FUTURE

Annual Report 2019

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GROUP OVERVIEW

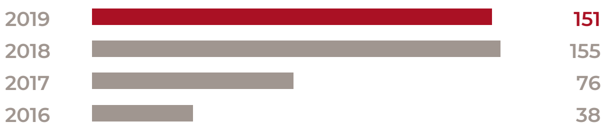
Future plc is a global platform for specialist media, listed on the London Stock Exchange (symbol: FUTR). These highlights refer to the Group's annual results for the year ended 30 September 2019.

Media division KPIs

Online users (million)

Number of unique visitors to a Future website within a monthly period.

Event attendees (thousand)



Number of visitors to a Future event.

eCommerce transactions (million)

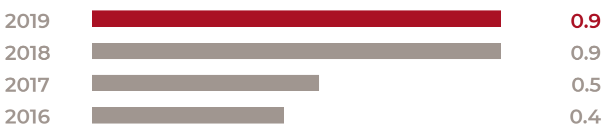
Number of transactions made via Affiliate links on Future websites.

Magazine division KPIs

Total circulation (million)

Total number of magazine and bookazine copies sold.

Subscribers (million)



Total number of subscriptions.

Corporate KPIs

Revenue (£million)

2019	221.5
2018[1]	130.1
2017	84.4
2016	59.0

Consolidated Group revenue.

Global audience (million)

2019	269.2
2018	193.4
2017	85.6

Includes Magazine and bookazine print circulation per issue, monthly online users, event attendees, social reach (Twitter followers, Facebook unique impressions, YouTube subscribers) and newsletter subscribers.

Adjusted operating profit (£million)

2019	52.2
2018	18.5
2017	8.9
2016	2.8

Adjusted operating profit represents earnings before share-based payments (relating to equity settled awards with vesting periods longer than 12 months) and related social security costs, interest, tax, amortisation of acquired intangible assets, fair value movements on contingent consideration (and unwinding of associated discount) and on currency option, non-trading foreign exchange gains and exceptional items.

Reported operating profit/(loss) (£million)

2019	26.7
2018	5.3
2017	0.8
2016	(14.4)

Consolidated statutory operating profit/(loss).

Adjusted free cash flow (£million)

2019	53.7
2018	17.4
2017	15.3
2016	4.6

Adjusted free cash flow is defined as adjusted operating cash inflow less capital expenditure. Adjusted operating cash inflow represents operating cash inflow adjusted to exclude cash flows relating to exceptional items.

Free cash flow (£million)

2019	49.7
2018	12.3
2017	10.2
2016	1.2

Free cash flow is defined as statutory operating cash inflow less capital expenditure.

Adjusted EBITDA (£million)

2019	54.5
2018	20.7
2017	11.0
2016	5.2

Adjusted EBITDA represents earnings before share-based payments (relating to equity settled awards with vesting periods longer than 12 months) and related social security costs, interest, tax, amortisation of intangible assets, depreciation, fair value movements on contingent consideration (and unwinding of associated discount) and on currency option, non-trading foreign exchange gains and exceptional items.

See Directors' Remuneration Report pages 89 and 90.

Adjusted EBITDA margin

2019	25%
2018[1]	16%
2017	13%
2016	9%

Adjusted EBITDA margin represents adjusted EBITDA as a percentage of statutory Group revenue.

Adjusted diluted EPS (p)

2019	47.5
2018	24.3
2017[2]	18.4
2016	8.8

Adjusted diluted EPS represents adjusted profit after tax divided by the weighted average dilutive number of shares at the year end date.

Leverage

2019	.74x
2018	.86x
2017	.91x

Leverage is defined as total net debt divided by adjusted EBITDA.

Notes
1. 2018 restated for IFRS 15. *Revenue from contracts with customers.*
2. Restated for 2018 rights issue.

CHAIRMAN'S STATEMENT

Richard Huntingford
Chairman

Dear Shareholders,

I am delighted to report that Future has had another outstanding year, delivering record-breaking results, both financially and in terms of our audience. Revenue for the year increased by 70% to £221.5m, with adjusted EBITDA up 163% at £54.5m and operating profit up 404% at £26.7m. Global audience grew to 269 million (from 193 million). It is a very exciting time to be at Future and we remain positioned to deliver continued strong growth and returns through our strategy of being a global, technology-enabled platform for specialist media.

Clear vision and focused strategy

The Group's outstanding results are due to the continued relentless focus on the Group's vision and strategy for success. Future's purpose is to change people's lives through sharing knowledge and expertise with others, making it easy and fun for them to do what they want. We help dedicated enthusiasts follow their passion through our high-quality branded content, innovative and scalable technology, and unique experiences. In doing so, we create loyal, highly-engaged communities that are of significant value to advertisers and commercial partners. We seek to expand our global reach through organic growth, acquisitions and strategic partnerships, whilst also diversifying our monetisation models to create significant, multiple revenue streams.

In addition to the vision and strategy that is embedded across the organisation, we also have a clear and well-understood planning approach to how our strategy is executed. This is set out in the Future Playbook, which captures the "rules of the game" at work for all our staff so as to ensure that everyone is aligned and focused on delivering the same goals. This includes the key values that underpin all that we do as a collective organisation. Alongside this, the Future Strategy Wheel sets out the business model that we focus on to ensure that we are creating products and services that can be delivered across multiple channels in a manner that diversifies and optimises the monetisation of both our content and our loyal communities.

Steps to accelerate growth

The Group made a number of transformative steps during the year to both the shape of the business and the strength of the balance sheet in order to accelerate our growth plans. Most notably, the Company returned to a Premium Listing in March, and entered the FTSE 250 Index in June. This has led to a considerable broadening of our shareholder register, both in terms of UK institutions and new US investors.

During February we re-financed our debt, replacing our existing bank facilities with a new, four-year £90 million multicurrency Revolving Credit Facility which includes an incremental £45 million accordion. This provides the Group with significant additional flexibility and improved terms on the previous debt facilities.

The re-financing facilitated the three acquisitions which the Group undertook in the year. During February and March the business acquired two portfolios: firstly, Mobile Nations, a leading global digital publisher focused on consumer electronics and based in the US; and secondly, two former Future-owned cycling titles that had previously been sold to Immediate Media in 2014, which enhance the coverage of our sporting brands within our Hobbies division.

The acquisition towards the end of the financial year of SmartBrief, a US-based B2B publisher of email newsletters, significantly deepens our presence in the US B2B market and introduces a significant new product to monetise, in addition to new specialist verticals. This gives us an excellent opportunity to drive further revenue and profit growth over the coming years.

Each of these acquisitions is strongly aligned to Future's clear and consistent strategy, as described earlier. We only invest in acquisitions that complement and enhance our strategic business model and create value by acquiring strong companies in our market, enhancing their capabilities within our technology stack, and delivering improved content across our communities.

As a result of these acquisitions, this year has seen a significant shift in geographic importance, with revenue from the US overtaking that of the UK for the first time. Similarly, we expect a growing share of our revenue to come from the B2B business next year. Both developments deliver on our strategy of diversification and will support our future growth and performance.

In addition to being highly disciplined in ensuring that acquisitions have a strong strategic rationale, we are also very focused on the successful integration of acquired businesses. We have a proven management team and a carefully planned,

Future has had an exceptional year, achieving record levels of profitability and audience. During the year the Company stepped up to a Premium Listing and entered the FTSE 250. The foundation for this success is a clear and focused strategy which continues to be extremely well executed by our passionate and committed team.

systematic approach which allows us to integrate acquisitions in a timely and efficient manner. In addition, the Board closely monitors the progress of acquisitions, both to ensure that the full benefits of all acquisitions are ultimately delivered and to prevent the risk of management over stretching itself in terms of bandwidth capability.

As you may have seen, on 30 October 2019, a month after the financial year-end, we announced the proposed conditional acquisition of TI Media, the renowned magazine and digital media company with a proud heritage in UK publishing, for a total cash consideration of £140 million. This major acquisition has compelling strategic and financial rationale, providing an outstanding opportunity to accelerate Future's strategy and to bolster our growth levers. It is hoped that the acquisition will complete in Spring 2020. We have also, post year end, announced the further exciting acquisition of Barcroft Studios as of 1 December 2019.

Capital structure and dividends

The Group was again highly cash generative, achieving adjusted cash conversion of 106% (2018: 96%) and finishing the year with net debt of £40.3m. The Board's policy is that leverage should not exceed 1.5 times EBITDA. The Board is delighted to propose an increased final dividend of 1.0p a share (2018: 0.5p), payable on 14 February 2020 to all shareholders on the register at the close of business on 17 January 2020. We aim to pursue a progressive dividend policy whilst optimising value for shareholders by balancing returns to shareholders with investment in the business to support future growth.

I would like to take this opportunity to thank all of our shareholders and members of our banking syndicate for their confidence in the Company and its growth ambitions, as the transformative steps that we have undertaken would not have been possible without their continued support.

Board composition

The Board was strengthened at the start of the financial year with Rob Hattrell joining as a Non-Executive Director and member of the Audit, Remuneration and Nomination Committees on 1 October 2018. Rob, who is currently Vice President of eBay UK, has already become a very valuable contributor to the Board through his significant eCommerce, digital platform and commercial experience.

We have had a strong and settled Board during the course of the financial year and feedback from the recent Board evaluation exercise shows that the Board is highly engaged, with strong shareholder focus and clear alignment to vision and strategy, making for constructive and challenging debate. There is a culture of open communication, mutual trust and respect for each other's opinion and relevant knowledge. The additional responsibilities and governance requirements that come with the Company's Premium Listing and FTSE 250 membership are well recognised by all Board members, as is the importance of continuing to embrace the entrepreneurial and ambitious culture that has been the bedrock for much of the Company's recent success. I would like to thank all my fellow Board members for their hard work, diligence, wisdom and commitment during what has been a very full and busy twelve months for the Company.

On 1 July 2019, we announced that Penny Ladkin-Brand intended to step down from her role as CFO in early 2020 to take up a new role in the business as Chief Strategy Officer. Having undertaken a full external search for Penny's replacement, I was delighted to announce that Rachel Addison, who is currently CFO of TI Media, will join the Board as CFO upon completion of the acquisition of the company. Rachel has a wealth of media industry experience, including large-scale integrations, and will be a great addition to the Future Board. I am delighted that Penny, who has played such an important role in the Company's success over the past four years, will continue to serve the business in her new Chief Strategy Officer role.

Our people

Future, more than most companies, is a "people business" and our employees are fundamental to the success of the Company. We are incredibly fortunate in having people who are so passionate about the Company and the roles that they each play in the business, and who work so hard each day to ensure that we deliver the very best outcomes for our communities, commercial partners and other stakeholders. It has been a very busy year that has also brought a lot of change through the Group's acquisition activity in both the UK and US. On behalf of the Company's shareholders and the Board, I would like to say a huge Thank You to every one of our staff for their contribution to the considerable success that the Group has enjoyed over the past year.

I would also like to pay tribute to our incredibly hard-working CEO, Zillah Byng-Thorne, and the outstanding leadership that she brings to the Group. In her five years as CEO, she has led a quite extraordinary turnaround of Future's fortunes that has seen the market value of the Company grow from £23 million in 2014 to its current £1.25 billion and FTSE 250 membership.

On behalf of all shareholders, thank you so much, Zillah, for delivering such an exceptional performance.

Looking to the future

In conclusion, Future has had an outstanding year, delivering another strong set of financial results whilst, at the same time, putting in place a number of new pillars that create an exciting platform for the next stage of significant growth for the Group. As Chairman, I look to the future with confidence, knowing that we have a strong sense of purpose, a clear and focused strategy and great talent, which together will deliver strong growth and returns for shareholders.

Richard Huntingford
Chairman
4 December 2019

Chief Executive Zillah Byng-Thorne presents at the UK Future Conference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OUR VISION AND STRATEGY

At Future our success is a result of the alignment within the organisation of our vision and strategy, and how we execute on that strategy.

Why we exist

We change people's lives through sharing knowledge and expertise with others, making it easy and fun for them to do what they want.

Future is a global specialist media platform driven by technology, with diversified revenue streams.

At Future we pride ourselves on the heritage of our brands and loyalty of our communities. Offering core expertise, we help dedicated enthusiasts follow their passion through high-quality content, innovative technology and unique experiences.

We create fans of our brands by giving them a place they want to spend their time and where they go to meet their needs.

We succeed by delivering content that connects with audiences, in areas that we have expertise in, recognising that in today's media landscape providing the answers to our audience's needs is the first requirement if you want them to spend time with you.

We continue to create loyal communities.

As we strengthen our global reach across our core verticals, we continue to be proud of the way we bring people together to indulge in shared passions wherever they are in the world. Cultivating a highly engaged audience that we are able to monetise is fundamental to everything that we do, and we are now reaching a global audience of 269.2 million (2018: 193.4 million) though our websites, events, social media, video and magazines.

We are expanding our global reach through organic growth, acquisitions and strategic partnerships.

Investing in our business is a core part of our strategy. That includes ensuring we invest in our core brands, technology and people as well as looking to acquire new assets. In determining what businesses we acquire we are keen to ensure that they align with and enhance our existing portfolio and further our strategic vision. We look for scalable brands that have loyal and specialist audiences that can be monetised in different ways and that will add value to the Group.

We are diversifying our monetisation models to create significant revenue streams.

We look to grow profitably and generate cash returns, both organically and through acquisitions, and aim to do this through diversifying our audience and developing new sources of monetisation.

Our strategy is underpinned by three factors:

1 Winning differentiators

- Offering the easiest-to-access 'how to' advice wherever our audiences are
- Having the most relevant review content in the world
- Demonstrating the value of original content
- Disrupting publishing through platforms
- Anticipating our customers' needs

2 Competitive essentials

- Creating meaningful relationships with strategic partners
- Blending human and artificial intelligence
- Simple but brilliant proprietary software
- Knowing our customers
- World-class Search Engine Optimisation

3 Activators

- A disciplined approach to investment through testing
- Having a culture representative of our values
- Brilliant at the basics
- Cash returns focused
- Leaner, simpler philosophy

How we execute our strategy

We have adopted McKinsey's Three Horizons of Growth planning approach across the organisation as a means of delivering our strategy. This approach encourages our people to engage with the strategy in a meaningful and relatable way. We have four underlying pillars that help us execute our strategy:

Diversifying our audience

We entertain, inform and engage our consumers with a variety of content that connects across key verticals via websites, events and magazines, and monetise this via paid content, subscriptions, media sales, tickets sales and eCommerce.

We continue to grow our online audience both organically and through acquisitions; online users grew by 48% year-on-year, 31% of which is organic. We achieved this growth in audience by ensuring that we focus on the content that people want to read. This can range from exclusive new stories about the moon landing to launching whole new content verticals, for example the launch of Bikeperfect.com in July was focused on reaching a broader audience of cyclists.

Within our legacy portfolio we continue to see evidence that our audience communities are stronger than ever thanks to our content designed specifically to engage with our audience. For example, the audience of GamesRadar, one of our more mature brands, has increased by 72% YoY as we have launched a number of new categories which suit their needs.

During the year we acquired SmartBrief, a US-based email newsletter publisher, adding additional audience of 5.8m subscriptions to their "smart briefs", a material increase in our B2B audiences. SmartBrief also brings us the functionality to engage with our audiences through regular newsletters across the whole Future portfolio.

Scalable platform

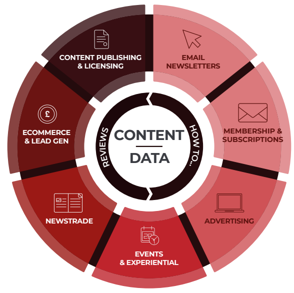
In order to remain scalable we have made significant investments in our technology as well as our back office and infrastructure. Our strategy of investing in one proprietary technology platform continues to facilitate our growth, enabling Future to launch three new organic sites for minimal cost, which supports our organic growth ambitions. We have also continued to invest in our core back office systems facilitating the integration of acquisitions with limited increased overhead. This strategy, combined with a culture of frugality drives margin expansion as the Group grows and on-boards new brands.

Our technology stack consists of various underlying technologies that together manage our IP assets, facilitate the growth of our websites and enable our magazines to be published on time. Additionally, it supports the growth of our commercial and eCommerce monetisation, and crucially ensures our audience get the user experience they want from our content.

Our web platform "Vanilla" is highly scalable and dynamic, allowing for online localised publishing and multi-lingual content management capabilities. We now have a total of 24 sites on the Vanilla platform, compared to 13 last year.

In conjunction with Vanilla, "Hawk" is the technology that we have developed to help customers find the right product for them online. Hawk is a price comparison database back-end with a number of consumer-facing widgets which appear within content reviews. Hawk has been instrumental in our global eCommerce growth this year, providing us with valuable insight into our customers' behaviours and buying preferences.

Our advertising technology, Hybrid, has been designed to keep pace with the ever-changing advertising landscape. Hybrid was formed from Future's own proprietary built technology, Bordeaux, which works intelligently to deliver high advertising viewability and, from the technology acquired as part of Purch, RAMP, which in turn leads to optimised yields.



Continued diversification of content monetisation

Core to our strategy is the focus on diversification of our content monetisation. Media is a disrupted industry and to ensure we continue to grow and stay relevant to our audiences we need to innovate and diversify.

We have invested in new ways of content monetisation models this year, including through new language formats, and in 2019 we launched our first multi-language site in the Nordics with our franchise partner. During the year we signed three new franchise partners, in India, Benelux and Italy. Our franchise model enables us to monetise audiences in markets that are either non-English speaking, or in markets where we do not operate.

We also directly launched TechRadar to the US Spanish-speaking community in the late summer, and while early days we are excited about the possibility of scaling to new audiences. In addition, during the year, we have developed our internal podcasting proposition with the view that this could be monetised via subscriptions, advertising and sponsorship.

The acquisition of SmartBrief not only grew our audience reach, it also introduced a material new revenue stream with email newsletter sponsorship. As a result of our acquisition of What Hi-Fi in 2018, we have created a new business line in endorsements and sponsorship; which this year has grown by 247%.

During the year we launched a number of new events, including The South East Homebuilding Show, Sound for Film & TV and Wonder Women in Streaming, which have been successful additions to our events portfolio.

Ongoing investment

Future has made significant investments during the year both in the core business and also via acquisition.

During the year Future launched three new websites: Bike Perfect in July 2019, 5GRadar in August 2019, and TechRadar Español in August 2019.

There were a number of technology innovations in the year, including the development of “Flexi”, a new enhanced website builder tool, which enables us to accelerate the time to launch or build a new site. A further major development in the year was the Hybrid advertising platform which reflected the best of the legacy Future & Purch advertising technologies. Future also invested in its people during the year, which included launching a new manager development programme, with over 160 managers participating in this training and hiring over 40 new roles into editorial.

In February 2019 we acquired Cycling News and Procycling from Immediate Media. These brands are worldwide voices on professional cycling, offering analysis, insight and exclusive interviews with industry greats. They are two long-established brands with robust business models and attractive development opportunities via strong digital subscriptions, export and licensing revenues.

In March 2019 we acquired the digital technology media publisher Mobile Nations. Mobile Nations had launched a portfolio of exceptional brands focused on consumer electronics and men’s lifestyle reaching 39 million online users worldwide. This acquisition strengthened Future’s presence in the US and reinforces our status as the US’s leading provider of technology news online.

In July 2019 we materially increased our presence in the B2B market through the acquisition of SmartBrief. This acquisition expands our audience reach through targeted email marketing and daily digital newsletters for business professionals, enriching their lives through the delivery of pertinent news and content in a way that is fun and personal.

As we move into the next financial year, our focus continues to be on optimising all of our acquisitions through efficient integration of operations and monetising the additional content across our established and new revenue streams.

How we execute our strategy

The Future Playbook

To support our strategy and execution we have created the Future Playbook to capture the "rules of the game" at work for our staff. This is shared with every new member of staff to ensure we are all aligned and focused on delivering the same goals. This includes our six values of how we behave, and serve as the guardrails that ensure we stay focused on delivering our strategy while staying true to who we are.

1

We are part of the audience and their community

Our passion for our products makes us part of the community we engage with. Our audiences give us a voice and that's an incredible privilege that we treat with reverence. We embrace all the ways we are able to communicate to our audiences – print, online and in person – and love doing so.

2

Let's do this

We take the best decisions we can in the face of uncertainty. It makes us think each decision through – then we go for it. We commit to what we've agreed and have the confidence to persevere through tough times. But we're able to admit mistakes because that helps us learn and chart a new course when we need to. That's called 'doing it right'.

3

We are proud of our past and excited about our future

We are proud to work at Future, because being part of this team feels good. We are one team, one company with big ambitions.

4

It's the people in the boat that matter

Having the right team in the boat is mission critical. We are all successful when we are self-motivated, self-aware and self-disciplined. We support each other, challenge each other and have fun with each other. We are determined to hire people we can learn from and who we would have as our boss.

5

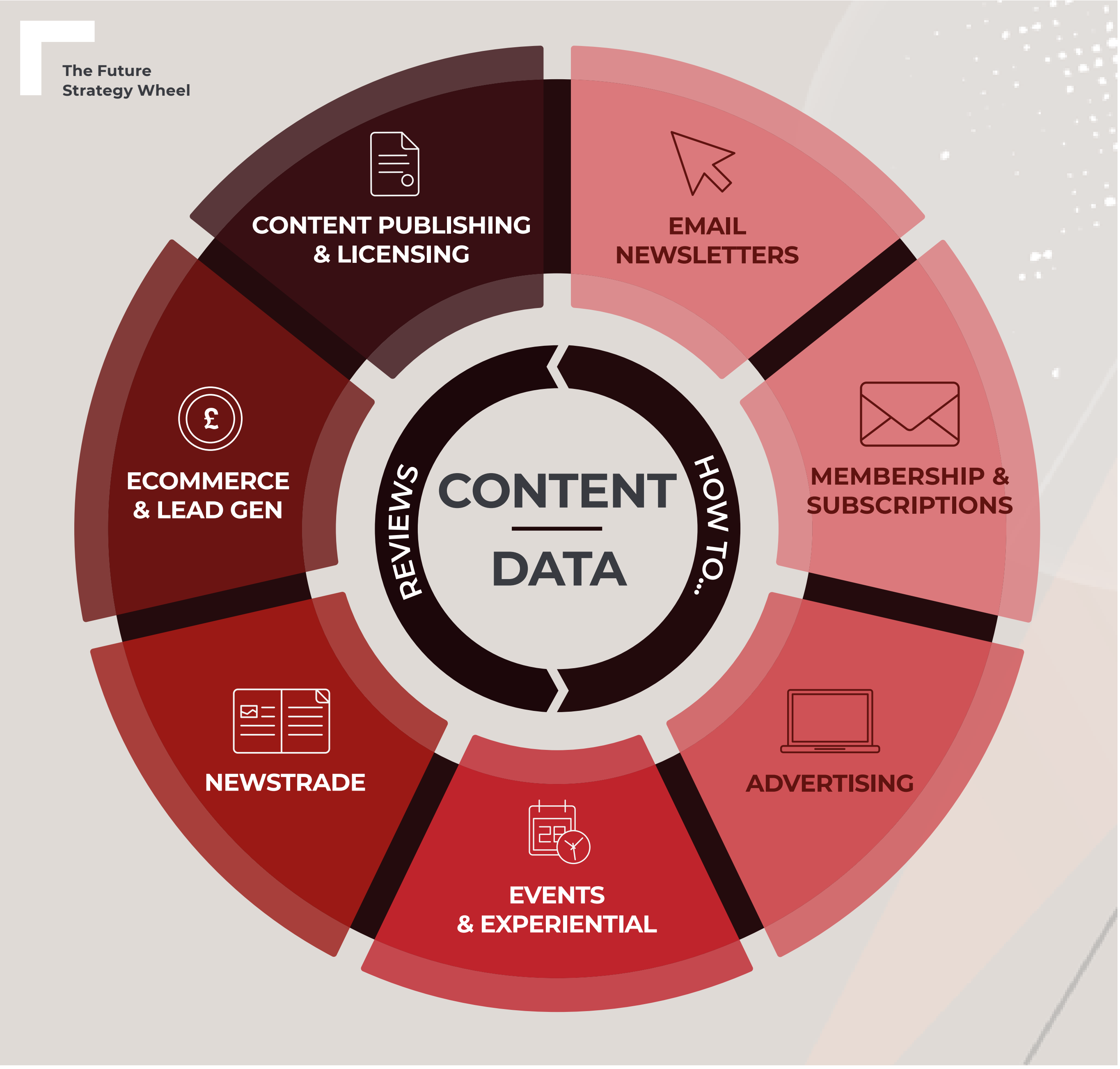
We all row the boat

No matter how long you've worked here, or what your role is at Future, your contribution counts – so grab an oar! We move faster when everyone pulls in the same direction. So what you do – and how you do it – matters. We take responsibility because that's the best way to get things done. We collaborate because we're stronger together.

6

Results matter – success feels good

We love being successful. We restlessly look to improve, be ever creative, and unashamedly commercial in our ventures. Great results mean we are able to align the needs and expectations of our audiences, communities, clients and shareholders.



Future's Business Model

The Future Strategy Wheel
At Future our purpose is clear: to change people's lives through sharing knowledge and expertise with others, making it easy and fun for them to do what they want.

In fulfilling this purpose we meet the needs of our communities wherever and whenever they access our content, and so create our global audiences. We operate in verticals that our communities are passionate about, where we can provide knowledge and expertise, and we see this as a key differentiator.

Our strategy is focused on diversifying our business models and, as a result, we operate our business through three distinct lenses:

1. globally;
2. divisionally; and
3. vertically.

We believe this puts us in a strong position to win at every opportunity and to ensure we deliver on our purpose. However, at the heart of everything we do is a desire to ensure we meet our audience's needs in whichever form this arises. As a result, we have focused on creating products that can be delivered across multiple channels on the Future wheel.

Monetising the wheel
We have made considerable progress this year in diversifying our routes to market and hence monetisation, through both organic growth and acquisitions. This diversification gives our loyal communities the opportunity to engage with us in whichever way they please through the mediums of digital, print and events and wherever they may be based in the world.

As we look to monetise our content as effectively as possible, our two key focuses have been on producing reusable content to maximise the efficiency of our editorial teams, and the optimisation of our proprietary content management system to enable the simple re-use of magazine content online. Our 'how-to' content lends itself well to this and a single Future how-to guide can be published in a print edition, a licensed edition, an app, an online article and a bookazine if the material is designed appropriately.

FUTURE'S MARKETS

Lens one – Globally

We run our operations across two geographies

US

Our biggest audience is in the US, with users of 97.4 million across our websites and online newsletters in the US and 10.3 million in Canada. US operations relate to editorial and monetisation of all websites across the US and Canada, and the publication of consumer magazines including PC Gamer and MacLife. B2B operations are predominantly based in the US with SmartBrief based in Washington DC and a number of key B2B brands such as Broadcast & Cable and Twice, also based in the US.

	2019	2018
Revenue £m	118.8*	40.1
Online users m	107.7	70.1
No of events	31	25
Circulation m	0.6	0.6
Subscribers m	0.5	0.5

*** Revenue excludes intra-group revenues**

OFFICE LOCATIONS

United States

Offices:
New York and Washington DC

Number of staff:
476

United Kingdom

Offices:
London, Bath, Bournemouth and Bromsgrove

Number of staff:
714

France

Office:
Grenoble

Number of staff:
15

Australia

Office:
Sydney

Number of staff:
18

UK

The UK operations encompass Australia, which runs as a full satellite division, and monetisation of the rest of world audiences, as well as the shared centres of excellence for back office including finance, HR and technology, with services in Bath and Grenoble, France. The UK has a strong heritage in consumer magazines, publishing titles such as Classic Rock, What Hi-fi and Period Living, and runs a number of B2B publications such as Music Week. The UK operations also span a number of websites and one of Future's most successful brands, TechRadar, originates from the UK which has a global audience of 31.6 million. The UK also houses the Group's licensing operations which facilitates, content distribution for both online and print publications into 37 countries.

In Australia we have brands including Get Price, APC and PC PowerPlay which all serve the local market.

In 2018, 69% of revenue came from the UK and 31% from the US (restated for IFRS 15). As a result of our "US first" initiative driving US growth and acquisitions completed during 2019, revenue from the US exceeded that of the UK for the first time (54% US, 46% UK). Organic revenue growth in the UK was 3% and in the US 40%, reflecting the fact that over three quarters of Magazines revenue is generated in the UK.

	2019	2018
Revenue £m	102.7*	90.0
Online users m	33.4**	23.4
No of events	25	35
Circulation m	0.9	0.7
Subscribers m	0.4	0.4

*** Revenue excludes intra-group revenues**
****Revenue from RoW users (not shown) with limited monetisation are included in the UK segment**

Lens two – Divisionally

MEDIA REVENUE STREAMS

We define our Media division as all revenues not generated by magazines or associated with magazine sales. Included within Media division revenues are digital advertising (including first party sold revenues, programatically bought revenues, and content solutions), eCommerce revenue where we receive a commission on sales made by our retail partners, events and exhibition revenue, and email newsletter revenues.

Our flourishing Media division is positioned as a digital innovator with significant revenue growth year-on-year across all of our key revenue streams. Media is underpinned by our technology platforms and services, with a dedicated team of developers and engineers. This group is tightly-knit and agile, a collection of passionate tech experts specialising in computer systems, data processing and scalability. In the course of the year, the Media division expanded through the integration of the Purch assets and it is a testament to the robustness of our technology platform that it continues to perform well with 24 websites now on Vanilla. Media revenue streams also expanded through the addition of Mobile Nations, the cycling assets, the launch of a new cycling website Bike Perfect in July 2019, and through the acquisition of SmartBrief, also in July 2019.

Media revenues are now generated from 76 websites and 56 events in the UK and US.

Media KPIs

211m online users
142m in 2018

£1.30 organic global RPU
£1.20 in 2018

52m social reach
50m in 2018

151k event attendees
155k in 2018

9.8m eCommerce transactions
3.2m in 2018

14 digital licensing partners
11 in 2018

MAGAZINE DIVISION

The Magazine division publishes special interest magazines and bookazines in both print and digital format across the B2B and B2C spheres. The portfolio covers 78 periodic titles including Classic Rock, Guitar World, How It Works, Homebuilding & Renovating, FourFourTwo, Digital Camera, Guitar Player, What Hi-Fi?, Guitarist, PC Gamer and Music Week. This year we published 568 bookazines and our global circulation reached 1.5 million (2018: 1.3 million). We have an ongoing focus on driving a direct relationship with the reader, with subscriptions of 0.9 million (2018: 0.9 million).

Additionally, we have continued to generate revenue from our specialised content through print licensing, and this year we signed a total of 13 new regular frequency licensing agreements across 11 territories.

Future Fusion, our in-house creative services agency, also sits within the Magazine division and has continued to delight its customers with its high-quality content.

Magazines KPIs

78 magazines published
85 in 2018

568 bookazines published
524 in 2018

Total circulation of 1.5m
1.3m in 2018

0.9m subscribers
0.9m in 2018

Lens three – Vertically

LOYAL COMMUNITIES – OUR VERTICALS

By creating content that meets the needs of our audiences and helping them do the things they love, we create strong specialist communities. At Future, we believe that loyal communities are a differentiator in media; where we create content that meets a need and as a result has a value for our partners.

We have continued to strengthen our position and reach in the technology vertical in the US, and maintained our number one position in the UK.

Technology vertical

Future's technology brands cover all aspects of consumer technology, from phones to computing to home technology, providing reviews, buying guides and how-tos on technology products for B2C audiences. The consumer technology vertical is constantly evolving and during the year we have seen audience growth across subjects, including 5G and alternatives to traditional television consumption, and growth in our audio visual sector.

We have continued to strengthen our position and reach in the technology vertical in the US, becoming the number one publisher of consumer technology in the US and maintaining our number one position in the UK.

Online audience numbers have grown this year, with total online users to technology websites up 56% year-on-year, 28% of which is organic.

Brands include:

techradar, T3, WHAT HI-FI?, tom's guide, MAXIMUMPC, androidcentral, Laptop, Mac|Life, tom's HARDWARE, TopTenReviews, iMore, AnandTech

Vertical audience stats:

Total subscribers: 171k
up 22k from 2018

Total online users: 129.7m
up 46.4m from 2018

Total events: 3

Total event attendees: 626

Market-leading positions:

Number 1 UK and US online consumer technology publisher

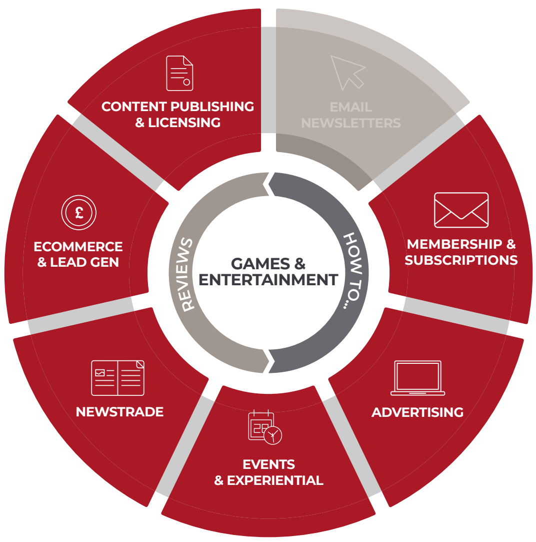
Number 1 UK Hi-Fi magazine

Our games & entertainment portfolio is the voice of authority and source of influence for gamers, and film and TV lovers.

Games & entertainment vertical

Our Games & Entertainment portfolio has been the voice of authority and source of influence for gamers, and film and TV lovers across digital, events and print for over 30 years.

The portfolio is underpinned by our two key online gaming brands, GamesRadar+ and PC Gamer, both of which have seen growth in online user numbers year-on-year, with GamesRadar+ up 72% and PC Gamer up 9%. The significant growth in GamesRadar+ during the year is partially the result of a refreshed editorial strategy, focusing on tips as well as in-depth reviews, placing audience needs at the centre of our content development.



Brands include:

PC GAMER, gamesradar+, PlayStation, SFX, TOTAL FILM, PC GAMING SHOW, XBOX, EDGE, NEWSARAMA, GOLDEN JOYSTICK AWARDS, retro GAMER, KOTAKU UK

Vertical audience stats:

Total subscribers: 84k
up 2k from 2018

Total online users: 27.7m
up 6.6m from 2018

Total events: 2

Total event attendees: 1,215

Market-leading positions:

PC Gamer is the **number 1** global PC gaming website

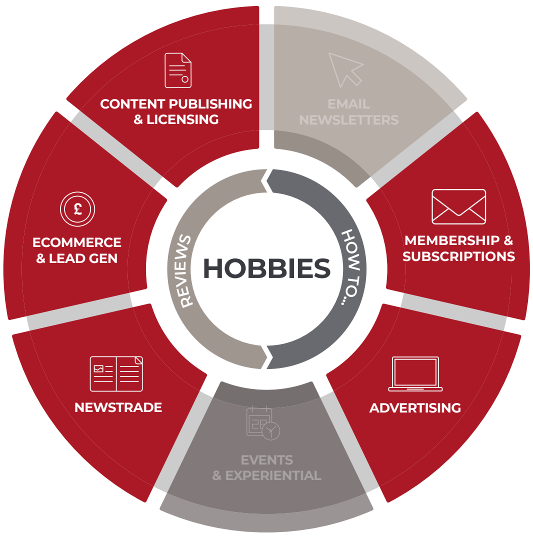
Number 1 gaming magazine publisher in the UK

The addition of Cycling News and Procycling from Immediate Media this year has enhanced our outdoor leisure community.

Hobbies & knowledge vertical

Our hobbies vertical is made up of two sectors – knowledge and outdoor leisure. The brands in this vertical are highly specialist with very loyal communities. Our knowledge brands cover topics such as science and history, and produce many highly successful bookazines throughout the year. As a result of the Purch acquisition we acquired both the Live Science and Space.com brands, which were migrated onto the Vanilla platform during the year. We have seen significant audience growth in both these brands during the year – one major editorial highlight in the year was the anniversary of the Moon landing, which saw Space.com have one of its biggest ever single days. In line with our desire to have market leading positions, we are the number one publisher for space content in the US.

The addition of Cycling News and Procycling from Immediate Media this year has enhanced our outdoor leisure community, adding to our field sports titles, football brand FourFourTwo, and caravanning titles, Practical Caravan and Practical Motorhome.



Brands include:

How It Works, Space.com, Live Science, Airgun Shooter, Sporting Rifle, cyclingnews, All About History, All About Space, Practical Caravan, Practical Motorhome, FourFourTwo, BOW International

Vertical audience stats:

Total subscribers: 76k
up 6k from 2018

Total online users: 32.3m
up 1.5m from 2018

Market-leading positions:

Number 1 online space publisher in the US

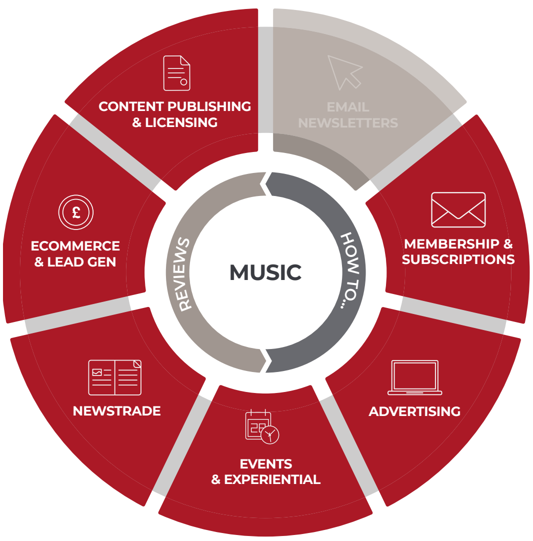
Number 1 caravanning magazines publisher in the UK

Our music vertical has seen continued growth in Media revenue, with a 73% year-on-year increase.

Music vertical

Our music vertical attends to the needs of both music enthusiasts and musicians themselves, our key audience groups are rock music enthusiasts with Loudersounds.com, our main rock music listening site. This is supported by the Metal Hammer, Classic Rock and Prog magazines. Our main music playing sites are Musicradar.com and Guitarworld.com, with the main musician groups that Future creates content for being guitarists, keyboard players, drummers, and electronic music producers.

During the year the digital brands have seen continued growth in Media revenue, with a 73% year-on-year increase. In addition, Guitar World was migrated onto the Vanilla platform. Future holds the no.1 position in music playing magazines in the UK and US, and the no.2 & no.3 positions online in the UK and US.



Brands include:

Vertical audience stats:

Total subscribers: 158k
up 4k from 2018

Total online users: 7.1m
up 1.8m from 2018

Total events: 3

Total event attendees: 3,828

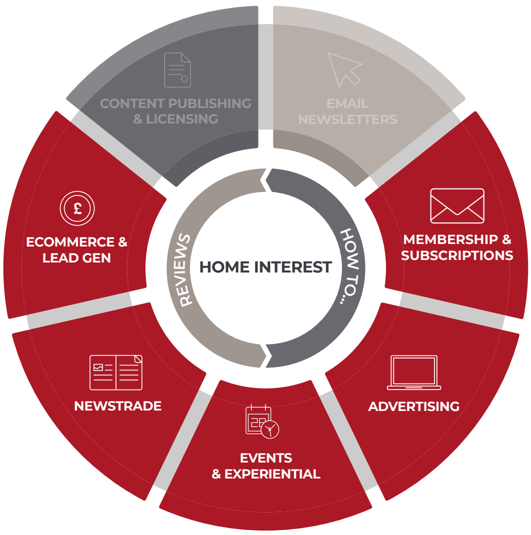
Market-leading positions:

Number 1
consumer music making magazine publisher in the UK and the US

The number one homebuilding event in the UK, the Homebuilding & Renovating Show, takes place in 8 locations nationally.

Home interest vertical

The brands in our home interest vertical cover all aspects of home building and interior design, including design and building ideas, product reviews, readers' homes and expert advice. We operate three key brands in this vertical, Homebuilding & Renovating, Real Homes and Period Living. The Homebuilding & Renovating brand includes the UK's number one homebuilding event in the UK, the Homebuilding & Renovating Show, which takes place in 8 locations nationally, with over 100,000 attendees in total. Real Homes includes a growing magazine, the recently launched Real Homes Show (published on YouTube) and Realhomes.com. During the course of the year the Realhomes.com brand became a top 20 home interest brand within the US, which is a terrific result given this site was launched only 2 years ago, while within the UK the site has grown 128% p.a.



Brands include:

Homebuilding & Renovating, Period Living, Real Homes, Homebuilding & Renovating Show, plotfinder.net

Vertical audience stats:

Total subscribers: 27k
up 2k from 2018

Total online users: 1.3m
up 0.4m from 2018

Total events: 8

Total event attendees: 102,221

Market-leading positions:

Number 1 homebuilding show in the UK

Number 1 homebuilding magazine in the UK

Our flagship photography event, The Photography Show, remains the largest photography exhibition in the UK.

Photography vertical

Our photography vertical is market-leading, providing creative inspiration for the global photography community. During 2018 we launched DigitalCameraWorld.com, which has continued to grow this year, with online users up 354%, a testament to the quality of the editorial content and our focus on meeting our audiences' needs. DigitalCameraWorld.com is now the number one website in the UK and number two in the US.

Our flagship photography event, The Photography Show, remains the largest photography exhibition in the UK and attracted over 32,000 visitors this year. As a nod to our focus on ensuring we evolve our product offering to meet the needs of our audiences, this year's show also saw the launch of The Video Show.

Brands include:

Digital Camera; Digital Camera World; N-Photo; The Photography Show; Photographer; PhotoPlus; Photography week; The Video Show

Vertical audience stats:

Total subscribers: 42k
down 6k from 2018

Total online users: 2.0m
up 1.6m from 2018

Total events: 1

Total event attendees: 32,058

Market-leading positions:

The Photography Show is the **largest** UK photography exhibition

B2B vertical

Our B2B division operates in a similar way to our B2C division, ensuring it creates market-leading specialist content to assist our audiences in their professional life. We segment our B2B portfolio into six distinct sub-verticals: AV/Pro audio technology, media technology, media entertainment, music, education and B2B prosumer, and a brief overview of these is provided over the next couple of pages.

