior employees;
- formulation of the Company's first Remuneration Policy as a listed company;
- implementing and making awards under the Company's new share plans;
- determining the level of bonus payments in respect of this financial year;
- drafting the Company's first Directors' Remuneration Report as a listed company; and
- reviewing its performance assisted by an independent consultancy.

In addition, since the end of 2016, we have consulted with the Company's major shareholders, the Investment Association and ISS on the major elements of our policy and the way in which we propose to implement it in 2017. The majority of those consulted were supportive of our proposals for 2017.

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

Judy Vezmar
Chairman of the Remuneration Committee
24 February 2017

The 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). The report has also been prepared in line with the recommendations of the UK Corporate Governance Code.

Directors' Remuneration Policy

This part of the Remuneration Report sets out Ascential's Remuneration Policy for its Executive and Non-Executive Directors. The policy has been developed taking into account the principles of the UK Corporate Governance Code, and guidelines from major investors. The Directors' Remuneration Policy will be put to a binding shareholder vote at the AGM in May 2017 and, subject to shareholder approval, will take formal effect from that date.

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 executives;
- 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, all 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.

Policy overview
When setting the policy for Directors' remuneration, the Committee takes into account the overall business strategy and risk tolerance, considering the long-term interests of the Company with a view to adequately attracting, retaining and rewarding skilled individuals and delivering rewards to shareholders.

Consistent with these principles, the Committee has agreed a Remuneration Policy which will:

- provide a simple remuneration structure which is easily understood by all stakeholders;
- attract, retain and motivate executives and senior management in order to deliver the Company's strategic goals and business outputs;
- promote the long-term success of the business;
- provide an appropriate balance between fixed and performance-related, and immediate and deferred remuneration to support a high-performance culture;
- adhere to the principles of good corporate governance and best practice;
- align executives with the interests of shareholders and other external stakeholders; and
- consider the wider pay environment, both internally and externally.

How are wider employment conditions taken into account?
The Committee seeks to ensure that the underlying principles which form the basis for decisions on Executive Directors' pay are consistent with those on which pay decisions for the rest of the workforce are taken. For example, the Committee takes into account the general salary increase for the broader employee population when conducting the salary review for the Executive Directors.

All permanent employees are eligible for a performance-related annual bonus and the Company operates UK and International Sharesave and US Stock Purchase saving plans for employees wishing to invest in the Company's shares. A formal employee consultation on remuneration is not operated; however, employees are able to provide feedback on the Company's remuneration policies to their managers or the Human Resources department informally as well as through the employee engagement survey and annual performance review process. Fixed ratios between the total remuneration levels of different roles in Ascential are not applied, as this may prevent us from recruiting and retaining the necessary talent in competitive employment markets.

The Executive Directors' Remuneration Policy (as set out on pages 69 to 76) reflects differences compared to the broader employee base that are appropriate to leadership at an even higher standard of success to ensure alignment with shareholder interests. A greater weight is placed on performance-based pay through the quantum and participation levels in incentive schemes.

Are the views of shareholders taken into account?
The Committee values and is committed to dialogue with shareholders. This is the first time that shareholders will vote on the Remuneration Policy and in preparing this policy we have sought feedback from our major shareholders, the Investment Association and ISS, and we will continue to carefully consider any shareholder feedback received in relation to the AGM this year and in future. In addition, the Committee will continue to engage proactively with shareholders and ensure that shareholders are consulted in advance, where any material changes to the Directors' Remuneration Policy are proposed. Through the process of review this year, the Committee Chair has consulted with shareholders who in aggregate hold a majority of our shares.

What are the elements of the Executive Directors' pay?

Element	Purpose and link to strategy	Operation (including framework used to assess performance)	Opportunity
Base salary	Provides a competitive and appropriate level of basic fixed pay appropriate to recruit, retain and reward Directors of a suitable calibre to deliver the Company's strategic goals and business outputs. Reflects an individual's experience, performance and responsibilities within Ascential.	Set at a level which provides a fair reward for the role and which is competitive amongst relevant peers. Normally reviewed annually with any changes taking effect from 1 April each year. Set taking into consideration individual and Company performance, the responsibilities and accountabilities of each role, the experience of each individual, his or her marketability and Ascential's key dependencies on the individual. Reference is also made to salary levels amongst relevant peers and other companies of equivalent size and complexity. The Committee considers the impact of any basic salary increase on the total remuneration package.	Increases will normally be in line with the general increase for the broader employee population, taking into account factors such as performance of the Company and external factors such as inflation. More significant increases than standard may be awarded from time to time to recognise, for example, development in role and change in position or responsibility, as are also considered for the wider workforce for the same reasons. Current salary levels are disclosed in the Annual Report on Remuneration.
Benefits	Provides market competitive and appropriate benefits package.	Benefits provided may include private medical insurance, life assurance and income protection insurance. The benefits provided may be subject to minor amendment from time to time by the Committee within this policy. In addition, Executive Directors are eligible for other benefits which are introduced for the wider workforce on broadly similar terms. The Company may reimburse any reasonable business related expenses (including tax thereon) incurred in connection with their role if these are determined to be taxable benefits.	There is no overall maximum level of benefits provided to Executive Directors, and the level of some of these benefits is not pre-determined but may vary from year to year based on the overall cost to the Company. However, the Committee monitors annually the overall cost of the benefits provided to ensure that it remains appropriate.
Pension	Provides a competitive and appropriate pension package.	Each Executive Director has the right to participate in the pension scheme operated by the Company either via a contribution into the Company's defined contribution plan, or via a cash supplement (net of employer's national insurance contributions).	Pension contributions and/or cash allowances are set at 9% of base salary.
All-employee share plans	Encourages employee share ownership and therefore increases alignment with shareholders.	Ascential may from time to time operate tax-approved share plans (such as HMRC-approved Save As You Earn Option Plan and Share Incentive Plan) for which Executive Directors could be eligible.	The schemes are subject to the limits set by HMRC from time to time.

Element	Purpose and link to strategy	Operation (including framework used to assess performance)	Opportunity
Annual bonus	Incentivises the execution of key annual goals by driving and rewarding performance against targets aligned to delivery of strategy. Compulsory deferral of a proportion of bonus into Ascential shares provides alignment with shareholders.	Paid annually, bonuses will be subject to achievement of stretching financial performance measures. The Committee also has discretion to introduce non-financial and/or strategic measures in future years. It is intended, however, that financial measures will determine the majority of the annual bonus opportunity. 50% of bonus earned will normally be deferred into awards over shares under the Deferred Annual Bonus Plan ("DABP"), with awards normally vesting after a three-year period. Recovery and withholding provisions are in operation across the annual bonus and the DABP in certain circumstances, including where there has been a misstatement of accounts, an error in assessing any applicable performance conditions, or in the event of misconduct on the part of the participant.	The maximum bonus payable to Executive Directors is 125% of base salary with 50% of maximum payable for on-target performance (62.5% of salary). The minimum percentage of maximum that may be paid for threshold performance is 0%. Dividends may accrue on DABP awards over the vesting period and be paid out either as cash or as shares on vesting.
Performance Share Plan ("PSP")	Rewards the achievement of sustained long-term performance that is aligned with shareholder interests. Facilitates share ownership to provide further alignment with shareholders.	Annual awards of performance shares that normally vest after three years subject to performance conditions and continued service. Performance is normally tested over a period of at least three financial years but, in the case of the Initial PSP Awards, will be tested over the periods described below. Vesting of the Initial PSP Awards is subject to the Company's cumulative EBITA (75% of the award) measured over three years, starting with FY16, and TSR versus the FTSE 250 Index (excluding investment trusts but including the Company) measured from the date of Admission over a period to 31 December 2018 (25% of the award). No portion of the Initial PSP Award will vest if cumulative EBITA is less than a threshold set by the Remuneration Committee. The maximum percentage that may vest for threshold performance is 25%. For the awards granted in FY17, awards will be subject to targets based on growth in Adjusted EPS and relative TSR measured against the constituents of the FTSE 250 (excluding investment trusts). Different performance measures and/or weightings may be applied for future awards as appropriate. At least 50% of future awards will be subject to financial measures which will normally be a profit measure. The Committee will consult in advance with major shareholders prior to any significant changes being made. Following vesting, a further two-year holding period will apply to the awards whereby Executive Directors will be restricted from selling the net of tax shares which vest. Recovery and withholding provisions operate in certain circumstances, including where there has been a misstatement of accounts, an error in assessing any applicable performance conditions, or in the event of misconduct on the part of the participant. These provisions apply for at least three years from the date on which an award vests.	The normal maximum opportunity is 200% of base salary, in line with the policy set at IPO. In exceptional circumstances this may be increased to 250% of salary. Current award levels are 200% of base salary for the CEO and 175% of base salary for the CFO. Dividends may accrue on PSP awards over the vesting period and be paid out either as cash or as shares on vesting in respect of the number of shares that have vested.
Shareholding guideline	Encourages Executive Directors to build a meaningful shareholding in Ascential so as to further align interests with shareholders.	Each Executive Director must build up and maintain a shareholding in Ascential equivalent to 200% of base salary. If an Executive Director does not meet the guideline, they will be expected to retain at least half of the net shares vesting under the Company's discretionary share-based employee incentive schemes until the guideline is met.	Not applicable.

Directors’ Remuneration Report continued

What discretions does the Committee retain in operating the incentive plans?
The Committee operates Ascential’s various incentive plans according to their respective rules. To ensure the efficient operation and administration of these plans, the Committee retains discretion in relation to a number of areas. Consistent with market practice, these include (but are not limited to) the following:

- selecting the participants;
- the timing of grant and/or payment;
- the size of grants and/or payments (within the limits set out in the policy table above);
- the extent of vesting based on the assessment of performance;
- determination of a good leaver and, where relevant, the extent of vesting in the case of the share based plans;
- treatment in exceptional circumstances such as a change of control, in which the Committee would act in the best interests of Ascential and its shareholders;
- making the appropriate adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events, variation of capital and special dividends);
- cash settling awards; and
- the annual review of performance measures, weightings and setting targets for the discretionary incentive plans from year to year.

Any performance conditions may be amended or substituted if one or more events occur which cause the Committee to reasonably consider that the performance conditions would not without alteration achieve its original purpose. Any varied performance condition would not be materially less difficult to satisfy in the circumstances.

How does the Committee choose performance measures and set targets?
The performance metrics used for the annual bonus plan and PSP have been selected to reflect Ascential’s key performance indicators.

The annual bonus is based on performance against a stretching combination of financial and, in certain years, non-financial performance measures. The financial measures are set taking account of Ascential’s key operational objectives but will typically include a measure of profitability and/or revenue as these are key performance indicators. In 2017, the annual bonus will be measured solely on revenue (50%) and profit (50%) targets.

The performance conditions for the PSP are based on a profit measure and TSR performance. Relative TSR has been selected as it reflects comparative performance against a broad index of companies. It also aligns the rewards received by Executives with the returns received by shareholders. For the Initial PSP Awards and the 2017 awards, this is the FTSE 250 (excluding investment trusts) as the Company is a constituent of that index.

A sliding scale of challenging performance targets is set for both of these measures and further details of the targets applied are set out in the Annual Report on Remuneration.

The Committee will review the choice of performance measures and the appropriateness of the performance targets and TSR peer group prior to each PSP grant.

Different performance measures and/or weightings may be applied for future awards as appropriate. However, the Committee will consult in advance with major shareholders prior to any significant changes being made.

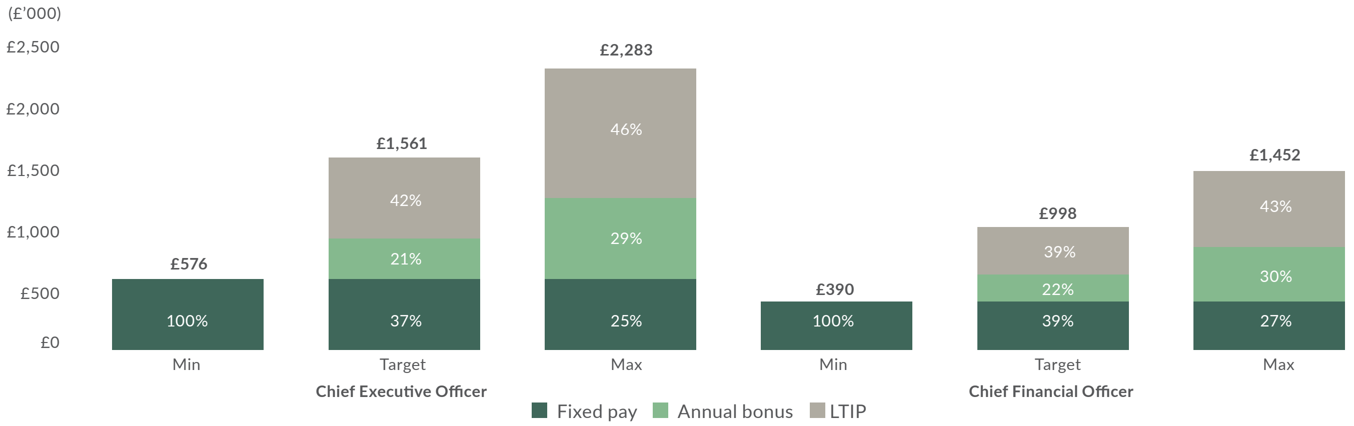
What about pre-existing arrangements?
In approving this Directors’ Remuneration Policy, authority is given to the Remuneration Committee to honour any commitments entered into with current or former Directors that pre-date the approval of the policy. Details of any payments to current or former Directors will be set out in the Annual Report on Remuneration if and when they arise.

How does the executive pay policy differ from that for other Ascential employees?
The Remuneration Committee considers the Executive Directors’ remuneration in the context of the wider employee population. All of the Company’s employees participate in annual bonus arrangements and have the opportunity to participate in share-based rewards such as SAYE and SIP. The Remuneration Policy for the Executive Directors is more heavily weighted towards variable pay than for other employees, to make a greater part of their pay conditional on the successful delivery of business strategy. This aims to create a clear link between the value created for shareholders and the remuneration received by the Executive Directors.

How much could an Executive Director earn under the Remuneration Policy?
A significant proportion of total remuneration is linked to Company performance, particularly at maximum performance levels.

The chart below illustrates how the Executive Directors' potential reward opportunity varies under three different performance scenarios: fixed pay only, on-target and at maximum. Illustrations are intended to provide further information to shareholders regarding the pay for performance relationship. Actual pay delivered will be influenced by changes in share price and the vesting levels of awards.

The Executive Directors can participate in the two all-employee share schemes on the same basis as other employees. The value that may be received under these schemes is subject to tax approved limits. For simplicity, the value that may be received from participating in these schemes has been excluded from the below chart.



Assumptions:

- Minimum: fixed pay only (base salary as at 1 April 2017, plus pension of 9% of salary and the estimated value of benefits).
- On-target: fixed pay (base salary as at 1 April 2017, plus pension of 9% of salary and the estimated value of benefits), plus 50% of the maximum annual bonus of 125% of base salary, plus vesting of PSP award at 62.5% of award granted at 200% for the CEO and 175% for the CFO (median vesting between threshold and full vesting).
- Maximum: fixed pay (base salary as at 1 April 2017, plus pension of 9% of salary and the estimated value of benefits), plus maximum annual bonus of 125% of base salary, plus full vesting of PSP award granted at 200% of base salary for CEO and 175% of base salary for the CFO).

What would a new Executive Director be paid?
The ongoing remuneration package for a new Executive Director would be set in accordance with the terms of Ascential's shareholder-approved Remuneration Policy at the time of appointment and the maximum limits set out therein. It is the Remuneration Committee's policy that no ongoing special arrangements will be made, and in the event that any deviation from standard policy is required to recruit a new hire on an ongoing basis, approval would be sought at the Annual General Meeting.

Base salary levels will be set in accordance with Ascential's Remuneration Policy, taking into account the experience and calibre of the individual. Salaries may be set at a below market level initially with a view to increasing them to the market rate subject to individual performance and developing into the role by making phased above inflation increases.

Benefits will be provided in line with those offered to the other Executive Directors, taking account of local market practice.

What would the ongoing incentive arrangements be for a newly-appointed Executive Director?
Currently, for an Executive Director, annual bonus payments will not exceed 125% of base salary and PSP payments will not normally exceed 200% of base salary (not including any arrangements to replace forfeited entitlements).

Where necessary, specific annual bonus and PSP targets and different vesting and/or holding periods may be used for an individual for the first year of appointment if it is appropriate to do so to reflect the individual's responsibilities and the point in the year in which they joined the Board. A PSP award can be made shortly following an appointment (assuming the Company is not in a close period).

Directors’ Remuneration Report continued

What payments could a newly appointed Executive Director receive beyond the policy?
The Committee retains flexibility to offer additional cash and/or share based awards on appointment to take account of remuneration or benefit arrangements forfeited by an Executive on leaving a previous employer. If shares are used, such awards may be made under the terms of the PSP or as permitted under the Listing Rules.

Such payments would take into account the nature of awards forfeited and would reflect (as far as possible) performance conditions, the values foregone and the time over which they would have vested or been paid. Awards may be made in cash if the Company is in a prohibited period at the time an Executive joins the Company.

The Committee may also agree that the Company will meet certain relocation, legal, tax equalisation and any other incidental expenses as appropriate so as to enable the recruitment of the best people including those who need to relocate.

What about an internal appointment?
In the case of an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, and adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

Are the Executive Directors allowed to hold external appointments?
Executive Directors are permitted to accept external appointments with the prior approval of the Board and where there is no impact on their role with Ascential. The Board will determine on a case-by-case basis whether the Executive Directors will be permitted to retain any fees arising from such appointments and, where any such fees are retained, they will be disclosed in the Annual Report on Remuneration.

What are the Executive Directors’ terms of employment? What are their notice periods?
The Executive Directors have entered into service agreements with an indefinite term that may be terminated by either party on 12 months’ written notice. Contracts for new appointments will be terminable by either party on a maximum of 12 months’ written notice.

What payments will an Executive Director receive when they leave the Company?
An Executive Director’s service contract may be terminated summarily without notice and without any further payment or compensation, except for sums accrued up to the date of termination, if they are deemed to be guilty of gross misconduct or for any other material breach of the obligations under their employment contract.

The Company may suspend the Executive Directors or put them on a period of garden leave during which they will be entitled to salary, benefits and pension only.

If the employment of an Executive Director is terminated in other circumstances, compensation may include base salary due for any unexpired notice period, pro-rata bonus (normally based on performance assessed after the year end) in respect of the proportion of the financial year worked and any amount assessed by the Committee as representing the value of other contractual benefits which would have been received during the period. The Company may choose to continue providing some benefits instead of paying a cash sum, representing their cost. Any annual bonus paid to a departing Executive Director would normally be paid in cash, at the normal payment date, and reduced pro-rata to reflect the actual period worked.

Any statutory entitlements or sums to settle or compromise claims in connection with a termination (including, at the discretion of the Committee, reimbursement for legal advice and provision of outplacement services) would be paid as necessary.

Executive Directors’ service contracts are available for inspection at Ascential’s registered office during normal business hours and will be available for inspection at the AGM.

How are outstanding share awards treated when an Executive Director leaves Ascential?
Any share-based entitlements granted to an Executive Director under Ascential’s share plans will be treated in accordance with the relevant plan rules. Usually, any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, injury, disability, retirement with the consent of the Committee, the sale of the entity that employs him/her out of Ascential or any other circumstances at the discretion of the Committee, “good leaver” status may be applied.

For good leavers under the PSP, outstanding awards will normally vest at the original vesting date to the extent that the performance condition has been satisfied, and would normally be reduced on a pro-rata basis to reflect the period of time which has elapsed between the grant date and the date on which the participant ceases to be employed by the Company. The Committee retains the discretion to vest awards (and measure performance accordingly) on cessation and/or to disapply time pro-rating; however, it is envisaged that this would only be applied in exceptional circumstances. For good leavers under the DABP, unvested awards will vest at the original vesting date unless the Committee exercises its discretion and allows the award to vest in full on, or shortly following, the date of cessation.

In determining whether a departing Executive Director should be treated as a “good leaver”, the Committee will take into account the performance of the individual and the reasons for their departure.

What happens to their outstanding share awards if there is a takeover or other corporate event?
Outstanding awards on a takeover or winding up of the Company will vest early to the extent that the performance condition has been satisfied, and would normally be reduced on a pro-rata basis to reflect the period of time which has elapsed between the grant date and the date on which the participant ceases to be employed by the Company, although the Committee would retain discretion to waive time pro-rating of an award if it regards it as appropriate to do so in the particular circumstances.

