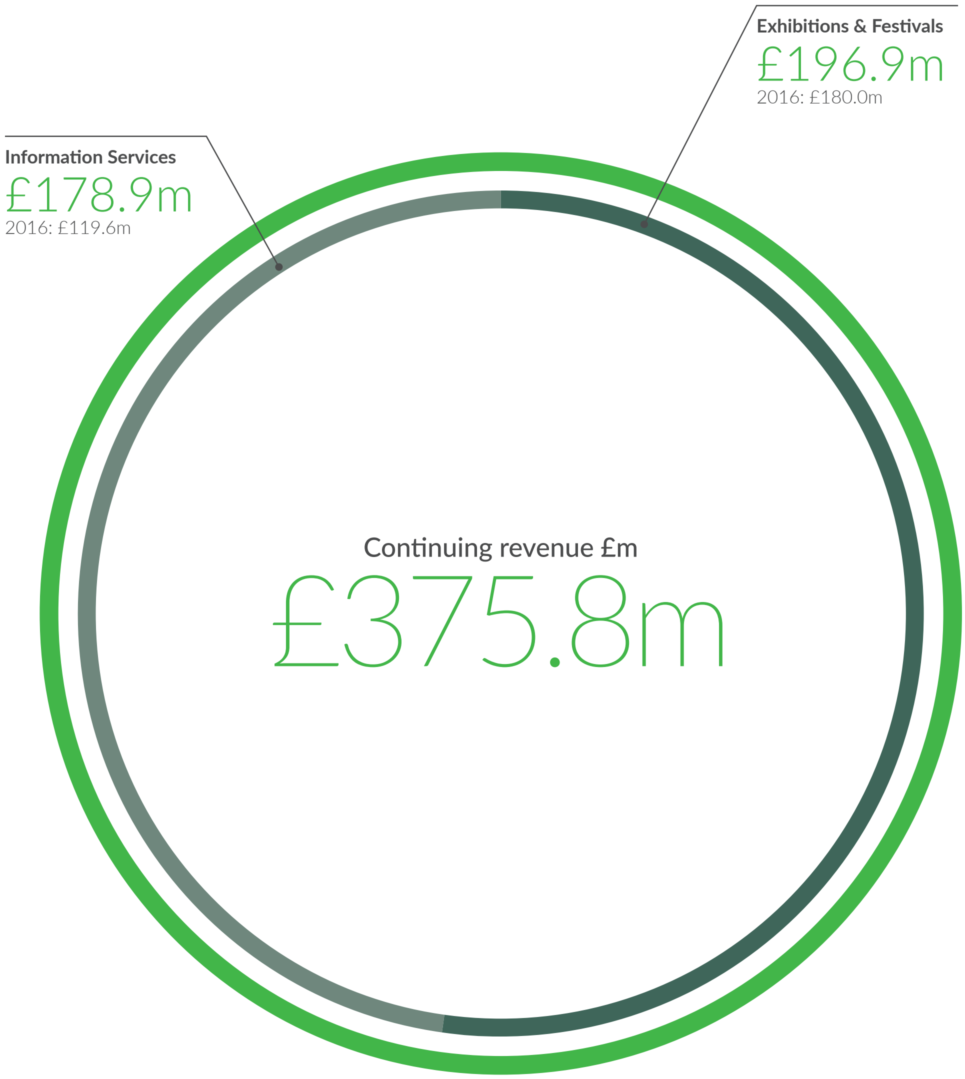
Unlock the future

ASCENTIAL

Annual Report 2017

/ 2017 HIGHLIGHTS



"Another year of strong growth"

Duncan Painter
Chief Executive Officer

Adjusted EBITDA[1]

£119.5m

2016: £95.9m

Adjusted operating profit from continuing operations[1]

£108.4m

2016: £83.0m

Adjusted proforma diluted earnings per share[1]

18.3p

2016: 13.5p

[1]this is an Alternative Performance Measure, as explained on pages 19 to 21

The majority of our customers are consumer product and services companies (or companies in their supply chain), who operate globally. We have built in recent years a reputation for enabling these customers to succeed in the digital economy. The rapid digitisation of commerce – and of business more generally – is one of the highest priorities for our customers and, in many cases, their greatest challenge.

The information and capabilities we provide to customers in facing this challenge are increasingly valued, differentiated, trusted – and pivotal to our future growth. Furthermore, it is becoming increasingly apparent that we are at our best when providing information, intelligence and insight that help our customers evolve their approach to Product Design, Marketing and Sales for success in this new digital context.

We are Ascential – the global, specialist information company that enables smart decision-making for business.

In an increasingly complex, digitally driven world, we help our clients understand what's important and how to act on it – today, and in the future.

Through our business-critical intelligence, world-class events and advice, we empower the world's most ambitious brands to find their focus and improve performance, particularly in the digital economy. From finance to fashion, eCommerce to economic forecasting, we anticipate trends and connect people to market-leading, sector specific, expertise – helping customers to overcome their commercial challenges and unlock value.

When you can see the future, it's easier to get there first – join us in staying a step ahead and 'unlock the future'.

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CONSUMER VALUE CHAIN

EMPOWERING BRANDS

80% of our revenue comes from brands that serve the consumer products and services industries globally across three main areas of capability for our customers

Product design

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

END MARKETS SERVED

Consumer value chain

WGSN

coloro

Other end markets

Marketing

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

CANNES LIONS
MEDIALINK
LIONS Festivals
Barometer

DeHavilland
Definitive political intelligence

Sales

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

One Click Retail
Money 20/20
RetailWeek
WORLD RETAIL CONGRESS
pure LONDON
SPRINGFAIR
AUTUMNFAIR
PlanetRetail RNG
glee
CLAVIS INSIGHT
Instock

Glenigan
Groundsure LOCATION INTELLIGENCE
BVE
bett
CWIEME BERLIN CHICAGO SHANGHAI

/ CHIEF EXECUTIVE'S REVIEW

"We have delivered good results whilst accelerating product innovation and growing our market leadership position."

Duncan Painter
Chief Executive Officer

Revenue from continuing operations
£375.8m
(2016: 299.6m)

Adjusted EBITDA[1]
£119.5m
(2016: £95.9m)

[1]alternative performance measures are explained on page 19

Operating profit from continuing operations
£44.5m
(2016: 32.1m)

The 2017 year was one of effective execution resulting in Organic revenue growth of 6.4% while maintaining strong Adjusted EBITDA margins of 31.8%. Revenue was £375.8m (2016: £299.6m), a reported growth of 25%.

All of our execution continues to centre on our stated strategy, which can be summarised in three goals:

- To be a leading, specialist, global information company that enables customers to excel in the digital economy in Product Design, Marketing and Sales.
- To accelerate the organic growth of our revenues and optimise margins and profits.
- Through the application of a tightly focused capital allocation process, to achieve our goals and maximise value creation for our shareholders.

With these three goals as our guide, we have made a great deal of operational progress this year, sharpening our portfolio, enhancing our product offering and acquiring exciting, high-growth businesses that fit with our ambitions. Examples of that progress include the:

- sale of our heritage, largely print-based brands;
- launch of three new products;
- acceleration in the growth of the products we launched in 2016;
- acquisitions of MediaLink and Clavis;
- evolution of Information Services into the major contributor to top line growth;
- completion of a successful, well received Cannes Lions review;
- acceleration of the launch of Money20/20 China; and
- build out of new capabilities designed to accelerate our future organic growth rates.

Each of these achievements has positioned us well to increase our growth rate in revenue and profit in 2018. We are pleased that our teams have been able to continue to deliver on the ambition we set out at the time of our IPO to become a more focused, faster growing company, with a greater number of satisfied customers allowing us to generate higher levels of returns for our shareholders.

Our focus continues to drive our success

The majority of our customers are consumer product and services companies (or companies in their supply chain), who operate globally. We have built in recent years a reputation for enabling these customers to succeed in the digital economy. The rapid digitisation of commerce – and of business more generally – is one of the highest priorities for our customers and, in many cases, their greatest challenge. The information and capabilities we provide to customers in facing this challenge are increasingly valued, differentiated, trusted – and pivotal to our future growth. Furthermore, it is becoming increasingly apparent that we are at our best when providing information, intelligence and insight that helps our customers evolve their approach to Product Design, Marketing and Sales for success in this new digital context.

Our top 10 brands deliver over 80% of our revenue and 90% of our organic growth. By continuing to optimise both the focus of our teams and the allocation of capital to our most important brands, we have grown well in 2017. This growth allows us to continue to simplify and optimise our business model to serve both our customers' and shareholders' needs.

In 2017 we increased the number of companies we do business with, whilst also diversifying the number of products we provide to our most significant customers. Growing our customer volumes, the number of products they buy and therefore the amount they pay us, plus their willingness to expand their relationship more broadly across their companies gives us confidence that our strategy is working.

"Really listening to our customers is one of the most important skills we ask our team to employ."

A culture focussed on constant product improvement and customer retention

Really listening to customers is one of the most important skills we ask our teams to employ and is a skill we continually hone. Retaining customers is at the centre of our growth model.

We have created a culture where our teams are passionate about how to improve the information quality and relevance we provide plus how we can make it easier to consume and action. At the heart of this is an environment where all teams are encouraged to discuss, share and take actions to first understand and then address why customers leave our services. Going through monthly reviews of lost customers, understanding the reasons in depth and being open about how we will improve our products and services is at the tough end of our success. It is also at the heart of it. Without learning from our most difficult customer situations, we could easily be focusing on the wrong priorities. Creating an environment where people recognise the importance of these conversations and are willing to actively engage and learn from the feedback is an essential foundation.

Of course, our people are very proud of the products and services we produce. However, by keeping a laser focus on retention, it ensures we remain grounded and recognise the need for continual improvement. Our success will only continue by constantly improving the information we deliver through digital subscriptions, live events and expert advice. In an increasingly complex, digitally driven world, these products must help clients digest what is important to their business and how to act on it now and in the future. Our markets move rapidly and in the digital age this is only accelerating. Our primary task is to continue to configure our business to keep ahead of this change.

A year of accelerated investment in capabilities to drive our future growth rates

In 2017, we made investments in capabilities and teams across our business to ensure we can keep ahead of the critical needs of our customers including:

- expansion of our customer insight teams and digital analysis capabilities;
- expansion of our digital product creation and development teams; and
- upgrade of our digital marketing and customer engagement capabilities and our eCommerce teams.

We funded these investments by accepting we would deliver a lower organic EBITDA growth rate for one year of 3%. We have not made these investments lightly and have already seen, through the immediate gains and capabilities created, how they will enable improved growth rates for 2018 and beyond.

The best example of this is the launch of our new Avista product within Groundsure which grew revenues by 13% in a particularly tough market. This new product format, built by our newly created digital product team, has step changed our results in Groundsure. Not only did the team deliver the product to a very high quality within five months, but the impact of its design and ease of use for our customers meant that we could drive market share while also improving our yield for this new, high value, product. The design approach taken means that we can gain further traction from this investment in 2018 by building the next generation of our volume product range, leveraging the efficiency of the Avista environment to drive revenue growth while also streamlining our own operation.

We are now applying more widely the skills of these high quality teams to improve the performance of our most important brands.

Strategic review

We believe that to maximise returns for our shareholders, our focus as a business is best targeted at brands that support customer success in the digital economy. To ensure that our capital allocation is aligned to that opportunity we will be undertaking a strategic review of our exhibitions business (comprising the Spring and Autumn Fair, Bett, CWIEME, Pure, Glee and BVE brands which generated £78m of revenue in 2017). These brands are all number one in their markets and are of a size and scale that allows us to consider a variety of options to maximise their future value and enhance our overall organic growth rates.

Summary

The year ahead presents great opportunity for Ascential. Economic markets, particularly for our most important brands, remain strong particularly with our focus on supporting customer success in the digital economy. Many of our clients currently achieve less than 20% of their total sales through digital channels. They themselves recognise the need to move faster to drive this critical transition and, with our developments in the last 18 months, we are now very well positioned to assist them to unlock this future.

As we focus on our strategic objectives, it will mean a further year of change for the company. We will continue to assess the balance of the brands and product types in our company and how we can optimise our capital allocation going forward and we will continue to take proactive moves to achieve this. We have achieved a significant transition of our business over the last five years, particularly since our IPO. Nevertheless the urgency of continued and accelerated transition that our customers face to remain relevant remains just as critical for us.

I have great confidence in the capabilities and skills of the Ascential team, our valued relationships with our customers and the initiatives we have underway to continue to deliver strongly for our customers and our shareholders.

Outlook

While still early in 2018, we are encouraged by the current level of forward bookings. Our achievements in 2017 have positioned us well to increase our growth rate in revenue and profit in 2018 and the Board is confident about our prospects for continued success.

Duncan Painter
Chief Executive Officer
23 February 2018

/ SEGMENTAL REVIEW

/ Information Services

WGSN

£73.6m

Revenue +6%[1]

The global, leading provider of intelligence, insight and trend forecasts, continued to expand both its customer base and product offerings in 2017. WGSN launched two new products: Barometer, which provides customers with insight into their brand's impact among a panel of 120,000 consumers and Coloro, a new venture with our Chinese partners CTIC, that offers an innovative and universal categorisation of the colour spectrum for design professionals and manufacturers. These launches, together with the continued roll-out of WGSN Insight (launched at the end of 2016) helped drive the proportion of customers taking multiple products to 21% (from 15%), while average renewal rates remained high at 91% and subscription billings grew by 5%.

Groundsure

£17.4m

Revenue +13%[1]

The market leading provider of environmental risk data, had another strong year, re-enforcing its leading position while outperforming the underlying UK residential property market (volumes down 2%) with a 13% revenue growth. This success was achieved through its continued product innovation, in particular the launch of Avista which provides a simple, comprehensive and accessible solution for customers previously faced with multiple reports.

Other Information Services

£35.0m

Revenue +3%[1]

The other brands within Information Services are Glenigan, DeHavilland, Planet Retail RNG and Retail Week. We achieved double digit billings growth performances from Glenigan and DeHavilland and also launched the combined Planet Retail RNG product.

Recent acquisitions

MediaLink

£39.7m

Full year revenue £47.4m, +14%[1]

A strategic advisory firm and business services provider to the Media, Marketing, Advertising, Technology and Entertainment industries, joined Ascential in February 2017. Strong growth was accompanied by several achievements. MediaLink expanded its European footprint in May when the London office was opened. Integration has progressed well with several MediaLink staff assuming pan-Ascential North America responsibilities in Technology and HR and the introduction of major clients to the opportunities available for business development provided by the Money20/20 platform.

One Click Retail

£12.1m

Revenue +58[1]

The leading eCommerce analytics provider for Amazon sales and share, continued its rapid progress in the first full year of ownership. Both revenue and customer volumes grew more than 50%, while annual billings growth was 57%. A European office was established in London and we launched One Click Retail's own live content forums for the eCommerce community with the first event taking place in Seattle in November.

Clavis

£0.3m

Full year revenue £13.4m, +29%[1]

Clavis was acquired in December 2017 and offers a complementary product set to One Click Retail's sales and share expertise, as well as the potential to reach beyond the Amazon platform and further into the European and Asian markets. We included just nine days of revenue and EBITDA loss in our 2017 consolidated income statement.

[1] Organic growth is an Alternative Performance Measure, as explained on page 19.

/ Exhibitions and Festivals

Cannes Lions

£65.6m

Revenue +7%[1]

The creative community's largest global platform for networking, learning and inspiration, enjoyed another successful edition in June. Revenue grew 7%, driven by the strength of the digital product and commercial partnership revenues. The festival attracted over 40,000 award entries, welcomed around 10,000 paying delegates, and hosted over 600 speakers, including Dame Helen Mirren, Sheryl Sandberg and Juan Manuel Santos, President of Columbia and recipient of the 2016 Nobel peace prize.

In the second half of the year, we engaged with key customers and partners in a thorough consultation on the direction of the festival, with particular focus on the evolution of the creative industry that it serves. As a result, in November, we announced several key changes to make the 2018 festival even more relevant to its participants, as well as measures to make it more affordable and accessible. We were pleased with the positive reaction from the industry to these changes and look forward to seeing the impact of the new format in 2018.

Money20/20

£40.5m

Revenue +19%[1]

The world's leading event for the FinTech eco-system, continued to expand in 2017. The second year in Europe yielded extremely strong growth of 43%, attracting more than 5,000 attendees and 200 exhibitors. Such has been the popularity of the European edition that it will move from Copenhagen to Amsterdam's Rai convention centre in 2018, which offers significantly more capacity. Money20/20 USA also grew strongly by 11% in its sixth year and welcomed approximately 11,500 attendees and 400 exhibitors to Las Vegas.

Revenue by show (£'m)	2017	2016	Organic growth
Las Vegas, USA	28.2	26.9	+11%
Copenhagen, Europe	12.3	7.8	+43%
Total	40.5	34.7	+19%

In addition to the ongoing preparations for Money20/20 Asia which takes place in Singapore in March 2018, we were excited to announce that the brand is to debut in China, in November 2018. An earlier launch than originally anticipated, Money20/20 China, in the city of Hangzhou, will address this country's uniquely fast growing and innovative payments eco-system.

Spring and Autumn Fair

£33.6m

Revenue -2%[1]

The UK's No. 1 home and gift show for the retail industry and largest trade exhibition hosted approximately 85,000 visitors and 4,000 exhibitors and, as expected, delivered a slight revenue decline of 2%. Innovations in 2017 included the launch of digital appointment planning for buyers, while new in 2018's show is the Gift of the Year Awards and its gala dinner.

Other Exhibitions and Festivals

£57.2m

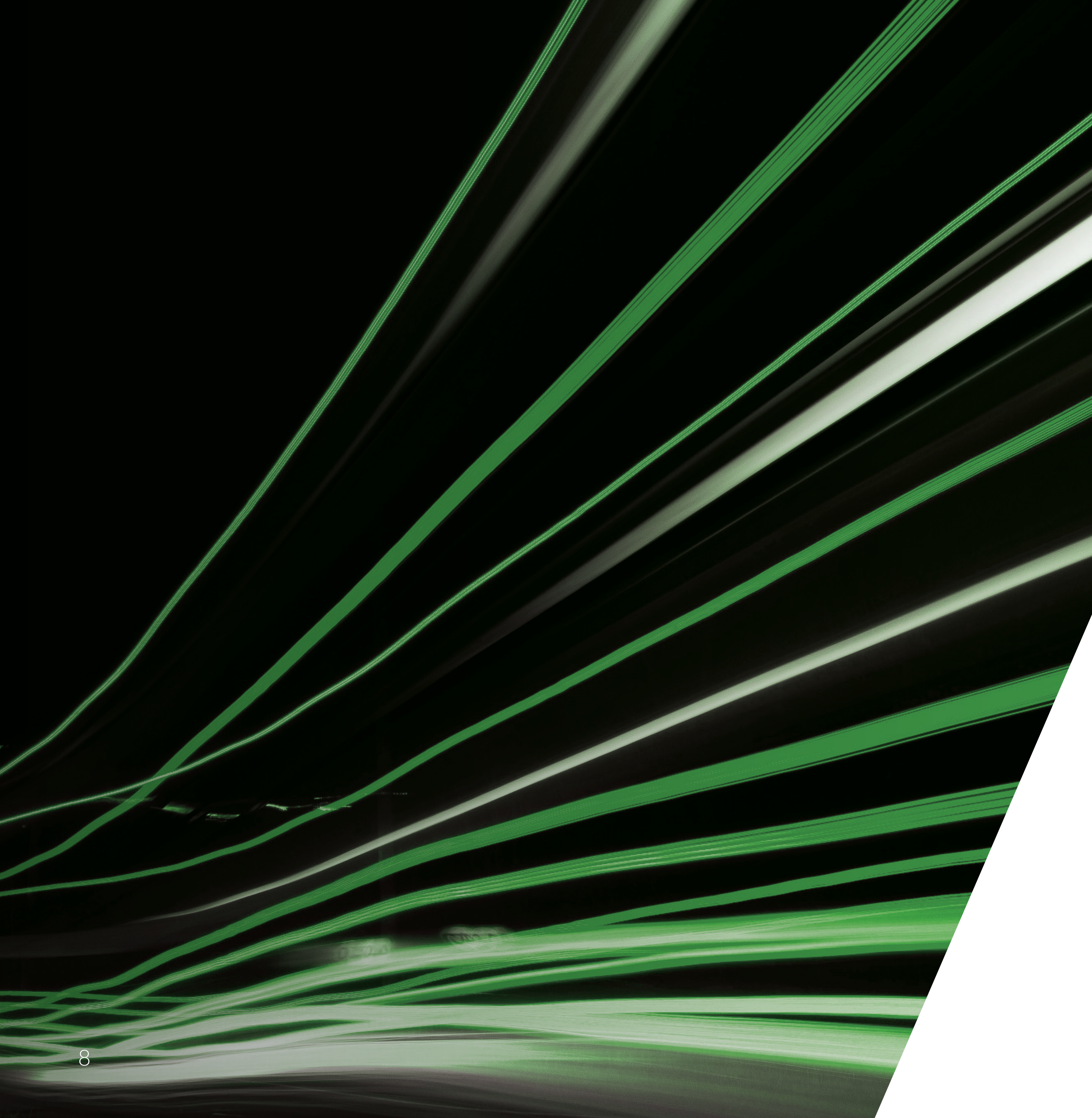
The RWM exhibition which delivered £3.9m of revenue in 2017 (down 19%) was sold on 29 December 2017 to a specialist events organiser with existing assets in the environmental sector. The other brands within Exhibitions and Festivals are Bett, CWIEME, Pure, Glee, BVE, WRC and the Lions Regional Festivals. The segment also includes the strategic event partnership services provided to DTI and other Government agencies. The performance of the largest brands was as follows:

- **Bett (revenue £17.9m +11%)** the leading educational technology series, enjoyed a year of strong growth. This was led by the success of the UK edition, which attracted over 34,000 visitors and 600 exhibitors while engagement with the most senior levels of educational institutions continued to grow.
- **CWIEME (revenue £10.5m +4%)** which serves the automotive, consumer electronics and power generations sectors across its four shows in Berlin, Shanghai, Chicago and, in 2017, Istanbul, saw overall good growth in the year. The largest show, in Berlin, attracted over 5,500 visitors and 500 exhibitors, with the show's relevance for electric motors and vehicles driving particular interest. In 2018 we have launched the EV Momentum Summit a brand new event dedicated to addressing the challenges and opportunities of the fast-growing electro-mobility ecosystem.
- **Pure (revenue £9.1m -3%)** the UK's leading fashion trade show, welcomed over 18,000 visitors and over 1,000 exhibitors across its two editions. In 2018 we have launched the Pure Origins platform to unite global fashion manufacturers and buyers.

1 Organic growth is an Alternative Performance Measure, as explained on page 19.

/ **OUR STAKEHOLDER VALUE**

UNLOCK THE FUTURE



Clients

Unlocking the answer to our clients' most complex business challenges

THE ADVANTAGE FOR OUR CLIENTS

Our intelligence and insights ensure our clients' businesses thrive in the digital age, keeping them ahead of their competitors while driving innovation through world class networking events and opportunities

Investors

Unlocking a strong investment opportunity for our stakeholders

THE ADVANTAGE FOR OUR INVESTORS

Our market leading brands evolve with customer demand, unlocking a dependable and exciting investment proposition built on strong growth, good profitability and disciplined use of capital

Employees

Unlocking our employees' skills and potential in a business that's always evolving

THE ADVANTAGE FOR OUR EMPLOYEES

We nurture our employee talent, unlocking hidden skills through unique learning and development opportunities and creating entrepreneurial environments and cross-brand opportunities

DRIVING GROWTH

In 2018 we will continue to prioritise our market leading brands, while simplifying the way we work across the organisation to drive further efficiency and synergies.

Our Priorities	Goals for 2018
Market Leading Be a market leading information company, enabling our customers to excel in the digital economy in product design, marketing and sales.	To establish Money20/20 as the leading financial technology payments event platform across the four biggest markets of the United States, China, Europe and South-East Asia. To create the leading enterprise insight platform for market planning, digital shelf, market share, promotion, content and trade research worldwide.
Accelerate Organic Growth Accelerate the organic growth of our revenues and optimise margins and profits.	To accelerate the growth of the WGSN products launched over the last 18 months, establishing leadership across the new segments of Insight and Coloro. To continue the evolution of the Cannes Lions platform to ensure the marketing industry has a consistent measure of creativity across all digital economies and new media formats, while accelerating our own digital propositions to further establish the global Cannes Lions benchmark. To maintain our market leading customer retention levels across our most important brands.
Capital Allocation Apply a tightly focused capital allocation process, to achieve our goals and to maximise value creation for our shareholders.	To optimise our capital allocation and balance sheet to enable us to achieve our goals and to continue to simplify the Company.

/ KEY PERFORMANCE INDICATORS

Revenue from continuing operations (£m)

£375.8m

2017	375.8
2016	299.6
2015	256.6

Adjusted EBITDA (£m)

£119.5m

2017	119.5
2016	95.9
2015	76.6

Adjusted EBITDA margin (%)

31.8%

2017	31.8
2016	32.0
2015	29.9

Leverage ratio (x)

2.3x

2017	2.3
2016	2.1
2015	4.2

/ FINANCIAL REVIEW

"2017 was another year of good Organic growth in revenue and strong cash generation."

Mandy Gradden
Chief Financial Officer

Overview

In addition to a strong growth performance, we have made good progress on executing our strategy with greater focus on higher growth brands through the acquisitions of MediaLink and Clavis as well as the successful disposal of the 13 Heritage Brands classified as held for sale at the end of last year.

The results for the year are set out in the consolidated profit and loss statement and show, for continuing operations, revenue of £375.8m (2016: £299.6m), an Organic growth of 6.4%, and reported operating profit of £44.5m (2016: £32.1m). Adjusted EBITDA was £119.5m (2016: £95.9m) an Organic growth of 3.4%. We also delivered strong cash flow in 2017 with free cash flow after tax and capex of £102.2m (2016: £90.9m) a conversion of 85% in line with last year.

A core KPI and strategic goal of the Company is Organic revenue growth as this is the most efficient method of growth, measures the underlying health of the business and is a key driver of shareholder value creation. Organic revenue growth eliminates the 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 19.

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

Continuing operations

£'m	2017	2016	Growth rate %	Organic growth rate %
Revenue	375.8	299.6	25%	6.4%
Adjusted EBITDA	119.5	95.9	25%	3.4%
Adjusted EBITDA margin	31.8%	32.0%		

Segmental results

The Company has two reportable segments "Exhibition & Festivals" (with the main brands being Cannes Lions, Money20/20, Spring and Autumn Fair, Bett, CWIEME and Pure) and "Information Services" (with the main brands being WGSN, MediaLink, Groundsure, One Click Retail and Clavis). Following the acquisition of MediaLink and One Click Retail, the split of revenues between Exhibitions & Festivals (52%) and Information Services (48%) has become more balanced during the last 12 months.

Revenue from continuing operations

£375.8m

Up 25%
(2016: £299.6m)

Statutory operating profit

£44.5m

Up 39%
(2016: £32.1m)

"Adjusted EBITDA from continuing operations increased by 25% to £119.5m, with an Organic growth rate of 3.4%."

A summary of the performance of the Company's segments is set out below:

2017	Exhibitions & Festivals	Information Services	Central Costs	Continuing operations
Revenue	196.9	178.9	–	375.8
Organic revenue growth	*5.7%*	*7.4%*	–	*6.4%*
Adjusted EBITDA	82.3	50.4	(13.2)	119.5
Organic Adjusted EBITDA growth	*5.1%*	*4.2%*	–	*3.4%*
Adjusted EBITDA margin	*41.8%*	*28.2%*	–	*31.8%*
Depreciation and software amortisation	(5.5)	(4.1)	(1.5)	(11.1)
Adjusted operating profit	76.8	46.3	(14.7)	108.4

2016	Exhibitions & Festivals	Information Services	Central Costs	Continuing operations
Revenue	180.0	119.6	–	299.6
Organic revenue growth	*12.3%*	*5.4%*	–	*9.5%*
Adjusted EBITDA	73.5	35.1	(12.7)	95.9
Organic Adjusted EBITDA growth	*17.5%*	*4.7%*	–	*11.5%*
Adjusted EBITDA margin	*40.8%*	*29.3%*	–	*32.0%*
Depreciation and software amortisation	(3.3)	(5.7)	(3.9)	(12.9)
Adjusted operating profit	70.2	29.4	(16.6)	83.0

Revenue

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

Revenues from continuing operations in 2017 grew to £375.8m (2016: £299.6m), an increase of £76.2m or 25%. Adjusting for currency impacts and recent acquisitions organic growth was 6.4% driven by double digit growth of Money20/20 (19%), Groundsure (13%), One Click Retail (56%) as well as Bett (11%) followed by the high single digit growth of Cannes Lions (7%) and WGSN (6%). This was slightly offset by a 2% decline in Spring and Autumn Fair.

/ FINANCIAL REVIEW CONTINUED

Adjusted EBITDA

Adjusted EBITDA increased by 25% to £119.5m (2016: £95.9m) representing a 3.4% Organic growth rate. Adjusted EBITDA margin dropped slightly to 31.8% due to planned product investment in Information Services largely offset by favourable foreign exchange movements.

Reconciliation between Adjusted EBITDA and statutory operating profit

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

£'m	2017	2016
Adjusted EBITDA	119.5	95.9
Depreciation and software amortisation	(11.1)	(12.9)
Adjusted operating profit	108.4	83.0
Amortisation	(25.5)	(28.8)
Exceptional items	(34.3)	(20.7)
Share based payments	(4.1)	(1.4)
Statutory operating profit	44.5	32.1

Amortisation of acquired intangible assets

The amortisation charge of £25.5m (2016: £28.8m) on acquired intangible assets relates mainly to US acquired intangibles with the addition of MediaLink and a full year of One Click Retail offset by the impact of fully amortised assets. The Company undertakes a periodic review of the carrying value of its intangible assets of £771.7m (2016: £651.6m) which are supported by the value in use calculations and no impairment was identified in the current or prior year.

Exceptional items

The charge for exceptional items included in continuing operations in 2017 totalled £34.3m (2016: £20.7m) as set out in the table below and further explained in Note 5.

£'m	2017	2016
Deferred consideration	27.7	15.3
Expenses related to acquisitions	4.6	1.7
Loss on disposal of RWM	1.8	–
IPO expenditure and other	0.2	3.7
Exceptional items relating to continuing operations	34.3	20.7

The charge for deferred consideration relates to acquisition-related contingent employment costs on the acquisition of Money20/20, One Click Retail and MediaLink which, absent the link to continued employment, would have been treated as consideration as well as, in 2016, adjustments to deferred consideration recognised in prior years on Money20/20.

Share-based payments

The charge for share-based payments of £4.1m (2016: £1.4m) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan. Further details are set out in Note 7.