In addition to regular magazines, websites and events we publish a number of show dailies, which are publications produced for third party events throughout the year. For example, we publish the Consumer Electronics Show Daily, which is provided to all attendees on each day of the event. Publishing the "Daily" expands our visibility at the Consumer Electronics Show, “CES”, and presents further opportunities to offer creative solutions to our consumer technology clients attending the event.

The acquisition of SmartBrief in July 2019 strengthened our B2B expertise and portfolio, adding 5.8m subscriptions to the B2B subscriber list and bringing with it the opportunity to diversify into the Finance & Insurance sector and the Healthcare & Medical sector, with 0.75m audience reach in each. We also see a strategic opportunity to drive consumer audiences through their email newsletters with cross-market opportunities.

B2B AV technology sub-vertical

Our AV/Pro audio technology sub-vertical consists of market-leading magazines, websites and events serving professionals in the audio visual and professional audio community.

Our brands cover audio video and IT systems, home entertainment and automation design, and systems integration through news, analysis, trend reports and technology information. We provide expert advice and support to both those looking to purchase products within these markets and the integrators who implement these systems.

Pro Sounds News and Pro Sounds News Europe, serving the professional audio community for over 40 years, and Mix, covering high-end audio production for more than 30 years, cover custom content including native advertising, white papers, video and webinars.

Brands include:

AV Technology, AVNetwork, Sound & Video Contractor, SCN Think Tank, Installation, Residential Systems, SCN, prosound, Mix

Vertical audience stats:

Total subscribers: 143k

Total online users: 334k

Total events: 5

Total event attendees: 1,001

Market-leading positions:

System Contractor News is **number 1** for AV Tech in the US

B2B media entertainment sub-vertical

The B2B media entertainment sub-vertical brands, including Broadcast & Cable and Multichannel News, are a significant presence in the media entertainment community, providing market insight and news on the business of television including programming, syndication and all relevant technologies including streaming.

Wonder Women, Multichannel News' award ceremony running since 1999, is a celebration of industry decision-makers who have helped pave the way for younger generations of women in the rapidly evolving world of media entertainment.

Brands include:

B&C · Multichannel · OTT Video Distribution Summit · BC Hall of Fame · Multichannel Wonder Women

Vertical audience stats:

Total subscribers: 38k

Total online users: 890k

Total events: 12

Total event attendees: 3,677

B2B media technology sub-vertical

The brands in the B2B media technology sub-vertical provide in-depth features and news for those working in the technology that underpins TV, radio and other media, an area undergoing rapid change at present. Radio World, TV Technology and other brands help the professional media technology community navigate through this changing landscape, providing insight and reviews on the latest technologies and helping enable key purchase decisions.

Brands include:

Creative Planet Network · TVBEurope · Digital Video · Radio World · Government Video Expo

Vertical audience stats:

Total subscribers: 65k

Total online users: 215k

Total events: 5

Total event attendees: 2,002

B2B music sub-vertical

Our B2B music brand, Music Week, has real heritage, being a trade media brand for the music industry for over 50 years. During the year we ran the hugely successful Women in Music awards and also the Music Week Tech Summit, allowing us to leverage the strength of the Music Week brands to build out new franchises.

The B2B music portfolio complements our consumer music portfolio, facilitating advertising cross-sell opportunities and content sharing.

Brands include:

Music Week, prosound, MIX, PSN Europe, tech summit, WM

Vertical audience stats:

Total subscribers: 6k

Total online users: 108k

Total events: 4

Total event attendees: 2,297

B2B education entertainment sub-vertical

Tech & Learning has been an education technology publication and resource for almost 40 years. Focusing primarily on K-12 educators, it is a full education technology resource offering a truly integrated platform across print, online and events. During the year the Tech & Learning site was migrated to Vanilla.

We run Tech & Learning Live and Tech & Learning Summit in a number of regions across the US throughout the year, providing deep insight into recent market developments for both those working within government on school boards, and also teachers and educators.

Brands include:

Tech & Learning, Tech & Learning Live, Tech & Learning Leadership Summit

Vertical audience stats:

Total subscribers: 67k

Total online users: 80k

Total events: 8

Total event attendees: 497

B2B prosumer sub-vertical

Our B2B prosumer sub-vertical occupies a key position between the professional and consumer, serving a community that needs to be on top of rapid technological change whoever it may impact. Looking at the impact of 5G networks, for example, is a change that will impact many industries, and the B2B prosumer brands' content and expertise helps users navigate through changing landscapes.

Brands include:

CB Creative Bloq, ITProPortal, generate, 3D World, ImagineFX, techradar pro

Vertical audience stats:

Total subscribers: 19k

Total online users: 3.6m

Total events: 5

Total event attendees: 1,524

Market-leading positions:

Number 1 creative and design magazine publisher in the UK

CreativeBloq is the **number 1** creative and design website in the UK and US

Sources & Definitions

Total audience reach

- Magazine and bookazine print circulation per issue + monthly online users + event attendees + social reach (Twitter followers, Facebook unique impressions, YouTube subscribers) + newsletter subscribers.

Market positions

- Technology no. 1 online in UK and US: comScore technology news category, desktop visitors age 2+ and mobile visitors age 18+, UK position Jul 19; US position Sep 19.
- No. 1 in PC gaming: based on websites in the Gaming Information comScore category that are PC gaming focused, desktop visitors age 2+ and mobile visitors age 18+, UK position Jul 19; US position Sep 19.
- No. 1 in print music making in UK & US: based on magazine copy sales in music making sector on UK newsstand (source: distributor data, Jul 18-Jun 19) and magazine copy sales in music sector on US Barnes & Noble newsstand (source: Barnes & Noble sales rankings, Jun 19).
- No. 1 in print photography in the UK: based on magazine circulation in photography sector (source: ABC).
- No. 1 online in Space in US: based on internally produced competitive set of all websites about space in the US, ranked by comScore desktop visitors age 2+ and mobile visitors age 18+, Sep 19.
- No. 1 in print home renovations in the UK: magazine copy sales in home improvement – DIY sector on UK newsstand (source: distributor data), Jul 18-Jun 19.
- No. 1 in print AV tech in US: based on internally produced competitive set of all B2B AV technology magazines in the US, ranked by advertising pages, MediaRadar Jul 18-Jun 19.
- No. 1 in print B2B music in UK: based on music specific magazine copy sales in trade & professional sector on UK newsstand (source: distributor data, Jul 18-Jun 19).
- No. 1 in creative online in UK & US: based on internally produced competitive set of all websites about digital design in the UK and US, ranked by comScore desktop visitors age 2+ and mobile visitors age 18+, UK position Jul 19; US position Sep 19.

CHIEF EXECUTIVE'S REVIEW

Zillah Byng-Thorne
Chief Executive

In 2019 the Group has achieved a significant step change in scale, particularly in the US through the acquisition of Mobile Nations in March 2019 following the acquisition of Purch at the end of 2018. Group revenue has grown by 70% year-on-year to £221.5m (2018: £130.1m, restated from £124.6m for IFRS 15), which is driven by a mixture of strong organic growth of 11% and acquisitions. Adjusted EBITDA is up 163% year-on-year to £54.5m, with adjusted diluted EPS up 95% to 47.5p (2018: 24.3p).

Future's core business has continued to perform well with strong like-for-like revenue growth of 11% at constant currency (13% at actual currency). Adjusted EBITDA margin increased to 25% (2018: 16%, restated from 17% for IFRS 15) as a result of the increasing scale of the Group and the shifting revenue mix, and operating profit increased to £26.7m (2018: £5.3m).

Media revenue has increased by 134% to £154.9m (2018: £66.3m restated for IFRS 15), driven primarily by the Group's fast growing revenue streams of eCommerce and digital display advertising, and through our execution and successful integration of acquisitions. Media revenue increased by 32% on an organic basis. A key factor has been our success in the US, with US revenues now accounting for 54% of group revenues and 67% of Media revenues. This has been underpinned by the acquisitions which have allowed us to build operations of sufficient scale to attract a talented workforce, with US staff now totalling over 450.

Content is at the centre of everything we do at Future, and a key measure of our success is the continued growth of our online audiences, combined with our ability to then monetise them. During 2019, restated organic online revenue per user (RPU) has increased in the UK from £1.67 to £1.76, a 5% increase, and in the US from £0.86 to £0.99, a 15% increase. Online audience growth has been turbo-charged through the acquisitions of Purch and Mobile Nations.

Organic growth in Media revenue enables us to manage the expected decline in Magazine revenue and focus on margins and cash flow. Our acquisitions in the year have significantly expanded our Media division, which now accounts for 70% of our revenues.

Future continues to be highly cash-generative with adjusted cash conversion of 106% (2018: 96%) and adjusted free cash flow of £53.7m (2018: £17.4m) demonstrating the Group's continued focus on efficient working capital management. To provide further balance sheet strength to support the Group's next phase of growth, a significant refinancing was completed in the year with a £90m RCF now in place, together with an additional £45m accordion facility.

In March, the Group's application to return to a Premium Listing was accepted, reflecting the ambition of the Group to broaden and strengthen its shareholder base. Following the success of the Group in 2019, the Board has recommended the payment of an increased dividend to shareholders whilst ensuring that we maintain sufficient resources to continue investment in the business.

The nature of the Group's business and the level of geographic diversification and presence in the US means that there are no specific risks to the Group associated with Brexit other than the impact that general economic uncertainty has on consumer spending.

Global platform business for specialist media

Our simple, clear strategy to build a technology-enabled global specialist media platform business with scalable, diversified brands continues to deliver sustainable, material growth through audience engagement and technology innovation.

The Purch integration is now complete and as a result Future has achieved market leadership in the consumer technology category in the US, with comScore now recognising Future as the largest digital network for consumer tech news.

Future has enhanced its technology platform through the addition of "RAMP" advertising technology, which was acquired as part of Purch. Considerable testing was undertaken during the first half to identify the optimal combination of Future's advertising technology solutions, "Bordeaux" and RAMP, resulting in the creation of "Hybrid", a best of breed advertising technology solution. In line with the Group's focus on developing a simplified and scalable technology stack, Hybrid was migrated to the legacy Future sites during April. Migration of the Purch sites to Hybrid happened concurrently with the migration to the Vanilla website platform.

The migration of Purch websites onto Vanilla is now complete and the Group now has 24 sites on the Vanilla platform in total, with 11 migrated in the last year.

A number of brands have achieved significant audience growth during the year, in particular we are very proud of the performance of T3, which has grown its global audience by 218% in the year, as a result of a focused and disciplined editorial approach. On the same theme, the renaissance of GamesRadar+, a 20-year-old brand, highlights the impact of great content on audiences. GamesRadar+ has been the fastest growing gaming site in the US on comScore this year, and the giant that is TechRadar keeps on growing, up 16% year-on-year in terms of audience.

The outstanding results for 2019 demonstrate the benefits of a clear and focused strategy of growing our core business through expanding our audience and reach in existing verticals. We now have a substantial presence in the US and are successfully leveraging our brands on our technology platform, which has driven strong growth across the business.

Our newer organically launched sites, Digital Camera World and Real Homes, delivered particularly strong audience growth of 354% and 167% respectively.

We continue to diversify our revenues through acquisitions and organic growth, both geographically and across our product offerings, in addition to consolidating our position in our specialist content categories.

People and Culture

Our approach to people and culture is to embed it into everything we do. There is a Future way and we want to ensure that all of our colleagues understand this and can thrive as part of the Future community. We also recognise that not everyone will want to be a part of the Future story and that sadly as a result of acquisitions we sometimes may have to part company with some colleagues. We strive to ensure that all colleagues at Future have a positive experience and are treated with respect regardless of the length of their tenure with us. One of the main ways in which we look to achieve this is by embedding our strategy for people and culture in our values. Below is a highlight of some of the key initiatives we have focused on this year.

We are proud of our past and excited about our future.
We are proud of the changes we have made and those ahead of us. We are committed to improving and evolving our environmental and social impact, to benefit not only our employees but also our communities. Our newly formed Future Communities are working locally to ensure we are making a positive change, from reducing our carbon footprint to sourcing local suppliers. The work we do leads to a healthier local economy as well as a healthier world.

We all row the boat.
Everyone at Future matters, and each of our opinions is valid. In order to ensure we get feedback from our people we run a number of initiatives throughout the year, including "Ask Me Anything", Slack Chats and employee stay interviews. We embrace feedback and want to ensure all colleagues' opinions are heard. During the year in recognition of the US editorial staff's desire to unionise, we have commenced collective bargaining, and expect to have this agreed in the coming months. More recently, after receiving a number of points of feedback in respect of our travel policy, we have amended this to ensure that we make travelling for our employees an easier experience.

It's the people in the boat that matter.
As a business, we believe it's the people we work with that matter, and ensuring we have the right teams in place to deliver our best work is critical. During the year we recruited over 250 new collegues to Future and acquired a further 250+ colleagues through acquisitions. One of our key initiatives is training our print editorial staff on our digital technologies to ensure they are skilled and are able to use their expertise across the business.

Let's do this.
At Future we have a bias for action, and recognise that to move forward at pace, we need to lean into change. In order to ensure we equip our managers with the skills and resilience to embrace this, we have been running management development workshops to provide support and further develop our talent.

We are part of the audience and the community.
We firmly believe that at Future we are part of our communities, be they our local direct communities or those who read our content. Part of our strategy at Future is to ensure we only ever have experts creating content for us, to ensure that we can meet our audiences needs. During the year we increased the number of expert writers in our Media division by 40, an increase of over 10%.

Results matter, success feels good.
Recruiting and retaining the best talent regardless of the role is crucial to our success and, as a result, Future focuses on ensuring that our employees share in our success and are rewarded fairly. As a result of our financial performance, this year we were able to reward all staff for their talent and commitment by paying out the maximum amount under the annual profit scheme for the second year running. Even more pleasingly, as a result of the record-breaking year we decided to share that success with our colleagues and increased the maximum payment for all tier profit pool payments by 60% as a one off gesture.

The extremely successful annual conferences gave the Group an opportunity to showcase the breadth of talent amongst the Future staff and encourage networking. This year we welcomed colleagues from Mobile Nations and SmartBrief to the US conference.

Acquisitions

Future has established a profitable global platform business through further investment in both people and technology, and through the successful acquisition and integration of complementary businesses. During 2019 Future made three exciting acquisitions, which broaden and strengthen both our B2C and B2B portfolios and further increase our global reach.

In February 2019 we re-acquired the Cycling News and Procycling brands from Immediate Media for £1.65m. These had been sold in 2014 and we were delighted to welcome them back into Future.

These long-established and profitable brands perfectly complement our leading consumer hobbies portfolio and offer attractive development opportunities, further supporting our commitment to grow and deliver expertly written and credible content.

In March 2019 we acquired Mobile Nations, a leading US-based global digital publisher focused on consumer electronics, for an initial consideration of $60m and a further $55m in deferred consideration, which, following its stellar performance post acquisition, was agreed early on 11 October 2019. We already had an established commercial relationship with Mobile Nations through its longstanding partnership with Purch, which we acquired in September 2018. The addition of Mobile Nations' brands will deepen our presence and expand our opportunities to monetise our significant US online audience.

In July 2019 we acquired SmartBrief for an initial consideration of $45m (with additional contingent deferred consideration up to a total cap of $20m subject to meeting certain financial targets based on the year ending 31 July 2020). SmartBrief is a digital media publisher of targeted business news and information, combining technology and editorial expertise to deliver relevant industry news curated from over 1,500 sources. The acquisition significantly deepens and consolidates our presence in the US B2B market and further diversifies our revenue streams. SmartBrief allows advertisers to target and engage with decision-makers and influencers, and enhances Future's B2B reach via their proprietary technology stack through the addition of automated email marketing.

Key details of the acquisitions we have made in 2019 are included below:

Acquisition	Revenue*
Immediate cycling brands	**£2.0m**
Mobile Nations	**$16.4m**
SmartBrief	**$35.1m**

***Revenue figures obtained from most recent annual financial information or, where more relevant, financial information relating to the acquired assets to demonstrate the relative size of the acquisitions (reflecting 12 months of revenues). Note that Mobile Nations includes revenues that became intra-group on acquisition by Future.**

Current trading

The year has started very positively, with continuing strong growth.

The integration of Purch and of the Cycling News and Procycling brands has now been completed and SmartBrief is progressing very well. Following the announcement that we had reached agreement with the sellers of Mobile Nations to settle the deferred consideration early, we have launched Future Labs as a centre for innovation within the Group and are excited about the possibilities that this might unveil.

We have also announced the acquisition of Barcroft Studios, from 1 December 2019, and the proposed conditional acquisition of TI Media (which we hope to complete in the Spring of 2020), which both provide outstanding opportunities to accelerate our growth in the future.

Zillah Byng-Thorne
Chief Executive
4 December 2019

Stage 5 of 2019 OVO Women's Tour, photographed for Pro Cycling Magazine

RISKS AND UNCERTAINTIES

Effective risk management is essential to support the achievement of our strategic and operational objectives as we address the challenges and uncertainties facing businesses today.

The Board has overall responsibility for the risk management framework and for ensuring that we manage risks appropriately. Future takes its approach to the identification, evaluation and mitigation of risk and uncertainty extremely seriously, and applies a robust framework that embeds risk management throughout its organisation and across its operations. Whilst it is accepted that risk forms a part of operating in business, delivering its strategic objectives whilst mitigating those risks is a fundamental objective for Future's Board and its executive management teams.

Approach to risk

The Board

- Sets the Group's risk appetite taking into account its strategic objectives
- Identifies principal Group risks
- Conducts 'deep dives' into specific Principal Risks
- Carries out a robust assessment of any emerging risks
- Assesses the impact of Principal Risks when analysing the Group's long-term viability and sustainability
- Considers views 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 Group has been undertaken
- Includes an update on risk as a standing agenda item for every meeting

Executive Leadership Team

- Prioritises Principal Risks through a formal bi-annual review process
- Allocates resources to manage risks according to potential impact
- Communicates priorities to the business
- Reviews detailed risk registers to agree Principal Risks
- Identifies any emerging actions where Group-wide action is required
- Reviews effectiveness of risk management procedures
- Reports to the Audit Committee and Board on a regular basis

The Executive Leadership Team (ELT) is responsible for identifying risks and working with the Group Financial Controller to capture them in the Group's risk register. All risks identified by the ELT are scored out of 5 (with 5 being the highest) in respect of three areas: the likelihood of the risk crystallising, the impact if the risk does crystallise, and the strength of any mitigation in place (in respect of mitigation, a score of 1 represents strong mitigation). A combined score is then calculated by multiplying each of these scores together (with 125 being the highest possible score).

Whilst Future operates in an evolving environment with several clear risks, it takes a pro-active and robust approach to identifying any new risks, and evaluating and mitigating all known risks through a regular review process.

Our internal controls seek to minimise the impact of risks, either by reducing their likelihood or mitigating their impact, as explained further in the Corporate Governance report on pages 63 to 64, and during the year we have continued to develop those controls. The more granular approach to risk that was introduced in the prior year has ensured that effective risk management remains at the core of the Group's strategy, which includes a formal, six-monthly review by the ELT and the addition of risk management to the Audit Committee as a standard agenda item for every meeting. There have been no significant control failings or weaknesses identified during the year in respect of risk management.

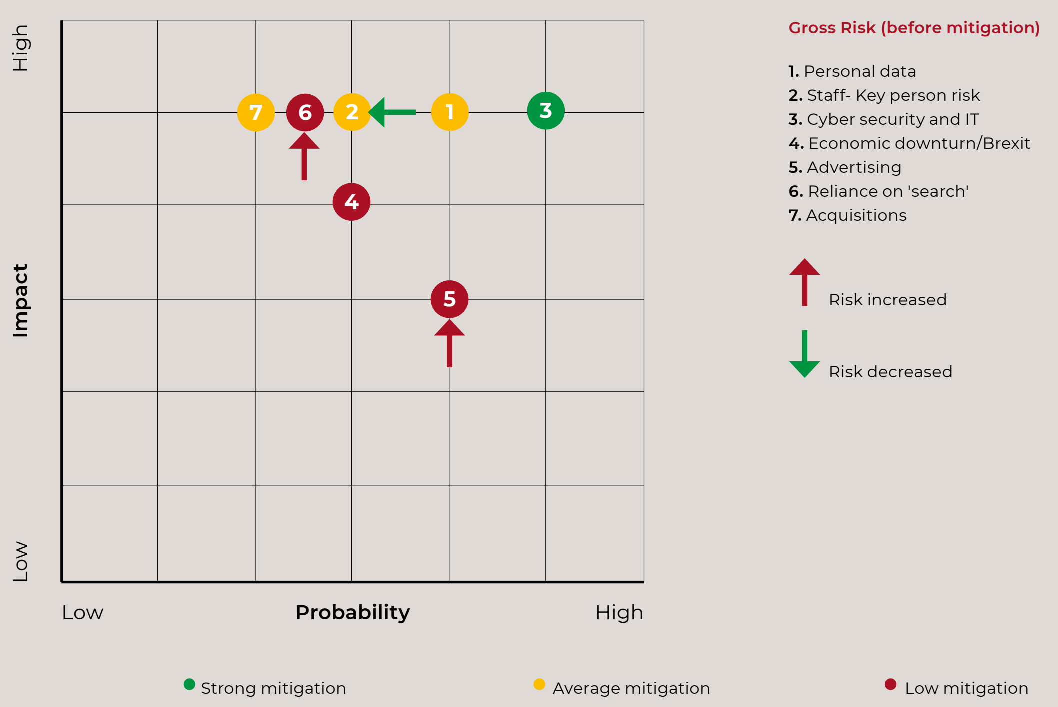
Our Principal Risks

The output from the above process is a summary of Principal Risks that is set out in the table on pages 37 to 38 and summarised in the heat map opposite. The heat map sets out the relative likelihood of the risk crystallising and the impact on the Group if the risk did crystallise – effectively the 'gross' risk score before considering the strength of any mitigation. The relative strength of the mitigation available to the Group to combat each risk is depicted in the colour of the risk on the heat map (green being strong, amber being average and red being low mitigation) with arrows detailing the movement of the gross risk from the prior year. The symbol ***E*** has been included in the Summary of Principal Risks table overleaf to indicate risks emerging in FY19.

Each Principal Risk has been analysed according to its impact on both the Group's existing business model, as set out in the 'Future Strategy Wheel', and the core elements of the Group's strategy as set out in the 'Future Playbook'. More information on the Future Strategy Wheel and the Future Playbook can be found on pages 13 and 14. Considering both the existing business model together with the strategic direction of the Group, the Board carried out a robust assessment of long term viability, which included performing sensitivity analysis and reverse stress-testing.

The symbol ***V*** has been included in the Summary of Principal Risks table overleaf to indicate those that have been taken into account when performing the viability testing.

Principal Risks Heat Map



Changes to the Group's risk assessment in the year

As a result of the risk review undertaken during the year, several risks identified as Principal Risks in prior years are no longer considered to be as significant and are therefore not included in the Summary of Principal Risks table overleaf, with the reasons for the reduction in the perceived level of risk set out below:

FY18 principal risks not included in FY19 assessment	Reason for reduction in risk rating
Operating environment – the structural change in our operating environment and the pace of transition from print.	The acquisitions of Purch, Mobile Nations and SmartBrief, together with underlying organic growth in digital revenues, mean that the Magazine division is a much smaller proportion of the Group's revenues which has reduced the impact of this risk.
Changes in advertising models – the increasing trends towards ad blocking and privacy could result in Future being unable to monetise online advertising inventory to the same extent it does currently.	Ad blocking has not had a significant impact on the Group's ability to monetise its websites as we have to date effectively mitigated this through the use of technology and working with the Coalition for Better Ads to ensure that we are at the forefront of market best-practice.
Intellectual property – as a publisher, Future is responsible for any intellectual property infringement or legal issue.	Intellectual property infringement and management continues to be a vitally important area, however, with the growth experienced by the Group in the year the materiality of this risk in the context of the overall Group has reduced.

SUMMARY OF PRINCIPAL RISKS

Risks	Description
Personal data ● ***V*** Business Model link: i, ii, vi Strategy link: 3	The collection, storage and use of personal data by the Group presents a risk of misuse, loss of personal data, or cyber-attack which could result in high penalties from the Information Commissioner's Office (ICO) or claims from data subjects. Future may suffer reputational risk, as well as a significant financial penalty, if it is responsible for the breach. Future (and the third parties it relies on) is required to comply with strict data protection and privacy legislation, including the General Data Protection Regulation (GDPR). Such laws restrict Future's ability to collect and use personal information and place significant transparency and accountability obligations on Future. The need to comply with data protection legislation is a significant control, operational and reputational risk which can affect the Group.
Staff – Key person risk ● Business Model link: i-vii Strategy link: 1-5	The Group is heavily dependent on its CEO and her absence would have a significant impact on the Group. There is not currently an obvious candidate within the organisation who could step up to replace her as CEO, and the Board would therefore most likely have to undertake an external search for a successor.
Cyber security and IT ● ***E*** Business Model link: i, ii, iii, vi Strategy link: 1	With the further transition away from print and growth in digital revenues the Group is increasingly reliant on technology. Hacking of the Group's websites or any hacking or infiltration of the Group's public owned and operated infrastructure resulting in loss of data, could result in significant interruption to trading, disruption to the Group's operations and damage to its reputation along with further heavy investment being required. The data protection elements of this risk have been considered in the Personal Data risk set out above.
Economic downturn / Brexit ● ***V*** Business Model link: ii-vi Strategy link: 2	Political and economic instability and uncertainty in the UK or US could have an adverse impact on the Group's operations. We do not expect Brexit to have a significant impact on the business however a high degree of economic uncertainty still remains which could reduce consumer spending, resulting in loss of revenue and impact on advertisers.
Advertising ● ***V E*** Business Model Link: i, iii-vi Strategy link: 2	The continued industry shift in the advertising model from 1st Party advertising to Premium Programmatic advertising exposes the Group to commercial risk as this is likely to result in a reduction in yield.
Reliance on 'search' ● ***V*** Business Model Link: ii-iv, vi, vii Strategy link: 3	Future is very exposed to Google to the extent that its websites are reliant on 'search' (i.e. a user navigating to one of Future's websites via a search engine such as Google). Any unforeseen change to the Google algorithm, its nature or business model could significantly impact the Group's revenues.
Acquisitions ● ***V*** Business Model link: i-vii Strategy link: 5	The Group continues to search for opportunities to grow through acquisition. There is a risk that any such acquisition or its subsequent integration fails to create value for shareholders.

The Directors do not see the impact of climate change as one of the Group's Principal Risks. For more information on Group initiatives to minimise and mitigate its environmental impact, please refer to the Corporate Responsibility Report on pages 41 and 42.

Key:

Link to Future's Business Model:

i. Email newsletters
ii. Membership and subscriptions
iii. Advertising
iv. Events & experiential
v. Newstrade
vi. eCommerce and lead gen
vii. Content publishing & licensing

Link to our vision and strategy:

1. A global specialist media platform
2. We create fans of brands
3. Our loyal communities
4. Diversifying monetisation
5. Expanding global reach

Long-term viability:

V: Risk taken into account as part of the Company's long term viability assessment (see page 39)

E: Emerging risk for FY19

Mitigation: ● Strong mitigation ● Average mitigation ● Low mitigation

Mitigation

The Data Protection Officer oversees all data protection matters and works with stakeholders within the Group to review, develop and improve its data practices and procedures.

The Group has implemented a process to respond to subject access requests in a proper and timely fashion and uses a Consent Management Platform on its websites within the IAB's Consent and Transparency Framework.

Controls and contract provisions are in place to ensure compliance with data protection legislation and confirmation is sought from all 3rd parties who might be involved in providing or processing data to ensure they are also in compliance with such legislation.

The Board has undertaken a detailed succession planning and talent review exercise in the year to ensure (wherever possible) that the Group is not overly exposed to any one employee. This exercise highlights how each of the executive team could be covered in an emergency and who were the obvious successors within the organisation.

The Group has also recruited several new senior roles within the year to provide additional strength in experience and expertise to the senior management team.

In order to attract and retain top talent and ensure that Future remains an attractive place to work, appropriate reward packages (including long term incentive schemes) are in place for key individuals.

Future seeks to ensure all of its systems and public owned and operated infrastructure complies with best practice as regards to security, by continually investing in and upgrading IT systems and processes. The Group's core network is protected by Two-Factor authentication security and firewall restrictions, with a plan in place to mitigate the effects of any hack.

To protect against system/network outages (caused by fraud or other issues), Future's network has multiple back-up facilities held in different locations that minimises any single point of failure. Servers are distributed across two main data centre locations and several controlled server rooms in different buildings in Bath, Bournemouth and New York.

Following the completion of acquisitions, assets are quickly moved onto the Group's existing infrastructure (data centres and Cloud based providers) except where not possible or practicable. Websites acquired by the Group are usually transitioned to the Group's platform to ensure they meet the required security and best-practice standards.

This risk is mitigated by keeping abreast of macro-economic developments and ensuring that the Group responds swiftly to any as they materialise.

The Group is diverse, both geographically and through its large number of revenue streams. This insulates it from political or economic instability in any particular country or region.

In addition, the Group has focused on being the market leader wherever possible, which should make it more durable in a recession as historically advertisers are more likely to continue to spend with the market leader in any particular sector.

The Group seeks to mitigate this risk by ensuring that its sales teams are trained to sell the benefits associated with working with Future (rather than acquiring advertising programmatically) and by ensuring that we continue to maintain and develop deep direct client relationships.

This risk is further mitigated by the Group's expansion of its video offering which further diversifies its revenue streams, and through the use of its Hybrid technology which ensures that Future drives the best yields available in the market.

Future has a dedicated audience development team who work to ensure Future embeds best practice within its editorial and technical teams.

In addition, Future continues to invest in the creation of top quality content, that follows best practice to meet the needs of audiences and therefore mitigate as much as possible its reliance on 'search'.

The Group's recent diversification into B2B drives a direct relationship with the end customer and the Group continues to invest in other direct sources to drive direct traffic and reduce its reliance on Google.

The Group has successfully completed and integrated eight acquisitions over the last 36 months. The management team is highly experienced and adept at identifying suitable acquisition opportunities, executing the deal and integrating the acquired business into the wider Group.

The risk is further mitigated through the performance of due diligence appropriate to the size and scale of the acquisition, and the preparation of a clear and detailed integration plan which is carefully managed.

LONGER TERM VIABILITY STATEMENT

Assessing the Group's longer term prospects and viability

The Directors have based their assessment of viability on the Group's current strategy, which is outlined in pages 9 to 14. The Group's prospects are assessed primarily through its annual long term detailed planning process, which considers profitability, the Group's cash flows, committed facilities, liquidity and forecast funding requirement over the next three years. This exercise is completed annually and was signed off by the Board in September 2019. As part of this the Board considers the appropriateness of key assumptions, taking into account the external environment and the Group's strategy.

The assessment period

A three-year period is used for the Group's Viability Statement as this aligns with the length of the Group's detailed plan, and this horizon most appropriately reflects the dynamic and changing Media environment in which the Group operates.

Assessing the Group's viability

The viability of the Group has been assessed, taking into account its current financial position, including external funding in place over the assessment period, and after modelling the impact of certain scenarios arising from the Principal Risks, which have the greatest potential impact on viability in that period.

A number of scenarios have been modelled, considered severe but plausible, that encompass these identified risks. Whilst each of the risks on pages 37 to 38 has a potential impact and has been considered as part of the assessment, only those that represent severe but plausible scenarios were selected for modelling. None of these scenarios individually threaten the viability of the Group.

The assessment undertaken includes the impact of the acquisition of TI Media which was announced on 30 October 2019 and is expected to complete in the Spring of 2020 (both on the basis that it completes as expected and also in an unlikely scenario that significant undertakings in lieu are required by the Competition and Markets Authority) and also the post year end acquisition of Barcroft Studios.

These scenarios assume that the Group takes up the option to extend its bank facilities for a further year (which is entirely within its control) so that they expire in February 2024. The scenarios below are hypothetical and purposely severe with the aim of creating outcomes that have the ability to threaten the viability of the Group. The Group has multiple control measures in place to prevent and mitigate the scenarios from taking place.

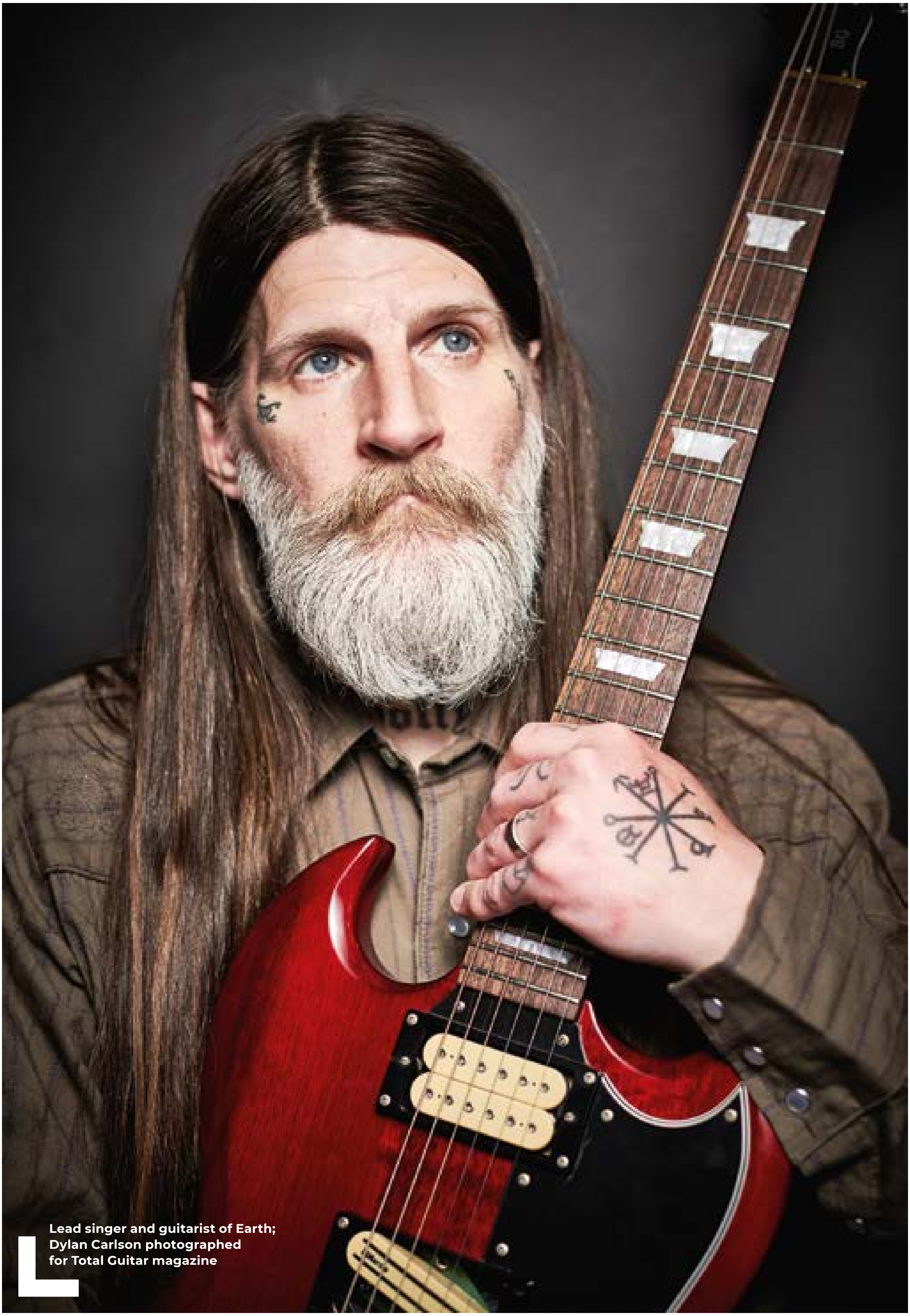
In the case of these scenarios arising, various options are available to the Group in order to maintain liquidity so as to continue in operation, such as reducing any non-essential capital and operating expenditure as well as ceasing payment of dividends. None of these mitigating actions are assumed in our current scenario modelling.

The results of the above stress testing showed that the Group would be able to withstand the impact of these scenarios occurring over the assessment period.

Viability statement

Based on these severe but plausible scenarios, the Directors have a reasonable expectation that the Company will continue in operation and meet its liabilities as they fall due over the three-year period considered.

Scenario	Associated Principal Risk(s)	Description
Data security breach	1. Personal data	A serious data security or regulatory breach results in a significant monetary penalty and a loss of reputation among customers resulting in a significant reduction in Media revenues and additional IT costs whilst the breach is rectified. Given the inherent uncertainty of total quantum, this test is purposely severe as a stress test for the Group.
Significant revenue reduction	2. Key person risk; 4. Economic downturn/ Brexit; 5. Advertising; 6. Reliance on 'search'	This scenario assumes a significant reduction in eCommerce and advertising growth, accelerated decline in magazine revenues and margins and longer collection days.
Significant change in external environment	4. Economic downturn/ Brexit	This assumes a weakening of USD/GBP exchange rates, higher interest rates and overhead increases.
Acquisition fails to deliver value	2. Key person risk; 7. Acquisitions	This scenario assumes that no synergies are realised from the acquisition of TI Media (£15m p/a are planned as outlined in the related shareholder circular).



Lead singer and guitarist of Earth; Dylan Carlson photographed for Total Guitar magazine

CORPORATE RESPONSIBILITY

We are part of the audience and the community, investing in our people and making a positive impact.

In 2019, we made significant investments in our people, our communities and our environment, ensuring we are able to make a positive impact in every location we operate.

We focus our efforts around key areas where we believe we can make a difference, and ensure that these remain aligned with our core operating values.

1. We are proud of our past and excited about our future

We are proud of the changes we have made. We are committed to improving and evolving our environmental and social impact, benefitting not only our employees and our communities, but also making important changes to create a better future for generations to come.

The environment

We strive to positively impact our environment and ensure whatever we do, we minimise harm to our planet.

Sourcing paper

Paper is the largest raw material we use as a Group. We work hard to make sure that whatever we consume, we do it in a way that is ethically responsible and environmentally sustainable. In 2019, all of our paper across the Group was sourced from either recycled fibre or sustainable forests where at least one tree is planted for every tree felled. We have grown our use of recycled paper stocks through 2019 and will continue to do so in 2020 across both the UK and US, especially in our Bookazine portfolio.

Our paper is sourced and produced from sustainable, managed forests, conforming to strict environmental and socio-economic standards. Our paper mills and paper merchants all hold full FSC (Forest Stewardship Council) certification and accreditation, showing our commitment to sourcing paper supplies from sustainable sources.

In 2019, 100% of the paper we used in our magazines in both the UK and US was FSC and PEFC (Programme for the Endorsement of Forest Certification) certified. All of our suppliers in the print and paper supply chain hold FSC and PEFC certification, as well as other internationally recognised and independently audited certification schemes for environmental care in forest management and conservation.

Recycling of unsold magazines and gifts

The Group is strongly incentivised to minimise the number of unsold magazines and we employ sophisticated techniques to help achieve this. In the UK, Future's unsold magazines are either used in recycled paper manufacture or in other recycling operations, or they are handed to local schools and hospitals. We also support the Professional Publishers Association's initiative encouraging readers to recycle their magazines after use, and are now full members of the OPRL (On-Pack-Recycling-Label) Scheme which provides full access to and use of correct recycling labelling, instructing consumers how to responsibly recycle or dispose of our magazines and packaging. Gifts on our unsold copies are incinerated to create further energy, and any magazine gifts containing electronic components are removed and responsibly disposed of in accordance with WEEE (Waste Electrical and Electronic Equipment Directive) regulations.

Packaging

We comply with our obligations under the Producer Responsibility Obligations (Packaging Waste) Regulations, and carry out an annual packaging waste audit where we declare our packaging waste volumes to the Environment Agency and offset our waste by purchase of Packaging Waste Recovery Notes.

We use LDPE4 (number 4-coded low-density polyethylene) to wrap our subscriptions and newstrade copies, which is fully recyclable. Recycling logos were updated in late October 2019 to show the latest information available on recyclability of the wrappers, directing customers to recycle the bags at local supermarkets. In addition, the UK subscription mailing copies of our Home Interest titles will be wrapped in paper rather than plastic from January 2020 onwards.

2. We all row the boat

Each employee in the Group is encouraged to live a greener life by reducing pollution, reusing or recycling, and saving energy.

Recycling and waste management in the office

We play an active part in recycling across all of our locations. We have clearly defined communal waste and recycling areas in all offices across the UK and US. We are trialling a new food waste recycling facility in our Bath office in the UK and, if this is successful, we will roll it out to other offices. We will be working with our waste provider to complete quarterly reporting so we can trace waste usage more efficiently and monitor progress on reducing our waste that is sent to landfill. We are currently recycling 30% of waste and are aiming to achieve 50% waste recycling by January 2020. Earlier in the year in our New York office we removed all canned drinks, replacing them with a drinks dispenser for reusable cups, at the same time we replaced the paper cups with glasses and mugs.

Reducing our carbon footprint

We operate multi-country multi-site offices and we strive to reduce the need for face to face meetings unless absolutely necessary by encouraging our teams to use video conferencing where possible, reducing air, car, and train travel.

We use a building management system in our largest UK office to manage all central plant and ensure the building is as energy efficient as possible. All plant is run to tight schedules to ensure energy is not wasted, and we have a heat recovery system in place to minimise gas usage. New LED light fittings were installed in our largest UK office, reducing energy consumption by approximately 25%. This project will continue to be rolled out to all other UK offices.