In the event of a demerger, special dividend or other event which, in the opinion of the Committee, may affect the current or future value of shares, the Committee may decide that awards will vest on a basis which would apply in the case of a takeover. In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company, unless the Committee decides that awards should vest on a basis which would apply in the case of a takeover.

How are the Non-Executive Directors paid?

Element	Purpose and link to strategy	Operation (including framework used to assess performance)	Opportunity
Non-Executive Director fees	To attract and retain a high-calibre Chairman and Non-Executive Directors by offering market competitive fee levels.	The Company Chairman is paid an annual fee. The Non-Executives (including the Senior Independent Director) are paid a basic fee with the Chairmen of the main Board Committees and the Senior Independent Director paid additional fees to reflect their extra responsibilities and time commitments. If there is a temporary yet material increase in the time commitments for Non-Executive Directors, the Board may pay extra fees on a pro-rata basis to recognise the additional workload. The level of fees is reviewed periodically by the Committee and Chief Executive for the Company Chairman and by the Company Chairman and Executive Directors for the Non-Executive Directors and set taking into consideration market levels in comparably sized FTSE companies, the time commitment and responsibilities of the role and to reflect the experience and expertise required. The Company Chairman and the Non-Executive Directors are not eligible to participate in incentive arrangements or to receive benefits save that they are entitled to reimbursement of reasonable business expenses and tax thereon. They may also receive limited travel or accommodation related benefits in connection with their role as a Director.	The fees are subject to maximum aggregate limits as set out in the Company's Articles of Association (£2,000,000). The Committee is guided by the general increase for the broader employee population, but on occasions may need to recognise, for example, changes in responsibility, and/or time commitments Current fee levels are disclosed in the Annual Report on Remuneration.

What would a new Chairman or Non-Executive Director be paid?
For a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved Remuneration Policy in force at that time.

What are the terms of appointment for the Chairman and Non-Executive Directors?
All Non-Executive Directors have letters of appointment with the Company for an initial period of three years (save for the Chairman who is appointed for a nine-year term) subject to annual re-election by the Company at a general meeting.

The appointment of each Chairman and Non-Executive Director may be terminated by either party with three months' notice. The appointment of each may also be terminated at any time if he or she is removed as a Director by resolution at a general meeting or pursuant to the Articles, provided that in such circumstances the Company will (except where the removal is by reason of his misconduct) pay the Chairman or Non-Executive an amount in lieu of his or her fees for the unexpired portion of his or her notice period.

Directors' letters of appointment are available for inspection at the registered office of Ascential during normal business hours and will be available for inspection at the AGM.

Directors' Remuneration Report continued

Dates of Directors' service contracts/letters of appointment

	Date of service contract/ appointment	Unexpired term of contract at 31 December 2016
Executive Directors		
Duncan Painter	21 January 2016	Rolling contract
Mandy Gradden	21 January 2016	Rolling contract
Non-Executive Directors		
Scott Forbes	11 January 2016	
Rita Clifton	12 May 2016	
Paul Harrison	21 January 2016	
Judy Vezmar	21 January 2016	
Gillian Kent	21 January 2016	

Annual Report on Remuneration

This part of the Directors' Remuneration Report sets out a summary of how the Directors' Remuneration Policy was applied since IPO to 31 December 2016 and will be subject to an advisory vote at the AGM. Details of the remuneration earned by Executive and Non-Executive Directors and the outcomes of the incentive schemes, together with the link to Ascential's performance, are provided in this section.

Various disclosures about the Directors' remuneration set out below have been audited by Ascential's independent auditors, KPMG LLP. Where information has been audited, this has been clearly indicated.

What did the Directors earn in relation to the 2016 financial year? (Audited)
The following tables report the total remuneration receivable in respect of qualifying services by each Director from the date of Admission (12 February 2016) to 31 December 2016:

£'000		Salary and fees	Taxable benefits[1]	Annual bonus[2]	PSP[3]	SIP	Pension	Total
Executive								
Duncan Painter	2016	408	4	115	–	1	37	565
Mandy Gradden	2016	279	3	78	–	1	22	383
Non-Executive								
Scott Forbes	2016	150	–	–	–	–	–	150
Rita Clifton[4]	2016	35	–	–	–	–	–	35
Paul Harrison	2016	53	–	–	–	–	–	53
Judy Vezmar	2016	53	–	–	–	–	–	53
Gillian Kent	2016	44	–	–	–	–	–	44
Tom Hall[5]	2016	–	–	–	–	–	–	–
David Pemsel[5]	2016	–	–	–	–	–	–	–
Total		**1,021**	**7**	**193**	**–**	**2**	**59**	**1,283**

1 Benefits include private medical insurance, life assurance and income protection insurance.
2 Bonus was calculated as a percentage of annual salary as at the date of IPO in February 2016. Any bonus amounts to be deferred under the Deferred Annual Bonus Plan are shown in the bonus figure for the year in which they were awarded.
3 The first awards under the PSP were made in the year and the values on vesting will be reported in the 2018 Annual Report on Remuneration.
4 Rita Clifton joined the Board on 12 May 2016.
5 Tom Hall and David Pemsel resigned from the Board effective 5 September 2016 and did not receive any fees for the period from IPO to their resignation.

Mandy Gradden is also a Non-Executive Director of SDL plc and received fees totalling £52,500 in 2016 from that external appointment.

Duncan Painter did not receive any remuneration in respect of his external appointments in 2016.

How was the annual bonus payment determined? (Audited)
The bonus elements, targets for the year and performance against these targets, and the resulting payouts, are set out in detail below.

For 2016, performance metrics included both corporate financial and strategic metrics as set out below:

Element	Proportion of award
Financial metrics	
Revenue, excluding the UKTI contract in Exhibitions & Festivals	40%
Adjusted EBITA, excluding UKTI contract	40%
Strategic objectives	20%
	100%

Financial metrics
Payout is dependent on meeting at least the threshold level of profit performance set out in the table below. No bonus is payable for the revenue element if the threshold level of Adjusted EBITA is not met.

	Revenue, including discontinued operations		EBITA, including discontinued operations	
	40% of award, maximum of 50% of salary		40% of award, maximum of 50% of salary	
Level of achievement	Required/ actual result £'m	Payout under that element (as a % of maximum)	Required/ actual result £'m	Payout under that element (as a % of maximum)
Threshold requirement	348.6	25%	90.9	25%
Target requirement	355.7	50%	92.8	50%
Stretch requirement	391.2	100%	102.1	100%
Actual achieved	351.9	36%[1]	89.3	nil

1 Payout has been reduced to nil since the threshold target for the profit element of the plan has not been met.

Financial metrics for the annual bonus plan are measured at constant currency and the targets have been increased from budget rates of Euro 1.43 and USD 1.56 to reflect the actual exchange rates that were in force during 2016.

Strategic objectives (20% of award, maximum of 25% of salary[1])
The bonus objectives set for the year included the requirement that payout for achievement of strategic objectives was dependent on meeting at least 95% of target profit performance. Actual profit of £89.3m exceeded the profit threshold of 95% of target.

The strategic objective set for the Executive Directors for 2016 was to complete all of the necessary preparations to allow for a strategic transaction in 2017 for the Heritage Brands. These preparations were completed successfully during the year, evidenced by the announcement on 5 January 2017 that 13 Heritage Brands had been separated into a discrete operating entity whilst new owners were being sought. The sale of Health Services Journal, one of the identified Heritage Brands, was executed on 19 January 2017.

The Executive Directors were awarded a bonus of 25% of salary out of the maximum of 25% available for this element.

The Committee therefore determined that in respect of the year to 31 December 2016, the resulting annual bonus awards were as follows:

	Maximum opportunity % of salary[1]	Actual % of salary	Total awarded	Paid in cash	Deferred in shares
Duncan Painter	125%	25%	£115,000	£57,500	£57,500
Mandy Gradden	125%	25%	£78,456	£39,228	£39,228

1 Bonus payable has been calculated as a percentage of the annual salary earned by each Director in 2016.

The annual bonus for the year is subject to deferral and 50% of the above awards will be deferred into shares for a period of three years.

What equity awards were granted since IPO? (Audited)
The Executive Directors were granted with awards under the SIP, the SAYE and the PSP during the year:

	Type of award	Number of shares	Face value	Face value as a % of salary[1]	Threshold vesting	End of performance period
Duncan Painter	PSP	402,500	805,000	175%	25%	31 Dec 2018
	SAYE	8,823	22,499	–	n/a	n/a
	SIP	500	1,000	–	n/a	n/a
Mandy Gradden	PSP	236,250	472,500	150%	25%	31 Dec 2018
	SAYE	8,823	22,499	–	n/a	n/a
	SIP	500	1,000	–	n/a	n/a

1 Face value as a percentage of salary has been calculated on the director's annual salary at the date of IPO in February 2016.

PSP awards take the form of nil cost options. The face value for the initial PSP awards was based on the IPO price of 200p and was set at 175% of salary for Duncan Painter and 150% of salary for Mandy Gradden. The share price at the date of grant was 232p.

75% of the Initial PSP Awards will be subject to the Company's cumulative Adjusted EBITA over a measurement period comprising three consecutive financial years of the Company, starting FY16. No portion of such part of the award will vest if cumulative Adjusted EBITA is less than a threshold level of £262.4m and maximum vesting will occur at £296.3m with straight line vesting in between these points.

25% of the award will be based on relative total shareholder return ("RTSR") performance relative to the constituents of the FTSE 250 Index (excluding investment trusts) over the measurement period running from Admission to 31 December 2018. Vesting of 25% of such part of the award will occur for median ranking and the award will vest in full for upper quartile or above ranking, with straight line vesting in between these points based on ranking. No awards will vest if RTSR ranks below the median.

Free shares under the SIP were granted at a share price of 200p, being the IPO Offer Price. The share price at the date of grant was 236.25p.

Both Executive Directors participated in the Ascential Sharesave scheme saving a monthly amount of £500, as a result of which, on 30 September 2016, they were each granted options over ordinary shares in Ascential plc under the Company's Employee Savings Related Share Option Plan. 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 204p, a 20% discount on the share price at the date of offer.

What are the Directors' outstanding incentive scheme interests? (Audited)
The tables below summarise the outstanding awards made to the Executive Directors:

Duncan Painter

Scheme	Interests at IPO	Granted in year	Lapsed in year	Exercised in year	Interests at 31 December 2016	Date of grant	Exercise price (p)	Vesting date	Expiry date
PSP	–	402,500	–	–	402,500	21 March 2016	nil	21 Mar 2019	21 Mar 2026
SAYE	–	8,823	–	–	8,823	30 Sept 2016	204p	1 Nov 2019	30 April 2020
SIP	–	500	–	–	500	10 Mar 2016	nil	10 Mar 2019	n/a
Total	–	**411,823**	–	–	**411,823**				

Mandy Gradden

Scheme	Interests at IPO	Granted in year	Lapsed in year	Exercised in year	Interests at 31 December 2016	Date of grant	Exercise price (p)	Vesting date	Expiry date
PSP	–	236,250	–	–	236,250	21 Mar 2016	nil	21 Mar 2019	21 Mar 2026
SAYE	–	8,823	–	–	8,823	30 Sept 2016	204p	1 Nov 2019	30 Apr 2020
SIP	–	500	–	–	500	10 Mar 2016	nil	10 Mar 2019	n/a
Total	–	**245,573**	–	–	**245,573**				

The closing share price of Ascential's ordinary shares at 31 December 2016 was 269.90p and the closing price range from Admission to the year end was 200.00p to 297.90p.

Ordinary Shares required to fulfil entitlements under the PSP, DABP, SAYE and SIP may be provided by Ascential's Employee Benefit 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 2016, amounted to 538,890. Assuming that all awards made under the Ascential's share plans vest in full, Ascential has utilised 0.95% of the 10% in 10 years and 0.56% of the 5% in 5 years dilution limits.

What pension payments were made in 2016? (Audited)
The table below provides details of the Executive Directors' pension benefits:

	Total contributions to DC-type pension plan £'000	Cash in lieu of contributions to DC-type pension plan £'000
Duncan Painter	17	20
Mandy Gradden	–	22

Directors' Remuneration Report continued

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.

Were any payments made to past Directors during 2016? (Audited)
There were no payments made to any past Directors during the year.

Were any payments for loss of office made during 2016? (Audited)
There were no loss of office payments made 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.

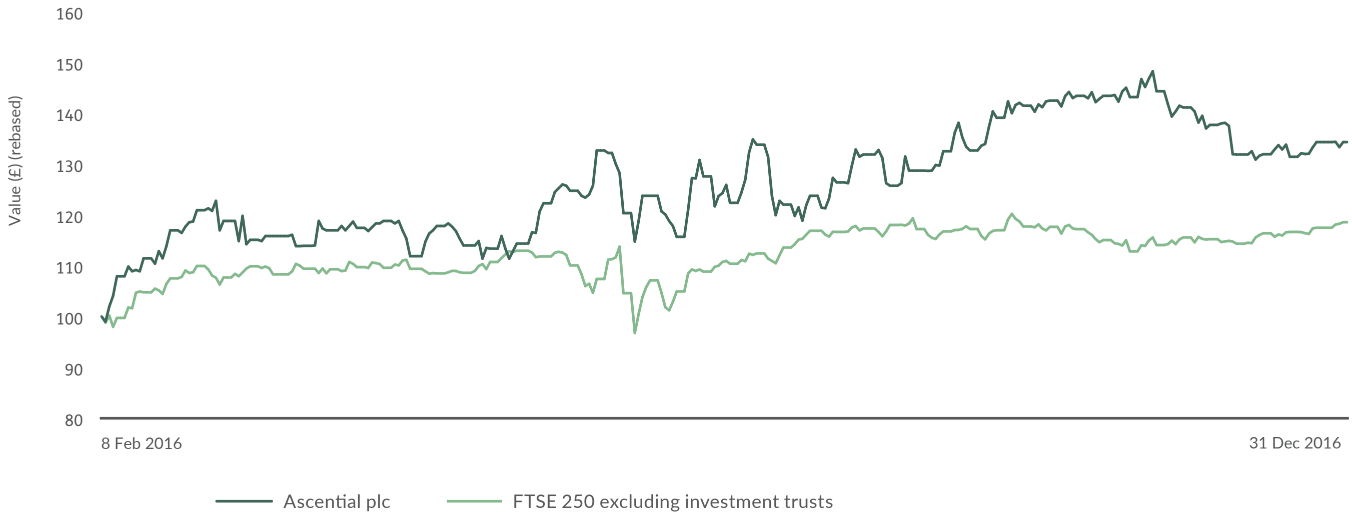
Director	Beneficially owned shares at 31 December 2016	Beneficially owned shares at 24 February 2017	Shareholding guideline achieved?	Outstanding awards PSP	Outstanding awards SAYE	Outstanding awards SIP
Duncan Painter	3,528,429	3,528,429	Yes	402,500	8,823	500
Mandy Gradden	1,171,773	1,171,773	Yes	236,250	8,823	500
Scott Forbes	206,050	206,050	n/a	–	–	–
Rita Clifton	–	–	n/a	–	–	–
Paul Harrison	–	–	n/a	–	–	–
Judy Vezmar	50,000	50,000	n/a	–	–	–
Gillian Kent	–	–	n/a	–	–	–
Total	**4,956,252**	**4,956,252**		**638,750**	**17,646**	**1,000**

Note: as Admission occurred during the year, interests of each Director as at 1 January 2016 was nil.

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

Total Shareholder return



Source: Datastream (Thomson Reuters)

This graph shows the value, by 31 December 2016, 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.

How does the CEO's pay compare to past performance?
As the Company listed during 2016, there is no disclosure of remuneration relating to prior years. Accordingly, this Report does not set out the percentage pay compared to past performance.

A summary of the remuneration of the CEO for 2016 is shown below. The total remuneration figure includes the annual bonus which was awarded based on performance during 2016, notwithstanding that 50% of bonus is deferred into shares for three years.

Total remuneration (£'000)	565
Annual bonus (% of maximum)	20%
LTIP vesting (% of maximum)	Nil

How does the change in the CEO's pay compare to that for Ascential employees?
As the Company listed during 2016, there is no disclosure of remuneration relating to prior years. Accordingly, this report does not set out the percentage change in remuneration between 2015 and 2016.

How much does Ascential spend on pay?
Ascential's actual spend on pay for all employees in 2015 was £105.3m, and in 2016 was £111.1m, a change of 6%. This represented 34.7% of the Group's operating expenses.

As the Company listed during 2016, there is no disclosure relating to the percentage change in dividend distributions between 2015 and 2016. This will be included in the 2017 Report on Remuneration.

Who are the members of the Remuneration Committee?
The Committee is made up exclusively of independent Non-Executive Directors. The Committee is chaired by Judy Vezmar and its other members are Paul Harrison and Gillian Kent. The Chairman of the Remuneration Committee may invite the Chairman of the Board to attend Committee meetings and has invited the Chairman of the Board to all meetings throughout 2016.

What advice did the Committee receive?
New Bridge Street ("NBS"), a trading name of Aon Hewitt Ltd, part of Aon plc, is retained as the independent adviser to the Remuneration Committee.

NBS has been appointed by the Committee to provide advice and information. NBS is a signatory to the Remuneration Consultants' Code of Conduct, which requires that its advice be objective and impartial. Aon also provides insurance broking services to the Company.

The total fees paid to NBS for providing advice and information related to remuneration and employee share plans to the Committee during the year were £140,870, which included detailed advice on the implementation of the global SAYE plan.

The Chief Executive 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.

How will the Directors' Remuneration Policy be used in the 2017 financial year?
Base salary
Salaries at IPO were £460,000 for Duncan Painter and £315,000 for Mandy Gradden and no inflationary rises were awarded at the normal salary review date of 1 April 2016. The current Remuneration Committee has undertaken a review of their salaries taking into consideration the Executive Directors' performance, rapid progress of the business against all aspects of our agreed strategy, and following proactive consultation with shareholders comprising a majority of our shares, we have decided to increase Duncan Painter's salary to £525,000 (an increase of 14%) and Mandy Gradden's to £354,000 (an increase of 12%) effective 1 April 2017. The Committee believes that these increases will ensure that our Executive Directors are appropriately and fairly rewarded going forward.

How will the annual bonus operate in 2017?
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 and 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 will be provided in next year's Annual Report on Remuneration.

How will the PSP operate in 2017?
The Committee intends to grant PSP awards to the Executive Directors in 2017 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 the other.

The Committee considered a number of factors when setting the range of targets for 2017 awards, including internal planning, market expectations for the future performance of the Company and market practice. The conditions that will be applied to the PSP awards to be granted in March 2017 are:

Metric	Weighting (each measured independently)	Threshold (25% vesting)	Stretch (100% vesting)	Measurement period
Adjusted EPS compound growth rate (CAGR)	75%	8%	12%	CAGR measured over the three financial years 2017, 2018 and 2019, using 2016 as the base year
Relative Total Shareholder Return	25%	Median ranking	Upper quartile ranking	

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?

	2017	2016	% Change
Board Chairman	£170,000	**£170,000**	0%
Basic fee	£50,000	**£50,000**	0%
Additional fee for Senior Independent Director	£5,000	**£5,000**	0%
Additional fee for Committee Chairman	£10,000	**£10,000**	0%

Approval
This report was approved by the Board of Directors on 24 February 2017 and signed on its behalf by:

Judy Vezmar
Chairman of the Remuneration Committee
24 February 2017

Independent auditor's report
to the members of Ascential plc only

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified
We have audited the financial statements of Ascential plc for the year ended 31 December 2016 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 financial position and the related notes. 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 2016 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.

Overview

Materiality: group financial statements as a whole	£1.8m (2015: £2.5m)
	4.6% of profit benchmark (2015: 0.9% of revenue)
Coverage	90% of group revenue from continuing and discontinued operations
	85% of group profit before tax from continuing operations and discontinuing operations
Risks of material misstatement	
Recurring risks	Valuation of deferred tax assets in respect of losses Revenue recognition
Event driven	Recognition and valuation of deferred and contingent payments for One Click Retail

2. Our assessment of risks of material misstatement
In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit, in decreasing order of audit significance, were as follows:

	The risk	Our response
Valuation of deferred tax assets in respect of losses (£32.2m) Refer to page 65 (Audit Committee Report), page 92 (accounting policy) and page 110 (financial disclosures).	**Subjective valuation** During the year, the Group passed the threshold at which a change of control occurs, as defined by the US tax code. As a result, the historic losses of the Group's US businesses will be subject to a restriction on utilisation; this stems from uncertainty in forecasting future profits generated before losses expire and 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 tax filings in respect of 2016 have been accepted by the US Internal Revenue Service and this requires the Group to make an estimate at the current year-end.	Our procedures included: **Own tax expertise:** Our own international tax specialists evaluated the directors' interpretation of key aspects of the tax legislation. This included critically assessing the Group's interpretation of the US tax code in determining the date at which the change of control was met. We also critically assessed the associated assumptions made in relation to the valuation of the US tax group's deferred tax assets, including the valuation of the US tax group. **Assessing transparency:** We considered the appropriateness of the related disclosures provided in note 13 of the Group financial statements and the adequacy of the disclosure of judgements and estimates made in note 2 and note 12.