- The charge in 2016 represented 9 months' charge (of the 36 month service period) for the Company's inaugural grant of awards.
- 2017's charge includes both a 12 month charge for the 2016 award and a 10 month charge for the 2017 award.
- The 2018 charge will include 12 month charge for the 2016 and 2017 awards as well as an expected 10 month charge for the grant in March 2018.

Finance costs

The adjusted net finance costs for the year were £11.7m (2016: £17.8m) as set out in the table below.

£'m	2017	2016
Interest payable on external debt	(5.8)	(10.1)
Interest receivable	0.2	0.1
Amortisation of loan arrangement fees	(1.3)	(1.4)
Other finance charges	(4.3)	(2.9)
Net loss on foreign exchange and derivatives	(0.5)	(3.5)
Adjusted net finance costs	(11.7)	(17.8)

The interest expense on the Company's borrowings was £5.8m (2015: £10.1m) with the reduction driven by the reduction in leverage and the consequent reduced rate of interest payable. Other finance charges represent the unwind of the discount on deferred consideration and increased during the year due to the acquisition of MediaLink at the start of the year.

Taxation
A tax charge of £23.2m (2016: £10.9m) was incurred on adjusted profit before tax of £97.0m (2016: £65.1m) resulting in an adjusted effective tax rate for the year of 24% (2016: 17%). This tax charge arises on profits before adjusting items that total £63.9m (2016: £66.9m). A tax credit of £12.2m arises on these adjusting items (2016: £24.3m). This equates to a total tax charge of £11.0m (2016: credit of £13.4m) and an effective tax rate of 33% on the continuing profit before tax of £33.1m.

Two major factors impacted the tax charge in 2017:

- The implementation of US tax reform in December 2017, and in particular the reduction in the US Federal tax rate from 35% to 21%. This resulted in the downwards revaluation of deferred tax assets and liabilities on losses and intangibles resulting in a charge of £10.4m and £6.8m to the adjusted tax charge and adjusting items respectively.
- The recognition of additional historic US net operating losses following a reassessment of the restriction on utilisation of the losses. This was occasioned by the 2017 acquisition of MediaLink which gave further certainty on the sufficiency of future taxable US profits and by the receipt of a third party valuation of the US sub-group at the time of the post-IPO change of control. The impact on the adjusted tax charge was a credit of £12.7m.

The ongoing adjusted effective tax rate of the Group is expected to be approximately 23-24% next year.

Cash tax paid was £7.9m (2016: £3.5m) as the Group continued to benefit by £6.7m (2016: £8.1m) 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 recognised deferred tax asset of £47.1m (2016: £54.9m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles and deferred consideration. The majority of this asset is expected to convert into cash savings over the next ten years. The recognition of deferred tax assets on US losses in particular requires considerable judgements to be made including future trading performance of the US Group in the period up to the loss expiration, assessment of future earnouts payable for US acquisitions and the valuation of the US Group at the point of post-IPO change of control. In total a net deferred tax asset of £13.8m (2016: £17.4m) has been recognised in respect of US taxes leaving £127.1m of unrecognised US tax losses with a tax value of £26.7m.

Our deferred tax liability amounted to £31.3m (2016: £30.3m) and related to non-deductible acquired intangibles and is not expected to convert into cash.

Discontinued operations
Discontinued operations relate to the 13 Heritage Brands which were sold at various dates in 2017. The overall result for discontinued operations is comprised as follows:

£'m	2017	2016
Revenue	23.8	57.9
Adjusted EBITDA	1.1	11.6
Depreciation and amortisation	–	(4.3)
Exceptional item	(1.2)	(1.9)
Share based payments	(0.3)	(0.1)
(Loss)/profit before tax	(0.4)	5.3
Taxation	(3.7)	(1.3)
(Loss)/profit after tax	(4.1)	4.0

The exceptional item in discontinued operations includes a gain on disposal of £0.9m offset by £2.1m of costs separating the Heritage Brands including IT separation costs.

Foreign currency translation impact
Ascential reports its results in pounds Sterling and following its acquisition strategy and the growth of Cannes Lions and Money20/20, reported performance is increasingly sensitive to movements in both the Euro and US Dollar against pounds Sterling.

For most of 2017, Sterling was in line with the 2016 US Dollar average exchange rates but strengthened against the US Dollar at the year end – a trend that has continued in 2018 to date. Sterling continued to weaken against the Euro in 2017, as can be seen in the table below:

	Weighted average			Year end rate		
Currency	2017	2016	Change	2017	2016	Change
Euro	1.14	1.25	8.8%	1.13	1.17	3.4%
US Dollar	1.30	1.30	–	1.35	1.23	(9.8%)

/ FINANCIAL REVIEW CONTINUED

When comparing 2017 and 2016, changes in currency exchange rates had a net favourable impact of £10.6m on revenue and £6.0m on Adjusted EBITDA. On a segmental basis, the favourable impact of changes in foreign currency exchange rates was as follows:

- Exhibitions & Festivals: £7.0m impact on revenue and £4.7m impact on Adjusted EBITDA.
- Information Services: £3.6m impact on revenue and £1.2m impact on Adjusted EBITDA.

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

£'m	2017 Revenue	2017 Adjusted EBITDA	2016 Revenue	2016 Adjusted EBITDA
Increase in revenue/Adjusted EBITDA if:				
Sterling weakens by 1% against USD in isolation	1.2	0.6	0.7	0.4
Sterling weakens by 1% against EUR in isolation	1.1	0.9	0.9	0.7

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

Earnings per share

Adjusted diluted Proforma earning per share of 18.6p per share is 20% ahead of the 15.5p per share recorded for 2016 and total diluted Proforma earnings per share of 4.4p per share is 13% ahead of the prior year figure of 3.9p. Total diluted earnings per share were 4.4p (2016: 4.3p).

Acquisitions and disposals and capital expenditure

We regularly assess opportunities to acquire high-growth products operating in sectors with the potential for scale and incurred initial cash consideration of £156.5m for two acquisitions of higher growth brands.

MediaLink

In February 2017, we acquired US-based media advisory business MediaLink for initial cash consideration of £55.3m 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 earnout payments is subject to founders remaining in employment with the company. MediaLink is growing rapidly and delivered revenue of £47.4m and adjusted EBITDA of £12.0m in 2017 up from £39.4m and £10.4m respectively in the prior year.

Clavis

In December 2017, we acquired the eCommerce analytics business Clavis for initial consideration of £88.9m plus future earnout expected to total between $25m and $50m payable in cash. A portion of the earnout payments is subject to founders remaining in employment with the company. Clavis is growing rapidly and, in the 2017 year, generated unaudited revenue of £13.4m and an EBITDA loss of £4.2m, up from £9.9m and £6.0m respectively in the prior year. Clavis is expected to break even in 2018.

Heritage Brands

We disposed of the 13 Heritage Brands held for sale at December 2016 in three transactions in January, May and December 2017. Total consideration received was £51.2m and the sale generated a gain on disposal of £0.9m.

Detailed information on all acquisitions can be found in Note 12 on pages 89 to 92.

The Group spent a further £11.8m of capital expenditure (2016: £13.1m). This investment was primarily for new product development and enhancements to business applications to support future organic growth.

Cash flow

The consolidated cash flow statement and net debt position can be summarised as follows:

£'m	2017	2016
Adjusted EBITDA (including discontinued operations)	120.6	107.5
Working capital movements	1.3	–
Adjusted cash generated from operations	121.9	107.5
% operating cash flow conversion	101%	100%
Capital expenditure	(11.8)	(13.1)
Tax paid	(7.9)	(3.5)
Free cash flow	102.2	90.9
% free cash flow conversion	85%	*85%*
Exceptional costs paid	(14.9)	(11.6)
– deferred consideration	(8.2)	(4.0)
– other	(6.7)	(7.6)
Loan to joint venture	0.2	(4.5)
Acquisition consideration paid	(156.5)	(39.4)
Disposal proceeds received	48.7	0.2
Cash flow before financing activities	(20.3)	35.6
Net interest paid	(5.9)	(20.8)
Dividends paid	(20.0)	(6.0)
Proceeds of issue of shares net of expenses	0.1	188.5
Debt drawdown/(repayments)	33.0	(189.4)
Net cash flow	(13.1)	7.9
Opening cash balance	61.9	44.4
FX movements	(3.0)	9.6
Closing cash balance	45.8	61.9
Borrowings	(320.7)	(290.3)
Capitalised arrangement fees	3.3	4.3
Derivative financial instruments	0.1	0.4
Net debt	(271.5)	(223.7)

The Company generated Adjusted operating cash flow of £121.9m (2016: £107.5m), an increase of 13%, due to the strong operational performance of the business. Capex was slightly behind 2016 at £11.8m (2016: £13.1m) reflecting the prior year's fit out of the Paddington office to accommodate the entire Exhibitions & Festivals business. The Company generated free cash flow of £102.2m (2016: £90.9m), also an increase of 13%, which was used to fund interest payments, M&A and exceptional items.

A major feature of cash flow in 2016 was the IPO, which generated proceeds of £200.0m or £188.5m net of expenses, which was used to reduce indebtedness.

Returns to shareholders

The Board targets a dividend payout ratio of 30% of Adjusted profit after tax. Consequently, the Board is recommending a final dividend of 3.8p per share payable on 15 June 2018 to shareholders on the register on 18 May 2018 which, together with the Company's interim dividend of 1.8p paid in September 2017, makes a total dividend for the 2017 financial year of 5.6p.

/ FINANCIAL REVIEW CONTINUED

Other financial matters

Capital structure

The Company sources of funding comprise operating cash flow and access to substantial committed bank facilities from a range of banks. The Company maintains a capital structure appropriate for current and prospective trading over the medium term and aims to operate net debt of 1.5 to 2.0 times EBITDA to allow a healthy mix of dividends and cash for investment in bolt-on acquisitions. Following the acquisition of Clavis at the end of the year, the consolidated leverage ratio as at 31 December 2017 is 2.3x (31 December 2016: 2.1x).

Liquidity

On 12 February 2016 the Company entered into new term loan facilities of £66m, €171m and $96m as well as a revolving credit facility (RCF) of £95m. All mature in February 2021 and are currently subject to interest at 1.5% over LIBOR on the term loans and LIBOR plus 1.25% on the RCF. There is a leverage covenant limit of 4.0x (which drops to 3.5x in 2019) which is measured semi-annually.

As at 31 December 2017, £320.7m of the facilities had been drawn (2016: £290.3m) including £31.8m of the RCF (2016: £nil).

Financial risk management

The Group is exposed to risks arising from the international nature of its operations and the financial instruments which fund them. These instruments include cash and borrowing and items such as trade receivables and trade payables which arise directly from operations. External borrowings are denominated 47% in Euros with the balance split between US Dollars (32%) and pounds Sterling (21%). The Company reviews and protects a proportion of its exposure to interest rate rises on the cost of borrowings through use of derivatives where appropriate. Principal risks (including strategic, operational, legal and other risks) are shown on pages 24 to 27.

Going concern

Ascential'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 22. Details of the financial risk management objectives and policies are given on pages 102 to 110 in Note 33 to the consolidated financial statements.

The Directors believe that the Group is well placed to manage its business risks successfully. The Board's assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, show that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have assessed the Group's prospects and viability over a three-year period and the viability statement can be found on page 23. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements. In forming their view, the Directors have considered the Group's prospects for a period exceeding 12 months from the date when the financial statements are approved.

Mandy Gradden
Chief Financial Officer
23 February 2018

/ ALTERNATIVE PERFORMANCE MEASURES

The Company aims to maximise shareholder value by optimising potential for return on capital through strategic investment and divestment, by ensuring the Company's capital structure is managed to support both strategic and operational requirements, and by delivering returns through a focus on organic growth and operational discipline. The Board considers it helpful to provide, where practicable, performance measures that distinguish between these different factors – these are also the measures that the Board uses to assess the performance of the Company, on which the strategic planning process is founded and on which management incentives are based. Accordingly, this report presents the following non-GAAP measures alongside standard accounting terms as prescribed by IFRS and the Companies Act, in order to provide this useful additional information.

Organic growth measures

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

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

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

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

Organic growth is calculated as follows:

£'m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations
Revenue				
2017 – reported	196.9	178.9	–	375.8
Exclude acquisitions and disposals	–	(51.0)	–	(51.0)
2017 – Organic basis	196.9	127.9	–	324.8
Organic revenue growth	5.7%	7.4%	–	6.4%
2016 – reported	180.0	119.6	–	299.6
Exclude acquisitions and disposals	(0.8)	(4.1)	–	(4.9)
Currency adjustment	7.0	3.6	–	10.6
2016 – Organic basis	186.2	119.1	–	305.3

£'m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations
Adjusted EBITDA				
2017 – reported	82.3	50.4	(13.2)	119.5
Exclude acquisitions and disposals	–	(17.2)	–	(17.2)
2017 – Organic basis	82.3	33.2	(13.2)	102.3
Organic EBITDA growth	5.1%	0.2%	–	3.4%
2016 – reported	73.5	35.1	(12.7)	95.9
Exclude acquisitions and disposals	–	(3.1)	–	(3.1)
Currency adjustment	4.7	1.2	0.1	6.0
2016 – Organic basis	78.2	33.2	(12.6)	98.8

/ ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Adjusted profit measures

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

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

Adjusting items

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

Exceptional items

Exceptional items are recorded in accordance with the policy set out in 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. These items are presented within a separate column on the face of the income statement, but within their relevant income statement caption to assist in the understanding of the performance and financial results as these types of cost do not form part of the underlying business.

Amortisation of intangible assets acquired through business combinations

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

Share based payments

Following the IPO, a number of employee share schemes have been introduced, as set out in Note 33 to the Financial Statements resulting in a lack of comparability between periods in respect of share scheme costs – particularly as the income statement charge builds up to a normalised level over a three year period. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

Finance costs

In 2016, certain elements of finance costs were incurred as a result of debt refinancing and are therefore a result of changes to the Company's capital structure. In addition, part of the pre-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 Company tax charge relating to the above Adjusting items are also treated as Adjusting. These elements of the tax charge are calculated with reference to the specific tax treatment of each individual Adjusting item, taking into account its tax deductibility, the tax jurisdiction concerned, and any previously recognised tax assets or liabilities.

Adjusted cash flow measures

The Company uses Adjusted cash flow measures for the same purpose as Adjusted profit measures, 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	2017	2016
Cash generated from operations	107.0	95.9
Add back: acquisition-related contingent employment cash flow	8.2	4.0
Add back: other exceptional cash flow	6.7	7.6
Adjusted cash generated from operations	121.9	107.5

£'m	2017	2016
Net cash from operating activities	99.1	92.4
Add back: acquisition-related contingent employment cash flow	8.2	4.0
Add back: other exceptional cash flow	6.7	7.6
Less: capital expenditure	(11.8)	(13.1)
Free cash flow	102.2	90.9

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

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, Ascential 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 2016 financial year. Details are set out in Note 26 of the Financial Statements.

Glossary of alternative performance measures

Term	Description
Adjusted EBITDA	Adjusted operating profit excluding depreciation and software amortisation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of revenue
Adjusted effective tax rate	Adjusted tax charge expressed as a percentage of Adjusted profit before tax
Adjusted EPS	EPS calculated with reference to Adjusted profit for the period
Adjusted operating profit	Operating profit excluding Adjusting items
Adjusted profit before tax	Profit before tax excluding Adjusting items
Adjusted tax charge	Tax charge excluding Adjusting items
Cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA
Effective tax rate	Tax charge expressed as a percentage of profit before tax
Exceptional items	Items within Operating profit separately identified in accordance with Company accounting policies
Free cash flow	Cash flows before exceptionals, portfolio investments and divestments, and financing
Net debt leverage	The ratio of Net debt to Adjusted EBITDA
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma Adjusted EPS	Adjusted EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2016
Proforma EPS	EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2016

/ RISK MANAGEMENT

Risk management approach
Effective risk management is key to the success of our business. Risk is ultimately about future uncertainty, both opportunities and threats, and future events which might impact on our business performance. Accordingly, we do not seek to eliminate all risk, but to ensure that we only take risks that are relevant to our strategic goals and that risks should be balanced by proportionate reward. Our approach is to develop and maintain a risk framework to identify, monitor and manage the principal risks we face, within the overall framework of our Business Resilience Programme.

Risk management objectives
The primary objectives of risk management at Ascential are:

- To recognise that risk is embedded in all activities and that the underlying risk culture and approach is key to effective decision making.
- To promote consistency and transparency in methodology, assessment and management processes.
- To promote proactive recognition of external factors which present opportunities or uncertainties that could affect the achievement of our strategy and objectives.
- To enable the design and implementation of controls that provide appropriate assurance and are cost effective.
- To recognise that timely and accurate monitoring, review, communication and reporting of risk is critical to providing:
  - early warning mechanism for the effective management of risk occurrences;
  - assurance to management, the Board and shareholders;
  - a solid platform for growth; and
  - a sound business resilience platform.

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

The graphic below illustrates our approach to identifying and managing risk. Ascential employs both a top-down and bottom-up approach. Central functions and each operating division has a risk committee comprising divisional leaders and other functional heads, which are all attended by the Company Secretary, the General Counsel and the Head of Security to provoke discussion and share best practice across the Company. Risk identification follows a standard framework to assess impact and likelihood and risks are ranked in order to better direct resources to those which have a higher potential impact.

The Board

- Sets risk appetite taking into account strategic objectives
- Conducts 'deep dives' into specific principal risks
- Approves principal Group risks
- Assesses impact of principal risks when analysing the Company's long-term viability
- Considers reports from management and the Audit Committee as part of its review of the effectiveness of the system of internal controls

The Audit Committee

- Monitors the adequacy and effectiveness of internal control and risk management systems
- Ensures that a robust assessment of the principal risks facing the Company has been undertaken
- Monitors and reviews the effectiveness of the Internal Audit function

Executive Committee

- Prioritises principal risks
- Allocates resources to manage risks according to potential impact
- Communicates priorities to the Business
- Reviews divisional risk registers to agree aggregate risk register
- Identifies any emerging actions where Group wide action is required
- Reviews effectiveness of risk management procedures

Internal Audit

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

Divisional Risk Committees

- Identifies risks and risk owners
- Scores impact of risk on a mitigated and unmitigated basis, according to the Company's agreed risk scoring methodology
- Identifies controls and mitigations to manage risk
- Agrees action plans to strengthen controls or address deficiencies
- Reviews progress with action plans and current risks
- Identifies emerging risks
- Submits bottom-up risk registers to the Executive Committee
- Reports on effectiveness of risk management procedures

Developments in risk management in 2017
We continued to enhance our risk management policies during the year. A new and consistent reporting format for divisional risk registers was introduced along with a revised risk scoring methodology to increase transparency and enable more effective challenge of risk ratings and the efficiency of controls.

In addition to the Audit Committee receiving reports on the effectiveness of internal control and risk management, the Board has added a deep dive review of one of the principal risks to its standard Board meeting agenda. Reviews in 2017 included macro-economic conditions (including the impact of Brexit), cyber risk, people risk and new product and capability development.

Long-term viability statement
The Directors have assessed the prospects and viability of the Group in accordance with Provision C2.2 of the UK Corporate Governance Code. This assessment has been based on a three-year timeframe, covering the period to 31 December 2020, which is considered appropriate because it aligns with the Company's strategic planning and financial forecasting horizon, and because, in relation to viability, it provides a sufficiently long period for stress testing scenarios to be modelled through at least one complete business cycle.

The Company's prospects have been assessed mainly with reference to the Company's strategic planning and associated long-range financial forecast. This incorporates, 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 Company's current position and prospects, strategy and principal risks, including how these are managed.

The Directors also assessed the potential impact on the Company's prospects should certain risks to the business materialise. This was done by considering specific scenarios aligned to the principal risks identified on pages 24 to 27, 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 Company were modelled in detail.

The specific scenarios were:
- a global recession, designed to capture the impact of the most serious plausible manifestation of macro-economic risks;
- a 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.

Based on this assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2020.

/ PRINCIPAL RISKS

Principal risks and uncertainties
Principal risks are those that the Board considers would have the most impact on Ascential's strategic objectives. The Board has made a robust assessment of the principal risks facing the business including those related to its business model, future performance, solvency or liquidity, and considered them in the formulation of the Long-Term Viability Statement.

As part of this assessment, the Board considered the impact of the UK's decision to leave the EU (Brexit) and identified that the main impacts would be related to currency fluctuation, potentially reduced demand from business in certain regions, and changes to regulatory and tax frameworks. Potential implications of Brexit are considered at a more granular level by the Divisional Risk Committees and work includes proactive consultation through relevant industry bodies and the assessment of specific risks and opportunities presented by Brexit. In respect of the overall Group, the Board continues to consider that it is most appropriate, taking into account the diversification of revenue streams and geographical footprint, to manage this risk as part of the principal risk of macro-environment and geopolitical conditions rather than as a separate risk.

The review during 2017 did not identify any new principal risks but the grouping and articulation of principal risks has been revised to more clearly articulate the key risks facing the Group and the mitigation activity in place to manage them.

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

/ Business and Strategic

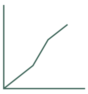
Description	Link to strategy	Impact	Mitigation
Customer end-market development	**Market Leading**	Our customers operate in a variety of end-markets, each with their own competitive pressures affecting customer preferences and spend. Changes in these end markets could increase competition, reduce customer spend, or make our products less relevant to customer needs, which could lead to a loss of market share and profitability.	• 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. • We invest in new product development, and enhancements to existing products, to respond to changing needs and ensure continuing value to the customer. Where appropriate, this includes consultation with significant customer groups.
Economic and geopolitical conditions	**Accelerate Organic Growth**	Significant recession could lead to reduced customer demand for our products and services. Political and regulatory changes, such as those that may arise following the UK's decision to leave the EU, may disrupt patterns of trade, impose operating inefficiencies, and may also significantly affect the Company's tax position.	• Our brands hold market leading positions in their respective markets and many are closely integrated into customers' operational processes which increases the resiliency of revenues in the face of reduced demand. • Recession modelling gives early visibility of recession, enabling plans to be implemented proactively to minimise any sustained financial loss. • We monitor the geopolitical landscape and develop plans to specific threats or opportunities.
Competition or substitution	**Market Leading**	Our products depend on custom-designed IT platforms which require continual development to ensure the services remain competitive, by enhancing existing offerings and building new solutions to meet customer requirements. Our brands generally hold market leading positions in their respective markets and increased competition or substitution could result in a loss of market share and revenue.	• We review all major technology development proposals at a senior level, and manage subsequent delivery through robust project management. • We maintain 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. • We continually develop our brands to ensure sustained relevance to customers. • We closely monitor the competitive landscape to identify opportunities and threats.

/ Business and Strategic continued

Description	Link to strategy	Impact	Mitigation
New product and capability development	**Market Leading**	The ability to grow our revenues organically is central to Ascential's sustainability and development of new products and capabilities is a key driver for organic growth. Failure to successfully execute this development could negatively impact Ascential's growth rates and profitability.	• The Strategy Director manages all new product development. • All new product development has formal project plans, with appropriate gating and milestones. • Performance against project plans is monitored and reviewed by executive management.
Acquisitions and disposals	**Capital Allocation**	Growth through acquisitions entails several risks, including the ability to identify acquisition opportunities, to achieve the expected benefits, to integrate acquired businesses with our existing businesses, to retain staff and to preserve sources of competitive advantage. Acquisitions which move the Group into different geographies or markets increase operational complexity. Disposals may not realise appropriate value. Acquisitions which do not deliver anticipated value or are a poor strategic fit may lead to a loss of profitability, market share and damage to reputation.	• We take a disciplined approach to portfolio management decisions, led by the Strategy Director, with clear acquisition/disposal criteria, careful due diligence and pre-completion planning for integration/transitional service arrangements. • We have a transformation team that manages post-acquisition integration. • We conduct post-transaction reviews to identify any key learning points to inform future transactions. • We conduct post-acquisition reviews to evaluate actual performance against expected performance.
People risk	**Accelerate Organic Growth**	A lack of effective succession planning could undermine achievement of key business objectives, particularly in parts of the business that are structurally exposed to key person risk. High employee attrition in key areas would increase the risk to delivery of strategic and financial goals. Strategic skills shortages and inability to attract talent could compromise execution of growth, new product development and business efficiency programmes leading to weaker organic growth and margins.	• The Chief People Officer leads the Group's People plan, including leadership development, talent management, employment brand, managed engagement and reward. • We have reviewed our operating model to increase leadership and organisational capacity. • We have strengthened our employee engagement programme including a revised engagement survey and an action planning programme to better understand and reduce attrition drivers.
Direction of change		The trend for strategic risk is that it is rising, as we increase our exposure to different geographies, and the pace of change in our customer end-markets and the level of uncertainty in the geopolitical landscape increases. The Board, however, views an increasing pace of change as a new constant and the business is well placed to respond positively to these changes, with an effective framework to manage the associated risks effectively.	

/ PRINCIPAL RISKS CONTINUED

/ Operational

Description	Link to strategy	Impact	Mitigation
Loss, misuse or theft of proprietary, employee or customer data	**Accelerate Organic Growth** 	Loss of proprietary data could undermine the value that we derive from our intellectual property. We have an obligation to protect customer and employee data and loss or misuse of this data could result in a loss of reputation, and regulatory sanctions or fines. There is a risk of financial loss through successful phishing attacks or other cyber infiltration.	• Ascential'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. • Each part of the business develops its own clearly defined security objectives in collaboration with the central IT function, which are reviewed and updated on a regular basis by divisional senior management. • Cyber risk and the controls and mitigations in place to manage it are reviewed by the Audit Committee and the Board at a Group level. • We train our employees and raise their awareness on how to behave with regard to information security best practices, particularly phishing and social engineering. • We have established a formal project to ensure readiness ahead of the implementation of the Global Data Protection Regulations from May 2018.
Venue availability, security and access	**Accelerate Organic Growth** 	Our events are held at specific locations which may become unavailable for use through damage, or may become available only on uneconomic terms. Travel disruption or safety risks from a variety of causes such as natural disasters, civil disorder, political instability and terrorism may prevent both customers and our own staff from reaching the event location, or lead to customers being unwilling to travel.	• We maintain close relationships with major venue providers, and maintain contingency plans to move events or dates if necessary. • Business continuity plans are in place to minimise disruption and financial impact. Our contractual terms provide some protection against the risk of late cancellation. • We maintain insurance cover in respect of certain event cancellation risks. • We have a dedicated security function with relevant experience and training to conduct security reviews of events throughout the world. This includes preventative measures, crisis management procedures and business continuity plans.
Business resilience	**Accelerate Organic Growth** 	Employees, customers, suppliers or assets may be directly or indirectly impacted by adverse security or natural events. IT service interruption (either through malicious attack, human error, lack of data centre capacity or other operational failure) could interrupt all aspects of the Group leading to lost revenue for transactional brands and damage to the reputation of our subscription based brands. Dependency on key suppliers risks interruption to our business operations and financial loss if a critical supplier suffers a business interruption.	• We have developed a Group Crisis Management Plan, through which Ascential's executive leadership team directs the business through any major incident or crisis which might severely disrupt operations, threaten business performance or damage reputation. • We are introducing a Group Travel Risk Management Programme to address duty of care obligations to our globally mobile workforce. • We have implemented a High-Availability Programme, including resilience between data centres, for our core applications. • We have a robust technical incident response process in place. • We have a central business continuity plan as well as brand specific business continuity plans. • We have long-term contracts with our key suppliers which are professionally procured and include rigorous Service Level Agreements.

Direction of change

We see the risk of cyber attack as continuous and we look to maintain our response against the increasing sophistication of attacks. Terrorism and the perception of increased terrorist risk have always received serious consideration and planning. We have robust information security and event security frameworks in place which we actively monitor and assess to preserve our resilience to these threats.

/ Financial

Description	Link to strategy	Impact	Mitigation
Financial risk	**Accelerate Organic Growth**	We have material exposures to different currencies and fluctuations in these currencies may affect the reported financial results. As a global business, we are subject to many forms of taxation in many different jurisdictions. Tax law and administration is complex and tax authorities may challenge our application of tax law, potentially leading to lengthy and costly disputes and material tax changes.	• Our approach to management of foreign exchange risk is set out in Note 33 to the financial statements on page 106. • We have an experienced tax function, supported by professional advisers, who maintain a constructive relationship with tax authorities, and keep up to date with changes in tax legislation and in the development of our business to enable effective tax planning. • We make full, accurate and timely disclosure in submissions to tax authorities who we work with collaboratively to achieve early agreement and certainty on complex matters whenever possible.
Direction of change		These risks are slightly increased due to the uncertainty and consequent currency volatility caused by Brexit, as well as the increased level of uncertainty around United States fiscal policy resulting from the political change in the US.	

/ Regulatory

Description	Link to strategy	Impact	Mitigation
Regulation	**Accelerate Organic Growth**	Change in regulation could make our current business models unprofitable or unsustainable. Increased revenues in geographies with more complex regulatory environments or expansion into new geographies can increase the risk of regulatory breaches. Compliance failures could lead to criminal and civil prosecution, including fines, censure, reputational damage and inability to trade in certain jurisdictions.	• Our legal team, supported by professional advisers, monitors changes in regulations and emerging best practice in the sector and in key policy areas. They are responsible for ensuring an appropriate compliance framework, with effective policies, processes and reporting. Each division has individuals responsible for embedding regulatory compliance within the business. • We have implemented a new training programme for key compliance areas, designed to be engaging and raise awareness of key compliance policies throughout the Company.
Direction of change		We view the level of regulatory risk as unchanged as although there are significant new regulations coming into effect, such as the General Data Protection Regulations, this is representative of a 'business as usual' environment in which we have developed capabilities to respond to changing regulatory environments accordingly.	

/ OUR PEOPLE

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 engagement surveys which, along with face-to-face feedback, help us understand what people think, and what they want to achieve in their careers with us.

As we develop a "One Ascential" culture across all brands and geographies, we are progressively aligning key people processes globally. For the first time, this year we ran a single unified engagement survey globally. Our aggregated engagement score was 70 (out of 100) with scores for Manager Quality, Pride, Motivation and Loyalty indicators all above 80. We have a clear plan to drive further improvement across all engagement areas in 2018.

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 2017 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 2018. Midway through the year, when we announced our half-year 2017 results, the CEO and CFO again hosted a webinar for staff, as well as meeting external analysts, investors and members of the press.

A leading approach to gender diversity
The Company continues to take part in the Hampton-Alexander review, which sees British business drive to improve further the number of women in senior leadership positions and on the boards of FTSE 350 companies. The review has a stated aim that a third of all FTSE 100 leadership roles are to be occupied by women by the end of 2020, up from 25% today. Once again, Ascential was highlighted in the November 2017 review as "leading the way" with 57% women on our plc Board, the highest in the entire FTSE 350.