Statement of Greenhouse Gas (GHG) Emissions for the Group
Global GHG emissions in tonnes of CO2 equivalent:

Emissions from		2018	2019
		Total	Total
The combustion of fuel: gas for heating and fuel; for vehicles (Scope 1)	UK	97	96
	US	-	-
	Total	**97**	**96**
The purchase of electricity: heat, steam or coolingby the Group for its own use (Scope 2)	UK	331	298
	US	3	205
	Total	**334**	**503**
Total Emissions (CO2e Tonnes)		431	599
Total Revenue[1]		£130.1m	£221.5m
Intensity Ratio (CO2e Tonnes per £1m)[1]		**3.3**	**2.7**

1 Revenue restated for the impact of IFRS 15 *Revenue from contracts with customers*

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

The emissions sources fall within our financial statements. We do not have responsibility for any emission sources that are not included in our financial statements.

Methodology:
We have used the UK Government's Environmental Reporting Guidance. We have applied the 2019 DEFRA GHG Conversion Factor Repository to calculate the CO2e. As a Group with only office-based activities and no manufacturing activities, under the GHG Protocol Corporate Standard, our emissions fall under Scope 1 (the combustion of fuel) and Scope 2 (the purchase of electricity).

Notes:
- Scope 1 – Time periods for combustion of gas for heating – figures for all offices are for the financial year. All figures are estimates based on % share of office space within leased buildings except for UK Bath offices, which are actual consumption, where whole buildings or floors within buildings have their own meters.
- Scope 1 – Time periods for combustion of fuel in vehicles – only the UK operates leased vehicles and figures for the consumption of fuel are based on averaged annual mileage.
- Scope 2 – Time periods for consumption of electricity – figures for the UK and US offices are for the financial year. Figures for the Australian office are pro-rated from typical monthly consumption. All figures are estimates based on % share of office space within leased buildings except for certain US and UK offices, which are actual consumption, where whole buildings or floors within buildings have their own meters.
- Scope 2 – Electricity Sources – No electricity was purchased from owned or controlled sources.
- Fugitive Emissions – the Group benefits from air conditioning in some of its leasehold buildings. The scale of emissions from leaks is very small (estimated to be less than 0.5% of total emissions) and is deemed to be immaterial to overall reporting and trends.
- Intensity Ratio – we are using 'Tonnes per £1 million revenue'.
- We have maintained our focus on other environmental impacts, particularly initiatives to reduce waste and to continue sourcing all our magazine paper from sustainable forestry.

Fruitful Office provides fruit to Future's UK offices every week and plants one tree in Malawi for each basket of fruit delivered. During the period from June 2018 to June 2019, 743 trees were planted on behalf of Future. In addition to mitigating the effects of global warming and deforestation, this provides income to local communities.

Single use plastics
We are passionate about removing single use plastics whenever and wherever possible.

In 2019, we have continued to significantly reduce single use plastic at all of our offices, corporate and commercial events. At the onsite café in our Bath office customers are encouraged to bring a mug or keep a cup by receiving double stamps on their loyalty cards when they do. Takeaway food containers are biodegradable and compostable, and are made from recycled materials, and all straws are paper. In all our office kitchens in the UK and US, we have removed all single use plastics such as cups and cutlery. We also gifted all our staff a metal water bottle for their personal use following the removal of disposable plastic cups. At our commercial events, plastic reduction strategies tend to be venue-specific, however, initiatives have included the removal of plastic covers on name badges, and the recycling of lanyards.

Supplier environmental and ethical audits
We undertake environmental and ethical audits on our main suppliers which include aspects such as the processing and disposal of effluents, emissions and waste materials, and the use of labour, and require all suppliers to complete our anti-bribery and modern slavery questionnaires. No material contract is awarded to any contractor without satisfactory return of this information.

3. It's the people in the boat that matter

As a business, we aim to work in the most environmentally and socially sustainable way to create safe and secure surroundings in which our employees, audience and suppliers can thrive.

Our six Company values underpin everything we do and are a fundamental part of everyday life at Future.

Our people
We are a people business first and foremost, and, with a growing footprint in the UK and US, significant investments have been made this year in attracting and developing talent.

We have had a large number of new starters join the business in 2019 – with 278 new joiners and over 260 staff joining from acquisitions. To aid the smooth integration of new talent, all new joiners participate in an induction programme which immerses new starters in our values and culture. For our acquisition businesses we run a mini induction programme over one day. A great outcome from this is the building of networks across the organisation and ensuring everyone gets off to the best possible start on their journey with Future. In order to ensure that there is consistency in the way that people are managed across legacy and newly acquired assets, 50 US senior managers from legacy Future, Purch and Newbay businesses participated in an off-site one-day session to create closer alignment.

The extremely successful annual conferences in the UK and the US, which all employees attend, once more gave an opportunity to showcase the breadth of talent amongst the Future staff and encourage networking.

Development
In 2019, we invested in a new role, hiring a Head of Learning and Development, as a key focus for us is to develop our talent across all locations, with a number of new programmes being introduced and delivered during this year and into 2020:

- Our Graduate programme has launched and the first cohort has embarked on their journey with us. In addition, we continue to build our talent network with key universities and colleges to ensure we attract and recruit the best graduates to join us.

- We have also continued to significantly invest in the personal development of our managers, ensuring they are the best people managers and brilliant at the basics. This year we have held over 70 workshops with 160 participants and this continues to be a focus into the next year.

- Our apprentice programme currently has over 40 participants and this is a key focus into 2020 and beyond, ensuring that all colleagues have an opportunity to gain formal qualifications whilst working with us.

- Our 'Future Leaders' programme is in development and will launch in 2020, providing our top talent an opportunity to participate in a structured programme which will equip them with the skills to be our future leaders, in addition to gaining a formal qualification.

- Our colleague induction programme has welcomed more than 100 new starters into our business, and we are embarking on a programme to continuously improve our onboarding experience.

- Our commitment to creating a learning culture saw us organise a month of 'sharing is caring' sessions where managers volunteered to create and facilitate four modules covering the key topics of: Managing remote workers; How we learn and develop our teams; Creating and delivering impactful presentations, and; How to use the tools we have at our disposal as managers. These were attended by over 100 managers from across the business and we will look to replicate this in 2020.

Workforce Engagement

The Board recognises the importance of our people, and each of the Directors is firmly committed to developing and retaining the talent within the business, and encouraging new talent to join. The Board has had a sharp focus on people and culture during the year, with the Chief Operating Officer, who is responsible for global HR, regularly joining Board meetings to provide the Board with key information regarding employee recruitment and retention, updates on the integration of staff who joined through acquisitions, the recruitment of new employees, the development of existing employees and to discuss succession planning for the senior management team. In addition, during the year, a HR Dashboard showing key people statistics, including the number of open positions and average time to offer, numbers of new starters, leavers, average churn, length of tenure and gender breakdown, has been included as a standard reference paper in every Board pack.

Members of the senior management team attend the annual Board strategy day, regularly present at Board meetings and attend Board dinners to enable the Non-Executive Directors to get to know the senior management team. The Board also believes it is important to visit the different locations within the business, and during this year the annual strategy session was hosted in our Bath office – during this time the Board hosted a lunch with a number of senior managers. Later in the year the Board travelled to the New York office to meet with our colleagues there. As part of that visit they met senior editorial staff and hosted an “Ask Me Anything” (AMA) session with employees.

Employment data across the group	2019
Split of female:male employees as at 30 September 2019	39.1% : 60.9% (of 1,037 employees)
Split of female:male Directors of the Company as at 30 September 2019	2 : 4
Split of female:male members of the Executive Committee as at 30 September 2019	3 : 6
Disclosure re. ethnic diversity	Not mandated
Earnings meet at least legal minimum or minimum set by industry.	Yes. We are also a living wage employer in the UK.
Cases of reported and proven discrimination or harassment	None
Consultation and communication procedures in place for all areas of the business	Yes
Code of conduct circulated to all existing and new employees	Yes
Employment of young people under the age of 15	None

The Chairman attended the company conference in the UK, with Hugo Drayton, the Senior Independent Director, who also visited the office in Australia to spend time with the management team there. All Board members have participated in some interviews of key senior management hires during the year.

Diversity

At Future we are passionate about equality and diversity throughout our organisation. We pride ourselves on treating people with dignity and respect, and having a transparent and inclusive culture which enables everyone, regardless of their background, race, ethnicity, or gender, to thrive. We are working to explore the creation of under-represented talent pools across the business through apprenticeship schemes and internships.

Future operates a zero tolerance policy with regard to any form of harassment or discriminatory behaviour at any level within the organisation, as well as a zero tolerance policy of retaliation against any employee that raises any concern to their managers or via any of the other channels open to employees for reporting harassment or discriminatory behaviour. We have a whistleblowing process in place to ensure that any issues can be raised confidentially. Our manager development programme includes equipping our leaders with the necessary skills to ensure that every person is managed fairly and consistently across the business.

As reported externally in Future’s Gender Pay Gap Report (for the snap-shot period ending 5 April 2019) we continue to ensure we have the best possible person for the job and are in the unusual position of having two of the most senior positions of Chief Executive and Chief Financial Officer held by women. As a result of strategic acquisitions during the year we have seen our headcount increase considerably and this has negatively impacted our gender pay ratios, with only 31% of acquired colleagues being female.

We remain firmly committed to ensuring that men and women are paid equally for fulfilling equivalent roles across the business and we have implemented a number of initiatives to ensure this is the case. These include the appointment of a dedicated Diversity Manager to enhance our recruitment, promotion and succession planning processes, and the introduction of a mid-year salary review process, giving the business the framework to review and tackle any discrepancy in salary accordingly.

Future’s business is underpinned by six core values, the first of which is that ‘we are part of the audience and their community’. At Future we recognise that our audiences are highly engaged, passionate and tribal. We strive to ensure that our workforce reflects their diversity, in order to maximise engagement whilst also being reverent to the privilege it is to be part of these communities.

We have recently added a Diversity and Inclusion focused workstream within each of our Employee Community Committees, with the aim being to champion diversity and inclusion across the business while representing the views and needs of all of our employees. We are also rolling out Diversity and Inclusion training.

In the US we have signed the Ascent promise which is a commitment to creating an inclusive and equitable workplace, including sharing best practice. Our anti-harassment training programme was rolled out in the US during the year with all staff completing the training.

Policy on disability

The Group aims to ensure that when considering recruitment, training, career development, promotion or any other aspect of employment, no employee or job applicant is discriminated against, either directly or indirectly, on the grounds of disability.

If an employee became disabled while in employment and as a result was unable to perform their duties, we would make every effort to offer suitable alternative employment and assistance with retraining.

Internal communication

Future has policies on employee communication, acceptable use of IT, health and safety and whistleblowing, and we have a commitment to diversity and opportunity. The HR and recruitment system, which was launched last year, also acts as a hub for all internal communications and ensures that our geographically diverse workforce are kept abreast of all key developments.

We hold quarterly town hall sessions for all employees and extended leadership team meetings where we discuss key strategic initiatives and the performance of the business. In September 2019, we held all-company conferences in the UK and the US. These initiatives ensure that communication is constantly improving across the business, reinforce the building of a positive working environment where we celebrate successes and also help to ensure there is alignment across the business. At our conferences we run AMA sessions with the ELT and the organisation to enable staff to have the opportunity to raise questions they may have about the business.

In addition to this, we have a weekly staff 'communication snapshot' highlighting best practice across the Group, a monthly ELT video blog which covers a round-up of key themes in the month and, on an ad-hoc basis, we run an 'Ask Zillah' SlackChat session where the Chief Executive is live with the whole Group to answer any questions. Following questions raised during the AMA session at the UK conference in 2019, as well as feedback received during the year, amendments were made to the Company's policy on hotel accommodation. Our environment is therefore one where we encourage employees to give their views freely and contribute to policies and initiatives, knowing that their opinion counts, which continuously develops and improves our offering for the benefit of our consumers, clients and colleagues.

Whistleblowing and anti-bribery policies

It is Future's policy to conduct all of our business in an honest and ethical manner, and we take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and we are implementing and enforcing effective systems to counter bribery and corruption.

We have whistleblowing, anti-bribery and corruption policies which are updated regularly and published on our intranet. The whistleblowing policy is designed to encourage employees to report, in good faith, any genuine suspicions of fraud, bribery, malpractice, modern slavery and human trafficking. Concerns may be raised according to a stated escalation process from an individual's line manager, via their head of department, Head of People Operations, to the Head of Legal and then to the Board of Directors, including the Senior Independent Director. Concerns may also be raised completely anonymously by post. The whistle-blowing policy is also designed to ensure that any employee who raises a genuine concern is protected. During the year, no issues of concern were raised via any of the whistleblowing channels.

In addition, to ensure Future is adopting best practice with anti-corruption legislation, and to promote transparency, a Review Kit, Trips and Gifts Log is in place to track the whereabouts of products sent to us for review and the acceptance of gifts and trips by our employees. We also have in place an Editorial Ethics Committee which monitors the approach to gifts and review trips to ensure not only are we legally complaint, but that we also comply with our own ethical and editorial standards.

Health and safety

The health and safety of all employees is a key priority for the Group. Future is largely an office-based environment; all locations across the Group comply with relevant legislation and we communicate our health and safety policy to all employees. In the UK, during the year to 30 September 2019, there were no fatalities and 9 minor injuries across all sites (2018: no fatalities and 11 minor injuries). There were no fatalities or injuries in the US or Australia during the year (2018: nil).

Human rights

Future is committed to respecting human rights. We believe our business positively impacts human rights by, for example, promoting freedom of opinion and expression and facilitating the ability to seek, receive and impart information and ideas through all media and across borders. In addition, we provide a means to participate in the cultural life of the community and enjoy the arts.

As an international company, Future is also aware of the potential for adversely impacting human rights and we seek to mitigate any such effects through, for example, our efforts to combat bribery, corruption and forced labour in our business or in our supply chain.

Modern slavery (Supplier Code of Conduct)

The Modern Slavery Act 2015 is aimed at combating crimes of slavery and human trafficking, and addresses the role which a commercial organisation has to play in preventing these crimes, both within its own business and within its supply chains. We are committed to doing business ethically and have a zero-tolerance approach to modern slavery. Future's Modern Slavery Act statement for the current and previous years is published on our corporate website:
www.futureplc.com/modern-slavery-statement

4. Let's do this

We are making daily changes to continually transform, create and develop our business sustainably and responsibly. This is our chance to make a positive impact on our planet.

In December 2018, Employee Community Committees were set up in each of our main office locations to empower staff and give them the opportunity to take the lead on important initiatives. A new budget was created to ensure that the new Community Committees were empowered to deliver their ideas by having the financial support required. In total we invested £30,200 in this initiative. The Communities are led by passionate volunteers who meet each month to set goals and objectives, and lead the agenda for the following themes:

- Sustainability and environment
- Charity and outreach
- Local community
- Social events
- Office environment
- Health and wellness
- Inclusion and diversity

The communities teams have been able to make a real difference to their local environment, positively impacting the experience of their colleagues.

Since inception, the teams have launched some fantastic initiatives across all of our office locations. We are particularly proud of what our community teams have achieved, such as;

- Over 100 gifts were donated to disadvantaged children in New York last Christmas;
- Health and wellness initiatives are now a regular part of the week in all of our locations from yoga, running clubs and meditation to discounted gym memberships;
- Introduction of regular fruit drops in all our offices to support healthy eating; and
- Office social events that bring all colleagues together.

5. We are part of the audience and the community

The positive changes we are making are enabling us to strengthen our local communities, from reducing our carbon footprint to sourcing local suppliers. The work we do leads to a healthier local economy as well as a healthier world.

Giving something back

In the UK the Group has worked in partnership with Bath-based charitable foundation Quartet, which makes donations to local charities on our behalf, and SpecialEffect, a charity which uses video games and technology to enhance the quality of life of people with disabilities. Across all of our locations in the UK and US, we have completed a number of charitable events that matter most to our local communities, from cake sales, sponsored fitness activities, and in New York championing engagement with local disadvantaged schools by providing talks on careers in media and offering the opportunity to visit our offices and learn more. In addition, Future provides a staff matching scheme for all employees who raise money for charitable ventures. In late 2019, we will adopt national charities in both the UK and US following recommendation from our Community teams.

Furthermore, our commercial events make donations to charities associated with that event or industry, for example the Broadcasting & Cable Hall of Fame donated $75,000 to the Broadcasters Foundation, an organisation whose mission is to help industry executives who find themselves in financial difficulties due to illness, natural disaster, advanced age or misfortune, as well as $25,000 to the Paley Centre which leads the discussion about the cultural, creative, and social significance of television, radio, and emerging platforms for the professional community and media-interested public. From our music events, we donated to Music 4 All, a charity that helps give access to music to the less privileged, and to the National Deaf Children's Society.

Future in the wider community

Future people have been actively involved in the year with a number of national organisations including the Professional Publishers Association, European Magazine Media Association, Association of Online Publishers, NABS, European & Leisure Software Publishers Association, the IPA, Creative Bath, Content Marketing Association, the Marketing Society and the International Federation of the Periodical Press.

6. Results matter, success feels good

Our business achievements provide us with the opportunity to invest in our people and the planet, to improve and enhance the global community.

All employees' reward

In January 2018 we were delighted to receive official accreditation confirming Future's status as a living wage employer. This resulted in a number of employees receiving a salary increase. This is based upon the cost of living and equates to almost a pound more per hour than the government set minimum wage.
Also in 2019 in the US, where possible, we made the decision to move to salaried pay which resulted in a significant increase in the effective hourly rate and increased financial security.

As a result of our significant financial performance we were also able to reward all our staff for their talent and commitment by paying out the maximum amount payable under the annual profit pool scheme, which represents 11% of the average salary across Future.

We offer a number of great benefits for our staff such as sabbaticals to promote well-being. Our scheme offers up to three months for every five years worked. During the year two colleagues took up the option to enjoy a sabbatical. We also continue to offer unlimited holiday for all of our staff, allowing them to strike a good work life balance. In the UK, we offer benefits for staff such as Perks At Work and the Taste Card. In the US, we offer discounted gym memberships along with other local perks.

Non-financial information statement

The Company is required to comply with the new non-financial reporting requirements set out in Sections 414CA and 414CB of the Companies Act 20 06. The table below sets out where in the Annual Report the relevant information regarding the key non-financial matters can be found.

Reporting Requirement	Policies and standards which govern our approach	Information
Environmental matters	CSR Policy	Corporate Responsibility Report pages 41 to 42
Employees	Future Playbook, Diversity Policy, Whistleblower Policy	Strategic Report, page 13 Corporate Responsibility Report, page 43 Corporate Governance Report, page 64 and Corporate Responsibility Report, page 44
Human Rights	Slavery and Human Trafficking Policy	Corporate Responsibility Report, page 44
Social Matters	CSR Policy	Corporate Responsibility Report, pages 41 to 45
Anti-corruption and anti-bribery	Anti-bribery and corruption policy, Whistleblowing policy	Corporate Responsibility Report, page 44
Description of Principal Risks and impact of business activity	Greenhouse Gas Emissions	Risk section, pages 35 to 38 and Corporate Responsibility Report, page 42
Description of business model	Future strategy wheel	Strategic Report, pages 9 to 14
Non-financial KPIs	Sources & Definitions	Strategic Report, pages 17 to 30, Sources page 30

The Bath Community and Culture team photographed outside Future's Bath office

FINANCIAL REVIEW

Penny Ladkin-Brand
Chief Financial Officer

Financial summary

The financial review is based primarily on a comparison of results for the year ended 30 September 2019 with those for the year ended 30 September 2018. Unless otherwise stated, change percentages relate to a comparison of these two periods. Organic growth is defined as year-on-year growth for the like-for-like portfolio of brands (at constant currency) and excludes all acquisitions made during FY18 and FY19.

	2019 £m	2018 £m
Revenue[1]	**221.5**	130.1
Adjusted EBITDA[2]	**54.5**	20.7
Depreciation	**(0.9)**	(0.6)
Adjusted amortisation[2]	**(1.4)**	(1.6)
Adjusted operating profit[2]	**52.2**	18.5
Adjusted net finance costs[2]	**(2.1)**	(1.1)
Other income	**0.2**	-
Adjusted profit before tax[2]	**50.3**	17.4
Operating profit	**26.7**	5.3
Profit before tax	**12.7**	4.4
Earnings per share (p)	**9.9**	5.1
Adjusted earnings per share (p)[2]	**50.1**	26.2
Adjusted diluted earnings per share (p)[2]	**47.5**	24.3

1 Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £5.5m with a net nil impact on operating profit.

2 Adjusted items are a non-GAAP measure. For further details refer to the section on Alternative Performance Measures on page 50.

The Directors believe that adjusted results provide additional useful information on the core operational performance of the Group, and review the results of the Group on an adjusted basis internally. See page 50 for a reconciliation between adjusted and statutory results.

Revenue

	Media £m	Sub-segment Magazines £m	2019 Total £m	Media[1] £m	Sub-segment Magazines[1] £m	2018[1] Total[1] £m
Segment:						
UK	**50.4**	**52.3**	**102.7**	36.8	53.2	90.0
USA	**104.5**	**14.3**	**118.8**	29.5	10.6	40.1
Total	**154.9**	**66.6**	**221.5**	66.3	63.8	130.1

1 Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £5.5m with a net nil impact on operating profit.

Group revenue increased 70% to £221.5m (2018: £130.1m restated for IFRS 15), which includes an £8.5m uplift as a result of adopting IFRS 15 (2018: £124.6m with £5.5m uplift). The adjustment for IFRS 15 relates principally to revenues which have previously been shown net of agents' commission and have therefore now been grossed up, with an equal and opposite adjustment in cost of sales. The impact of the IFRS 15 adjustment has increased in the year due to the change in revenue mix.

Revenue growth has been achieved both organically (increase of 11% at constant currency and 13% on actual currency) and through acquisition.

UK and US operations have both performed well with US Media revenue growth of 51% on an organic basis. The US results were also boosted by the acquisition of Newbay and Purch in 2018 and Mobile Nations in 2019, meaning 54% of Group revenue (net of intra-group revenues) is now derived from the US, with total US revenue up 196% to £118.8m (2018: £40.1m). UK revenue also performed well and was up 14% to £102.7m (2018: £90.0m).

Media revenue increased by 134% to £154.9m (2018: £66.3m), driven by the acquisition of Purch, as a pure-play digital business, as well as organic growth in eCommerce and digital display advertising, which has seen a strong performance in programmatic revenues. On an organic basis Media revenues increased by 32%.

Magazine revenue increased by 4% to £66.6m (2018: £63.8m) largely driven by the acquisition of Newbay, the four specialist brands from Haymarket in 2018 and the acquisition of Procycling Magazine in February 2019. On an organic basis, Magazine revenues declined 10% to £47.9m in line with our expectations.

An exceptional year, achieving record levels of profitability. Execution of our strategy through both organic growth and strategic acquisitions has driven our robust 2019 financial results.

The Group is constantly looking for ways to innovate and as a content-led business seeks to meet the needs of its specialist communities, which it measures through the strength of its audience and the effective monetisation of that audience. In the year, Future saw its online audience increase organically (31% year-on-year) and through the increased scale of the Group, with online audience growing by 44% year-on-year.

Operating profit and adjusted EBITDA

Reported operating profit increased by £21.4m to £26.7m (2018: £5.3m). Reported operating margin increased to 12% (2018: 4%) as a result of the increasing scale of the Group and the shifting revenue mix.

Adjusted operating margin increased to 24% (2018: 14%) and gross profit margin increased to 48% (2018: 43% restated for the impact of IFRS 15) as the Group benefited from strong growth in higher margin Media revenues.

The Group's adjusted EBITDA was up 163% to £54.5m (2018: £20.7m), of which £31.2m (2018: £15.3m) was UK and £23.3m (2018: £5.4m) was US, reflecting the strong growth of the Media division, the US business and the operating leverage provided by the increased scale of the Group.

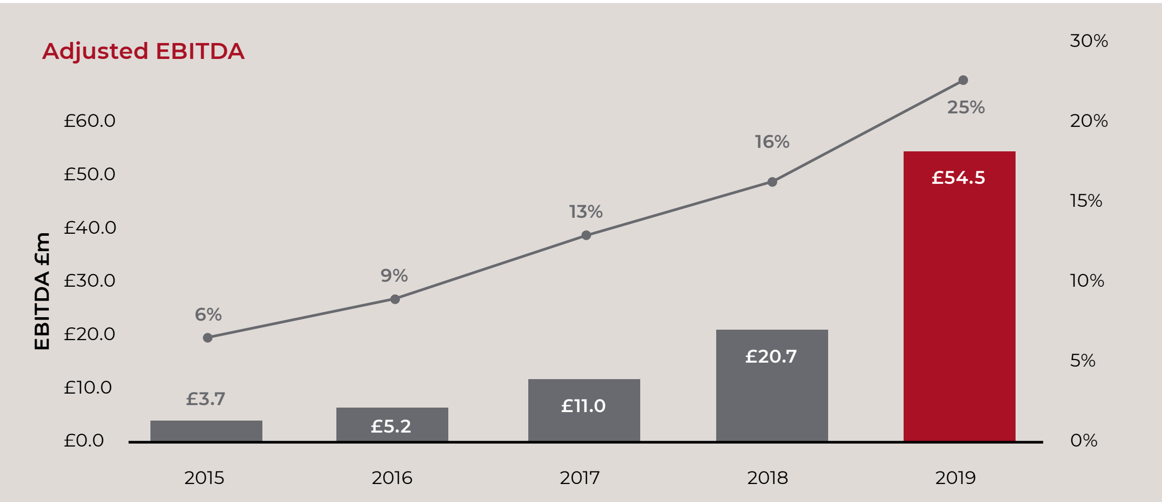
Statutory exceptional items

Exceptional costs were £3.4m (2018: £4.4m). These are mainly acquisition-related, with deal fees in respect of the acquisition of Mobile Nations and SmartBrief and the subsequent integration-related activity of SmartBrief and Purch totalling £2.5m. Costs also include £0.8m of professional fees relating to the Group's transfer to a Premium Listing on the Official List of the Financial Conduct Authority.

Net finance costs

During the period the Group agreed a new multi-currency Revolving Credit Facility ("RCF") of £90m. The RCF, which replaced Future's existing debt facilities, has an initial maturity of February 2023 and includes an incremental £45m accordion, which following the year end was committed in order to fund the acquisition of TI Media.

Net finance costs increased to £14.2m (2018: £0.9m), mainly relating to an £11.7m increase in fair value of the contingent consideration for the Mobile Nations acquisition, as well as £1.2m arising on the unwinding of the discount on the contingent consideration in the period. External interest payable of £1.5m reflects the draw-down of the RCF to fund the Mobile Nations and SmartBrief acquisitions. Included within amortisation of bank loan arrangement fees is the release of prepaid costs of £0.4m in relation to the previous loan facility.



Taxation

The tax charge for the year amounted to £4.6m (2018: £1.5m), comprising a current tax charge of £7.0m (2018: £1.9m) and a deferred tax credit of £2.4m (2018: £0.4m). The deferred tax credit predominantly related to the recognition in full of the brought forward deferred tax asset on losses in the US due to the Group's increasing profitability, as well as acquired intangible assets and share schemes. The current tax charge mainly arises in the UK where the standard rate of corporation tax is 19%.

The Group's adjusted effective tax rate is 18% (2018: 14%), being reflective of the credit arising on the recognition in full of the brought forward deferred tax asset on losses in the US and the charge relating to the provision recognised for uncertain tax positions. The Group's statutory effective tax rate is 36% (2018: 34%), with the difference between the statutory rate and adjusted effective rates being the impact of the fair value movement on the contingent consideration recognised in respect of the Mobile Nations acquisition.

The Directors have assessed the Group's uncertain tax positions and in the current year a provision for uncertain tax positions of £5.6m has been recognised. Further information is provided in the accounting policies section and note 8.

Earnings per share

	2019	2018
Basic earnings per share (p)	**9.9**	5.1
Adjusted earnings per share (p)	**50.1**	26.2
Diluted earnings per share (p)	**9.3**	4.7
Adjusted diluted basic earnings per share (p)	**47.5**	24.3

Basic earnings per share are calculated using the weighted average number of Ordinary shares in issue during the year of 82.2m (2018: 56.9m), the increase reflecting the impact of the rights issue that was completed in August 2018 to fund the Purch acquisition, as well as the issue of 0.6m shares in the period for the acquisition of Mobile Nations and 1.0m to fund the acquisition of SmartBrief.

Adjusted earnings per share is based on the profit after taxation which is then adjusted to exclude share-based payments (relating to equity-settled share awards with vesting periods longer than 12 months) and associated social security costs, fair value movements on contingent consideration (and unwinding of associated discount) and on currency option, exceptional items, amortisation of intangible assets arising on acquisitions, non-trading exchange gains and any related tax effects. Adjusted profit after tax was £41.2m (2018: £14.9m).

Dividend

The Board is recommending a final dividend of 1p per share for the year ended 30 September 2019, payable on 14 February 2020 to all shareholders on the register at close of business on 17 January 2020.

Cash flow and net debt

Net debt at 30 September 2019 was £40.3m (2018: £17.8m) reflecting the additional draw-down of debt to fund both the acquisitions of Mobile Nations and SmartBrief.

During the year, there was a cash inflow from operations of £53.7m (2018: £14.7m) reflecting the Group's stong trading performance and the continued focus on improving the working capital cycle.

Excluding exceptional items, adjusted operating cash inflow was £57.7m (2018: £19.8m). A reconciliation of adjusted operating cash inflow to cash inflow from operations is included below:

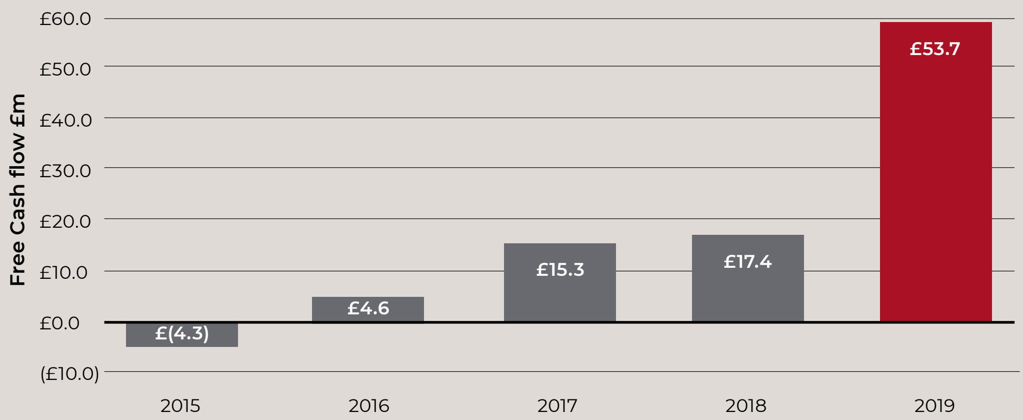
	2019 £m	2018 £m
Adjusted operating cash inflow	**57.7**	19.8
Cash flows related to exceptional items	**(4.0)**	(5.1)
Cash inflow from operations	**53.7**	14.7

Other significant movements in cash flows include £4.0m (2018: £2.4m) of capital expenditure, draw-down of bank loans and overdraft (net of repayments and arrangement fees) of £19.3m (2018: £4.0m) and payments of £65.8m (2018: £117.1m) to fund acquisitions (net of disposals). The Group recommenced the payment of dividends in the year (£0.4m, 2018: £nil) and also acquired a foreign exchange option in order to hedge the cash exposure in respect of the MoNa Mobile Nations, LLC contingent consideration (£0.7m, 2018: £nil). Foreign exchange and other movements accounted for the balance of cash flows.

Adjusted cash conversion was 106% (2018: 96%) and adjusted free cash flow increased to £53.7m (2018: £17.4m) reflecting the ongoing efficient cash management by the Group. See page

Growth in cash generation

Free Cash flows



*Free Cash Flows defined as operating cash flow before exceptional items, less capital expenditure

114 for a reconciliation of adjusted free cash flow to cash inflow from operations. The Group remains a very low capital intensive business with capital expenditure as a percentage of adjusted EBITDA of only 7% (2018: 12%).

Going concern

As part of the year-end process and as required by IAS 1 Presentation of Financial Statements, the Directors have undertaken a going concern review. This included reviewing the Group's forecasts and projections, and assessing the headroom on the new £90 million multicurrency Revolving Credit Facility ("RCF") (and subsequent proposed exercise of the additional £45m accordion option following the announcement of the acquisition of TI Media) and banking covenants, as well as considering the assessment made as part of the Viability Statement, provided on page 39.

This assessment indicated that the Group will be able to operate well within the level of its current available RCF. The Directors also note that at the year end the Group had net current liabilities of £65.6m (2018: £13.9m). This was primarily as a result of deferred consideration of £43.9m (of which £21.8m was settled in October 2019 in shares, with the balance to be settled by drawing on the RCF) on the acquisition of MoNa Mobile Nations, LLC (see notes 28 and 30 for further details) and deferred income relating to events and subscriptions.

After due consideration, the Directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report. For this reason the Directors continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 30 September 2019.

2019

	Statutory	Share-based payments	Exceptional items	Amortisation of acquired intangibles	Increase in fair value of contingent consideration	Unwinding of discount	Fair value gain on currency option	Tax impact	Adjusted
Revenue (£)	221.5	-	-	-	-	-	-	-	221.5
EBITDA (£)	42.1	9.0	3.4	-	-	-	-	-	54.5
EBITDA margin (%)	19%								25%
Operating profit (£)	26.7	9.0	3.4	13.1	-	-	-	-	52.2
Net finance costs (£)	(14.2)	-	-	-	11.7	1.2	(0.8)	-	(2.1)
Profit before tax (£)	12.7	9.0	3.4	13.1	11.7	1.2	(0.8)	-	50.3
Tax (£)	(4.6)	-	-	-	-	-	-	(4.5)	(9.1)
Profit after tax (£)	8.1	9.0	3.4	13.1	11.7	1.2	(0.8)	(4.5)	41.2
Basic earnings per share (pence)	9.9p	11.0p	4.1p	15.9p	14.2p	1.5p	(1.0)p	(5.5)p	50.1p
Diluted earnings per share (pence)	9.3p	10.4p	3.9p	15.1p	13.5p	1.4p	(0.9)p	(5.2)p	47.5p

2018

	Statutory	Share-based payments	Exceptional items	Amortisation of acquired intangibles	Non-trading FX gain	Tax impact	Adjusted
Revenue (£)[1]	130.1	-	-	-	-	-	130.1
EBITDA (£)	13.2	3.1	4.4	-	-	-	20.7
EBITDA margin (%)[1]	10%						16%
Operating profit (£)	5.3	3.1	4.4	5.7	-	-	18.5
Net finance costs (£)	(0.9)	-	-	-	(0.2)	-	(1.1)
Profit before tax (£)	4.4	3.1	4.4	5.7	(0.2)	-	17.4
Tax (£)	(1.5)	-	-	-	-	(1.0)[2]	(2.5)
Profit after tax (£)	2.9	3.1	4.4	5.7	(0.2)	(1.0)	14.9
Basic earnings per share (pence)	5.1p	5.4p	7.7p	10.0p	(0.3)p	(1.7)p	26.2p
Diluted earnings per share (pence)	4.7p	5.1p	7.2p	9.3p	(0.3)p	(1.7)p	24.3p

1 Restated for the imapct of IFRS 15.
2 The tax line includes an adjustment for the US tax rate change from 38% to 24% on the deferred tax asset brought forward.

Alternative performance measures

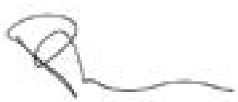
Alternative performance measures (APMs) are used by the Board to assess the Group's performance, providing additional useful information for shareholders on the underlying performance of the Group. These measures are not defined by IFRS and are not intended to be a substitute for IFRS measures.

The Group presents adjusted EBITDA, operating profit and EPS, which are calculated as the statutory reported measures stated before charges relating to share-based payments (relating to equity-settled share awards with vesting periods longer than 12 months), and associated social security costs, fair value movements on contingent consideration (and unwinding of associated discount) and on currency option, exceptional items, amortisation of intangible assets arising on acquisitions, non-trading exchange gains and any related tax effects. EPS is used as a key performance indicator for the Performance Share Plan. The table above reconciles the APMs to the statutory reported measures.

Conclusion

The Group has completed a number of significant acquisitions during the last 12 months and moves into a new exciting phase of its development. The Group is well placed to achieve its ambitions for 2020 and beyond.

The Strategic Report and the Financial Review are approved by the Board of Directors and signed on its behalf by:



Penny Ladkin-Brand
Chief Financial Officer
4 December 2019

BOARD OF DIRECTORS

Richard Huntingford

Independent Non-Executive Chairman

Key strengths: Public company governance and leadership, strategy and M&A, corporate finance, investment, business development, executive leadership, investor relations, media, accounting and audit.

Experience: Richard was appointed to the Board on 1 December 2017 and took over as Chairman on 1 February 2018. Richard had a 20-year career at Chrysalis plc and was CEO from 2000 to 2007, following which he was Chairman of Virgin Radio until its sale in 2008. More recently, he has been Non-Executive Chairman of Wireless Group plc (formerly UTV Media plc) from 2012 to 2016 and Non-Executive Director and Chairman of Creston plc from 2011 to 2016. He is a chartered accountant, having qualified with KPMG.

Current external roles: Richard is currently Chairman of Crown Place VCT plc and Non-Executive Director of JPMorgan Mid Cap Investment Trust plc and The Bankers Investment Trust plc.

Zillah Byng-Thorne

Chief Executive

Key strengths: Executive leadership, corporate finance and accounting, business and commercial development, culture and strategy, business change, M&A, investor relations, public company leadership and governance, media, sales and technology.

Experience: Zillah was appointed as Chief Executive on 1 April 2014. She joined Future in November 2013 as Chief Financial Officer and Company Secretary. Prior to her appointment to the Board, she was Chief Financial Officer of Trader Media Group (owner of Auto Trader) from 2009 to 2012, and interim Chief Executive Officer from 2012 to 2013. Before this, Zillah was Commercial Director and Chief Financial Officer at Fitness First Limited and Chief Financial Officer of the Thresher Group. She is a chartered management accountant (CIMA) and qualified treasurer (ACT). She has a MA in Management from Glasgow University and a MSc in Behavioural Change from Henley Business School.

Current external roles: Zillah is currently a Non-Executive Director of GoCo Group plc, Flutter Entertainment plc and The Hut Group Ltd.

Penny Ladkin-Brand

Chief Financial Officer

Key strengths: Commercial finance, accounting and audit, business development, pricing, investor relations, media and technology, strategy, internal controls and risk management.

Experience: Penny was appointed as Chief Financial Officer and Company Secretary on 3 August 2015, having joined the business as interim Chief Financial Officer in June 2015. Prior to this she was Commercial Director at Auto Trader Group plc. She is a chartered accountant, having qualified with PwC and has a BA Honours in Classics from Oxford University.

Current external roles: Penny is currently a Non-Executive Director of Next Fifteen Communications Group plc and a Trustee of The Media Trust.

The Board provides effective and entrepreneurial leadership, strategic oversight and cultural stewardship of the Company to promote its long-term sustainable success, and has a particular responsibility for maintaining effective risk management and internal control systems.

Hugo Drayton

Senior Independent Non-Executive

▲◉■

Key strengths: Advertising and marketing, technology, customer behaviour, media, executive leadership, business development.

Experience: Hugo was appointed as a Non-Executive Director of Future plc on 1 December 2014 and is Chairman of the Remuneration Committee and Senior Independent Director. He is CEO of the advertising technology business Inskin Media. Prior to Inskin, he spent two years as CEO of behavioural targeting specialist, Phorm, following two years as European Managing Director of Advertising.com. He spent 10 years at The Telegraph Group, as Group Managing Director, and previously as Marketing & New Media Director. He has also chaired the British Internet Publishers' Alliance.

Current external roles: Hugo is a trustee of the British Skin Foundation and is a regular contributor to trade press and publishing conferences.

Alan Newman

Independent Non-Executive

▲●▣

Key strengths: Corporate finance, accounting and audit, executive leadership, investor relations, media, telecommunications and technology, public company leadership and governance, strategy and M&A.

Experience: Alan was appointed as a Non-Executive Director and Chairman of the Audit Committee of Future plc on 6 February 2018. He was Chief Financial Officer of YouGov plc from 2008 to 2017 and before that was a Partner at Ernst & Young Business Advisory Services and at KPMG Consulting, where he worked mainly with clients in the media, telecommunications and technology sectors. He previously held corporate management roles at Pearson plc and MAI plc (now United Business Media). He is a chartered accountant and has an MA in Modern Languages (French and Spanish) from Cambridge University.

Current external roles: Alan is Chief Financial Officer of Ebiquity plc and Chairman of the Freud Museum London.

Rob Hattrell

Independent Non-Executive

▲●■

Key strengths: Digital platforms, eCommerce and online sales, retail and customer behaviour, technology, business development, executive leadership.

Experience: Rob was appointed as a Non-Executive Director on 1 October 2018 and is Vice President of eBay UK where he leads one of eBay's strongest markets worldwide. Previously at Tesco, Rob was most recently responsible for the supermarket's General Merchandise business across the UK and Central Europe. He has also held the position of Partner in the global retail practice at Accenture. Rob graduated from Oxford University with a degree in Geography.

Current external roles: Vice President, eBay UK.

▲ Member of the Nomination Committee
● Member of the Remuneration Committee
■ Member of the Audit Committee
○ Denotes committee chair

DIRECTORS' REPORT

The Directors are pleased to present their annual report for the year ended 30 September 2019. The information presented in this Directors' Report relates to Future plc and its subsidiaries. The Chairman's Statement, Chief Executive's Review, Financial Review and Corporate Responsibility Report are each incorporated by reference into, and form part of, this Directors' Report.

Principal activity

The principal activity of the Company and its subsidiaries (the 'Group') is of a global platform business for specialist media, driven by technology, with diversified revenue streams. Its business comprises two divisions: "Media" which focuses on eCommerce, events and digital advertising; and "Magazine" which creates specialist magazines and bookazines.