Independent auditor's report continued

to the members of Ascential plc only

	The risk	Our response
Revenue recognition (£299.6m) Refer to page 65 (Audit Committee Report), page 92 (accounting policy) and page 101 (financial disclosures).	The specific nature of the risk of material misstatement in revenue recognition varies across the Group's four operating segments. **Data capture and processing error** Where the process for recognising revenue is system-automated, there are additional risks that contract data is not accurately captured and/or processed in the system. **2016/ 2017 sales** In respect of the Exhibitions & Festivals operating segment customers are often billed in advance and the key risk in revenue recognition is that revenue from exhibitions and festivals is recognised in the wrong period, particularly for events held close to year end. In respect of both the Information Services, Plexus and discontinued operations operating segments we identified the risk that the deferral and release of subscription revenues did not appropriately match the underlying terms of customer contracts.	Our procedures included: **Control design:** We confirmed our understanding of the design and implementation of controls and traced an example transaction from initiation to recording to confirm our understanding of the revenue recording process from order processing to the raising of invoices and receipt of cash. For revenue transactions where the recognition is automated within systems based on key attributes of contracts entered by the Group our procedures included: **Data comparison:** We validated the data inputs by agreeing a sample of inputs to original source documents. **Control design and operation:** We tested the controls around the integrity of the data held in the system and the completeness and accuracy of the reports from this system with assistance from our own IT specialists. **Expectation vs outcome:** Having performed the above procedures over the data in the system, we used the data to calculate an expectation of the revenue in the period and compared this to the actual revenue recorded by the Group. For all other revenue our procedures included: **Tests of details:** For a sample of exhibitions and festivals revenue we obtained evidence of invoices, payments, contracts and event occurrence to determine whether revenue was recognised at the appropriate time. For a sample of subscription transactions we obtained and reviewed relevant order confirmations and contracts to assess whether revenue was properly allocated across the term of the contract in the correct accounting period.
Recognition and valuation of deferred and contingent payments for the One Click Retail acquisition (£28.0m) Refer to pages 65 – 66 (Audit Committee Report), page 92 (accounting policy) and pages 112 – 114 (financial disclosures).	**Accounting treatment** Judgement is required in determining the split of the performance-related payments between acquisition consideration and post-acquisition remuneration of the vendors who continue to work for the Group. **Forecast-based valuation** The group has recognised a significant contingent consideration liability in respect of the One Click Retail acquisition. There is inherent uncertainty involved in forecasting future performance of the acquired business, which determines the fair value of the liability.	Our procedures included: **Accounting analysis:** Having inspected the contract, we compared our own application of the relevant accounting standard to the terms of the contract, with particular reference to the split between acquisition consideration and post-acquisition remuneration. **Assessing forecasts:** We compared the forecast revenue and profit growth, used as the basis for the contingent consideration calculation, against the external due diligence report obtained prior to acquisition. We challenged the adjustments made to these forecasts by the directors in reaching their final estimate of the fair value of the liability at the date of acquisition. **Assessing valuer's credentials:** We assessed the competence and objectivity of the external experts who prepared the due diligence report, obtained by the directors prior to acquisition, which were referenced by the group in preparing its forecasts. **Assessing transparency:** We assessed the adequacy of the group's disclosures about the sensitivity of the fair value of contingent consideration to changes in key assumptions, in particular the estimates and judgements made by the Group in this regard.

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 £1.8m, determined with reference to a benchmark of profit before tax normalised as set out opposite, of £38.3m, of which it represents 4.7%. (2015: £2.5m on a revenue benchmark, previously applicable due to the effect on profit of the previous financial gearing. After listing and refinancing in 2016 a profit benchmark has been used.)

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £90,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 69 reporting components, we subjected 8 to audits for group purposes and three to specified risk-focused audit procedures. The latter were not individually significant enough to require a full scope audit for group reporting purposes but were included in the scope of our group audit work in order to provide further coverage over the identified risks and the Group's results.

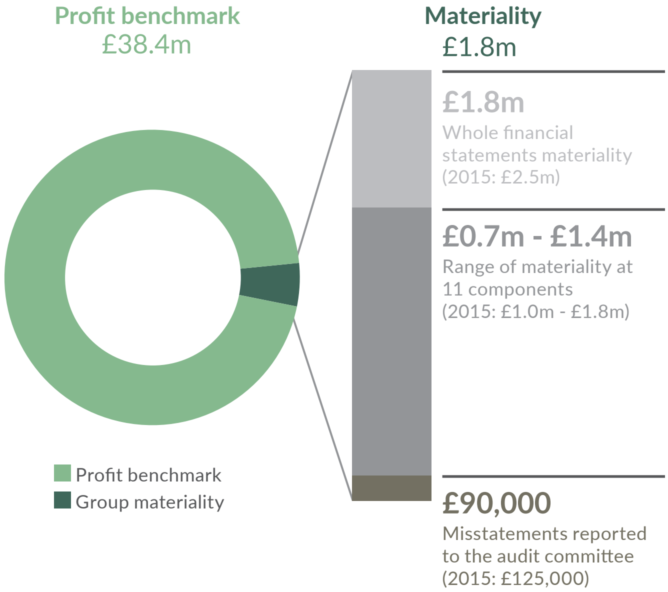
The group operates one shared service centre in India, the outputs of which are included in the financial information of the reporting components it services and therefore it is not a separate reporting component. The service centre is subject to specified risk-focused audit procedures, predominantly the testing of transaction processing and review controls.

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

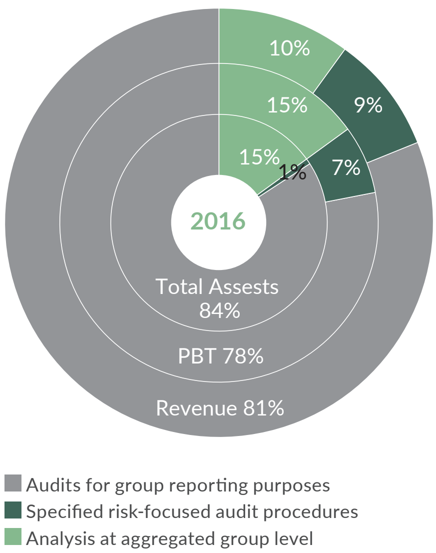
The remaining 10% of total group revenue, 15% of total profits and losses that made up group profit before tax and 15% of total group assets is represented by 58 reporting components, none of which individually represented more than 4% of any of total group revenue, group profit before tax or total group assets. For these remaining 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 group audit team was responsible for all audit work including the assessment of significant areas to be covered at each component, including the relevant risks detailed above, and the information to be reported. The component materialities, which ranged from £0.7m to £1.4m, were calculated by the Group team having regard to the mix of size and risk profile of the Group across the components. The group audit also performed work at the group-level over deferred tax asset valuation and the accounting for the acquisition of One Click Retail and on the items excluded from the Profit benchmark.

Benchmark reconciliation	£m
Group loss before tax	(1.8)
Profit before tax from discontinued operations	5.3
IPO costs	3.6
Pre-IPO finance costs	16.0
Acquisition-related contingent employment and capital costs	15.3
Benchmark	**38.4**



Scoping and coverage



Independent auditor's report continued

to the members of Ascential plc only

4. Our opinion on other matters prescribed by the Companies Act 2006 is unmodified
In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

5. We have nothing to report on the disclosures of principal risks
Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Directors' Statement of Viability on page 33 concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Group's continuing in operation over the three years to 31 December 2019; or
- the disclosures in Note 1 of the financial statements concerning the use of the going concern basis of accounting.

6. We have nothing to report in respect of the matters on which we are required to report by exception
Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our 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 Audit Committee Report does not appropriately address matters communicated by us to the Audit Committee.

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.

Under the Listing Rules we are required to review:

- the Directors' statements, set out on page 33, in relation to going concern and longer-term viability; and
- the part of the Corporate Governance Statement on page 54 relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope and responsibilities
As explained more fully in the Directors' Responsibilities Statement set out on page 60, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

John Bennett (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
24 February 2017

Consolidated Statement of Profit and Loss
For the year ended 31 December

(£ million)	Note	2016 Adjusted results	2016 Adjusting items	2016 Total	2015 Adjusted results	2015 Adjusting items	2015 Total
Continuing operations							
Revenue	4	299.6	–	299.6	256.6	–	256.6
Cost of sales	8	(102.0)	–	(102.0)	(86.3)	–	(86.3)
Sales, marketing and administrative expenses	8	(114.6)	(50.9)	(165.5)	(109.5)	(36.5)	(146.0)
Operating profit		83.0	(50.9)	32.1	60.8	(36.5)	24.3
Adjusted EBITDA	5	95.9	–	95.9	76.6	–	76.6
Depreciation and amortisation	7, 8	(12.9)	(28.8)	(41.7)	(15.8)	(26.6)	(42.4)
Exceptional items	7	–	(20.7)	(20.7)	–	(9.4)	(9.4)
Share-based payments	10	–	(1.4)	(1.4)	–	(0.5)	(0.5)
Operating profit		83.0	(50.9)	32.1	60.8	(36.5)	24.3
Gain on disposal	16	–	–	–	–	4.8	4.8
Share of loss in equity-accounted investees, net of tax		(0.1)	–	(0.1)	–	–	–
Finance costs	11	(28.0)	(16.0)	(44.0)	(33.0)	(48.2)	(81.2)
Finance income	11	10.2	–	10.2	8.5	–	8.5
Profit/(loss) before taxation		65.1	(66.9)	(1.8)	36.3	(79.9)	(43.6)
Taxation	12	(10.9)	24.3	13.4	(4.6)	15.9	11.3
Profit/(loss) from continuing operations		54.2	(42.6)	11.6	31.7	(64.0)	(32.3)
Discontinued operation							
Profit from discontinued operation, net of tax	6	8.0	(4.0)	4.0	10.5	(3.5)	7.0
Profit/(loss) for the year		62.2	(46.6)	15.6	42.2	(67.5)	(25.3)
Attributable to:							
Equity holders of the parent		62.2	(46.6)	15.6	42.2	(67.5)	(25.3)
Earnings per share (pence)							
– Basic	14	17.1	(12.8)	4.3	54.0	(86.4)	(32.4)
– Diluted	14	17.1	(12.8)	4.3	54.0	(86.4)	(32.4)
Proforma earnings per share (pence)							
– Basic	14	15.6	(11.7)	3.9	10.5	(16.9)	(6.3)
– Diluted	14	15.5	(11.6)	3.9	10.5	(16.9)	(6.3)

The notes on pages 92 to 125 are an integral part of these consolidated financial statements. Adjusting items are detailed in Note 7. Proforma earnings per share reflects the number of shares in issue on Initial Public Offering, as further described in Note 14.

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December

(£ million)	Note	2016 Adjusted results	2016 Adjusting items	2016 Total	2015 Adjusted results	2015 Adjusting items	2015 Total
Profit/(loss) for the year		62.2	(46.6)	15.6	42.2	(67.5)	(25.3)
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Foreign exchange translation differences recognised in equity	32	(10.6)	–	(10.6)	(2.7)	–	(2.7)
Total comprehensive income for the year		51.6	(46.6)	5.0	39.5	(67.5)	(28.0)
Attributable to:							
Equity holders of the parent		51.6	(46.6)	5.0	39.5	(67.5)	(28.0)

The notes on pages 92 to 125 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December

(£ million)	Note	2016	2015
Assets			
Non-current assets			
Intangible assets and goodwill	17	651.6	658.7
Property, plant and equipment	18	11.4	10.2
Investments	19	5.0	0.7
Other receivables		0.6	–
Deferred tax assets	13	54.9	40.2
Derivative financial assets	25	0.1	0.6
		723.6	710.4
Current assets			
Inventories	20	16.9	17.6
Trade and other receivables	21	59.6	65.3
Derivative financial assets	25	0.3	0.4
Cash and cash equivalents	23	61.9	44.4
		138.7	127.7
Assets of disposal group classified as held for sale	6	72.0	–
Current assets		210.7	127.7
Total assets		934.3	838.1
Liabilities			
Current liabilities			
Trade and other payables	24	173.0	173.9
External borrowings	26	–	2.4
Provisions	30	1.7	2.3
Current tax liabilities	12	6.9	5.2
Derivative financial liabilities	25	–	0.4
		181.6	184.2
Liabilities of disposal group classified as held for sale	6	23.7	–
Current liabilities		205.3	184.2
Non-current liabilities			
External borrowings	26	286.0	423.2
Shareholder debt	28	–	436.7
Provisions	30	1.6	0.2
Deferred tax liabilities	13	30.3	40.7
Derivative financial liabilities	25	–	1.7
Other non-current liabilities	29	49.7	20.6
Total non-current liabilities		367.6	923.1
Total liabilities		572.9	1,107.3
Net assets/(liabilities)		361.4	(269.2)
Equity			
Share capital	31	4.0	7.9
Merger reserve		9.2	9.2
Group restructure reserve		157.9	–
Translation reserve	32	(17.4)	(6.8)
Retained earnings	33	207.7	(279.5)
Total equity		361.4	(269.2)

The notes on pages 92 to 125 are an integral part of these consolidated financial statements.

The consolidated financial statements of Ascential plc, registered number 09934451, were approved by the Board of Directors on 24 February 2017 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

(£ million)	Share capital[1]	Share premium	Merger reserve[1]	Capital reserve	Group restructure reserve	Translation reserve	Retained earnings	Total equity
At 1 January 2015	7.7	–	9.2	–	–	(4.1)	(254.2)	(241.4)
Loss for the year	–	–	–	–	–	–	(25.3)	(25.3)
Foreign exchange translation differences recognised in equity	–	–	–	–	–	(2.7)	–	(2.7)
Issue of shares[2]	0.2	–	–	–	–	–	–	0.2
At 31 December 2015	7.9	–	9.2	–	–	(6.8)	(279.5)	(269.2)
At 1 January 2016	7.9	–	9.2	–	–	(6.8)	(279.5)	(269.2)
Profit for the year	–	–	–	–	–	–	15.6	15.6
Foreign exchange translation differences recognised in equity	–	–	–	–	–	(10.6)	–	(10.6)
Share-based payments	–	–	–	–	–	–	1.5	1.5
Group restructure[3]	22.1	252.9	–	8.8	157.9	–	–	441.7
Issue of shares[4]	10.0	190.0	–	–	–	–	–	200.0
Share issue costs[4]	–	(11.6)	–	–	–	–	–	(11.6)
Issue of shares[5]	0.1	–	–	–	–	–	(0.1)	–
Capital reduction[6]	(36.1)	(431.3)	–	(8.8)	–	–	476.2	–
Dividends	–	–	–	–	–	–	(6.0)	(6.0)
At 31 December 2016	4.0	–	9.2	–	157.9	(17.4)	207.7	361.4

The notes on pages 92 to 125 are an integral part of these consolidated financial statements.

1 Share capital and merger reserve at 1 January 2015 and 31 December 2015 reflect the statutory share capital and merger reserve of Ascential plc on 8 February 2016, when a restructure of the Group took place. Refer to Note 1 for further details.
2 The £0.2 million issue of shares relates to shares issued under management incentive plans in the year ended 31 December 2015.
3 The restructure of the Group between 8 and 12 February 2016 resulted in the Company issuing 300,000,000 ordinary £0.10 shares to become the ultimate Parent of the Group, and to convert existing shareholder debt to equity. This resulted in the recognition of £252.9 million in share premium, £8.8 million in the capital reserve and £157.9 million in a Group restructure reserve. Refer to Note 1 for further details.
4 At IPO 100,000,000 additional ordinary £0.10 shares were allotted and issued at a price of £2.00 per share, representing a premium of £1.90 per share. £11.6 million of share issue costs were incurred. The premium was recorded in the Company's share premium account.
5 On 8 March 2016, 542,500 ordinary £0.10 shares were issued to employees under the Share Incentive Plan ("SIP"). Refer to Note 10 for further details.
6 On 8 June 2016, the Company completed a reduction of its share capital, whereby its nominal share capital was reduced to approximately £4.0 million, the amount standing to the share premium account was cancelled, and 876,266,690 deferred shares of £0.01 each which were issued by way of a bonus issue on 7 June 2016 for the purpose of capitalising the Company's capital reserve were cancelled. These steps resulted in distributable reserves of approximately £476.2 million. Refer to Note 1 for further details.

Consolidated Statement of Cash Flows

For the year ended 31 December

(£ million)	Note	2016	2015
Cash flows from operating activities			
Profit/(loss) before taxation		3.5	(35.6)
Adjustments for:			
Amortisation of intangible assets acquired through business combinations	17	31.3	29.5
Amortisation of software intangible fixed assets	17	10.2	12.9
Depreciation of tangible fixed assets	18	4.5	4.6
Gain on disposal of business operations and investments	16	–	(4.8)
Acquisition-related contingent employment costs and revaluation of contingent consideration	7	15.3	5.5
Share-based payments	10	1.5	–
Share of loss in equity-accounted investees, net of tax		0.1	–
Finance costs	11	44.0	81.2
Finance income	11	(10.2)	(8.5)
Cash generated from operations before changes in working capital and provisions		100.2	84.8
Changes in:			
Inventories		1.3	(3.0)
Receivables		0.2	(12.6)
Payables, net of interest payable		(5.5)	11.5
Provisions		(0.3)	(0.8)
Cash generated from operations		95.9	79.9
Cash generated from operations before exceptional operating items		107.5	92.0
Cash outflows for acquisition-related contingent employment costs		(4.0)	–
Cash outflows for exceptional operating items		(7.6)	(12.1)
Cash generated from operations		95.9	79.9
Income tax paid		(3.5)	(1.2)
Net cash from operating activities		92.4	78.7
Cash flow from investing activities			
Acquisition of businesses, net of cash acquired	15	(39.4)	(19.6)
Acquisition of investments	19	(4.5)	(0.1)
Acquisition of software intangible fixed assets and tangible fixed assets	17, 18	(13.1)	(10.9)
Disposal of business operations and investments	16, 19	0.2	10.6
Net cash used in investing activities		(56.8)	(20.0)
Cash flows from financing activities			
Proceeds from external borrowings	27	265.2	440.7
Repayment of external borrowings	27	(454.6)	(439.3)
Repayment of Shareholder debt	27	–	(0.5)
Proceeds from issue of shares		200.0	0.2
Transaction costs related to issue of shares		(11.5)	–
Interest paid		(20.8)	(37.9)
Dividends paid	34	(6.0)	–
Net cash used in financing activities		(27.7)	(36.8)
Net increase in cash and cash equivalents		7.9	21.9
Cash and cash equivalents at 1 January	23	44.4	21.7
Effect of exchange rate fluctuations		9.6	0.8
Cash and cash equivalents at 31 December		61.9	44.4

The notes on pages 92 to 125 are an integral part of these consolidated financial statements.

Notes to the Financial Statements

For the year ended 31 December 2016

1. Basis of preparation and principal accounting policies

Basis of preparation

Reporting entity

Ascential plc (the "Company") is a company incorporated in the United Kingdom and its registered office is The Prow, 1 Wilder Walk, London W1B 5AP. These consolidated financial statements as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as "the Group"). Information relating to the financial years ended 31 December 2015 and 2016 have been prepared and presented in accordance with the reverse acquisition principles discussed below.

On 12 February 2016, the Company's 400,000,000 ordinary shares were admitted to unconditional trading on the London Stock Exchange and to the premium listing segment of the Official List of the Financial Conduct Authority (the "IPO"). In preparation for the IPO, the Group was restructured between 8 and 12 February 2016. The restructure has impacted a number of the primary financial statements and notes for the periods presented in these financial statements.

The steps to restructure the Group had the effect of the Company being inserted above Eden 2 & Cie S.C.A., which was the ultimate parent of Ascential Holdings Limited, head of the Operating Group presented in the prospectus dated 12 February 2016. For the consolidated financial statements of the Group, prepared under IFRS, the principles of reverse acquisition accounting under IFRS 3 "Business Combinations" have been applied.

In applying the principles of reverse acquisition accounting, the consolidated financial statements have been presented as a continuation of the Eden 2 & Cie S.C.A. business and the Group is presented as if the Company had always owned the Group. The consolidated reserves of the Group reflect the statutory share capital and share premium of the Company as if it had always existed, adjusted for movements in the underlying Eden 2 & Cie S.C.A. share capital and reserves until the share for share exchange.