Whilst we are very happy with the gender mix of our Board there is more work to be done. When we look at our gender pay gap, Ascential's UK mean differential is 15.3%, as at April 2017, the most recent gender pay gap reporting point. Our mean differential is better than the UK national average of 17.4% but there is clearly still work to be done. For us, the gap exists because whilst 57% of our total 1,736 employees are women (2016: 62% out of 1,557) only 52% (233 out of 449) of our managers are female (2016: 57%, 239 out of 417).

So to address the issue we need to recruit, encourage, support and promote more women into our senior leadership group. We will be launching a significant new Women in Leadership programme early in 2018 to super-charge our efforts in this regard.

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 in any one of our offices around the world who wish to enrol to save a set sum each month and in future years buy shares at a discounted purchase price. So far 46% of all eligible employees decided to participate, saving on average £178 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.

Our goal is to have all employees in any given country operate on consistent terms and conditions no matter what brand they work for. This year we harmonised our holiday and paid time off policies in the US to ensure employees from our various acquisitions there to date operate on a consistent set of generous terms relative to the market.

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 recognition and rewards linked to performance, and we invest heavily in development.

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 trips to Ascential offices and events in other countries, 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 creators 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 runs a number of formal cross-brand Professional Communities in key areas such as Sales, Content, and Marketing.

The Ascential Sales Academy – is led by internal and external sales experts and offers many sales performance programmes and leadership alumni programmes.

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 two of Ascential's most respected and successful content leaders with an outstanding track record in driving exceptional content, the in-house Content First programme aims to further embolden our content talent across the whole business to deliver the content our customers need, when they need it and in a simple to find and digest format. This year we also developed a bespoke Content Leaders programme where content leaders from around the world were brought together to collaborate with peers to drive content innovation within their own teams and brands. Armed with robust data 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 hold our all-Company conference in January each year and this enables more than 1,200 individuals to network, share 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 and 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.

Our values and leadership beliefs

Forward thinking

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

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

Challenging

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

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

Transformative

We are visionary and confident – making changes happen

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

/ CORPORATE AND SOCIAL RESPONSIBILITY

Ascential is passionate about the work we do and the difference we make to the communities we serve and live in.

Making a real difference to the world around us
As a Patron of The Prince's Trust, Ascential sponsors The Trust's Million Makers Awards for London and the South East. Our fund raising efforts have been recognised with the 'Above and Beyond' Award from The Prince's Trust for the past three years.

Fund raising

2015	£90,000
2016	£170,000
2017	£300,000

Ascential also sponsors The Educational Achiever of the Year Award and to help promote its aims, has given an exhibition stand to The Prince's Trust during the BETT UK show at Excel 2018.

The 2017 winner of the London and South East Region Award was Jaidah Thomas and she will be furthering her learning during three months paid work with Cannes Lions from May to July 2018, including visiting the Festival in the South of France. The overall winner for the Million Makers award will be presented by HRH Prince Charles at the Celebrate Success Awards at the London Palladium.

We also support various local charities across the business and the Group.

A better start for young people
Ascential people have given their time and experience to provide a helping hand to young people starting on their career paths. Through mentoring and work placements ranging from three weeks to 18 months at top brands, exhibition space in our buildings and being sponsored at our shows, we have made a positive difference.

Lending a hand to those less able to help themselves
A core strength of Ascential people is their commitment and passion for the communities we live in and serve. Many volunteer their time to help people less able to help themselves. 2017 projects included gardening and volunteering days to cook and entertain elderly and homeless people in Central London.

Case study

Strong commitment to our customer communities

Just four weeks before we opened Bett Latin America in Mexico City, a 7.1 magnitude earthquake – the biggest in 30 years – hit Mexico City. Lives were lost; hundreds of buildings were damaged; and more were at risk of collapse. Electricity and phone lines were only intermittent.

Working with our local partners, we wanted to balance doing the right thing – the best thing for the community and the future of the education sector in Mexico – against what was possible in the aftermath. The government, who were crucial to our event, were under pressure as several schools had collapsed so they were hard to reach.

Working in harness with our partners and the government we had to be extremely sensitive to the national mourning period, infrastructure safety, staff morale and market appetite – there is no rule book in these situations. With inputs from many across the different audiences – but most loudly our local partners – we agreed together that we should not be leaving Mexico in a time of need and that we should run the event for the right reason. Bett Latin America should have a NEW Vision: it will be a platform that brings together the community, offering support, resilience and reconstruction.

The 2016 event welcomed around 2,000 people. At the point we made the decision to continue with the 2017 event we had 620 attendees registered. In just 10 days, the team changed the vision of the event to one of helping rebuild the education sector and on 18 October 2017, we opened the doors for 3,483 people to Bett Latin America.

We had a donation area in the Expo, collecting school materials and equipment that we then gave to the most affected schools. We changed elements in our content to include charities speaking about security and infrastructure at schools. We also sponsored the transformation of a shipping container in to a pop-up school which we are donating to one of the regions which lost several schools.

Bett Latin America was very proud to give back to our audience community, improving their immediate situation with a pop-up school and helping to build a future for the sector.

Case study

Retail Week – addressing gender imbalance in boardrooms and inspiring future leaders

Be Inspired began life with a documentary and panel session at Retail Week Live in March 2016 with the aim of addressing gender imbalance in retail boardrooms, and inspiring future female leaders. It has since grown into the most wide-reaching campaign Retail Week has ever launched, touching the lives of thousands of aspiring women.

Industry backing

Be Inspired brings together retail leaders with women seeking to fulfil their career ambitions, using stories of those who have advanced their retail careers to inspire the next generation. 65 ambassadors – including CEOs from Ann Summers, Ikea, Dixons, M&S and Tesco – are backing the campaign. Ambassadors notably include both men and women, as men are needed as agents of change to help address gender diversity. The calibre of ambassadors reflects the level of support the industry has for what Retail Week is trying to achieve.

Growth and reach

2017 Be Inspired grew 186% owing to high-profile partnerships including Accenture, L'Oreal and Google, and a sell-out conference.

It has also generated a new revenue stream of 'Retail Partners' which helps retailers demonstrate their commitment to gender diversity and provide learning and development for women within their organisations. There are now 13 retail partners, up from seven in 2016 with 100% retention year-on-year.

The impact of Be Inspired throughout the sector is evident in its reach. This year, 238 retail brands and 1,300 people engaged with our live events, whilst 636 users generated 2.3K tweets with a potential impression of 22.52m.

Calibre of content

Central to the campaign's success is emotive content that strikes a chord with women at all stages of their career. It is a brand-wide programme including digital and print content, an annual mentoring scheme with five ambassadors coaching five competition winners, a newly launched eLearning platform, free monthly workshops and a conference. The sell-out conference was our stand-out success of 2017 – with an over 80% increase in delegate volume from 2016, and yielding a Net Promoter Score of 56.52. Speakers ranged from well-known retailers such as M&S style director Belinda Earl and AO.com founder John Roberts, to BBC broadcaster Emma Barnett and chairman of The Pool and architect of the This Girl Can campaign Tanya Joseph.

In November we also launched the Be Inspired community platform, which will allow our UK-wide community to connect, transforming our reach and providing a vital source of free learning and development.

2018 and beyond

The impact and growth of Be Inspired continues. It has become a powerful brand in its own right in less than two years. We believe Be Inspired is the first programme for women in retail that has shifted the gender diversity debate from merely talking about the problem, to something that is practical, engaging, and will genuinely help shape the careers of thousands.

Improving gender diversity

The Ascential plc Board leads the way on gender diversity, comprising 57% women, the highest in the FTSE 350. More than 50% of our managers are female and we are launching a women in Leadership programme early in 2018 to increase this percentage to be broadly equal to the proportion of female employees across the Group. We have a flexible working policy that applies to all of our employees and our 'Ascential Anywhere' technology enables employees to work flexibly more easily. Our maternity policy is to pay maternity pay beyond the statutory minimum and we have a shared parental leave policy to enable parents to choose how to share the care of their child during the first year after birth or adoption.

/ CORPORATE AND SOCIAL RESPONSIBILITY CONTINUED

Case Study

Cannes Lions helping accelerate the career progression of high-potential senior creative women

See It Be It is a tailored, Cannes Lions initiative, aiming to accelerate the career progression of high-potential senior creative women to change the ratio of female leaders in agency creative departments.

Launched in 2014, the programme is a response to industry gender imbalance. Fewer women than men are joining creative ranks and even less will climb the ladder. Worldwide, it's estimated that only 30% of agency creatives are female and just 12% reach Creative Director level, up from 3% in 2004.

See It Be It helps to address this issue by developing high-potential creative women and bringing them to the attention of the industry. By raising profiles, expanding contacts, and building confidence participants are accelerated down the leadership path.

This continues to grow, with events in Brazil, Spain and Pakistan pending, interest to replicate the model at Dubai Lynx and a queue of senior industry figures (male and female) offering their support for the programme.

The See It Be It global network is expanding all the time:

- 1,000+ applications from women globally.
- Bringing 52 women to the Festival over four years.
- 70% of these women have been promoted since the programme.
- 180 mentors and mentees matched.
- 100% positive Net Promoter Score.
- Seven successful events held globally on zero additional spend.
- 2,000 registered to attend local events.
- Ambassador of the programme Madonna Badger is a diversity advocate who speaks at events globally.

Jury

- 390 jury members from 50 countries.
- 43% of jurors were female in 2017, a record for the Festival. The number of women on the juries has doubled in the last five years, from 21% in 2012.

Speakers

- 688 speakers from 29 countries (35% female: 65% male gender split).

Sessions included discussions from Indian transgender pop band 6-Pack, Sir Ian McKellen urging brands to change the perception of the LGBT community, Rev. Jesse Jackson and Dame Helen Mirren talking about diversity of race and age.

Behaving ethically

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

Third Party Code of Conduct

We have implemented a Third Party Code of Conduct which outlines our ethical approach to doing business and explains the standards we strive to ensure that all our suppliers should abide by, and we also expect our suppliers' suppliers to adhere to it. The main principles of this Code are:

No Forced, Involuntary or Child Labour:
There is no forced, involuntary or debt bonded labour in any form including slavery or trafficking of persons. There are no workers under the age of 15, or where it is higher, the mandatory school leaving age in the local country. The use of legitimate workplace apprenticeship programmes, which comply with all laws and regulations, is supported.

Freedom of Association:
Workers, without distinction, have the right to associate freely, join or not join labour unions, seek representation and join workers' councils as well as the right of collective bargaining in accordance with local laws.

Diversity and equality:
There is equality of opportunity and treatment regardless of physical attributes or condition (including pregnancy), gender, religion (or absence of such beliefs), political opinion, nationality, sexual orientation, age or ethnic background. Equal pay for work of equal value is supported. Discrimination or intimidation towards and between employees is opposed, including all forms or threats of physical and psychological abuse.

Business Integrity:
There is no tolerance of any form of corruption, bribery, fraud, extortion or embezzlement and business is conducted in a manner that avoids conflicts of interest.

Fair Competition:
Fair business, advertising and competition 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 disruptions of business are prepared for (including but not limited to natural disasters, terrorism or cyber attacks). Risks are frequently assessed and appropriate controls put in place and regularly tested.

Quality, Health, Safety and Environment:
All required quality, health, safety and environment related permits, licences and registrations are obtained, maintained and kept up-to-date and their operational and reporting requirements are followed. Proper provision is made for the health, safety and welfare of employees, visitors, contractors, the community and the environment. Health, safety and environmental risks are regularly assessed and appropriate controls are put in place bearing in mind the prevailing knowledge of the industry and of any specific hazards

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

Modern Slavery

Ascential recognises that slavery, forced labour and human trafficking (Modern Slavery) is a global issue. One that Ascential understands affects innocent lives. Ascential has a zero tolerance approach to Modern Slavery of any kind and has taken steps to eliminate it from its supply chain. Through this work, we have found support from customers, suppliers and Ascential employees to this zero tolerance approach. The Ascential community has no tolerance for Modern Slavery and has pledged to raise awareness and take steps to source suppliers responsibly.

In January 2016 we established a steering group to map our supply chain and assess areas of risk. Our procurement team has evaluated our supply base and categorised it to understand where there may be risk within it using guidance issued by the Walk Free Foundation. The steering committee specifically focused their initial efforts on identifying countries where bonded labour is more prevalent, or sectors that may typically be associated with unfair labour practices. From this exercise we established which suppliers are deemed to be high and medium risk. During 2017, all high risk suppliers were contacted and required to adopt our Third Party Code of Conduct and to complete a questionnaire designed to identify any areas of non-compliance with that code, as well as confirm that our supply chain is slavery and human trafficking free. We reserve the right to terminate the business supplier relationship without consequence or liability if a supplier fails to fulfil the minimum standards outlined in our Code. We intend to roll-out this process to those suppliers classified as medium risk during 2018. From January 2017, our Code of Conduct has been embedded into standard terms and conditions and our supplier set up process includes the requirement that all new major suppliers sign up to our Code of Conduct before we do business with them.

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

Anti-corruption

We have a formal anti-corruption policy which is communicated to all employees that prohibits offering, promising or giving a bribe; requesting, agreeing to receive, or accepting a bribe; and bribing a foreign public official to obtain or retain business or a business-related advantage. The policy includes details of how employees can report any suspected violations of the policy confidentially to the Ethics Helpline and assurances that concerns raised in good faith will not be criticised or penalised in any way. The Board of Ascential plc has appointed the Audit Committee to review the implementation of this policy and the Audit Committee periodically monitors and audits compliance.

There were no reported breaches of the Bribery Act during 2017.

We also require our suppliers to adopt a zero tolerance approach to bribery and corruption through our Third Party Code of Conduct.

Whistleblowing policy

We have a formal whistleblowing policy which encourages all staff to report suspected wrongdoing, in the knowledge that their concerns will be taken seriously and investigated appropriately, and that their confidentiality will be respected. Wrongdoing includes failure to comply with legal obligations or regulations, including bribery and corruption. The policy also aims to reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken. We provide details of a confidential helpline operated by an independent third party, as well as contact details for the Independent Chairman of the Audit Committee within the policy. The policy is embedded in the employee handbook and available on the Company's intranet.

Lighter footsteps

As a leading information business, Ascential creates a lot of value for a relatively small, direct environmental impact. Nonetheless, we recognise that we need to minimise our direct environmental impact where we can.

Increasing energy efficiency

Ascential works with its landlords to ensure installation of energy efficient low temperature hot water, water efficient low-flush toilets, low energy lighting and low power technology across all its offices.

Waste recycling

We promote recycling, sustainably produced materials and paper efficiency at all our shows with our venue hosts and amongst all our exhibitors.

Reducing print

With a continuing customer shift towards digital consumption of content, as well as constant work on paper innovations and run efficiency, print requirements for the business have further declined. The sale of the Heritage Brands during the year further reduced the business paper requirements.

Greenhouse gas emissions

Full details of our direct and indirect greenhouse gas emissions are set out in the Directors' Report on page 67.

Business travel

As a global business, there is an ongoing need for our employees to travel around the Group to meet with colleagues and customers. We encourage all employees to use video conferencing and webinars as much as possible and the business aims to reduce the need to fly wherever possible.

/ BOARD OF DIRECTORS

	Scott Forbes **Chairman**	Duncan Painter **Chief Executive Officer**	Mandy Gradden **Chief Financial Officer**
Appointment to the Board	Scott was appointed as an adviser to the Board in November 2015 and became Chairman in January 2016.	Duncan joined the Group in October 2011.	Mandy joined the Group in January 2013.
Experience	Scott has over 35 years' experience in operations, finance and mergers and acquisitions, including 15 years at Cendant Corporation, which was formerly the largest provider of travel and residential property services worldwide. Scott established Cendant's international headquarters in London in 1999 and led this division as group managing director until he joined Rightmove.	Duncan 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.	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 PriceWaterhouse in 1992.
External appointments	Scott currently serves as chairman of Rightmove plc, Cars.com Inc 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.	Duncan is also a non-executive director of Investis Limited.	Mandy also sits as a non-executive director on the board, and is chairman of the audit committee, of SDL plc.
Joined the Group	January 2016	October 2011	January 2013
Independent	Yes, on appointment	No	No
Committees	Nomination Committee (Chair)	None	None

Rita Clifton
Senior Independent Non-Executive Director

Rita joined the Board in May 2016.

Rita has worked with many of the world's leading companies on their brand strategy. She was Vice Chairman and Strategy Director at Saatchi & Saatchi, and for over fifteen years was London CEO and then Chairman at Interbrand, the world's leading brand consultancy.

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

Rita is currently a non-executive director of ASOS plc and of Nationwide Building Society, and is a past non-executive director of Dixons Retail plc. She also chairs BrandCap, the brand consultancy and Populus, the research consultancy.

May 2016

Yes

Audit Committee and Nomination Committee

Paul Harrison
Non-Executive Director

Paul joined the Board in January 2016.

Paul served as an independent non-executive director of Hays plc until November 2017, chairing its audit committee from 2007 to 2011 and then its remuneration committee from 2011.

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

Paul is currently the CFO of Just Eat plc, a FTSE 100 online marketplace business. Prior to this, he acted as CFO for Wandisco plc, a software company listed on the London Stock Exchange.

January 2016

Yes

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.

January 2016

Yes

Remuneration Committee (Chair) and Nomination Committee

Gillian Kent
Non-Executive Director

Gillian joined the Board in January 2016

Gillian has an executive career of over 25 years in software, internet, digital media and mobile technologies. Previously, Gillian held various senior roles at Microsoft including Managing Director of MSN UK, creating one of the UK's largest online services businesses. Both at Microsoft and in a range of other businesses, including media, fashion and as CEO of Propertyfinder.com, she established her expertise in building markets and brands for products and services.

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

January 2016

Yes

Audit Committee and Remuneration Committee

/ CHAIRMAN'S INTRODUCTION TO GOVERNANCE

Scott Forbes
Chairman

2017 Highlights

- Review of strategy and approval of three-year plan
- Good operational progress during the year, sharpening our brand portfolio, enhancing our product offering and acquiring exciting, high-growth businesses that fit with our ambitions
- Board visit to the US with in-depth reviews of our MediaLink, WGSN and Money20/20 businesses
- Development of our risk management framework

The UK Corporate Governance Code

Through the Listing Rules, the UK Corporate Governance Code (the Code) underpins the overarching corporate governance for listed companies in the UK.

It contains principles and provisions, which set out standards of good practice in relation to Board leadership, effectiveness, accountability and relations with stakeholders as well as remuneration practices.

The Chairman's Introduction to Governance, in conjunction with the Corporate Governance Report, explains how we have implemented these provisions and been in compliance with the Code throughout the year.

"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 our operations, and deliver and preserve shareholder value."

Dear Shareholder,

I am pleased to present the Corporate Governance Report for 2017, which highlights the work the Board has undertaken during the year.

Our goal is to be a leading, specialist, global information company that enables customers to excel in the digital economy, as well as a best in class employer and a strong investment candidate for shareholders. We have continued to focus on developing our brands to service customers across the consumer value chain of product design, marketing and sales.

We are pleased that our teams have been able to continue to deliver on the ambition we set out at the time of our IPO to become a more focused, faster growing company, with a greater number of satisfied customers allowing us to generate higher levels of returns for our shareholders. You can read more about our progress with this strategy in the Chief Executive's Report on pages 4 to 5.

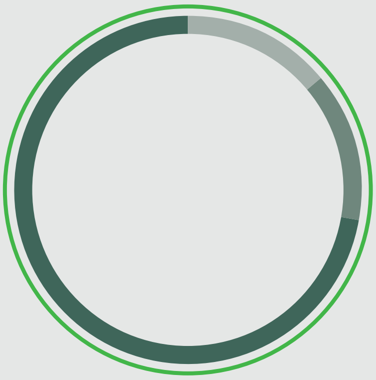
We believe it is vital to create an environment where people can be their best, improve skills and gain experiences across our businesses worldwide. Ascential employees are a reflection of our business that does not stand still; they know there is always more to learn, more to offer and more to be. Ralph Tribe, our Chief People Officer, joined us during 2017 and the report on pages 28 to 29 explains our people strategy.

We have delivered consistent with our promises and another positive financial performance in 2017. Prior to the strategic acquisition of Clavis on 22 December 2017, our Group's leverage target had reduced to 1.6x, on the lower end of our 1.5-2.0x guidance. The transaction raised our leverage to 2.3x, still in a position that allows a healthy mix of dividends as well as cash for investment in bolt-on acquisitions.

The Board targets a dividend pay-out ratio of 30% of Adjusted profit after tax and consequently, the Board is recommending a final dividend of 3.8p per share which, together with the 2017 interim dividend, makes a total dividend for the 2017 financial year of 5.6p. You can read more about our 2017 financial performance in the Financial Review on pages 12 to 18.

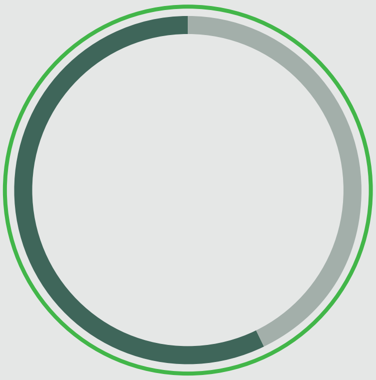
Board overview

Length of tenure



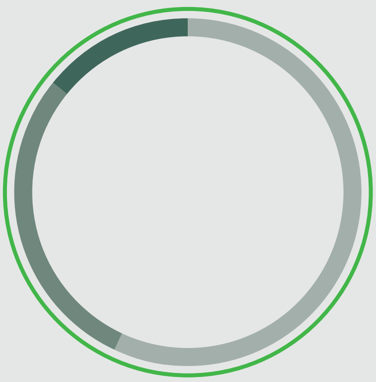
- Over 6 years **14%**
- 2-6 years **14%**
- 0-2 years **72%**

Board gender diversity



- Male **43%**
- Female **57%**

Balance of Executive and Non-Executive Directors



- Non-Executive **57%**
- Executive **29%**
- Chairman **14%**

Board effectiveness
As part of our three-year performance evaluation cycle, we conducted an internal Board evaluation process during the year, following our externally facilitated evaluation in 2016.

Each Board member was asked for their opinion on a broad range of topics, including four core questions on key strengths, improvements during the year, areas of focus for continued development and any risks requiring more focus from the Board.

The responses to these questions were anonymised by the Company Secretary before discussion by the Board, who debated the points raised and agreed areas for development during 2018.

Feedback on the Chairman was provided to the Senior Independent Director, who discussed it with him individually after a discussion with the Board at a meeting at which the Chairman was not present.

Board composition and succession planning
The Board evaluation process confirmed that the Board has worked effectively during the year, with a committed, skilled and gender-diverse Board who are very engaged with the Ascential business, and prepared to address relevant challenges and opportunities. All the Non-Executive Directors are considered to be independent in character and judgement, and free of any business or other relationship that could materially influence their judgement. Scott Forbes was considered to be independent on appointment.

As all the Non-Executive Directors have a reasonably short tenure on the Ascential Board following the Company's IPO in February 2016, the Nomination Committee will develop plans to ensure an orderly refreshment of skills and experience on the Board as well as consider additions to the Board if needed to address the evolving nature of the business. All Directors will offer themselves for re-election by shareholders at the forthcoming Annual General Meeting.

The Nomination Committee conducted a thorough review of Board and organisation succession planning during the year, which is explained on page 48.

Non-Executive engagement
As a relatively new Board, the Non-Executive Directors have devoted considerable time to developing their knowledge and understanding of the business. As well as in-depth reviews as a Board, Non-Executive Directors have conducted individual visits to offices and events across the Group and received reports from a wide range of senior management at Board meetings.

Risk management and internal control
Risk is present in all our activities and having an effective risk culture and risk management framework is key to effective decision making. The Board has not established a separate risk committee as it considers that risk management is a responsibility of the whole Board. More detail about risk management within Ascential is given on page 22. The Audit Committee reviews the system of internal controls within the Group and reports on this work to the Board, which reviews the effectiveness of internal controls in place throughout the year. You can read more about the work of the Audit Committee on pages 43 to 47.

Relations with shareholders
The Board recognises the important and valuable role that shareholders play in safeguarding the Company's governance. During the year, the Company has directly engaged with over 200 institutional investors through a variety of face-to-face meetings, attendance at Ascential events such as Money20/20 and Cannes Lions as well as the annual Capital Markets Day. More information on the ongoing investor relations programme is given on page 42.

Scott Forbes
Chairman
23 February 2018

/ CORPORATE GOVERNANCE REPORT

Governance Framework

Board responsibilities	Matters reserved for the Board's decision
• Collectively responsible for the long-term success of the Group • Setting strategy and being accountable to shareholders for delivery of value • Monitoring management activity and performance against targets • Providing constructive challenge to management For more details on the Board's activities during the year please go to page 40.	• Strategy, annual budgets and medium-term plans • Approval of the annual and interim results, material acquisitions, disposals and contracts • Approval of risk appetite and review of principal risks • Ensuring that a sound system of internal control and risk management is maintained • Changes relating to the Company's capital structure • Approval of dividend policy • Changes to Board composition

The management and day-to-day running of the Group, including the development and implementation of strategy, monitoring the operating and financial performance, and the prioritisation and allocation of resources, has been delegated to executive management. Certain Board responsibilities are delegated to formal Board Committees, which play an important governance role through the work they carry out. More information on the workings of the Committees is given in their respective reports on pages 43 to 57.

The Board

Audit Committee	Remuneration Committee	Nomination Committee
• Reviews the Group's financial reporting and recommends to the Board that the Report and Accounts should be approved • Reviews and reports to the Board on the effectiveness of internal controls • Assesses the independence and effectiveness of the internal and external auditors	• Sets the Remuneration Policy for the Group • Sets the individual remuneration of the Executive Directors and senior management • Engages and consults with shareholders on proposed material changes to Remuneration Policy • Approves awards under the Group's share based incentive plans	• Reviews the composition of the Board and its Committees • Ensures that appropriate procedures are in place for the nomination, selection, training and evaluation of Directors • Ensures that the organisation is satisfactorily able to achieve the strategic targets of the business and there is an effective programme of succession planning
Committee composition:	**Committee composition:**	**Committee composition:**
Paul Harrison (Chair) Rita Clifton Gillian Kent	Judy Vezmar (Chair) Gillian Kent Paul Harrison	Scott Forbes (Chair) Rita Clifton Judy Vezmar

Board composition and roles

Our Board comprises the Chairman, two Executive Directors and four independent Non-Executive Directors. Their key responsibilities are:

Chairman
Scott Forbes

- Provides leadership to the Board, setting its agenda, style and tone to promote constructive debate and challenge between the Executive and Non-Executive Directors
- Ensures good information flows from the Executive to the Board, and from the Board to its key stakeholders
- Supports and advises the Chief Executive, particularly in the development of strategy
- Chairs the Nomination Committee and builds an effective and complementary Board, regularly considering its composition and balance, diversity and succession planning
- Ensures that the induction and training programme for Non-Executive Directors are implemented and effective

Chief Executive
Duncan Painter

- Leads the development of Ascential's objectives and strategic direction
- Works with the CFO to develop budgets and medium-term plans to support the agreed strategy
- Ensures that Ascential's business and strategic plans are successfully executed
- Implements decisions of the Board and its Committees
- Reviews the Group's structure on an ongoing basis and recommends changes when appropriate
- Ensures effective and ongoing communication with shareholders
- Builds and manages the senior management team
- Ensures that the Board is fully informed of all key matters

Chief Financial Officer
Mandy Gradden

- Supports the CEO in developing and implementing strategy
- Oversees the financial performance of the Group
- Leads the development of the finance function to provide insightful financial analysis that informs key decision making
- Leads treasury activities
- Leads investor relations activities and communication with investors alongside the CEO
- Works with the CEO to develop budgets and medium-term plans to support the agreed strategy

Senior Independent Director
Rita Clifton

- Meets with the other Non-Executive Directors at least annually without the Chairman present
- Supports 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 or CEO have failed to resolve or would be inappropriate

Independent Non-Executive Directors
Gillian Kent, Paul Harrison, Judy Vezmar

- Scrutinise and monitor the performance of management
- Constructively challenge the Executive Directors
- Bring independence and a different perspective to the Board
- Support management in delivering the Group's strategy
- Oversee the integrity of financial information, financial controls and systems of risk management

Company Secretary
Louise Meads

- Supports the Chairman
- 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

/ CORPORATE GOVERNANCE REPORT CONTINUED

Board activity during the year

Strategy

- Received presentations from our COO, Strategy Director and business segment leaders to facilitate a healthy debate about business strategy;
- held a two-day strategy offsite to explore and refine the business strategy;
- approved updated budget and medium-term plans in the context of the agreed strategy;
- reviewed progress with implementation of strategy at every board meeting from the Chief Executive, the Strategy Director and senior leadership; and
- approved the acquisition of MediaLink and Clavis, and the disposal of the Heritage Brands.

For more information on our strategy see page 10.

People

- Our Directors visited various Ascential offices and met with a wide range of senior management across the business;
- the September Board meeting was held in New York with presentations from the management teams of our MediaLink, WGSN and Money20/20 businesses; and
- received updates from the Chief People Officer on people risk and people strategy.

For more information on people and values see page 28

Risk management

- Approved an updated risk management framework, including an updated risk scoring methodology;
- reviewed and approved the principal risk register;
- agreed during the year to add a deep dive into at least one principal risk at each Board agenda – topics reviewed in 2017 included people and cyber risks;
- reviewed recession dashboards to monitor likelihood of macro-economic downturn; and
- reviewed the effectiveness of internal controls, including but not limited to a report from the Audit Committee.

For more information on risk management see page 22

Shareholder engagement

- Reviewed reports from the Company's brokers and advisers on shareholder and analyst feedback following investor and analyst meetings after the interim and full year results;
- Board and Remuneration Chairman held formal meetings with current investors;
- reviewed regular investor relations reports relating to share price, trading activity and movements in institutional investor shareholders; and
- received reports from the Executive Directors following meetings with investors.

Performance monitoring

- Reviewed regular reports from the CEO on operating performance against plans;
- reviewed regular reports from the CFO on the Group's financial performance;
- reviewed the year-end and interim results;
- reviewed new product and capability development against agreed plans; and
- conducted deep dive reviews of different brands across the Group.

For more information on performance, see the Chief Executive's Review on pages 4 to 5 and the KPIs on page 11

Other

- Approved the 2016 Annual Report and notice of 2017 AGM;
- approved the 2016 final and 2017 interim dividends;
- approved the treasury policy;
- approved the capital allocation policy;
- approved the Group's tax strategy;
- reviewed the Group's annual insurance programme; and
- approved the Modern Slavery Act policy and statement.