The Company is a public company limited by shares listed in the premium segment of the London Stock Exchange, and is incorporated and domiciled in the UK. It has subsidiaries operating in the UK, the US and Australia.

Business review

Reviews of the Group's activities during the year, the position at the year-end and developments since then are set out in the Chairman's statement, the Chief Executive's review, the Corporate Governance report and the Financial review. The Financial review and Strategic report explain financial performance, KPIs, the position at the year-end, any post balance sheet events, any likely future developments and a description of the Principal Risks and uncertainties facing the Group and how these are managed.

The Annual Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results to differ from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update those forward-looking statements.

The Company remains compliant with the Financial Conduct Authority's Listing Rule 9.8.6 and Disclosure Guidance and Transparency Rule 7.2.1. The Group has complied with sections 414CA and 414CB as well as 414C of the Companies Act 2006 following the introduction of the Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016. Relevant information can be found throughout the Strategic Report and Corporate Governance sections of this Annual Report.

Result of 2019 Annual General Meeting

All resolutions put to the Annual General Meeting held on 7 February 2019 were passed unanimously on a show of hands. Shareholders holding more than 70% of all issued shares submitted proxy votes and of those, more than 90% of all proxy votes cast were in favour of all resolutions, with the exception of the resolutions regarding the approval of the remuneration implementation report and the amendments to the remuneration policy. Details regarding the work of the Remuneration Committee during the year to address shareholder concerns regarding the Company's remuneration policies and practices are set out in the Directors' Remuneration Report on pages 71 to 96.

Reported financial results

The audited financial statements for the year ended 30 September 2019 are set out on pages 106 to 148. Details of the Group's results are set out in the consolidated income statement on page 106 and in the notes to the financial statements on pages 113 to 148.

Dividends

The Board's policy is that dividends should be covered at least four times by adjusted earnings per share and free cashflow. The Company's Employee Benefit Trust (EBT) waives its entitlement to any dividends. The Board is recommending a final dividend for the year of 1.0p per share (2018: 0.5p per share).

Share capital

The Company has a single class of share capital which is divided into Ordinary shares of fifteen pence each. The rights and obligations attaching to the Company's Ordinary shares and provisions governing the appointment and replacement of, as well as the powers of, the Directors are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in the UK or by writing to the Company Secretary. Save for restrictions that may from time to time be set out in the Company's Articles of Association or imposed by laws and regulations (including the Listing Rules of the Financial Conduct Authority), there are no restrictions on the voting rights attaching to the Ordinary shares or on the transfer of the Ordinary shares. The Articles of Association may be amended only by a special resolution of the Company's shareholders.

Details of all movements in share capital are given in note 22 on page 138. As at 30 September 2019, the number of shares in issue was 83,595,421 (2018: 81,518,591). This represents an increase of 2.5% compared with the number of shares in issue as at 30 September 2018. In March 2019, 615,166 shares were issued by the Company to part fund the acquisition of MoNa Mobile Nations, LLC. In August 2019, 1,027,492 shares were issued by the Company to part fund the acquisition of SmartBrief, Inc. The balance of shares issued during the year were issued in satisfaction of employee share awards vesting or Share Incentive Plan matching share awards during the year. After the year end, a further 14,418,854 shares were issued in connection with the Mobile Nations earnout payment, the acquisition of Barcroft Studios, and the proposed acquistion of TI Media and the vesting of certain executive and all employee share schemes.

Significant shareholdings

As at 30 September 2019, the Company had been notified of the following significant interests in its Ordinary Shares:

Shareholder	Number of shares	Percentage of issued share capital
Canaccord Genuity Group Inc.	8,189,816	9.93%
Blackrock	5,622,113	6.72%
Slater Investments Ltd	2,753,000	6.02%
Old Mutual Global Investors (UK) Limited	2,639,617	5.68%
Standard Life Aberdeen plc	4,309,673	5.26%
Aberforth Partners LLP	4,151,813	4.97%
Invesco	4,103,205	4.91%
JPMorgan Asset Management Holdings Inc.	3,873,459	4.69%
Oberweis Asset Management, Inc.	3,161,925	3.83%
AXA Investment Managers	3,099,132	3.81%
Total number of shares in issue	**83,595,421**	

At 4 December 2019, the Company had been notified of the following significant interests in its Ordinary Shares:

Shareholder	Number of shares	Percentage of issued share capital
Slater Investments Ltd	2,753,000	6.02%
Old Mutual Global Investors (UK) Limited	2,639,617	5.68%
JPMorgan Asset Management Holdings Inc	4,269,605	5.48%
Blackrock	5,086,160	5.43%
Standard Life Aberdeen plc	4,309,673	5.26%
Canaccord Genuity Group Inc	4,863,031	4.99%
Aberforth Partners LLP	4,151,813	4.97%
Invesco	4,103,205	4.91%
AXA Investment Managers	3,099,132	3.81%
Oberweis Asset Management, Inc.	3,614,157	3.71%
Total number of shares in issue	**98,014,275**	

Directors' shareholdings (audited)

Directors in office at 30 September 2019	Balance as at 30 September 2018	Purchases during the year	Share scheme exercises during the year	Sales during the year	Balance as at 30 September 2019
Executive[2]					
Zillah Byng-Thorne[3]	269,755	43,935	195,919	(262,404)	247,205[5]
Penny Ladkin-Brand[4]	197,152	10,050	97,960	(133,000)	172,162[5]
Non-Executive					
Richard Huntingford	24,500	-	-	-	24,500
Alan Newman	8,750	-	-	-	8,750
Hugo Drayton	-	-	-	-	-
Rob Hattrell	-	-	-	-	-
Total	**500,157**	**53,985**	**293,879**	**(395,404)**	**452,617**

1. All holdings are beneficial.
2. Details of the share options and awards for Executive Directors are set out on page 94. No such options or awards are granted to Non-Executive Directors.
3. On 23 November 2018, following the full vesting of the PSP award granted on 30 November 2015, Zillah Byng-Thorne received 195,919 Ordinary shares. Zillah Byng-Thorne sold 235,608 Ordinary shares on 23 November 2018 at a price of £5.10 per Ordinary share, and a further 26,796 Ordinary shares on 26 November 2018 at a price of £5.15 per Ordinary share, and purchased 2,236 Ordinary shares at a price of £5.1749 per Ordinary share on 27 November 2018, 13,050 Ordinary shares at a price of £5.3625 per share on 28 November 2018 and a further 9,864 Ordinary shares at a price of £10.07 per Ordinary share on 16 August 2019. Max Thorne (husband of Zillah Byng-Thorne) purchased 13,360 Ordinary shares at a price of £5.1485 per Ordinary share on 23 November 2018, and a further 5,425 Ordinary shares at a price of £7.50 per Ordinary share on 6 March 2019.
4. On 23 November 2018, following the full vesting of the PSP award granted on 30 November 2015, Penny Ladkin-Brand received 97,960 Ordinary shares. Penny Ladkin-Brand sold 133,000 Ordinary shares on 23 November 2018 at a price of £5.10 per Ordinary share. On 16 August 2019, Penny purchased 10,050 Ordinary shares at a price of £9.95 per Ordinary share.
5. Since 30 September 2019, the Executive Directors have transacted in shares (following share purchases and the vesting of share awards on 23 November 2019). At 4 December 2019, Zillah Byng-Thorne held 462,015 shares and Penny Ladkin-Brand held 519,666 shares.

Directors

Biographical details of the Directors holding office as at 4 December 2019, including a summary of the key skills and experience that are deemed applicable to ensuring the long term sustainable success of the Company, are set out on pages 51 and 52.

The Directors' shareholdings in the Company's share capital are set out on page 54. No Director has any interest in any other share capital of the Company or any other Group company, nor does any Director have a material interest in any contract of significance to the Group.

Significant agreements

The provisions of the European Directive on Takeover Bids (as implemented in the UK in the Companies Act 2006) require the Company to disclose any significant agreements which take effect, alter or terminate upon a change of control of the Company. In common with many other companies, the Group's bank facility (details of which are set out in note 18 on pages 132 and 133) is terminable upon change of control of the Company. In common with market practice, awards under certain of the Group's long-term incentive plans (details of which are set out in the Directors' remuneration report on pages 71 to 96 and note 23 on pages 139 to 141) will vest or potentially be exchangeable into awards over a purchaser's share capital upon change of control of the Company. There is also a change of control provision in the service agreements of the two Executive Directors, exercisable within three months of a change of control by the Company or on one month's notice by the executive to expire no later than three months from the date of the change of control.

Financial instruments

Information in relation to the Group's use of financial instruments is set out in note 21 on pages 133 to 138.

Corporate governance

The Board's report on this subject is set out on pages 59 to 70.

Political contributions

No political contributions were made during either the current or prior years.

Conflicts of interest

The Board has a set of procedures to ensure that: (i) conflicts of interest are raised by Directors (and any potential Directors prior to appointment); (ii) appropriate guidelines are followed before any conflict is authorised (including ensuring that only Directors who have no interest in the matter being considered will be able to take the relevant decision, and in taking the decision the Directors act in a way they consider, in good faith, will be most likely to promote the Company's success); and (iii) records are kept of conflicts of interest and authorisations. The Directors are satisfied that the Board's powers of authorisation of conflicts are operating effectively and that the procedures have been followed. The procedures and any authorisations will continue to be reviewed annually.

Corporate responsibility

The Board considers that issues of corporate responsibility are important. The Board's report, including the Group's policies on employee involvement and disability, and a statement on Greenhouse Gas Emissions for the Group, is set out on pages 41 to 42.

Annual General Meeting 2020

At the Company's twenty first Annual General Meeting, which will be held at 10:30am on Wednesday 5 February 2020 at Future's London office at 1-10 Praed Mews, London, W2 1QY, a number of resolutions will be proposed. The resolutions are set out in the Notice of Annual General Meeting on pages 149 to 153 and an explanation of all proposed resolutions is provided below.

Ordinary resolution 1 – Financial statements

Shareholders will be asked to adopt the financial statements of the Company for the financial year ended 30 September 2019, together with the reports of the Directors and auditors. The audited financial statements appear on pages 106 to 148.

Ordinary resolution 2 – Directors' remuneration implementation report

Shareholders will be asked to approve the Directors' remuneration implementation report for the financial year ended 30 September 2019, which is set out on pages 149 to 153.

Ordinary resolution 3 – Directors' remuneration policy report

Shareholders will be asked to approve the Directors' remuneration policy for the three year period commencing 1 October 2019, which is proposed within the Directors' remuneration implementation report set out on pages 87 to 96.

Ordinary resolution 4 – Declaration of a dividend

Shareholders will be asked to approve a final dividend of 1.0p per ordinary share for the year ended 30 September 2019, as recommended by the Directors. The dividend, if approved, will be payable on 14 February 2020 to shareholders on the register at the close of business on 17 January 2020.

Ordinary resolutions 5 to 10 – Annual re-election of Directors

As required by the UK Corporate Governance Code, and consistent with our policy since 2004, all Directors are proposed for re-election. Following an internal evaluation of the Board's performance and effectiveness in September 2019, the Board is satisfied that each Director being proposed for re-election has the skills, experience and commitment necessary to contribute effectively to the Board. The Board therefore unanimously recommends the re-election of the Directors set out in Resolutions 5 to 10.

Biographical details of each of the Directors standing for re-election appear on pages 51 and 52 of this document, including skills and experience which are deemed to be important to the Company's long-term sustainable success. Further information regarding the Directors' contributions to the Board during the year under review is set out on page 61 of the Corporate Governance report.

Ordinary resolutions 11 and 12 – Auditors

A resolution proposing the reappointment of PricewaterhouseCoopers LLP as auditors of the Company and authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting. An explanation regarding the Board's proposal to reappoint PricewaterhouseCoopers LLP as auditors can be found on page 67 of the Audit Committee's report in the Corporate Governance Report.

Ordinary resolution 13 – To authorise the Directors to issue and allot new Ordinary shares

Under the provisions of section 551 of the Companies Act 2006 (the "Act"), the Directors may allot and issue Ordinary shares only if authorised to do so by the Company's Articles of Association or by shareholders at a shareholders' meeting. Consistent with guidance issued by the Investment Association this resolution will, if passed, authorise the Directors to allot shares up to a maximum nominal value of £9,801,426 as follows:

(a) in relation to a pre-emptive rights issue only, equity securities (as defined by section 560 of the Act) up to a maximum nominal amount of £9,801,426 which represents approximately two thirds of the Company's issued Ordinary shares (excluding treasury shares) as at 4 December 2019. This maximum is reduced by the nominal amount of any equity securities allotted under paragraph 13.2 of the Notice of AGM; and

(b) in any other case, equity securities up to a maximum nominal amount of £4,900,713 which represents just under one third of the Company's issued Ordinary shares as at 4 December 2019. This maximum is reduced by the nominal amount of any equity securities allotted under paragraph 13.1 of the Notice of AGM in excess of £4,900,713. If granted, this authority would replace all previous authorities granted in this connection.

The authority granted by this resolution will expire on 4 May 2021 or, if earlier, following the conclusion of the next AGM of the Company. If the Directors exercise the authority granted under paragraph 13.1 of the Notice of AGM, they will all stand for re-election at the following AGM.

The Directors shall exercise this authority in connection with exercises under share incentive schemes. In addition, there may be circumstances where it would be appropriate for the Company to issue new Ordinary shares, such as an acquisition where it might be appropriate for the consideration to be settled in whole, or in part, by the issue of new Ordinary shares. The Company does not hold any shares in treasury.

Ordinary resolution 14 – Approval of political donations

It remains the policy of the Company not to make political donations or to incur political expenditure, as those expressions are normally understood. However, following broader definitions introduced by the Act, the Directors continue to propose a resolution designed to avoid inadvertent infringement of these definitions.

The Act requires companies to obtain shareholders' authority for donations to registered political parties and other political organisations totalling more than £5,000 in any 12-month period, and for any political expenditure, subject to limited exceptions.

The definition of donation in this context is very wide and extends to bodies such as those concerned with policy review, law reform and the representation of the business community. It could also include special interest groups, such as those involved with the environment, which the Company and its subsidiaries might wish to support, even though these activities are not designed to support or to influence support for any particular political party.

Special resolution 15 – Disapplication of statutory pre-emption rights

Resolution 15 will, if passed, authorise the Directors in certain circumstances to allot equity securities (as defined by section 560 of the Act) or sell shares for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The relevant circumstances are either where the allotment takes place in connection with a rights issue, or the allotment is limited to a maximum nominal amount of £735,107 representing approximately 5% of the nominal value of the issued Ordinary share capital of the Company, as at 4 December 2019 being the latest practicable date before publication of the Notice of AGM. Unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company or 4 May 2021, whichever is the earlier.

The figure of 5% reflects the Pre-Emption Group's Statement of Principles for the disapplication of pre-emption rights and the Directors will have due regard to the Principles in relation to the exercise of this authority.

Special resolution 16 – Additional disapplication of pre-emption rights

This resolution seeks a further power pursuant to the authority granted by resolution 13 to allot equity securities (as defined by section 560 of the Act) or sell shares for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings) up to a maximum nominal amount of £735,107, representing approximately 5% of the nominal value of the issued Ordinary share capital of the Company as at 4 December 2019, being the latest practicable date before publication of the Notice of AGM. This is in addition to the 5% proposed in resolution 15 above and, unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company or 4 May 2021, whichever is the earlier.

The Directors will have due regard to the Pre-Emption Group's Statement of Principles in relation to the exercise of this authority, and confirm they intend to use this power only where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the most recent Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Special resolution 17 – General meetings on 14 days' notice

Notice periods for AGMs must give at least 21 days' clear notice. For other general meetings, the old minimum notice period of 14 days was increased to 21 days by the Companies (Shareholders' Rights) Regulations 2009, unless shareholders approve a shorter period of at least 14 clear days. In the interests of greater efficiency, resolution 17 seeks to renew approval for notice periods of at least 14 clear days. It is the Directors' intention to use this shorter 14 day notice period only when they consider it appropriate and expedient to do so.

Special resolution 18 – Directors' fees

It is proposed that, in line with prevailing market practice and in conjunction with the adoption of the Company's new Remuneration Policy, Article 13.3 of the Company's Articles of Association be amended so as to limit the aggregate amount of fees payable annually to the Directors as a whole to £600,000.

Action to be taken

A form of proxy is included with this Annual Report for use in connection with the Annual General Meeting. Please complete and return the form in accordance with the instructions printed on it to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible and, in any event, no later than 10:30am on 3rd February 2020. The return of the form of proxy will not prevent you from attending the Annual General Meeting and voting in person if you wish to do so. Further information about the AGM, including about electronic appointment of proxies, is provided on pages 151 to 153.

Recommendations

The Board believes that each of the resolutions to be proposed at the Annual General Meeting is in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all of the resolutions proposed, as they intend to do in respect of their own beneficial holdings.

Annual General Meeting procedures and result

As in previous years, the Company will: (a) indicate the level of proxies lodged on each resolution; (b) announce the results of voting to the London Stock Exchange; and, (c) post the results of voting on our corporate website, www.futureplc.com, as soon as possible after the conclusion of the AGM, and no later than 6.00pm on 5 February 2020.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Company, and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements, and IFRSs as adopted by the European Union have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Board of Directors section on pages 51 and 52, confirm that, to the best of their knowledge:

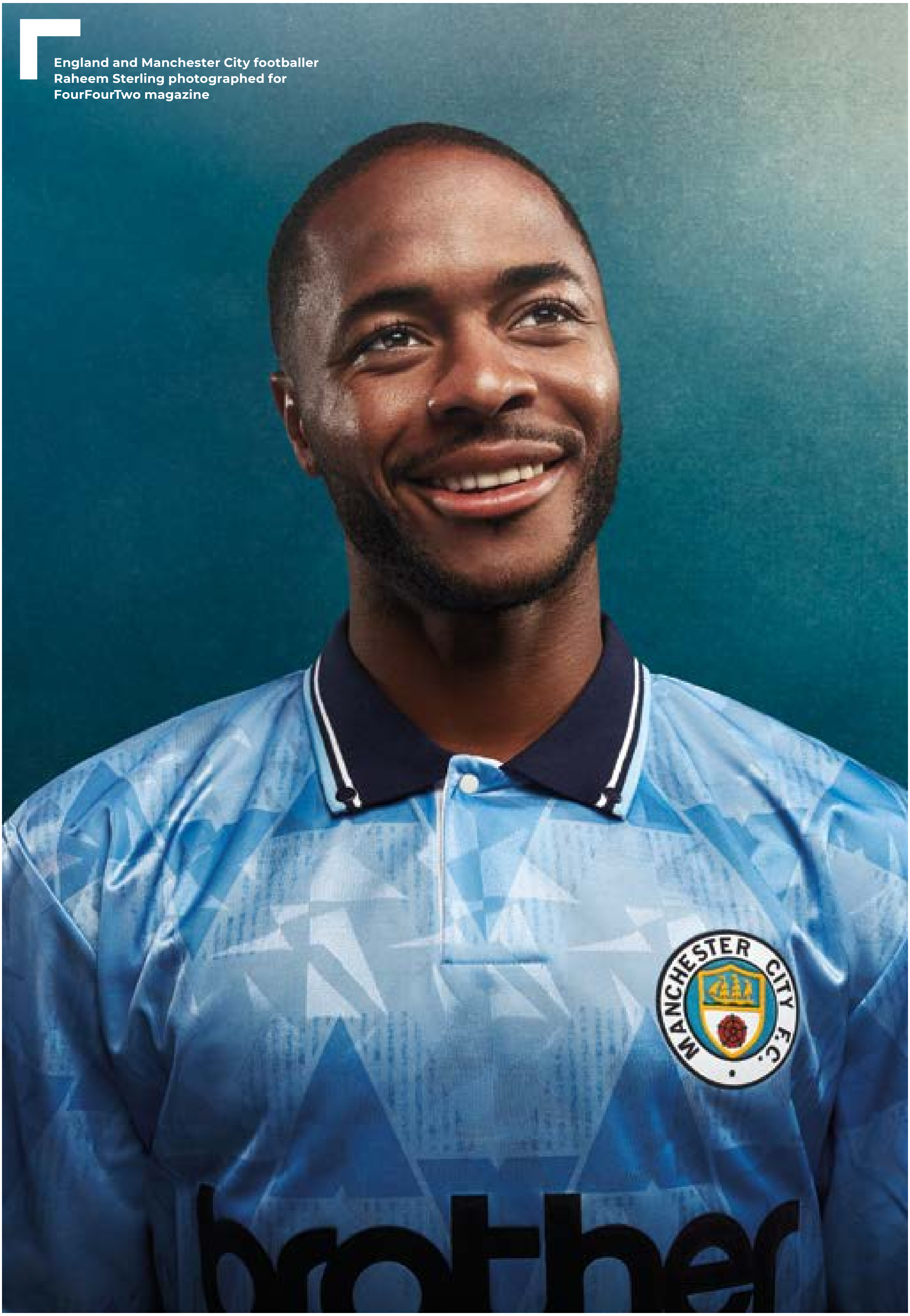
- the Company financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- they consider 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; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the Principal Risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Approved by the Board of Directors and signed on its behalf by:

Timothy Maw
Company Secretary
4 December 2019



England and Manchester City footballer Raheem Sterling photographed for FourFourTwo magazine

CHAIRMAN'S INTRODUCTION

Richard Huntingford
Chairman

Dear fellow shareholder,

I am pleased to introduce our Corporate Governance Report for the year ended 30 September 2019. This report outlines how the Board has ensured that robust and effective governance procedures are in place to enable the Company to deliver on its strategy and promote the long-term sustainable success of the Company for the mutual benefit of all of our stakeholders.

Corporate governance does not mean ticking various legislative and regulatory boxes, but requires a thoughtful and considered approach from the Board down to the Company's operations to identify and apply the principles of correct corporate governance.

Our approach to corporate governance

In this report, we provide detail on the role of the Board of Directors, followed by a more detailed focus on the work of each of the three key committees: the Audit Committee, the Nomination Committee and the Remuneration Committee. Together, these give a clear insight into how we manage corporate governance principles and processes within the Group.

The Board has had a strong focus during the year on the Company's short, medium and long-term strategic goals, including the integration of recent acquisitions and the growth of the core business, and ensuring that the Company has the right people in place to deliver on its strategy. During this period of accelerated growth, it is vital to ensure that the Company's governance processes are robust in order to ensure that the business is protected and that all stakeholders' interests are taken into account.

In preparation for the Company's move up to Premium Listing during the year, the Board carried out a rigorous review of the Company's internal control environment, including its policies, practices and procedures and its approach to risk management, and has updated its practices where it considered appropriate to do so. More detail on this is set out in the Risk section on pages 35 to 36 and the report on the Audit Committee's work during the year on pages 65 to 67.

The Company has a strong culture of working together ("we all row the boat") to be part of our audience and communities, and striving for excellence in all that we do. The Board recognises the importance of the Company's culture in achieving its goals ("results matter, success feels good"), and has a key focus on

2018 UK Corporate Governance Code Prinicples

A. A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustaintable success of the company, generating value for shareholders and contributing to wider society.

B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a prudent framework of controls, which enable risk to be assessed and managed.

D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.

E. The board should ensure that workforce policies and practices are consistent with the company's values and support its long term sustainable success. The workforce should be able to raise any matters of concern.

During this period of accelerated growth, it is vital to ensure that the Company's governance processes are robust in order to ensure that the business is protected and that all stakeholders' interests are taken into account.

setting this culture, and ensuring that the necessary resources are in place to deliver the Company's strategy.

The Board is kept up to date on key issues regarding employees by the inclusion in Board packs of an HR Dashboard, with the Chief Operating Officer or HR Director attending Board meetings to discuss matters relating to people and culture. No specific cultural issues have arisen during the year; however, a significant focus of the people and culture team has been ensuring that those who have joined the Future family as a result of recent acquisitions are fully aligned with the culture of the Company. The Board has chosen not to adopt any of the three methods proposed in the 2018 UK Code for engaging with the workforce, believing its alternative arrangements are sufficiently robust. Details of these arrangements are set out in the Corporate Responsibility Report on pages 41 to 45.

UK Corporate Governance Code Compliance Statement

The Company confirms that it has complied in full with the provisions of the 2016 UK Corporate Governance Code (the "2016 Code") during its period of inclusion in the Premium segment of the London Stock Exchange's Main Market. Furthermore, with the exception of Code Provision C.3.1 (composition of the Audit Committee) until 9 February, it complied in full with the 2016 Code throughout the year even though it was not mandatory to do so prior to the date of its Premium listing.

Prior to its move to the Premium segment on 1 April 2019, the Directors also performed a thorough review of each of the detailed provisions proposed by the 2018 UK Corporate Governance Code (the "2018 Code", being the Code applicable to financial years beginning on or after 1 January 2019), following which the Directors put in place the necessary processes and procedures to ensure that the Company complies with the provisions of the 2018 Code prior to their mandatory application, or explains why areas of departure from the 2018 Code are in the best interests of the Company as a whole. Copies of the 2016 and 2018 versions of the Code are available via the FRC's website: www.frc.org.uk

Richard Huntingford
Chairman of the Board

1. BOARD OF DIRECTORS

Membership of the Board

The Board consists of two Executive and four independent Non-Executive Directors. Biographies of Directors and details of their other time commitments are set out on pages 51 and 52.

Board changes during the year

Rob Hattrell was appointed as an independent Non-Executive Director on 1 October 2018 and adds significant experience of digital platforms and eCommerce to the Board.

Hugo Drayton was appointed Senior Independent Non-Executive Director in October 2018.

There were no other changes to the Board during the year ended 30 September 2019, although the Company announced the intention of Penny Ladkin-Brand to resign from the position of Chief Financial Officer, to assume the role of Chief Strategy Officer upon completion of the TI Media acquisition, at which time Rachel Addison will join the board as Chief Financial Officer.

Role of the Non-Executive Directors

The Non-Executive Directors play a critical role on the Board in overseeing and scrutinising the running of the business and in ensuring that corporate governance remains at the top of the agenda.

Non-Executive Directors are initially appointed for a term of three years, subject to annual re-election, and terminable by either party on three months' notice at any time. This may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

All of the Non-Executive Directors serving at the date of this report are considered to be independent by the Board. There is a genuine mix of views and insights, as well as experience. Each Non-Executive Director is expected to commit 20 days a year to their role to allow for preparation for, and attendance at, Board and Committee meetings, and for keeping in touch with the executive and senior management team, shareholders and other stakeholders. The Chairman is expected to commit a minimum of 40 days per year to fulfilling this role. During the year, each of the Non-Executive Directors has devoted significantly more time to performing their duties given the step up to Premium Listing, and the increased scale and complexity of the Group.

Richard Huntingford: in his role as Chairman of the Board, Richard offers to meet with key shareholders at least annually, and has held many face-to-face meetings and telephone calls with those who wish to take up his offer during the year. In addition, Richard attended a number of meetings that Hugo Drayton, Chairman of the Remuneration Committee had with shareholders to discuss the Company's 3-year remuneration policy. During the year, Richard spent at least 60 days dealing with Company matters due to the increase in corporate activity and the move to premium listed status. Richard is a highly effective Chairman, and interacts regularly with the Executive and Non-Executive Directors outside of Board meetings, and also with the Company's advisors. Richard also has a keen focus on ethical, social and governance matters.

Hugo Drayton: in his role as Senior Independent Director, Hugo has devoted a significant amount of time outside of Board meetings to assisting the Company with the recruitment of a number of senior managers, and has spent time visiting the Company's Australian office. In his role as Chairman of the Remuneration Committee, he has spent a significant amount of time on remuneration matters during the year, including running the tender process for a new remuneration advisor, reviewing and discussing the proposed remuneration policy with the Company's remuneration advisors and 15 of its key shareholders.

Alan Newman: in his role as Chairman of the Audit Committee, Alan has devoted a significant amount of time to leading the auditor tender process on behalf of the Board during the year, together with reviewing and overseeing the testing of the newly implemented internal controls environment, and working with the finance team and auditors to agree the year end audit plan. He engages regularly with the finance team, and is excellently qualified for the role of Chairman of the Audit Committee.

Rob Hattrell: Rob has been an excellent addition to the Board as Non-Executive Director. His experience at eBay, and his insight in key areas of focus for the Company such as US advertising trends and eCommerce, is particularly valuable to Board discussions.

The Board reviews the other commitments and Board roles held by the Non-Executive Directors to ensure that they are able to fulfil their obligations to the Company prior to their appointment to the Board, and monitors their time commitment following their appointment, including by requiring all Non-Executive Directors to obtain the approval of the Board before undertaking any other external commitments. In this regard, it should be noted that the majority of Richard Huntingford's other appointments are at investment trusts and do not require significant time commitment, and that the Board has approved Zillah Byng-Thorne's Non-Executive Director roles with GoCo Group plc, Flutter Entertainment plc and The Hut Group, and considers that the experience and insights gained from her roles on the Boards of other companies is of significant benefit to the Company.

Roles of the Chairman and Chief Executive

The duties and responsibilities of the Board are effectively divided so that the Chairman leads the Board and the Chief Executive leads the business.

Board meetings

The Board had seven scheduled meetings during the financial year, together with one strategy session, and attendance is summarised opposite. The Board had a further number of unscheduled telephone meetings to discuss and approve various matters during which a sufficient quorum of Directors were present. In addition, a sub-committee of the Board held four telephone meetings to discuss, approve and finalise, amongst other things, the acquisitions made during the year, and the 2018 full year and 2019 half year results.

All Directors are aware of the need to be available and there is a clear contact process. Board meetings are sometimes preceded by an informal dinner where Board Directors can meet with, and discuss business issues with, the Group's senior management team.

There is a regular and comprehensive exchange of information between meetings to ensure Board members are well informed to participate effectively in meetings. Directors receive a Board pack before each meeting with minutes of the previous meeting, papers for all strategic and operational agenda items, a report from the Company Secretary summarising any key legal issues and providing any regulatory/legislative and governance updates, and a summary of share ownership and recent share dealing. Similar packs are provided for all Committee meetings. Between meetings, the Board receives a monthly Board report written by the Executive Directors which summarises financial and operational performance and provides updates on strategic matters including M&A activity.

There is a written schedule of matters reserved for the Board which sets out those matters that require Board approval including setting strategy, approving budgets and financial statements, and setting up policies. It was noted that 42 matters had been considered by the Board during the year. The schedule is available on the Company's website at www.futureplc.com. The Board delegates day-to-day operational matters to the Group's senior management team.

Board decisions are made unanimously whenever possible, but can be made by majority. If Directors have concerns that cannot be resolved about the running of the Company or a proposed action, their concerns are recorded in the minutes. No such concerns arose in the year. The Board regularly appoints a sub-committee consisting of at least two Directors in order to finalise and approve those matters that have been approved in principle by the Board, subject to final amendments only. A permanent sub-committee consisting of at least two Directors exists to approve the issue and allotment of new shares in satisfaction of employee share schemes.

The Board has a number of nominated advisers (as listed on page 155). During the last financial year meetings were regularly held with key advisers to keep them aware of issues, and PricewaterhouseCoopers LLP attended Audit Committee meetings and briefings with members of the Executive and senior finance teams.

Director	Attendance (8 scheduled meetings*)
Richard Huntingford	8 of 8
Zillah Byng-Thorne	8 of 8
Hugo Drayton	8 of 8
Penny Ladkin-Brand	8 of 8
Alan Newman	8 of 8
Rob Hattrell	8 of 8

*** Includes 1 strategy session**

Advice and support

All Directors have access to the Company Secretary who can advise them on issues of governance, best practice and any other legislative or regulatory matters. The appointment and removal of the Company Secretary is a Board decision. The Directors may also take independent professional advice at the Company's expense provided that they give notice to the Chairman. No such advice was sought during 2019. The Company maintains appropriate insurance for its Directors.

Engaging with Stakeholders

The Board is committed to engaging effectively with, and creating value for, its shareholders and key stakeholders, as it considers this to be fundamental to continuing to develop the business in a sustainable manner.

Our investors: the Board is committed to ensuring that it engages with, and creates value for, all those who invest in it, including its retail and institutional shareholders and its banks. The Directors recognise that institutional shareholders have a duty to ensure that their holdings in the Company are in the best interests of and create value for the underlying investors, and are aligned with the ethical and social values of those investors. The Board seeks to have an open dialogue with all of its shareholders, and to address questions or concerns that may be raised by any shareholder. Following feedback from certain shareholders regarding the resolutions proposed at the Company's AGM in 2019 regarding remuneration, a thorough consultation was carried out with shareholders during the year, details of which are set out in the Directors' Remuneration Report on pages 73 to 74. The Company has also been well supported by debt financing and refinanced its debt arrangements during the course of the year, bringing two new banks (in addition to the incumbent bank) into the banking syndicate. Management regularly engage with the banks to keep them abreast of company performance and strategy. In addition, further information regarding the manner in which the Board communicates and engages with investors is set out on page 64 of this report.

Our people: our people are critical to the success of the business and it is therefore essential that they are engaged and aligned with our purpose, strategy and values. We have a regular communication programme with employees throughout the year, and strive to embed the same culture and values across the Group. During the year, particular focus has been given to integrating the large number of people in the US who have joined the Group as a result of recent acquisitions, on developing our people and providing a clear career progression path within the business. More detailed information on how we engage with our people is set out in the Corporate Responsibility Report on pages 41 to 45.

Our audience: we bring together a highly engaged and loyal audience who indulge in shared passions through our customised content which is carefully crafted by experts in their fields, and which we are able to bring to our audience through print, online and in person. Information on how we engage with our audience is set out in pages 9 to 16.

Our commercial partners: with our network of expert-led content, we bring a large, passionate community to our commercial partners, providing them with great opportunities to connect with our audience. Further detail on how we engage with and create value for our commercial partners is set out on pages 5 and 6.

Our suppliers: we work only with suppliers who are proven, via our internal due diligence checklists, to share our high ethical and envirormental standards. Further detail on how we engage with our suppliers, and the ethical and environmental standards to which we hold them and ourselves, are set out on pages 41 and 42 of the Corporate Responsibility Report.

Effective Development

Training and induction

The Board's training and development policy requires that all new Directors should receive appropriate induction on joining the Board, both in respect of the Group's activities as a whole and of each operating company individually. Ongoing training for Directors is available as appropriate, whether by presentations to the Board by senior management or more formally where individual Directors request training on specific issues. The training and development needs of each individual Director are assessed and discussed as part of the annual Board performance evaluation process. The Board encourages appropriate training, and regular updates and refresher sessions are provided by the Company Secretary and the Company's legal advisers and auditors, to inform the Board or relevant Committees of important changes in legislation, regulation and best practice. In particular, prior to the Company's move up to the Premium segment of the London Stock Exchange during the year, the Board was provided with training and comprehensive materials in relation to the UK Corporate Governance Code and the Company's continuing obligtions under the UK Listing Rules.

Performance evaluation

The Directors completed a detailed Board performance evaluation questionnaire as part of the annual performance evaluation process. Each questionnaire was analysed and a summary of the results and the Board's performance was presented to the Board for discussion. The Board considers this exercise to be of significant value, and focus is placed on reviewing the quality of information provided to the Board at the Board's discussions, the effectiveness of the Board, the composition of the Board, including the skillset of the various Directors, highlighting whether there are any gaps in the breadth and depth of the Board that should be addressed by the Nomination Committee as part of its succession planning, and to ensure that the Board is best placed to deliver on its strategic goals and ensure the long term sustaintable success of the Company.

The Board has determined that, going forwards, a performance evaluation should be carried out by an external facilitator once every three years, as required by the UK Corporate Governance Code, with the first performance evaluation to be conducted by an external facilitator no later than 2021.

Summary of performance evaluation

Following an internal performance evaluation carried out in 2018, the following main objectives were identified for 2019, together with steps taken to address them.

Greater emphasis needed on, and time devoted to, succession planning:

Both the Board and Nomination Committee have actively reviewed the senior management structure and the composition of the Board during the year. The Board has agreed the approach to succession planning for the senior executive team and, following the decision of the Nomination Committee to strengthen the Board, the recruitment process for an additional Non-Executive Director is well advanced.

Managing the step up to Premium listed status:

The Company was re-admitted to the Premium segment of the London Stock Exchange on 1 April 2019. A thorough review of the Group's policies, processes and procedures was undertaken prior to the move up to Premium Listing, with particular focus on risk management, the internal control environment, corporate governance and compliance with the Company's continuing obligations under the Listing Rules.

In 2019 an internal performance evaluation was again carried out, by way of questionnaire, identifying areas of strength and weakness. The questionnaire was structured to provide direct comparison with the previous year, allowing the Board to identify improving or declining trends and monitor the effectiveness of the steps taken to address the previous year's findings. The 2019 performance evaluation, which was discussed at the October 2019 Board meeting, concluded that the Board is highly engaged with strong shareholder focus and clear alignment to vision and strategy, making for constructive and challenging debate. There is a culture of open communication, mutual trust and respect for each other's opinions and industry knowledge. The Board also agreed on the following actions for the forthcoming year:

Objectives for 2020	Steps to be taken during 2020
Continued focus on succession planning and diversity	To continue the recruitment of additional Non-Executive Director(s), particularly with plc or US media experience, and to monitor and review talent development and retention to strengthen and deepen the ELT, especially with respect to succession planning for the Executive Directors.
Review meeting processes and timings	Timings and sequencing of Board and Committee meetings to be reviewed to ensure sufficient time for deep dives into areas of the business as well as governance issues commensurate with the Company's Premium Listed status.
Director training to keep pace with Company growth	Leverage external advisors for formal and technical training; adequately timetable internal updates on technological and business developments.

Going concern and long term viability statement

In order to adopt the going concern basis in preparing the Group's financial statements, the Directors are required to make an assessment of the Group's ability to continue to trade as a going concern. After due consideration, the Directors have concluded that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report.

In compliance with section C.2.2 of the 2016 Code, the Directors have also assessed the prospects and the viability of the Group over a longer period than the 12 months required by the 'Going Concern' provision, and have chosen a three year period to 30 September 2022. The viability statement, and the reasons why a three year period was considered most appropriate for the Group, is set out in the Risk section on pages 35 to 39.

Financial covenant compliance

Key covenants are tested quarterly and the Group was in full compliance with all covenants at all testing dates during the year. The Group has covenants in respect of net debt/bank EBITDA and bank EBITDA/interest. Further details are included within note 18 on pages 132 and 133.

Risk management and internal controls

Details of the Company's principal and emerging risks and the Group's approach to managing them are set out on pages 35 to 38. The Board acknowledges that it is responsible for the Group's risk management and internal control, and processes and systems. During the year, as part of the step up to Premium Listed status, the Board conducted a review of financial, operational, legal and compliance risks with the assistance of the Group legal and finance teams and the Executive Leadership Team, to ensure that there is a sound system of internal controls in place and that these are sufficient to manage (rather than eliminate) those risks effectively. No significant failings or weaknesses were identified as part of this review and the Committee is comfortable that the systems accord with the relevant FRC guidance in respect of this area. The Audit Committee regularly receives and reviews risk updates from the Executive team.

The internal controls that are in place to ensure effective risk management are structured to ensure a timely flow of information within the Group and a clear structure of delegated authority and responsibility. The main features of the Group's internal control and risk management systems are explained further below.

The Group finance team manages the financial reporting process ensuring that there is appropriate control and review of the financial information, including the production of the consolidated financial statements. Group finance is supported by commercial finance and FP&A directors who are responsible and accountable for providing information in accordance with the Group's policies and procedures. These have been in place for the whole year and were formally documented in the Group's finance manual following the step up to Premium Listed status.

The Executive Committee holds monthly meetings with senior management in order to review financial results, and ensure that business and operational issues are explored and addressed in a timely manner. The risk register is reviewed and updated at least twice a year by the Executive Committee. Further details of the procedures that are in place to identify emerging risks, and of how these risks are managed and mitigated, are set out in the Risk section on pages 35 to 38. This process has been in place for the whole year and up to the date of approval of the annual report.

Internal audit

The Audit Committee and the Board have again during 2019 considered whether there is a need for an internal audit function, in particular bearing in mind the increased size and complexity of the Group and the Company's step up to a Premium Listing. It was concluded that it is appropriate for internal control reviews to be undertaken on a rotational basis by members of the finance team, led by an individual reporting directly to the Chair of the Audit Committee for this purpose. Accordingly, a divisional Finance Director was appointed to this role in February 2019. The key areas of the control environment are to be reviewed every year, with quarterly meetings held to agree which areas should be audited and key controls tested over the course of the year. The aim of this exercise is to provide the Committee with comfort over the Group's control environment. The work undertaken in this exercise will be shared with the external auditors to enable them to leverage, where possible, findings for their external audit. The Audit Committee will continue to monitor this process and review annually whether or not a dedicated internal audit function may be required as Future's business grows in scale, size and complexity.

The Board relies on the work detailed above in obtaining comfort over the effectiveness of the Group's internal control systems.

Whistleblowing and anti-bribery policies

As part of its internal controls, the Group has whistleblowing and anti-bribery policies which are updated regularly and published on the Group's intranet to encourage employees to report, in good faith, any genuine suspicions of fraud, bribery or malpractice, modern slavery and human trafficking in order to identify any problems within the Group at an early stage. The whistleblowing policy is also designed to ensure that any employee who raises a genuine concern is protected. Further information can be found in the Corporate Responsibility Report on page 44.

Relationship and communication with shareholders

We aim to have an open relationship with our shareholders, and shareholders can find up-to-date information on Group activities on the Company's website at www.futureplc.com. There is a specific Investor Relations section on that site which includes links to all of the Group's public announcements made via the Regulatory News Service of the London Stock Exchange, including the Company's latest annual and interim results.