The Company was formed on 4 January 2016 and, as such, these financial statements for the year ended 31 December 2016 are its first full set of statutory accounts. The Company has not, therefore, prepared statutory accounts for the year ended 31 December 2015. Neither Eden 2 & Cie S.C.A. nor the Company have previously prepared financial statements in accordance with International Financial Reporting Standards ("IFRS"). In preparing those consolidated financial statements, the Company measures the assets and liabilities of Ascential Holdings Limited on the same basis as in the prospectus dated 12 February 2016, as well as measuring the assets and liabilities of Eden 2 & Cie S.C.A. on an IFRS basis.

These consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union ("EU"), IFRS Interpretation Committee ("IFRS IC"), certain interpretations as adopted by the EU, and the Companies Act 2006 applicable to companies reporting under IFRS.

The IPO restructure

The key steps in the restructure were:

- On 8 February 2016, the Company became the ultimate parent undertaking of the Group by acquiring the entire issued share capital and voting beneficiary certificates in Eden 2 & Cie S.C.A., via a share for share exchange. All the ordinary shares in Eden 2 & Cie S.C.A. were exchanged for 77,215,918 ordinary £0.10 shares and 1,824,766 F ordinary £0.10 shares issued by the Company. The Company also acquired preference shares held by management and other shareholders in exchange for £175.5 million of new preference shares issued by the Company. Preferred Equity Certificates ("PECs") held by shareholders were also exchanged for £100.4 million of new PECs issued by the Company.
- On 9 February 2016, a shareholder transferred its shareholder loan receivable to the Company in exchange for £165.5 million of new PECs issued by the Company.
- On 12 February 2016, the Company's F ordinary shares and new preference shares were converted into 89,665,977 ordinary £0.10 shares and the new PECs were capitalised through the issue of 133,118,105 ordinary £0.10 shares, thereby retiring all Shareholder debt.
- On 12 February 2016, the Company issued 100,000,000 ordinary £0.10 shares at an offer price of £2.00, generating proceeds of £200 million and bringing the total number of ordinary shares to 400,000,000. 50,000 of these ordinary £0.10 shares were issued outside of the underwriting agreements in place for the IPO, but for the purpose of these financial statements these shares and their proceeds are presented as part of the IPO.

The impact on the comparatives in the primary consolidated financial statements is as follows:

- Share capital and share premium reflect the capital structure of the Company on 8 February 2016, being the date, part way through the restructure, on which the Company became the ultimate holding company of the Group. Preference shares and PECs in issue at that date are classified as debt instruments and so are not included in equity.
- A merger reserve is recognised, reflecting the difference between the share capital and share premium of the Company on 8 February 2016, and the share capital, share premium and non-distributable reserves of Eden 2 & Cie S.C.A. as at the same date.

The acquisition of preference shares in Eden 2 & Cie S.C.A. was accounted for under the provisions of CA s615 whereby the shares issued by Ascential plc were recorded at nominal value of £17.5 million. The preference shares in Eden 2 & Cie S.C.A. were a financial asset recorded at their fair value of £175.4 million. This exchange gives rise to an unrealised gain of £157.9 million which is recorded as a separate "Group restructure" reserve within total equity.

1. Basis of preparation and principal accounting policies continued

On 8 June 2016, the Company completed a reduction of its share capital, as contemplated in the IPO prospectus, whereby (i) the entire amount standing to the credit of the Company's share premium account was cancelled, (ii) 876,266,690 deferred shares (which were issued by way of a bonus issue for the purpose of capitalising the Company's capital reserve) were cancelled, and (iii) the nominal value of each issued ordinary share in the capital of the Company was reduced from £0.10 to £0.01 each. The distributable reserves created by the reduction of capital amount to approximately £476.2 million.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis with the exception of items that are required by IFRS to be measured at fair value, principally certain financial instruments. Accounting policies have been applied consistently to both periods presented.

Going concern basis of accounting

On 8 February 2016, the Company became the ultimate parent undertaking of the Group. On 12 February 2016, the Company's 400,000,000 ordinary shares were admitted to unconditional trading on the Main Market of the London Stock Exchange and to the Official List of the Financial Conduct Authority. The gross proceeds raised by the IPO were £200 million.

On 12 February 2016, the Company used the proceeds of the IPO, the new bank facilities under the New Facilities Agreement (as defined below) and existing available cash to repay all amounts outstanding under the Group's existing senior facilities agreement and cancel certain hedging arrangements. In addition, the Company used the proceeds of the IPO to redeem in full certain instruments held on behalf of certain current and former employees (all instruments were cancelled).

On 12 February 2016, the Company entered into new term loan facilities of £66 million, €171 million and $96 million and a revolving credit facility of £95 million ("New Facilities Agreement"), which were made available to the Company and certain of its subsidiaries.

The Group's forecasts, impact assessment of various downside scenarios, and the dates of senior debt and interest payments falling due, show that the Group is expected to be able to operate within the level of its current facilities and meet its covenant requirements for a period of at least 12 months from the date of approval of these financial statements.

After reviewing the above, taking into account current and future developments and principal risks and uncertainties, and making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that the consolidated financial statements should be prepared on a going concern basis.

Functional and presentation currency

The consolidated financial statements are presented in millions of pounds sterling, which is the Company's functional currency, and have been rounded to the nearest one decimal place except where otherwise indicated.

Basis of consolidation

The Group's financial statements consolidate the accounts of Ascential plc and its subsidiary undertakings. A subsidiary is an entity (including special purpose entities) over which the Group has the power to direct the relevant activities, exposure to variable returns from its involvement with the investee and there is a link between power and returns. The results of each subsidiary are included from the date that control transferred to the Group and are adjusted to align accounting policies with the Group's accounting policies. Subsidiaries are no longer consolidated from the date that control ceases. All intercompany balances and transactions are eliminated in full.

Foreign currency translation

The functional currency of subsidiaries, associates and joint ventures is the currency of the primary economic environment in which they operate. Transactions in currencies other than the functional currency are initially recorded at the functional currency rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange in force at the reporting date.

All differences are taken to the consolidated profit and loss 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 profit and loss statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. 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.

1. Basis of preparation and principal accounting policies continued

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 profit and loss 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 profit and loss 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.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. An initial assessment of the impact of IFRS 15 indicates the impact of adopting this standard will have limited effect. The Group has commenced an assessment of the impact of IFRS 16 which was issued on 13 January 2016. None of the other standards are expected to materially impact the consolidated statements upon adoption.

- IFRS 9 Financial Instruments (Amendment)
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases

Principal accounting policies

The following summarises the principal accounting policies adopted by the Directors, which have been adopted consistently:

a) Revenue

Revenue for goods sold is recognised when the significant risks and rewards of ownership have been transferred to a third party. Revenue for services provided is recognised at the point when it is probable that the economic benefits will flow to the Group and when the amount of revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received, net of discounts, customs duties and sales taxes. Revenue is only recognised for barter transactions which are considered dissimilar to each other in nature, and a corresponding amount is included in operating costs.

The following recognition criteria also apply in specific cases:
Events revenue is recognised when the event takes place. Data and online subscription revenues are recognised in the consolidated profit and loss statement evenly over the life of the subscription. Magazine subscriptions and advertising revenues are recognised according to the dispatch date of the publication. Pre-paid subscription and event revenues are shown as deferred income and released to the consolidated profit and loss statement in accordance with the revenue recognition
criteria above.

b) Employee benefits

i. Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under cash bonus schemes if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ii. Termination benefits
Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

iii. Share-based payments
Equity-settled awards are valued at the grant date, and the fair value is charged as an expense in the consolidated profit and loss statement spread over the vesting period. The credit side of the entry is recorded in equity. Cash-settled awards are revalued at each reporting date with the change in fair value of the award charged to the profit and loss account and the credit side of the entry recognised as a liability.

iv. Pension and other post-employment benefits
The Group operates defined contribution pension scheme in certain countries. Contributions payable are charged to the consolidated profit and loss statement and included in staff costs as an operating expense as incurred.

1. Basis of preparation and principal accounting policies continued

c) Adjusted EBITDA and exceptional items
The consolidated financial statements include Adjusted EBITDA as a measure of profitability in order to provide a better understanding 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 24 to 27 for further details on alternative performance measures.

The Group defines exceptional items as costs incurred by the Group in acquisitions and disposals, integration, non-recurring business restructuring and capital restructuring. These are disclosed separately to provide additional useful information to the users of the financial statements.

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

e) 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 profit and loss 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 profit and loss 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 profit and loss 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. Current tax assets relate to payments on account not yet allocated against current tax liabilities or to refunds due from tax authorities on overpayments in respect of prior years.

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 the following temporary differences:

- goodwill that is not deductible for tax purposes; and
- the initial recognition of assets or liabilities in a transaction that is not a business combination and which will affect neither accounting nor taxable profit.

Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date.

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.

f) Assets held for sale
Where the Group expects to recover the carrying amount of a group of assets through a sale transaction rather than through continuing use, and a sale is considered to be highly probable at the reporting date, the assets are classified as held for sale and measured at the lower of cost and fair value less costs to sell. No depreciation or amortisation is charged in respect of non-current assets classified as held for sale.

g) Discontinued operations
A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative year.

1. Basis of preparation and principal accounting policies continued

h) Business combinations and intangible assets

Acquisitions are accounted for using the purchase method of accounting. The cost of an acquisition is the cash paid together with the fair value of other assets given, equity instruments issued and liabilities incurred or assumed.

Any deferred contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, are recognised either in the profit and loss account or in other comprehensive income, in accordance with IAS 39. Any amounts payable by the Group directly contingent on the continuing employment of the vendors are treated as remuneration and recognised as an expense in the profit and loss account. Deferred and contingent consideration amounts payable after more than 12 months are discounted to present value.

Costs directly attributable to acquisitions are expensed as exceptional items. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of net assets assumed is recorded as goodwill.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible decline in the carrying value. Impairment is determined by comparing the recoverable amount of the cash-generating unit ("CGU") or group of cash-generating units which are expected to benefit from the acquisition in which the goodwill arose, to the carrying value of the CGU. The recoverable amount is the greater of an asset's value-in-use and its fair value less costs to sell. Value-in-use is calculated by discounting the future cash flows expected to be derived from the asset or group of assets in a CGU at the Group's cost of capital, adjusted for risk in a specific market if relevant. The discount and growth rates used in the value-in-use calculations are disclosed in Note 17 of the consolidated financial statements. Where the recoverable amount is less than the carrying value, the goodwill is considered impaired and is written down through the consolidated profit and loss statement to its recoverable amount. The carrying amount of goodwill allocated to a CGU is taken into account when determining the gain or loss on the disposal of the unit or operation within it.

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. After initial recognition, all intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible fixed assets which have been assigned a finite life are amortised and tested for impairment if events or changes in circumstances indicate that the carrying value may have declined. This is done on a similar basis to the testing of goodwill, either for individual assets or at the level of a CGU. Useful lives are examined every year and adjustments are made, where applicable, on a prospective basis. Amortisation is charged on assets with finite lives on a systematic basis over the asset's useful life, which in all cases is a maximum period of 30 years.

Where an intangible asset has been assigned an indefinite useful life, it is not amortised and is reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible decline in the carrying value.

Purchases of software or direct costs relating to internal development of software are capitalised and amortised over their anticipated useful lives. Capitalisation of these costs ceases no later than the point at which the software is substantially complete and ready for its intended use. The useful life of software ranges from two to five years.

Website development costs 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 profit and loss statement.

i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated to write-off the cost of an asset, less its residual value, on a straight-line basis over its estimated useful life as follows:

- short leasehold property – over the period of the lease; and
- office equipment – two to five years.

Estimated useful lives and residual values are reviewed at each reporting date. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate these values may not be recoverable. If there is an indication that impairment does exist the carrying values are compared to the estimated recoverable amounts of the assets concerned. The recoverable amount is the greater of an asset's value-in-use and its fair value less the cost of selling it. Value-in-use is calculated by discounting the future cash flows expected to be derived from the asset. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the consolidated profit and loss statement.

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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated profit and loss statement in the year the item is derecognised.

1. Basis of preparation and principal accounting policies continued

j) Leases
Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of the 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 statement of financial position. Operating lease payments are recognised as an expense in the consolidated profit and loss 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.

k) Investments
Investments are held at cost less provision for impairment. Initial recognition of investments is at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed.

Investments in associates and joint ventures
An associate is an entity over which the Group is in a position to exercise significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. A joint venture is an entity over which the Group exercises joint control, usually through a contractual arrangement. The Group's investments in associates and joint ventures are recognised using the equity method of accounting.

Investments in associates and joint ventures are initially recognised at cost and thereafter are carried in the consolidated statement of financial position at cost less any impairment in value. The consolidated profit and loss 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.

l) 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 or net realisable value. These costs are charged to the consolidated profit and loss statement when the exhibition takes place.

m) Trade and other receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Specific provisions are made and charged to the consolidated profit and loss statement when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Collective provisions are made based on estimated losses inherent within receivables, based on the overall level of receivables past due. These provisions are developed over time based on the review of aged debt, the type of debt and experience.

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 profit and loss 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 profit and loss statement.

n) Cash and cash equivalents
Cash and cash equivalents includes cash, 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.

o) 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 profit and loss statement over the period of the borrowings using the effective interest method, with the exception of debt repurchases which are recognised in the consolidated profit and loss statement in the year of the repurchase.

1. Basis of preparation and principal accounting policies continued

p) Derivatives and other financial instruments
Derivatives, including currency options and swaps, forward exchange contracts, and interest rate swaps and caps, 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 profit and loss 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 in Note 25.

q) Hedging activities
The Group's operations and funding give rise to foreign exchange risk and interest rate risk. The Group may structure its borrowings or utilise derivative financial instruments to manage the economic impact of these risks. The Group does not use derivative contracts for speculative purposes.

The Group may also formally designate certain derivatives or borrowings as hedging instruments and will at the point of inception document the relationship between the hedge instrument and hedged item, together with the risk management objective and strategy for undertaking the hedging transaction. In addition, at inception and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Hedge instruments are accounted for as either:
- hedges of a change of fair value of recognised assets and liabilities or firm commitments (fair value hedges);
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

i. Fair value hedges
Changes in the fair value of fair value hedge instruments are recorded in the consolidated statement of profit and loss, immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk, with these changes in fair value being recognised in the line of the consolidated profit and loss statement relating to the hedged item.

ii. Cash flow hedges
The effective portion of changes in the fair value of cash flow hedges is recognised in other comprehensive income. The gains or losses relating to the ineffective portion are recognised immediately in the consolidated profit and loss statement. The cumulative amount recognised in other comprehensive income is reclassified to the consolidated profit and loss statement in the periods when the hedged item is recognised in the consolidated profit and loss statement in the same line of the consolidated profit and loss statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the cumulative amount recognised in other comprehensive income is transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

iii. Hedges of net investment in foreign operations
The effective portion of changes in the fair value of hedges of net investment in foreign operations is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognised immediately in the consolidated profit and loss statement. Gains and losses on the hedging instrument accumulated in the foreign currency translation reserve are reclassified to the consolidated profit and loss statement when the hedged item is disposed of.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gains or losses on the hedging instrument recognised in equity are retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the consolidated profit and loss statement in the period.

r) 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 profit and loss statement net of any reimbursement. If the time value of money has a material effect on quantifying the provision, the

1. Basis of preparation and principal accounting policies continued

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.

s) 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 balance sheet at cost as a deduction from equity.

2. Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgements

Preparation of these financial statements requires the Directors to exercise judgement and to make estimates about uncertain future events in the process of applying the Group's accounting policies. 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. The areas requiring a higher degree of judgement, or areas where assumptions and estimates are significant to the consolidated financial statements, are discussed below.

Acquisition accounting – initial recognition of goodwill and intangible assets

Accounting for a business on 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 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.

Carrying value of goodwill and intangible assets

The Group assesses the carrying value of goodwill and intangible assets annually, or whenever there is an indication of impairment. Identifying indicators of impairment requires judgements to be made as to the prospects and value drivers of the individual assets. Goodwill is assessed at the level of the CGU that benefits from the related acquisition. Changes in management structures and business operations requires judgement in determining whether such changes require a change in the identification of CGUs to be used in the assessment of carrying value.

Alternative 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. Refer to pages 24 to 27 for further details on alternative performance measures.

Key sources of estimation uncertainty

Carrying value of goodwill and intangible assets (Note 17)

The Group uses long-term forecasts of cash flow and estimates of future growth to both value acquired intangible assets and goodwill and to assess whether goodwill and intangible assets are impaired, and to determine the useful economic lives of its intangible assets. If the results of operations in a future period are adverse to the estimates used, an impairment may be triggered at that point, or a reduction in useful economic life may be required.

Acquisition accounting – valuation of deferred consideration and acquisition-related remuneration (Note 15)

Accounting for deferred contingent acquisition consideration, and for acquisition-related deferred contingent remuneration, is based on estimates of future performance of the acquired business over the contractual earn-out period, as measured against the contractually agreed performance targets. If the future results of these businesses differs from the forecasts used for these calculations, there may be a material change in the value of these deferred liabilities which would be recorded in the consolidated statement of profit and loss.

Income taxes (Note 12)

In recognising income tax assets and liabilities, estimates have to be made of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. In recognising deferred tax assets in respect of unused tax losses, estimates are made of the expected availability of losses and the likely timing and level of future taxable profits over the period in which tax losses are available.

3. Financial risk management

This note presents 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.

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, recognised assets and liabilities and net investments in foreign operations.

Foreign currency movements impact on the Group's profit and loss account 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.

The Group's net investment hedge in overseas subsidiaries may be hedged where the currency exposure is considered to be material. In 2015 and 2016, the Group designated its US dollar borrowings as a net investment hedge against its US dollar denominated assets. The net investment hedge was cancelled when US dollar borrowings were repaid as part of entering into the New Facilities Agreement at IPO.

(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.

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 statement of financial position as disclosed in Note 25.

(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 2016, cash and cash equivalents totalled £61.9 million (2015: £44.4 million), of which 87% (2015: 88%) 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. Management 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. Management does not, however, expect any significant losses in respect of receivables that have not been provided for as shown in Note 21.

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.

The Group's major banking facilities are detailed below:

	Facility		Drawn			
As at 31 December 2016 (million)	Local currency	£	Local currency	£	Final maturity	Interest
Facility A	£66.0	66.0	£66.0	66.0	Feb-21	LIBOR plus 2.25%
Facility B	$96.0	77.9	$96.0	77.9	Feb-21	LIBOR plus 2.25%
Facility C	€171.0	146.4	€171.0	146.4	Feb-21	LIBOR plus 2.25%
Revolving credit facility	£95.0	95.0	–	–	Feb-21	LIBOR plus 2.00%
Total facilities		385.3		290.3		

3. Financial risk management continued

As at 31 December 2015 (million)	Facility Local currency	Facility £	Drawn Local currency	Drawn £	Final maturity	Interest	Margin
Facility B1	€298.5	219.3	€298.5	219.3	Apr-22	EURIBOR, 1% floor	5.00%
Facility B2	$321.4	216.9	$321.4	216.9	Apr-22	LIBOR, 1% floor	5.00%
Revolving credit facility	£75.0	75.0	–	–	Apr-21		4.50%
Total facilities		511.2		436.2			

Subsequent to refinancing on 12 February 2016, the Group is required to adhere to a net leverage ratio covenant of 4.5x which is measured at December 2016 and then semi-annually thereafter. The covenant ratio falls to 4.0x in December 2017. The Group operated within this covenant limit during the period to 31 December 2016.

Capital risk management
The Treasurer of the Group is responsible for managing compliance with bank covenants. Reports on both actual and projected bank covenant ratios are provided to the Board on a regular basis.

Sensitivity analysis
a) Foreign exchange risk
The Group receives approximately 25% (2015: 20%) of its revenues and incurs approximately 8% (2015: 9%) of its costs in euros. The Group is therefore sensitive to movements in the euro against the pound sterling. Each 1% movement in the euro to pounds sterling exchange rate has a circa £0.9 million (2015: £0.6 million) impact on annual revenue, a circa £0.7 million (2015: £0.4 million) impact on annual Adjusted EBITDA and annual operating profit. Offsetting this will be reductions to the euro interest and euro tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

The Group receives approximately 22% (2015: 20%) of its revenues and incurs approximately 17% (2015: 17%) of its costs (before depreciation, amortisation and exceptional items) in US dollars or currencies pegged to US dollars. The Group is therefore sensitive to movements in the US dollar against pounds sterling. Each 1% movement in the US dollar to pound sterling exchange rate has a circa £0.8 million (2015: £0.7 million) impact on annual revenue, a circa £0.4 million (2015: £0.3 million) impact on annual Adjusted EBITDA and a circa £0.2 million (2015: £0.2 million) impact on annual operating profit. Offsetting this will be reductions to the US dollar interest and US dollar tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

b) Interest rate risk
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 2016 would have decreased or increased by £1.3 million (2015: £0.4 million).