Board attendance during the year

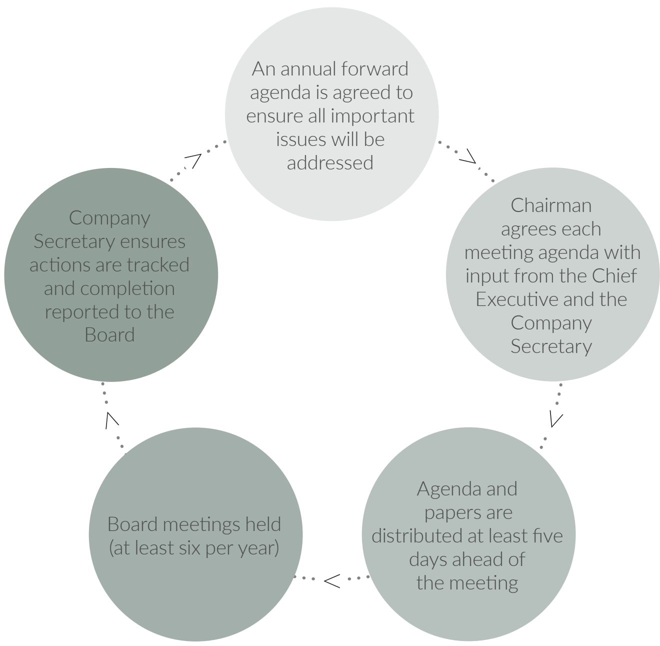
	Independent	Feb	May	June	July	Sept	Oct	Nov
Executive Directors								
Duncan Painter	No	✓	✓	✓	✓	✓	✓	✓
Mandy Gradden	No	✓	✓	✓	✓	✓	✓	✓
Non-Executive Directors								
Scott Forbes (Chairman)	Yes	✓	✓	✓	✓	✓	✓	✓
Rita Clifton	Yes	✓	✓	✓	✓	✓	✓	✓
Gillian Kent	Yes	✓	✓	✓	✓	✓	✓	✓
Paul Harrison	Yes	✓	✓	✓	✓	✓	✓	✓
Judy Vezmar	Yes	✓	✓	✓	✓	✓	✓	✓

There were two additional ad hoc meetings in 2017 called at short notice in relation to the final approval of a proposed acquisition. Judy Vezmar and Rita Clifton were each unable to attend one of these meetings. The acquisition had been thoroughly discussed by the full Board in previous meetings and the Chairman obtained the views of the director unable to attend before the meeting.

The Company policy is for all Directors to attend every meeting in person except in extraordinary circumstances. 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 to the Chairman, CEO, CFO or other Directors, which will then be shared at the meeting.

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

Information flow at Board and Committee meetings
The Board and its Committees use an electronic board portal to gain quick and easy access to meeting papers and other reference materials. The Directors indicated as part of the Board evaluation process that the papers received in advance of meetings are of a high standard, which contributes to the quality of discussion and decision-making. The chart on this page describes the information flow before and after Board meetings.



All Board Committees operate on a similar cycle, planning forward agendas for the year to ensure that all important issues are addressed as part of the annual cycle. The Chairperson of each Committee agrees every agenda with the Company Secretary and relevant members of senior management. Any Committee member can call for reports on additional matters of interest.

Induction and development
All new Directors participate in a full induction programme that takes into account any previous experience they may already have as directors of a public limited company. The induction programme for new Directors typically includes meetings with senior executives across the Group as well as information on the Group's structure, business sectors and operations, and policies to develop each Director's understanding of the Group, its strategy, key risks and challenges.

The Board's forward agenda is designed to include deep dive reviews on all material aspects of the Group to develop Directors' understanding of the business and meet with senior management.

Directors' conflict of interests
The Board has a procedure in place for Directors to declare conflicts of interests and for such conflicts to be considered for authorisation. A Director may be required to leave a Board meeting if a matter upon which a conflict has been declared is discussed. External appointments or other significant commitments of the Directors require prior approval of the Board. The current external appointments of the Directors are set out on pages 34 to 35.

Internal control statement
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 control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the Audit Committee, has carried out a review of the effectiveness of the system of internal controls during the year ended 31 December 2017 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 this review.

/ CORPORATE GOVERNANCE STATEMENT CONTINUED

Investor relations
As well as the activities explained on page 37, there is an ongoing investor relations programme of meetings with institutional investors, fund managers and analysts and participation in 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 2017, it was held in London in November, giving investors the opportunity to meet with the senior management team and to gain a more in-depth understanding of Money20/20, MediaLink and Cannes Lions. The presentations are web cast and available for viewing on the Ascential website.

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. There are defined procedures in place to ensure that the requirements of the Market Abuse Regulations are met.

The Board receives regular reports on issues relating to share price, trading activity and movements in the holdings of institutional investor shareholders. The Board is also provided with current analyst opinions, forecasts and feedback from FTI and from its joint corporate brokers, Goldman Sachs International and Numis Securities Limited, and the views of institutional investors on a non-attributed basis. Besides the Chairman (Scott Forbes), the Senior Independent Director (Rita Clifton) and other Non-Executive Directors are available to meet with shareholders.

Annual General Meeting ("AGM")
The AGM of the Company will take place at 9am on 9 May 2018 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.

UK Corporate Governance Code Compliance Statement
We have complied with all principles and provisions of the 2016 Code ("the Code") throughout the financial year ended 31 December 2017. The Corporate Governance Statement and the cross-referenced reports within set out our approach to applying the Code.

Louise Meads
Company Secretary
23 February 2018

/ REPORT OF THE AUDIT COMMITTEE

2017 Key activities

- Reviewed the significant financial judgements made during the year
- Considered the accounting treatment of acquisitions made during the year
- Considered the implications of IFRS 15 (Revenue from Contracts with Customers)
- Reviewed and approved the financial controls manual
- Oversight of the Risk Management Framework
- Conducted a review of the Annual Report and Accounts to confirm that it was fair, balanced and capable of being readily understood by shareholders
- Reviewed the Viability Statement and the key judgements included therein
- Approved the establishment of the Internal Audit function, the Internal Audit Charter and Internal Audit Plan for 2017
- Reviewed the effectiveness of internal controls and risk management
- Reviewed external and Internal Audit findings
- Approved a revised non-audit services policy

Confirmation of independence

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

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

More information on membership and attendance can be found on page 42.

"The Audit Committee fulfils an important role on behalf of the Board in monitoring the quality of our external reporting and audit as well as assessing the effectiveness of internal controls and the Group's risk management framework."

Paul Harrison
Chairman of the Audit Committee

Committee Chairman's Introduction

Dear Shareholder,

I am pleased to introduce the Report of the Audit Committee for 2017 which describes our activities and areas of focus during the year.

Significant financial judgements and financial reporting
We conducted a review of the significant financial judgements made during the year as well as key financial reporting matters and these are described in more detail on page 45 of this report. In addition to our routine consideration of the potential for fraud in revenue recognition and management override of controls, we also considered the following key reporting judgements:

- Carrying value of goodwill and acquired intangible assets
- Acquisition accounting
- Recognition of deferred tax assets and disclosure
- Adjusted performance measures

We assessed the prospects and viability of the Group, based on the Group's strategic planning, long-range financial forecast and the potential impact of the business should certain risks to the business materialise. We confirmed that a three-year timeframe continued to be appropriate for this assessment and reported to the Board that, based on this assessment, there was a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2020. We also recommended that the Board should continue to adopt the going concern basis for preparation of the financial statements.

Risk management
The principal risks facing the Company are robustly assessed by the Board as a whole. More detail on these risks and the risk management framework is set out on page 22. The ongoing monitoring and effectiveness review of the Group's risk management and internal control systems are described on page 46. The assessment of risk and the review of the risk management systems feeds into the process for assessing the longer-term viability of the Company, which is described further on page 23.

Internal Audit
We have appointed EY as our partner in our co-sourced Internal Audit model, enabling us to benefit from access to specialist subject matter expertise and leveraging of technologies for deeper intelligence on potential business risks. We approved the 2017/18 Internal Audit Plan and received Internal Audit reports on findings from reviews. More detail on internal audit is given on page 47.

Paul Harrison
Chairman of the Audit Committee
23 February 2018

/ REPORT OF THE AUDIT COMMITTEE CONTINUED

Role and composition

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

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

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

The Committee meets at least three times a year. During 2017, the Committee met four times and all members were in attendance at all meetings:

	Committee meetings				
Members	22 Feb	10 Jul	21 Jul	29 Nov	Attendance
Paul Harrison	✓	✓	✓	✓	100%
Rita Clifton	✓	✓	✓	✓	100%
Gillian Kent	✓	✓	✓	✓	100%

Committee activity in 2017

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

- accounting policies and principles applied;
- evaluating new accounting standards (for example, IFRS 15);
- accounting treatment for acquisitions;
- material accounting judgements and assumptions made by management, or significant issues or audit risks identified by KPMG;
- whether the Annual Report and Financial Statements are fair; balanced and understandable and provide the necessary information for shareholders to assess the Company's position and performance, business model and strategy; and
- compliance with relevant accounting standards and other legal or regulatory financial reporting requirements, including the UK Corporate Governance Code.

Viability Statement
We reviewed the process undertaken and conclusions reached to support the Company's Viability Statement which can be found in full on page 23. Our review included:

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

Significant financial judgements in 2017

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

Issue	Judgement
Carrying value of goodwill and acquired intangible assets	The Committee reviewed the carrying value of goodwill and other intangible assets for impairment, including a detailed review of the assumptions underlying the "value in use" calculations for businesses identified as cash generating units ("CGU"). The key assumptions underlying the calculations are primarily the achievability of the long-term business plan, CGU specific discount rates, anticipated revenue growth in the short-term and long-term growth assumptions. For further information, please see Note 14 of the consolidated financial statements on pages 93 and 94. The Committee reviewed management's analysis and underlying assumptions, and were satisfied with the conclusions which demonstrated that no impairment or revision to useful economic life is needed.
Acquisition accounting	Acquired businesses give rise to material assets and liabilities at the point of acquisition that are based on estimates and judgements about future performance. The provisional recognition of goodwill, intangible assets, other assets and liabilities and estimates of the fair value of consideration transferred were based on a number of assumptions. Often, significant elements of consideration are deferred, contingent on future performance, and may be subject to other conditions such as continued employment of key management personnel. Significant judgement is involved in assessing the relevant forecast, and selecting the appropriate discount rates. The Committee reviewed the acquisition accounting calculations and underlying estimates and assumptions for Clavis Insight and MediaLink, which were both acquired during 2017. In respect of acquisitions in earlier years such as Money 20/20 and One Click Retail, the Committee reviewed the calculations in respect of deferred consideration and acquisition-related contingent employment costs in light of changes in forecast, in order to ensure these continued to be appropriate.
Value of recoverable tax losses	The determination of profits subject to tax is calculated according to complex laws and regulations, the interpretation and application of which can be uncertain. In addition, deferred tax assets and liabilities require judgement in determining the amounts to be recognised, with consideration given to the timing and level of future taxable income over multiple years. The main area of judgement is the recognition of the US deferred tax asset. The Committee reviewed a report on the background to the Group's historic US net operating losses, the extensive period over which they will be recovered in cash and other significant judgements and rigorously challenged. The Committee also considered reports presented by KPMG before determining that the amount recognised as deferred tax asset is appropriate. The Committee reviewed the proposed disclosures on taxation in Note 9 and agreed that the presentation of taxation, including deferred taxes, appropriately addresses the significant change in the international tax environment and that sufficient and appropriately transparent disclosures are provided.
Adjusted performance measures	The Group uses certain non-GAAP measures of performance, as, in the opinion of the Directors this provides a better understanding of the underlying performance of the business, and provides better comparability with other peer group companies. The use and definition of these measures is a matter of judgement. The Committee ensures that there is equal prominence given to adjusted and statutory performance measures, and that there are full reconciliations between the two where appropriate. The Committee discussed these measures with both management and advisers, including KPMG, to ensure that the measures were reasonable, and reviewed their use in the context of the overall Annual Report to ensure that this was consistent with the Code requirement to be fair, balanced and understandable.

Fair, balanced and understandable

The Board asked the Committee to consider whether the 2017 Annual Report is fair, balanced and provides the necessary information for shareholders to assess the Company's position and prospects, business model and strategy. In performing this review, the Committee considered the following questions:

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

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

/ REPORT OF THE AUDIT COMMITTEE CONTINUED

Financial Reporting Council ("FRC") Thematic Review
During the year the FRC communicated with the Company regarding its Annual Report for the year ended 31 December 2016 in relation to the FRC's thematic review of significant accounting judgements and sources of estimation uncertainty. Some additional disclosure items have been included within the Annual Report to provide the reader with a better understanding.

The FRC's review only covered the specific disclosures relating to this thematic review and provides no assurance that the report and accounts are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

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

The major components of the internal controls systems include:

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

Specific matters considered in relation to controls effectiveness included:

- cyber security procedures;
- legal regulatory compliance update;
- review of tax risks and compliance issues;
- treasury policy review;
- fraud, ethical issues and whistleblowing occurrence; and
- legal claims.

A formal control self-assessment process has been established during the year in relation to financial controls. This process describes each control objective, the controls required to meet the objective, the frequency of operating the control and the evidence to be retained by management to demonstrate the control exists. Management teams across the Group then self-assess their compliance with this framework. It is planned that Internal Audit will perform a review in 2018 of the control self-assessment performed by management to ensure that it is in line with the expected standards outlined in the framework.

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

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

Audit tender
KPMG was appointed as the Group's auditor in 2010 and we intend to conduct a competitive audit tender process before the end of 2020, in accordance with the EU Statutory Audit regime and the Competition and Markets Authority Order (CMA Order). The 2017 audit will be the fifth consecutive year for the current audit engagement partner who will, in accordance with KPMG's independence rules, rotate off the audit in 2018. We have worked with KPMG and management during the year to identify a new lead audit partner to ensure a smooth transition for 2018.

For the financial year ending 31 December 2017, we have recommended to the Board that KPMG be reappointed under the current external audit contract and the Directors will be proposing KPMG's reappointment at the Annual General Meeting on 9 May 2018.

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

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

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

During 2017, we reviewed our non-audit services policy to ensure compliance with the new EU Statutory Audit regime and included an overall cap on fees for non-audit services to the external auditor of 70% of the average statutory audit fee for the Group. The policy sets out which services are prohibited and cannot be provided by the external auditor. The auditor is generally only engaged for audit and related activities (such as annual covenant compliance audits). However, if there is a case to use the external auditor to provide non-audit services, permission is required prior to the engagement of the external auditor in accordance with the following table:

Value of non-audit services	Approver
<£25,000	Group Financial Controller or Chief Financial Officer
£25,000 – £50,000	Chairman of the Audit Committee
>£50,000 (previously £100,000)	Audit Committee

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

A breakdown of total audit and non-audit fees paid to KPMG during 2017 is set out in Note 90 to the financial statements. These non-audit services were pre-approved in accordance with the non-audit services policy.

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

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

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

Paul Harrison
Chairman of the Audit Committee
23 February 2018

/ REPORT OF THE NOMINATION COMMITTEE

2017 Highlights

- Considered the succession planning requirements for the Board and senior management team
- Reviewed and confirmed the independence of the Non-Executive Directors
- Agreed the design of the Board evaluation process

Role of the Nomination Committee

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

Confirmation of independence

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

"The Board evaluation process confirmed that the Board has worked effectively during the year, with a committed, skilled and gender-diverse Board who are very engaged with Ascential's business, its challenges and opportunities. As a Committee, we continued to focus on succession planning and talent development programmes during 2017."

Scott Forbes
Chairman

Dear Shareholder,

I am pleased to introduce the Report of the Nomination Committee for 2017.

Despite there being no changes to Board appointments during the year, the Committee has been active in a number of areas focusing primarily on organisation and succession planning review. This included a detailed review of the succession plans in place for the Executive Directors and members of the senior management team, across both the brand and central teams. Formal development plans are being established as part of succession planning and progress with these plans will be an area of focus for the Committee in 2018.

Changes to the structure of the Executive team were agreed, with the augmentation of the Executive Committee through the addition of two additional roles as well as improving CEO bandwidth through a restructuring of reporting lines below Executive Director level.

The Committee also received updates from the Chief People Officer on other strategic people matters including diversity, engagement levels, retention levels, and strategic skills and capability planning. We have four female Board members, representing 57%, which exceeds the one-third recommended by the Hampton-Alexander review. We will continue to focus efforts on increasing a more diverse representation throughout the senior management and senior leaders population.

As all of the Non-Executive Directors have a broadly similar tenure following the Company's IPO in February 2016, the Committee will develop plans to ensure an orderly refreshment of skills and experience on the Board during 2018. It will also review the composition of the Board to ensure that the balance remains appropriate to fully support the Company's strategy.

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

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

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

External Directorships
The Committee keeps under review the number of external directorships held by each Director and performance evaluation is used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties.

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

Board effectiveness
The policy on Board effectiveness reviews is that an externally led evaluation of the Board, Committees and individual Directors will be conducted every third year. An internal Board effectiveness evaluation was conducted during 2017 and the Committee approved the design of this process in advance. The results of the evaluation were very positive and more detail on this is set out on page 37.

Attendance at Committee meetings
The Committee meets at least annually. During 2017, the Committee met twice and all members were in attendance at both meetings:

	Committee meetings		
Members	1 Nov	29 Nov	Attendance
Scott Forbes	✓	✓	100%
Rita Clifton	✓	✓	100%
Judy Vezmar	✓	✓	100%

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

Scott Forbes
Chairman of the Nomination Committee
23 February 2017

/ DIRECTORS' REMUNERATION REPORT

2017 Highlights

- Directors Remuneration Policy approved with over 98% shareholder support at the AGM vote in May 2017
- Adjusted EBITA growth of 21%
- Revenue growth from continuing operations of 25% on a reported basis (6% on an Organic basis)
- Good link between performance and remuneration
- Bonuses earned at 47.5% of the maximum based on Adjusted EBITA and revenue

In this section

- Annual Statement from the Chairman of the Remuneration Committee on behalf of the Board
- Annual Report on Remuneration
- Directors' Remuneration Policy

Confirmation of independence

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

"I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2017. The Remuneration Committee has reaffirmed that our long-term focused Remuneration Policy remains appropriate and is unchanged from that approved by shareholders at the 2017 AGM. In applying it in 2017, we have overseen the delivery of a robust link between pay and performance."

Judy Vezmar
Chairman of the Remuneration Committee

Annual Statement from the Chairman of the Remuneration Committee

Dear Shareholder,

The Directors' Remuneration Policy we proposed to shareholders at the AGM in May 2017 received over 98% shareholder support, as did the Annual Report on Remuneration.

In advance of applying this policy in 2018, the Committee re-confirmed that the current pay model remained appropriate for a Company focused on delivering sustained long-term growth. This was on the basis that the current policy is heavily weighted towards long-term performance through our long-term incentive plan and the requirement to defer half of bonus into shares, with our pay model also supported through the significant shareholders of the Executive Directors. We also considered during the year how well our application of policy links to strategy and whether the link to strategy would be strengthened by the use of non-financial performance conditions in the annual incentive plan, and whether the application of our policy has achieved alignment between management and shareholders. We undertook this review in the context of the development of the debate about the future direction of executive remuneration in the UK, as well as in the context of the remuneration policy for the Group's wider employee base.

In light of the relationship between pay and performance we achieved in 2017, we concluded that our current approach to applying the Directors' Remuneration Policy continues to be effective and we are not proposing any changes to the application of policy for 2018.

Performance and Reward in 2017
Ascential delivered good results during 2017, with revenue from continuing operations of £375.8m (2016: £299.6m), growth of 25% on a reported basis, or 6.4% on an Organic Basis. Adjusted EBITA grew by 21% to £108.4m (2016: £89.3m). More details on the Group's performance during the year can be found on pages 12 to 18.

Annual bonus targets for Executive Directors are linked to revenue and Adjusted EBITA, which are both considered to be key performance measures of successful implementation of the Group's strategy. The bonus targets set for the Executive Directors were stretching, with on-target bonus of 62.5% of base salary (50% of maximum) payable for achieving revenue of £379.2m and Adjusted EBITA of £109.0m. Reflecting the challenging nature of the bonus targets set, notwithstanding the growth in revenue and Adjusted EBITA noted above, the Executive Directors were both awarded an annual bonus in relation to 2017 performance just below the target level of performance at 59.4% of base salary. More details on the targets set and performance achieved can be found on page 53.

The Committee chose not to include non-financial targets for the Executive Directors' annual bonus plan for 2017. This decision was reviewed during the year and the Committee concluded that as all of the non-financial targets that were most appropriate to driving strategy contributed directly to the financial measures of revenue and profit, the simplicity and increased transparency derived from setting purely financial targets should be maintained for 2018.

There were no long-term incentive awards eligible to vest based on performance to 31 December 2017. The first long-term incentive awards were granted by the Company in March 2016 and so are not due to vest until March 2019.

All employees in eligible countries were once again invited to participate in the Group's Sharesave plans, which gives employees the opportunity to benefit from the business success they help to create. In celebration of the successful IPO in 2016, an award of free shares worth £1,000 each was made to around 1,600 eligible employees at that time. We were pleased to repeat this award during the year for our colleagues joining Ascential following the acquisition of One Click Retail and MediaLink to help build a sense of shared purpose, and recognise and reward our new colleagues for their positive contribution to our growth and performance.

How the policy will be implemented for the 2018 financial year
We have reviewed the Executive Directors' base salaries, in the context of the increases that were awarded in 2017 and the wider pay conditions for employees across the Group. We concluded that, in line with the employee population, the base salaries of the Executive Directors will be increased by 2.5% with effect from 1 April 2018.

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.

In line with our policy, Performance Share Plan ("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). In setting the performance targets, we reviewed the range of Adjusted EPS targets in light of macro-economic conditions and performance expectations, and the range was re-calibrated from 8% to 12%, to 6% to 13%. This range was considered to be similarly challenging to the range set to apply to the 2017 PSP having taken into account current circumstances. Full details of the performance targets to be applied are set out on page 57.

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 2017 financial year were:

- engaging as appropriate with shareholders and their advisory bodies;
- reviewing the remuneration policy to ensure continued effectiveness;
- reviewing base salaries for Executive Directors and senior management;
- agreeing remuneration packages and arrangements for senior employees;
- approving the bonus outturn for Executive Directors and senior management;
- setting bonus targets for Executive Directors and approving them for senior management;
- engaged by management in relation to changes in remuneration policy for the wider employee base;
- approving awards under the Company's share plans;
- running a formal review process of the external advisers to the Committee;
- considering the implications of Gender Pay Gap Reporting and working with the Chief People Officer to review the Company's results and enhance the Company's future performance;
- approving the Directors' Remuneration Report; and
- reviewing its own performance.

I hope that you find the information in this report helpful and I look forward to your support at the Company's AGM in May 2018.

Judy Vezmar
Chairman of the Remuneration Committee
23 February 2018

/ DIRECTORS' REMUNERATION REPORT CONTINUED

Annual Report on Remuneration – subject to an advisory vote at the 2018 AGM

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

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

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

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

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

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

Committee attendance during the year

	Committee meetings					
	February		June	November		
	1st	23rd	20th	1st	29th	Attendance
Judy Vezmar	✓	✓	✓	✓	✓	100%
Gillian Kent	✓	✓	✓	✓	✓	100%
Paul Harrison	✓	✓	✓	✓	✓	100%

Total remuneration for the financial year to 31 December 2017 (Audited)

The following tables report the total remuneration receivable in respect of qualifying services by each Director for the year ended 31 December 2017. The 2016 figures represent remuneration received in respect of qualifying service for a part year from the Company's IPO in February 2016 to 31 December 2016.

£'000		Salary and fees	Taxable benefits[1]	Annual bonus[2]	Long Term Incentive[3]	SIP	Pension	Total
Executive								
Duncan Painter	2017	509	5	302	–	–	40	856
	2016	408	4	115	–	1	37	565
Mandy Gradden	2017	344	4	204	–	–	27	579
	2016	279	3	78	–	1	22	383
Non-Executive								
Scott Forbes	2017	170	–	–	–	–	–	170
	2016	150	–	–	–	–	–	150
Rita Clifton	2017	55	–	–	–	–	–	55
	2016	35	–	–	–	–	–	35
Paul Harrison	2017	60	–	–	–	–	–	60
	2016	53	–	–	–	–	–	53
Gillian Kent	2017	50	–	–	–	–	–	50
	2016	44	–	–	–	–	–	44
Judy Vezmar	2017	60	–	–	–	–	–	60
	2016	53	–	–	–	–	–	53
Total	2017	1,248	9	506	–	–	67	1,830
Total	2016	1,022	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 received during 2017 – i.e. pro-rated for salary increase with effect from 1 April 2017.
3 The first awards under the PSP were made in March 2016 and will vest in March 2019, subject to performance criteria. Value on vesting will be reported in the Annual Report on Remuneration relating to the year in which they vest.

Mandy Gradden is also a non-executive director of SDL plc and received fees totalling £55,000 in 2017 from that external appointment. Duncan Painter is a non-executive director of Investis Limited but has elected to waive his fee in relation to this appointment. The base non-executive fee currently paid by Investis Limited is £30,000 per annum.

How was the annual bonus payment determined? (Audited)

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

Target	Weighting	Threshold		Target		Maximum		Actual	
	%	Required result	Payout as a % of maximum	Required result	Payout as a % of maximum	Required result	Payout as a % of maximum	Actual result	Payout as a % of maximum[1]
Revenue	50	341.3	0	379.2	50	398.2	100	375.8	45
EBITA	50	98.1	0	109.0	50	114.5	100	108.4	50

1 Performance is rounded to the nearest whole percentage

Financial metrics for the annual bonus plan are measured at constant currency and the targets have been adjusted from budget rates to reflect the actual exchange rates that were in force during 2017.

The above targets were also adjusted during the year to take account of material acquisitions and disposals. The adjustments were made to ensure that the original targets were no more or less challenging than when initially set (e.g. the EBITA and revenue targets were increased to reflect the expected additional benefit arising from the acquisitions).

The Committee therefore determined that in respect of the year to 31 December 2017, 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	59.4	£302,070	£151,035	£151,035
Mandy Gradden	125	59.4	£204,398	£102,199	£102,199

1 Bonus payable has been calculated as a percentage of the salary earned by each Director in 2017.

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

The Committee confirmed the level of bonus payouts were appropriate with respect to the 2017 performance. At the time of setting the targets the Committee considered the target ranges to provide an appropriate balance between being achievable at the bottom end of the performance ranges and providing a stretch target at the top end of the ranges. The targets were considered similarly demanding to those set for 2016 allowing for changes to the Company's portfolio of businesses and, for any bonuses to become payable, a threshold EBITA was set at £98.1m which was well ahead of the threshold target set in 2016 of £90.9m and 2016 actual achieved of £89.3m.

/ DIRECTORS' REMUNERATION REPORT CONTINUED

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

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

	Type of award	Number of shares	Face value (£)	Face value as a % of salary[1]	Threshold vesting	End of performance period
Duncan Painter	PSP	307,219	919,998	200%	25%	31 December 2019
	DABP	19,201	57,499	12%	–	–
Mandy Gradden	PSP	184,081	551,249	175%	25%	31 December 2019
	DABP	13,099	39,226	12%	–	–

1 Face value as a percentage of salary has been calculated on the Directors' annual salary at the date of grant in March 2017.

The 2017 PSP and DABP awards were both granted as nil cost options. The share price at the date of grant for both awards was £2.9946. Awards under the DABP are not subject to performance criteria as they are the element of the 2016 performance related to annual bonus paid as deferred shares which will normally vest three years after the date of grant. The 2017 PSP Awards are subject to the following performance criteria, which are measured independently:

Performance criteria	Weighting	Threshold (25% vesting)	Stretch (100% vesting)	Measurement period
Adjusted EPS Compound Annual Growth Rate ("CAGR")	75%	8%	12%	CAGR measured over the three financial years to 2019, using 2016 as the base year
Relative Total Shareholder Return[1]	25%	Median	Upper quartile	Average Net Return Index of Company and each member of the constituent group ("Average Return") during the three month period ending on 31 December 2016 to the Average Return during the three month period to 31 December 2019

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

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

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

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

Duncan Painter

Scheme	Interests at 1 Jan 2017	Granted in year	Lapsed in year	Exercised in year	Interests at 31 Dec 2017	Date of grant	Exercise price (£)	Vesting date	Expiry date
PSP	402,500		–	–	402,500	21 Mar 16	nil	21 Mar 19	20 Mar 26
PSP	–	307,219	–	–	307,219	07 Mar 17	nil	07 Mar 20	06 Mar 27
DABP	–	19,201	–	–	19,201	07 Mar 17	nil	07 Mar 20	06 Mar 27
SAYE	8,823	–	–	–	8,823	30 Sep 16	2.04	01 Nov 19	30 Apr 20
SIP[1]	502	7	–	–	509	10 Mar 16	nil	10 Mar 19	n/a
Total	411,825	326,427	–	–	738,252				

Mandy Gradden

Scheme	Interests at 1 Jan 2017	Granted in year	Lapsed in year	Exercised in year	Interests at 31 Dec 2017	Date of grant	Exercise price (£)	Vesting date	Expiry date
PSP	236,250		–	–	236,250	21 Mar 16	nil	21 Mar 19	20 Mar 26
PSP	–	184,081	–	–	184,081	07 Mar 17	nil	07 Mar 20	06 Mar 27
DABP	–	13,099	–	–	13,099	07 Mar 17	nil	07 Mar 20	06 Mar 27
SAYE	8,823	–	–	–	8,823	30 Sep 16	2.04	01 Nov 19	30 Apr 20
SIP[1]	502	7	–	–	509	10 Mar 16	nil	10 Mar 19	n/a
Total	245,575	197,187	–	–	442,762				

1 The shares granted during the year were dividend shares.

The closing share price of Ascential's ordinary shares at 31 December 2017 was 385.3p and the closing price range from 1 January 2017 to 31 December 2017 was 268.0p to 386.0p.

Ordinary shares required to fulfil entitlements under the PSP, DABP, SAYE and SIP may be provided by Ascential's Employee Benefits Trusts ("EBT"). As beneficiaries under the EBT, the Executive Directors are deemed to be interested in the Ordinary Shares held by the EBT which, at 31 December 2017, amounted to 448,744. Assuming that all awards made under Ascential's share plans vest in full, Ascential has utilised 1.65% of the 10% in ten years and 1.11% of the 5% in five years dilution limits.