All Directors are available to meet shareholders at the AGM or on request by contacting the Chairman or Company Secretary. The Executive Directors hold a series of meetings presenting the interim and annual results to those shareholders who request a meeting in order to update them on the progress of the business and gauge their views following the analyst presentations of the results, and host an annual capital markets day with various senior members of the Group management team which has proven to be popular, with 75 investors and analysts attending in February 2019. The Chairman offers to meet with key shareholders at least annually, and during 2019 he met or spoke individually with the Company's key shareholders on at least twelve occasions. The Chairman of the Remuneration Committee consulted with representatives of fifteen of the Company's largest shareholders and proxy agencies with regard to the Company's remuneration policy, as is explained in more detail in the Directors Remuneration Report on page 86.

In order that all Directors are aware of the views of shareholders, each Board pack includes a note of views expressed by shareholders during meetings held with Directors or as reported to Directors through the Company's brokers, together with copies of analysts' notes, press articles and other relevant information.

2. AUDIT COMMITTEE

Introduction from Audit Committee Chairman

During the year, the Committee has supported the Board on a number of significant governance matters, including reviewing the Company's polices, practices and procedures, and its internal control environment in anticipation of its move up to Premium Listing, as well as carrying out a regular, robust assessment of the principal and emerging risks for the Company. It has also played a key role, on behalf of the Board, in the management of the audit tender process. This led to the recommendation that PricewaterhouseCoopers LLP be re-appointed to serve as the Company's auditors for the year ended 30 September 2020 and that subsequently, Deloitte LLP should be appointed to serve as the Company's auditors with effect from the year ended 30 September 2021.

This report provides further, detailed information on the work undertaken by the Committee during the year.

Member	Attendance (3 scheduled meetings)
Alan Newman (Chairman from 6 February 2018)	3 of 3
Richard Huntingford (Resigned 7 February 2019)	1 of 1
Hugo Drayton	3 of 3
Rob Hattrell (From 7 February 2019)	2 of 2

1. **Richard Huntingford served as acting Chairman from 1 December 2017 until he was replaced by Alan Newman on 6 February 2018. He stepped down from the Committee on 7 February 2019 to ensure that the composition of the Committee would be compliant with the provisions of the 2016 UK Corporate Governance code when the Company moved up to a Premium Listing. Alan has recent, relevant financial experience and the Committee as a whole has experience of and competence in the sectors including media, sales and eCommerce, in which the Group operates.**

The Audit Committee's primary objective is to provide effective financial governance and monitor the integrity of the Group's financial statements and internal controls.

The Audit Committee meets before the interim and annual results announcements and reviews the relevant financial results with the executive management team and the external auditors. The Audit Committee also meets separately for the purposes of planning the audit process, monitoring its effectiveness, reviewing the Group's relationship with the external auditors and undertaking a detailed review of the Group's internal controls and risk management systems. It considered whether the 2019 Annual Report was fair, balanced and understandable, and advised the Board accordingly.

The Audit Committee carries out the functions required by rule 7.1.3 of the Disclosure and Transparency Rules.

Audit fees

The Audit Committee has reviewed the remuneration received by PricewaterhouseCoopers LLP for non-audit work conducted during the financial year. The fees for non-audit work were higher than the audit fee due to work performed in relation to acquisitions, and in preparation for the Company moving up to a Premium Listing.

For further details regarding fees paid, see note 4 to the financial statements on page 123.

Significant financial reporting judgements

The Audit Committee discussed the key risks and judgements with management and the auditors as part of the audit planning process in September 2019. At the same time they discussed and agreed upon appropriate levels of materiality in the context of the anticipated results for the year. As a result of those discussions an audit plan was agreed and subsequently executed.

The Board is required to confirm that the Annual Report and Financial Statements are fair, balanced and understandable (see page 57). To enable the Board to make this declaration, there is a year-end review process to ensure the Committee, and the Board as a whole, has access to all relevant information and, in particular, management's papers on significant issues faced by the Group. The Committee received a summary of key factors considered in determining whether the Annual Report is fair, balanced and understandable. The Committee, and all other Board members, also received drafts of the Annual Report and Financial Statements in sufficient time to review and challenge the disclosures if necessary. In addition, our auditors, PwC, reviewed the consistency between the reporting narrative of the Annual Report and the Financial Statements.

The significant judgements considered in relation to the financial statements for the year ended 30 September 2019, which were originally identified and discussed as part of the planning process referred to above, are set out overleaf and were addressed as detailed overleaf:

Area of focus	Reporting issue	Role of the Committee	Conclusion / Action taken
Acquisition accounting	As outlined on page 5 in the Strategic Report, the Group has completed a number of significant acquisitions during the year.	At the request of the Committee the Group engaged 3rd party valuations experts to assist in the preparation of the purchase price allocation exercises for all significant acquisitions. The Committee has reviewed detailed papers setting out the acquisition accounting undertaken, including purchase price allocations and opening balance sheet fair value assessments, (including valuation of contingent consideration where relevant) performed for the Mobile Nations, cycling titles and SmartBrief acquisitions, as well as the finalisation of the fair values assigned to the Purch acquisition.	The Committee agreed with the judgements made by management in respect of the acquisition accounting undertaken during the year and the presentation in the Group's results for the year ended 30 September 2019. Refer to note 28 on pages 143 to 146 for further information in respect of the acquisition accounting undertaken in the year.
Carrying value of goodwill and long lived assets	The Group has goodwill and other intangibles totaling £329m on the balance sheet at 30 September 2019. The level of goodwill has increased significantly due to the number of acquisitions in the year. IAS 36 requires an impairment test to be performed for goodwill on an annual basis or where there is an indication of impairment.	Management prepared a detailed impairment assessment of both the UK and US businesses at 30 September 2019 and concluded that no impairment was required. The Committee challenged management's assessment and the assumptions made, which included: - Long-term growth rate to perpetuity UK: 3%, US: 3% - EBITDA margins assumed UK: 24% to 33%, US: 19% to 21% - Discount rate (post-tax) 8.2% (both UK and US) Refer to note 12 on page 128 for further information in respect of the carrying value of goodwill and long lived assets.	The Committee agreed with management's conclusion that no impairment is required on the basis that there is significant headroom on both the UK and US goodwill and intangibles, even when reasonably possible changes are made to the underlying assumptions and inputs. The Committee and management will continue to closely monitor the level of headroom on goodwill and other indefinite lived intangibles.
The classification of exceptional items	Due to the significant acquisition-related activity a number of items (such as acquisition or related integration costs and Premium Listing related costs) totaling £3.4m are considered exceptional in nature.	The Committee reviewed and challenged information provided by management explaining the nature and rationale for the inclusion of these items and discussed them with the auditors. Refer to note 5 on page 123 for further information in respect of exceptional items.	The Committee agreed with the conclusion that these items should be separately presented within exceptional items, so as to assist the users of the financial statements to better understand the results of the core operations of the Group.
Tax	In the year an additional deferred tax asset of £6.6m has been recognised in respect of historic US tax losses. The impact on the income statement is a credit of £6.6m and on the balance sheet the total deferred tax asset recognised in respect of losses at 30 September 2019 is £6.7m (at 30 September 2018: £2.1m). A provision for uncertain tax positions has also been recognised. The impact on the income statement is a debit of £5.2m and on the balance sheet a tax liability of £5.6m split between current and deferred tax has been recognised (at 30 September 2018: £nil). The net impact of the two movements is a credit to the income statement of £1.4m.	The Group has significant previously unrecognised US tax losses brought forward from the years 2007-2016. Of these losses £2.1m had been recognised (net of utilisation, tax rate changes and foreign exchange movements) at the end of FY18. In FY19, the Committee discussed the recognition of further US tax losses with the auditors and reviewed detailed papers prepared by management at several points throughout the year. These papers set out advice received from the Group's external tax advisors in respect of the applicable US tax legislation (s382 of the US Tax Code). These concluded that although there was a restriction on annual loss use, the restricted amount is still very large, and that combined with the significant growth and anticipated continued profitability of the US business, it is now likely that the US profits will be sufficient to enable existing US tax losses to be utilised in the foreseeable future. Therefore the requirements set out in IAS 12: *Income Taxes* for the recognition of losses as an asset were satisfied as at 30 September 2019. The Committee also discussed the recognition of a provision for uncertain tax positions, noting that the Group's higher level of profitability increases the probability of uncertain tax items being crystallised as liabilities (or in the case of the US, reducing the deferred tax asset on losses). The Committee therefore agreed with the recommendation to recognise a provision under IAS 12, applying the measurement principles of IFRIC 23. For information in respect of the impact of both of these items refer to page 129.	The Committee agreed with the recognition of a deferred tax asset relating to losses and a current and deferred tax liability relating to the provision for uncertain tax positions. The Committee and management will continue to monitor the appropriateness of these judgements in FY20 and beyond, considering the Group's activities and the effect on its tax liabilities, and developments in applicable tax legislation, accounting standards and relevant guidance, including IFRIC 23. See page 113 for more information in respect of the impact of IFRIC 23.

Auditors’ independence and effectiveness

The Audit Committee monitors the Company’s safeguards against compromising the objectivity and independence of the external auditors by performing an annual review of non-audit services provided to the Group and their cost, reviewing whether the auditors believe there are any relationships that may affect their independence and obtaining written confirmation from the auditors that they are independent. The Committee has reviewed the Group’s audit independence policy and is comfortable that it aligns to the Financial Reporting Council’s latest guidance.

The Group’s Audit Independence Policy is intended to put in place appropriate controls for the approval and engagement of any non-audit assignments according to the nature and value of the work, to safeguard audit objectivity and independence. Non-audit services are normally limited to assignments that are closely related to the annual audit or where the work is of such a nature that a detailed understanding of the Group is necessary. The FRC Ethical Standard sets out the permissible non-audit services that external auditors can perform, and PricewaterhouseCoopers LLP ensures that all requests from the Group to provide non-audit services, to any PricewaterhouseCoopers LLP office, are considered in the context of the Group’s policy and PricewaterhouseCoopers LLP's own ethical standards. All services undertaken by the external auditor require approval from the Committee before the commencment of any work. Full disclosure of audit and non-audit fees paid in the year ended 30 September 2019 are set out in note 4 to the financial statements on page 123.

For the financial year ended 30 September 2019, the Audit Committee has conducted its review of the auditors’ independence and concluded that no conflict of interest exists between PricewaterhouseCoopers LLP’s audit and non-audit work, and that their involvement in non-audit matters, was the most effective way of conducting the Group’s business during the year.

Following conclusion of the 2018 audit, key members of the Company’s finance team and management who were directly involved in the audit process provided verbal feedback to the Chairman of the Audit Committee on the audit process, including audit planning, interaction with management and the finance team, their understanding of the business, their audit methodology and the robustness of their challenges around management’s judgements. No significant concerns were raised as part of this process.

For the 2019 audit, the Audit Committee has established a questionnaire for key members of the Company’s finance team and management involved in the audit process to complete to provide their feedback to the Audit Committee. No significant concerns were raised as part of this process.

Auditors' appointment policy and tender process

During the year, the Audit Committee reviewed its policy for the appointment of external auditors. The Committee took into account that the Company's inclusion in the FTSE 250 in June 2019 requires it to comply with statutory rules which specify that a competitive tender for audit services must be held at least once every ten years. The last full tender process had been conducted in 2009. The Audit Committee also recognised that the incumbent auditors, PricewaterhouseCoopers had held office since 1999 and will be required in any event under CMA rules to relinquish office at the latest by the year ended 30 September 2024. The current Audit Partner, Katharine Finn, has been in place for two years of a five year rotating tenure. The Audit Committee notes however, that it, and the Board remain satisfied with the quality of service, independence and objectivity of PwC.

The Audit Committee approved and supervised the audit tender process, including specifiying the selection criteria setting the timetable and approving the tender documents. The Chair of the Audit Committee also met the audit partners proposed by each firm in order to assess their quality, experience and fit with the Company.

Five firms, including the incumbent, were invited to participate in the tender process, two of which declined to participate due to having insufficient resources to dedicate to the process. Each firm participating in the tender process was provided with access to a data room of key written information and documentation, given the opportunity to meet with key senior managers during a “carousel day”, and received a list of proposal requirements and a description of the selection criteria. Each firm then presented to an Audit Tender Panel comprising the members of the Audit Committee as voting members, assisted by the Chairman, CEO, CFO, Group Finance Director and Group Financial Controller. In reaching its conclusions, the Audit Committee took into account the presentations made by the firms and their written tender documents and along with the advice of the management members of the tender panel.

As a result of the tender process, the Audit Committee recommended and the Board agreed to recommend to shareholders that Deloitte LLP be appointed to succeed PricewaterhouseCoopers LLP as the Company's auditors. However, the Audit Committee also recommended that due to the high level of acquisition integration activities and the impending change in Chief Financial Officer in 2019/20 that the proposed change of auditor be deferred until the year ended 30 September 2021. The Board concurred with this recommendation. Accordingly, a resolution to re-appoint PricewaterhouseCoopers LLP for the year ending 30 September 2020 is being proposed to shareholders at the 2019 AGM (to be held in February 2020). A resolution to appoint Deloitte LLP as auditors for the year ending 30 September 2021 will be proposed to shareholders at the Company's AGM to be held early in 2021.

As a result of carrying out the tender process during 2019, the Company confirms that it has complied with the terms of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the Order) since moving up to Premium Listing. In addition to requiring mandatory audit re-tendering at least every ten years for FTSE 350 companies, the Order provides that only the Audit Committee, acting collectively or through its Chair, and for and on behalf of the Board is permitted:

- to the extent permissible in law and regulation, to negotiate and agree the statutory audit fee and the scope of the statutory audit;
- to initiate and supervise a competitive tender process;
- to make recommendations to the Directors as to the auditor appointment pursuant to a competitive tender process;
- to influence the appointment of the audit engagement partner; and
- to authorise an auditor to provide any non-audit services to the Group, prior to the commencement of those non-audit services.

Alan Newman
Chairman of Audit Committee

Portrait of American musician Cory Wong, guitarist with funk rock group Vulfpeck, photographed Total Guitar Magazine

3. NOMINATION COMMITTEE

Introduction from Nomination Committee Chairman:

During the year, the Nomination Committee has continued its focus on the skillset of, and succession planning for, the Board. Taking into consideration the Group's strategy and rapid expansion, as well as feedback from the Board's internal performance evaluation review last year, the Committee commenced the search for an additional Non-Executive Director with relevant US media experience. Additionally, the decision by Penny Ladkin-Brand to step down as CFO required the Committee to oversee the search for a replacement CFO. Full details on both of the search processes can be found below, and the Committee was pleased to recommend to the Board the appointment of Rachel Addison as CFO following the completion of the acquisition of TI Media, which is expected in the Spring of 2020. After the year end, the Committee also approved the change of Company Secretary, and considered the directors proposed for re-election by shareholders at the AGM.

Member	Attendance (3 scheduled meetings)
Richard Huntingford (Chairman)	3 of 3
Hugo Drayton	3 of 3
Alan Newman	3 of 3
Zillah Byng-Thorne	3 of 3
Rob Hattrell	3 of 3

During the year, the Nomination Committee reviewed and analysed the composition of the Board and the specific skills and attributes that each Director brings to the Board. A skills matrix, aligned to the company's strategy for long term sustainable success was developed, and each Director assessed against it. Noting in particular the rapid expansion of the Group during the year, it was agreed that an additional Non-Executive Director, particularly with relevant US media experience, would be a useful addition to the Board given the relative size of the US within the Group following the recent acquisitions. The matrix was again used to benchmark potential candidates for the CFO role, following the announcement that Penny Ladkin-Brand would be stepping down from the Board to commence a new role as Chief Strategy Officer following the completion of the acquisition of TI Media.

Accordingly, Heidrick & Struggles was appointed to lead the search for the new Non-Executive Director, and Redgrave Partners was appointed to lead the search for a new Chief Financial Officer. Neither of these search firms has any other connection with any of the Directors, or the Company. Working with Redgrave Partners, the Committee developed a candidate specification and drew up a shortlist of suitable candidates who were subject to a three stage process including interviews with the Chairman, Chairman of the Audit Committee, CEO, current CFO, and COO; aptitude tests; and references. Accordingly, Rachel Addison was recommended to the Board for appointment as CFO, effective from the completion of the acquisition of TI Media, which is expected in Spring 2020. The Committee also liaised with the Remuneration Committee in setting Rachel Addison's remuneration, which was made with regard to the proposed remuneration policy, as set out on pages 78 to 86 of the Directors' Remuneration Report.

A similar process is being carried out by Heidrick & Struggles in the search for an additional Non-Executive Director. It is hoped that this process will complete in early 2020.

In these appointments, the Committee is mindful of the diversity aspirations and programmes within the Company as a whole, details of which are set out in the Corporate Responsibility Report on pages 41 to 45, together with external indicatives such as the Hampton-Alexander Review. As noted in the report, two of the most senior leadership positions in the Company are held by women, with the ELT reflecting a similar ratio. As part of the succession planning referred to above, the Committee is committed to ensuring that the Board and ELT as well as the company as a whole reflects our audience.

Following discussion of the skills and contribution of each Director, and in conjunction with the Board Performance evaluation conducted in October 2019, the Nomination Committee supports the proposed re-election of all Directors standing for re-election at the AGM in 2020. In line with best practice, each Committee member seeking re-election was excluded from approving the proposal for their re-election.

Richard Huntingford
Chairman

4. REMUNERATION COMMITTEE

See page 71 in the Remuneration Report for details of Directors' meeting attendance and the role of the Committee.

5. CORPORATE GOVERNANCE REPORT

This report is approved by the Board of Directors and signed on its behalf by:

Richard Huntingford
Chairman
4 December 2019

DIRECTORS' REMUNERATION REPORT

Hugo Drayton
Chair of the Remuneration Committee

Committee membership and key activities undertaken during the year

Attendance	Oct 2018	Nov 2018	May 2019	Jul 2019	Sep 2019
Hugo Drayton (Chair)	✔	✔	✔	✔	✔
Alan Newman	✔	✔	✔	✔	✔
Rob Hattrell[1]		✔	✔	✔	✔
Overall remuneration					
Annual base salary review	✔				✔
Annual bonus					
Approval of FY18 bonus outcomes	✔				
Review and set performance conditions and targets for FY19 bonus	✔				
PSP					
Approve vesting of 2015 PSP awards		✔			
Review and set PSP performance conditions and targets for 2018 PSP		✔	✔	✔	
Approve amendment to PSP rules for administrative purposes			✔	✔	✔
Governance and other matters					
Approve Implementation Report		✔			✔
Review and approve Remuneration Policy		✔			✔
Conduct consultation with top 15 shareholders		✔		✔	
Review governance trends and shareholder themes				✔	
Review AGM voting and consider appropriate response			✔		
Review Committee Effectiveness	✔				
Review Committee's appointed advisors			✔		

1. Rob Hattrell was unable to attend the ad-hoc October 2018 meeting due to prior commitments.

As in previous years, this report is split into three sections: (a) this Annual Statement; (b) the Policy Report, setting out the Group's remuneration policy ("Policy") for Executive and Non-Executive Directors that will apply for the next three years; and (c) the Implementation Report, setting out details of Directors' remuneration for the financial years ended 30 September 2019 and ending 30 September 2020. This year we will be asking shareholders to approve a new Policy at our Annual General Meeting. The background and rationale for the proposed changes are set out below in this Annual Statement.

Performance and Reward in 2019

Future's financial performance in 2019 has continued to be exceptionally strong, with successful execution of the Group's strategy - to deliver growth through audience engagement and technology innovation - generating significant growth. Highlights from our full year results included £221.5m of revenue, up 70% on prior year; £54.5m of adjusted EBITDA, up 163% on prior year; and adjusted operating cash inflow, up 191% on prior year. This performance is underpinned by ongoing investment in our core businesses and has supported our strategic acquisitions to drive further growth during the year. Thanks to the cash generative nature of our business, the Board was delighted to recommence payment of dividends in February 2019. Future plc's sustained financial over-performance has underpinned the creation of significant shareholder value over recent years; a £100 investment in Future plc on 30 September 2016 is now (30 September 2019) worth £1,167, far exceeding returns from similar investments in the FTSE All-Share Media and FTSE 250 indices over the same period (£128 and £119, respectively). During this year of significant growth, Future plc has also moved up to a Premium Listing, and been promoted to the FTSE 250 index.

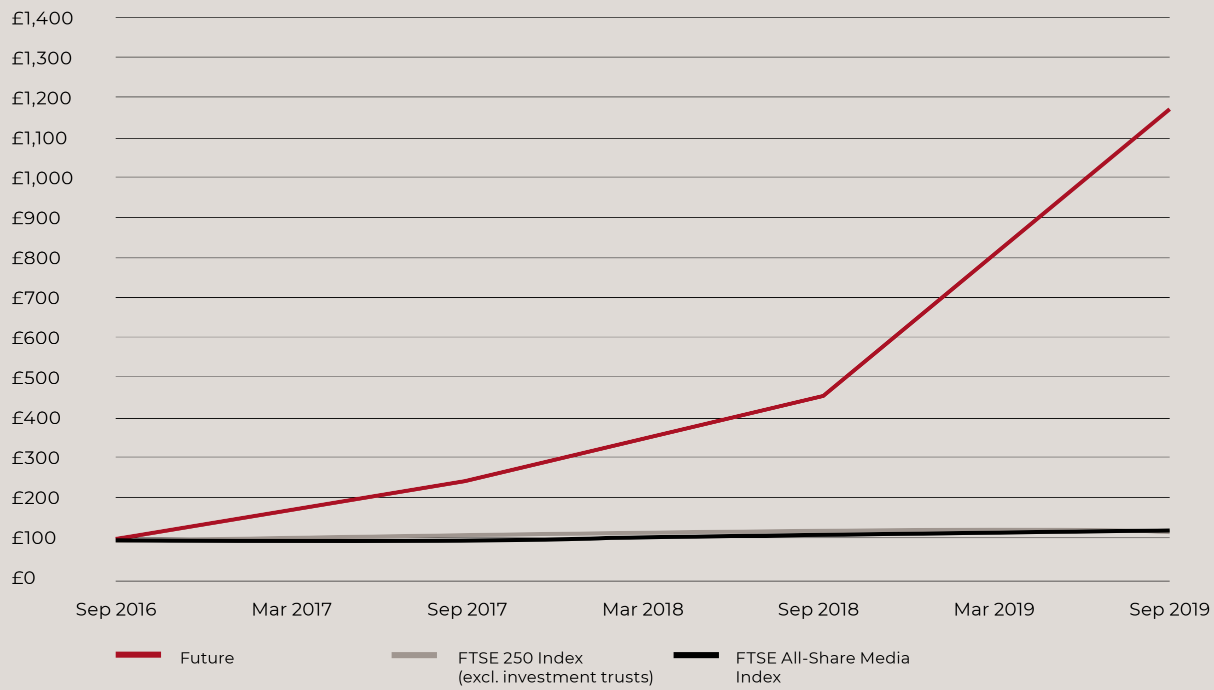
Our continued ambition to expand the scale and diversification of the Group is reflected by a number of further important acquisitions this year: Mobile Nations increases our presence and position in the technology sector in the US; ProCycling and Cyclingnews.com give Future a credible foothold in a new (and rapidly growing) specialist community; and, more recently, SmartBrief boosts our presence in the B2B sector and enhances our proprietary technology capabilities. These acquisitions further support the strong progress made against our ambition to diversify geographically.

Reflecting one of Future plc's core values, the Board and Executive leadership team continues to invest heavily in our people; collectively we place great emphasis on ensuring that our corporate culture supports all employees to achieve their full potential. This aim has been supported by the creation, last

On behalf of the Board, I am delighted to present the Directors' Remuneration Report for the financial year ended 30 September 2019, which includes details of proposed changes to our Remuneration Policy.

Historic TSR performance

Growth in the value of a hypothetical £100 holding over the 3 years to 30 September 2019



year, of a new People and Culture team. Other initiatives include: succession planning, talent development, and establishing office community teams, to enable employees to create for themselves the environment in which they work – which is especially important as we integrate new teams who have joined the Future family as a result of the M&A activity. We are also pleased to announce that, for the year ending 30 September 2019, we increased the employee Profit Pool bonus to £3,000 per person – a one-off event – so all our staff share in the outstanding performance to which they have contributed.

In light of this strong financial and operational performance, the Committee approved bonus payments of 100% of maximum for both the CEO and CFO (150% of salary and 125% of salary respectively), of which 50% is deferred into Future plc shares for 2 years. Further details are included on page 76.

The performance conditions attached to the remaining 25% of PSP awards made to Executive Directors in November 2016 and February 2017 were tested to 30 September 2019. Over the performance period, the Company's share price significantly exceeded the targets set at grant. Accordingly, these shares will vest fully in November 2019, along with the other 75% of the PSP awards that vested based on performance in previous financial years. Further details are included on page 76.

As outlined in last year's report, Executive Directors were granted awards under the PSP in November 2018 of 200% of salary for the CEO and 167% of salary for the CFO. These awards vest subject to the achievement of stretching performance targets, and are subject to a two-year holding period that follows the three-year vesting period. Further details are included on page 91.

The Committee is satisfied that overall pay outcomes in respect of the year ended 30 September 2019 are appropriate and reflect Future's exceptional performance over the last 3 years. Our remuneration places a significant weighting on variable pay, rewarding executives for delivering against stretching short-term and long-term targets, aligned with the Company's strategy. The performance-related bonus outcome for the year ended 30 September 2019 reflects another strong year of profit growth, while vesting of the final part of awards granted under the PSP in November 2016 and February 2017 – which constitutes the largest part of each Executive Director's single figure of remuneration for the year – reflects strong longer-term financial performance, and significant value creation for shareholders over the performance period. Accordingly, the Committee has not exercised any discretion in relation to the outcome of the variable pay schemes.

Review of the Remuneration Policy

As you may recall, having undertaken a successful rights issue and acquisition of Purch, the Committee reviewed and proposed a number of changes to Future's approach on remuneration: having consulted with our largest shareholders, we submitted a revised Policy to shareholders at the February 2019 AGM. Changes included an increase in the maximum PSP opportunity – from 100% to 200% of salary – as well as the adoption of best practice features, such as annual bonus deferral, a mandatory two-year holding period on vested PSP shares, and the formal adoption of share ownership guidelines.

While the Policy was approved with a clear majority of over 70% of votes cast at the AGM, the Committee recognised the views of those shareholders who felt they could not support this resolution, or the resolution approving the annual report on remuneration for 2018 (which received c.67% support). Reflecting the Board's philosophy on engagement, we committed to consult further with shareholders during 2019 and to submit the Remuneration Policy for shareholder approval at the February 2020 AGM. As a result, a significant proportion of the Committee's time this year has been spent on reviewing the existing Policy, to ensure that it continues to support Future's strategy while appropriately reflecting market and best practice, following the Company's promotion to the FTSE 250.

In reviewing the Policy, the Committee has been mindful of the hugely important role that our Executive team – and especially the Executive Directors – plays in Future's success: their hard work, strategic direction and sustained ambition have driven the extraordinary value created in recent years for all our shareholders. The Committee holds central to its philosophy on executive remuneration the principle that Director remuneration should be closely aligned with the Company's performance. In this context, the Committee keeps remuneration under review, and has concluded that these appropriately reflect the exceptional performance levels that continue to be achieved. In developing the proposed remuneration policy for the next three years, the Committee has worked hard to ensure that it maintains a strong link between pay and performance (with an opportunity for exceptional performance to be appropriately rewarded), is aligned to shareholders' interests, and helps retain, focus and reward our critical senior talent over the next phase of Future plc's journey. Zillah Byng-Thorne has established a demonstrable and valuable track record as a high performing and high-profile CEO, and on behalf of our shareholders we are committed to retaining her focus, drive and leadership to achieve yet more success for the Company.

Alongside the Executive Director reviews, the Policy on the Board Chair fee has been reviewed by the Remuneration Committee, and the Policy on Non-Executive Director fees has been reviewed by the Board Chair and Chief Executive, to ensure these remain appropriate, reflecting the significant increase in responsibilities and FTSE 250 market practice.

A summary of the headline changes to Future's proposal on remuneration arising from the reviews and shareholder consultation is included in the table below:

Element of remuneration	Headline changes
Performance-related annual bonus	Increase in maximum bonus opportunities from 150% to 200% of salary for the Chief Executive and from 125% to 150% of salary for the Chief Financial Officer, to incentivise and reward even stronger performance than currently.
PSP	Awards in each of the next three years will be expressed as fixed numbers of shares, set in the first cycle to be equivalent to 200% of salary for the Chief Executive and 167% of salary for the Chief Financial Officer. The Committee will apply a cap on the number of shares granted in future years, to the extent that the implied face value on the award date exceeds 2x the grant made in November 2019 (i.e. 400% of salary for the Chief Executive, in line with the current exceptional maximum opportunity provided for in our policy; and 335% of salary for the Chief Financial Officer). Absolute TSR (i.e. share price plus rolled up dividends) will replace the current share price target, reflecting the recommencement of dividend payments to shareholders.
Pension	Maximum pension contributions for new Executive Directors will be in line with the rate offered to the majority of employees in the relevant jurisdiction, currently 6% in the UK. Pension contributions for existing Executive Directors will be aligned with the broader workforce rate within a reasonable period of time over the life of the new Policy.
Salaries	CFO salary to be increased to £350,000 with effect from 1 October 2019. No change to CEO salary.
Board Chair and Non-Executive Director fees	Moved from triennial to annual reviews and introduced flexibility to pay additional Committee fees and expenses. Fees to be increased with effect from 1 March 2020 as follows: Board Chair: £200,000 Non-Executive Director base fee: £55,000 Additional fees: Chair of the Audit or Remuneration Committees: £10,000 Senior Independent Director: £10,000

The background to, and rationale for, the main changes are as follows:

Annual bonus

The Committee is proposing to increase the maximum annual bonus opportunities for the Chief Executive from 150% to 200% of salary, and for the Chief Financial Officer from 125% to 150% of salary, for FY20. These increases are intended to address the competitiveness of our Total Cash (i.e. fixed pay + bonus) reward in an increasingly global market for Executive Director talent, in a manner that emphasises our commitment to demonstrate the strong link between executive pay levels and Future plc's performance. Targets have been set to be appropriately stretching. Consistent with the approach adopted last year, 50% of any bonus earned will be delivered in Future plc shares released only after 2 years.

In relation to the implementation of our policy for FY20, the Committee intends that EBITDA will revert to being the sole annual bonus measure. During its review of policy, the Committee considered introducing other financial and non-financial measures. However, it concluded that the simplicity offered by focusing on a single measure outweighs the potential merits (and complexities) of introducing additional measures at this time. The Committee will retain flexibility in the policy to introduce additional measures if it considers this to be helpful or necessary. Any such measures would be aligned to Company strategy for future years, and we would provide details of any changes at the relevant time. As in recent years, it is intended that FY20 EBITDA targets be disclosed retrospectively, in the 2020 Annual Report on Remuneration, to allow shareholders to make an informed voting decision on pay outcomes.

PSP

The Committee considered the long-term incentive framework in detail, and assessed whether alternative approaches (such as restricted shares or a value creation plan) would be appropriate for Future plc. On balance we agreed that broadly maintaining the current design would best support our longer-term strategy and would be more straightforward to communicate to stakeholders.

The principal change proposed is to calibrate future PSP awards as a fixed number of shares, rather than the current '% of salary' approach. The Committee believes this is a more appropriate mechanism, because it rewards share price appreciation and penalises share price falls (fixing the face value of awards risks the opposite, which we recognise has been a voting issue at a number of FTSE companies during 2019). This approach also reduces pressure on base salary levels among participants, and provides more visibility on the impact on share dilution of our incentive schemes. The Committee intends to review the number of shares awarded every three years. However, we will continue to operate within the exceptional award limits outlined in the existing policy, and will cap awards to Executive Directors if the face value on the award date were to exceed 2x the face value of the grants made in November 2019.

FY20 PSP awards will continue to be based on an equal blend of EPS and share price measures. In a slight change to previous years, and reflecting the recent recommencement of dividend payments, we propose to replace the element based on share price with absolute TSR (i.e. share price plus rolled-up dividends). The Committee considers that EPS is an important and well-accepted measure of Company performance that reinforces our strategic objective of achieving profitable growth. The use of absolute TSR is strongly aligned with shareholders, and ensures participants are rewarded only if they deliver material returns to shareholders over the longer-term. Reflecting on market practice, the Committee considered whether adopting a relative TSR measure would be appropriate for Future plc at this time. However, it was concluded that the Company's unique business structure – and a lack of direct, listed competitors – would make comparisons (and therefore target setting) difficult, would increase the complexity of the scheme, and would reduce line-of-sight and the motivational effectiveness of the PSP for all participants.

Details of how the Committee intends to implement the new Remuneration Policy in respect of all elements of the package are included in the Implementation Report, with a summary provided in the overview table on page 75.

Board Chair and Non-Executive Director fees

The Policy for Non-Executive Director fees was considered in light of Future's promotion to the FTSE 250 and upgrade to a Premium Listing. It was resolved that triennial fee reviews were no longer appropriate, given the likelihood of significant step increases every three years and that, accordingly, reviews would now take place on an annual basis (in line with all employees). We are also taking this opportunity to introduce market-standard flexibility around the payment of additional Committee fees over the life of the Policy, and on the reimbursement of expenses.

Board Director remuneration levels

As covered by our current and proposed remuneration policies, Board director remuneration levels are reviewed periodically to ensure that they reflect role size and responsibilities, individuals' performance and contribution, and the scale and complexity of the business. The Committee (and, in relation to NED fee levels, the Chairman and Executive Directors) reviewed pay levels as part of the broader review of policy. The Future plc of today has strong foundations for future success, an impressive performance track record in recent years (resulting this year in a return to the Premium Segment and entry into the FTSE 250 index), and its scale and complexity have increased as Future has transformed into a global multi-platform media business. The scope, scale and responsibilities of the Board (as well as across other organisation levels more broadly) have increased materially, and the Committee concluded that it would be appropriate at this time to:

- Increase the Chairman's fee to £200,000 per annum with effect from 1 March 2020 (last reviewed in 2017). Whilst this represents a significant increase on the current fee rate, the Committee has sought to reflect the significant additional complexity and time commitment required of the role (increased for the Board Chair from 40 days to 60 days) and the related workload this entails; and
- Increase the CFO's salary to £350,000 per annum with effect from 1 October 2019 (last reviewed in 2017). In making this decision, the Committee took into account the Group's performance, pay of equivalent roles within comparable companies, performance and pay.

Notwithstanding that the same principles apply to the remuneration of the CEO, as agreed in 2019 the CEO's salary will next be reviewed for FY21.

In considering similar factors, the Board Chair and Chief Executive resolved to normalise the base fee for Non-Executive Directors, as well as the standard additional fees for the Senior Independent Director and/or chairing Board Committees. In all cases, the intention is that fee increases in future will normally be aligned with the increase applied to the workforce of the Group.

Conclusion

I would like to thank the many shareholders who have taken time in recent weeks to meet with me, in person and by telephone. I have engaged directly with each of our largest 15 shareholders. The feedback I have heard has been gratefully received by the Committee and our advisors, and has helpfully informed our deliberations and conclusions in this sensitive, important part of our directorial duties.

These are exciting times at Future plc. Against a background of political and economic uncertainty and a tough media landscape – Future's leadership team continues to focus on a winning strategy, and to work hard on behalf of all shareholders. I hope that you will be satisfied with the proposals that your Committee has produced, and that you will continue to support the Company as it seeks further growth and new, profitable business.

Hugo Drayton
Chair of the Remuneration Committee
4 December 2019

Overview of proposed Executive Director Remuneration Policy and implementation

	FY19	Overview of new policy	FY20
Base Salary	Salaries effective 1 October 2018, as follows: • CEO = £475,000 • CFO = £275,000	Reviewed from time to time, with reference to salary levels for similar roles at comparable companies, to individual contribution to performance; and to the experience of each Executive	• CEO base salary to remain at £475,000 • CFO base salary increased to £350,000 with effect from 1 October 2019
	See page 88	See page 80	See page 95
Pension and benefits	In line with policy	For existing Executive Directors: company pension contributions will be aligned with the broader workforce rate within a reasonable period of time over the life of the new Policy For new Executive Director appointees: company pension contributions will be aligned with the majority of employees in the relevant jurisdiction, currently 6% of salary in the UK Benefits typically consist of the provision of a company car or a car allowance, and private health care insurance	No change to pension contributions or benefits for FY20
	See page 91	See page 80	See page 95
Annual Bonus	Annual bonuses of 100% of maximum for each Executive Director based on strong EBITDA and EPS performance: • CEO = 150% of salary (£712,500) • CFO = 125% of salary (£343,750) Bonuses to be paid 50% in cash in November 2019 and 50% in Future shares, deferred for two years	Maximum annual bonus opportunity of 200% of salary Performance measures based primarily on financial metrics but may include non-financial metrics and/or individual objectives if deemed appropriate 50% of bonus earned is deferred in Future shares for two years Malus and clawback provisions apply	CEO bonus opportunity to be increased to 200% of salary CFO bonus opportunity to be increased to 150% of salary FY20 bonuses to be based entirely on EBITDA
	See page 89	See page 80	See page 95
PSP	Final 25% of PSP awards granted in November 2016 and February 2017 vested at 100% based on Future's share price performance	Fixed number of shares awarded in each of the next three years (subject to an overall cap of 400% of salary at the time of grant for the Chief Executive; 335% of salary for Chief Financial Officer) Awards vest subject to performance over a three-year period. Vested shares are subject to an additional two-year holding period Malus and clawback provisions apply	Awards of 200% and 167% of salary to be made to the Chief Executive and Chief Financial Officer respectively in November 2019, with the number of shares to be fixed for the next two grants Performance to be measured over the period 1 October 2019 to 30 September 2022 against EPS (50%) and absolute TSR (50%) Two-year holding period will apply to vested shares
	See page 90	See page 80	See page 95

2019 REMUNERATION AT A GLANCE

2019 Single Figure of remuneration for Executive Directors

£'000	Salary	Benefits	Pension	Total fixed	Annual bonus	PSP	Total variable	Total remuneration
Zillah Byng-Thorne	475	17	71	**563**	713	4,402	**5,115**	**5,678**
Penny Ladkin-Brand	325	15	41	**381**	344	3,144	**3,488**	**3,869**

2019 Annual Bonus outcomes

Measure	Weighting	Threshold	Stretch target (100% payout)	Actual	Achievement
Adjusted EBITDA	75%	No payment below stretch target	£33m	£54.5m	100%
Adjusted EPS	25%	No payment below stretch target	27.6p	50.1p	100%

Executive	Overall Achievement	Maximum bonus	Bonus earned[1]
Zillah Byng-Thorne	100%	150% of salary	£712,500
Penny Ladkin-Brand	100%	125% of salary	£343,750

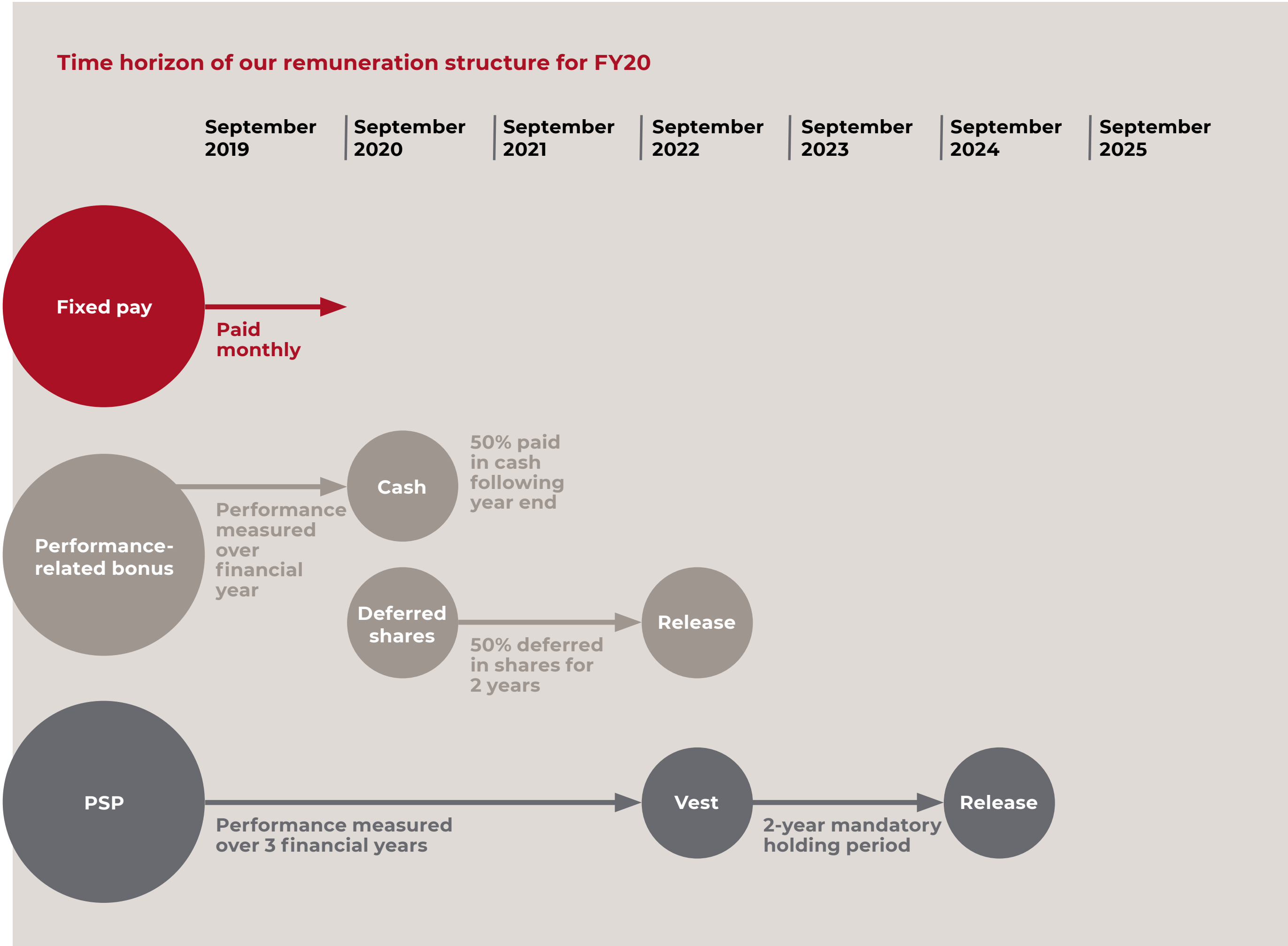
1 To be paid 50% in cash and 50% in deferred shares

PSP vesting to 30 September 2019

Measure	Weighting	Maximum (100% vesting)	Actual	Achievement
Share price	100%	300p	1,105p	100%

Executive	Achievement	Interests vesting[1]		Date vesting	Value realised[2]
Zillah Byng-Thorne	100%	155,668	November 2016	23 November 2019	£4,402,291
		155,668	February 2017		
Penny Ladkin-Brand	100%	111,191	November 2016	23 November 2019	£3,144,489
		111,191	February 2017		

1 Representing the final 25% of LTIP awards granted in November 2016 and February 2017, vesting of which was dependent on share price performance to 30 September 2019. See page 90 for further details
2 Based on share price at vesting on 23 November 2019 of 1,414p



This report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also meets the requirements of the UK Listing Authority's Listing Rules and the Disclosure and Transparency Rules.