4. Revenue
The revenue analysis for the continuing operations in the table below is based on the location of customers or, in the case of Exhibitions & Festivals, the location of business operations. Refer to Note 6 for discontinued operations disclosures required under IFRS 5.

(£ million)	2016	2015
United Kingdom	118.5	116.2
Other Europe	91.4	71.0
United States and Canada	56.4	40.5
Asia Pacific	19.3	18.2
Middle East and Africa	5.8	2.0
Latin America	8.2	8.7
Total	299.6	256.6

An analysis of the Group's continuing revenue by category is as follows:

(£ million)	2016	2015
Rendering of services	208.9	178.2
Transactional revenue	90.7	78.4
Total	299.6	256.6

Rendering of services includes barter revenue arising from the exchange of goods or services of £1.4 million for the year ended 31 December 2016 (2015: £1.1 million).

The Group does not have any customers from whom revenue exceeds 10% of total revenue.

Notes to the Financial Statements continued

For the year ended 31 December 2016

5. Operating segments

The Group has three reportable segments under IFRS 8 Operating Segments. In addition, there is a Group corporate function providing central services including finance, management and IT services to the Group's reportable segments. The reportable segments offer different products and services, and are managed separately because they require different capabilities, technology and marketing strategies. For each of the reportable segments, the Board (the chief operating decision maker) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Exhibitions & Festivals: organiser of market-leading exhibitions, congresses and festivals.
- Information Services: produces intelligence, analysis and forecasting tools, subscription content including real-time online resources, live events and awards, across a number of industry sectors including fashion, retail, property, construction and politics.
- Discontinued operation: the disposal group of 13 Heritage Brands previously formed part of the Information Services segment before it was separately classified as held for sale and a discontinued operation. Given the different growth trajectories and risks of the Heritage Brands and the change in internal management reporting presented to the Board, the disposal group is separated into a third reportable segment. Refer to Note 6 for further details on the discontinued operation.

Information regarding the results of each reportable segment is included below. 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 central Group costs. This is the measure included 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 certain 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.

Year ended 31 December 2016

(£ million)	Exhibitions & Festivals	Information Services	Group costs	Continuing operations total	Discontinued operation	Total
Revenue	180.0	119.6	–	299.6	57.9	357.5
Adjusted EBITDA	73.5	35.1	(12.7)	95.9	11.6	107.5
Depreciation and amortisation of tangible fixed assets and software intangibles	(3.3)	(5.7)	(3.9)	(12.9)	(1.8)	(14.7)
Adjusted operating profit	70.2	29.4	(16.6)	83.0	9.8	92.8
Amortisation of intangible assets acquired through business combinations				(28.8)	(2.5)	(31.3)
Exceptional items				(20.7)	(1.9)	(22.6)
Share-based payments				(1.4)	(0.1)	(1.5)
Operating profit				32.1	5.3	37.4
Share of loss in equity-accounted investee, net of tax				(0.1)	–	(0.1)
Net finance costs				(33.8)	–	(33.8)
Profit before tax/(loss)				(1.8)	5.3	3.5
Total assets				862.3	72.0	934.3

5. Operating segments continued

Year ended 31 December 2015

(£ million)	Exhibitions & Festivals	Information Services	Group costs	Continuing operations total	Discontinued operation	Total
Revenue	150.4	106.2	–	256.6	62.5	319.1
Adjusted EBITDA	56.9	29.7	(10.0)	76.6	14.3	90.9
Depreciation of tangible fixed assets and software intangibles	(2.2)	(5.4)	(8.2)	(15.8)	(1.7)	(17.5)
Adjusted operating profit	54.7	24.3	(18.2)	60.8	12.6	73.4
Amortisation and impairment of intangible assets acquired through business combinations				(26.6)	(2.9)	(29.5)
Exceptional items				(9.4)	(1.7)	(11.1)
Share-based payments				(0.5)	–	(0.5)
Operating profit				24.3	8.0	32.3
Gain on disposal				4.8	–	4.8
Net finance costs				(72.7)	–	(72.7)
Loss before tax				(43.6)	8.0	(35.6)
Total assets				838.1	–	838.1

Exceptional items of £22.6 million (2015: £11.1 million) include £10.4 million, £6.1 million, £1.9 million (2015: £5.7 million, £1.1 million and £1.7 million) which are attributable to Exhibitions & Festivals, Information Services and discontinued operation respectively.

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

An analysis of the Group's non-current assets (excluding deferred tax, financial instruments and assets classified as held for sale) by geographical location is as follows:

(£ million)	2016	2015
United Kingdom	446.7	490.7
Other Europe	17.4	18.4
United States and Canada	193.8	118.1
Asia Pacific	4.7	0.4
Middle East and Africa	–	36.0
Latin America	6.0	6.0
Total	668.6	669.6

6. Discontinued operation and disposal group held for sale

During 2016, the Board committed to a plan to sell 13 Heritage Brands within the Information Services reportable segment. The Heritage Brands are Health Services Journal, MEED, Drapers, Nursing Times, Local Government Chronicle, Construction News, New Civil Engineer, Ground Engineering, H&V News and RAC, Retail Jeweller, Materials Recycling World and the architecture titles including Architects' Journal, The Architectural Review and the associated World Architecture Festival. Each provides content to subscribers and industries across three platforms – digital, events and print.

The 13 Heritage Brands were not previously classified as held for sale or as a discontinued operation. The comparative consolidated statement of profit and loss has been restated to show the discontinued operation separately from continuing operations.

6. Discontinued operation and disposal group held for sale continued

Results of discontinued operation

(£ million)	Note	2016 Adjusted results	2016 Adjusting items	2016 Total	2015 Adjusted results	2015 Adjusting items	2015 Total
Revenue		57.9	–	57.9	62.5	–	62.5
Cost of sales		(24.1)	–	(24.1)	(25.7)	–	(25.7)
Sales, marketing and administrative expenses		(24.0)	(4.5)	(28.5)	(24.2)	(4.6)	(28.8)
Operating profit		9.8	(4.5)	5.3	12.6	(4.6)	8.0
Adjusted EBITDA		11.6	–	11.6	14.3	–	14.3
Depreciation and amortisation		(1.8)	(2.5)	(4.3)	(1.7)	(2.9)	(4.6)
Exceptional items		–	(1.9)	(1.9)	–	(1.7)	(1.7)
Share-based payments		–	(0.1)	(0.1)	–	–	–
Operating profit		9.8	(4.5)	5.3	12.6	(4.6)	8.0
Taxation	12	(1.8)	0.5	(1.3)	(2.1)	1.1	(1.0)
Profit from discontinued operation, net of tax		8.0	(4.0)	4.0	10.5	(3.5)	7.0
Proforma earnings per share (pence)							
– Basic	14	2.0	(1.0)	1.0	2.5	(0.9)	1.8
– Diluted	14	2.0	(1.0)	1.0	2.5	(0.9)	1.8
Earnings per share (pence)							
– Basic	14	2.2	(1.1)	1.1	13.4	(4.5)	9.0
– Diluted	14	2.2	(1.1)	1.1	13.4	(4.5)	9.0

The profit from the discontinued operation of £4.0 million (2015: £7.0 million) is attributable entirely to the equity holders of the Parent Company.

Cash flows from/(used in) discontinued operation

(£ million)	2016	2015
Net cash generated from operating activities	11.7	12.4
Net cash used in investing activities	(0.9)	(1.4)
Net cash inflows for the year	10.8	11.0

Disposal group held for sale

A. Assets and liabilities of disposal group held for sale

At 31 December 2016, the disposal group was stated at carrying value and comprised the following assets and liabilities.

(£ million)	2016
Intangible assets and goodwill	61.0
Property, plant and equipment	1.5
Deferred tax assets	0.4
Trade and other receivables	9.1
Assets held for sale	72.0
Trade and other payables	18.0
Provisions	1.3
Deferred tax liabilities	4.4
Liabilities held for sale	23.7

B. Cumulative income or expenses included in other comprehensive income

Foreign exchange translation differences of £5.2 million (2015: £1.2 million) recognised in equity relating to the disposal group are included in other comprehensive income.

7. Adjusting items

Adjusting items and exceptional items are not a defined term under IFRS, so may not be comparable to similar terminology used in other financial statements. The Board believes that reporting adjusted results and adjusted earnings per share (Note 14) provides additional useful information to the users of the financial statements, refer to pages 24 to 27 for further details on adjusted performance measures. The following charges/(credits) were presented as adjusting items of the continuing operations:

(£ million)	Note	2016	2015
Exceptional items:			
Acquisition – related contingent employment costs – OCR		5.3	–
Acquisition – related contingent employment costs – Money20/20		4.4	5.5
Revaluation of contingent consideration – Money20/20		6.2	–
Revaluation of contingent consideration – other		(0.6)	–
Expenses related to acquisition and disposal activities		1.6	0.9
Acquisition integration costs		0.1	0.9
IPO expenditure		3.6	1.7
Professional fees relating to capital restructuring		–	0.3
Expenses of previous holdings company structure		0.1	0.1
		20.7	9.4
Amortisation of intangible assets acquired through business combinations	6, 17	28.8	26.6
Share-based payments	10	1.4	0.5
Gain on disposal of MBI	16	–	(4.8)
Finance costs	11	16.0	48.2
Total adjusting items before tax		66.9	79.9
Tax credit related to adjusting items		(24.3)	(15.9)
Total adjusting items after tax		42.6	64.0

The principal adjustments made are in respect of:

- Revaluation of contingent consideration – relates primarily to the acquisition of Money20/20 in 2014. Certain of the Group's business combinations include, under their respective sale and purchase agreements, an element of deferred consideration which is contingent on the results of the business in future years, refer also to Note 15 and Note 25. In 2016, Money20/20's actual results and the forecast result for 2017 lead to an increase in the estimated capital element of the deferred consideration payable in 2017 and 2018. The total expense resulting from the revaluation amounted to £6.2 million (2015: £nil).
- Acquisition-related contingent employment costs – relate to the acquisitions of OCR in 2016 and Money20/20 in 2014. Under the sale and purchase agreements for both acquisitions, an element of the deferred consideration is contingent on both (i) the results of the business in future years and (ii) the continued employment of certain of the vendors. In accordance with IFRS, this element of the deferred consideration is treated as an expense and expensed over the contractual period. In 2016, the total expense amounted to £5.3 million and £4.4 million (2015: £nil and £5.5 million) for OCR and Money20/20 respectively. Refer also to Note 15.
- Expenses related to acquisitions and disposals – the Group recognised an exceptional expense related to acquisition and disposal activities of £1.6 million in 2016 (2015: £0.9 million). A further charge of £0.1 million (2015: £0.9 million) was incurred relating to post-acquisition integration costs. These principally related to the acquisition of Oneclickretail.com in 2016 and RetailNet Group ("RNG") in 2015.
- IPO expenditure – exceptional items relating to the IPO of £3.6 million were expensed in 2016 (2015: £1.7 million).
- Business restructuring – exceptional costs of £1.7 million were incurred during the second half of 2015 as a result of the creation of the Plexus operating company from the combination of EMAP, MEED, 4C Group and Planet Retail.
- Share-based payments – refer to Note 10 for further details.
- Finance costs – the Group incurred interest on the shareholder debt that was subsequently converted into equity as part of the restructure. In 2016, this amounted to £5.3 million (2015: £43.9 million). The Group also refinanced its external debt as part of the IPO process incurring £10.7 million in 2016 relating to the accelerated amortisation of debt fees. A previous refinancing of external debt led to a charge of £4.3 million in accelerated amortisation of debt fees and break costs in 2015.

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For the year ended 31 December 2016

8. Operating costs
Operating costs for the continuing operations include:

(£ million)	Note	2016	2015
Employee costs	9	88.3	81.0
Depreciation and software amortisation	17, 18	12.9	15.8
Operating lease rentals		5.5	6.0

Fees paid to the auditor were as follows:

(£ million)	2016	2015
Fees paid to auditor for audit of the consolidated financial statements	0.6	0.3
Fees paid to auditor for audit of the Group's subsidiaries	0.1	0.1
Fees paid to auditor for audit-related assurance services[1]	0.8	1.2
Total	1.5	1.6

1 Audit-related assurance services relate to the Company's IPO and the review of the half-year interim statements.

9. Employee numbers and costs
(a) Average monthly number of employees including Directors (continuing and discontinued)
(i) By geographical region

	2016	2015
United Kingdom	1,234	1,175
United States and Canada	198	199
Rest of the world	262	400
Total	1,694	1,774

(ii) By job function

	2016	2015
Cost of sales	729	791
Sales and marketing	675	689
Other administrative functions	290	294
Total	1,694	1,774

(b) Employee costs including Directors

(£ million)	Note	2016	2015
Wages and salaries		74.9	70.4
Social security costs		8.5	7.9
Defined contribution pensions cost		1.7	1.5
Redundancy costs		1.8	0.7
		86.9	80.5
Share-based payments and associated National Insurance	10	1.4	0.5
Continuing operations total		88.3	81.0
Discontinued operation		22.8	24.3
Total		111.1	105.3

(c) Retirement benefits
The Group operates a defined contribution pension scheme in the United Kingdom 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 2016 the total Group charge amounted to £2.2 million (2015: £2.1 million). At 31 December 2016 there were £0.1 million contributions outstanding (2015: £0.3 million).

10. Share-based payments

(a) Description of share-based payment arrangements

i. 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. On 10 March 2016, the Group made an award of 542,500 free shares, a conditional award of 211,500 shares and the cash equivalent of a conditional award of 10,000 shares to qualifying UK and international employees. The awarded free shares are held by an Employee Benefit Trust ("EBT") on behalf of UK employees for a holding period of three years, while the conditional award and cash equivalent will vest with international employees after three years.

ii. 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 options to acquire shares or a cash alternative, subject to service and performance conditions. Executive Directors are further subject to a holding period for their shares upon vesting. On 21 March 2016, the Group made a grant of 2,095,790 options under the PSP. 25% of the options are subject to a Total Shareholder Return ("TSR") market performance condition and the remaining 75% is subject to an Adjusted Earnings before Interest, Tax and Amortisation ("EBITA") non-market performance condition.

iii. 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. On 30 September 2016, the Group made a grant of 1,638,082 options under the Sharesave to qualifying UK and international employees. 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.

iv. Long-Term Incentive Plan

A number of the Group's senior managers became shareholders of the previous ultimate parent undertaking, Eden 2 & Cie S.C.A., during 2014 and early 2015 under a Long-Term Incentive Plan ("LTIP"). The continued ownership of these shares was subject to certain "good" and "bad" leaver provisions, which was linked to their continued employment by the Group. As such, the shares were deemed to constitute an equity-settled share-based payment scheme. The shares were exchanged for ordinary £0.10 shares in the Company as part of the IPO restructure (see Note 1). For legal and administrative reasons, certain participants outside the UK and the US received their LTIP in cash-settled phantom awards.

(b) Measurement of fair values

The fair values of the SIP and Sharesave have been measured using the Black-Scholes model, while the PSP has been measured using a stochastic model. A Chaffe model (an at-market put option variance of the Black-Scholes model) has been used for the PSP awards subjective to a holding period. Non-market performance conditions were not taken into account in measuring fair values. The inputs used in the measurement of the fair values at grant date were as follows:

	SIP	PSP	PSP (subject to holding period)	Sharesave	Sharesave (US)
Share price at grant date	236.25p	232.00p	232.00p	281.00p	281.00p
Exercise price	Nil	Nil	232.00p	204.00p	241.00p
Expected life	3 years	3 years	2 years	3.34 years	2.125 years
Risk-free interest rate	N/A	0.49%	0.88%	0.15%	0.13%
Expected volatility	N/A	20.00%	20.00%	20.00%	20.00%
Expected dividend yield	0.00%	0.00%	0.00%	1.60%	1.60%
Fair value at grant date	236.25p	TSR options – 163.82p EBITA options – 232.00p	TSR options – 146.95p EBITA options – 208.11p	74.55p	47.84p
Number of shares and options granted and outstanding at 31 December 2016	0.7 million shares	1.1 million options	1.0 million options	1.5 million options	0.1 million options

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. Since the Company has only recently listed in February 2016, a proxy volatility figure has been applied. The expected terms represent the term until vesting of the shares and options, as well as the holding period from the date of vesting.

The weighted average exercise prices and weighted average remaining contractual lives of shares and options outstanding at 31 December 2016 for each scheme are the same as the exercise prices and expected lives disclosed in the table above.

The assumptions used in the measurement of the fair value of cash-settled awards at 31 December 2016 are materially the same as those applied at the grant date.

10. Share-based payments continued

(c) Expense recognised in profit and loss
A £0.2 million, £1.0 million and £0.1 million share-based payment expense have been recognised in the continuing operations' profit and loss for the SIP, PSP and Sharesave respectively in the year ended 31 December 2016. A £0.1 million expense has been recognised for the discontinued operation. For cash-settled phantom awards under the LTIP, £0.1 million (2015: 0.5 million) charge has been recognised in the continuing operations profit and loss in the year to 31 December 2015. All of these charges are disclosed as Adjusting items (Note 6 and Note 7).

No expense has been recognised for shares granted under the LTIP as the consideration received for the shares by Eden 2 & Cie S.C.A. was equal to, or greater than, the fair value of the shares at the vesting date.

(d) Employee Benefit Trust
The EBT purchases shares to fund the SIP for UK employees. During the year the EBT purchased 542,500 ordinary shares of the Company at a nominal cost of £0.1 million (2015: £nil) representing 0.1% of issued share capital. At 31 December 2016, the 542,500 shares relating to the SIP remain in the EBT with a historical cost of £0.1 million (2015: £nil). The market value of these shares as at 31 December 2016 was £1.5 million (2015: £nil).

11. Finance costs and finance income

(£ million)	2016	2015
Interest payable on external borrowings	(10.1)	(28.3)
Foreign exchange loss on borrowings	(13.4)	–
Amortisation of loan arrangement fees	(1.4)	(2.4)
Fair value loss on derivatives	(0.2)	–
Other finance charges	(2.9)	(2.3)
Finance costs – adjusted results	**(28.0)**	(33.0)
Interest payable on shareholder debt	(5.3)	(43.9)
Break fees and write-off of loan arrangement fees on debt refinancing	(10.7)	(4.3)
Finance costs – adjusting items (Note 7)	**(16.0)**	(48.2)
Finance costs	**(44.0)**	(81.2)
Interest on bank deposits	0.1	0.1
Foreign exchange gain on borrowings	–	3.4
Foreign exchange gain on cash and cash equivalents	7.4	0.8
Fair value gain on derivatives	2.7	4.2
Finance income	**10.2**	8.5
Net finance costs	**(33.8)**	(72.7)

12. Tax on profit on ordinary activities

The tax credited in the consolidated profit and loss statement for the continuing operations is analysed as follows:

(£ million)	2016	2015
Current tax		
UK corporation tax		
Current tax charge on income for the year at 20.00% (2015: 20.25%)	1.7	(2.1)
Adjustments in respect of prior years	0.6	0.2
Foreign tax		
Current tax charge on income for the year	1.6	2.0
Adjustments in respect of prior years	0.2	0.2
Total current tax charge	**4.1**	0.3
Deferred tax		
Current year	(15.2)	(9.8)
Adjustments in respect of prior years	(1.5)	(0.9)
Impact of rate changes on opening deferred tax balances	(0.8)	(0.9)
Total deferred tax credit	**(17.5)**	(11.6)
Total tax credit	**(13.4)**	(11.3)

12. Tax on profit on ordinary activities continued

The difference between the tax as credited in the consolidated profit and loss statement for the continuing operations and tax at the UK standard rate is explained below:

(£ million)	2016	2015
Loss before tax	(1.8)	(43.6)
Expected tax credit at the UK standard rate of 20.00% (2015: 20.25%)	(0.4)	(8.8)
Principal differences		
Impact of rate changes	(0.6)	(1.0)
Impact of higher overseas tax rates	–	(0.4)
Recognition of previously unrecognised trading losses	(10.1)	(5.8)
Recognition of previously unrecognised capital losses	(3.6)	–
Other non-deductible items including interest on shareholder debt	1.8	7.2
Non-taxable exchange gains and losses	0.2	(1.0)
Non-taxable disposal gains	–	(1.0)
Adjustments in respect of prior years	(0.7)	(0.5)
Difference	(13.0)	(2.5)
Total tax credit for the year	(13.4)	(11.3)

The Group's effective tax rate is lower than the UK's statutory tax rate in the main due to the recognition of previously unrecognised tax US losses as a result of increasing certainty over future taxable profits against which these tax assets can be recovered.