What pension payments were made in 2017? (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	1.5	38.2
Mandy Gradden	–	26.7

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 there any payments made to past Directors during 2017? (Audited)

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

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

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

				Outstanding awards			
Director	Beneficially owned at 31 Dec 2017	Beneficially owned at 31 Dec 2016	Shareholder guideline achieved?	PSP	DABP	SAYE	SIP
Duncan Painter	3,551,030	3,528,429	Yes	709,719	19,201	8,823	509
Mandy Gradden	771,780	1,171,773	Yes	420,331	13,099	8,823	509
Scott Forbes	206,050	206,050	n/a	–	–	–	–
Rita Clifton	–	–	n/a	–	–	–	–
Paul Harrison	2,820	–	n/a	–	–	–	–
Judy Vezmar	50,000	50,000	n/a	–	–	–	–
Gillian Kent	–	–	n/a	–	–	–	–
Total	4,581,680	4,956,252		1,130,050	32,300	17,646	1,018

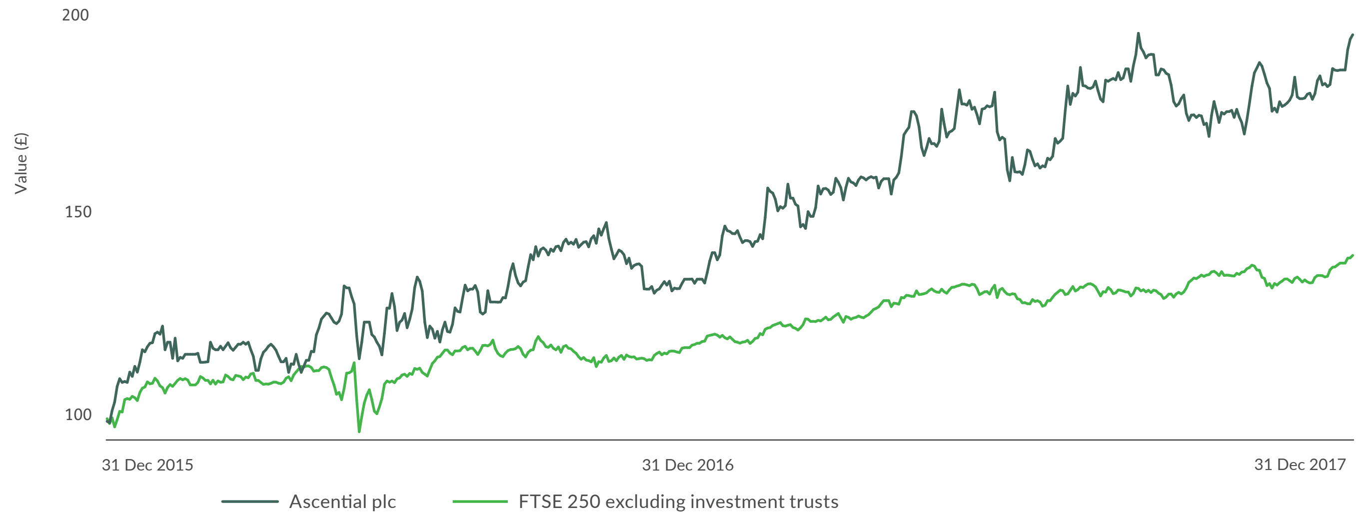
To align the interests of the Executive Directors with shareholders, each Executive Director must build up and maintain a shareholding in Ascential equivalent to 200% of base salary. Until the guideline is met, Executive Directors are required to retain 50% of any PSP and DABP share awards that vest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

Mandy Gradden disposed of 400,000 shares at a price of £2.98 on 2 March 2017 following the expiration of the 360 day lock-up period following Admission on 12 February 2016 and the announcement of the Company's 2016 financial results. Her resultant holding remains well in excess of the shareholding guideline of 200% of salary.

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

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

Total Shareholder return



Source: Datastream (Thomson Reuters)

This graph shows the value, by 31 December 2017, of £100 invested in Ascential plc on 08 February 2016, compared with the value of £100 invested in the FTSE 250 excluding investment trusts by each year end.

/ DIRECTORS' REMUNERATION REPORT CONTINUED

The total remuneration figure for the CEO during 2016 and 2017 is shown below. The 2016 figures relate to the period from Admission on 24 February 2016 to 31 December 2016. The total remuneration figure includes the annual bonus which was awarded based on performance in those years. Where that bonus was subject to deferral, it is shown in the year in which it was awarded. No long-term incentive awards vested to the CEO during the period.

	2017	2016
Total Remuneration (£'000)	856	565
Annual Bonus (% of max)	47.5%	20.0%

How does the change in CEO's pay compare to that for Ascential employees?
The movement in the salary and annual bonus for the CEO, who is the highest paid Director, between the current and previous financial year compared to that for the average UK employee is shown below.

	Percentage change[1]
CEO	
Salary	10%
Bonus	163%
Taxable benefits	No material change
Average employee	
Salary	2%
Bonus	7%
Taxable benefits	11%

1 Duncan Painter's 2016 salary has been annualised to provide a more accurate comparative to 2017 as the single figure of remuneration for 2016 salary relates to qualifying services for the period from IPO in February 2016 to 31 December 2016, whilst the average employee 2016 figure relates to the full year.

Duncan Painter's salary was re-set during 2017 following shareholder consultation and as approved at the 2017 AGM. He will receive a 2.5% base pay increase in 2018. 2016 bonus was paid at 20% of maximum, compared to 48% of maximum in 2017. In 2017, bonus attainment was calculated solely by reference to financial performance. Other employees within Ascential receive a bonus linked partially to personal key performance indicators.

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

	2017	2016	% change
Total employee costs	£136.4m	£111.1m	23%
Dividend per ordinary share[1]	5.6p	4.7p	19%

1 The 2016 figure of 4.7p is the total dividend per ordinary share paid in respect of the 2016 financial year. The 2017 figure of 5.6p is the 2017 interim dividend and the proposed 2017 final dividend per ordinary share, which is subject to shareholder approval at the 2018 AGM.

What advice did the Committee receive?
The Committee conducted a review of its external remuneration adviser and subsequently appointed Korn Ferry Hay Group as the new independent adviser to the Remuneration Committee in October 2017. Previously, the Committee had been advised by New Bridge Street, a trading name of Aon Hewitt Ltd, part of Aon plc. Aon also provides insurance broking services to the Company. Korn Ferry Hay Group do not provide any services to the Company. Both advisers are signatories to the Remuneration Consultant's Code of Conduct, which requires that is advice be objective and impartial.

Total fees paid during the year for providing advice and information related to remuneration and employee share plans to the Committee were £37,372 to New Bridge Street and £14,720 to Korn Ferry Hay Group.

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

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

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

	Remuneration Policy	%	Annual Report on Remuneration	%
Votes cast in favour	343,536,389	98.60	346,171,164	99.36
Votes cast against	4,878,355	1.40	2,243,580	0.64
Total votes cast	348,414,744		346,171,164	
Abstentions	502		502	

How will the Directors' Remuneration Policy be used in the 2018 financial year?

Base salary

The base salaries of the Executive Directors will be increased by 2.5% with effect from 1 April 2018, in line with the wider employee group, taking Duncan Painter's salary to £538,125 and Mandy Gradden's salary to £362,850.

Annual bonus plan

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

The Committee has chosen not to disclose, in advance, the performance targets for the forthcoming year as these include items which the Committee considers commercially sensitive. An explanation of bonus payouts and performance achieved, along with the targets set, will be provided in next year's Annual Report on Remuneration.

Performance Share Plan

The Committee intends to grant PSP awards to the Executive Directors in 2018 at 200% of salary for Duncan Painter and 175% of salary for Mandy Gradden.

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

The Adjusted EPS targets that are intended to apply to the 2018 PSP awards were set following the Committee's review of internal financial planning, external market expectations, current macro-economic conditions and range of targets to apply will require annual growth of between 6% and 13% per annum from the 2017 Adjusted EPS result. These targets are considered to be no less challenging to the range of targets set for the 2017 awards, providing a realistic incentive at the lower end of the performance range, but with full vesting requiring exceptional outperformance in the current commercial context.

A summary of the 2018 performance targets is set out below:

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

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

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

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

In line with the Executive Directors and the wider employee population, the fees of the Chairman and the Non-Executive Directors will increase by 2.5% with effect from 1 April 2018.

	2018 £	2017 £	% change
Board Chairman	174,250	170,000	2.5%
Basic fee	51,250	50,000	2.5%
Additional fee for Senior Independent Director	5,000	5,000	–
Additional fee for Committee Chairman	10,000	10,000	–

/ DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy – as approved at the 2017 AGM

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 was approved at the AGM in May 2017.

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 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.

/ DIRECTORS' REMUNERATION REPORT CONTINUED

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. For the awards granted in FY18, 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.

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 2018 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 table opposite.

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.

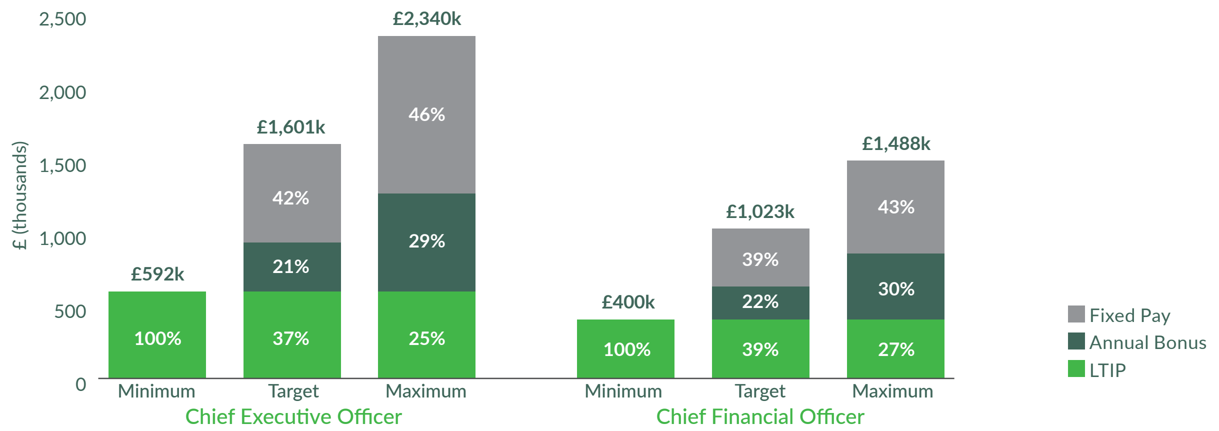
Benefits will be provided in line with those offered to the other Executive Directors, taking account of local market practice.

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



Assumptions:

- **Minimum:** Fixed pay only consisting of salary as at 1 April 2018, plus 2017 benefits plus 9% of salary pension
- **On-target:** Fixed pay plus 50% of the maximum bonus of 125% of salary and PSP vesting of 62.5% of the maximum award of 200% of salary for the CEO and 175% of salary for the CFO
- **Maximum:** Fixed pay plus maximum bonus of 125% of salary plus full vesting of the PSP awards of 200% of salary for the CEO and 175% of salary for the CFO

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.

/ DIRECTORS' REMUNERATION REPORT CONTINUED

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.

Dates of Directors' service contracts/letters of appointment

	Date of service contract/ appointment	Unexpired term of contract at 31 December 2017
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	

Approval
This report was approved by the Board of Directors on 23 February 2018 and is signed on its behalf by:

Judy Vezmar
Chairman of the Remuneration Committee
23 February 2018

/ DIRECTORS' REPORT

Index to principal Directors' Report and Listing Rule disclosures
Relevant information required to be disclosed in the Directors' Report may be found in the following sections:

Information	Section in Annual Report	Pages
Business review	Strategic Report	4 – 11
Principal risks and uncertainties	Strategic Report	24 – 27
Disclosure of information to auditor	Directors' Report	67
Directors in office during the year	Corporate Governance Report	41
Dividend recommendation for the year	Strategic Report	17
Directors indemnities	Directors' Report	65
Corporate responsibility	Strategic Report	30 – 33
Greenhouse gas emissions	Directors' Report	67
Financial instruments – risk management objectives and policies	Notes to the Financial Statements	106 – 107
Future developments of the Company	Strategic Report	5
Employment policies and employee involvement	Strategic Report and Directors' Report	28 – 29 and 67
Structure of share capital, including restrictions on the transfer of securities, voting rights and interests in voting rights	Directors' Report	65 – 66
Political donations	Directors' Report	67
Rules governing changes to Articles of Association	Directors' Report	67
Going concern statement	Strategic Report	18

The above information is incorporated by reference and together with the information on pages 63 to 66 forms the Directors' Report in accordance with section 415 of the Companies Act 2006.

Strategic Report
The Strategic Report is set out on pages 1 to 33 and was approved by the Board on 23 February 2018. It is signed on behalf of the Board by Duncan Painter, Chief Executive Officer.

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

Directors' indemnities
The Company maintained appropriate insurance to cover Directors' and Officers' liability for itself and its subsidiaries and such insurance was in force for the whole of the year ended 31 December 2017.

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

Share capital and rights attaching to shares
Details of the Company's share capital and movements during the year are set out in Note 26 to the financial statements, which is incorporated by reference into this report. This includes the rights and obligations attaching to shares and restrictions on the transfer of shares. The ordinary shares of £0.01 each are listed on the London Stock Exchange (LSE: ASCL.L). The ISIN of the shares is GB00BYM8GJ06.

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

Without prejudice to any rights attached to any existing shares and subject to relevant legislation, the Company may issues 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.

/ DIRECTORS' REPORT CONTINUED

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

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

Shares held by the Employee Benefit Trust ("EBT")
The Group has an Employee Benefit Trust which can hold shares to satisfy awards under employee share schemes. At 31 December 2017, the EBT held 448,744 shares. Voting rights in relation to any shares held in the EBT are exercisable by the trustee; however, in accordance with best practice guidance, the trustee abstains from voting.

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

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 were subject to certain customary exceptions.

Interest in voting rights
Details of the share capital of the Company are set out in Note 26 to the Financial Statements.

As at 31 December 2017 and 23 February 2018, the Company received notifications in accordance with the FCA's Disclosure and Transparency Rule 5.1.2 of the following interests in the voting rights of the Company.

	As at 31 December 2017		As at 23 February 2018	
Shareholder	Number of voting rights notified	Percentage of voting rights over ordinary shares of £0.01 each	Number of voting rights notified	Percentage of voting rights over ordinary shares of £0.01 each
Old Mutual plc	75,989,403	18.97	75,989,403	18.97
Ameriprise Financial, Inc	40,209,488	10.04	40,209,488	10.04
Black Rock Inc	39,055,290	9.74	36,041,597	8.99
AXA Investment Managers	24,218,035	6.05	24,218,035	6.05
FMR LLC	Below 5%	Below 5%	21,944,402	5.47
T Rowe Price Associates, Inc	20,315,108	5.07	20,315,108	5.07

Greenhouse gas emissions statement

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

The table below includes combustion of fuel (Scope 1) and purchased electricity (Scope 2) at our offices and in our company vehicles for 2016 and 2017:

	2017	2016	Unit	% var
Emissions type				
Scope 1[1]	66.99	68.44[2]	Tonnes of CO_2	-2.1%
Scope 2[3]	709.8	653.6[4]	Tonnes of CO_2	+ 8.6%
TOTAL	**776.79**	**722.04**	**Tonnes of CO_2**	**+ 7.6%**
Intensity factors				
Total headcount	1,857	1,610	Full time equivalence (FTE)	+15.3%
Total area[5]	21,316	17,989	Square metres	+18.5%
Carbon intensity 1: Area[5]				
Scope 1	3.14	4.08	Kg of CO_2 per m^2	-23.0%
Scope 2	33.30	44.09	Kg of CO_2 per m^2	-24.5%
TOTAL	**36.44**	**48.17**	**Kg of CO_2 per m^2**	**-24.4%**
Carbon intensity 2: Headcount[6]				
Scope 1	36.07	45.60	Kg of CO_2 per FTE	-20.9%
Scope 2	382.23	492.67	Kg of CO_2 per FTE	-22.4%
TOTAL	**418.30**	**538.27**	**Kg of CO_2 per FTE**	**-22.3%**

1 Scope 1 emissions are calculated from fuel use in company-leased vehicles using the distance-based calculation method (DEFRA GHG conversion factors 2016). Emissions from personal or privately-hired vehicles used for company business are considered to be Scope 3 (GHG protocol) and as such are not included in the 'Operational control' boundary approach (see 'Methodology and scope').
2 Scope 1 emissions from 2016 have been restated due to amendments in company car mileage data (2016: 73.4 tCO_2).
3 Scope 2 emissions are calculated from energy consumption at Ascential offices (excluding home workers). CO_2 figures are based on the energy consumption of approximately 50% of Ascential's operations with estimates used for the remainder based on office surface area. Where the consumption of energy other than electricity (e.g. natural gas) is supplied as part of a leased building's SLA and is not available, this information has not been included in the data.
4 Scope 2 emissions from 2016 have been restated due to newer conversation factors and an alternative area calculation methodology being used (2016: 793.2 tCO_2).
5 Total area includes 21,316m^2 over 32 offices (as of year-end 2017).
6 Total headcount includes 1,857 full-time equivalent employees. This includes headcount associated with office locations occupied for part of the year prior to the disposal of certain businesses.

Methodology and scope

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

Timeframe and future reporting

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

Changes to the Company's Articles

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

Authority to allot shares

Under the Companies Act 2006, the Directors may only allot shares if authorised to do so by shareholders in a general meeting. The authority conferred on the Directors at a general meeting of shareholders held on 11 May 2017 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 £2,671,044 (267,104,412) shares, representing approximately two-thirds of the Company's issued share capital at 22 February 2018, of which 133,552,206 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 2019 or 9 August 2019 if earlier.

Political donations

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

Significant contracts

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

In addition, the Company's subsidiaries have venue agreements with The City of Cannes 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.

Employment practices

All employment decisions are made irrespective of colour, race, age, nationality, ethnic or national origin, sex, mental or physical disabilities, marital status or sexual orientation. For employees who may have disability, the Group ensures proper procedures and equipment are in place to aid them. When it comes to training, career development and promotion, all employees are treated equally and job applications are always judged on aptitude. Further details on the Group's policies on engagement and employment practices is set out on pages 28 to 29.

Auditor

Each of the Directors has confirmed that:

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

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

Post balance sheet events

There were no reportable post balance sheet events.

/ DIRECTORS' REPORT CONTINUED

Annual General Meeting
The AGM of the company will take place at 9am on 9 May 2018 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 AGM can be found in a separate booklet which is being mailed out at the same time as this report. It is also available at Ascential.com. The Notice sets out the resolution to be proposed at the AGM and an explanation of each resolution. The Directors consider that all of the resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole. To that end, the Directors unanimously recommend that shareholders vote in favour of each of them.

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

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

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

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

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

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

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

Responsibility Statement of the Directors in respect of the annual financial report
We confirm to the best of our knowledge:

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

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

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

Louise Meads
Company Secretary
23 February 2018

/ INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2017

To the members of Ascential plc

1. Our opinion is unmodified

We have audited the financial statements of Ascential plc ("the Company") for the year ended 31 December 2017 which comprise the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the parent company statement of changes in equity, the parent company statement of financial position and the related notes, including the parent and group accounting policies in notes 2 & 1 respectively.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

We were appointed as auditor by the shareholders on 7 September 2010. The period of total uninterrupted engagement is for two financial years ended 31 December 2017. Prior to that we were auditor to the group's previous parent company, but which, being unlisted, was not a public-interest entity. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview	
Materiality: group financial statements as a whole	**£2.7m (2016: £1.8m)** **4.6% (2016: 4.7%)** of profit benchmark
Coverage	**85% (2016: 90%)** of group revenue **94% (2016: 85%)** of group profit before tax from continuing operations

Risks of material misstatement		**vs 2016**
Recurring risks	Recognition of deferred tax assets in respect of losses	<>
	Revenue recognition	<>
Event driven	Recognition and valuation of contingent consideration for One Click Retail, MediaLink and Clavis	∧
Parent company recurring risk	Recoverability of intercompany receivables	<>

/ INDEPENDENT AUDITOR'S REPORT CONTINUED

For the year ended 31 December 2017

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

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

	The risk	Our response
Recognition of deferred tax assets in respect of losses (£23.5m; 2016: £32.2m) *Refer to page 45 (Audit Committee Report), page 81 (accounting policy) and page 96 (financial disclosures).*	**Subjective estimate** During 2016, the Group passed the threshold at which a change of control, as defined by the US Tax code, occurs. As a result, the historic losses of the Group's US businesses will be subject to a restriction on utilisation; based on the valuation of the US tax group at the time the change of control occurred. The amount of this restriction will not be known for certain until the 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:** With the assistance of our own tax specialists we evaluated the Directors' interpretation of key aspects of the tax legislation. This included critically assessing the associated assumptions made in relation to the valuation of the US tax group's deferred tax assets. • **Assessing valuer's credentials:** We assessed the competence and objectivity of the external experts who prepared reports to support the associated assumptions underpinning the US tax group's deferred tax asset. • **Data Comparison:** We assessed the forecasts used within the calculation with respect to management approved forecasts, cross checking with forecasts used in impairment calculations and adjustments made for tax purposes. • **Assessing transparency:** We considered the adequacy of the related judgements and estimates disclosures provided in notes 2, 17 and 33 of the Group financial statements. **Our results:** • As a result of our work we found the level of deferred tax assets recognised and the estimates applied to be acceptable (2016: acceptable).
Revenue recognition (£375.8m; 2016: £299.6m) *Refer to page 43 (Audit Committee Report), page 103 (accounting policy) and page 83 (financial disclosures).*	The specific nature of the risk of material misstatement in revenue recognition varies across the Group. **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. **2017/2018 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 the Information Services operating segment, 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: **System based revenue recognition:** For transactions where revenue recognition is automated within systems based on key attributes of contracts entered by the Group our procedures included: • **Data Comparison:** We assessed the data inputs by agreeing a sample of inputs to original source documents; • **Control design and operation:** We tested the controls around integrity of the data held in the system and the completeness and accuracy of the reports from the systems 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:** We performed substantive sampling on non system based revenue recognition streams. 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. **Our results:** • Our testing did not identify weaknesses in the design and operation of controls that would have required us to expand the extent of our planned detail testing. • The results of our testing were satisfactory and we consider the amount of revenue recognised to be acceptable (2016: acceptable).

	The risk	Our response
Recognition and valuation of contingent consideration (£97.9m; 2016: £70.8m) *Refer to page 45 (Audit Committee Report), page 81 (accounting policy) and page 99 (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 significant contingent consideration liabilities in respect of One Click Retail, MediaLink and Clavis acquisitions. There is inherent uncertainty involved in forecasting future performance of the acquired businesses, which determines the value of the liability.	Our procedures included: • **Accounting analysis:** Having inspected the contracts, we evaluated the group's application of the relevant accounting standards 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 contingent consideration calculation, with the forecasts included in the due diligence reports obtained prior to the acquisition. We challenged adjustments made to these forecasts by the directors in reaching their final estimate of the 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. • **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. **Our results:** • As a result of our work we found the level of contingent consideration recognised and the disclosures made to be acceptable (2016: acceptable).
Recoverability of parent's debt due from group entities (£598.8 m; 2016: £594.6m) *Refer page 113 (accounting policy) and page 116 (financial disclosures).*	**Low risk, high value** The carrying amount of the intra-group receivables balance represents 92% of the parent company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.	Our procedures included: • **Test of details:** Assessing 100% of group receivables to identify, with reference to the relevant subsidiaries' draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether subsidiaries have historically been profit-making. • **Assessing subsidiary audits:** Assessing the audit work over the subsidiary, and considering the results of that work, on those net assets including assessing the liquidity of the assets and therefore the ability of the subsidiary to fund the repayment of the receivable. **Our results:** • We found the group's assessment of the recoverability of the group receivables balance to be acceptable (2016: acceptable).

/ INDEPENDENT AUDITOR'S REPORT CONTINUED

For the year ended 31 December 2017

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

Materiality for the group financial statements as a whole was set at £2.7m (2016: £1.8m), determined with reference to a benchmark of profit before tax normalised to exclude this year's acquisition related contingent employment and capital costs as disclosed in notes 22 and 22 respectively of £59.3m (2016: £38.4m), of which it represents 4.6% (2016: 4.7%).

Materiality for the parent company financial statements as a whole was set at £2.7m (2016: £1.8m), determined with reference to a benchmark of total assets of which it represents 1% (2016: 1%) and capped at group materiality.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £135,000 (2016: £90,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 74 (2016: 69) reporting components, we subjected 7 (2016: 8) to audits for group purposes and 1 (2016: 3) to specified risk-focused audit procedures. The latter were not individually significant but were included in the scope of our group audit work in order to provide further coverage over the Group's results.

The 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. Additional procedures are performed at certain reporting components to address the audit risks not covered by the work performed over the shared service centres.

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

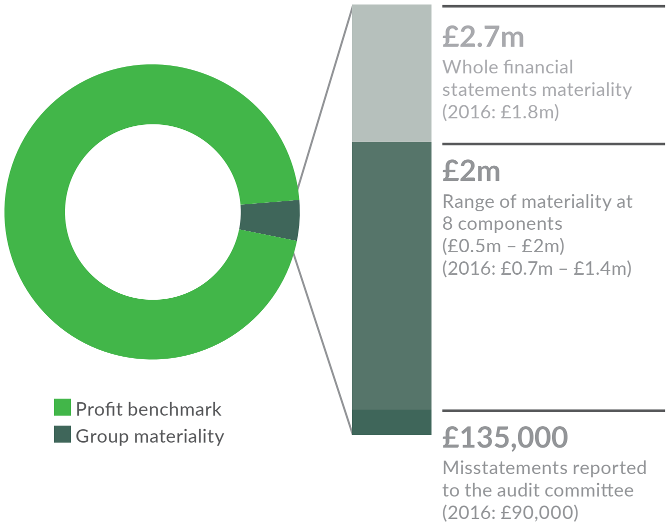
The remaining 15% (2016: 10%) of total group revenue, 6% (2016: 15%) of group profit before tax from continuing operations and 13% (2016: 15%) of total group assets is represented by 66 (2016: 58) reporting components, none of which individually represented more than 4% (2016: 4%) of any of total group revenue, group profit before tax or total group assets. For the residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

All audit work was performed by the group audit team. Component materialities ranged from £0.5m to £2m (2016: £0.7m to £1.4m), having regard to the mix of size and risk profile of the Group across the components.

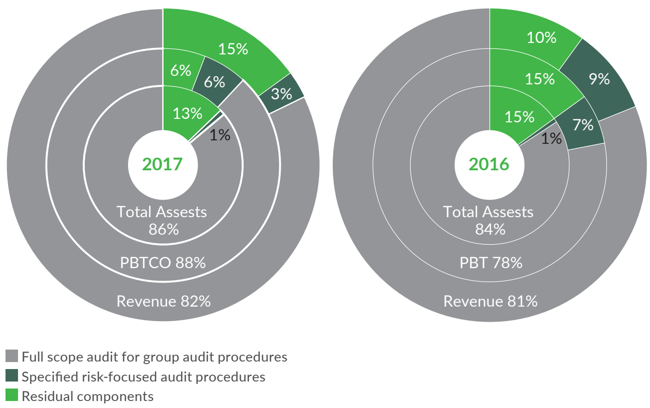
Benchmark reconciliation	2017 £'m	2016 £'m
Group profit/(loss) before tax	33.1	(1.8)
Acquisition-related contingent employment and capital costs	26.6	15.3
(Loss)/profit before tax from discontinued operations	(0.4)	5.3
Pre-IPO finance costs	–	16.0
IPO costs	–	3.6
Benchmark	59.3	38.4

Profit benchmark
£59.3m (2016: £38.4m)

Group Materiality
£2.7m (2016: £1.8m)



Scoping and coverage



4. We have nothing to report on going concern

We are required to report to you if:

- we have anything material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- if the related statement under the Listing Rules set out on page 18 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

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

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

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

Strategic report and directors' report
Based solely on our work on the other information:

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

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

Disclosures of principal risks and longer-term viability
Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Directors' Statement of Viability on page 23 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the Directors' Statement of Viability how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the Directors' Statement of Viability. We have nothing to report in this respect.

Corporate governance disclosures
We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

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

We have nothing to report in these respects.

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

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

/ INDEPENDENT AUDITOR'S REPORT CONTINUED

For the period ended 31 December 2017

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 68, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience, through discussion with the directors and other management (as required by auditing standards).

We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements items.

In addition we considered the impact of laws and regulations in the specific areas of health and safety, anti-bribery and employment law recognising the financial nature of the group's activities. With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors and other management and inspection of regulatory and legal correspondence. We considered the effect of any known or possible non-compliance in these areas as part of our procedures on the related financial statements items.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

As with any audit, there remained a higher risk of non-detection of non-compliance with relevant laws and regulations (irregularities), as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

John Bennett (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
23 February 2018

/ CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

(£ million)	Note	2017 Adjusted results	2017 Adjusting items	2017 Total	2016 Adjusted results	2016 Adjusting items	2016 Total
Continuing operations							
Revenue	3	375.8	–	375.8	299.6	–	299.6
Cost of sales		(127.4)	–	(127.4)	(102.0)	–	(102.0)
Sales, marketing and administrative expenses		(140.0)	(63.9)	(203.9)	(114.6)	(50.9)	(165.5)
Operating profit	4	108.4	(63.9)	44.5	83.0	(50.9)	32.1
Adjusted EBITDA	3	119.5	–	119.5	95.9	–	95.9
Depreciation and amortisation	4	(11.1)	(25.5)	(36.6)	(12.9)	(28.8)	(41.7)
Exceptional items	5	–	(34.3)	(34.3)	–	(20.7)	(20.7)
Share-based payments	7	–	(4.1)	(4.1)	–	(1.4)	(1.4)
Operating profit	4	108.4	(63.9)	44.5	83.0	(50.9)	32.1
Share of net gain/(loss) in equity-accounted investees		0.3	–	0.3	(0.1)	–	(0.1)
Finance costs	8	(12.2)	–	(12.2)	(28.0)	(16.0)	(44.0)
Finance income	8	0.5	–	0.5	10.2	–	10.2
Profit/(loss) before taxation		97.0	(63.9)	33.1	65.1	(66.9)	(1.8)
Taxation	9	(23.2)	12.2	(11.0)	(10.9)	24.3	13.4
Profit from continuing operations		73.8	(51.7)	22.1	54.2	(42.6)	11.6
Discontinued operations							
Profit/(loss) from discontinued operations, net of tax	10	1.1	(5.2)	(4.1)	8.0	(4.0)	4.0
Profit for the year		74.9	(56.9)	18.0	62.2	(46.6)	15.6
Earnings per share (pence)							
Continuing and discontinued operations							
– Basic	11	18.7	(14.2)	4.5	17.1	(12.8)	4.3
– Diluted	11	18.6	(14.2)	4.4	17.1	(12.8)	4.3
Continuing operations							
– Basic	11	18.4	(12.9)	5.5	14.9	(11.7)	3.2
– Diluted	11	18.3	(12.9)	5.4	14.9	(11.7)	3.2
Proforma earnings per share (pence)							
Continuing and discontinued operations							
– Basic	11	18.7	(14.2)	4.5	15.6	(11.7)	3.9
– Diluted	11	18.6	(14.2)	4.4	15.5	(11.6)	3.9
Continuing operations							
– Basic	11	18.4	(12.9)	5.5	13.6	(10.7)	2.9
– Diluted	11	18.3	(12.9)	5.4	13.5	(10.6)	2.9

The accompanying notes on pages 80 to 110 are an integral part of these consolidated financial statements. Adjusting items are detailed in Note 5. Proforma earnings per share for the year ended 31 December 2016 reflects the weighted average number of ordinary shares as if the IPO completed on 12 February 2016 had occurred at the beginning of the 2016 financial year, as further described in Note 11.

/ CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December

		2017			2016		
(£ million)	Note	Adjusted results	Adjusting items	Total	Adjusted results	Adjusting items	Total
Profit for the year		74.9	(56.9)	18.0	62.2	(46.6)	15.6
Other comprehensive income/(expense)							
Items that may be reclassified subsequently to profit or loss:							
Exchange loss on translation of overseas operations		(22.9)	–	(22.9)	(10.6)	–	(10.6)
Cumulative currency translation differences on disposals	13	–	2.4	2.4	–	–	–
Total comprehensive income/(expense) for the year		52.0	(54.5)	(2.5)	51.6	(46.6)	5.0

The accompanying notes on pages 80 to 110 are an integral part of these consolidated financial statements.

/ CONSOLIDATED BALANCE SHEET

As at 31 December

(£ million)	Note	2017	2016
Assets			
Non-current assets			
Intangible assets and goodwill	14	771.7	651.6
Property, plant and equipment	15	11.3	11.4
Investments	16	5.1	5.0
Other receivables	19	0.3	0.6
Deferred tax assets	17	47.1	54.9
Derivative financial assets		–	0.1
		835.5	723.6
Current assets			
Inventories	18	17.8	16.9
Trade and other receivables	19	88.2	59.6
Derivative financial assets		0.1	0.3
Cash and cash equivalents	20	45.8	61.9
		151.9	138.7
Assets held for sale		–	72.0
		151.9	210.7
Total assets		987.4	934.3
Liabilities			
Current liabilities			
Trade and other payables	21	105.2	65.9
Deferred income		118.6	107.1
Current tax liabilities		12.1	6.9
Provisions	25	3.2	1.7
		239.1	181.6
Liabilities held for sale		–	23.7
		239.1	205.3
Non-current liabilities			
Deferred and contingent consideration	21	50.4	46.8
Deferred income		3.6	2.9
External borrowings	23	317.4	286.0
Deferred tax liabilities	17	31.3	30.3
Provisions	25	2.6	1.6
		405.3	367.6
Total liabilities		644.4	572.9
Net assets		343.0	361.4
Equity			
Share capital	26	4.0	4.0
Share premium		0.1	–
Reserves		338.9	357.4
Total equity		343.0	361.4

The accompanying notes on pages 80 to 110 are an integral part of these consolidated financial statements. The consolidated financial statements were approved by the Board of Directors on 23 February 2018 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	Share premium	Reserves: Merger reserve	Reserves: Capital reserve	Reserves: Group restructure reserve	Reserves: Translation reserve	Reserves: Retained earnings	Total equity
At 1 January 2016	7.9	–	9.2	–	–	(6.8)	(279.5)	(269.2)
Profit for the year	–	–	–	–	–	–	15.6	15.6
Other comprehensive expense	–	–	–	–	–	(10.6)	–	(10.6)
Total comprehensive (expense)/income	–	–	–	–	–	(10.6)	15.6	5.0
Share-based payments	–	–	–	–	–	–	1.5	1.5
Group restructure[1]	22.1	252.9	–	8.8	157.9	–	–	441.7
Issue of shares[1]	10.0	190.0	–	–	–	–	–	200.0
Share issue costs[1]	–	(11.6)	–	–	–	–	–	(11.6)
Issue of shares[2]	0.1	–	–	–	–	–	(0.1)	–
Capital reduction[1]	(36.1)	(431.3)	–	(8.8)	–	–	476.2	–
Dividends paid	–	–	–	–	–	–	(6.0)	(6.0)
At 31 December 2016	4.0	–	9.2	–	157.9	(17.4)	207.7	361.4
Profit for the year	–	–	–	–	–	–	18.0	18.0
Other comprehensive expense	–	–	–	–	–	(20.5)	–	(20.5)
Total comprehensive (expense)/income	–	–	–	–	–	(20.5)	18.0	(2.5)
Issue of new shares	–	0.1	–	–	–	–	–	0.1
Share-based payments	–	–	–	–	–	–	3.6	3.6
Taxation related to share-based payments	–	–	–	–	–	–	0.4	0.4
Dividends paid	–	–	–	–	–	–	(20.0)	(20.0)
At 31 December 2017	4.0	0.1	9.2	–	157.9	(37.9)	209.7	343.0

1 Refer to Note 26.
2 On 8 March 2016 shares were issued to employees under the Share Incentive Scheme held by the Employee Benefit Trust.

The accompanying notes on pages 80 to 110 are an integral part of these consolidated financial statements.

/ CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December

(£ million)	Note	2017	2016
Cash flows from operating activities			
Profit before taxation		32.7	3.5
Adjustments for:			
Amortisation of acquired intangible assets	14	25.5	31.3
Amortisation of software intangible assets	14	6.1	10.2
Depreciation of property, plant and equipment	15	5.0	4.5
Loss on disposal of businesses	13	0.9	–
Acquisition-related employment costs and revaluation of contingent consideration	5	27.7	15.3
Share-based payments	7	4.4	1.5
Share of net (gain)/loss in equity-accounted investees		(0.3)	0.1
Net finance costs	8	11.7	33.8
Cash generated from operations before changes in working capital and provisions		113.7	100.2
Changes in:			
Inventories		(1.1)	1.3
Trade and other receivables		(15.1)	0.2
Trade and other payables, net of interest payable		7.5	(5.5)
Provisions		2.0	(0.3)
Cash generated from operations		107.0	95.9
Cash generated from operations before exceptional operating items		121.9	107.5
Cash outflows for acquisition-related employment costs		(8.2)	(4.0)
Cash outflows for other exceptional operating items		(6.7)	(7.6)
Cash generated from operations		107.0	95.9
Tax paid		(7.9)	(3.5)
Net cash generated from operating activities		99.1	92.4
Cash flows from investing activities			
Acquisition of businesses (net of cash acquired)	12	(156.5)	(39.4)
Reduction/(acquisition) of investments	16	0.2	(4.5)
Acquisition of software intangibles and property, plant and equipment	14, 15	(11.8)	(13.1)
Disposal of businesses (net of cash disposed of)	13, 16	48.7	0.2
Net cash used in investing activities		(119.4)	(56.8)
Cash flows from financing activities			
Proceeds from external borrowings	23	58.6	265.2
Repayment of external borrowings	23	(25.6)	(454.6)
Proceeds from issue of shares		0.1	200.0
Transaction costs related to issue of shares		–	(11.5)
Interest paid		(5.9)	(20.8)
Dividends paid to shareholders	27	(20.0)	(6.0)
Net cash used in financing activities		7.2	(27.7)
Net increase in cash and cash equivalents		(13.1)	7.9
Cash and cash equivalents at 1 January	20	61.9	44.4
Effect of exchange rate changes		(3.0)	9.6
Cash and cash equivalents at 31 December	20	45.8	61.9

The accompanying notes on pages 80 to 110 are an integral part of these consolidated financial statements.

/ NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

1. Basis of preparation and accounting policies

Basis of preparation

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

Ascential plc (the "Company") is a public limited company, which is listed on the London Stock Exchange and incorporated in the United Kingdom. The registered office is located at The Prow, 1 Wilder Walk, London W1B 5AP.

The Company was admitted to unconditional trading on the London Stock Exchange and to the premium listing segment of the Official List of the Financial Conduct authority on 12 February 2016 following a restructuring of the Group. The restructuring resulted in the principles of reverse acquisition accounting under IFRS 3 "Business Combinations" being applied.

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

The consolidated financial statements have been prepared on a going concern basis (see page 18) and under the historical cost convention, with the exception of items that are required by IFRS to be measured at fair value, principally certain financial instruments.

Accounting policies

Note 33 details the principal accounting policies applied in the preparation of the consolidated financial statements and have been applied consistently to both periods presented.

Accounting developments and changes

At the date of this report a number of accounting standards were issued, but not yet effective.

IFRS 15 "Revenue from Contracts with Customers"

Endorsed by the EU – effective 1 January 2018

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

During the year the group carried out a detailed review of the current recognition criteria for revenue against the requirements of IFRS 15. This review examined subscription, exhibition, sponsorship, delegate and advisory revenue as well as the related costs to obtain and fulfil any of these contracts. The expected impact of these changes on the 2017 consolidated income statement is immaterial at less than 0.2% of total revenue and less than 0.1% of retained earnings. The estimated impact of the adoption of this new standard is based on the assessments undertaken to date. The actual impact of adopting the standard at 1 January 2018 may differ as the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

IFRS 9 "Financial Instruments"

Endorsed by the EU – effective 1 January 2018

The Group is required to adopt IFRS 9 "Financial Instruments" from 1 January 2018. IFRS 9 applies a forward-looking impairment model that will replace the currently applicable incurred loss model. In contrast to the complex and rules based approach of IAS 39, the new hedge accounting requirements will provide an improved link to risk management and treasury operations and will be simpler to apply. Based on the assessment carried out the Group believes that IFRS 9 will not have a material impact on its consolidated results or financial position and will not require a restatement of comparative figures in the 2018 Annual Report.

IFRS 16 "Leases"

Endorsed by the EU – effective 1 January 2019

IFRS 16 replaces the existing accounting requirements in IAS 17 "Leases". A single model for lessees will be required, eliminating off balance sheet accounting for non-exempt operating leases. Related lease assets and liabilities will therefore come onto the balance sheet with interest charged on the lease liabilities. The interest and the assets' depreciation will replace the rental cost previously recognised in the income statement causing a change in the presentation and timing of income and expense recognition in the income statement. The Group has commenced its initial assessment of the potential impact on the consolidated financial statements resulting from the application of IFRS 16 and it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the detailed review has been completed although the impact is not expected to be material. The current level of operating leases held by the Group is disclosed in Note 30.

2. Critical accounting judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgement or complexity and assumptions or estimation are set out below and in more detail in the related notes.

2. Critical accounting judgements and estimates continued

Critical accounting judgements

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

Key sources of estimation

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

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

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

  Technology assets are valued using a reproduction cost method, which requires an estimate of all the costs a typical market participant would incur to generate an exact replica of the intangibles asset in the context of the acquired business.

  In establishing the fair value and useful economic lives, the Group considers, for each acquisition and each asset or liability, the complexity of the calculations, the sources of estimation uncertainty and the risk of such estimations resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Details of those estimations that have a significant risk and the at-risk assets/liabilities are disclosed as appropriate in Notes 12 and 33; the significance of the risk will depend on the size of the acquisition. Such sources of estimation uncertainty include estimation of future cash flows, the determined weighted average cost of capital and estimated useful lives.

  Valuation of contingent consideration and acquisition-related employment costs (Note 22)
  Where a business combination agreement provides for an adjustment to the cost, contingent on future performance over the contractual earn-out period, the Group accrues the fair value, based on the estimated additional consideration payable as a liability at acquisition date. To the extent that deferred contingent consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate discount rate and accordingly carried at net present value in the consolidated balance sheet. The liability is measured against the contractually agreed performance targets at each subsequent reporting date with any adjustments recognised in the consolidated income statement.

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

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

- **Taxation (Note 17)**
  Deferred tax assets are recognised to the extent that their utilisation is probable. The utilisation of deferred tax assets will depend on the judgement whether it is more likely than not that the Group will generate sufficient and suitable taxable income of the correct tax type and jurisdiction in the future, taking into account any legal restrictions on the length of the loss carryforward period. Various factors are used to assess the probability of the future utilisation of deferred tax assets, including past operating results, operational plans and loss carryforward periods.

/ NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

3. 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 monthly management reports. 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 as well as advisory services. The products are served across several industry sectors including fashion, retail, property, construction and politics. The advisory and business services are targeted at media platforms and brands to drive growth through better marketing.
- Discontinued operations: 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 on 31 December 2016. Refer to Note 10 for further details on discontinued operations. As at 31 December 2017 all discontinued operations have successfully been disposed of.

Information regarding the results of each reportable segment is included below. Reportable segment profits are measured at an Adjusted operating profit level, defined as 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 the reportable segments relative to other comparable entities. Total assets and liabilities for each reportable segment are not disclosed because they are not provided to the Board on a regular basis. Total assets and liabilities are internally reviewed on a Group basis.

Year ended 31 December 2017

(£ million)	Exhibitions & Festivals	Information Services	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	196.9	178.9	–	375.8	23.8	399.6
Adjusted EBITDA	82.3	50.4	(13.2)	119.5	1.1	120.6
Depreciation and software amortisation	(5.5)	(4.1)	(1.5)	(11.1)	–	(11.1)
Adjusted operating profit	76.8	46.3	(14.7)	108.4	1.1	109.5
Amortisation of acquired intangible assets				(25.5)	–	(25.5)
Exceptional items				(34.3)	(1.2)	(35.5)
Share-based payments				(4.1)	(0.3)	(4.4)
Operating profit/(loss)				44.5	(0.4)	44.1
Share of net gain in equity-accounted investee				0.3	–	0.3
Net finance costs				(11.7)	–	(11.7)
Profit/(loss) before tax				33.1	(0.4)	32.7
Total assets				987.4	–	987.4

Year ended 31 December 2016

(£ million)	Exhibitions & Festivals	Information Services	Corporate costs	Continuing operations total	Discontinued operations	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 software amortisation	(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 acquired intangible assets				(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 net loss in equity-accounted investee				(0.1)	–	(0.1)
Net finance costs				(33.8)	–	(33.8)
(Loss)/profit before tax				(1.8)	5.3	3.5
Total assets				862.3	72.0	934.3

Exceptional items of £35.5 million (2016: £22.6 million) include £3.8 million, £29.9 million, £0.6 million and £1.2 million (2016: £10.4 million, £6.1 million, £4.2 million and £1.9 million) which are attributable to Exhibitions & Festivals, Information Services, Corporate costs and discontinued operations respectively.

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

3. Operating segments continued

Revenue and non-current assets by location

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

The Group does not have any customers from whom revenue exceeds 10% of total revenue. Included in revenue is barter revenue arising from the exchange of goods or services of £1.6 million for the year ended 31 December 2017 (2016: £1.4 million).

	Revenue		Non-current assets (excluding deferred tax and financial instruments)	
(£ million)	2017	2016	2017	2016
United Kingdom	125.0	118.5	436.9	446.7
Other Europe	109.8	91.4	113.7	17.4
United States and Canada	106.2	56.4	227.0	193.8
Asia Pacific	20.2	19.3	4.8	4.7
Middle East and Africa	5.2	5.8	–	–
Latin America	9.4	8.2	6.0	6.0
Total	375.8	299.6	788.4	668.6

4. Operating profit

Amounts charged in arriving at operating profit include:

(£ million)	Note	2017	2016
Employee costs	6	125.7	88.3
Depreciation and software amortisation	14, 15	11.1	12.9
Amortisation of acquired intangible assets	14	25.5	28.8
Loss on disposal of business		1.8	–
Operating lease rentals		7.3	5.5
Trade receivable impairment		2.3	2.9

Fees paid to the auditor were as follows:

(£ million)	2017	2016
Fees paid to auditor for audit of the consolidated financial statements	0.5	0.6
Fees paid to auditor for audit of the Group's subsidiaries	0.1	0.1
Fees paid to auditor for audit-related assurance services*	–	0.8
Total	0.6	1.5

* Audit-related assurance services relate to the review of the half-year interim statements (£46,000), covenant reviews and in 2016 only, the Company's IPO.

Details of the Company's policy on the use of the auditor for non-audit related services, the reason why the auditor was used and how the auditor's independence was safeguarded are set out on page 46.

5. Exceptional items

Exceptional items included in operating profit from continuing operations:

(£ million)	Note	2017	2016
Acquisition-related expenses	22	27.7	15.3
Acquisition and integration costs		4.6	1.7
Loss on disposal of business	13	1.8	–
IPO expenditure and other		0.2	3.7
Exceptional items included in profit from continuing operations		34.3	20.7

Acquisition-related expenses include acquisition-related employment costs of £26.6 million (2016: £9.7 million) and revaluation of contingent consideration of £1.1 million (2016: £5.6 million). Acquisition-related employment costs relate primarily to the acquisition of Money20/20, One Click Retail and MediaLink which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements approximately half of deferred payments are contingent on both (i) the results of the business in the post-acquisition period and (ii) the continued employment of the founders and certain vendors.

As part of the overall strategy of managing the Group's portfolio, costs incurred as part of the acquisition and integration of acquired businesses are considered to be material and relate mainly to the MediaLink and Clavis acquisitions including transaction costs and stamp duty where applicable. Integration spend is in relation to transferring acquired businesses onto the Group's IT platforms. IPO expenditure and other items include capital restructuring and IPO costs.

Exceptional items relating to finance costs are detailed in Note 8 and for discontinued operations please refer to Note 10.

/ NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

6. Employee information and Directors' remuneration

(a) Employee costs including Directors

(£ million)	Note	2017	2016
Wages and salaries		107.7	74.9
Social security costs		11.2	8.5
Defined contribution pensions cost		2.0	1.7
Redundancy costs		0.7	1.8
		121.6	86.9
Share-based payments and associated National Insurance	7	4.1	1.4
Total employee costs included in profit from continuing operations		125.7	88.3

The total employee costs including discontinued operations amounted to £136.4 million (2016: £111.1 million).

(b) 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 2017 the total Group charge amounted to £2.2 million (2016: £2.2 million). At 31 December 2017 there were £0.3 million of contributions outstanding (2016: £0.1 million).

(c) Average monthly number of employees including Directors (continuing and discontinued)

(i) By geographical region

	2017	2016
United Kingdom	1,152	1,234
United States and Canada	368	198
Rest of the world	257	262
Total	1,777	1,694

(ii) By job function

	2017	2016
Cost of sales	731	729
Sales and marketing	723	675
Other administrative functions	323	290
Total	1,777	1,694

(d) Remuneration of Directors and key management personnel

Further details of the Directors' remuneration and share options are set out in the Remuneration Report on pages 50 to 64 which form part of these financial statements. Key management personnel comprised the Chief Executive Officer, Chief Financial Officer and Non-Executive Directors of the Group. The aggregate emoluments for key management are set out below:

(£ million)	2017	2016*
Salaries, bonus and other short-term employee benefits	1.8	1.3
Share-based payments	0.7	0.5
Defined contribution pension	0.1	0.1
Total	2.6	1.9

* For the period following the Group's IPO on 8 February 2016 to 31 December 2016.

During the year ended 31 December 2017, one Director (2016: one Director) was a member of the Group's defined pension contribution scheme. Retirement benefits were not accrued for any Director at 31 December 2017 (2016: nil).

7. Share-based payments

Analysis of charge to the consolidated income statement

(£ million)	2017	2016
Current plans		
Share Incentive Plans ("SIP")	0.3	0.2
Performance Share Plans ("PSP")	3.6	1.0
Sharesave Scheme ("Sharesave")	0.2	0.1
	4.1	1.3
Plans under pre-IPO structure		
Long Term Incentive Plan	–	0.1
Total charge	4.1	1.4

The total share-based payment charge including discontinued operations was £4.4 million (2016: £1.5 million).

The number and weighted average exercise price of outstanding and exercisable share options and share awards are detailed below:

	2017		2016	
	Number of shares/ options 000's	Weighted average exercise price £	Number of shares/ options 000's	Weighted average exercise price £
Outstanding at 1 January	4,496	0.75	–	–
Granted	3,060	0.54	4,652	0.73
Options exercised or shares vested	(190)	0.74	(10)	–
Surrendered or expired	(599)	0.80	(146)	0.09
At 31 December	6,767	0.65	4,496	0.75

	2017	2016
Weighted average fair value per share/option granted during the year (£)	2.42	1.67

At 31 December 2017 and 31 December 2016, all of the shares and options outstanding had an exercise price which was below the market price. At 31 December 2017 the market price was £3.85 (2016: £2.70) and the average share price for 2017 was £3.37 (2016: £2.55). For the Sharesave, the range of exercise prices for shares and options outstanding at 31 December 2017 was £2.04 to £3.03 (2016: £2.04 to £2.41). For the Deferred Annual Bonus Plan ("DABP") and the PSP, all share options outstanding at 31 December 2017 had an exercise price of £nil (2016: £nil). The free shares awarded under the SIP do not require payment from the participant to vest. For further information refer to Note 33.

For shares and options outstanding at 31 December 2017, the weighted average remaining contractual life was 1.81 years (2016: 2.42 years).

Measurement of fair values

The SIP, PSP, Sharesave and DABP are equity-settled plans, the fair value of which is determined at the date of grant and is not subsequently remeasured unless conditions on which the award was granted are modified.

The fair values of the SIP, Sharesave, and DABP have been measured using the Black-Scholes model, while the PSP has been measured using a combination of both the Black-Scholes and stochastic models. A Chaffe model (an at-market put option variance of the Black-Scholes model) has been used for the PSP awards subject to a holding period. Non-market performance conditions were not taken into account in measuring fair values. The principal assumptions required by these methodologies in 2017 awards were:

	SIP	PSP	PSP (subject to holding period)	Sharesave	Sharesave (US)
Expected life	3 years	3 years	2 years	3 years	2 years
Risk-free interest rate	N/A	0.08%-0.27%	0.33%	0.57%	0.47%
Expected volatility	N/A	19%-20%	20.00%	26.80%	19.10%
Expected dividend yield	–	–	–	1.93%	1.93%

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 had been applied to all PSP options granted in 2017. The expected terms represent the term until vesting of the shares and options, as well as the holding period from the date of vesting. For Sharesave share options, granted in September 2017, actual volatility of the Company since IPO has been applied and benchmarked against a 3-year average volatility of comparable companies.

/ NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

8. Finance income and finance costs

(£ million)	2017	2016
Interest on bank deposits	0.2	0.1
Foreign exchange gain on borrowings	0.3	–
Foreign exchange gain on cash and cash equivalents	–	7.4
Fair value gain on derivatives	–	2.7
Finance income	0.5	10.2
Interest payable on external borrowings	(5.8)	(10.1)
Foreign exchange loss on borrowings	–	(13.4)
Amortisation of loan arrangement fees	(1.3)	(1.4)
Fair value loss on derivatives	–	(0.2)
Foreign exchange loss on cash and cash equivalents	(0.8)	–
Other finance charges	(4.3)	(2.9)
Finance costs – adjusted results	(12.2)	(28.0)
Interest payable on shareholder debt	–	(5.3)
Break fees and write-off of loan arrangement fees on debt refinancing	–	(10.7)
Finance costs – adjusting items	–	(16.0)
Finance costs	(12.2)	(44.0)
Net finance costs	(11.7)	(33.8)

9. Taxation

The tax charge for the year comprises:

(£ million)	2017	2016
Current tax		
UK current tax charge on income for the year at 19.25% (2016: 20.00%)	9.6	1.7
Overseas current tax charge on income for the year	2.9	1.6
Adjustments in respect of prior years	–	0.8
Total current tax charge	12.5	4.1
Deferred tax		
Current year	(18.0)	(15.2)
Adjustments in respect of prior years	(0.4)	(1.5)
Impact of rate changes on opening deferred tax balances	16.9	(0.8)
Total deferred tax credit	(1.5)	(17.5)
Total tax charge/(credit)	11.0	(13.4)

During 2017 a deferred tax credit of £0.4 million (2016: £nil) was recognised in equity relating to share-based payments.

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

	2017			2016		
(£ million)	Adjusted profit/tax	Loss on Adjusting items/tax	Total profit/ tax from continuing operations*	Adjusted profit/tax	Loss on Adjusting items/tax	Total profit/ tax from continuing operations*
Profit before tax	97.0	(63.9)	33.1	65.1	(66.9)	(1.8)
Expected tax charge/(credit) at the UK standard rate of 19.25% (2016: 20.00%)	18.7	(12.3)	6.4	13.0	(13.4)	(0.4)
Principal differences due to:						
Impact of rate changes	10.8	6.8	17.6	0.9	(1.5)	(0.6)
Impact of higher overseas tax rates	5.5	(6.3)	(0.8)	5.3	(5.3)	–
Recognition of previously unrecognised trading losses	(12.7)	–	(12.7)	(10.1)	–	(10.1)
Recognition of previously unrecognised capital losses	–	0.1	0.1	–	(3.6)	(3.6)
Other non-deductible items	2.0	(0.8)	1.2	0.5	1.3	1.8
Non-taxable/deductible exchange (gains)/losses	(0.4)	–	(0.4)	0.2	–	0.2
Non-taxable/deductible disposal (gains)/losses	(0.4)	0.3	(0.1)	–	–	–
Adjustments in respect of prior years	(0.3)	–	(0.3)	1.1	(1.8)	(0.7)
Total tax charge/(credit) for the year	23.2	(12.2)	11.0	10.9	(24.3)	(13.4)
Effective tax rate	24%	19%	33%	17%	36%	N/A

* Tax on discontinued operations is set out in Note 10.

9. Taxation continued

The Group's effective tax rate is higher than the UK's statutory tax rate mainly due to its mix of profits with increased profits coming from the US. The impact of rate changes arises from the enactment of US tax reform on 22 December 2017 and the continuing reduction of the UK tax rate. The tax rate change included £17.2 million in respect of the US and £0.4 million for the UK. See Note 17 for further details.

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 140 countries. Furthermore, the Group renders and receives cross-border supplies and services in respect of affiliated entities which exposes the Group to tax risk due to transfer pricing rules that apply in many jurisdictions.

Tax law and administration is complex and often requires subjective determinations. In addition tax audits, by their nature, can take a significant period of time to be agreed with the tax authorities. Therefore, management is required to apply judgement to determine the level of provisions required in respect of its tax liabilities. The Directors' estimates of the level of risk arising from tax audit may change in the next year as a result of changes in legislation or tax authority practice or correspondence with tax authorities during specific tax audits. It is not possible to quantify the impact that such future developments may have on the Group's tax positions. Actual outcomes and settlements may differ from the estimates recorded in these consolidated financial statements. The Group currently anticipates that the outcome of these uncertainties will only be resolved after more than one year. However even where uncertainties may not be resolved within one year, material adjustments may arise as a result of a reappraisal of the assets or liabilities within the next year.

10. Discontinued operations

		2017			2016		
(£ million)	Note	Adjusted results	Adjusting items	Total	Adjusted results	Adjusting items	Total
Revenue		23.8	–	23.8	57.9	–	57.9
Cost of sales		(9.7)	–	(9.7)	(24.1)	–	(24.1)
Sales, marketing and administrative expenses		(13.0)	(1.5)	(14.5)	(24.0)	(4.5)	(28.5)
Operating profit/(loss)		1.1	(1.5)	(0.4)	9.8	(4.5)	5.3
Adjusted EBITDA		1.1	–	1.1	11.6	–	11.6
Depreciation and amortisation		–	–	–	(1.8)	(2.5)	(4.3)
Exceptional items		–	(1.2)	(1.2)	–	(1.9)	(1.9)
Share-based payments		–	(0.3)	(0.3)	–	(0.1)	(0.1)
Operating profit/(loss)		1.1	(1.5)	(0.4)	9.8	(4.5)	5.3
Taxation		–	(3.7)	(3.7)	(1.8)	0.5	(1.3)
Profit/(loss) from discontinued operations, net of tax		1.1	(5.2)	(4.1)	8.0	(4.0)	4.0
Earnings per share (pence)							
– Basic	11	0.3	(1.3)	(1.0)	2.2	(1.1)	1.1
– Diluted	11	0.3	(1.3)	(1.0)	2.2	(1.1)	1.1

Exceptional items in discontinued operations include the gain on disposal of HSJ, EMAP Publishing Limited and MEED Media FZ LLC of £0.9 million (Note 13) offset by £2.1 million of IT separation costs and other contractor costs in respect of separation activities. The Group incurred a capital gains tax charge of £3.7 million in respect of the capital gain on the sale of the trade and assets. Of this tax charge £3.6 million was sheltered by capital losses previously recognised within the Group. The loss from discontinued operations of £4.1 million (31 December 2016: profit £4.0 million) is attributable entirely to the shareholders of the Company.

During the year discontinued operations generated cash of £3.8 million (2016: £11.7 million) in respect of operating activities and generated £45.6 million (2016: used £0.9 million) in respect of investing activities.

/ NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

11. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

For the purpose of proforma earnings per share for the year ended 31 December 2016, 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 2016 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 2016.

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 operations (Note 10).

	2017			2016		
	Adjusted results	Adjusting items	Total	Adjusted results	Adjusting items	Total
Profit attributable to equity shareholders of the Company (£ million)						
Profit for the year – continuing operations	73.8	(51.7)	22.1	54.2	(42.6)	11.6
Profit for the year – discontinued operations	1.1	(5.2)	(4.1)	8.0	(4.0)	4.0
Profit for the year	74.9	(56.9)	18.0	62.2	(46.6)	15.6
Earnings share number (million)						
Basic weighted average number of shares	400.1	400.1	400.1	362.9	362.9	362.9
Dilutive potential ordinary shares	2.2	2.2	2.2	0.6	0.6	0.6
Diluted weighted average number of shares	402.3	402.3	402.3	363.5	363.5	363.5
Earnings per share (pence)						
Basic earnings per share	18.7	(14.2)	4.5	17.1	(12.8)	4.3
Diluted earnings per share	18.6	(14.2)	4.4	17.1	(12.8)	4.3
Continuing operations						
Basic earnings per share	18.4	(12.9)	5.5	14.9	(11.7)	3.2
Diluted earnings per share	18.3	(12.9)	5.4	14.9	(11.7)	3.2
Discontinued operations						
Basic earnings per share	0.3	(1.3)	(1.0)	2.2	(1.1)	1.1
Diluted earnings per share	0.3	(1.3)	(1.0)	2.2	(1.1)	1.1
Proforma share number (million)						
Basic weighted average number of shares	400.1	400.1	400.1	400.0	400.0	400.0
Dilutive potential ordinary shares	2.2	2.2	2.2	0.6	0.6	0.6
Diluted weighted average number of shares	402.3	402.3	402.3	400.6	400.6	400.6
Proforma earnings per share (pence)						
Basic earnings per share	18.7	(14.2)	4.5	15.6	(11.7)	3.9
Diluted earnings per share	18.6	(14.2)	4.4	15.5	(11.6)	3.9
Continuing operations						
Basic earnings per share	18.4	(12.9)	5.5	13.6	(10.7)	2.9
Diluted earnings per share	18.3	(12.9)	5.4	13.5	(10.6)	2.9
Discontinued operations						
Basic earnings per share	0.3	(1.3)	(1.0)	2.0	(1.0)	1.0
Diluted earnings per share	0.3	(1.3)	(1.0)	2.0	(1.0)	1.0

12. Business combinations

The Group acquired the following businesses during the years ended 31 December 2017 and 2016.