In accordance with the Regulations, the following sections of the Remuneration Report are subject to audit: the Single total figure of remuneration for Directors and accompanying notes (page 88), Scheme interests awarded during the financial year (page 91), Payments to past directors (page 93), Payments for loss of office (page 93) and the statement of directors' shareholdings and share interests (page 93). The remaining sections of the report are not subject to audit.

The Committee is seeking shareholder approval for a new remuneration policy at the 2020 AGM. A summary of the principal changes compared to the previously approved policy is provided in the Annual Statement above, and identified in the relevant sections below.

REMUNERATION POLICY REPORT

The Group aims to balance the need to attract, retain and motivate Executive Directors and other senior executives of an appropriate calibre with the need to be cost effective, whilst at the same time rewarding exceptional performance. The Committee has designed a remuneration policy that balances those factors, taking account of prevailing best practice, investor expectations and the level of remuneration and pay awards made generally to employees of the Group.

In determining the level and make-up of Executive Directors' remuneration, the Committee carefully considers the following principles:

- Remuneration packages offered to Executive Directors should be competitive with those available for comparable roles in high-growth companies and companies operating in similar markets, on a similar scale and with a similar culture to Future. They should be sufficiently competitive so as to attract, retain and motivate high calibre Directors to perform at the highest levels, whilst at the same time ensuring that recruitment and remuneration expenditure is not excessive and that remuneration does not encourage excessive risk-taking.

- The interests of Executive Directors should be aligned with those of shareholders by ensuring that a significant proportion of remuneration is linked to Group performance.

- Remuneration packages and employment conditions of Executive Directors should be considered in conjunction with both those of key senior managers (keeping succession planning in mind) and all employees in the Group in order to achieve a consistent remuneration policy across the Group.

- The Committee should retain overarching discretion to adjust performance-related elements of remuneration to ensure alignment of pay with performance and that there is no reward for failure – whether financial or operational.

- Above all, Executive Director remuneration should support the strategy, values and culture of the Group. Pay should be simple and easy to understand, with all aspects clear and openly communicated to stakeholders and in alignment with pay philosophies across the Group.

This section of the report sets out the policy for Executive Directors which the Company is asking shareholders to approve at the February 2020 AGM. It is intended that the revised policy will come into effect from that date.

Policy table – Executive Directors

Element	Operation	Objective & link to strategy
Basic annual salary	Basic annual salary is paid in 12 equal monthly instalments during the year and is reviewed annually. When assessing the level of basic annual salary, the Committee takes into account performance, market conditions, remuneration of equivalent roles within comparable companies, the size and scale of the business and pay in the Group as a whole.	To recruit, retain and motivate individuals of high calibre, and reflect the skills, experience and contribution of the relevant Director.
Benefits	Current benefits available to Executive Directors are car allowance, permanent health insurance, healthcare and life assurance. Additional benefits may be offered if deemed appropriate.	To ensure broad competitiveness with market practice.
Pension	The Company shall make a contribution up to a maximum percentage of basic annual salary.	To ensure alignment with the wider workforce and broad competitiveness with market practice.
All-employee share plans	The Company operates a Share Incentive Plan ("SIP") in the UK which qualifies for tax benefits. The Committee retains discretion to allow Executive Directors to participate in the SIP on the same terms as other employees.	To encourage share ownership by employees and align their interests with those of the shareholders.
Performance-related bonus	Targets are set annually by the Committee, based on: (i) financial performance against budget and, at the Committee's discretion, (ii) individual subjective performance targets which are determined for each Executive Director. The Committee retains discretion to set the financial targets based on the performance during the previous financial year and the budget for the forthcoming year, and performance of the individual against their specific subjective performance targets. 50% of any performance-related bonus earned will be delivered by way of a deferred share award, which will only vest two years after the award date. A payment equal to the value of dividends which would have accrued on deferred awards may be made following the release of awards to participants, either in the form of cash or as additional shares. Payments and awards in relation to the performance-related bonus are subject to malus and clawback provisions, further details of which are included as a note to the policy table.	Designed to reward delivery of shareholder value and implementation of the Group's strategy.
Long-term share-based incentive	Annual awards of conditional shares or nil-cost options to Executive Directors. The scheme rules allow the Committee discretion to change the performance targets and the Committee shall be entitled to exercise its discretion to change performance criteria to the extent that it reflects market practice and/or the Committee considers alternative performance targets to be more appropriate to the business. A payment equal to the value of dividends which would have accrued on vested awards may be made following the release of awards to participants, either in the form of cash or as additional shares. Awards under the PSP are subject to malus and clawback provisions, further details of which are included as a note to the policy table.	Designed to reward delivery of shareholder value in the medium-to-long term.

Max. potential value	Performance measures	Policy changes for FY20
Salary increases shall generally reflect market conditions, performance of the individual, new challenges or a new strategic direction for the business. There may be occasions when the Committee needs to recognise circumstances including, but not limited to: an individual's development in the role, a change in the responsibility and/or complexity of the role. In these circumstances, the Committee may award a higher annual increase than the average for the workforce, the rationale for which will be explained to shareholders in the Annual Report on Remuneration.	Not applicable.	None.
The Company shall continue to provide benefits to Executive Directors at similar levels; where insurance cover is provided by the Company, that cover shall be maintained at a similar level and the Company shall pay the then current market rates for such cover.	Not applicable.	None.
Total cost annually shall not exceed 15% of basic annual salary. Pension contributions for existing Directors will be aligned with the broader workforce rate within a reasonable period of time over the life of the new Policy. For Directors appointed from 1 October 2019, the maximum contribution will be aligned to that offered to the majority of employees in the relevant jurisdiction at the time of appointment (currently 6% in the UK).	Not applicable.	Outlined intention to reduce existing Directors' pension contributions over time. Confirmation that Directors appointed from 1 October 2019 will have a pension contribution that is aligned with the wider workforce in the relevant jurisdiction.
The maximum participation levels for all-employee share plans will be the limits set out in UK tax legislation.	Not applicable.	None.
For both the Chief Executive and Chief Financial Officer the Committee retains discretion to vary the potential total maximum bonus, the weighting of the variable elements and the stretch of the targets in order to incentivise or recruit Executive Directors, provided that the total maximum potential bonus for any one year shall not exceed 200% of basic annual salary and that the maximum bonus shall only be payable for outperformance of stretching targets. Target performance will typically deliver up to 50% of maximum bonus, with threshold performance typically paying up to 25% of maximum bonus.	The performance measures, relative weightings and targets are set annually by the Committee. Details of the measures and their relative weightings are disclosed annually in the Directors' remuneration report with the targets disclosed, provided they are not deemed to be commercially sensitive. The Committee retains discretion to adjust the targets if events occur which lead it to conclude that they are no longer appropriate. The Committee also retains discretion to adjust the outcome of the performance-related bonus for any performance measure if it considers that to be appropriate.	Maximum bonus opportunities increased from 150% to 200% of salary for the Chief Executive, and from 125% to 150% of salary for the Chief Financial Officer. Clarification that dividends may accrue and be paid in respect of deferred share awards.
Awards expressed as a fixed number of shares for each of the next 3 cycles: For the Chief Executive, such number of shares equivalent to 200% of salary for the first award, and fixed at that number for the following two cycles. For the Chief Financial Officer, such number of shares equivalent to 167% of salary for the first award, and fixed at that number for the following two cycles. Whilst the intention is to review the number of shares awarded only every three years, the Committee would nevertheless reduce the number of shares granted if the implied % of salary due to be awarded would exceed 2x the November 2019 grant values. The overall cap is therefore 400% of salary.	Performance targets are set annually by the Committee and disclosed annually in the Directors' remuneration report, provided they are not deemed to be commercially sensitive. At the end of the three-year performance period, the Committee will assess performance against the targets set and determine, in its absolute discretion, the overall level of vesting of the award. Under each measure, threshold performance will generally result in up to 25% of maximum vesting for that element. Awards are subject to a mandatory two-year holding period following the end of a three-year vesting period.	Change in granting approach from % of salary to expressing awards as a fixed number of shares (subject to overall 400% of salary cap). Clarification that awards may be structured as conditional share awards or nil-cost options. Clarification that dividends may accrue and be paid in respect of vested awards.

Notes to the Policy table

For the avoidance of doubt, in approving this Directors' Remuneration Policy, authority is given to the Company to honour any commitments entered into with current or former directors under a previous Policy (such as the vesting or exercise of past share awards).

Performance measure selection and approach to target setting

Measures used under the performance-related bonus and PSP are selected annually to reflect the Group's main short- and long-term objectives and can reflect both financial and non-financial priorities, as appropriate.

The Committee considers that EBITDA and EPS (used in both the performance-related bonus and PSP respectively) are important and well-accepted measures of the Company's performance that reinforce the strategic objective of achieving profitable growth. The use of absolute TSR in the PSP is strongly aligned with shareholders and ensures that executives are rewarded only if they deliver material returns to shareholders over the longer-term. More generally, the focus on absolute performance measures reflects the Company's unique business structure and lack of direct competitors which would make comparisons (and therefore target setting) difficult.

Targets applying to the performance-related bonus and PSP are reviewed annually at the start of each cycle, based on a number of internal and external reference points. Performance targets are set to be stretching but achievable, with regard to the particular strategic priorities and the economic environment in a given year. Targets for the performance-related bonus are typically not disclosed in advance due to commercial sensitivity but will typically be retrospectively disclosed in full following the year end to the extent that such commercial sensitivity concerns no longer apply. The Committee will look to disclose PSP targets prospectively subject to the same considerations around commercial sensitivity.

Remuneration for other employees

All employees of the Group receive a basic annual salary, benefits, pension and annual bonus (subject to financial performance). The maximum value of remuneration packages is based on the seniority and responsibilities of the relevant role. Discretionary share incentives are awarded to the Executive Directors, other senior executives, and certain key individuals and 'rising stars'. However, the Company introduced a Share Incentive Plan in 2015 to encourage share ownership more broadly, reflecting a key principle that all employees should be able to share in the Group's success.

Shareholding guidelines

The Committee strongly believes in aligning the interests of Executive Directors and shareholders. Shareholding guidelines were formalised in 2018 which require Executive Directors to acquire and maintain a holding (excluding shares that remain subject to performance conditions) equivalent to 200% of base salary within 5 years of appointment. Details of the Executive Directors' current shareholdings – which are in excess of the guidelines – are provided in the Implementation Report on page 94. The Committee considered the introduction of post-employment guidelines, but believes that the existing annual bonus deferral period and PSP holding period provide sufficient alignment at this time and that further work around the technicalities of applying and monitoring such guidelines needs to be undertaken before committing to them in the Remuneration Policy.

Malus and clawback

Payments and awards under the performance-related bonus and PSP are subject to malus and clawback provisions which can be applied to both vested and unvested awards. Malus and clawback provisions will apply for a period of at least two years after payment or vesting. Circumstances in which malus and clawback may be applied include a material misstatement of the Company's financial accounts, fraud or gross misconduct on the part of the award-holder or an error in calculating the award vesting outcome.

Participants in the performance-related bonus and PSP are required to acknowledge their understanding and acceptance of the malus and clawback provisions as a pre-condition to participating in these schemes. The Committee is satisfied that the malus and clawback provisions are appropriate and enforceable.

Pay for performance scenarios

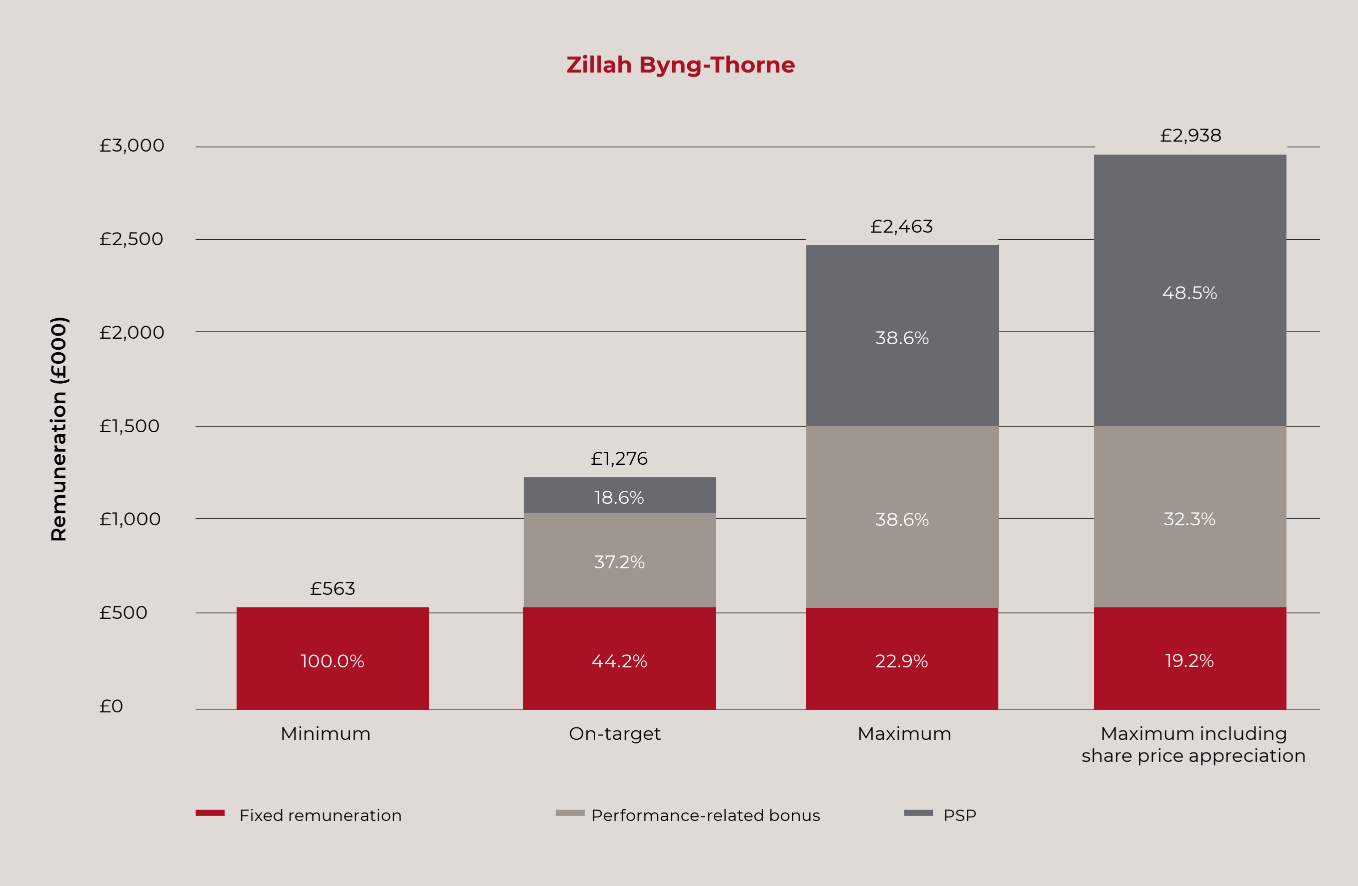
The charts opposite provide an illustration of the potential future reward opportunities for the Chief Executive and Chief Financial Officer, and the potential split between the different elements of remuneration under four different performance scenarios: 'Minimum', 'Target', 'Maximum' and 'Maximum (including share price appreciation on PSP awards)'.

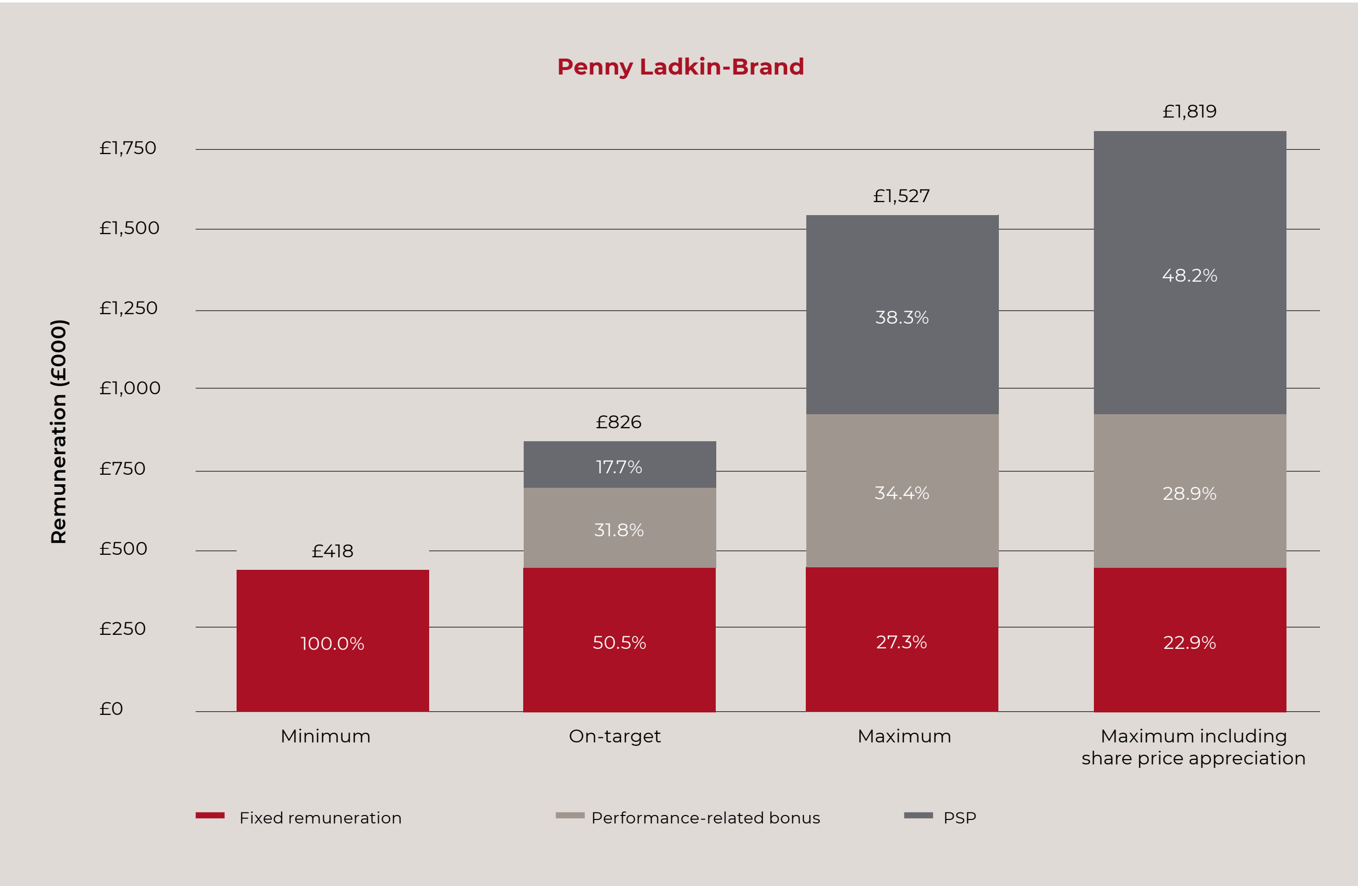
Potential reward opportunities are based on Future's remuneration policy, applied to the base salary effective 1 October 2019. The performance-related bonus and PSP are based on the maximum opportunities set out under the remuneration policy for normal circumstances. Note that the PSP awards granted in a year do not normally vest until the third anniversary of the date of grant (and are thereafter subject to a 2-year holding period), and the projected value is based on the face value at award rather than vesting (i.e. the scenarios exclude the impact of any share price movement over the period). The exception to this is the final scenario which, in line with the requirements of The Companies (Miscellaneous Reporting) Regulations 2018, illustrates the maximum outcome assuming share price appreciation for the purpose of PSP value. We have assumed 52% share price growth, consistent with the maximum absolute TSR target applying to the FY20 awards, rather than the 50% assumption outlined in the reporting regulations.

The 'Minimum' scenario reflects base salary, pension and benefits (i.e. fixed remuneration) which are the only elements of the Executive's remuneration packages not linked to performance.

The 'Target' scenario reflects fixed remuneration as above, plus performance-related bonus payout of 50% of maximum and PSP threshold vesting at 25% of maximum award.

The 'Maximum' scenario is shown on two bases: excluding and including the impact of share price appreciation on the value of PSP outcomes. In both cases, the scenario includes fixed remuneration and full payout of all incentives, with the final scenario also including the impact of a 52% increase in Future's share price on the value of the PSP.


Zillah Byng-Thorne
Remuneration (£000)
£3,000
£2,500
£2,000
£1,500
£1,000
£500
£0
£563
100.0%
£1,276
18.6%
37.2%
44.2%
£2,463
38.6%
38.6%
22.9%
£2,938
48.5%
32.3%
19.2%
Minimum
On-target
Maximum
Maximum including share price appreciation
Fixed remuneration
Performance-related bonus
PSP


Penny Ladkin-Brand
Remuneration (£000)
£1,750
£1,500
£1,250
£1,000
£750
£500
£250
£0
£418
100.0%
£826
17.7%
31.8%
50.5%
£1,527
38.3%
34.4%
27.3%
£1,819
48.2%
28.9%
22.9%
Minimum
On-target
Maximum
Maximum including share price appreciation
Fixed remuneration
Performance-related bonus
PSP

FY20 remuneration assumptions

Executive	Salary	Pension	Benefits	Maximum performance-related bonus	Maximum PSP
Zillah Byng-Thorne	£475,000	15% of salary	£17,000	200% of salary	Equivalent to 200% of salary
Penny Ladkin-Brand	£350,000	15% of salary	£15,000	150% of salary	Equivalent to 167% of salary

Policy table

Non-Executive Directors

Non-Executive Directors are not eligible to participate in any performance-related bonus, share incentive schemes or pension arrangements. Details of the policy on fees paid to Non-Executive Directors are set out in the table below:

Element	Operation	Objective & link to strategy	Max. potential value	Performance measures	Policy changes for 2020
Fees	Non-Executive Directors' fees are reviewed annually and paid in 12 monthly instalments. In addition to the base fee, additional fees are payable for acting as Senior Independent Director and as Chair of any of the Board's Committees. In the event that the Board requires the formation of an additional Board Committee, fees for the Chair (and where relevant, membership) of such Committee will be determined by the Board at the time. The fees paid to the Chairman are determined by the Committee, whilst the fees of the Non-Executive Directors are determined by the Board. Expenses incurred by the Chairman and the Non-Executive Directors in the performance of their duties (including taxable travel and accommodation benefits) may be reimbursed or paid for directly by the Company, as appropriate.	To attract and retain high calibre Non-Executive Directors with broad commercial and other experience relevant to the Company, and reflect the time commitment and responsibilities of these roles.	Non-Executive Director fee increases are applied in line with the outcome of the annual fee review and would normally be aligned with the increase awarded to the workforce. Fees for the year under review and for the following year are set out in the Implementation Report on page 96. Aggregate fees paid to Non-Executive Directors are subject to the limits set out in the Articles of Association.	Not applicable.	Fee reviews will be undertaken annually rather than triennially. Introduced standard flexibility around new Committees and expenses.

Approach to recruitment remuneration

External Executive Director appointment

In line with our principles on remuneration, the Committee's objective at the time of an appointment to a new role is to weight Executive Directors' remuneration packages towards performance-related pay that is linked to targets set for the financial performance of the Group against budget, and the Group's performance against its business objectives and stated strategy.

Any new Executive Director's remuneration package would include the same elements as those of the existing Executive Directors, as shown below:

Element of remuneration	Approach	Maximum % of salary
Salary	The base salaries of new appointees will be determined by reference to relevant market data, experience and skills of the individual, internal relativities and their current basic salary. The Committee may approve a higher basic annual salary for a newly appointed Director than the outgoing Director received where it considers it necessary in order to recruit an individual of sufficient calibre for the role. Alternatively, where new appointees have initial basic salaries set below market-level, any shortfall may be managed with phased increases over a period of up to three years subject to the individual's development in the role.	n/a
Benefits	New appointees will be eligible to receive benefits which may include (but are not limited to) the provision of a car allowance, permanent health insurance, healthcare and life assurance. If the Director is required to relocate then the policy is to provide reasonable, time-limited relocation, travel and subsistence payments at the discretion of the Committee. New appointees will also be eligible to participate in all-employee share schemes, where relevant.	n/a
Pension	New appointees will receive company pension contributions or an equivalent cash supplement aligned to that offered to the majority of employees in the relevant jurisdiction at the time of appointment.	n/a
Performance-related bonus	The structure described in the Policy able will apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of employment over the year. If used, individual targets will be tailored to the executive.	200%
Share incentive schemes	New appointees will be granted awards under the PSP on the same terms as other executives, as described in the Policy table. Awards will typically be expressed as a fixed number of shares, reviewed at least every three years, albeit with an overall grant value cap of 400% of salary.	Fixed number of shares, up to 400%

In determining an appropriate remuneration package, the Remuneration Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that arrangements are in the best interests of both the Company and its shareholders.

The Committee may make an award in respect of a new appointment to buy out incentive arrangements forfeited on leaving a previous employer on a like-for-like basis, which may be awarded in addition to the remuneration structure outlined in the table above. In doing so, the Committee will consider relevant factors including time remaining until vesting, any performance conditions attached to these awards and the likelihood of such conditions being met. Any such buy-out awards would typically be made under the existing performance-related bonus and PSP schemes, although in exceptional circumstances the Committee may use the exemption permitted within the Listing Rules. Any buy-out awards would have a fair value no higher than that of the awards forfeited.

Internal Executive Director promotion

In cases of appointing a new Executive Director by way of internal promotion, the Remuneration Committee and Board will be consistent with the policy for external appointees detailed above. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Company will continue to honour these arrangements.

Non-Executive Directors

In recruiting a new Non-Executive Director, the Remuneration Committee will utilise the policy as set out in the table on page 83.

Service contracts and loss of office payments

Copies of Directors' service agreements and letters of appointment are available for inspection on request at the Company's registered office.

Executive Directors

It is the Company's policy that Executive Directors should serve under rolling service contracts of 12 months' duration or less. The Remuneration Committee will review the contractual terms for new Executive Directors to ensure these reflect best practice.

In summary, the contractual provisions for current Executive Directors are as follows:

Contract provision	Policy	Details
Notice periods	Director or Company shall be entitled to serve 6 months' notice (in Penny Ladkin-Brand's case) or 12 months' notice (in Zillah Byng-Thorne's case).	A Director may be required to work during their notice period or be put on garden leave.
Compensation for loss of office	Director shall be entitled to receive up to 6 months' salary (in Penny Ladkin-Brand's case) or 12 months' salary (in Zillah Byng-Thorne's case) and benefits during any unexpired notice period.	While service agreements allow for monthly payments during the notice period which are subject to mitigation, the Committee retains discretion to make payments in such manner as is deemed appropriate, particularly by reference to the circumstances of the loss of office.
Change of control	In the event of a change of control, a Director's appointment may be terminated within three months of the change of control by the Company, or on one month's notice by the Director (to expire no later than three months from the date of the change of control).	In the event of termination by either the Director or the Company, the Director will be entitled to receive 6 months' salary.

In a leaver event, the following payments may also be made to departing Executive Directors:

1. Any share-based entitlements granted to an Executive Director under Company share plans will be determined based on the relevant plan rules. In certain prescribed circumstances, such as death, ill-health, injury, disability, redundancy, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. Under the PSP, for good leavers, awards will normally be reduced pro-rata to reflect the proportion of the vesting period actually served and tested for performance at the end of the original performance period. Vested PSP awards which are subject to an additional holding period will typically be retained and released at the end of the holding period, with Committee discretion to accelerate the release of such awards in certain good leaver or change of control circumstances. Deferred bonus shares will normally be retained by the Executive Director and released in full following completion of the applicable deferral period, with Committee discretion to accelerate the vesting of awards in certain good leaver or change of control circumstances;
2. A bonus may be payable for the period of active service in certain prescribed good leaver circumstances and in other circumstances at the discretion of the Committee and subject to the achievement of the relevant performance targets;
3. At the discretion of the Remuneration Committee, a contribution to reasonable outplacement costs in the event of termination of employment due to redundancy. The Committee also retains the ability to reimburse reasonable legal costs incurred in connection with a termination of employment; and
4. Any payment for statutory entitlements or to settle or compromise claims in connection with a termination of any existing or future Executive Director as necessary.

Non-Executive Directors

Contract provision	Policy	Details
Notice periods	Three months' notice from either Company or Director.	Appointed for a three-year term, subject to annual re-election by shareholders at the Company's AGM.

External appointments

Executive Directors are encouraged to hold one Non-Executive role in addition to their full-time position in order to broaden their experience, and may retain any fees received in respect of such roles. All appointments must first be agreed by the Committee and must not represent a conflict to their current role. In the case of Zillah Byng-Thorne, it was agreed at the time of her appointment that she could hold three Non-Executive roles in addition to her position as Chief Executive. This is a one-off exception agreed with the Chief Executive, with the normal policy being no more than one external Non-Executive role. Zillah Byng-Thorne has agreed not to replace any of her Non-Executive positions as they time mature.

In respect of positions at listed companies, during the financial year ended 30 September 2019, Zillah Byng-Thorne served as a Non-Executive Director at Flutter Entertainment plc and GoCo Group plc for which she retained total fees of £177,000. Similarly, Penny Ladkin-Brand served as a Non-Executive Director of Next Fifteen Communications Group plc for which she retained fees of £46,000.

Consideration of conditions elsewhere in the Company

The Committee takes into consideration the pay and conditions of employees across the Group when determining remuneration for Executive Directors, although currently does not formally consult with employees on the executive remuneration policy and framework.

All employees receive a basic annual salary, benefits and an entitlement to receive a bonus, subject to financial performance, under the Group's profit pool bonus scheme.

Discretionary share incentive awards are granted to certain key employees and 'rising stars' under the PSP and DABS schemes, the details of which are set out in note 23 on pages 139 to 141. The Group operates a Share Incentive Plan in order to encourage active employee share ownership.

Consideration of shareholder views

The Remuneration Committee considers shareholder feedback received as part of any discussions with shareholders and consults with shareholders on specific matters as and when appropriate.

As part of its work during 2019, the Remuneration Committee consulted with investors representing around 60% of Future's issued share capital to seek their views on the proposed changes to the Remuneration Policy, as well as remuneration at Future more broadly. The Committee is grateful for those investors who actively participated in the consultation and we welcome the constructive feedback received. The Committee used the feedback received to refine and develop the final proposals, including the planned alignment of existing Executive Director pension contributions with the wider workforce by the end of the three-year policy period. We are confident that these proposals appropriately reflect recent developments in best practice while also supporting Future in attracting, retaining and motivating the Executive Directors and other senior employees. The Committee will continue to monitor trends and developments in corporate governance and market practice to ensure the structure of the executive remuneration remains appropriate.

IMPLEMENTATION REPORT

The following report provides details of how the current Directors' Remuneration Policy was applied for the year ended 30 September 2019 and how the Committee intends to apply the proposed new Policy in the year ending 30 September 2020.

The Remuneration Committee

The Committee is responsible for determining the overall remuneration policy of the Group, and in particular for:

- Determining the appropriate basic annual salaries, incentive arrangements and terms of employment of Executive Directors.
- Monitoring and reviewing the level and make-up of the remuneration packages of senior managers, including bonus schemes and share-based incentives, and ensuring that remuneration policies and practices do not encourage excessive risk-taking.
- Setting the Chairman's remuneration.
- Approving the terms of any new share-based incentive scheme for any employees of the Group, subject, where appropriate, to shareholder approval.

The terms of reference of the Remuneration Committee, reviewed annually, are available on the Company's website (www.futureplc.com). As of 30 September 2019, the Remuneration Committee comprised three independent Non-Executive Directors, each of whom had served on the Committee for the full financial year:

- Hugo Drayton (Chair)
- Alan Newman
- Rob Hattrell

Other Directors and executives, including Richard Huntingford (Board Chairman), Zillah Byng-Thorne (Chief Executive) and Claire MacLellan (Chief Operating Officer) have been, from time to time, invited to attend meetings of the Committee. The Company Secretary, or nominee, acts as secretary to the Committee. No individuals are involved in decisions relating to their own remuneration.

Details of the Committee's principal activities during the year ended 30 September 2019 and attendance of Committee members is included on page 71.

Advisers

The Committee is informed of key developments and best practice in the field of remuneration and obtains advice from independent external consultants, when required, on individual remuneration packages and executive remuneration practices in general. Ernst & Young LLP ('EY') were the Committee's appointed remuneration consultants until April 2019. Reflecting best practice, the Committee undertook a competitive tender process during the year, with shortlisted firms invited to attend a detailed interview with members of the Committee. Following a thorough and transparent review, the Committee appointed Mercer | Kepler ('Mercer') as remuneration consultants to the Board with effect from 23 April 2019.

Services provided to the Committee by EY during 2019 included preparation and advice of shareholder communications and a review of the remuneration policy and report. Fees paid to EY for services provided to the Committee during the financial year were £11,000 (2018: £20,000) on the basis of time and materials. Following their appointment as remuneration consultants, services provided to the Committee by Mercer included supporting the review of the remuneration policy, regulatory guidance, advice on shareholder trends and consultation support, and Directors' Remuneration Report drafting support. Fees paid to Mercer during the financial year were £45,890 on the basis of time and materials.

Mercer does not provide any other services to the Group and the Committee is satisfied that Mercer remains independent. Furthermore, Mercer is a signatory to, and founding member of, the Remuneration Consultants' Code of Conduct (www.remunerationconsultantsgroup.com) which requires that its advice be objective and impartial.

Shareholder voting

The following table shows the results of the binding vote on the FY2018 Policy Report and the advisory vote on the FY2018 Implementation Report at the 2019 Annual General Meeting:

	Remuneration Policy report FY2018	Implementation report FY2018
For (including discretionary)	45,864,661 70.4%	43,528,731 66.8%
Against	19,264,216 29.6%	21,601,804 33.2%
Total votes cast (excluding withheld votes)	65,128,877	65,130,535
Votes withheld	4,699,926	4,698,268

Single figure of remuneration for Directors (audited)

The table below sets out a single figure for the total remuneration received for the last two financial years by each Executive and Non-Executive Director who served in the year ended 30 September 2019:

£'000	Year ended 30 September	Basic salary or fees	Taxable benefits[1]	Annual bonus[3]	PSP[4]	Pension benefit[2]	Total single figure
Executive Directors							
Zillah Byng-Thorne	**2019**	**475**	**17**	**713**	**4,402**	**71**	**5,678**
	2018	400	17	600	9,804	60	10,881
Penny Ladkin-Brand[5]	**2019**	**325**	**15**	**344**	**3,144**	**41**	**3,869**
	2018	249	13	344	6,789	37	7,432
Non-Executive Directors							
Hugo Drayton	**2019**	**53**	**-**	**-**	**-**	**-**	**53**
	2018	47	-	-	-	-	47
Rob Hattrell[6]	**2019**	**45**	**-**	**-**	**-**	**-**	**45**
	2018	-	-	-	-	-	-
Richard Huntingford[7]	**2019**	**120**	**-**	**-**	**-**	**-**	**120**
	2018	88	-	-	-	-	88
Alan Newman[8]	**2019**	**50**	**-**	**-**	**-**	**-**	**50**
	2018	32	-	-	-	-	32
Total	**2019**	**1,068**	**32**	**1,057**	**7,546**	**112**	**9,815**
	2018	816	30	944	16,593	97	18,480

Notes:

1. **Benefits for Executive Directors comprise principally car allowance, private health insurance and life assurance. There were no taxable expenses paid to any Director in the year.**
2. **Both Zillah Byng-Thorne and Penny Ladkin-Brand received cash supplements in lieu of pension contributions. These additional cash payments are not included in determining their entitlement to any bonus, share-based incentive or pension entitlement.**
3. **Relates to payment for performance during the year and includes the grant date value of any amount paid in shares under the Deferred Annual Bonus Scheme. Details relating to the Annual Bonus are set out on page 89.**
4. **The PSP figures are consistent with the approach taken in the last two reports, i.e. awards are captured in the year that performance periods have ended (see page 90 for further details).**
   2018 figure: relates to the PSP award granted on 30 November 2015 which vested in full on 23 November 2018, following the achievement of performance criteria over the three-year period ended 30 September 2018, and 50% of the PSP awards granted on 23 November 2016 and 2 February 2017 which vested on 23 November 2019, following the achievement of the adjusted EBITDA target for the year ended 30 September 2018 and the share price target for the period ended 30 September 2018. The value of the award that vested in November 2018 has been calculated using the share price on the date of vesting of £5.10 and the value of the November 2016 and February 2017 awards has been calculated using the share price at date of vest on 23 November 2019 of 1,414p (which is updated from the 3-month average share price to 30 September 2018 used in last year's report).
   2019 figure: relates to 25% of the PSP awards granted on 23 November 2016 and 2 February 2017 which vested on 23 November 2019, following the achievement of the share price target for the period ended 30 September 2019. The value of these awards has been calculated using the share price at date of vest on 23 November 2019 of 1,414p.
   Further details relating to the PSP are set out on page 90.
5. **Penny Ladkin-Brand's remuneration for 2019 is higher in the year than her annualised package. Penny was on maternity leave for two and a half months of the year, and the figure above includes accrued holiday pay (paid to her on her return in 2019) as well as a maternity leave payment in line with the Group's maternity policy.**
6. **Rob Hattrell was appointed to the Board on 1 October 2018.**
7. **Richard Huntingford was appointed to the Board on 1 December 2017, and became Chairman on 1 February 2018.**
8. **Alan Newman was appointed to the Board on 6 February 2018.**

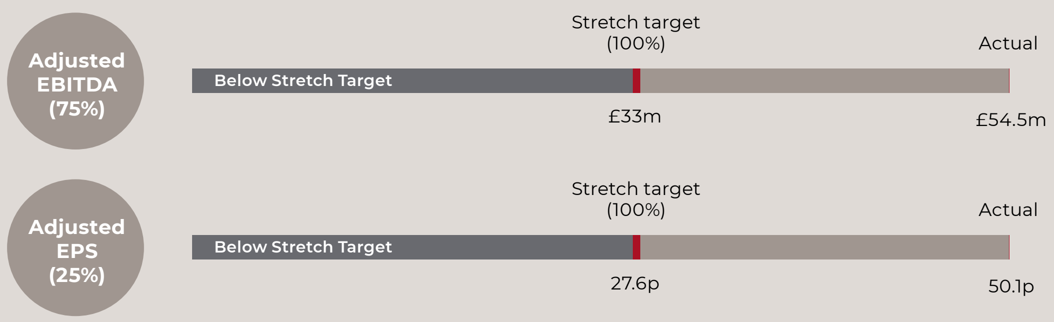
Incentive outcomes for the year ended 30 September 2019 (audited)

Performance-related bonus (Annual Bonus Scheme)

During 2019, the Company operated a profit pool bonus for all employees across the Group, including the Executive Directors. This profit pool comprised 50% of the Executive Director bonus opportunity for FY19, and was subject to over-performance of the EBITDA budget set. The remaining 50% of the opportunity was based on a combination of EBITDA (25%) and EPS (25%) performance. Maximum opportunities were maintained at 150% of salary for the Chief Executive and 125% of salary for the Chief Financial Officer; overall total payouts were based 75% on Adjusted EBITDA and 25% on Adjusted EPS.

Actual adjusted EBITDA performance for the year of £54.5m significantly exceeded the stretch target of £33m (which was 59% growth on the prior year), resulting in a formulaic outcome of 100% of maximum for this element. Similarly, actual adjusted EPS performance for the year of 50.1p significantly exceeded the stretch target of 27.6p (which was set as 5% growth on the prior year) resulting in 100% of maximum becoming payable for this element. Combining the elements, the Chief Executive and Chief Financial Officer both earned 100% of their maximum opportunity for the annual bonus.

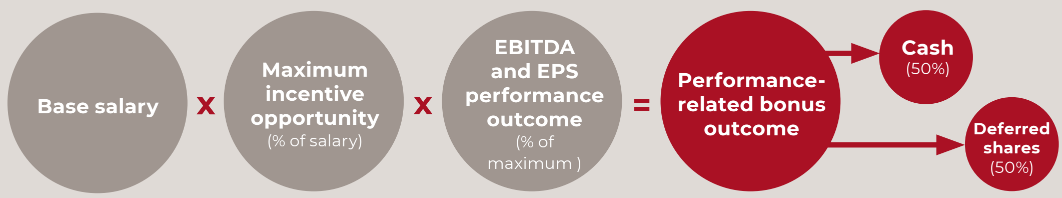
2019 Performance-related bonus



In confirming this outcome, the Committee took into account the broader financial and operational performance of the Group during the year, the exceptional shareholder returns generated and the strong and effective leadership demonstrated by the Executive Directors.