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 around 150 countries. Furthermore, the Group renders and receives cross-border supplies and services in respect of affiliated entities. Due to these factors the Group is exposed to tax risk and, in particular, with regard to transfer pricing rules that apply in many jurisdictions.

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 in greater than one year.

Other factors that may affect future tax charges:

The 2016 Budget announcement included a proposal to reduce the main rate of UK corporation tax to 17% from 1 April 2020. As the reduction was substantively enacted by the consolidated statement of financial position date, the deferred tax assets and liabilities have been measured at the reduced rates applicable when the assets and liabilities are forecast to reverse. The rate of writing down allowances on the main pool of plant and machinery and on the special rate pool remain unchanged at 18% and 8% respectively.

On 24 June 2016, the US House of Congress Republicans released a "Blueprint" on tax reform which is currently being debated through the US legislative system. The Blueprint proposes a number of changes to the US tax system. The proposal which would have the most significant impact on the Group's tax position is the reduction of the Federal corporate tax rate from 35% to 20%. President Trump's announced tax plan suggested this rate could become as low as 15%. In addition to reducing the rate at which the Group pays tax on its future US profits, each 1% change in the US Federal Tax Rate would reduce the Group's net deferred tax asset on US tax items by £0.7 million.

13. Deferred tax

The major deferred tax assets and liabilities recognised by the Group, and the movements in the period, are set out below:

(£ million)	Tax losses	Depreciation vs. tax allowances	Other temporary differences	Intangible assets	Total
At 1 January 2015	26.0	9.6	0.1	(49.9)	(14.2)
Credit to the consolidated profit and loss statement for the year	(1.3)	3.2	3.0	5.5	10.4
Adjustments in respect of prior years	(0.1)	(0.1)	1.1	–	0.9
Impact of rate changes	(0.7)	(0.9)	–	3.0	1.4
Foreign exchange movements	0.7	(0.1)	(0.2)	0.1	0.5
Disposals	–	(0.1)	–	0.6	0.5
At 31 December 2015	24.6	11.6	4.0	(40.7)	(0.5)
Credit to the consolidated profit and loss statement for the year	3.2	(0.9)	7.8	5.4	15.5
Adjustments in respect of prior years	1.8	–	–	(0.3)	1.5
Impact of rate changes	–	(0.5)	–	1.6	1.1
Foreign exchange movements	2.6	0.1	1.0	(0.7)	3.0
Reclassification to assets and liabilities held for sale	–	(0.4)	–	4.4	4.0
At 31 December 2016	32.2	9.9	12.8	(30.3)	24.6

The following is the analysis of the deferred tax balances for consolidated statement of financial position purposes:

(£ million)	2016	2015
Deferred tax assets – non-current	54.9	40.2
Deferred tax liabilities – non-current	(30.3)	(40.7)
Total	24.6	(0.5)

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.

Other temporary differences include the impact of the difference in timing between tax and book amortisation for certain acquired intangible assets in the US as well as expected deferred consideration payments on US acquisitions.

At 31 December 2016, the Group has net deferred tax assets provided across the categories set out above totalling £24.6 million (2015: £0.5 million liability), of which £1.2 million is payable by the Group (2015: £2.3 million receivable by the Group) within one year and £23.4 million (2015: £1.8 million) payable by the Group after more than one year. The increase in the net asset position in the year arises from the increased level of recognition of tax assets in respect of tax losses as well as the continued amortisation of intangible assets and the associated deferred tax liability.

The Group has tax losses in the US totalling £209.9 million carried forward at 31 December 2016 (2015: £193.9 million). It has been agreed with the US tax authorities that these losses are available for offset against taxable profits. However, these losses are subject to change of ownership restrictions following the listing of Ascential plc described in Note 1. A deferred tax asset of £17.4 million (2015: £11.5 million) has been recognised in respect of £49.7 million (2015: £28.9 million) of losses which represents the expected recoverable value of losses taking into account the expected impact of these restrictions. The restriction of losses is dependent on the valuation of the US business which will need to be agreed with the US tax authorities and, as such, is uncertain. The deferred tax asset recognised is based on management's best estimate of the valuation.

The Group has not recognised a deferred tax asset on the remaining US tax losses at 31 December 2016 totalling £160.2 million (2015: £165.0 million) which have varying expiry dates from 2017 to 2025 and are expected to expire before they can be utilised.

The Group has non-trading tax losses in the UK totalling £59.7 million carried forward at 31 December 2016 (2015: £68.3 million) which are likely to be fully utilised. Therefore a deferred tax asset of £11.2 million (2015: £13.1 million) has been recognised in respect of the full amount of these losses.

The Group has not recognised a deferred tax asset on UK capital losses at 31 December 2016 totalling £127.8 million (2015: £146.3 million) which can be carried forward indefinitely. Following the disposal of Health Services Journal in January 2017, refer to Note 40, the Group expects to utilise £18.5 million of capital losses in 2017. Therefore the Group has recognised a deferred tax asset of £3.6 million in respect of the capital losses expected to be utilised.

Deferred tax is not recognised on the unremitted earnings of subsidiaries and joint ventures as the Group is able to control the timing of the remittance and it is probable that there will be no remittance in the foreseeable future which will give rise to a tax liability.

14. Earnings per share

Basic earnings per share is calculated by dividing the 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.

For the purpose of proforma earnings per share for the years ended 31 December 2016 and 31 December 2015, the weighted average number of ordinary shares is stated as if the IPO completed on 12 February 2016 had occurred at the beginning of the 2015 financial year. For the purpose of statutory earnings per share, the weighted average number of ordinary shares is stated as if only the Group restructure steps completed on 8 February 2016 had occurred at the beginning of 2015. Refer to Note 1 for further details.

Both proforma and statutory earnings per share have been calculated with respect to the net profit for the year for the Group, the continuing operations and the discontinued operation (Note 6).

	2016			2015		
	Adjusted results	Adjusting items	Total	Adjusted results	Adjusting items	Total
Profit attributable to equity shareholders of the Parent						
Profit for the year – continuing operations (£ million)	54.2	(42.6)	11.6	31.7	(64.0)	(32.3)
Profit for the year – discontinued operation (£ million)	8.0	(4.0)	4.0	10.5	(3.5)	7.0
	62.2	(46.6)	15.6	42.2	(67.5)	(25.3)
Proforma earnings per share						
Basic weighted average number of shares (million)	400.0	400.0	400.0	400.0	400.0	400.0
Dilutive potential ordinary shares (million)	0.6	0.6	0.6	–	–	–
Diluted weighted average number of shares (million)	400.6	400.6	400.6	400.0	400.0	400.0
Basic earnings per share (pence)	15.6	(11.7)	3.9	10.5	(16.9)	(6.3)
Diluted earnings per share (pence)	15.5	(11.6)	3.9	10.5	(16.9)	(6.3)
Basic earnings per share (pence) – continuing operations	13.6	(10.7)	2.9	7.9	(16.0)	(8.1)
Diluted earnings per share (pence) – continuing operations	13.5	(10.6)	2.9	7.9	(16.0)	(8.1)
Basic earnings per share (pence) – discontinued operation	2.0	(1.0)	1.0	2.5	(0.9)	1.8
Diluted earnings per share (pence) – discontinued operation	2.0	(1.0)	1.0	2.5	(0.9)	1.8
Earnings per share						
Basic weighted average number of shares (million)	362.9	362.9	362.9	78.2	78.2	78.2
Dilutive potential ordinary shares (million)	0.6	0.6	0.6	–	–	–
Diluted weighted average number of shares (million)	363.5	363.5	363.5	78.2	78.2	78.2
Basic earnings per share (pence)	17.1	(12.8)	4.3	54.0	(86.4)	(32.4)
Diluted earnings per share (pence)	17.1	(12.8)	4.3	54.0	(86.4)	(32.4)
Basic earnings per share (pence) – continuing operations	14.9	(11.7)	3.2	40.6	(81.9)	(41.3)
Diluted earnings per share (pence) – continuing operations	14.9	(11.7)	3.2	40.6	(81.9)	(41.3)
Basic earnings per share (pence) – discontinued operation	2.2	(1.1)	1.1	13.4	(4.5)	9.0
Diluted earnings per share (pence) – discontinued operation	2.2	(1.1)	1.1	13.4	(4.5)	9.0

15. Business combinations

2016 – acquisition of One Click Retail

On 31 August 2016, the Group acquired 100% of the shares in Oneclickretail.com LLC ("OCR"), an unlisted company based in the United States whose primary activity is the provision of e-commerce data analytics. The company forms part of the Information Services segment.

The purchase price is expected to total £61.8 million, which comprises:

- £33.7 million (net of cash acquired) paid in 2016;
- £0.3 million working capital adjustment receivable in future years; and
- consideration contingent on the results of the 2016, 2017, 2018 and 2019 financial years payable in 2017 to 2020 and estimated to total £34.0 million which has been discounted to present value of £28.0 million using a discount rate relevant to the acquired business.

In addition to the contingent consideration described above, and subject to continued employment, certain vendors also receive employment income contingent on the results of the 2017 and 2018 financial years payable in 2018 to 2019, estimated to total £32.1 million. To determine the contingent consideration, the Directors are required to make a judgement regarding the current and future results.

This acquisition-related contingent employment cost is being accrued over a contractually defined period and £5.3 million was recorded as an exceptional cost in the year ended 31 December 2016.

There is a maximum limit of $225.0 million on the total consideration payable including acquisition-related employment costs; there is no minimum limit.

(a) Identifiable assets acquired and liabilities assumed

The provisional fair values of the identifiable assets purchased and liabilities assumed of OCR as at the date of acquisition were as follows:

(£ million)	Fair value
Customer relationships and databases	26.4
Brand and trademarks	7.0
Development platform	2.0
Trade and other receivables	1.6
Accrued income	0.6
Cash	0.4
Trade and other payables	(0.1)
Deferred income	(2.5)
Total identifiable net assets at fair value	**35.4**
Initial cash consideration relating to business combination	33.4
Deferred and contingent consideration payable in 2017	3.7
Deferred and contingent consideration payable in 2018-2020	24.3
Consideration for cash acquired	0.4
Total consideration	**61.8**
Goodwill on acquisition	**26.4**

The goodwill is attributable mainly to the workforce and anticipated future growth in the customer base of the acquired business. All goodwill recognised for the acquisition of OCR is deductible for tax purposes.

Additional information needs to be compiled in order to refine the calculations of the intangible assets, this includes revenue forecasts by customer and similar information. As a consequence, the intangible assets noted above are provisionally valued until this information has been obtained.

(b) Acquisition-related costs

The Group incurred acquisition-related costs of £0.9 million related to external legal fees and due diligence costs. These costs have been included within exceptional items in the consolidated statement of profit and loss.

(c) Results contribution in the year ended 31 December 2016

From the date of acquisition, OCR contributed £3.1 million revenue and a profit before tax of £2.2 million to the Group in the year ended 31 December 2016. If the acquisition had taken place at the beginning of 2016, revenue from continuing operations would have been £7.4 million and the profit before tax from continuing operations for the Group would have been £5.2 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition occurred on 1 January 2016.

15. Business combinations continued

2015 – acquisition of RetailNet Group, LLC
On 22 June 2015, the Group acquired 100% of the shares in RetailNet Group LLC ("RNG"), an unlisted company based in the United States whose primary activity is the provision of forecasting and analytics, consulting and executive education services across the retail, fast-moving consumer goods, professional services and technology sectors.

(a) Identifiable assets acquired and liabilities assumed
The fair values of the identifiable assets purchased and liabilities assumed of RNG as at the date of acquisition were as follows:

(£ million)	Fair value
Brands, customer relationships and databases	2.8
Trade and other receivables	0.8
Cash	0.6
Trade and other payables	(0.2)
Deferred income	(1.1)
Total identifiable net assets at fair value	2.9
Initial cash consideration relating to business combination	3.1
Deferred consideration payable in 2018	2.6
Total consideration	5.7
Goodwill on acquisition	2.8

The goodwill is attributable mainly to the workforce and anticipated future growth in the customer base of the acquired business.

(b) Acquisition-related costs
In 2015, the Group incurred acquisition-related costs of £0.5 million related to external legal fees and due diligence costs. These costs have been included within exceptional items in the comparative consolidated profit and loss statement.

(c) Results contribution in the year ended 31 December 2015
From the date of acquisition, RNG contributed £1.8 million revenue and a profit before tax from continuing operations of £0.4 million to the Group in the year ended 31 December 2015. If the combination had taken place at the beginning of 2015, revenue from continuing operations would have been £3.5 million and the profit before tax from continuing operations for the Group would have been £0.6 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition occurred on 1 January 2015.

Reconciliation of cash outflows relating to business combinations

(£ million)	2016
Acquisition in 2016	
Total consideration in respect of the 2016 acquisition	61.8
Cash acquired in the 2016 acquisition	(0.4)
Deferred and contingent consideration on the 2016 acquisition to be paid in future years	(28.0)
Working capital adjustment receivable in future years	0.3
Cash paid in 2016 in respect of the 2016 acquisition	33.7
Acquisitions prior to 2016	
Cash payments of deferred and contingent consideration in relation to prior years' acquisitions	
– Money20/20 contingent consideration	4.0
– Other	1.7
Cash paid in 2016 in respect of prior years' acquisitions	5.7
Net cash outflows relating to acquisition of businesses, net of cash acquired	39.4

15. Business combinations continued

Reconciliation of movement in deferred and contingent consideration
The Group has liabilities in respect of deferred consideration payments under various business acquisition contracts. These earn-out payments are generally contingent on the post-acquisition performance of the acquired business. Where that is the only dependency, the liability is initially recorded at acquisition, based on the expected payments discounted by a pre-tax discount rate specific to the business. Subsequently, the discount unwinds by way of a charge to finance costs, and any subsequent change in estimated payout is recorded in exceptional items. Where payments are also contingent on continued employment, the estimated payments are accrued over the period of related service, as a charge to exceptional items.

The contracted terms of the earn-outs in respect of acquisitions in the current and comparative periods are outlined above. The other material earn-out liabilities are in respect of Money20/20 LLC ("Money20/20"), acquired in 2014.

On 29 August 2014, the Group acquired 100% of the shares in Money20/20, an unlisted company based in the US whose primary activity is the organisation of global events on payments and financial services innovation.

The purchase price included deferred consideration contingent on the results of 2015, 2016 and 2017 financial years payable in 2016 to 2018, recorded initially as a liability on acquisition, discounted to present value. In addition, and subject to continued employment, certain vendors are also entitled to payments contingent on the results of 2015, 2016 and 2017 financial years and payable in 2016 to 2018, recorded as acquisition-related contingent employment cost accrued over the relevant contractual service period. There is no maximum or minimum limit on the combined total of the contingent consideration element and the acquisition-related contingent employment cost element of the contractual earn-out liabilities payable, however there is a cap on the total amount paid as employment cost.

To determine the contingent consideration, the Board is required to make a judgement regarding the current and future results. For the year ended 31 December 2015 the earn-out was expected to give rise to payments of £28.2 million. During 2016, Money20/20 outperformed expectations for the year, in particular due to the successful launch of Money20/20 Europe. As a result, total payments under the earn-out provisions are now expected to total £41.1 million. As a result, the liability for deferred consideration was revalued giving rise to a £6.2 million charge as set out in Note 7.

The amounts recorded as a liability, and the movements during the year, are as follows:

(£ million)	Note	Money20/20	OCR	Other	Total
At 1 January 2015		30.3	–	3.2	33.5
Additions		–	–	2.6	2.6
Acquisition – related contingent employment costs accrued in the year	7	5.5	–	–	5.5
Discount unwind in the year		2.0	–	0.3	2.3
Deferred and contingent consideration cash paid in the year		(16.7)	–	(0.4)	(17.1)
Effect of movements in exchange rates		1.0	–	(0.9)	0.1
At 31 December 2015		22.1	–	4.8	26.9
Additions		–	28.0	–	28.0
Acquisition – related contingent employment costs accrued in the year	7	4.4	5.3	–	9.7
Revaluation of contingent consideration recognised in the profit and loss statement	7	6.2	–	(0.6)	5.6
Discount unwind in the year		1.9	0.8	0.3	3.0
Deferred and contingent consideration cash paid in the year		(8.0)	–	(1.7)	(9.7)
Effect of movements in exchange rates		4.0	2.1	1.2	7.3
At 31 December 2016		30.6	36.2	4.0	70.8
Deferred and contingent consideration – current	24	**7.9**	**4.0**	**4.0**	**15.9**
Acquisition-related contingent employment costs – current	29	**8.1**	–	–	**8.1**
Deferred and contingent consideration – non-current	24	**9.4**	**26.8**	–	**36.2**
Acquisition-related contingent employment costs – non-current	29	**5.2**	**5.4**	–	**10.6**
At 31 December 2016		30.6	36.2	4.0	70.8

16. Disposal of business operations

2015 – disposal of Media Business Insight Limited ("MBI")

On 30 January 2015, the Group sold MBI and its subsidiary, Brad Insight Limited. Up to the date of disposal, MBI contributed £0.7 million of revenue and nil to the profit before tax from continuing operations of the Group for the year ended 31 December 2015. The consolidated profit and loss statement does not present the disposed operation separately from continuing operations. The gain on disposal for the year ended 31 December 2015 was £4.8 million.

Effect of disposal on the financial position of the Group

(£ million)	2015
Consideration received, satisfied in cash	11.0
Cash and cash equivalents disposed of	(0.2)
Gross cash inflow	10.8
Transaction costs	(0.2)
Net cash inflow	10.6
Goodwill	(4.5)
Brands, customer relationships and databases	(2.9)
Tangible fixed assets	(0.4)
Trade and other receivables	(2.2)
Trade and other payables	1.1
Deferred income	2.6
Deferred tax liability on disposed intangibles	0.5
Net assets and liabilities disposed	(5.8)
Gain on disposal	4.8

17. Intangible assets and goodwill

(£ million)	Note	Goodwill	Brands	Customer relationships and databases	Software	Total
Cost						
At 1 January 2015		888.0	325.6	173.0	52.0	1,438.6
Additions		2.8	1.0	1.8	7.9	13.5
Disposals		–	–	–	(1.0)	(1.0)
Effect of movements in exchange rates		4.0	0.2	1.1	(0.9)	4.4
At 1 January 2016		894.8	326.8	175.9	58.0	1,455.5
Additions		26.4	7.0	28.4	6.3	68.1
Disposals		–	–	–	(5.2)	(5.2)
Reclassification to assets held for sale	6	(240.2)	(67.7)	(13.2)	(5.3)	(326.4)
Effect of movements in exchange rates		17.8	7.3	6.9	1.6	33.6
At 31 December 2016		698.8	273.4	198.0	55.4	1,225.6
Accumulated amortisation						
At 1 January 2015		(511.1)	(92.7)	(120.2)	(31.3)	(755.3)
Disposals		–	–	–	0.9	0.9
Amortisation		–	(15.1)	(14.4)	(12.9)	(42.4)
At 1 January 2016		(511.1)	(107.8)	(134.6)	(43.3)	(796.8)
Disposals		–	–	–	5.1	5.1
Amortisation		–	(15.6)	(15.7)	(10.2)	(41.5)
Reclassification to assets held for sale	6	221.7	26.2	13.2	4.3	265.4
Effect of movements in exchange rates		–	(2.2)	(3.6)	(0.4)	(6.2)
At 31 December 2016		(289.4)	(99.4)	(140.7)	(44.5)	(574.0)
Net book value						
At 31 December 2016		409.4	174.0	57.3	10.9	651.6
At 31 December 2015		383.7	219.0	41.3	14.7	658.7

Included within software intangible fixed assets at 31 December 2016 is £2.1 million (2015: £4.1 million) of assets under construction which were not being amortised at 31 December 2016.

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For the year ended 31 December 2016

17. Intangible assets and goodwill continued

Goodwill and indefinite life intangible assets

For reporting purposes, the cash-generating units ("CGUs") have been aggregated into reportable segments. The goodwill in CGUs are individually assessed for impairment each year as follows:

		Information Services				
(£ million)	Exhibitions & Festivals	WGSN Group	Plexus Group	OCR	Discontinued operation	Total
Net book value						
At 31 December 2016	**188.6**	**157.8**	**34.8**	**28.2**	**18.5**	**427.9**
At 31 December 2015	181.9	145.5	37.8	–	18.5	383.7

The Group tests goodwill and indefinite life intangible assets annually for impairment or more frequently if there are indications of impairment. The CGUs used in testing for impairment are defined as parts of the organisation, which the Directors judge to have largely independently managed cash flows. During the year, the creation of the disposal group and associated operational separation meant that the disposal group met the criteria for treatment as a separate CGU. While the Exhibitions & Festivals segment and the discontinued operations segment in the segmental note disclosure (Note 5) each represents one CGU, the Information Services segment consists of three CGUs. 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.