Name	Date of acquisition	Country of incorporation	Shares/asset deal	% acquired	Acquisition related costs (£ million)
OneClickRetail.com LLC	August 2016	USA	Shares	100%	1.0
Media Link, LLC	February 2017	USA	Shares	100%	0.9
Siberia LLC	September 2017	USA	Shares	100%	0.1
Sistema UseFashion Comercio de Informacaos Ltda	November 2017	Brazil	Shares	100%	0.3
Clavis Technology Limited	December 2017	Ireland	Shares	100%	2.3

2017 – acquisition of MediaLink

On 28 February 2017, the Group acquired 100% of the shares in Media Link, LLC ("MediaLink"), an unlisted company based in the United States whose primary activity is the provision of advisory and business services to media platforms and brands. The company forms part of the Information Services segment.

The consideration of £70.5 million comprises:

- £55.3 million (net of consideration for cash acquired) paid in 2017; and
- consideration contingent on the results of the 2017, 2018, and 2019 financial years payable in 2018 to 2020 and estimated to total £16.9 million at the acquisition date which has been discounted to present value of £14.2 million using a discount rate relevant to the acquired business.

In addition to the contingent consideration described above, and subject to continued employment, the vendors also receive employment income contingent on the results of the 2017, 2018 and 2019 financial years payable in 2018 to 2020, estimated to total £16.9 million at the acquisition date. To determine the contingent consideration and the acquisition-related employment cost, the Directors are required to make an estimate regarding the future results. Any subsequent revaluations to contingent consideration as a result of changes in the estimation of future results are recognised in the consolidated income statement and disclosed in Note 22.

The acquisition-related employment cost is being accrued over the period in which the related services are being received and £9.4 million was recorded as an exceptional cost in the year ended 31 December 2017. There is a maximum of $206.6 million on the total consideration payable including acquisition-related employment payments; there is no minimum. The anticipated total outcomes of earnouts are between $42.0-$62.0 million.

The fair values of the identifiable assets purchased and liabilities assumed of MediaLink as at the date of acquisition were as follows:

(£ million)	Fair value
Brands	14.8
Customer relationships and databases	14.5
Property, plant and equipment	1.1
Other non-current assets	0.3
Trade receivables	5.7
Prepayments and accrued income	1.6
Other receivables	0.3
Cash	1.0
Trade and other payables	(3.3)
Deferred income	(0.5)
Total identifiable net assets at fair value	35.5
Initial cash consideration relating to business combination	55.3
Contingent consideration payable in 2018	4.6
Contingent consideration payable in 2019-2020	9.6
Consideration for cash acquired	1.0
Total consideration	70.5
Goodwill on acquisition	35.0

The goodwill of £35.0 million arising on acquisition is attributable to existing workforce skills and expertise, as well as the deepening of the Company's exposure to the branded communications end market. All goodwill recognised on the acquisition of MediaLink is deductible for tax purposes.

The intangible assets recognised on acquisition, being the brand (£14.8 million) and the customer relationships and databases (£14.5 million), require judgements involving estimation as disclosed in Note 2. The significant estimate involved in the valuation of these assets is the estimation of future cash flows.

From the date of acquisition, MediaLink contributed £39.7 million revenue and Adjusted EBITDA of £11.0 million to the Group in the year ended 31 December 2017. If the acquisition had taken place at the beginning of 2017, MediaLink would have contributed £47.4 million revenue and Adjusted EBITDA of £12.0 million to the Group in the year ended 31 December 2017. 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 2017.

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12. Business combinations continued

2017 – acquisition of Clavis Insight

On 22 December 2017, the Group acquired 100% of the shares in Clavis Technology Limited and its subsidiaries ("Clavis"), an unlisted group of companies based in Dublin, Ireland, whose primary activities include the provision of eCommerce analytics, with proprietary technology enabling consumer product companies to track and optimise the performance of their products across hundreds of retailer websites and mobile commerce sites globally. The company forms part of the Information Services segment.

The consideration of £96.9 million comprises:

- £84.6 million (net of consideration for cash acquired) paid in 2017;
- £4.3 million payable in 2018; and
- consideration contingent on the results of the 2018, 2019, and 2020 financial years payable in 2019 to 2021 and estimated to total £8.8 million at the acquisition date which has been discounted to present value of £7.1 million using a discount rate relevant to the acquired business.

In addition to the contingent consideration described above, and subject to continued employment, the vendors also receive employment income contingent on the results of the 2018, 2019 and 2020 financial years payable in 2019 to 2021, estimated to total £8.9 million. To determine the contingent consideration and the acquisition-related employment cost, the Directors are required to make an estimate regarding the future results. Any subsequent revaluations to contingent consideration as a result of changes in the estimation of future results are recognised in the consolidated income statement and disclosed in Note 22.

The acquisition-related employment cost is being accrued over the period in which the related services are being received. There is a maximum limit of $219.0 million on the total consideration payable including acquisition-related employment payments; there is no minimum. The anticipated total outcomes of earnouts are between $25.0-$50.0 million.

The provisional fair values of the identifiable assets purchased and liabilities assumed of Clavis as at the date of acquisition were as follows:

(£ million)	Fair value
Brands	7.8
Customer relationships and databases	36.2
Property, plant and equipment	0.4
Trade receivables	3.2
Prepayments and accrued income	3.0
Other receivables	1.9
Cash	0.9
Trade and other payables	(1.8)
Accrued liabilities	(2.4)
Deferred income	(4.7)
Deferred tax liability	(5.2)
Total identifiable net assets at fair value	39.3
Initial cash consideration relating to business combination	84.6
Deferred consideration payable in 2018	4.3
Contingent consideration payable in 2019-2021	7.1
Consideration for cash acquired	0.9
Total consideration	96.9
Goodwill on acquisition	57.6

The fair values provided are provisional figures, being the best estimates currently available due to the proximity of the acquisition date to year-end. A review of the closing balance sheet is currently being undertaken and adjustments may be necessary regarding accrued and deferred income, and other balances as appropriate.

The goodwill of £57.6 million arising on acquisition is attributable to existing workforce skills and expertise, the synergies with our existing business and the strengthening of our eCommerce analytics offering in new geographies.

The intangible assets recognised on acquisition, being the brands (£7.8 million) and customer relationships and databases (£36.2 million), require judgements involving estimation as disclosed in Note 2. The significant estimate involved in the valuation of these assets is the estimation of future cash flows.

From the date of acquisition, Clavis contributed £0.3 million revenue and Adjusted EBITDA of (£0.1) million to the Group in the year ended 31 December 2017. If the acquisition had taken place at the beginning of 2017, Clavis would have contributed £13.4 million revenue and Adjusted EBITDA of (£4.1) million to the Group in the year ended 31 December 2017. 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 2017.

12. Business combinations continued

2017 – other acquisitions

The combined provisional fair values of the identifiable assets purchased and liabilities assumed relating to other acquisitions as at the dates of acquisition were as follows:

(£ million)	Fair value
Brands	0.6
Customer relationships and databases	0.1
Property, plant and equipment	0.2
Trade receivables	0.6
Cash	0.1
Accrued liabilities	(1.2)
Other provisions	(0.1)
Deferred income	(0.4)
Total identifiable net assets at fair value	(0.1)
Initial cash consideration relating to business combination	1.1
Deferred consideration payable in 2018-2023	0.8
Total consideration	1.9
Goodwill on acquisition	2.0

The goodwill of £2.0 million is attributable mainly to the workforce and anticipated future growth in the customer base of the acquired businesses. Goodwill of £0.5 million recognised on the acquisition of Siberia LLC is deductible for tax purposes.

From the dates of acquisition, other acquisitions contributed £0.9 million revenue and Adjusted EBITDA of (£0.3) million to the Group in the year ended 31 December 2017. If the acquisitions had taken place at the beginning of 2017, other acquisitions would have contributed £3.7 million revenue and Adjusted EBITDA of (£0.5) million to the Group in the year ended 31 December 2017. In determining these amounts, management have assumed the fair value adjustments that arose on the dates of the acquisitions would have been the same if the acquisitions occurred on 1 January 2017.

2016 – acquisition of OCR

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 eCommerce data analytics. The company forms part of the Information Services segment.

The consideration of £62.0 million 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 £34.2 million which has been discounted to present value of £28.2 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 and the acquisition-related employment cost, the Directors are required to make an estimate regarding the future results. Any subsequent revaluations to contingent consideration as a result of changes in the estimation of future results are recognised in the consolidated income statement and disclosed in Note 22.

The acquisition-related employment cost is being accrued over the period in which the related services are being received 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 payments; there is no minimum.

The 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	28.4
Brand and trademarks	7.0
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	3.9
Deferred and contingent consideration payable in 2018-2020	24.3
Consideration for cash acquired	0.4
Total consideration	62.0
Goodwill on acquisition	26.6

The goodwill is attributable mainly to the workforce and anticipated future growth in the customer base of the acquired business. All goodwill recognised on the acquisition of OCR is deductible for tax purposes.

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For the year ended 31 December 2017

12. Business combinations continued
Reconciliation of cash outflows relating to business combinations

(£ million)	2017
Acquisitions in 2017	
Total consideration in respect of the 2017 acquisitions	169.3
Cash acquired in the 2017 acquisitions	(2.0)
Deferred and contingent consideration on the 2017 acquisition to be paid in future years	(26.4)
Cash paid in 2017 in respect of the 2017 acquisitions	140.9
Acquisitions prior to 2017	
Cash payments of deferred and contingent consideration in relation to prior years' acquisitions	15.6
Cash paid in 2017 in respect of prior years' acquisitions	15.6
Net cash outflows relating to acquisition of businesses, net of cash acquired	156.5

13. Disposal of business operations
In the year ended 31 December 2017 the Group disposed of the following businesses:

	Country	Date of disposal	Share/Asset deal
Health Service Journal	UK	January 2017	Asset deal
EMAP Publishing Limited	UK	June 2017	Share deal
MEED Media FZ LLC *	UAE	December 2017	Share deal
RWM	UK	December 2017	Asset deal

*and its immediate parent company

Disposals of discontinued operations were classified as held for sale throughout 2017 until their respective disposal dates, their results are separately presented in discontinued operations, see Note 10. The Group recognised a total gain on disposal of these brands of £0.9 million presented as an exceptional item within discontinued operations. RWM was put up for sale and sold in the second half of the year. RWM contributed £3.9 million and £0.1 million to revenue and profit before tax respectively. The Group recognised a total loss on disposal of £1.8 million presented as an exceptional item within continuing operations in Note 5.

(£ million)	Continuing operations	Discontinued operations	Total
Consideration	0.5	55.5	56.0
Working capital adjustment	(0.1)	(4.3)	(4.4)
Deferred consideration receivable	0.3	–	0.3
Total consideration	0.7	51.2	51.9
Net assets disposed of	(2.5)	(46.5)	(49.0)
Disposal costs	–	(6.2)	(6.2)
Recycling of deferred foreign exchange gains	–	2.4	2.4
Gain/(loss) on disposal	(1.8)	0.9	(0.9)

Assets and liabilities disposed of:

(£ million)	Continuing operations	Discontinued operations	Total
Goodwill	(0.6)	(18.5)	(19.1)
Brands, customer relationships and databases	(1.8)	(41.5)	(43.3)
Tangible fixed assets including software	–	(2.3)	(2.3)
Trade and other receivables	(0.3)	(9.0)	(9.3)
Trade and other payables	–	6.2	6.2
Deferred income	0.2	14.6	14.8
Deferred tax liability on disposed intangibles	–	4.0	4.0
Net assets and liabilities disposed	(2.5)	(46.5)	(49.0)

The net inflow/(outflow) of cash in respect of the disposal of businesses is as follows:

(£ million)	Continuing operations	Discontinued operations	Total
Cash consideration received for current year disposals (net of cash disposed of)	0.4	50.3	50.7
Disposal costs paid	–	(2.0)	(2.0)
Net cash inflow/(outflow)	0.4	48.3	48.7

14. Intangible assets and goodwill

(£ million)	Goodwill	Acquired intangibles: Brands	Acquired intangibles: Customer relationships and databases	Software	Total
Cost					
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	(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 1 January 2017	698.8	273.4	198.0	55.4	1,225.6
Additions	94.7	23.2	50.9	8.4	177.2
Disposals	(0.6)	(2.0)	–	(1.9)	(4.5)
Effect of movements in exchange rates	(14.4)	(4.0)	(7.8)	0.1	(26.1)
At 31 December 2017	778.5	290.6	241.1	62.0	1,372.2
Accumulated amortisation					
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 held for sale	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 1 January 2017	(289.4)	(99.4)	(140.7)	(44.5)	(574.0)
Disposals	–	0.3	–	1.6	1.9
Amortisation	–	(13.3)	(12.2)	(6.1)	(31.6)
Effect of movements in exchange rates	–	0.2	3.0	–	3.2
At 31 December 2017	(289.4)	(112.2)	(149.9)	(49.0)	(600.5)
Net book value					
At 31 December 2017	489.1	178.4	91.2	13.0	771.7
At 31 December 2016	409.4	174.0	57.3	10.9	651.6

Brand value includes £70.8 million (2016: £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. It is management's judgement that 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 cash-generating unit ("CGU") disclosed below and resulted in no impairment charge. In the view of the Directors, no reasonable plausible change in assumptions would lead to an impairment.

Included within software intangible assets at 31 December 2017 is £3.3 million (2016: £2.1 million) of assets under construction which were not being amortised at 31 December 2017.

Goodwill and indefinite life intangible assets

For reporting purposes, the CGUs have been aggregated into reportable segments. The goodwill in CGUs are individually assessed for impairment each year as follows:

(£ million)	Exhibitions & Festivals	Information Services: Clavis	Information Services: MediaLink	Information Services: WGSN	Information Services: Plexus	Information Services: OCR	Discontinued operations	Total
Net book value								
At 31 December 2017	184.1	56.8	32.7	151.3	38.2	26.0	–	489.1
At 31 December 2016	188.6	N/A	N/A	157.8	34.8	28.2	18.5	427.9

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 2016, 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 3) each represents one CGU, the Information Services segment consists of four CGUs and Clavis and OCR will be considered as a single CGU in 2018. 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.

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For the year ended 31 December 2017

14. Intangible assets and goodwill continued

The key assumptions and estimates used for value-in-use calculations are as follows:

Future expected cash flows

Cash flow forecasts for years one to three are derived from the most recent Board approved three-year Strategic Plan, which has been prepared after considering the current economic environment in each of our markets. Cash flows beyond the plan period are extrapolated using an inflationary only growth rate of 2% for years four and five, and a 1% long-term growth rate is applied for the terminal value. The estimates of future cash flows are consistent with past experience adjusted for the Group's estimate of future performance. The other inputs include a risk-adjusted, pre-tax discount rate, calculated by reference to the weighted average cost of capital ("WACC") of each country, or countries, the CGU operates in or a weighted average if the CGU operates in more than one country.

The long-term growth rate assumptions, and the discount rates applied to the risk-adjusted cash flow forecasts, are set out below.

	2017			2016		
CGU	Long-term growth rate %	Pre-tax discount rate %	Goodwill	Long-term growth rate %	Pre-tax discount rate %	Goodwill
Exhibitions & Festivals	1.0	10.6	184.1	1.5 – 3.0	8.9	188.6
MediaLink	1.0	12.2	32.7	N/A	N/A	N/A
WGSN	1.0	10.5	151.3	1.5 – 3.0	9.9	157.8
Plexus	1.0	12.0	38.2	1.5 – 3.0	9.9	34.8
OCR	1.0	12.6	26.0	1.5 – 3.0	9.9	28.2
Clavis	N/A	N/A	56.8	N/A	N/A	N/A
Discontinued operations	N/A	N/A	N/A	N/A	11.9	18.5
Total			489.1			427.9

Management has performed a sensitivity analysis across all CGUs which have goodwill and acquired intangible assets using reasonable possible changes in the already conservative future growth rates and increases in the pre-tax discount factors keeping all other assumptions constant. The sensitivity testing identified no reasonable changes in key assumptions that would cause the carrying amount of any CGU to exceed its recoverable amount.

15. Property, plant and equipment

(£ million)	Short leasehold property	Office equipment	Total
Cost			
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	(3.1)	(0.9)	(4.0)
Effect of movements in exchange rates	0.3	0.6	0.9
At 1 January 2017	15.3	8.6	23.9
Additions – continuing operations	0.3	3.0	3.3
Additions – acquisitions	1.0	0.7	1.7
Disposals	(0.5)	(0.8)	(1.3)
Effect of movements in exchange rates	0.1	–	0.1
At 31 December 2017	16.2	11.5	27.7
Depreciation			
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	1.6	0.9	2.5
Effect of movements in exchange rates	(0.2)	(0.3)	(0.5)
At 1 January 2017	(5.0)	(7.5)	(12.5)
Depreciation	(3.2)	(1.8)	(5.0)
Disposals	0.3	0.8	1.1
At 31 December 2017	(7.9)	(8.5)	(16.4)
Net book value			
At 31 December 2017	8.3	3.0	11.3
At 31 December 2016	10.3	1.1	11.4

16. Investments

(£ million)	2017	2016
At 1 January	5.0	0.7
Additions	–	4.5
Reduction	(0.2)	(0.1)
Share of gain/(loss) in associate	0.3	(0.1)
At 31 December	5.1	5.0

Investments include shares in unlisted associated companies, joint ventures, a trade investment as well as a loan to be converted to equity in a new associated company in 2018.

(£ million)	2017	2016
Interest in trade investment	0.1	0.1
Interest in associates	0.2	0.2
Interest in joint ventures	0.4	0.3
Loan	4.4	4.4
At 31 December	5.1	5.0

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17. Deferred tax assets and liabilities

The deferred tax balances shown in the consolidated balance sheet are analysed as follows:

(£ million)	2017	2016
Deferred tax assets	47.1	54.9
Deferred tax liabilities	(31.3)	(30.3)
Total	15.8	24.6

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

(£ million)	Intangible assets*	Share- based payments	Property, plant and equipment	Tax losses	Other	Total
At 1 January 2016	(36.8)	–	11.6	24.6	0.1	(0.5)
Credit/(charge) to the consolidated income statement for the year	13.0	0.2	(0.9)	3.2	–	15.5
Adjustments in respect of prior years	(0.3)	–	–	1.8	–	1.5
Impact of rate changes	1.6	–	(0.5)	–	–	1.1
Foreign exchange movements	0.3	–	0.1	2.6	–	3.0
Disposals	4.4	–	(0.4)	–	–	4.0
At 31 December 2016	(17.8)	0.2	9.9	32.2	0.1	24.6
Credit/(charge) to the consolidated income statement for the year	12.6	0.3	(0.9)	2.6	–	14.6
Credit to equity	–	0.4	–	–	–	0.4
Adjustments in respect of prior years	–	–	0.1	0.3	–	0.4
Impact of rate changes	(6.8)	–	–	(10.1)	–	(16.9)
Acquisitions	(5.3)	–	–	–	–	(5.3)
Disposals	0.8	–	(0.1)	–	–	0.7
Foreign exchange movements	(1.2)	–	–	(1.5)	–	(2.7)
At 31 December 2017	(17.7)	0.9	9.0	23.5	0.1	15.8

* The net deferred tax liability on intangible assets includes a deferred tax liability on non-deductible intangibles of £31.3 million (2016: £30.3 million) and a deferred tax asset on US deductible intangibles and deferred consideration of £13.6 million (2016: £12.5 million).

The above deferred tax balances are expected to reverse

(£ million)	Intangible assets	Share-based payments	Property, plant and equipment	Tax losses	Other	Total
Within 12 months	(3.1)	–	0.8	1.9	–	(0.4)
After 12 months	(14.6)	0.9	8.2	21.6	0.1	16.2
Total	(17.7)	0.9	9.0	23.5	0.1	15.8

In presenting its deferred tax balances, the Group does not offset assets and liabilities as the Group has no legally enforceable right to set off the arising current tax liabilities and assets when those deferred tax balances reverse.

No deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries and joint ventures as the Group is in a position to control the timing of their reversal and it is probable that such differences will not reverse in the foreseeable future.

On 22 December 2017, the US Government enacted the Tax Cut and Jobs Act which reduces the US Federal tax rate from 35% to 21% with effect for periods beginning after 31 December 2017. This results in a revaluation of US deferred tax assets and liabilities and an overall reduction of £16.6 million.

Net deferred tax assets have been recognised on the basis that sufficient taxable profits are forecast to be available in the future to enable them to be utilised.

At 31 December 2017, the Group has the following tax losses:

(£ million)	Recognised 2017	Recognised 2016	Unrecognised 2017	Unrecognised 2016	Total 2017	Total 2016
US net operating losses	66.0	49.7	127.1	160.2	193.1	209.9
UK non-trading losses	54.1	59.7	–	–	54.1	59.7
Irish trading losses	–	–	16.4	–	16.4	–
UK capital losses	–	18.5	115.1	127.8	115.1	146.3
Total	120.1	127.9	258.6	288.0	378.7	415.9

17. Deferred tax assets and liabilities continued

The above losses represent the following value at tax rates applicable at the balance sheet date:

(£ million)	Recognised 2017	Recognised 2016	Unrecognised 2017	Unrecognised 2016	Total 2017	Total 2016
US net operating losses	13.8	17.4	26.7	56.1	40.5	73.5
UK non-trading losses	9.7	11.2	–	–	9.7	11.2
Irish trading losses	–	–	2.1	–	2.1	–
UK capital losses	–	3.6	19.6	21.7	19.6	25.3
Total	23.5	32.2	48.4	77.8	71.9	110.0

The Group has tax losses in the US totalling £193.1 million carried forward at 31 December 2017 (2016: £209.9 million). It has been agreed with the US tax authorities that these losses are available to offset against taxable profits subject to a restriction following the change of ownership that was deemed to have occurred upon the listing of Ascential plc in 2016. In line with the US tax rules, the restriction of losses is, to a large extent, based on the valuation of the US tax group at the change of control date and this will be agreed with the US tax authorities in due course. The valuation of the US tax group is therefore a source of estimation and an external valuation was commissioned to support the Group's position. The recognised deferred tax asset is sensitive to a change in this valuation. A total credit of £12.7 million was recognised as a result of the latest valuation and this was offset by a £10.1 million charge as a result of the reduced US tax rate. The Board expects the deferred tax asset to be recovered over a number of years and considers it to be unlikely that there will be a consequential change in the estimates made that would lead to a material movement in the asset in the next 12 months.

18. Inventories

(£ million)	2017	2016
Deferred event costs	16.2	16.5
Physical stock	1.6	0.4
Total	17.8	16.9

19. Trade and other receivables

(£ million)	2017	2016
Current		
Trade receivables, net of the allowance for doubtful debts	67.6	49.8
Prepayments	8.9	7.0
Accrued income	4.8	0.4
Other receivables	6.9	2.4
Total	88.2	59.6
Non-current		
Other receivables	0.3	0.6
Total	0.3	0.6

The carrying amounts of trade and other receivables are denominated primarily in pounds sterling and US dollars. The Directors consider that the carrying amount of receivables and prepayments approximates their fair value.

Trade receivables are non-interest bearing and are generally on 30 day terms and are shown net of an allowance for doubtful debts. As at 31 December 2017, the allowance for doubtful debts was £3.7 million (2016: £2.4 million). Movements in the allowance for doubtful debts were as follows:

(£ million)	2017	2016
At 1 January	2.4	2.1
Provided in the year	2.3	2.9
Utilised in the year	(1.0)	(2.9)
Reclassification to assets held for sale	–	0.3
At 31 December	3.7	2.4

Trade receivables of the continuing operations, net of the allowance for doubtful debts, are aged as follows:

(£ million)	2017	2016
Not overdue	36.6	27.5
0 – 30 days overdue	13.6	6.6
31 – 90 days overdue	10.7	10.0
Greater than 90 days overdue	6.7	5.7
Total	67.6	49.8

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19. Trade and other receivables continued

The maximum exposure to credit risk for trade receivables by geographical region was:

(£ million)	2017	2016
United Kingdom	22.3	19.4
Other Europe	12.6	9.7
United States and Canada	23.2	12.1
Asia Pacific	5.4	5.0
Middle East and Africa	1.2	0.6
Latin America	2.9	3.0
Total	67.6	49.8

20. Cash and cash equivalents

Cash and cash equivalents at 31 December 2017 of £45.8 million (2016: £61.9 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.

21. Trade and other payables

(£ million)	2017	2016
Current		
Trade payables	10.3	5.8
Taxes and social security costs	3.5	5.3
Other payables	10.8	8.1
Accruals	33.1	22.7
Deferred and contingent consideration	47.5	24.0
Total	105.2	65.9

The Directors consider that the carrying amount of other non-current liabilities of £50.4 million (2016: £46.8 million) approximate their fair value. Refer to Note 22 for further details on deferred and contingent consideration.

22. Deferred and contingent consideration

The Group has liabilities in respect of deferred and contingent consideration payments under various business acquisition contracts.

(£ million)	Note	Money20/20	OCR	MediaLink	Clavis	Other	Total	Level 3 Total
At 1 January 2016		22.1	–	–	–	4.8	26.9	15.3
Additions		–	28.0	–	–	–	28.0	28.0
Acquisition–related employment costs accrued in the year	33	4.4	5.3	–	–	–	9.7	–
Revaluation of contingent consideration recognised in the consolidated income statement	33	6.2	–	–	–	(0.6)	5.6	5.8
Discount unwind on contingent and deferred consideration		1.9	0.8	–	–	0.3	3.0	2.1
Acquisition–related employment cash paid in year		(4.0)	–	–	–	–	(4.0)	–
Deferred and contingent consideration cash paid in the year		(4.0)	–	–	–	(1.7)	(5.7)	(5.5)
Effect of movements in exchange rates		4.0	2.1	–	–	1.2	7.3	5.3
At 31 December 2016		30.6	36.2	–	–	4.0	70.8	51.0
Additions		–	–	14.2	11.4	0.8	26.4	21.2
Acquisition–related employment costs accrued in the year	12	1.7	15.5	9.4	–	–	26.6	–
Revaluation of contingent consideration recognised in the consolidated income statement	12	0.4	–	0.7	–	–	1.1	1.1
Discount unwind on contingent and deferred consideration		0.8	2.3	1.0	–	–	4.1	4.1
Acquisition–related employment cash paid in year		(8.2)	–	–	–	–	(8.2)	–
Deferred and contingent consideration cash paid in the year		(8.1)	(4.0)	–	–	(3.5)	(15.6)	(13.1)
Effect of movements in exchange rates		(1.5)	(3.9)	(1.6)	(0.1)	(0.2)	(7.3)	(4.9)
At 31 December 2017		15.7	46.1	23.7	11.3	1.1	97.9	59.4

The total deferred and contingent consideration balance of £97.9 million (2016: £70.8 million) includes £59.4 million (2016: £51.0 million) which is categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs used in the fair value measurements are the determined weighted average cost of capital and the forecast future profits of the acquired businesses. For details of deferred and contingent consideration on current and comparative year acquisitions refer to Note 12 and for Money20/20 see below.

On 29 August 2014 the Group acquired 100% of the shares in Money2020, LLC ("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 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 were also entitled to payments contingent on the results of 2015, 2016 and 2017 financial years and payable in 2016 to 2018, recorded as an acquisition-related employment cost accrued over the period in which the related services are being received. There is no maximum or minimum limit on the total consideration payable including acquisition-related employment cost however there is a cap on the total amount paid as employment payments. At 31 December 2017, there is only one payment outstanding estimated to total $21.5 million which was paid in February 2018.

23. Borrowings

The maturity profile of the Group's borrowings, all of which are secured loans, was as follows:

(£ million)	2017	2016
Non-current		
– Two to five years	317.4	286.0
Total borrowings	317.4	286.0

Borrowings are shown net of unamortised issue costs of £3.3 million (2016: £4.3 million). The carrying amounts of borrowings approximate their fair value. The carrying value of the Group's borrowing facilities at 31 December 2017 is detailed in Note 33.

/ NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

23. Borrowings continued

Reconciliation of movement in net debt

(£ million)	Cash	Short-term deposits	Interest rate caps	Cross currency swaps	Borrowings	Net debt
At 1 January 2016	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	265.2	–	–	–	(265.2)	–
External debt repayment	(454.6)	–	–	–	454.6	–
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)
Exchange differences	(2.0)	(0.8)	–	–	2.7	(0.1)
External debt drawdown	–	–	–	–	(58.6)	(58.6)
External debt repayment	–	–	–	–	25.6	25.6
Non-cash movements	–	–	(0.3)	–	(1.1)	(1.4)
Net cash movement	(12.4)	(0.9)	–	–	–	(13.3)
At 31 December 2017	29.1	16.7	0.1	–	(317.4)	(271.5)

24. Financial instruments and financial risk management

Liquidity risk

The Group's undrawn borrowings total £63.2 million (2016: £95.0 million) and represent the unutilised balance on the revolving credit facility which matures in 2021.

Foreign currency risk

Net debt by currency was as follows:

	2017			2016		
(£ million)	Interest rate caps	Cash and borrowings	Total	Interest rate caps	Cash and borrowings	Total
Pounds sterling	–	(53.1)	(53.1)	–	(58.0)	(58.0)
US dollars	0.1	(84.6)	(84.5)	0.4	(46.6)	(46.2)
Euros	–	(138.1)	(138.1)	–	(123.2)	(123.2)
Other currencies	–	4.2	4.2	–	3.7	3.7
Total	0.1	(271.6)	(271.5)	0.4	(224.1)	(223.7)

Interest rate risk

The Group's borrowing facilities have floating interest rates of LIBOR plus margin of between 1.25% and 1.5% (2016: 2.0%-2.25%).

Additional information about the Group's objectives, policies and processes for measuring and managing risk, the Group's exposure to the risks arising from financial instruments and the Group's management of capital is disclosed in Note 33.