Accordingly, the Committee determined that in respect of the year to 30 September 2019, the following annual bonuses would be awarded:

Performance-related bonus



	Base salary		Maximum incentive opportunity		EBITDA and EPS performance outcome		Performance-related bonus outcome	Cash	Deferred shares
Zillah Byng-Thorne	£475,000	x	150%	x	100%	=	£712,500	£356,250	£356,250 (25,194 shares)
Penny Ladkin-Brand	£275,000	x	125%	x	100%	=	£343,750	£171,875	£171,875 (12,155 shares)

In accordance with the Remuneration Policy, 50% of these bonus amounts have been paid in cash, with the remaining 50% converted into Future shares and deferred for 2 years.

Performance Share Plan (PSP)

Awards vesting on performance to 30 September 2019

Vesting of awards made on 23 November 2016 and 2 February 2017 was dependent on two equally-weighted performance conditions – adjusted EBITDA and share price – assessed over one- to three-year performance periods, as follows:

Measure	Weighting	Performance period	Captured in single figure for year ending 30 September
Adjusted EBITDA	25%	Year ended 30 September 2017	2017
Adjusted EBITDA	25%	Year ended 30 September 2018	2018
Share price	25%	Year ended 30 September 2018	2018
Share price	25%	Year ended 30 September 2019	2019

The value of 75% of these awards has been captured previously in the single figures for years ending 30 September 2017 (25%) and 30 September 2018 (50%), due to the performance targets being met in prior years. The single figure for the year ended September 2019 reflects the final 25% of awards vesting on share price performance between grant and 30 September 2019, further details of which are set out below.

Measure	Targets	Outcome	Vesting %
Share price (highest trailing 30-day average price achieved over the performance period)	0% vesting below 300p 100% vesting for 300p or above (reflecting an 85% increase on the grant date share price)	1,105p	100%

As with the annual bonus, in confirming this outcome the Committee took into account the broader financial and operational performance of the Group over the 3-year performance period, the exceptional returns generated for shareholders and the strong and effective leadership demonstrated by the Executive Directors. Notwithstanding that Future's actual performance significantly exceeded the level required for maximum vesting, the Committee is satisfied that the targets originally set were appropriately stretching, with 300p representing c.185% growth on the trailing 30-day average share price to 1 October 2016.

Given the performance condition applying to these awards was share price, all of the value vesting is technically attributable to share price appreciation. The value attributable to share price over and above maximum vesting target of 300p was c.£3.5m and c.£2.5m for Zillah Byng-Thorne and Penny Ladkin-Brand respectively (c.79% of the total value reported). The Committee has not exercised any discretion in respect of this share price appreciation.

Performance Share Plan

	Shares subject to award	x	Share price performance (% of maximum)	x	Share price on vesting (23 November 2019)	=	PSP outcome
Zillah Byng-Thorne	311,336 (115,668 Nov 16 115,668 Feb 17)	x	100%	x	1,414p	=	£4,402,291
Penny Ladkin-Brand	222,383 (111,191 Nov 16 111,191 Feb 17)	x	100%	x	1,414p	=	£3,144,489

Performance Share Plan awards during the year

	Base salary	x	Maximum incentive opportunity (% of salary)	x	Share price at grant	=	Number of shares granted
Zillah Byng-Thorne	£475,000	x	200%	x	483p	=	196,687
Penny Ladkin-Brand	£275,000	x	167%	x	483p	=	95,083

Awards granted during the year to 30 September 2019

On 22 November 2018, Executive Directors were granted awards under the PSP with face values of between 167% and 200% of their respective salaries. The three-year period over which performance will be measured began on 1 October 2018 and will end on 30 September 2021. Any awards vesting for performance will be subject to an additional two-year holding period.

Vesting of these awards is dependent on two equally-weighted measures over the three-year performance period: earnings per share (EPS) and share price. There is no retest provision. Details of the vesting schedules are provided below:

Measure	Weighting %	Targets
EPS for year ending 30 September 2021	50%	0% vesting below 5% CAGR 19% vesting for 5% CAGR 75% vesting for 10% CAGR 100% vesting for 20% CAGR Straight-line vesting between these points
Share price (90-day average to 30 September 2021)	50%	0% vesting below 5% CAGR 19% vesting for 5% CAGR 75% vesting for 10% CAGR 100% vesting for 20% CAGR Straight-line vesting between these points

Reflecting the increase in maximum opportunity under the PSP to 200% of salary, and consistent with our commitment in last year's Directors' Remuneration Report, awards over 150% of salary vest only for exceptional performance. The Committee has set very stretching targets between 75% and 100% vesting, requiring between 10% and 20% CAGR for each performance measure over the performance period.

Pension entitlements (audited)

The only element of remuneration that is pensionable is basic annual salary, excluding performance-related bonuses and benefits in kind. During the year ended 30 September 2019, employer's pension contributions were payable to the Executive Directors as a salary supplement, at a rate of 15% of salary for both the Chief Executive and the Chief Financial Officer. This additional cash payment is not included in determining their entitlement to any performance-related bonus, share-based incentive or pension. The Company had no liability in respect of the Executive Directors' pensions as at 30 September 2019. Normal retirement age under the scheme rules is 75.

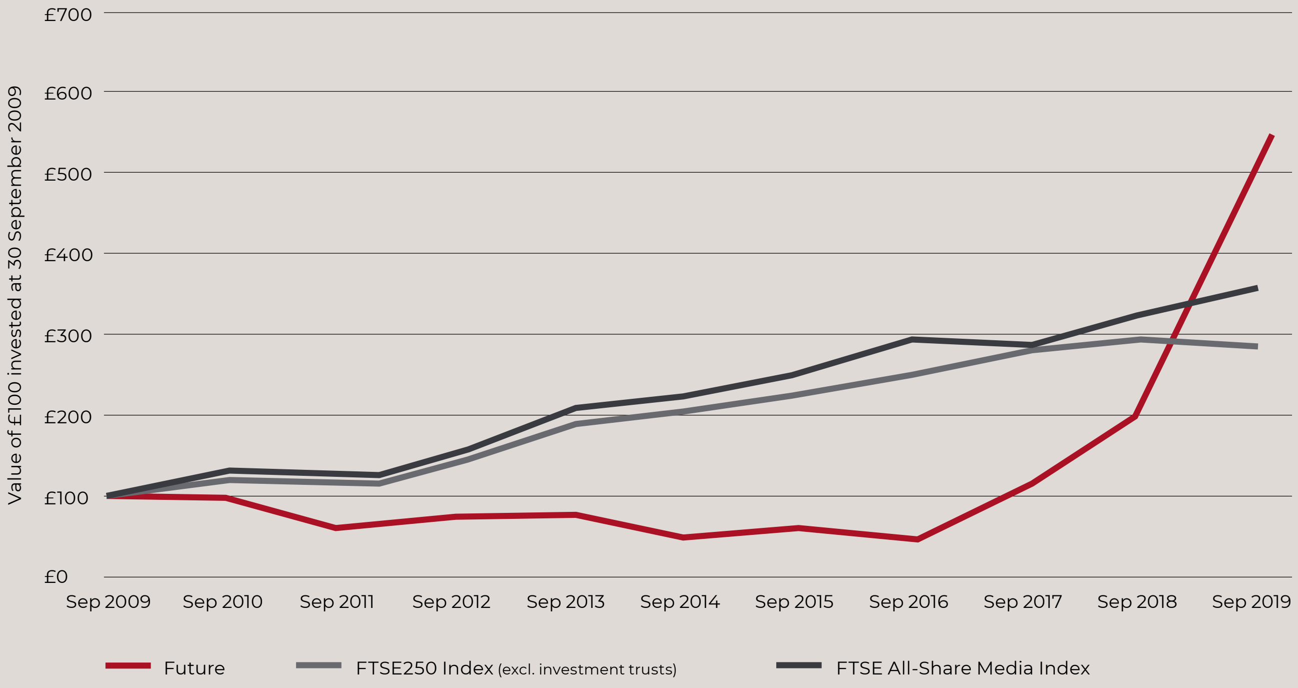
Review of past performance

Alignment of reward and Total Shareholder Return: Rebased to Future plc as of 1 October 2009

This graph shows a comparison of Future's total shareholder return (share price growth plus dividends) with that of the FTSE All-Share Media Index and the FTSE250 Index (excluding investment trusts). The FTSE All-Share Media Index was selected as it provides a comparison of Future's performance relative to the other companies in its sector, whilst the FTSE250 Index is shown this year to reflect the Group having moved up to a Premium Listing and its inclusion in the FTSE250 index.

Historical TSR performance

Growth in the value of a hypothetical £100 holding over the 10 years to 30 September 2019



The table below shows the Chief Executive's single figure of remuneration and variable pay outcomes over the same period as the graph above.

	Stevie Spring			Mark Wood		Zillah Byng-Thorne					
Year	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
CEO single figure of remuneration £'000	£423	£746	£546	£430	£331	£306[6]	£471	£347	£5,425[9]	£10,881[9]	£5,678
Annual Bonus as % of Maximum	0%	40%	0%	50%	0%	20%	36%	0%[7]	88%[8]	100%	100%
PSP Vesting (% of maximum)	100%[1]	48%[2]	100%[3]	0%[4]	0%[4]	0%[5]	0%[5]	0%[5]	100%	100%	100%

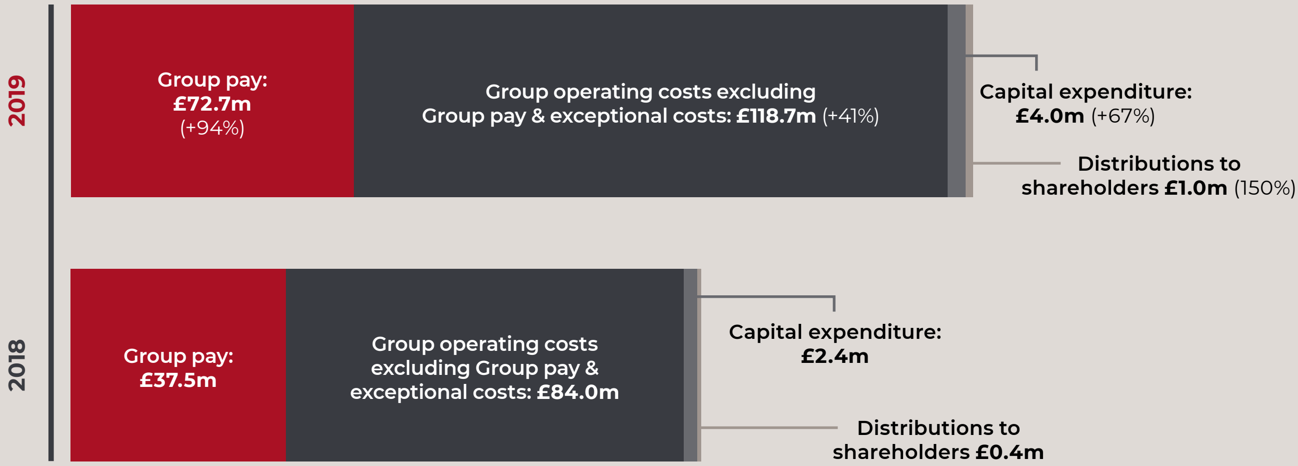
Notes:
1. This represents shares which were granted as part of an exceptional one-off award intended to aid recruitment and retention. The award was not subject to performance criteria.
2. This represents the first tranche of a deferred bonus share award which was not subject to performance criteria and the PSP award granted in December 2006 which partially vested in December 2009 following the partial satisfaction of TSR performance criteria.
3. This represents the second tranche of a deferred bonus share award which was not subject to performance criteria. The PSP award granted in December 2007 lapsed in December 2010.
4. The first awards granted to Mark Wood under the PSP were granted in January 2012 and lapsed on 18 January 2015, since the relevant performance criteria were not met.
5. The first awards granted to Zillah Byng-Thorne under the PSP were granted in December 2013 and lapsed on 16 December 2016, as the relevant performance criteria were not met.
6. The single figure for Zillah Byng-Thorne for 2014 includes five months of her Chief Financial Officer salary and six months of her salary as Chief Executive.
7. Zillah Byng-Thorne waived her performance-related bonus for 2016.
8. Zillah Byng-Thorne received a transaction bonus of £350,000 following the successful completion of the Imagine acquisition in October 2016. The right to a performance-related bonus was waived in 2016 as a result of this transaction bonus being paid. The 88% in the table reflects the combination of this transaction bonus, the profit pool bonus which was awarded as a result of EBITDA performance achieved for 2017 and the further bonus of 50% of current salary (to be satisfied in shares that must be held for at least one year) for the achievement of 2017 target EBITDA.
9. Figures restated to reflect the share price at date of vest for PSP awards granted in November 2016 and February 2017.

Percentage change in remuneration of Chief Executive

	Salary			Taxable Benefits			Bonus		
	2019	2018	% change	2019	2018	% change	2019	2018	% change
Chief Executive	**£475,000**	£400,000	**19%**	**£17,000**	£17,000	**-%**	**£712,500**	£600,000	**19%**
All employees	**£58,520**	£49,859	**17%**	**£3,838**	£2,964	**29%**	**£7,079**	£2,659	**166%**

Relative importance of spend on pay

The relative importance of spend on pay for the business is shown in the table below.



The table shows the actual expenditure of the Group, and change between the current and previous years, on remuneration paid to all employees compared to the total operating costs for the Group excluding exceptional costs and remuneration, investment in capital expenditure and distributions to shareholders. Prior year Group operating costs have been restated by £5.5m for the impact of IFRS 15. See note 2 of the financial statements for further details.

Figures are derived from the Group's consolidated financial statements. Distribution to shareholders figures in the table relate to the dividends paid (or payable) for the FY18 and FY19 financial years being, respectively, (i) the 0.5p final dividend for the FY18 financial year paid in February 2019; and (ii) the 1.0p final dividend proposed for the FY19 financial year, payable in February 2020.

Payments to past Directors (audited)

No payments were made to any past Directors during the financial year ended 30 September 2019.

Payments for loss of office (audited)

During the financial year to 30 September 2019 no payments in respect of loss of office were made.

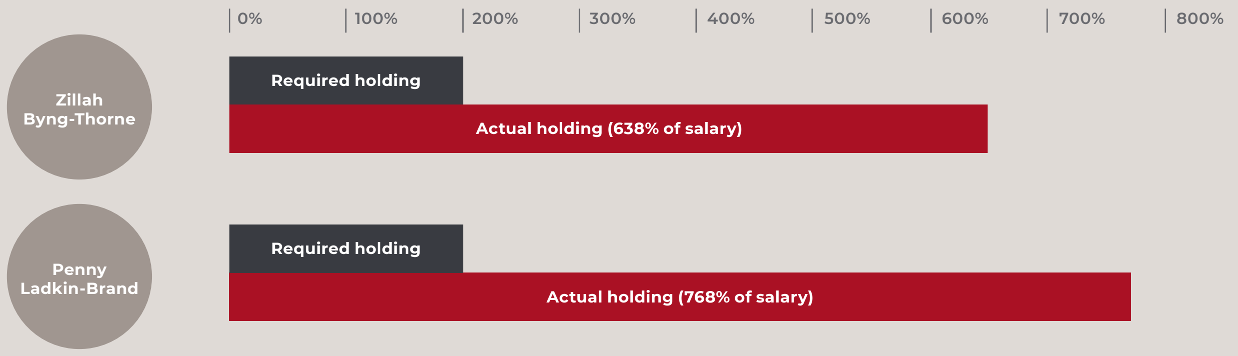
Statement of Directors' shareholding and share interests (audited)

The Company has a policy on share ownership by Executive Directors which requires that any such Director should accumulate a holding in shares over a five-year period from appointment where the value of those shares represents at least two times salary. Both Executive Directors currently meet this requirement.

In respect of Zillah Byng-Thorne, the relevant five-year period commenced on 1 November 2013 and ended on 31 October 2018. As at 30 September 2019, Zillah Byng-Thorne had a holding of 247,205 shares which, at the share price on the same date, were worth £3,030,733 (638% of salary).

In respect of Penny Ladkin-Brand, the period commenced on 3 August 2015 and will end on 2 August 2020. As at 30 September 2019, Penny Ladkin-Brand had a holding of 172,162 shares which, at the share price on the same date, were worth £2,110,706 (768% of salary).

Executive Director shareholdings



Details of Directors' shareholdings are set out on page 54 of the Directors' report.

Directors' interests in share schemes (audited)

Details of options and other share incentives held by Executive Directors and movements during the year are set out in the tables below.

PSP

Director	Date of grant	Earliest exercise date	Expiry date	Exercise price per share (p)	Balance at 1 Oct 2018[1]	Granted during the year[3]	Vested during the year[4]	Balance at 30 Sept 2019
Zillah Byng-Thorne	30 Nov 15	30 Nov 18	N/A	Nil	195,919	-	195,919	-
	23 Nov 16	23 Nov 19	N/A	Nil	622,672	-	-	622,672[5]
	2 Feb 17	23 Nov 19	N/A	Nil	622,672	-	-	622,672[5]
	24 Nov 17	24 Nov 20	N/A	Nil	134,345	-	-	134,345
	22 Nov 18	22 Nov 21[2]	N/A	Nil	-	196,687	-	196,687
Total					**1,575,608**	**196,687**	**195,919**	**1,576,376**
Penny Ladkin-Brand	30 Nov 15	30 Nov 18	N/A	Nil	97,960	-	97,960	-
	23 Nov 16	23 Nov 19	N/A	Nil	444,765	-	-	444,765[5]
	2 Feb 17	23 Nov 19	N/A	Nil	444,765	-	-	444,765[5]
	24 Nov 17	24 Nov 20	N/A	Nil	92,363	-	-	92,363
	22 Nov 18	22 Nov 21[2]	N/A	Nil	-	95,083	-	95,083
Total					**1,079,853**	**95,083**	**97,960**	**1,076,976**

Notes:
1. **Following the completion of the rights issue on 21 August 2018 the Committee elected to 'make good' all share award holders by increasing their number of options. All share incentives awarded to Zillah Byng-Thorne and Penny Ladkin-Brand were therefore increased accordingly, as detailed in last year's report.**
2. **Awards granted in November 2018 will be subject to a mandatory 2-year holding period following vesting.**
3. **Details of awards granted in the year are set out on page 91.**
4. **Details of awards vesting during the year were set out in last year's report.**
5. **Awards were converted to nil-cost options as at 3 July 2019. Awards vested in full following year end on 23 November 2019.**

DABS

Director	Date of grant	End of deferral period	Balance at 1 Oct 2018	Granted during the year	Released during the year	Balance at 30 Sept 2019
Zillah Byng-Thorne	24 Nov 17	24 Nov 18	56,022	-	56,022	-
Total			**56,022**	**-**	**56,022**	**-**
Penny Ladkin-Brand	24 Nov 17	24 Nov 18	38,515	-	38,515	-
Total			**38,515**	**-**	**38,515**	**-**

Implementation of remuneration policy in the year to 30 September 2020

The Remuneration Committee is proposing a number of changes to the Remuneration Policy as outlined in the Remuneration Policy report on pages 78 to 80. Subject to shareholder approval at the Company's AGM on 5 February 2020, the Committee intends to implement the policy as follows during the year to 30 September 2020.

Salary

Following last year's increase to £475,000, the Committee has committed to next review Zillah Byng-Thorne's salary in 2020 and accordingly proposes no change with effect from 1 October 2019. The Committee at the same time reviewed the pay for Penny Ladkin-Brand, whose salary had not been increased for two years, and determined that her base salary would be increased to £350,000 with effect from 1 October 2019. In making this decision, the Committee took into account the Group's performance, and pay of equivalent roles within comparable companies

Director	Base salary from 1 October 2018	Base salary from 1 October 2019	Percentage increase
Zillah Byng-Thorne	£475,000	£475,000	Nil%
Penny Ladkin-Brand	£275,000	£350,000	27.3%

Pension and benefits

Executive Directors will continue to receive a pension contribution of up to 15% of salary or an equivalent cash allowance. No changes are proposed to the benefits provided.

Annual bonus

The Company will continue to operate a profit pool bonus for all employees across the Group, including the Executive Directors. The Profit pool pays out a fixed amount of cash for the majority of employees based on delivering EBITDA performance above Budget. In addition to the profit pool component which accounts for 25% of the Chief Executive's bonus opportunity (worth 50% of salary), a further opportunity to earn an additional 150% of salary as a bonus is possible. The same profit pool scheme applies to the Chief Financial Officer, with an additional 100% of salary payable as a bonus for outperformance above this level. Subject to shareholder approval of the new Remuneration Policy, the maximum opportunity will be 200% of salary for the Chief Executive and 150% of salary for the Chief Financial Officer. Specific performance targets for the Annual Bonus are not disclosed due to their commercial sensitivity, however it is the Committee's intention that these will be disclosed retrospectively in next year's report. 50% of any bonus earned will be deferred in Future shares for 2 years.

PSP

For FY20, the Chief Executive will receive an award of 200% of salary and the Chief Financial Officer will receive an award of 167% of salary vesting based on an equal blend of EPS and absolute TSR measured over 3 financial years as follows:

Measure	Weighting	Performance period
EPS for year ending 30 September 2022	50%	0% vesting below 56p 25% vesting for 56p (7% CAGR) 50% vesting for 62p (10% CAGR) 100% vesting for 71p or above (16% CAGR) Straight-line vesting between points
Absolute TSR (growth between 30 September 2019 and 30 September 2022; 3-month averaging)	50%	0% vesting below 6% per annum 25% vesting for 6% per annum 100% vesting for 15% per annum Straight-line vesting between these points

Full vesting under each element will require continued exceptional performance over the next three years. Any awards vesting for performance will be subject to an additional two-year holding period, during which time clawback provisions will also apply. Further details of the grant date and number of interests awarded – which will remain constant for the next two grants – will be disclosed in next year's report.

Non-Executive Director fees

Non-Executive Directors do not participate in any of the Company's share incentive arrangements, nor do they receive any benefits. Fees will be reviewed annually with effect from the date of the new Remuneration Policy (previously triennially). The Board Chair's fees are set by the Committee, and those for the Non-Executive Directors are set by the Board as a whole. The background to, and rationale for, increases to be made with effect from 1 March 2020 is included in the Remuneration Committee Chair's Statement on page 71.

Position	Fees from 1 October 2018	Fees from 1 March 2020
Board Chair	£120,000	£200,000
Non-Executive Director	£45,000	£55,000
Senior Independent Director	£7,500	£10,000
Audit Committee Chair	£5,000	£10,000
Remuneration Committee Chair	£5,000	£10,000

New Chief Financial Officer

On 30 October 2019 it was announced that Rachel Addison, TI Media CFO, would be joining the Board and succeeding Penny Ladkin-Brand as Chief Financial Officer upon completion of the TI Media acquisition (expected to be in in Spring 2020). At the same time, Penny Ladkin-Brand will move into a new role within the Group as Chief Strategy Officer.

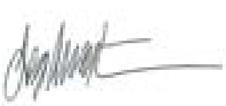
Rachel Addison's remuneration arrangements will be in line with the proposed Remuneration Policy outlined earlier in this report. Further details will be included in next year's Directors' Remuneration Report.

Dilution

Awards under Future plc incentive plans may be satisfied by treasury shares or the issue of new shares or the purchase of shares in the market.

Under Investment Association guidelines, the issue of new shares or reissue of treasury shares under a plan, when aggregated with awards under all of a company's other schemes, must not exceed 10% of the issued ordinary share capital (adjusted for share issuance and cancellation) in any rolling ten-year period. As at 30 September 2019 this limit had not been exceeded (8.2%).

Approved by the Board and signed on its behalf by



Hugo Drayton
Chair of the Remuneration Committee
4 December 2019

Independent auditors' report to the members of Future plc

Report on the audit of the financial statements

Opinion

In our opinion, Future plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2019 and of the group's profit and the group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- 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.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company balance sheets as at 30 September 2019; the Consolidated income statement and Consolidated statement of comprehensive income, the Consolidated and Company cash flow statements, the Notes to the Consolidated and Company cash flow statements, and the Consolidated and Company statements of changes in equity for the year then ended; the Accounting policies; and the Notes to the financial statements.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the company.

Other than those disclosed in note 4 to the financial statements, we have provided no non-audit services to the group or the company in the period from 1 October 2018 to 30 September 2019.

Our audit approach

Overview

- Overall group materiality: £1,363,000, (2018: £1,246,000), based on 2.5% of adjusted EBITDA.
- Overall company materiality: £2,408,000 (2018: £2,040,000), based on 1% of total assets.

- The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment, the financial significance of components and other qualitative factors (including history of misstatement through fraud or error).
- We performed audit procedures over three components we considered either financially significant or higher risk in the context of the Group (full scope audit) and over one component specific audit procedures were performed on certain account balances and transactions.
- We also performed other procedures including Group and component level analytical review procedures to mitigate the risk of material misstatement in the insignificant components.
- Procedures were also performed at the Group level over the consolidation process.

- The accounting for acquisitions (Group).
- The classification of exceptional items (Group).
- The valuation of goodwill (Group).
- Accounting for uncertain tax provisions (Group and parent).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to financial reporting and related company legislation and taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with the Board of directors, management and the Group's and Company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Board of directors and its key sub-committees (including the Audit Committee);
- Evaluation of management's controls designed to prevent and detect irregularities, in particular the whistleblowing policy and employee code of conduct;
- Assessment of matters reported on the Group's whistleblowing helpline and the results of management's investigation of such matters;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of goodwill, the valuation of assets and liabilities acquired through business combinations and uncertain tax positions (see related key audit matters below); and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, 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. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	*How our audit addressed the key audit matter*
The accounting for acquisitions. (Refer to note 28 for further information). During the year, the Group completed its acquisition of MoNa Mobile Nations LLC and SmartBrief Inc. We focussed on the accounting for these transactions because the are material to the consolidated financial statements of the Group and because there is a degree of judgement in the identification and valuation of the assets and liabilities acquired. The group also finalised the accounting for the acquisition of Purch LLC acquired on 4th September 2018.	Our work over the accounting for the acquisitions was supported by our in-house valuation experts and included the following procedures: • We agreed the cash and equity consideration paid to supporting documentation • We tested the fair values of the assets and liabilities acquired and, based on our understanding of the acquired businesses, assessed whether all assets and liabilities had been appropriately identified. We also considered any required alignment of accounting policies and valuation methodologies. • We used our in-house valuation experts to assess the appropriateness of the methodology used to value intangible assets and the reasonableness of certain key assumptions. • We re-performed the calculation of goodwill. • We assessed the sufficiency of disclosures relating to the acquisitions, taking into account the requirements of relevant financial reporting standards and tested the completeness and accuracy of those disclosures. • We have reperformed the risk weighted calculation used to arrive at the fair value of contingent consideration. Based on the work performed and recognising that due to the proximity of the acquisitions to the year-end, the fair values are provisional, we found that the fair value of the acquired assets and liabilities was supported by the evidence obtained. We are satisfied that the revisions made to the purchase price allocation between goodwill and intangibles in respect of the acquisition of Purch LLC are reasonable.
The classification of exceptional items (£3.4 million (2018: £4.4 million)) Refer to note 5 for further information. The Group's accounting policy is to report items of income and expense as exceptional items where they relate to an event which falls outside the ordinary activities of the business and where individually or in aggregate they have a material impact on the financial statements. Exceptional items primarily consisted of acquisition related costs. We focussed on this area because exceptional items are material to the consolidated financial statements and because there is a degree of judgement in their classification.	We tested the classification of exceptional items by examining supporting information such as invoices. From the evidence obtained, we concurred with management's assessment to classify and disclose these costs as separately reported exceptional items, in line with the disclosed accounting policy.

Key audit matter	*How our audit addressed the key audit matter*
The valuation of goodwill (£218.7m (2018: £99.8 million)). Refer to note 12 for further information. Goodwill is an intangible asset that arises on the acquisition of a business and reflects the portion of the consideration paid which cannot be allocated to separately identifiable acquired assets. Goodwill is not amortised but tested for impairment at least once a year, or more frequently where there is an indication that it may be impaired. We focused on this area because goodwill is material to the consolidated financial statements and the assumptions used in the impairment assessment are inherently subjective. In particular, the assessment is highly sensitive to changes in forecast earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) margins.	Our work to address the valuation of goodwill was supported by our in-house valuation experts and included the following procedures: • We assessed whether the forecast EBITDA margins were reasonable by comparing them to historical trends and by considering the accuracy of management's forecasting in the past. We considered whether there had been any changes to the business or to the market environment, which could increase the level of uncertainty in the forecast. • We performed sensitivities to confirm that the forecast EBITDA margin continued to remain the key assumption for the UK to which the impairment assessment was most sensitive and revenue growth continued to remain the key assumption for the US to which the impairment assessment was most sensitive. We also considered to what level these metrics would need to deteriorate in order to indicate impairment. • We used our in-house valuation experts to compare the discount rate to our own estimate of the Group's cost of capital, adjusted for the effects of tax. • We also assessed the reasonableness of the assumed long-term growth rate in light of external forecasts for the UK and US economies. Based on the work performed, we found that the methods used in the impairment assessment were appropriate and that the conclusions reached were supported by the evidence obtained.
Accounting for uncertain tax provisions The Group and Parent is subject to tax laws in a number of jurisdictions, primarily the US and UK. The Group has material intra-group transactions which relate to sharing intangible assets, making it very hard to be certain regarding the appropriate transfer pricing policy. In addition, the group has a number of additional tax risks arising from how the business has evolved over time, and these risks are exacerbated by the rapid increase in profits during FY19. The net result is that the group has recognised a material centrally held provision of £5.6m against uncertain tax positions, the valuation of which is a highly judgemental area. Where tax positions are not settled with the tax authorities, the Directors take into account precedent and the advice of external experts.	Our work to address the value of this provision included the following procedures: • We engaged our in-house tax specialists to review the tax provisions as a whole, including the uncertain tax provision. • We challenged management's choice of assumptions and scenarios in which they anticipated risks would arise, to confirm the existence of each risk. • We assessed each component of management's provision against external evidence, where available, to confirm their estimate of the amount of tax at stake from each identified risk. • We reviewed the external advice received by management, and compared this with management's judgement of the likelihood of risk and our own experience to assess the probabilities assigned by management in their weighted average estimate of the provision as a whole. • For the transfer pricing risks, we consulted in depth with our in-house transfer pricing specialists to enhance our own judgement of the risks. • We modelled alternative scenarios to gauge the sensitivity of the provision as a whole to changing assumptions. • We challenged management regarding the possibility of a 'competent authority asset' in respect of the transfer pricing risk and challenged their judgement regarding whether or not they would be likely to pursue such an asset in their different scenarios. • We considered whether any aspect of this provision should have been recorded in the prior year. Based on the work performed, we concluded that the provision falls within a reasonable range of estimates.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group is structured along two geographical lines, being the UK and US. The Group's financial statements consist of a consolidation of 24 statutory entities; but the Group primarily operates through two main trading entities; Future Publishing Limited and Future US, Inc. Each of these statutory entities is deemed to represent a separate component.

In establishing the overall approach to the Group audit, we determined the type of work that we needed to perform at each component to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. All audit work was undertaken by the UK Group engagement team.

In our view, the two main trading entities and the Future plc entity all required a full scope audit of their complete financial information, due to their size and their risk characteristics.

We considered the individual financial significance of other components in relation to primary statement account balances. We also considered the presence of any significant audit risks and other qualitative factors (including history of misstatements through fraud or error). Any component which contributed a significant proportion of one or more primary statement account balances was subject to specific audit procedures over those account balances. We performed such procedures over certain account balances and transactions within one component, in addition to the three full scope components above.

All remaining components were subject to other procedures which mitigated the risk of material misstatement, including Group and component level analytical review procedures.

This, together with our testing of the consolidation process at Group level, gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	*Company financial statements*
Overall materiality	£1,363,000 (2018: £1,246,000).	£2,408,000 (2018: £2,040,000).
How we determined it	2.5% of adjusted EBITDA.	1% of total assets.
Rationale for benchmark applied	In the prior year, we concluded that revenue was the most appropriate benchmark to determine overall materiality. We re-evaluated our benchmark in the current year, following the integration of the businesses acquired by the Group in FY18 and considering the current scale of the business and the impact of the Group's ongoing acquisition and integration activities. Consequently, we concluded that an adjusted EBITDA benchmark is now appropriate. In arriving at this judgement, we considered the financial measures which we believed to be most relevant to the shareholders in assessing the performance of the Group. Profit before tax is a generally accepted benchmark for a profit-oriented business. However, due to continued transformational activity, there has been a degree of volatility in this measure. We concluded that, in isolation, this metric did not appropriately reflect the scale of the Group's ongoing operations or its underlying performance. As a result, adjusted EBITDA was considered the most appropriate benchmark, to exclude those items which are not representative of the core operational performance of the Group. In quantifying materiality, we have also had regard to other performance measures such as revenue and unadjusted EBITDA.	As a holding company, the entity is not considered to be profit-oriented. In such circumstances, total assets is a generally accepted benchmark. Company materiality has been capped at £800,000 to reflect its allocation of materiality for the purpose of the Group audit.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £800,000 and £1,275,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £68,000 (Group audit) (2018: £62,000) and £68,000 (Company audit) (2018: £102,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	*Outcome*
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the group's and the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report, Directors' report and Corporate Governance Statement, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report. (CA06)

Directors' Remuneration
In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (on pages 59 to 60) about internal controls and risk management systems in relation to financial reporting processes and about share capital structures in compliance with rules 7.2.5 and 7.2.6 of the Disclosure Guidance and Transparency Rules sourcebook of the FCA ("DTR") is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in this information. (CA06)

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (on pages 59 to 60) with respect to the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the DTR. (CA06)

We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the company. (CA06)

The directors' assessment of the prospects of the group and of the principal risks that would threaten the solvency or liquidity of the group
We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 57 of the Annual Report 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 or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 39 of the Annual Report as to how they have assessed the prospects of the group, over what period they have done so and why they consider 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.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the group and statement in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the group and company and their environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions
We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 57, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position and performance, business model and strategy is materially inconsistent with our knowledge of the group and company obtained in the course of performing our audit.
- The section of the Annual Report on page 65 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 57, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the members on 11 May 1999 to audit the financial statements for the year ended 31 December 1999 and subsequent financial periods. The period of total uninterrupted engagement is 21 years, covering the years ended 31 December 1999 to 30 September 2019.

Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
4 December 2019

Financial statements

Contents

Consolidated income statement

for the year ended 30 September 2019

	Note	2019 Non -GAAP Adjusted results £m	2019 Adjusting items £m	2019 Statutory results £m	2018 restated[1] Non -GAAP Adjusted results £m	2018 restated[1] Adjusting items £m	2018 restated[1] Statutory results £m
Revenue	1,2	**221.5**	**-**	**221.5**	130.1	-	130.1
Net operating expenses	3	**(169.3)**	**(25.5)**	**(194.8)**	(111.6)	(13.2)	(124.8)
Operating profit		**52.2**	**(25.5)**	**26.7**	18.5	(13.2)	5.3
Finance income	7	**-**	**0.8**	**0.8**	-	-	-
Finance costs	7,28	**(2.1)**	**(12.9)**	**(15.0)**	(1.1)	0.2	(0.9)
Net finance costs		**(2.1)**	**(12.1)**	**(14.2)**	(1.1)	0.2	(0.9)
Other income		**0.2**	**-**	**0.2**	-	-	-
Profit before tax	1	**50.3**	**(37.6)**	**12.7**	17.4	(13.0)	4.4
Tax (charge)/credit	8	**(9.1)**	**4.5**	**(4.6)**	(2.5)	1.0	(1.5)
Profit for the year attributable to owners of the parent		**41.2**	**(33.1)**	**8.1**	14.9	(12.0)	2.9

See page 114 and note 10 for a reconciliation between adjusted and statutory results
1 Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £5.5m with a net nil impact on operating profit.

Earnings per 15p Ordinary share

	Note	2019 pence	2018 pence
Basic earnings per share	10	**9.9**	5.1
Diluted earnings per share	10	**9.3**	4.7

Consolidated statement of comprehensive income

for the year ended 30 September 2019

	2019 £m	2018 £m
Profit for the year	**8.1**	2.9
Items that may be reclassified to the consolidated income statement		
Currency translation differences	**8.3**	(0.3)
Other comprehensive profit/(loss) for the year	**8.3**	(0.3)
Total comprehensive income for the year attributable to owners of the parent	**16.4**	2.6

Items in the statement above are disclosed net of tax.

Consolidated statement of changes in equity

for the year ended 30 September 2019

Group	Note	Issued share capital £m	Share premium account £m	Merger reserve £m	Treasury reserve £m	Accumulated losses £m	Total equity £m
Balance at 1 October 2017		6.8	47.4	122.5	(0.3)	(115.1)	61.3
Profit for the year		-	-	-	-	2.9	2.9
Currency translation differences		-	-	-	-	(0.3)	(0.3)
Other comprehensive loss for the year		-	-	-	-	(0.3)	(0.3)
Total comprehensive income for the year		-	-	-	-	2.6	2.6
Share capital issued during the year	22, 24	5.4	97.2	2.4	-	-	105.0
Share premium reduction	24	-	(47.4)	-	-	47.4	-
Share schemes							
- Value of employees' services	6	-	-	-	-	2.6	2.6
- Deferred tax on options	14	-	-	-	-	1.1	1.1
Balance at 30 September 2018		12.2	97.2	124.9	(0.3)	(61.4)	172.6
Profit for the year		-	-	-	-	8.1	8.1
Currency translation differences		-	-	-	-	8.3	8.3
Other comprehensive income for the year		-	-	-	-	8.3	8.3
Total comprehensive income for the year		-	-	-	-	16.4	16.4
Share capital issued during the year	22, 24	0.3	-	15.5	-	-	15.8
Share schemes							
- Value of employees' services	6	-	-	-	-	3.4	3.4
- Deferred tax on options	14	-	-	-	-	5.6	5.6
Dividends paid to shareholders	9	-	-	-	-	(0.4)	(0.4)
Balance at 30 September 2019		**12.5**	**97.2**	**140.4**	**(0.3)**	**(36.4)**	**213.4**

Company statement of changes in equity

for the year ended 30 September 2019

Company	Note	Issued share capital £m	Share premium account £m	Merger reserve £m	Retained earnings £m	Total equity £m
Balance at 1 October 2017		6.8	47.4	13.5	4.0	71.7
Profit for the year		-	-	-	0.1	0.1
Total comprehensive income for the year		-	-	-	0.1	0.1
Share capital issued during the year	22, 24	5.4	97.2	2.4	-	105.0
Share premium reduction		-	(47.4)	-	47.4	-
Share schemes						
- Value of employees' services		-	-	-	2.6	2.6
- Deferred tax on options	14	-	-	-	1.1	1.1
Balance at 30 September 2018		12.2	97.2	15.9	55.2	180.5
Loss for the year		-	-	-	(1.6)	(1.6)
Total comprehensive loss for the year		-	-	-	(1.6)	(1.6)
Share capital issued during the year	22, 24	0.3	-	15.5	-	15.8
Share schemes						
- Value of employees' services		-	-	-	3.4	3.4
- Deferred tax on options	14	-	-	-	2.3	2.3
Dividends paid to shareholders	9	-			(0.4)	(0.4)
Balance at 30 September 2019		**12.5**	**97.2**	**31.4**	**58.9**	**200.0**

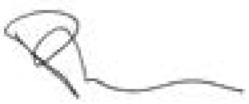
Consolidated balance sheet

as at 30 September 2019

	Note	2019 £m	2018 £m
Assets			
Non-current assets			
Property, plant and equipment	11	**2.5**	1.7
Intangible assets - goodwill	12	**218.7**	99.8
Intangible assets - other	12	**110.3**	103.6
Investments		**0.2**	0.2
Deferred tax	14	**3.7**	5.3
Total non-current assets		**335.4**	210.6
Current assets			
Corporation tax recoverable		**1.1**	0.1
Trade and other receivables	15	**41.9**	37.6
Cash and cash equivalents	16	**6.6**	6.4
Financial asset - derivative	21	**1.4**	-
Total current assets		**51.0**	44.1
Total assets		**386.4**	254.7
Equity and liabilities			
Equity			
Issued share capital	22	**12.5**	12.2
Share premium account	24	**97.2**	97.2
Merger reserve	24	**140.4**	124.9
Treasury reserve	24	**(0.3)**	(0.3)
Accumulated losses		**(36.4)**	(61.4)
Total equity		**213.4**	172.6
Non-current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**42.6**	15.7
Deferred tax	14	**0.4**	5.1
Provisions	19	**2.1**	2.8
Other non-current liabilities	20	**0.4**	0.5
Contingent consideration	21	**10.9**	-
Total non-current liabilities		**56.4**	24.1
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**4.3**	8.5
Trade and other payables	17	**62.4**	48.4
Corporation tax payable		**6.0**	1.1
Deferred consideration	21	**43.9**	-
Total current liabilities		**116.6**	58.0
Total liabilities		**173.0**	82.1
Total equity and liabilities		**386.4**	254.7

The financial statements on pages 106 to 148 were approved by the Board of Directors on 4 December 2019 and signed on its behalf by:

Richard Huntingford
Chairman



Penny Ladkin-Brand
Chief Financial Officer

Company balance sheet

as at 30 September 2019

	Note	2019 £m	2018 £m
Assets			
Non-current assets			
Investment in Group undertakings	13	**142.2**	123.6
Deferred tax	14	**4.5**	2.2
Total non-current assets		**146.7**	125.8
Current assets			
Trade and other receivables	15	**94.7**	79.7
Cash and cash equivalents	16	**-**	0.3
Financial asset - derivative	21	**1.4**	-
Total current assets		**96.1**	80.0
Total assets		**242.8**	205.8
Equity and liabilities			
Equity			
Issued share capital	22	**12.5**	12.2
Share premium account	24	**97.2**	97.2
Merger reserve	24	**31.4**	15.9
Retained earnings		**58.9**	55.2
Total equity		**200.0**	180.5
Non-current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**42.6**	15.7
Total non-current liabilities		**42.6**	15.7
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**-**	8.5
Trade and other payables	17	**0.2**	1.0
Corporation tax payable		**-**	0.1
Total current liabilities		**0.2**	9.6
Total liabilities		**42.8**	25.3
Total equity and liabilities		**242.8**	205.8

As permitted by the exemption under Section 408 of the Companies Act 2006 no Company income statement or statement of comprehensive income is presented. The Company's loss for the year was £1.6m (2018: profit of £0.1m).