Brand value includes £70.8 million (2015: £70.8 million) with an indefinite life which is not being amortised. This intangible asset is included within the Exhibitions & Festivals segment. This relates to Cannes Lions and was identified on acquisition in 2008. This brand has an indefinite life due to the strength of its recognition and revenue stream and is tested annually for impairment. It was tested for impairment using the value-in-use inputs for the Exhibitions & Festivals disclosed below.

The key assumptions and estimates used for value-in-use calculations are as follows:

Future expected cash flows

The Group uses cash flow forecasts for each CGU, based on the latest three – year plan. For years four and five, specific growth assumptions are used before a long-term growth rate is applied to years six and beyond. In the case of OCR, the acquisition case cash flows have been used; these reflect the expected high-growth characteristics of this business and are discussed in Note 15.

The long-term growth rate assumptions, and the discount rates applied to the risk-adjusted cash flow forecasts, are set out below.

		Information Services			
	Exhibitions & Festivals	WGSN Group	Plexus Group	OCR	Discontinued operation
Year ended 31 December 2016					
Long-term growth rate	1.5%–3.0%				Nil
Pre-tax discount rate	**8.9%**	**9.9%**	**9.9%**	**9.9%**	**11.9%**
Year ended 31 December 2015					
Long-term growth rate	2.5%	2.5%	2.5%	N/A	2.5%
Pre-tax discount rate	9.2%	9.8%	9.8%	N/A	9.8%

The measurement of value-in-use is sensitive to changes in these key assumptions and in the assumptions about economic growth and market penetration that underpin the cash flow projections.

The Directors have sensitised the key assumptions, including the discount rate, and under both base case and sensitised case no indicators of impairment exist. The Directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

The Directors have also considered the likely proceeds that may be generated on disposal of the discontinued operations. In the view of the Directors these are likely to exceed the carrying value of the net assets associated with the disposal group.

18. Property plant and equipment

(£ million)	Note	Short leasehold property	Office equipment	Total
Cost				
At 1 January 2015		15.9	9.2	25.1
Additions		1.3	1.0	2.3
Disposals		(0.9)	(0.7)	(1.6)
At 1 January 2016		16.3	9.5	25.8
Additions		5.3	1.5	6.8
Disposals		(3.5)	(2.1)	(5.6)
Reclassification to assets held for sale	6	(3.1)	(0.9)	(4.0)
Effect of movements in exchange rates		0.3	0.6	0.9
At 31 December 2016		15.3	8.6	23.9
Depreciation				
At 1 January 2015		(6.0)	(6.6)	(12.6)
Depreciation		(2.2)	(2.4)	(4.6)
Disposals		0.9	0.7	1.6
At 1 January 2016		(7.3)	(8.3)	(15.6)
Depreciation		(2.6)	(1.9)	(4.5)
Disposals		3.5	2.1	5.6
Reclassification to assets held for sale	6	1.6	0.9	2.5
Effect of movements in exchange rates		(0.2)	(0.3)	(0.5)
At 31 December 2016		(5.0)	(7.5)	(12.5)
Net book value				
At 31 December 2016		10.3	1.1	11.4
At 31 December 2015		9.0	1.2	10.2

19. Investments

(£ million)	2016	2015
Opening balance 1 January	0.7	0.6
Additions	4.5	0.1
Reduction	(0.1)	–
Share of loss in associate	(0.1)	–
Closing balance 31 December	5.0	0.7

Investments include shares in unlisted associated companies, joint ventures, a trade investment, as well as an interest-free loan which is expected to be converted to equity in a new associated company in 2017. The loan is a level 2 financial asset, refer to Note 25.

(£ million)	2016	2015
Interest in trade investment	0.1	0.1
Interest in associates	0.2	0.2
Interest in joint ventures	0.3	0.4
Loan	4.4	–
	5.0	0.7

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20. Inventories

(£ million)	2016	2015
Deferred event costs	16.5	17.2
Physical stock	0.4	0.4
Total	**16.9**	**17.6**

21. Trade and other receivables

(£ million)	2016	2015
Trade receivables, net of the allowance for doubtful debts	49.8	53.2
Prepayments and accrued income	7.4	8.1
Other receivables	2.4	4.0
Total	**59.6**	**65.3**

The carrying amounts of trade and other receivables are denominated primarily in pounds sterling. 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 immediate or 30 day terms and are shown net of a provision for impairment. As at 31 December 2016, the provision for impaired trade receivables was £2.4 million (2015: £2.1 million). Movements in the provision for impairment of receivables were as follows:

(£ million)	2016	2015
At 1 January	2.1	1.7
Provided in the year	2.9	2.5
Utilised in the year	(2.9)	(2.1)
Reclassification to assets held for sale	0.3	–
At 31 December	**2.4**	**2.1**

Trade receivables of the continuing operations, net of the allowance for doubtful debts, are aged as follows:

(£ million)	2016	2015
Not overdue	27.5	28.5
0 – 30 days overdue	6.6	9.0
31 – 90 days overdue	10.0	10.6
Greater than 90 days overdue	5.7	5.1
Total	**49.8**	**53.2**

The maximum exposure to credit risk for trade receivables by geographical region was:

	2016	2015
United Kingdom	19.4	24.8
Other Europe	9.7	10.1
United States and Canada	12.1	8.7
Asia Pacific	5.0	5.3
Middle East and Africa	0.6	1.6
Latin America	3.0	2.7
Total	**49.8**	**53.2**

22. Financial assets

The Group's principal financial assets are bank balances and cash, financial derivative assets and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables (see Note 21). The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

23. Cash and cash equivalents

Cash and cash equivalents at 31 December 2016 of £61.9 million (2015: £44.4 million) relate to bank balances, including short-term deposits with an original maturity date of less than three months, and cash held by the Group.

24. Trade and other payables

(£ million)	2016	2015
Trade payables	5.8	13.3
Deferred and contingent consideration	24.0	8.9
Other payables	8.1	7.9
Taxes and social security costs	5.3	5.6
Accruals	22.7	27.4
Deferred income	107.1	110.8
Total	**173.0**	173.9

The Directors consider that the carrying amount of trade and other payables approximates their fair value. Refer to Note 15 for further details on deferred and contingent consideration.

25. Financial instruments

Financial instruments categories:

(£ million)	2016	2015
Financial assets		
Trade and other receivables[2]	42.4	57.2
Cash and cash equivalents	61.9	44.4
Derivative financial assets at fair value through profit and loss	0.4	1.0
Total	**104.7**	102.6
Financial liabilities		
Trade and other payables[1,3]	60.6	57.5
Non-current deferred and contingent consideration[3]	46.8	19.0
Borrowings	286.0	425.6
Derivative financial liabilities at fair value through profit and loss	–	2.1
Total	**393.4**	504.2

1 Other payables that are not financial liabilities (namely deferred income and tax and social security costs) are not included. Refer to Note 24.
2 Other receivables that are not financial assets (namely prepayments and accrued income) are not included. Refer to Note 21.
3 Included in trade and other payables is £13.2 million (2015: £5.5 million) and within non-current deferred and contingent consideration is £37.8 million (2015: £9.8 million) classified as level 3 fair value.

The fair value of each category of the Group's financial instruments approximates their carrying value in the Group's consolidated statement of financial position.

Where financial assets and liabilities are measured at fair values, their measurement is classified into the following hierarchy:

- Level 1—quoted prices in active markets from identical assets or liabilities;
- Level 2—inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3—inputs for the asset or liability that are not based on observable market data.

There were no movements between different levels of the fair value hierarchy in the year.

The Group had interest rate caps (level 2) at 31 December 2016 of £0.1 million (2015: £1.0 million) of which £0.1 million (2015: £0.6 million) is included within non-current assets, and cross-currency swaps (level 2) at 31 December 2016 of £nil (2015: £2.1 million) of which £1.7 million was included within non-current liabilities.

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.

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For the year ended 31 December 2016

25. Financial instruments continued

The interest rate caps are used to cap an element of the Group's external borrowings which all bear interest at floating rate. As at 31 December 2016, the total notional amount of outstanding interest rate caps to which the Group is committed is £182.9 million (2015: £231.2 million). The fair value of the interest rate caps as at 31 December 2016 was a £0.1 million asset (2015: £1.0 million asset).

In 2015, the cross-currency swaps were used to maintain an appropriate currency mix of the Group's borrowings reflecting the Group's mix of underlying cash flows.

Reconciliation of level 3 fair values relating to deferred and contingent consideration:

(£ million)	2016	2015
At 1 January	15.3	31.4
Additions	28.0	–
Revaluation of contingent consideration recognised in the profit and loss statement	5.8	–
Discount unwind in the year	2.1	1.2
Deferred and contingent consideration cash paid in the year	(5.5)	(17.1)
Effect of movements in exchange rates	5.3	(0.2)
At 31 December	51.0	15.3

The following is an analysis of the contractual undiscounted cash flows from continuing operations payable under financial and derivative liabilities:

(£ million)	Less than one month	Between one and three months	Between three and twelve months	In one to two years	In two to five years	In more than five years
At 31 December 2016						
Non-derivative financial liabilities						
Borrowings	–	–	–	–	290.3	–
Interest payments on borrowings	0.6	1.3	5.8	8.4	20.6	–
Non-current deferred and contingent consideration	–	–	–	33.4	25.7	–
Trade and other payables	36.2	20.3	4.0	–	–	–
Derivative financial liabilities						
Derivative contracts – receipts	–	–	(0.1)	–	–	–
Derivative contracts – payments	–	–	–	–	–	–
Total	36.8	21.6	9.7	41.8	336.6	–

(£ million)	Less than one month	Between one and three months	Between three and twelve months	In one to two years	In two to five years	In more than five years
At 31 December 2015						
Non-derivative financial liabilities						
Borrowings	–	1.1	3.3	4.4	13.1	414.3
Interest payments on borrowings	6.6	2.3	19.8	26.2	77.2	37.6
Non-current deferred and contingent consideration	–	–	–	10.7	14.7	–
Trade and other payables	42.7	8.0	–	–	–	
Derivative financial liabilities						
Derivative contracts – receipts	(1.7)	–	(5.5)	(7.9)	(116.5)	–
Derivative contracts – payments	1.9	–	5.7	8.0	117.1	–
Total	49.5	11.4	25.3	41.4	105.6	451.9

The financial and derivative liabilities are shown in the time 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 December 2016. Borrowings as disclosed in Note 26 are stated net of unamortised arrangement fees of £4.3 million as at 31 December 2016 (2015: £10.5 million).

26. Borrowings

The maturity profile of the Group's borrowings, all of which are secured loans, was as follows:

(£ million)	2016	2015
Current – within one year	–	2.4
Non-current:		
– In the second year	–	2.4
– Two to five years	286.0	7.2
– After more than five years	–	413.6
	286.0	423.2
Total borrowings	286.0	425.6

On 12 February 2016, the Company raised gross proceeds of £200 million as a result of the IPO. It also entered into the New Facilities Agreement at IPO, which comprise new term loan facilities of £66 million, €171 million and $96 million which mature in February 2021 and a revolving credit facility of £95 million. The New Facilities Agreement is available to the Company and certain of its subsidiaries. The Company used the proceeds of the IPO, the funds from the New Facilities Agreement and existing available cash to repay all amounts outstanding under the Group's previous senior facilities agreement, consisting of a $321 million and a €299 million term loan maturing in April 2022 and to cancel certain hedging arrangements.

£5.3 million issue costs for the new loan and credit facilities were capitalised during the year ended 31 December 2016 and are being amortised over the term of the respective loans.

The Group's borrowings at 31 December 2016 were in pounds sterling: £66 million, US dollars: $96 million and euros: €171 million (2015: US dollars: $321 million and euros: €299 million) and are shown net of unamortised issue costs of £4.3 million (2015: £10.5 million). The carrying amounts of borrowings approximate their fair value. The carrying value of the Group's borrowing facilities at 31 December 2016 is detailed in Note 3.

Each 1% movement in the euro to pounds sterling exchange rate has a circa £1.5 million (2015: £2.2 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 (2015: £2.2 million, offset by a circa £1.1 million impact on the carrying value of derivative financial instruments in respect of cross-currency swaps).

The effective annual interest rate at 31 December 2016 was 2.3% (2015: 6.0%).

27. Reconciliation of movement in net debt

(£ million)	Cash	Short-term deposits	Interest rate swaps	Interest rate cap	Cross currency swaps	Borrowings	Net debt
At 1 January 2015	20.5	1.2	(2.8)	–	–	(425.3)	(406.4)
Exchange differences	0.9	(0.1)	–	–	–	(3.8)	(3.0)
External debt drawdown	440.7	–	–	–	–	(440.7)	–
External debt repayment	(439.3)	–	–		–	439.3	–
Shareholder debt repayment	(0.5)	–	–	–	–	–	(0.5)
Fair value movements	–	–	1.4	0.3	2.5	–	4.2
Non-cash movements	–	–	(1.8)	–	(0.5)	(8.4)	(10.7)
Net cash movement	12.9	8.1	3.2	0.7	(4.1)	13.3	34.1
At 31 December 2015	35.2	9.2	–	1.0	(2.1)	(425.6)	(382.3)
Exchange differences	8.1	1.6	–	–	–	(43.8)	(34.1)
External debt drawdown	(454.6)	–	–	–	–	454.6	–
External debt repayment	265.2	–	–	–	–	(265.2)	–
Fair value movements	–	–	–	(0.2)	2.7	–	2.5
Non-cash movements	–	–	–	(0.4)	–	(11.6)	(12.0)
Net cash movement	189.6	7.6	–	–	(0.6)	5.6	202.2
At 31 December 2016	43.5	18.4	–	0.4	–	(286.0)	(223.7)

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28. Shareholder debt

As at 31 December 2015, the Group had Shareholder debt amounting to £436.7 million. The debt consisted of:

- preference shares;
- preferred equity certificates ("PECs"); and
- shareholder loans.

Dividends and interests were accrued on these preference shares, PECs and loans at rates ranging from 11% to 15% per annum.

In February 2016 as part of the restructure, the shareholder debt was converted into 220,959,316 new ordinary £0.10 shares by the Company. Refer to Note 1 for further details.

29. Other non-current liabilities

(£ million)	2016	2015
Deferred and contingent consideration	46.8	19.0
Deferred income	2.9	1.6
Total	49.7	20.6

The Directors consider that the carrying amount of other non-current liabilities approximate their fair value. Refer to Note 15 for further details on deferred and contingent consideration.

30. Provisions

(£ million)	Note	Property provisions	Other	Total provisions
At 1 January 2015		0.9	2.4	3.3
Provided in the year		0.1	0.3	0.4
Released in the year		(0.8)	(0.3)	(1.1)
Utilised in the year		–	(0.1)	(0.1)
At 31 December 2015		0.2	2.3	2.5
Provided in the year		1.7	0.8	2.5
Released in the year		–	(0.1)	(0.1)
Utilised in the year		(0.1)	(0.6)	(0.7)
FX movement		–	0.4	0.4
Reclassified to liabilities held for sale	6	(0.5)	(0.8)	(1.3)
At 31 December 2016		1.3	2.0	3.3

Provisions of the continuing operations have been analysed between current and non-current as follows:

(£ million)	2016	2015
Current	1.7	2.3
Non-current	1.6	0.2
Total	3.3	2.5

The property provisions relate to ongoing lease commitments on dilapidation costs in properties in the United Kingdom and United States. Other provisions include the acquisition of CWIEME in 2012 of £1.6 million (2015: £1.4 million) and onerous contracts of £0.2 million (2015: £0.2 million).

31. Share capital

(£ million)	2016	2015
400,542,500 ordinary shares of £0.01 each	4.0	–
Ordinary shares of £0.1 each	–	7.7
"F" Ordinary shares of £0.1 each	–	0.2
Total	4.0	7.9

During the restructure of the Group between 8 and 12 February 2016, the Company issued 300,000,000 ordinary £0.10 shares to become the ultimate parent of the Group, and to convert existing shareholder debt to equity. At IPO, 100,000,000 additional ordinary £0.10 shares were allotted and issued at a price of £2.00 per share.

31. Share capital continued

On 8 March 2016, 542,500 ordinary £0.10 shares were issued to employees under the Share Incentive Plan ("SIP").

On 8 June 2016, the Company completed a reduction of its share capital, whereby the nominal value of each issued ordinary share was reduced from £0.10 to £0.01 each.

Share capital at 31 December 2015 reflects the statutory share capital of Ascential plc on 8 February 2016. Refer to Note 1 for further details.

32. Translation reserve

(£ million)	2016	2015
1 January	(6.8)	(4.1)
Exchange differences arising on translation of foreign operations	(10.6)	(2.7)
31 December	(17.4)	(6.8)

The translation reserve arises on the translation into pounds sterling of the net assets of the Group's foreign operations.

33. Retained earnings

(£ million)	2016	2015
At 1 January	(279.5)	(254.2)
Profit for the year attributable to equity holders of the parent	15.6	(25.3)
Share-based payments	1.5	–
Issue of shares	(0.1)	–
Capital reduction	476.2	–
Dividends	(6.0)	–
At 31 December	207.7	(279.5)

34. Dividends

Amounts recognised and paid as distributions to ordinary shareholders in the year comprise:

(£ million)	2016	2015
Interim dividend	6.0	–
Total	6.0	–

For the year ended 31 December 2016, an interim dividend of 1.5p per ordinary share was declared and paid by the Company.

After the reporting date, the Board proposed a final dividend of 3.2p per ordinary share from distributable reserves, resulting in a total dividend of 4.7p per ordinary share for the year ended 31 December 2016. The final dividend is subject to approval by shareholders at the Annual General Meeting and hence has not been recognised as a liability in the financial statements at 31 December 2016.

35. Subsidiary undertakings

Full details of the subsidiaries, associates and joint venture of Ascential plc at 31 December 2016 are set out in Note 5 to the Company financial statements.

36. Related party transactions

(a) Parent and ultimate controlling party

As part of a restructure of the Group between 8 to 12 February 2016, Ascential plc became the ultimate parent undertaking of the Group by acquiring the entire issued share capital of and voting beneficiary certificates in Eden 2 & Cie S.C.A., via a share for share exchange.

(b) Transactions with related parties

i. Shareholder debt

During 2016, the Group recognised an interest expense of £3.4 million in respect of shareholder debt payable to funds advised by Apax Partners LLP ("Apax") (2015: £27.2 million). The shareholder debt was converted into equity during the restructure of the Group in February 2016, refer to Note 1 and Note 28 for further details (2015: £271.2 million).

During 2016, the Group recognised an interest expense of £1.9 million in respect of shareholder debt payable to Guardian Media Group plc ("GMG") (2015: £16.3 million). The shareholder debt was also converted into equity during the restructure of the Group in February 2016 (2015: £162.7 million).

36. Related party transactions continued

ii. Equity holding

At 31 December 2016, funds advised by Apax own, in aggregate,58,102,273 ordinary £0.01 shares in the Company, representing 14.5% of the total issued share capital of the Company (2015: 856,397 ordinary £0.04 shares in Eden 2 & Cie S.C.A., being 51.1%). GMG owns 34,866,087 ordinary £0.01 shares, representing 8.7% of issued shares (2015: 351,599 ordinary £0.04 shares in Eden 2 & Cie S.C.A., being 21.0%).

iii. Other transactions

In 2016, the Group incurred £70,072 of costs which Apax had incurred and recharged to Apax Europe VII GP Co. Limited, which were subsequently recharged to the Group (2015: £251,735).

In addition, GMG acts as the UK representative for, and is a sponsorship customer of, Cannes Lions. In 2016, the Group recognised £108,330 of revenue from GMG (2015: £94,577). There were no other related party transactions throughout the year.

In 2016, the Group incurred £123,435 of costs which were recharged to a joint venture partner, and subsequently recharged to Asian Advertising Festival (Spikes Asia) Pte Limited (2015: £71,861). The Group received £467,351 of dividends from Asian Advertising Festival (Spikes Asia) Pte Limited (2015: £488,220).

37. Remuneration of Directors and key management personnel

The remuneration of Directors was as follows:

(£ million)	2016	2015
Emoluments for services to the Group	1.3	1.1
Share-based payments	0.5	–
Defined contribution pension	0.1	–
Total	1.9	1.1

Frank Ehmer and Tom Hall had an indirect interest in the value of the Group through their interest in funds advised by Apax.

Full details of the Directors' remuneration and interests for the period of 12 February 2016 (the IPO) to 31 December 2016 are set out in the Directors' Remuneration Report on pages 68 to 82.

During the year ended 31 December 2016, one Director (2015: one Director) was a member of the Group's defined pension contribution scheme. Retirement benefits were not accrued for any Director at 31 December 2016 (2015: nil).