25. Provisions

(£ million)	Property provisions	Other	Total provisions
At 1 January 2016	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)
Effect of movements in exchange rates	–	0.4	0.4
Reclassified to liabilities held for sale	(0.5)	(0.8)	(1.3)
At 31 December 2016	1.3	2.0	3.3
Provided in the year	0.8	2.5	3.3
Released in the year	(0.5)	–	(0.5)
Utilised in the year	(0.3)	–	(0.3)
At 31 December 2017	1.3	4.5	5.8

25. Provisions continued

Provisions of continuing operations have been analysed between current and non-current as follows:

(£ million)	2017 Property provisions	2017 Other	2017 Total provisions	2016 Property provisions	2016 Other	2016 Total provisions
Current	–	3.2	3.2	–	1.7	1.7
Non-current	1.3	1.3	2.6	1.3	0.3	1.6
Total	1.3	4.5	5.8	1.3	2.0	3.3

The property provisions relate to ongoing lease commitments on dilapidation costs in properties in the United Kingdom. The weighted average maturity of these obligations is approximately 5.6 years. Other provisions relate to the acquisition of CWIEME in 2012, onerous contracts and warranty costs relating to businesses disposed of. The average weighted maturity of these obligations is approximately 1.5 years.

26. Share capital and reserves

(£ million)	2017	2016
400,619,698 ordinary shares of £0.01 each (2016: 400,542,500)	4.0	4.0
Total	4.0	4.0

During the year to 31 December 2017, 8,438 and 68,760 ordinary £0.01 shares were issued to employees under the PSP and Sharesave scheme respectively.

Own shares

Free shares awarded under the SIP are held by an Employee Benefit Trust ("EBT") on behalf of UK employees for a holding period of three years.

Movement in own shares held by the EBT:

	2017 Number of shares	2017 Cost £'m	2016 Number of shares	2016 Cost £'m
At 1 January	538,890	0.1	–	–
New shares purchased	4,354	–	544,396	0.1
Vesting of free shares	(94,500)	–	(5,506)	–
At 31 December	448,744	0.1	538,890	0.1

The market value of these shares as at 31 December 2017 was £1.7 million (2016: £1.5 million).

Reserves

The restructure of the Group between 8 and 12 February 2016 resulted in the Company issuing 400,000,000 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.

A merger reserve was 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 the previous Parent of the Group at the same date.

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.

27. Dividends

Amounts recognised and paid as distributions to ordinary shareholders in the year comprise:

	2017 £'m	2017 Pence per share	2016 £'m	2016 Pence per share
2016 Interim dividend	–	–	6.0	1.5
2016 Final dividend	12.8	3.2	–	–
2017 Interim dividend	7.2	1.8	–	–
Dividends paid	20.0	5.0	6.0	1.5

After the reporting date, the Board proposed a final dividend of 3.8p per ordinary share from distributable reserves, resulting in a total dividend of 5.6p per ordinary share for the year ended 31 December 2017. The final dividend is subject to approval by shareholders at the Annual General Meeting and is therefore not included in the consolidated balance sheet as a liability at 31 December 2017.

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For the year ended 31 December 2017

28. Subsidiary undertakings
Full details of the subsidiaries, associates and joint ventures of Ascential plc at 31 December 2017 are set out in Note 6 to the Company financial statements.

29. Related party transactions
During the year the Group incurred £0.1 million of costs which were recharged to a joint venture partner, and subsequently recharged to Asian Advertising Festival (Spikes Asia) Pte Limited (2016: £0.1 million). The Group received £0.3 million of dividends from Asian Advertising Festival (Spikes Asia) Pte Limited (2016: £0.5 million).

During the year the Group incurred £0.4 million of costs which were recharged to a joint venture partner Huajia Textile Product Development (Shanghai) Co Ltd (2016: £nil).

Other than the compensation of key management personnel, set out in Note 6, there are no other related party transactions requiring disclosure under IAS 24 "Related Party Disclosures".

30. Operating leases
The Group had total future minimum lease payments under non-cancellable operating leases as set out below:

	2017		2016	
(£ million)	Land and buildings	Other assets	Land and buildings	Other assets
Within one year	8.8	0.2	6.3	0.3
Two to five years	21.8	–	20.2	0.2
After more than five years	6.6	–	6.4	–
Total continuing operations	37.2	0.2	32.9	0.5
Discontinued operations – within one year	–	–	0.9	–
Total	37.2	0.2	33.8	0.5

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 £4.1 million (2016: £4.9 million), receivable over the next five years.

31. Commitments and contingencies
Contracted commitments for assets under construction including software at 31 December 2017 totalled £0.3 million (2016: £0.9 million).

32. Events after the reporting date
There are no reportable events since the year end of 31 December 2017.

33. Additional information
i) Group accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries and share of the results of its associates and joint ventures drawn up to 31 December 2017 using consistent accounting policies throughout the current and preceding years.

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

Foreign currency translation

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

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

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

Changes in fair value of derivative financial instruments entered into to hedge foreign currency net assets and that satisfy the hedging conditions of IAS 39, are recognised in the currency translation reserve (see separate accounting policy on derivative financial instruments).

Discontinued operations

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

When an operation is classified as a discontinued operation, the comparative consolidated income statement is represented as if the operation had been discontinued from the start of the comparative year.

Revenue

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.

Revenue for goods is recognised when the significant risks and rewards of ownership have been transferred to the customer.

Events revenue is recognised when the event takes place. Data and online subscription revenues are recognised 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 income statement in accordance with the revenue recognition criteria above.

Effective 1 January 2018, the Group will adopt IFRS 15 “Revenue from Contracts with Customers” and the impact of the adoption of IFRS 15 for the 2017 results is quantified in Note 1 on page 80.

Alternative Performance Measures

The consolidated financial statements include Alternative Performance Measures, including 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 19 to 21 for further details on Alternative Performance Measures.

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

- Significant capital structuring costs such as for the IPO as these are material and not a reflection of the ongoing business.
- Costs incurred as part of the acquisition and integration of acquired businesses as these are considered to be material.
- Gains or losses on disposals of businesses are considered to be exceptional in nature as these do not reflect the performance of the Group.
- Material restructuring and separation costs within a segment incurred as part of a significant change in strategy as these are not expected to be repeated on a regular basis.

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

Finance costs and income

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

Income tax

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

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

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

/ NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

33. Additional information continued

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year in which the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. The deferred tax assets and liabilities are only offset where they relate to the same taxing authority and the Group has a legal right to offset.

Business combinations

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

Intangible assets

Goodwill

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

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

Other intangibles

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

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

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

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

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

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.

Property, plant and equipment

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

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

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

33. Additional information continued

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

Investments in associates and joint ventures

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

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

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

Inventories

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

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

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 income 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 income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

Cash and cash equivalents

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

Derivatives and other financial instruments

Derivatives, 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 income statement as they arise.

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

Borrowings

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

Provisions

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

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

/ NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

33. Additional information continued

Shares held by the Employee Benefit Trust

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

Leases

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

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

ii) Additional information about financial instruments and financial risk management

Financial risk management

Information about the Group's objectives, policies and processes for measuring and managing risk, the Group's exposure to the risks arising from financial instruments, and the Group's management of capital, is disclosed below.

Market risk

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the euro. Foreign exchange risk arises from future commercial transactions to which the Group is already committed, recognised assets and liabilities and net investments in foreign operations.

Foreign currency movements impact on the consolidated income statement together with its cash flow profile and leverage ratio position. The impact depends on whether there is a surplus or deficit in each currency from operating activities together with the interest and finance charge in those currencies. The Group's policy has been to protect its cash flow and leverage ratio position by maintaining a proportion of currency debt in proportion to its currency earnings to obtain natural offsets.

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

	2017		2016	
(£ million)	Revenue	Adjusted EBITDA	Revenue	Adjusted EBITDA
Increase in revenue/Adjusted EBITDA if:				
Sterling weakens by 1% against US dollar in isolation	1.2	0.6	0.7	0.4
Sterling weakens by 1% against euro in isolation	1.1	0.9	0.9	0.7

Additionally, each 1% movement in the euro to pounds sterling exchange rate has a circa £1.5 million (2016: £1.5 million) impact on the carrying value of borrowings. Each 1% movement in the US dollar to pounds sterling exchange rate has a circa £1.0 million impact on the carrying value of borrowings (2016: £0.8 million).

(b) Cash flow and interest rate risk

Interest rate risk arises from medium and long-term borrowings to the extent that the underlying debt instruments are not at fixed rates of interest. The Group has entered into interest rate caps to convert a portion of its bank borrowings from fully floating to capped rates to mitigate this risk. As at 31 December 2017, the total notional amount of outstanding interest rate caps to which the Group is committed is £109.2 million (2016: £182.9 million).

The fair value of the interest rate caps as at 31 December 2017 was a £0.1 million asset (2016: £0.1 million asset) of which £nil (2016: £0.1 million) is included within non-current assets.

These interest rate caps are measured at fair value through profit or loss and are Level 2 financial instruments. These derivative instruments were not traded in an active market and the fair value is determined by using third party valuations based on forward yield curves. This technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates. All significant inputs required to fair value an instrument are observable.

In the year ended 31 December 2017, 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 2017 would have decreased or increased by £1.4 million (2016: £1.3 million).

The effective annual interest rate at 31 December 2017 was 1.9% (2016: 2.3%).

33. Additional information continued

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The maximum exposure to credit risk at the reporting date is the fair value of the financial assets in the consolidated balance sheet as disclosed in Note 24.

(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 2017, cash and cash equivalents totalled £45.8 million (2016: £61.9 million), of which 83% (2016: 87%) 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 19.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity in the form of sufficient cash or funding from adequate credit facilities to meet such liabilities under both normal and stressed conditions.

The Group's major banking facilities are detailed below:

	Facility		Drawn			
As at 31 December 2017 (million)	Local currency	£	Local currency	£	Final maturity	Interest
Facility A	£66.0	66.0	£66.0	66.0	Feb-21	LIBOR plus 1.50%
Facility B	$96.0	71.1	$96.0	71.1	Feb-21	LIBOR plus 1.50%
Facility C	€171.0	151.8	€171.0	151.8	Feb-21	LIBOR plus 1.50%
Revolving credit facility	£95.0	95.0	$43.0	31.8	Feb-21	LIBOR plus 1.25%
Total facilities		383.9		320.7		

	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		

Subsequent to refinancing on 12 February 2016, the Group was required to adhere to a net leverage ratio covenant of 4.5x which was measured at December 2016 and then semi-annually thereafter. The covenant ratio fell to 4.0x in December 2017. The Group operated within this covenant limit during the period to 31 December 2017. The Group has a margin ratchet on its current facilities based on its covenant leverage position reported in its semi-annual covenant compliance certificate. Due to the covenant leverage ratio falling to below 2.0x at the annual compliance certificate for 31 December 2016, the margins were reduced by 0.75% from 21 March 2017 and these remained unchanged for the remainder of 2017.

/ NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

33. Additional information continued

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[2]
At 31 December 2017					
Non-derivative financial liabilities					
Borrowings	–	–	–	–	320.7
Interest payments on borrowings	0.5	0.9	4.2	6.2	8.2
Trade payables, accruals and other payables[1]	53.8	–	–	–	–
Deferred and contingent consideration	3.0	44.5	0.3	25.4	30.9
Derivative financial liabilities					
Derivative contracts – receipts	–	–	(0.1)	–	–
Total	57.3	45.4	4.4	31.6	359.8

(£ 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[2]
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
Trade payables, accruals and other payables[1]	36.2	–	–	–	–
Deferred and contingent consideration	–	20.3	4.0	33.4	25.7
Derivative financial liabilities					
Derivative contracts – receipts	–	–	(0.1)	–	–
Total	36.8	21.6	9.7	41.8	336.6

1 Accruals excludes interest accruals of £0.4 million (2016: £0.4 million).
2 No amounts are due in more than five years.

The financial and derivative liabilities are shown in the period in which they are due to be repaid. The interest payments on borrowings due in less than one month represents the actual interest due, while the interest due greater than one month is an estimate based on current interest rates and exchange rates. Cash flows in respect of borrowings represent contractual payments under the Group's lending facilities in place as at 31 December 2017. Borrowings as disclosed in Note 23 are stated net of unamortised arrangement fees of £3.3 million as at 31 December 2017 (2016: £4.3 million).

Both contingent consideration and acquisition related employment costs are based on the future performance of the acquired business to which they relate. Performance is assessed using forecast profits and the current three-year plan which is updated annually. Forecasts are inherently a source of management estimation, resulting in a range of outcomes. The likely range of outcomes of the combined contingent consideration and acquisition-related employment costs are disclosed in Note 12 for current and prior year acquisitions and Note 22 for Money20/20.

The above table includes:
- contingent consideration of £65.5 million (2016: £57.3 million), representing anticipated undiscounted future payments;
- acquisition-related employment costs, to the extent to which they are accrued at 31 December 2017, of £33.4 million (2016: £23.1 million). The anticipated future payments on acquisition-related employment costs total £60.2 million; and
- deferred consideration of £5.2 million (2016: £2.9 million) which is not impacted by performance.

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.

33. Additional information continued

Financial instruments by measurement basis

The carrying amount of financial instruments by category as defined by IAS 39 "Financial Instruments: Recognition and Measurement" is as follows:

(£ million)	2017	2016
Financial assets		
Financial assets at fair value through profit or loss		
Derivative financial assets	0.1	0.4
Financial assets not measured at fair value		
Trade receivables	67.6	49.8
Other receivables	6.9	2.4
Cash and cash equivalents	45.8	61.9
Total	120.4	114.5
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Contingent consideration	59.4	51.0
Financial liabilities at amortised cost		
Trade payables	10.3	5.8
Accruals	33.1	22.7
Other payables	10.8	8.1
Deferred and contingent consideration	38.5	19.8
Borrowings	320.7	286.0
Total	472.8	393.4

The fair value of each category of the Group's financial instruments approximates their carrying value in the Group's consolidated balance sheet.

Financial instruments in the category "fair value through profit or loss" are measured in the consolidated balance sheet at fair value. Fair value measurements can be classified in the following hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December:

	2017				2016			
(£ million)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative financial assets	–	0.1	–	0.1	–	0.1	–	0.1
Contingent consideration	–	–	59.4	59.4	–	–	51.0	51.0

There were no movements between different levels of the fair value hierarchy in the year.

iii) Additional information about share-based payments

a) Share Incentive Plan

In 2016, the Group established the Employee Share Incentive Plan and International Employee Free Share Plan (collectively known as the "SIP") which enables employees to acquire shares of the Company, subject to service conditions.

During the year to 31 December 2017, the Group made a conditional award of 51,645 shares under the SIP. During the year to 31 December 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 EBT on behalf of UK employees for a holding period of three years, and the conditional award and cash equivalent will also vest with international employees after three years.

/ NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

33. Additional information continued

b) Performance Share Plan

In 2016, the Group established the Executive Performance Share Plan ("PSP"), under which key management personnel and other senior employees are granted options to acquire shares or a cash alternative. 25% of the options are subject to a Total Shareholder Return ("TSR") market performance condition and the remaining 75% is subject to a cumulative Adjusted EBITA non-market performance condition. Executive Directors are further subject to a holding period for their shares upon vesting.

During the year to 31 December 2017, the Group granted 2,430,593 options under the PSP (2016: 2,252,232). 25% of the options are subject to a TSR market performance condition and the remaining 75% is subject to an Earnings Per Share non-market performance condition.

c) Sharesave scheme

In 2016, the Group established the Employee Savings Related Share Option Plan, the International Savings Related Share Option Plan and the US Stock Purchase Plan (collectively known as the "Sharesave") under which employees enter into a savings contract and are granted options to acquire shares of the Company, subject to service conditions.

During the year to 31 December 2017, the Group granted 545,940 options under the Sharesave to qualifying UK and international employees (2016: 1,638,082).

Under the UK and International plans, the options vest after three years and are exercisable within a six-month period. Under the US plan, they vest after two years and are exercisable for a three-month period.

d) Deferred Annual Bonus Plan ("DABP")

Under the DABP a portion of executive annual bonuses earned is deferred mandatorily into nil-cost share options, vesting after a three-year period. During the year to 31 December 2017, the Group granted 32,300 options under the DABP (2016: nil).

/ PARENT COMPANY BALANCE SHEET

As at 31 December

(£ million)	Note	2017	2016
Assets			
Non-current assets			
Investments	6	52.8	52.8
Debtors – due after more than one year	7	0.3	0.2
		53.1	53.0
Current assets			
Debtors – due within one year	7	599.0	594.7
		599.0	594.7
Liabilities			
Current liabilities			
Creditors – due within one year	8	34.2	15.1
		34.2	15.1
Net assets		617.9	632.6
Equity			
Called-up share capital	9	4.0	4.0
Share premium		0.1	–
Reserves		613.8	628.6
Total equity		617.9	632.6

The accompanying notes on pages 113 to 118 are an integral part of these financial statements.

/ PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

(£ million)	Share capital	Share premium	Reserves: Capital reserve	Reserves: Group restructure reserve	Reserves: Retained earnings	Total equity
On incorporation at 4 January 2016	–	–	–	–	–	–
Group restructure[1]	30.0	252.9	8.8	157.9	–	449.6
Issue of shares[1]	10.0	190.0	–	–	–	200.0
Share issue costs[1]	–	(11.6)	–	–	–	(11.6)
Share-based payments	–	–	–	–	1.5	1.5
Issue of shares[2]	0.1	–	–	–	(0.1)	–
Capital reduction[1]	(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
Profit for the year	–	–	–	–	1.6	1.6
Issue of new shares	–	0.1	–	–	–	0.1
Share-based payments	–	–	–	–	3.6	3.6
Dividends	–	–	–	–	(20.0)	(20.0)
At 31 December 2017	4.0	0.1	–	157.9	455.9	617.9

1 Refer to Note 9.
2 On 8 March 2016 shares were issued to employees under the Share Incentive Scheme held by the EBT.

The accompanying notes on pages 113 to 118 are an integral part of these financial statements.

/ NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. Corporate information

Ascential plc (the "Company") is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The registered office is located at The Prow, 1 Wilder Walk, London W1B 5AP. The registered company number is 09934451. Ascential plc is the Parent Company of the Ascential Group (the "Group") and its principal activity is to act as the ultimate holding company of the Group.

2. Company accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued by the Financial Reporting Council.

The Company presents its financial statements under FRS 102 issued by the Financial Reporting Council. As permitted by FRS 102, the Company has taken advantage of the following disclosure exemptions:

- presentation of a statement of cash flows;
- disclosure of key management personnel compensation;
- disclosure of related party transactions between wholly-owned subsidiaries and parents within a group;
- disclosures required under IFRS 2 "Share Based Payments" in respect of Group settled share-based payments;
- disclosures required by IFRS 7 "Financial Instruments: Disclosures";
- certain disclosures required under IFRS 13 "Fair Value Measurement"; and
- disclosure of information in relation to new standards not yet applied.

The financial statements have been prepared on a historical cost basis and on the going concern basis.

The Company's financial statements are presented in pounds sterling being the Company's functional currency.

Going Concern

The Group's principal objective, of which the Company is the holding company, is to manage cash and debt to safeguard the Group's ability to continue as a going concern for the foreseeable future. The Group retains sufficient resources to comfortably remain in compliance with the financial covenants of its bank facilities. The Directors have also assessed the Group's prospects and viability over a three-year period. The Directors therefore consider it appropriate to adopt the going concern basis in preparing the financial statements.

3. Income statement

The Company has taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present its income statement. The profit for the year to 31 December 2017 was £1.6 million (2016: loss of £0.9 million).

Fees paid to the auditor during the year for the audit of the Company accounts were £20,000 (2016: £20,000). Fees paid by the Company to the auditor for other services were £nil (2016: £nil).

4. Principal accounting policies

Investments in subsidiaries

Subsidiaries are entities that are directly or indirectly controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The investment in the Company's subsidiaries is recorded at cost less provisions for impairment. Carrying values are reviewed for impairment either annually, or more frequently if events or changes in circumstances indicate a possible decline in carrying values. The Company uses forecast cash flow information and estimates of future growth to assess whether investments are impaired. If the results of operations in a future period are adverse to the estimates used for impairment testing, an impairment may be triggered at that point.

Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

/ NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

4. Principal accounting policies continued

Share-based payments

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

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

Shares held by the Employee Benefit Trust

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

5. Directors' emoluments

The Company has no employees other than the Directors. Full details of the Directors' remuneration and interests are set out in the Directors' Remuneration Report on pages 50 to 64.

6. Investments

(£ million)	2017	2016
At 1 January	52.8	–
Movement for the year	–	52.8
At 31 December	52.8	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 2017 the Company had the following subsidiaries, associates and joint venture undertakings:

Name	Holding	Direct/ Indirect	Registered office address
Ascential Financing Limited	100%	Direct	The Prow, 1 Wilder Walk, London W1B 5AP, England
Plexus Network Limited	100%	Indirect	
4C Dormant Limited	100%	Indirect	
Ascential Information Services Limited	100%	Indirect	
Ascential Group Limited	100%	Indirect	
Ascential PrefCo Limited	100%	Indirect	
Ascential Technology Limited	100%	Indirect	
CLR Code Limited (formerly WGSN Trading Limited)	100%	Indirect	
De Havilland Information Services Limited	100%	Indirect	
Edgware 174	100%	Indirect	
Ascential America (Holdings) Limited	100%	Indirect	
Ascential America Limited	100%	Indirect	
Ascential Group Holdings Limited	100%	Indirect	
Ascential UK Holdings Limited	100%	Indirect	
Ascential Radio Financing Limited	100%	Indirect	
Glenigan Limited	100%	Indirect	
Groundsure Limited	100%	Indirect	
Ascential Events Limited	100%	Indirect	
Ascential Events (Europe) Limited	100%	Indirect	
Clavis Insight Limited	100%	Indirect	
MediaLink Europe Limited	100%	Indirect	
Planet Retail Limited	100%	Indirect	
Rembrandt Technology Limited	100%	Indirect	
4C Information Limited	100%	Indirect	
Siberia Europe Limited	100%	Indirect	
WGSN Group Limited	100%	Indirect	
Worth Global Style Network Limited	100%	Indirect	
WGSN Limited	100%	Indirect	

6. Investments continued

Name	Holding	Direct/ Indirect	Registered office address
Trades Exhibitions Limited	10%	Indirect	1 17 The Plaza, 535 Kings Road, London, SW10 OSZ
Ascential Jersey Financing Limited	100%	Indirect	44 Esplanade, St Helier, Jersey, Channel Islands JE4 9WG
2WH Assessoria Empresarial Ltda	100%	Indirect	Rua Tabapuã 841, Conjunto 15, 1º Andar, São Paulo, Brazil 04533-013
Ascential Serviços de Informação Ltda	100%	Indirect	
Ascential Eventos Ltda	100%	Indirect	
Mindset Comunicacao Marketing Ltda	100%	Indirect	
Media Link, LLC	100%	Indirect	10880 Wilshire Boulevard, 19th floor, Los Angeles CA 90024, United States
OneClickRetail.com, LLC	100%	Indirect	1209 Orange Street, Wilmington, New Castle DE 19801, United States
Planet Retail (USA) LLC	100%	Indirect	160 Greentree Drive, Suite 101, Dover DE 19904, United States
Money2020, LLC	100%	Indirect	2140 South Dupont Highway, Camden, Kent DE 19934, United States
RetailnetGroup, LLC	100%	Indirect	2711 Centerville Road, Suite 400, Wilmington, New Castle DE 19808, United States
Clavis Technology LLC	100%	Indirect	46 Farnsworth Street, 1st floor, Boston, Massachusetts, MA 02210, United States
Siberia LLC	100%	Indirect	8 The Green, Suite A, Dover, Kent, Delaware DE 19901, United States
WGSN Inc.	100%	Indirect	c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover DE 19904, United States
Ascential Events France SAS	100%	Indirect	6 Place du Commandant Maria, Cannes 06400, France
Clavis Technology Limited	100%	Indirect	7th floor, O'Connell Bridge House, D'Olier Street, Dublin 2, Ireland
WGSN GmbH	100%	Indirect	Alte Ziegelei 2–4, 51491 Overath, Germany
WGSN Intelligence España SL	100%	Indirect	Aribau 175. Piso 1o 1a A 08036 Barcelona, Spain
Planet Retail GmbH	100%	Indirect	Dreieichstr. 59, 60594 Frankfurt am Main, Germany
WGSN (Pty) Limited	100%	Indirect	Ideas Cartel, 3rd Floor, 113 Loop Street, Cape Town, 8001, South Africa
Top Right Group India Knowledge Services Private Limited	100%	Indirect	Options Primo, Unit No. 501/502, 5th Floor, Vijay Nagar Flyover Bridge Cross Road, No. 21 MIDC, Andheri (East), Mumbai – 400093, Maharashtra, India
Sistema Use Fashion Comércio de Informações Ltda	100%	Indirect	Av. Unisomos, no. 950, Condomínio Padre Rick – 410, São João Batista, City of São Leopoldo, State of Rio Grande do Sul, 93022-970, Brazil
Stylesight Limited	100%	Indirect	Suite 3201-03, 32/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong
WGSN (Asia Pacific) Limited	100%	Indirect	
Ascential Events (Shanghai) Company Limited	100%	Indirect	Unit 2822, One ICC, 999, Middle Huaihai Road , Shanghai, People's Republic of China
WGSN Business Information Consulting (Shanghai) Company Limited	100%	Indirect	Unit 39 of 7/F, No.2, Building 2, 999 Middle Huaihai Road, Xuhui District, Shanghai, People's Republic of China
Clavis Information Technology (Shanghai) Limited	100%	Indirect	Room 3301, No. 10 Yu Tong Road, Jing An District, Shanghai, People's Republic of China
Ascential Events (HangZhou) Company Limited	100%	Indirect	Room 601, 603, 6/F, Building 2, Jiang Ning Tower, 27 Ningtai Road, Ningwei Town, Xiaoshan, Hangzhou, Zhejiang, People's Republic of China
Stylesight Information Technology (Shanghai) Company Limited	100%	Indirect	Room 617, 28 Tan Jia Du Road, Putuo District, Shanghai, People's Republic of China
CTIC WGSN China Limited	49%	Indirect	Floor 5, Building 29, No.1 Lane 618, Dingyuan Road, Songjiang District, Shanghai, People's Republic of China
Ascential Fuarcilik Organizasyon ve Tanitim Hizmetleri Anonim Sti.	100%	Indirect	Cevdetpasa Caddesi, No. 31/7 Bebek, 34342 Istanbul, Turkey
WGSN Group Trend Forecasting Moda Danişmanlik Hizmetleri Limited Şirketi	100%	Indirect	
Asian Advertising Festival (Spikes Asia) Pte Limited	50%	Indirect	21 Media Circle, #05-05 Infinite Studios, Singapore 138562
Ascential Events Pte Limited	100%	Indirect	63 Market Street #09-01, The Bank of Singapore Centre, Singapore 04892
i2i Events (India) Private Limited	100%	Indirect	ICC Chambers, 4th floor, Saki Vihar Road, Powai, Mumbai – 400072, India

The Company also has the following indirectly wholly owned companies which were in liquidation as at 31 December 2017: Ascential Holdings Limited, Eden Acquisition 1 Limited, Eden Acquisition 2 Limited, Eden Acquisition 3 Limited, Eden Acquisition 4 Limited, Eden Bidco Limited, Eden Midco Limited, Eden Newco Limited, Eden Loanco Limited and Hazel Acquisition 1 Limited. These companies all have the registered address of 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands.

/ NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

7. Trade and other receivables

(£ million)	2017	2016
Debtors – due within one year		
Amounts due from Group undertakings	598.8	594.6
Prepayments	0.2	0.1
Total	599.0	594.7
Debtors – due after more than one year		
Other debtors	0.1	0.1
Deferred tax asset	0.2	0.1
	0.3	0.2
Total	599.3	594.9

Amounts due from Group undertakings are non-interest bearing, unsecured and repayable on demand.

Deferred tax asset

(£ million)	2017	2016
Temporary differences – share-based payments	0.2	0.1
Total deferred tax asset	0.2	0.1

(£ million)	2017	2016
At 1 January	0.1	–
Deferred tax credit in income statement for the year	0.1	0.1
At 31 December	0.2	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.

8. Creditors

(£ million)	2017	2016
Creditors – due within one year		
Amounts due to Group undertakings	32.8	13.8
Trade payables	0.1	–
Accruals	1.0	1.2
Other taxation and social security	0.3	0.1
Total	34.2	15.1

Amounts due to Group undertakings are non-interest bearing, unsecured and repayable on demand.

9. Share capital and reserves

Share capital

(£ million)	2017	2016
Allotted, issued and fully paid 400,619,698 ordinary shares of £0.01 each (2016: 400,542,500)	4.0	4.0
Total	4.0	4.0

During the year to 31 December 2017, 8,438 and 68,760 ordinary £0.01 shares were issued to employees under the PSP and Sharesave scheme respectively.

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.

Own shares

Free shares awarded under the SIP are held by an EBT on behalf of UK employees for a holding period of three years.

Movement in own shares held by the EBT:

	2017		2016	
	Number of shares	Cost £m	Number of shares	Cost £m
At 1 January	538,890	0.1	–	–
New shares purchased	4,354	–	544,396	0.1
Vesting of free shares	(94,500)	–	(5,506)	–
At 31 December	448,744	0.1	538,890	0.1

The market value of these shares as at 31 December 2017 was £1.7 million (2016: £1.5 million).

Reserves

The restructure of the Group between 8 and 12 February 2016 resulted in the Company issuing 400,000,000 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.

A merger reserve was 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 the previous Parent of the Group at the same date.

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.

10. Dividends

Amounts recognised and paid as distributions to ordinary shareholders in the year comprise:

	2017		2016	
	£m	Pence per share	£m	Pence per share
2016 Interim dividend	–	–	6.0	1.5
2016 Final dividend	12.8	3.2	–	–
2017 Interim dividend	7.2	1.8	–	–
Dividends paid	20.0	5.0	6.0	1.5

After the reporting date, the Board proposed a final dividend of 3.8p per ordinary share from distributable reserves, resulting in a total dividend of 5.6p per ordinary share for the year ended 31 December 2017. 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 2017.

11. Related party transactions

During the year, a management charge of £2.2 million was received from subsidiary undertakings in respect of services rendered (2016: £2.3 million).

At 31 December 2017, balances outstanding with other Group undertakings were £598.8 million and £32.8 million respectively for debtors and creditors as set out in Notes 7 and 8 (2016: £594.6 million and £13.8 million respectively). Please also refer to Note 29 of the consolidated financial statements.

/ NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2017

12. Commitments and contingencies

On 12 February 2016, the Group entered into a New Facilities Agreement of £66 million, €171 million and $96 million and a revolving credit facility of £95 million. The Company was identified as a guarantor to the New Facilities Agreement.

During the year the Company was a member of the Group cash pooling arrangement. This allows the Group to combine the liquidity of companies within the Group in order to distribute such cash centrally as required.

The Company is registered with H.M. Revenue & Customs as a member of the Ascential Limited Group for value added tax and Pay As You Earn purposes and is therefore jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of their value added tax, income tax and national insurance contributions liabilities.

13. Events after the reporting date

After the reporting date, the Board of Directors proposed a final dividend of 3.8p per ordinary share for the year ended 31 December 2017.

There were no other reportable events after 31 December 2017.

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