The remuneration of the highest paid Director was as follows:

(£ million)	2016	2015
Emoluments for services to the Group	0.6	0.6
Share-based payments	0.2	–
Defined contribution pension	–	–
Total	0.8	0.6

Key management personnel comprised the Chief Executive Officer, Chief Financial Officer and Non-Executive Directors of the Group.

The remuneration of key management personnel (including Directors) was as follows:

(£ million)	2016	2015
Salaries, bonus and other short-term employee benefits	1.3	1.1
Share-based payments	0.5	–
Defined contribution pension	0.1	–
	1.9	1.1

38. Operating leases
The Group had total future minimum lease payments under non-cancellable operating leases as set out below:

	2016		2015	
(£ million)	Land and buildings	Other assets	Land and buildings	Other assets
Within one year	6.3	0.3	6.8	0.3
Two to five years	20.2	0.2	21.4	0.5
After more than five years	6.4	–	11.8	–
Total continuing operations	32.9	0.5	40.0	0.8
Discontinued operations – within one year	0.9	–	–	–
Total	33.8	0.5	40.0	0.8

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.

The Group sub-lets certain of its offices. The minimum lessee receipts total £4.9 million (2015: £4.9 million), payable over the next six years.

39. Commitments and contingencies
Contracted commitments for capital expenditure relating to the Group's software at 31 December 2016 totalled £0.9 million (2015: £0.5 million). Under a contract as part of the Group's outsourcing of part of its accounting functions, the Group is committed to six months of contractual payments with an annual charge of £1.1 million (2015: £1.1 million).

40. Events after the reporting date
Since 31 December 2016 the following events have taken place:

On 5 January 2017, the Company announced that it had separated 13 Heritage Brands into a separate operating entity. The Heritage Brands will develop an independent business strategy while new owners are sought. These brands are reported as a separate segment in the consolidated financial statements for the year ended 31 December 2016. As a result of ongoing discussions, the Board considered a sale of the segment to be highly probable and has therefore classified it as a discontinued operation.

Following on from this, the Company announced on 19 January 2017 that it has agreed the sale of Health Service Journal to Wilmington plc for a consideration of £19.0 million. This marks the first sale in the Heritage Brand sale process.

On 7 February 2017, the Company announced it had agreed to acquire 100% of US-based media advisory and business services provider MediaLink for an initial cash consideration of $69.0 million plus future earn-outs. The transaction is expected to complete, subject to customary US regulatory clearance, in March 2017.

After the reporting date, the Board of Directors proposed a final dividend of 3.2p per ordinary share for the year ended 31 December 2016, refer to Note 34.

There were no other reportable events after 31 December 2016.

Parent Company Statement of Financial Position

(£ million)	Note	31 December 2016
Assets		
Non-current assets		
Investments	5	52.8
		52.8
Current assets		
Debtors – due after more than one year and due within one year	6	594.9
		594.9
Liabilities		
Current liabilities		
Creditors – due within one year	7	15.1
		15.1
Net assets		632.6
Capital and reserves		
Called-up share capital	8	4.0
Group restructure reserve		157.9
Profit and loss account		470.7
Shareholders' funds		632.6

The notes on pages 128 to 134 are an integral part of these financial statements.

Parent Company Statement of Changes in Equity

For the period ended 31 December 2016

(£ million)	Called-up share capital	Share premium	Capital reserve	Group restructure reserve	Profit and loss account	Shareholders' funds
On incorporation at 4 January 2016	–	–	–	–	–	–
Group restructure[1]	30.0	252.9	8.8	157.9	–	449.6
Issue of shares[2]	10.0	190.0	–	–	–	200.0
Share issue costs[2]	–	(11.6)	–	–	–	(11.6)
Share-based payments	–	–	–	–	1.5	1.5
Issue of shares[3]	0.1		–	–	(0.1)	–
Capital reduction[4]	(36.1)	(431.3)	(8.8)	–	476.2	–
Loss for the period	–	–	–	–	(0.9)	(0.9)
Dividends	–	–	–	–	(6.0)	(6.0)
At 31 December 2016	4.0	–	–	157.9	470.7	632.6

The notes on pages 128 to 134 are an integral part of these financial statements.

1 The restructure of the Group between 8 and 12 February 2016 resulted in the Company issuing 300,000,000 ordinary £0.10 shares to become the ultimate parent of the Group, and to convert existing shareholder debt to equity. This resulted in the recognition of £252.9 million in share premium, £8.8 million in the capital reserve and £157.9 million in a Group restructure reserve. Refer to Note 1 for further details.

2 At IPO 100,000,000 additional ordinary £0.10 shares were allotted and issued at a price of £2.00 per share, representing a premium of £1.90 per share. £11.6 million of share issue costs were incurred. The premium was recorded in the Company's share premium account.

3 On 8 March 2016, 542,500 ordinary £0.10 shares were issued to employees under the Share Incentive Plan ("SIP").

4 On 8 June 2016, the Company completed a reduction of its share capital, whereby its nominal share capital was reduced to approximately £4.0 million, the amount standing to the share premium account was cancelled, and 876,266,690 deferred shares of £0.01 each which were issued by way of a bonus issue on 7 June 2016 for the purpose of capitalising the Company's capital reserve were cancelled. These steps resulted in distributable reserves of approximately £476.2 million. Refer to Note 1 for further details.

Notes to the Company Financial Statements
For the period ended 31 December 2016

1. Basis of preparation and principal accounting policies

Basis of preparation

The Company

Ascential plc (the "Company") is a company incorporated in the United Kingdom on 4 January 2016 and its registered office is The Prow, 1 Wilder Walk, London W1B 5AP. On 12 February 2016, the Company listed its shares on the London Stock Exchange. In preparation for the Initial Public Offering ("IPO") the Ascential plc Group ("the Group") was restructured between 8 and 12 February 2016. The restructure has impacted a number of the primary financial statements and notes presented in these Company financial statements.

The steps to restructure the Group had the effect of the Company being inserted above Eden 2 & Cie S.C.A., (which was previously the ultimate Parent undertaking of the Group). The key steps in the restructure were:

- On 8 February 2016, the Company became the ultimate parent undertaking of the Group by acquiring the entire issued share capital of, and voting beneficiary certificates in, Eden 2 & Cie S.C.A., via a share for share exchange. All the ordinary shares in Eden 2 & Cie S.C.A. were exchanged for 77,215,918 ordinary £0.10 shares and 1,824,766 F ordinary £0.10 shares issued by the Company. The Company also acquired preference shares held by management and other shareholders in exchange for £175.5 million of new preference shares issued by the Company. Preferred Equity Certificates ("PECs") held by shareholders were also exchanged for £100.4 million of new PECs issued by the Company.
- On 9 February 2016, a shareholder transferred its shareholder loan receivable to the Company in exchange for £165.5 million of new PECs issued by the Company.
- On 12 February 2016, the Company's F ordinary shares and new preference shares were converted into 89,665,977 ordinary £0.10 shares and the new PECs were capitalised through the issue of 133,118,105 ordinary £0.10 shares, thereby retiring all shareholder debt.
- On 12 February 2016, the Company issued 100,000,000 ordinary £0.10 shares at an offer price of £2.00, generating proceeds of £200 million and bringing the total number of ordinary shares to 400,000,000. 50,000 ordinary £0.10 shares were issued outside of the underwriting agreements in place for the IPO but for the purpose of these financial statements these shares and their proceeds are presented as part of the IPO.

The acquisition of preference shares in Eden 2 & Cie S.C.A. was accounted for under the provisions of CA s615 whereby the shares issued by Ascential plc were recorded at nominal value of £17.5 million. The preference shares in Eden 2 & Cie S.C.A. were a financial asset recorded at their fair value of £175.4 million. This exchange gives rise to an unrealised gain of £157.9 million which is recorded as a separate "Group restructure" reserve within total equity.

On 8 June 2016, the Company completed a reduction of its share capital, as contemplated in the IPO prospectus, whereby (i) the entire amount standing to the credit of the Company's share premium account was cancelled, (ii) 876,266,690 deferred shares (which were issued by way of a bonus issue for the purpose of capitalising the Company's capital reserve) were cancelled, and (iii) the nominal value of each issued ordinary share in the capital of the Company was reduced from £0.10 to £0.01 each. The distributable reserves created by the reduction of capital amount to approximately £476.2 million.

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by the Act, the separate financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. These financial statements have been prepared for the period from incorporation on 4 January 2016 to 31 December 2016. These were prepared in accordance with FRS 102 and on the historical cost basis.

Disclosure exemptions

The Group includes the Company in its consolidated financial statements. The consolidated financial statements of Ascential plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from The Prow, 1 Wilder Walk, London W1B 5AP. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- reconciliation of the number of shares outstanding from the beginning to end of the period;
- cash flow statement and related notes; and
- key management personnel compensation

As the consolidated financial statements of Ascential plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- certain disclosures required by FRS 102.26 share based payments; and,
- the disclosures required by FRS 102.11 basic financial instruments and FRS 102.12 other financial instrument issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Going concern

The Company is in a net assets position and has sufficient resources to pay its financial liabilities as and when they fall due. The Company is the ultimate parent undertaking of the Ascential plc Group ("the Group"). On 12 February 2016, the Company

1. Basis of preparation and principal accounting policies continued

became a guarantor to the new term loan facilities ("New Facilities Agreement") held by Ascential Financing Ltd, a 100% owned subsidiary of the Company. The Group has prepared trading forecasts which indicate that there is sufficient liquidity headroom against all financial covenants for a period of not less than 12 months from the date of approval of these financial statements, and the Group will be able to meet the mandatory repayment terms of the banking facilities held in Ascential Financing Ltd, fully owned subsidiary of the Company.

After reviewing the above, taking into account current and future developments and principal risks and uncertainties, and making appropriate enquiries, the Directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the Company financial statements should be prepared on a going concern basis.

Principal accounting policies

A summary of the most important accounting policies is set out below.

a) Investments in subsidiary
Investments in subsidiary undertakings are stated 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.

b) Amounts due from Group undertakings
Amounts due from Group undertakings are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost, less any impairment losses. Amounts due from Group undertakings are reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible impairment.

c) Creditors
Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

d) Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account 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.

e) 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.

Notes to the Company Financial Statements continued

For the period ended 31 December 2016

1. Basis of preparation and principal accounting policies continued

f) 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 financial statements. Accordingly, shares in the Company held by the EBT are included in the balance sheet at cost as a deduction from shareholders' funds.

2. Critical accounting assumptions and judgements

The preparation of financial statements under FRS 102 requires the use of certain critical accounting assumptions, and requires management to exercise its judgement and to make estimates in the process of applying the Company's accounting policies. The areas requiring a higher degree of judgement, or areas where assumptions and estimates are significant to the financial statements, are discussed below.

Use of estimates

The preparation of financial statements in conformity with FRS 102 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates, particularly for share-based payments.

Investments

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.

3. Profit and loss account

Ascential plc has taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present its profit and loss account. The loss for the period to 31 December 2016 was £0.9 million.

Fees paid to the auditor during the period for the audit of the Company accounts were £20,000. Fees paid to the auditor for other services was £nil. Refer to Note 8 in the Group accounts for the other services disclosed.

4. Directors' emoluments

The Company has no 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 82.

5. Investments

(£ million)	2016
On incorporation at 4 January	–
Movement for the period	52.8
Closing balance 31 December	52.8

As part of a restructure of the Group between 8 to 12 February 2016, Ascential plc became the ultimate parent undertaking of the Group by acquiring the entire issued share capital of, and voting beneficiary certificates in, Eden 2 & Cie S.C.A., via a share for share exchange. The resulting investment is shown in the table above.

At 31 December 2016 the Company had the following subsidiaries, associates and joint venture undertakings:

Subsidiary undertakings	Direct/ Indirect	Percentage shareholding/ interest	Registered office
Ascential Financing Limited	Direct	100%	The Prow, 1 Wilder Walk, London W1B 5AP, England
4C Dormant Limited	Indirect	100%	
4C Information Limited	Indirect	100%	
Ascential Events (Europe) Limited	Indirect	100%	
Ascential Events Limited	Indirect	100%	
Ascential Group Limited	Indirect	100%	
Ascential Information Services Limited	Indirect	100%	
Ascential Prefco Limited	Indirect	100%	
Ascential Technology Limited	Indirect	100%	
DeHavilland Information Services Limited	Indirect	100%	
Edgware 174	Indirect	100%	

5. Investments continued

Subsidiary undertakings	Direct/ Indirect	Percentage shareholding/ interest	Registered office
EMAP America (Holdings) Limited	Indirect	100%	The Prow, 1 Wilder Walk, London W1B 5AP, England
EMAP America Limited	Indirect	100%	
EMAP Group Holdings Limited	Indirect	100%	
EMAP Limited	Indirect	100%	
EMAP Publishing Limited	Indirect	100%	
EMAP Radio Financing Limited	Indirect	100%	
Glenigan Limited	Indirect	100%	
Groundsure Limited	Indirect	100%	
International Advertising Festival Limited[2]	Indirect	100%	
Planet Retail Limited	Indirect	100%	
Plexus Network Limited	Indirect	100%	
Stylesight Europe Limited	Indirect	100%	
WGSN Group Limited	Indirect	100%	
WGSN Limited	Indirect	100%	
WGSN Trading Limited	Indirect	100%	
Worth Global Style Network Limited	Indirect	100%	
Trades Exhibitions Limited	Indirect	10%	1 17 The Plaza, 535 Kings Road, London, SW10 OSZ
2WH Assessoria Empresarial Ltda	Indirect	100%	Av. Cidade Jardim, 377-7° andar, CEP 01453-000, São Paulo, SP, Brazil
4C Servicos de Informacao Ltda	Indirect	100%	
Ascential Eventos Ltda	Indirect	100%	
Mindset Comunicacao e Marketing Ltda	Indirect	100%	
Ascential Holdings Limited[1]	Indirect*	100%	190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Island
Eden Acquisition 1 Limited[1]	Indirect*	100%	
Eden Acquisition 2 Limited[1]	Indirect*	100%	
Eden Acquisition 3 Limited[1]	Indirect*	100%	
Eden Acquisition 4 Limited[1]	Indirect*	100%	
Eden Bidco Limited[1]	Indirect*	100%	
Eden Loanco Limited[1]	Indirect*	100%	
Eden Midco Limited[1]	Indirect*	100%	
Eden Newco Limited[1]	Indirect*	100%	
Hazel Acquisition 1 Limited[1]	Indirect*	100%	
MEED Media FZ LLC	Indirect	100%	20th Floor Al Thuraya Tower 1, Dubai Media City, United Arab Emirates
i2i Events GmbH	Indirect	100%	Im Mediapark 8, 50670 Köln, Germany
Planet Retail GmbH	Indirect	100%	Dreieichstr. 59, 60594 Frankfurt am Main, Germany
WGSN GmbH	Indirect	100%	Alte Ziegelei 2-4, 51491 Overath, Germany
Stylesight Limited	Indirect	100%	Suite 3201-03, 32/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong
WGSN Asia Pacific Limited	Indirect	100%	
i2i Events (India) Pte Limited	Indirect	100%	ICC Chambers, 4th floor, Saki Vihar Road, Powai, Mumbai – 400072, India
Top Right Group India Knowledge Services Pte Limited	Indirect	100%	
Emap Jersey Financing Limited[1]	Indirect	100%	44 Esplanade, St Helier, Jersey JE4 9WG
Emap Jersey Holdings Limited	Indirect	100%	
Eden 2 & Cie S.C.A.	Direct*	100%	1-3 boulevard de la Foire, Luxembourg L – 1528
Eden 2 S.A.R.L.	Direct*	100%	
Eden Financing S.A.R.L.	Indirect*	100%	

5. Investments continued

Subsidiary undertakings	Direct/ Indirect	Percentage shareholding/ interest	Registered office
Ascential Events Shanghai Co. Limited	Indirect	100%	Unit 01, 48 Floor, Grand Gateway Tower 1, Hong Qiao Road, Shanghai 20000, China
CTIC WGSN China Limited	Indirect	49%	7F30, Shanghai Mart 2299, 1 Hong Qiao Road, Shanghai, Republic of China
Stylesight Information Technology (Shanghai) Co Limited	Indirect	100%	No.28, Room 617, Tanjiadu Road, Shanghai, Republic of China
WGSN Business Information Consulting (Shanghai) Co. Limited	Indirect	100%	Unit 739, 7F, One ICCNo 999, Middle Huaihai Road, Shanghai, China
Ascential Events Pte Limited	Indirect	100%	63 Market Street, #09-01, The Bank of Singapore Centre, Singapore 048942
Asian Advertising Festivals (Spikes Asia) Pte Limited	Indirect	50%	21 Media Circle, #05-05 Infinite Studios, Singapore 138562
WGSN (Pty) Limited	Indirect	100%	Ideas Cartel, 3rd Floor, 113 Loop Street, Cape Town, 8001, South Africa
WGSN Intelligence España S.L.	Indirect	100%	Aribau 175. Piso 1o 1a A 08036 Barcelona, Spain
i2i Fuarcilik Organizasyon ve Tanitim Hizmetleri Anonim Sti	Indirect	100%	Cevdetpasa Caddesi No. 31/7 Bebek, Istanbul, Turkey
WGSN Group Trend Forecasting Moda Danismanlik Hizmetleri Limited	Indirect	100%	Cevdetpasa Caddesi No. 31/7 Bebek, Istanbul, Turkey
Money 20/20 LLC	Indirect	100%	2140 South Dupont Highway, Camden, Kent DE 19934, United States
OneClickRetail.com LLC	Indirect	100%	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States
Planet Retail USA LLC	Indirect	100%	160 Greentree Drive, Suite 101, Dover DE 19904,United States
RetailNet Group LLC	Indirect	100%	2711 Centerville Road, Suite 400, Wilmington, New Castle County, DE 19808, United States
TRG Financing LLC[3]	Indirect	100%	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County DE 19801, United States
WGSN Inc.	Indirect	100%	160 Greentree Drive, Suite 101, Dover DE 19904, United States

1 Tax resident in the United Kingdom
2 Dissolved 1 November 2016
3 Dissolved 19 September 2016

* Awaiting liquidation

6. Trade and other receivables

(£ million)	2016
Debtors – due within one year	
Amounts due from Group undertakings	594.6
Prepayments	0.1
	594.7
Debtors – due after more than one year	
Other debtors	0.1
Deferred tax asset	0.1
	0.2
Total	594.9

Amounts due from Group undertakings are non-interest bearing, unsecured and repayable on demand.

Deferred tax asset

(£ million)	2016
Temporary differences – Share-based payment	0.1
Total deferred tax asset	0.1

6. Trade and other receivables continued

(£ million)	2016
On incorporation at 4 January	–
Deferred tax credit in profit and loss account for the period	0.1
Closing balance 31 December	**0.1**

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.

7. Creditors

(£ million)	2016
Creditors – due within one year	
Amounts due to Group undertakings	13.8
Accruals	1.2
Other taxation and social security	0.1
Total	**15.1**

Amounts due to Group undertakings are non-interest bearing, unsecured and repayable on demand.

8. Share capital

(£ million)	2016
Allotted, issued and fully paid	
400,542,500 ordinary shares of £0.01 each	4.0
	4.0

The ordinary shares confer on the holders thereof, voting rights, an entitlement to dividends as recommended by the Directors and the right to share in the surplus on a winding up after all liabilities and participation rights of other classes of shares have been satisfied.

9. Dividends

Amounts recognised as distributions to ordinary shareholders in the period comprise:

(£ million)	2016
Interim dividend for the period ended 31 December 2016 of 1.5p per ordinary share	6.0
	6.0

For the period ended 31 December 2016, an interim dividend of 1.5p per ordinary share was declared and paid by the Company.

After the reporting date, the Board of Directors proposed a final dividend of 3.2p per ordinary share from distributable reserves, resulting in a total dividend of 4.7p per ordinary share for the period ended 31 December 2016. The final dividend is subject to approval by shareholders at the Annual General Meeting and hence has not been recognised as a liability in the financial statements at 31 December 2016.

10. Related party transactions

During the period, a management charge of £2.3 million was received from subsidiary undertakings in respect of services rendered.

At 31 December 2016, balances outstanding with other Group undertakings were £594.6 million and £13.8 million respectively for debtors and creditors as set out in Notes 6 and 7.

Notes to the Company Financial Statements continued

For the period ended 31 December 2016

11. 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 period 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.

12. Events after the reporting date

Since 31 December 2016 the following events have taken place:

After the reporting date, the Board of Directors proposed a final dividend of 3.2p per ordinary share for the period ended 31 December 2016, refer to Note 9.

There were no other reportable events after 31 December 2016.

Notes

Notes

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