The financial statements on pages 106 to 148 were approved by the Board of Directors on 4 December 2019 and signed on its behalf by:

Richard Huntingford
Chairman

Penny Ladkin-Brand
Chief Financial Officer

Consolidated and Company cash flow statements

for the year ended 30 September 2019

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Cash flows from operating activities				
Cash generated from/(used in) operations	**53.7**	**(2.3)**	14.7	(2.1)
Interest paid	**(1.5)**	**(1.4)**	(0.9)	(0.9)
Tax paid	**(3.1)**	**-**	(4.0)	(2.6)
Net cash generated from/(used in) operating activities	**49.1**	**(3.7)**	9.8	(5.6)
Cash flows from investing activities				
Purchase of property, plant and equipment	**(1.4)**	**-**	(1.2)	-
Purchase of computer software and website development	**(2.6)**	**-**	(1.2)	-
Purchase of magazine titles and websites	**(1.6)**	**-**	-	-
Purchase of subsidiary undertakings, net of debt and cash acquired	**(64.6)**	**-**	(117.1)	-
Disposal of magazine titles and trademarks	**0.4**	**-**	-	-
Capital contributions to subsidiaries	**-**	**-**	-	(100.1)
Net movement in amounts owed to/by subsidiaries	**-**	**(10.5)**	-	(1.0)
Net cash used in investing activities	**(69.8)**	**(10.5)**	(119.5)	(101.1)
Cash flows from financing activities				
Proceeds from issue of Ordinary share capital	**-**	**-**	105.7	105.7
Costs of share issue	**-**	**-**	(3.4)	(3.4)
Draw down of bank loans	**84.2**	**84.2**	7.4	7.4
Repayment of bank loans	**(68.4)**	**(68.4)**	(3.3)	(3.3)
Drawdown of overdraft	**4.3**	**-**	-	-
Bank arrangement fees	**(0.8)**	**(0.8)**	(0.1)	(0.1)
Purchase of derivative	**(0.7)**	**(0.7)**	-	-
Dividends paid	**(0.4)**	**(0.4)**	-	-
Net cash generated from financing activities	**18.2**	**13.9**	106.3	106.3
Net decrease in cash and cash equivalents	**(2.5)**	**(0.3)**	(3.4)	(0.4)
Cash and cash equivalents at beginning of year	**6.4**	**0.3**	10.1	0.7
Exchange adjustments	**2.7**	**-**	(0.3)	-
Cash and cash equivalents at end of year	**6.6**	**-**	6.4	0.3

Notes to the Consolidated and Company cash flow statements

for the year ended 30 September 2019

A. Cash generated from operations

The reconciliation of profit/(loss) for the year to cash generated from/(used in) operations is set out below:

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Profit/(loss) for the year	**8.1**	**(1.6)**	2.9	0.1
Adjustments for:				
Depreciation charge	**0.9**	**-**	0.6	-
Amortisation of intangible assets	**14.5**	**-**	7.3	-
Share schemes				
- Value of employees' services	**3.4**	**-**	2.6	-
Dividend receivable from Group undertaking	**-**	**-**	-	(3.2)
Net finance costs/(income)	**14.2**	**(0.3)**	0.9	0.9
Tax charge/(credit)	**4.6**	**(0.1)**	1.5	(0.1)
Profit on the sale of operations	**(0.2)**	**-**	-	-
Profit/(loss) before changes in working capital and provisions	**45.5**	**(2.0)**	15.8	(2.3)
Movement in provisions	**(0.7)**	**-**	-	-
Decrease in inventories	**-**	**-**	0.7	-
Decrease/(increase) in trade and other receivables	**3.5**	**-**	(7.0)	-
Increase/(decrease) in trade and other payables	**5.4**	**(0.3)**	5.2	0.2
Cash generated from/(used in) operations	**53.7**	**(2.3)**	14.7	(2.1)

B. Analysis of net debt

Group	1 October 2018 £m	Cash flows £m	Other non-cash changes £m	Exchange movements £m	30 September 2019 £m
Cash and cash equivalents	6.4	(2.5)	-	2.7	6.6
Debt due within one year	(8.5)	4.2	-	-	(4.3)
Debt due after more than one year	(15.7)	(23.5)	(0.5)	(2.9)	(42.6)
Net debt	**(17.8)**	**(21.8)**	**(0.5)**	**(0.2)**	**(40.3)**

Company	1 October 2018 £m	Cash flows £m	Other non-cash changes £m	Exchange movements £m	30 September 2019 £m
Cash and cash equivalents	0.3	(0.3)	-	-	-
Debt due within one year	(8.5)	8.5	-	-	-
Debt due after more than one year	(15.7)	(23.5)	(0.5)	(2.9)	(42.6)
Net debt	**(23.9)**	**(15.3)**	**(0.5)**	**(2.9)**	**(42.6)**

C. Reconciliation of movement in net debt

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Net debt at start of year	**(17.8)**	**(23.9)**	(10.0)	(19.3)
Decrease in cash and cash equivalents	**(2.5)**	**(0.3)**	(3.4)	(0.4)
Increase in borrowings	**(19.3)**	**(15.0)**	(4.4)	(4.4)
Other non-cash changes	**(0.5)**	**(0.5)**	0.3	0.2
Exchange movements	**(0.2)**	**(2.9)**	(0.3)	-
Net debt at end of year	**(40.3)**	**(42.6)**	(17.8)	(23.9)

D. Changes in financial assets and financial liabilities

Group	1 October 2018 £m	Cash flows £m	Acquisitions £m	Changes in fair values and unwinding of discount £m	Exchange movements £m	30 September 2019 £m
Financial assets						
Trade and other receivables	31.8	(3.4)	8.2	-	(0.6)	36.0
Cash and cash equivalents	6.4	(2.5)	-	-	2.7	6.6
Financial asset - derivative	**-**	0.6	-	0.8	-	1.4
Total financial assets	**38.2**	**(5.3)**	**8.2**	**0.8**	**2.1**	**44.0**
Financial liabilities						
Trade and other payables	(38.8)	(6.1)	(7.2)	-	(1.7)	(53.8)
Current borrowings	(8.5)	4.2	-	-	-	(4.3)
Non-current borrowings	(15.7)	(24.0)	-	-	(2.9)	(42.6)
Deferred consideration	-	-	(29.3)	(12.9)	(1.7)	(43.9)
Contingent consideration	-	-	(10.9)	-	-	(10.9)
Total financial liabilities	**(63.0)**	**(25.9)**	**(47.4)**	**(12.9)**	**(6.3)**	**(155.5)**
Net financial assets and liabilities	**(24.8)**	**(31.2)**	**(39.2)**	**(12.1)**	**(4.2)**	**(111.5)**

Accounting policies

Compliance statement and basis of preparation

Future plc (the Company) is incorporated and registered in England and Wales and is a public company limited by shares. The address of the Company's registered office and its registered number are given on page 155. The financial statements consolidate those of Future plc and its subsidiaries (the Group).

The financial statements of the Group and the individual financial statements of the parent company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee's (IFRS IC) interpretations as adopted by the European Union, applicable as at 30 September 2019, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of the consolidated financial statements published in this 2019 Annual Report are set out on pages 113 to 118. These policies have been applied consistently to all years presented, unless otherwise stated below. These financial statements have been prepared under the historical cost convention, except for derivative financial instruments and share awards which are measured at fair value.

The going concern basis has been adopted in preparing these financial statements as stated by the Directors on page 57.

New or revised accounting standards and interpretations adopted in the year

The following standards and amendments became effective in the year:

- IFRS 9 *Financial instruments*;
- IFRS 15 *Revenue from contracts with customers*;
- amendments as a result of Annual Improvements 2014-2016 Cycle; and
- amendments to IFRS 2 *Classification and measurement of share-based payment transactions.*

There has been no material impact from the adoption of new standards, amendments to standards or interpretations which are relevant to the Group, other than as set out below.

The Group has adopted IFRS 9 *Financial instruments* and IFRS 15 *Revenue from contracts with customers* from 1 October 2018.

Applying IFRS 9 has resulted in changes to the measurement and disclosure of financial instruments and introduces a new expected loss impairment model. The standard has been applied fully retrospectively, as required by IFRS 9, but the designation of financial assets and liabilities has been taken at the date of initial application. The Group has adopted the simplified approach to recognise lifetime credit losses for trade receivables. The adoption of the standard has not had a significant impact on the Group's consolidated results or financial position. See note 15 for further detail.

IFRS 15 replaces the risk and reward approach of IAS 18 *Revenue* with a contract based five-step model. The Group has elected to apply the fully retrospective method for initial application, applying IFRS 15 retrospectively (and restating comparatives) from the period beginning 1 October 2017.

As part of the implementation, the Group has conducted a thorough analysis of all material revenue streams and customer contracts and reviewed sales and accounting processes. Print and digital magazine newstrade and subscription revenue, and digital advertising revenues and expenses have changed as a result of the new standard. Based on the enhanced guidance around the principal/agent approach, revenue is recognised as the amount paid by the end consumer, rather than the amount remitted by the agent. Related commissions paid to agents are recognised as an expense within cost of sales. There has been no material impact on transition relating to any other revenue streams within the Group.

The adoption of IFRS 15 has resulted in an increase in revenue of £8.5m for the year ending 30 September 2019, along with an increase in cost of sales of £8.5m, compared to what would have been reported under IAS 18. The comparative period income statement for the year ending 30 September 2018 has been restated for an increase in revenue of £5.5m and an increase in cost of sales of £5.5m. There has been no impact on retained earnings at the date of transition or subsequently.

New accounting standards, amendments and interpretations that are issued but not yet applied by the Group

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 October 2019 and which the Group has chosen not to adopt early. These include the following standards which are relevant to the Group:

- IFRS 16 *Leases*;
- IFRIC 23 *Uncertainty over income tax treatments*;
- amendment to IFRS 9 *Prepayment features with negative compensation and modifications of financial liabilities;*
- amendment to IFRS 3 *Clarifying the definition of a business;*
- amendment to IAS 1 *and IAS 8 Definition of Material*; and
- Annual Improvements to IFRS Standards 2015-2017 Cycle.

The Group is continuing to assess the impact of IFRS 16 *Leases*, which will be effective for the year ending 30 September 2020. Adoption of this standard will result in the recognition on balance sheet of assets and liabilities relating to leases which are currently being accounted for as operating leases. On transition the Group intends to apply the modified retrospective approach, with the right-of-use asset measured as if IFRS 16 had always applied and the difference between lease assets and liabilities being recognised within retained earnings. The discount rate used will be the incremental borrowing rate determined on a lease-by-lease basis at 1 October 2019, being the date of initial application. Prior periods will not be restated. The Group anticipates a material increase of around £15.3m in reported assets and around £16.2m in reported liabilities as a result of adopting IFRS 16. In the income statement the operating lease rent expense will be replaced with the depreciation of right-of-use assets and finance costs on lease liabilities. The Group is expecting to take advantage of the following practical expedients on transition:

- rely on our assessment of where leases exist under current reporting standards IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*;
- exclude low-value leases;
- exclude short-term leases, being those with a term of 12 months or less from 1 October 2019;
- rely on our assessment of onerous leases

under IAS 37 *Provisions, contingent liabilities and contingent assets* applied immediately before the date of initial application as an alternative to performing an impairment review;

- use hindsight when determining the lease term where the contract includes options to extend or terminate; and

- exclude initial direct costs from the measurement of the right-of-use asset.

Although there will be no change to actual cash outflows, under IFRS 16 repayments relating to the principal portion of the lease liability will be presented within cash flows from financing activities and the portion relating to the repayment of interest presented within cash flows from operating activities. Payments relating to short-term and low-value leases will continue to be included in cash flows from operating activities.

IFRIC 23 *Uncertainty over income tax treatments* provides guidance and clarifies how to apply the recognition and measurement requirements in IAS 12 *Income taxes* where there is uncertainty over income tax treatments. Historically, the Group has not recognised any specific provisions for uncertain tax positions in its accounts, but in the current year it has chosen to recognise a provision. This is not due to the introduction of IFRIC 23, but instead is due to the changing risk profile of the group, and in particular as it relates to cross border transfer pricing arising from the Group's increasing US presence. However, the guidance in IFRIC 23 has been considered in the measurement of this provision, notwithstanding the fact that it will not be mandatory for the group until the year ending 30 September 2020.

For more detail about the provision for uncertain tax positions, see the 'critical judgements' section on page 118.

The Group does not expect that the other standards and amendments issued but not yet effective will have a material impact on results or net assets.

Presentation of non-statutory measures

The Directors believe that adjusted results and adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and review the results of the Group on an adjusted basis internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

Adjustments are made in respect of:

Share-based payments – share-based payment expenses (relating to equity-settled share awards with vesting periods longer than 12 months), together with associated social security costs, are excluded from the adjusted results of the Group as the Directors believe they result in a level of charge that would distort the user's view of the core trading performance of the Group. Details of share-based payments are shown in note 23.

Exceptional items – the Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is material and not related to the core underlying trading of the Group so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 5.

Amortisation of acquired intangible assets – the amortisation charge for those intangible assets recognised on business combinations is excluded from the adjusted results of the Group since they are non-cash charges arising from non-trading investment activities. As such, they are not considered to be reflective of the core trading performance of the Group.

Change in the fair value of contingent consideration - the Group excludes the remeasurement of these acquisition-related liabilities from its adjusted results as the impact of remeasurement can vary significantly depending on the underlying acquisition's performance. The unwinding of the discount on contingent consideration is also excluded from the Group's adjusted results on the basis that it is non-cash and the balance is driven by the Group's assessment of the relevant discount rate to apply. Excluding these items ensures comparability with prior years.

Changes in the fair value of currency option - the Group has excluded this from its adjusted results as the option was acquired in order to hedge USD exposure to acquisition related contingent consideration and does not relate to the core underlying trading performance of the Group.

Non-trading foreign exchange gains and losses – certain other items are excluded from adjusted results where their inclusion distorts the comparability of core trading results year-on-year.

The tax related to adjusting items is the tax effect of the items above, calculated using the standard rate of corporation tax in the relevant jurisdiction.

A reconciliation of adjusted operating profit to profit before tax is shown below:

	2019 £m	2018 £m
Adjusted operating profit	**52.2**	18.5
Adjusted finance costs	**(2.1)**	(1.1)
Other income	**0.2**	-
Adjusted profit before tax	**50.3**	17.4
Adjusting items:		
Share-based payments (including social security costs)	**(9.0)**	(3.1)
Exceptional items	**(3.4)**	(4.4)
Amortisation of acquired intangibles	**(13.1)**	(5.7)
Increase in fair value of contingent consideration	**(11.7)**	-
Unwindling of discount	**(1.2)**	-
Fair value gain on currency option	**0.8**	-
Non-trading foreign exchange gain	**-**	0.2
Profit before tax	**12.7**	4.4

A reconciliation of adjusted free cash flow to cash flow from operations is shown below:

	2019 £m	2018 £m
Adjusted free cash flow	**53.7**	17.4
Cash flows related to capital expenditure	**4.0**	2.4
Adjusted operating cash inflow	**57.7**	19.8
Cash flows related to exceptional items	**(4.0)**	(5.1)
Cash inflow from operations	**53.7**	14.7

A reconciliation between adjusted and statutory earnings per share measures is shown in note 10.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Future plc (the Company) and its subsidiary undertakings. Subsidiaries are all entities controlled by the Group. Control exists when the Group is either exposed to or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, and includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Segment reporting

The Group is organised and arranged primarily by geographical segment. The Group also uses a sub-segment split of Media and Magazines for further analysis. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Makers who are considered to be the Executive Directors of Future plc.

Revenue recognition

Revenue from contracts with customers is recognised in the income statement in line with the five-step model in IFRS 15, to reflect the pattern of transfer of goods and services to the customer. Revenue is recognised in the income statement when control passes to the customer. If the customer simultaneously receives and consumes the benefits of the contract, revenue is recognised over time. Otherwise, revenue is recognised at a point in time.

Revenue comprises the transaction price of the contract, being consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts and after eliminating sales within the Group.

For print and digital magazine newstrade and subscription revenue, and digital advertising revenues and expenses, revenue is recognised as the amount paid by the end consumer, rather than the amount remitted by the agent.

Related commissions paid to agents are recognised as an expense within cost of sales.

The following recognition criteria also apply:

- eCommerce revenue is recognised at the time of the related product sale

- Magazine newsstand circulation, print subscription and advertising revenue is recognised according to the date that the related publication goes on sale

- Online advertising revenue is recognised over the period during which the adverts are served

- Revenue from the sale of digital magazine subscriptions is recognised uniformly over the term of the subscription

- Event income is recognised when the event has taken place

- Licensing revenue is recognised on the supply of the licensed content

- Other revenue is recognised at the time of sale or provision of service

The right of return is considered to be variable consideration. The probable amount of expected returns is estimated using the most-likely amount method and accounted for as a reduction in revenue.

Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in sterling, which is the Group's presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at balance sheet exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, with exchange differences arising on trading transactions being reported in operating profit and with those arising on financing transactions reported in net finance costs unless, as a result of cash flow hedging, they are reported in other comprehensive income.

(c) Group companies
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet are translated at the closing rate at the date of that balance sheet.

(ii) Income and expenses for each income statement are translated at average exchange rates.

(iii) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Employee benefits

(a) Pension obligations
The Group has a number of defined contribution plans. For defined contribution plans the Group pays contributions into a privately administered pension plan on a contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions are charged to the income statement as they are incurred.

(b) Share-based compensation
The Group operates a number of share-based compensation plans.
The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed over the appropriate service period is determined by reference to the fair value of the awards. The calculation of fair value includes assumptions regarding the number of cancellations and excludes the impact of any non-market vesting conditions (for example, earnings per share). Non-market vesting conditions are included in assumptions about the number of awards that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity for equity-settled awards and liabilities for cash-settled awards.

The grant by the Company of share

awards to the employees of subsidiary undertakings is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the Company's financial statements.

Shares in the Company are held in trust to satisfy the exercise of awards under certain of the Group's share-based compensation plans and exceptional awards. The trust is consolidated within the Group financial statements. These shares are presented in the consolidated balance sheet as a deduction from equity at the market value on the date of acquisition.

(c) Bonus plans
The Group recognises a liability and an expense for bonuses taking into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Leases

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased assets are classified as finance leases. All other leases are classed as operating leases.

Assets held under finance leases are included either as property, plant and equipment or intangible assets at the lower of their fair value at inception or the present value of the minimum lease payments and are depreciated over their estimated economic lives or the finance lease period, whichever is the shorter. The corresponding liability is recorded within borrowings. The interest element of the rental costs is charged against profits over the period of the lease using the actuarial method.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Tax

Tax on the profit or loss for the year comprises current tax and deferred tax. Tax is recognised in the 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 payable based on taxable profits for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, along with any adjustment relating to tax payable in previous years. Management periodically evaluates items detailed in tax returns where the tax treatment is subject to interpretation. Taxable profit differs from net profit in the 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. Current tax assets relate to payments on account not offset against current tax liabilities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled in the appropriate territory.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Certain deferred tax assets and liabilities are offset against each other where they relate to the same jurisdiction and there is a legally enforceable right to offset.

Uncertain tax positions are provided for under IAS 12, with due consideration for the interpretive guidance in IFRIC 23. Each uncertain tax treatment is considered either separately or together with other uncertain positons in the same jurisdiction, depending on which approach better predicts the resolution of the uncertainty. The effect of the uncertainty is measured with reference to the expected value, i.e. the sum of the probability-weighted amounts in a range of possible outcomes. The expected value better predicts the resolution of the uncertainty where there is a range of possible outcomes.

Deferred tax in business combinations

In business combinations, deferred tax is calculated at the date of acquisition. Where the fair value (and therefore the acquisition accounting value) of assets acquired is different from its tax base, a deferred tax asset or liability is recognised on the temporary difference. The tax base is dependent on the expected tax deductions available in the applicable jurisdiction over the life of the asset.

Dividends

All dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which they are approved.

Property, plant and equipment

Property, plant and equipment is stated at cost (or deemed cost) less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation

Depreciation is calculated using the straight-line method to allocate the cost of property, plant and equipment less residual value over estimated useful lives, as follows:

- Land and buildings – 50 years or period of the lease if shorter.
- Plant and machinery – between one and five years.
- Equipment, fixtures and fittings – between one and five years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Intangible assets

(a) Goodwill
Goodwill represents the difference between the cost of the acquisition and the fair value of net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to appropriate cash generating units (those expected to benefit from the business combination) and it is not subject to amortisation but is tested annually for impairment.

(b) Titles, trademarks, customer lists, brands, subscriber databases, creative services relationships, advertising relationships, eCommerce technology and other 'magazine and website related' intangibles
Magazine and website related intangible assets have a finite useful life and are stated at cost less accumulated amortisation. Assets acquired as part of a business combination are initially stated at fair value. Amortisation is calculated using the straight-line method to allocate the cost of these intangibles over their estimated useful lives (between one and fifteen years).

Expenditure incurred on the launch of new magazine titles is recognised as an expense in the income statement as incurred.

(c) Computer software and website development
Non-integral computer software purchases are stated at cost less accumulated amortisation. Costs incurred in the development of new websites are capitalised only where the cost can be directly attributed to developing the website to operate in the manner intended by management and only to the extent of the future economic benefits expected from its use. These costs are amortised on a straight-line basis over their estimated useful lives (between one and three years). Costs associated with maintaining computer software or websites are recognised as an expense as incurred.

Impairment tests and Cash-Generating Units (CGUs)

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is not amortised but tested for impairment at least once a year or more frequently when there is an indication that it may be impaired. Therefore, the evolution of general economic and financial trends as well as actual economic performance compared to market expectations represent external indicators that are analysed by the Group, together with internal performance indicators, in order to assess whether an impairment test should be performed more than once a year.

IAS 36 'Impairment of Assets' requires these tests to be performed at the level of each CGU or group of CGUs likely to benefit from acquisition-related synergies, within an operating segment.

Any impairment of goodwill is recorded in the income statement as a deduction from operating profit and is never reversed subsequently.

Other intangible assets with a finite life are amortised and are tested for impairment only where there is an indication that an impairment may have occurred.

Recoverable amount

To determine whether an impairment loss should be recognised, the carrying value of the assets and liabilities of the CGUs or groups of CGUs is compared to their recoverable amount.

Carrying values of CGUs and groups of CGUs tested include goodwill and assets with finite useful lives (property, plant and equipment, intangible assets and net working capital).

The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. This estimate is determined, on 30 September, on the basis of the discounted present value of expected future cash flows plus a terminal value and reflects general market sentiment and conditions.

Value in use is the present value of the future cash flows expected to be derived from the CGUs or group of CGUs. Cash flow projections are based on economic assumptions and forecast trading conditions drawn up by the Group's management, as follows:

- cash flow projections are based on five-year business plans;
- cash flow projections beyond that time frame are extrapolated by applying a growth rate of 3% to perpetuity; and
- the cash flows obtained are discounted using appropriate rates for the business and the territories concerned.

If goodwill has been allocated to a CGU and an operation within that CGU is disposed of, the goodwill associated with that operation is included in the carrying amount of the operation in determining the profit or loss on disposal. The goodwill allocated to the disposal is measured on the basis of the relative profitability of the operation disposed and the operations retained.

Inventories

Inventories are stated at the lower of cost and net realisable value. For raw materials, cost is taken to be the purchase price on a first in, first out basis. For finished goods, cost is calculated as the direct cost of production. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less a loss allowance. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. Expected loss rates, calculated based on historical credit losses, are applied to trade receivables grouped based on days past due.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to reduce exposure to foreign exchange and interest rate risks and recognises these at fair value in its balance sheet. In the prior year the Group applied cash flow hedge accounting in respect of certain instruments held. For instruments for which hedge accounting is applied, gains and losses are taken to equity. Any changes to the fair value of derivatives not hedge accounted for are recognised in the income statement. Any new instruments entered into by the Group will be reviewed on a 'case by case' basis at inception to determine whether they should qualify as hedges and be accounted for accordingly under IFRS 9. In accordance with its treasury policy, the Group does not hold or issue any derivative financial instruments for trading purposes.

Where hedge accounting is not applied, changes in fair value of derivative financial instruments are recognised within profit or loss.

Investments

The Company's investments in subsidiary undertakings are stated at the fair value of consideration payable, including related acquisition costs, less any provisions for impairment.

Exceptional items

The Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is material and not related to the core underlying trading of the Group so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 5.

Critical accounting assumptions, judgements and estimates

The preparation of the financial statements under IFRS requires the use of certain critical accounting assumptions and requires management to exercise its judgement and to make estimates in the process of applying the Group's accounting policies.

Critical judgements in applying the Group's accounting policies
The areas where the Board has made critical judgements in applying the Group's accounting policies (apart from those involving estimations which are dealt with separately below) are:

(a) Accounting for acquisitions
Management applies judgement in accounting for acquisitions, including identifying assets arising from the application of IFRS 3 *Business combinations*, undertaking Purchase Price Allocation exercises to allocate value between assets acquired, including the allocation between intangible assets and goodwill, and valuing contingent consideration. See note 28 for further detail.

(b) Exceptional items
Due to the significant acquisition related activity, there are a number of items considered exceptional in nature. In the current year these largely consist of costs of returning to the premium segment of the official list of £0.8m as well as acquisition and integration related costs of £2.5m, relating to the acquisitions of MoNa Mobile Nations, LLC and SmartBrief, Inc. See notes 5 and 28 for further detail.

Key sources of estimation uncertainty
The following are areas of key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Taxation
Where tax exposures can be quantified, a provision is made based on best estimates and the judgement of the Directors. Details of the provision for uncertain tax positions in relation to material tax exposures are discussed below. As the ultimate resolution of tax exposures usually occurs at a point in time, and given the inherent uncertainties in assessing the outcomes of these exposures, there could, in future periods, be adjustments to these provisions that have a material positive or negative effect on our results in any particular period. Provisions for tax contingencies require the Directors to make estimates and judgements with respect to the ultimate outcome of a tax audit, and actual results could vary from these estimates.

In the current year, the uncertain tax positions of the Group have been reviewed, and a provision has been put in place for £5.6m (2018: £nil). The provision has been calculated under IAS 12, in line with the guidance published in IFRIC 23. This relates to a number of risks across jurisdictions, but in particular the risk of challenge by the tax authorities of the Group's transfer pricing arrangements. Although the Directors continue to believe that Future's transfer pricing is robust, its position as a digital media business and the increasing attention on transfer pricing as it relates to cross border taxation of the digital economy creates uncertainty.

(b) Valuation of acquired intangible assets
Acquisitions may result in the recognition of intangible assets, such as titles, trademarks, customer lists, advertising relationships, publishing rights and eCommerce technology. These assets are valued using a discounted cash flow model or a relief from royalty method. In applying these valuation methods, a number of key assumptions are made in respect of discount rates, growth rates, royalty rates and the estimated life of intangibles. During the year, such estimates have been made regarding the purchase of the Immediate Media titles, as well as the MoNa Mobile Nations, LLC and SmartBrief, Inc. acquisitions. See notes 12 and 28 for further details.

(c) Carrying value of goodwill
The Group uses forecast cash flow information and estimates of future growth to assess whether goodwill is impaired. Key assumptions include the EBITDA margin allocated to each CGU, the growth rate to perpetuity and the discount rate. If the results of an operation in future years are adverse to the estimates used for impairment testing, impairment may be triggered at that point. Further details, including sensitivity testing, are included within note 12.

Notes to the financial statements

1. Segmental reporting

The Group is organised and arranged primarily by reportable segment. The Executive Directors consider the performance of the business from a geographical perspective, namely the UK and the US. The Australian business is considered to be part of the UK segment and is not reported separately due to its size. The Group also uses a sub-segment split of Media (websites and events) and Magazines for further analysis. The Group considers that the assets within each geographical segment are exposed to the same risks.

(a) Reportable segment
(i) Segment revenue

		Sub-segment	2019 £m		Sub-segment	2018 £m
	Media £m	Magazines £m	Total £m	Media[1] £m	Magazines[1] £m	Total[1] £m
Segment:						
UK	**50.4**	**52.3**	**102.7**	36.8	53.2	90.0
US	**104.5**	**14.3**	**118.8**	29.5	10.6	40.1
Total	**154.9**	**66.6**	**221.5**	66.3	63.8	130.1

1 Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £5.5m. There is a net nil impact on operating profit. This also excludes intra-group adjustments as these are not allocated to either Media or Magazine.

Transactions between segments are carried out at arm's length.

(ii) Segment adjusted EBITDA

Adjusted EBITDA is used by the Executive Directors to assess the performance of each segment. EBITDA for the Media and Magazines sub-segments is not reported internally, as overheads are not fully allocated on this basis. The table below shows the impact of intragroup adjustments on the adjusted EBITDA for the UK and US segments:

			2019 £m			2018 £m
	Underlying adjusted EBITDA £m	Intragroup adjustments £m	Adjusted EBITDA £m	Underlying adjusted EBITDA £m	Intragroup adjustments £m	Adjusted EBITDA £m
UK	**12.8**	**18.4**	**31.2**	7.5	7.8	15.3
US	**41.7**	**(18.4)**	**23.3**	13.2	(7.8)	5.4
Total	**54.5**	**-**	**54.5**	20.7	-	20.7

Intra-group adjustments relate to the net impact of charges from the UK to the US in respect of management fees (for back office revenue functions such as finance, HR and IT which are based in the UK) and licence fees for the use of intellectual property. The increase in the year is driven by the growth in media revenue in the US.

A reconciliation of total segment adjusted EBITDA to profit before tax is provided as follows:

	2019 £m	2018 £m
Total segment adjusted EBITDA	**54.5**	20.7
Share-based payments (including social security costs)	**(9.0)**	(3.1)
Depreciation	**(0.9)**	(0.6)
Amortisation	**(14.5)**	(7.3)
Exceptional items	**(3.4)**	(4.4)
Net finance costs	**(14.2)**	(0.9)
Other income	**0.2**	-
Profit before tax	**12.7**	4.4

(iii) Segment assets and liabilities

	Segment assets		Segment liabilities		Segment net assets	
	2019 £m	2018 £m	2019 £m	2018 £m	2019 £m	2018 £m
UK	**123.3**	123.7	**(97.3)**	(62.3)	**26.0**	61.4
US	**263.1**	131.0	**(75.7)**	(19.8)	**187.4**	111.2
Total	**386.4**	254.7	**(173.0)**	(82.1)	**213.4**	172.6

(iv) Other segment information

	Non-current assets		Additions to non-current assets		Depreciation and amortisation		Exceptional items	
	2019 £m	2018 £m	**2019 £m**	2018 £m	**2019 £m**	2018 £m	**2019 £m**	2018 £m
UK	**98.5**	101.8	**4.1**	15.4	**7.2**	6.8	**1.4**	1.8
US	**233.2**	103.5	**130.7**	104.5	**8.2**	1.1	**2.0**	2.6
Total	**331.7**	205.3	**134.8**	119.9	**15.4**	7.9	**3.4**	4.4

Other than the items disclosed above and a share-based payments charge (excluding social security costs) of £3.9m (2018: £2.6m) there were no other significant non-cash expenses during the year.

(b) Business segment

(i) Gross profit by business segment

				Sub segment	**2019 £m**				Sub segment	2018 £m
	Media £m	**Magazines £m**	**Other £m**	**Add back distribution expenses £m**	**Total £m**	Media £m	Magazines £m	Other £m	Add back distribution expenses £m	Total £m
Segment:										
UK	**42.5**	**32.8**	**(35.2)**	**4.5**	**44.6**	28.8	33.5	(32.2)	4.0	34.1
US	**84.7**	**8.6**	**(33.9)**	**2.5**	**61.9**	25.4	6.2	(11.9)	1.5	21.2
Total	**127.2**	**41.4**	**(69.1)**	**7.0**	**106.5**	54.2	39.7	(44.1)	5.5	55.3

Revenue of £38.2m arose from sales to the Group's largest single customer which operates as an intermediary for digital advertising customers (2018: £19.1m and £13.2m from the Group's two largest single customers). No end customer, or other single customer or group of customers under common control contributed 10% or more to the Group's revenue in either the current or prior year. The above analysis excludes the impact of intra-group adjustments.

2. Revenue

The Group has applied IFRS 15 from 1 October 2018, using the fully retrospective method for initial application, meaning comparative periods have been restated from 1 October 2017.

The Group has applied the practical expedient to allow incremental costs of obtaining a contract to not be capitalised where the amortisation period is 12 months or less. No contract assets or liabilities have been recognised on application of IFRS 15.

See note 1 for disaggregation of revenue by sub-segment.

Timing of satisfaction of performance obligations

Revenue is recognised in the income statement when control passes to the customer. If the customer simultaneously receives and consumes the benefits of the contract, revenue is recognised over time. Otherwise, revenue is recognised at a point in time. The table overleaf provides detail for each revenue stream:

Revenue stream	Nature, timing and satisfaction of performance obligations	Revenue recognition under IFRS 15
Online advertising revenue	Future operates a number of websites with advertising space on their webpages which are sold via 1st party and programmatic/3rd party routes. Customers can purchase by time and number of impressions. For impressions, the performance obligation is the presentation of the advert to the customer. For time-based adverts, the performance obligation is the provision of an advert over a period of time to be seen by the customer.	Revenue is recognised at the point the advert is presented to the customer or over the period during which the advertisements are served. No change in timing of revenue recognition from the previous accounting standard, IAS 18. Principal vs agent considerations have meant revenue under certain contracts is recognised on a gross basis (further detail provided on page 122).
eCommerce revenue	The Group earns commission when purchases are made directly from 3rd parties by consumers clicking through to these products through links on the Group's websites. The facilitation of each product sale reflects a separate performance obligation.	Revenues related to these commissions are recognised at the time of the related product sale, less an estimate to reflect the likelihood of product returns to the retailer based on historic return rates.
Print and digital magazine subscriptions	Subscriptions of magazines are sold online, with subsribers sent a digital or print version of the magazine every month (or multiple versions in a 'double issue month'). Cash is received in advance (either annually or monthly via direct debit). For print subscriptions each magazine delivered represents a distinct performance obligation, whereas for digital magazines providing access to the digital content represents a distinct performance obligation.	For digital magazines cash collected in advance is deferred, with revenue recognised uniformly over the term of the subscription. For print magazines cash collected in advance is deferred, with revenue recognised at a point in time when the relevant publication being subscribed to goes on sale. No change in timing of revenue recognition from the previous accounting standard, IAS 18. Principal vs agent considerations have meant revenue under certain contracts is recognised on a gross basis (further detail provided on page 122).
Magazine newsstand circulation and advertising revenue	Single issues of magazines are sold in stores and online. The provision of each issue is a separate performance obligation, which is satisfied when the issue goes on sale.	Revenue is recognised at a point in time on the date that the related publication goes on sale based on the estimate of sales net of returns. No change in timing of revenue recognition from the previous accounting standard, IAS 18. Principal vs agent considerations have meant revenue under certain contracts is recognised on a gross basis (further detail provided on page 122).
Event income	Future holds a number of events throughout the year, including shows and awards events. Revenue arises from the following: - stand/table space; - sponsorship; - ticket sales; and - marketing packages. Cash is collected in advance of the event. Each event is a separate performance obligation, being satisfied when the event has taken place.	Cash collected in advance is deferred, with revenue recognised at a point in time when the event takes place. No change in timing of revenue recognition from the previous accounting standard, IAS 18.
Licensing revenue	License fees are charged for the use of Future's brands and content. Performance obligations are satisfied over time (for example magazine content provided each month) and at a point in time (historic content is provided up-front).	Revenue is recognised on the supply of the licensed content, based on usage. No change in timing of revenue recognition from the previous accounting standard, IAS 18.

The table below disaggregates revenue according to the timing of satisfaction of performance obligations:

			2019 £m			2018 £m
	Over time £m	**Point in time £m**	**Total revenue £m**	Over time £m	Point in time £m	Total revenue £m
Total revenue	**6.4**	**215.1**	**221.5**	5.9	124.2	130.1

Principal vs agent

On application of IFRS 15, the Group has made an assessment of all contracts to determine whether distributors are acting as agents for the Group. Where the Group retains the following risks and responsibilities, which are indicators of an agency relationship, revenue has been recorded on a gross basis:

- discretion in establishing pricing of products, with the third party receiving a fixed percentage of consideration;
- primary responsibility for fulfiling the contract, for example by determining sales volumes and retaining responsibility for delivery to the end customer.

Following this assessment the Group has concluded that it sells via an agent for certain print and digital magazine newstrade and subscription revenues, and digital advertising revenues.

Under IFRS 15, revenue recognised is the amount paid by the end consumer, rather than the amount remitted by the agent. Related commissions paid to agents are recognised as an expense within cost of sales. This differs from the Group's assessment under the previous accounting standard for revenue, IAS 18, and has resulted in a gross up of revenue and cost of sales in the current and prior year.

The impact is an increase in revenue of £8.5m for the year ending 30 September 2019, along with an increase in cost of sales of £8.5m, compared to what would have been reported under IAS 18. The comparative period income statement for the year ending 30 September 2018 has been restated for an increase in revenue of £5.5m and an increase in cost of sales of £5.5m. There has been no impact on retained earnings at the date of transition or subsequently.

There has been no material impact on transition relating to any other revenue streams within the Group.

3. Net operating expenses

Operating profit is stated after charging:

	Adjusted results £m	**Adjusting items £m**	**2019 Statutory results £m**	Adjusted results £m	Adjusting items £m	2018 Statutory results £m
Cost of sales	**(115.0)**	**-**	**(115.0)**	(74.8)[1]	-	(74.8)[1]
Distribution expenses	**(7.0)**	**-**	**(7.0)**	(5.5)	-	(5.5)
Share-based payments (including social security costs)	**(1.2)**	**(9.0)**	**(10.2)**	-	(3.1)	(3.1)
Exceptional items (note 5)	**-**	**(3.4)**	**(3.4)**	-	(4.4)	(4.4)
Depreciation	**(0.9)**	**-**	**(0.9)**	(0.6)	-	(0.6)
Amortisation	**(1.4)**	**(13.1)**	**(14.5)**	(1.6)	(5.7)	(7.3)
Other administration expenses	**(43.8)**	**-**	**(43.8)**	(29.1)	-	(29.1)
	(169.3)	**(25.5)**	**(194.8)**	(111.6)	(13.2)	(124.8)

1 Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £5.5m with a net nil impact on operating profit

4. Fees paid to auditors

	2019 £m	2018 £m
Audit fees in respect of the audit of the financial statements of the Company and the consolidated financial statements	**0.28**	0.19
Audit related assurance services	**0.02**	0.02
	0.30	0.21
Other assurance services[1]	**0.54**	0.47
Other non-audit services	**-**	0.02
Total fees	**0.84**	0.70

1 Other assurance services in the current year relate to fees in relation to the return to Premium Listing and advisory services for the Mobile Nations acquisition and TI Media acquisition which was announced on 30 October 2019. In the prior year services relate to reporting accountant services for the rights issue and prospectus associated with the acquisition of Purch Group LLC.

5. Exceptional items

	2019 £m	2018 £m
Premium listing costs	**0.8**	-
Acquisition and integration related costs	**2.5**	4.3
Restructuring and redundancy costs	**-**	0.2
Vacant property provision movements	**0.1**	(0.1)
Total charge	**3.4**	4.4

Premium listing costs include legal fees relating to the Group's transfer to a Premium Listing on the Official List of the Financial Conduct Authority in accordance with Listing Rule 5.4A of the Listing Rules.

The acquisition and integration related costs represent expenses incurred in respect of the acquisition and subsequent integrations of MoNa Mobile Nations, LLC and SmartBrief, Inc and the integration of Purch which was acquired in September 2018, as well as costs in respect of the acquisition of TI Media, announced on 30 October 2019.

Further details in respect of the acquisitions are shown in notes 28 and 30.

6. Employee costs

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Wages and salaries	**60.0**	**1.2**	33.7	0.9
Social security costs	**5.2**	**-**	2.3	-
Other pension costs	**1.3**	**-**	1.0	-
Share schemes				
- Value of employees' services[1]	**3.9**	**-**	2.6	-
- Employer's NI on share options	**6.2**	**-**	0.5	-
Total employee costs	**76.6**	**1.2**	40.1	0.9

1 In the current year, £3.4m relates to equity-settled and £0.5m to cash settled share based payments.

Average monthly number of people (including Directors)	Group 2019 No.	Company 2019 No.	Group 2018 No.	Company 2018 No.
Production	**770**	**-**	519	-
Administration	**219**	**6**	179	6
Total	**989**	**6**	698	6

At 30 September 2019, the actual number of people employed by the Group was 1,225 (2018: 1,004). In respect of our reportable segments 750 (2018: 667) were employed in the UK and 475 (2018: 337) were employed in the US.

Key management personnel compensation

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Salaries and other short-term employee benefits	**1.9**	**1.2**	1.6	0.9
Post employment benefits	**0.1**	**-**	0.1	-
Share schemes				
- Value of employees' services	**0.5**	**-**	1.1	-
- Employer's NI on share options	**3.1**	**-**	0.1	-
Total	**5.6**	**1.2**	2.9	0.9

Key management personnel are deemed to be the members of the Board of Future plc. It is this Board which has responsibility for planning, directing and controlling the activities of the Group.

Zillah Byng-Thorne and Penny Ladkin-Brand were paid by Future Publishing Limited, a subsidiary company, for their services. In 2019 £0.6m (2018: £0.4m) was recharged to Future plc by Future Publishing Limited in respect of Zillah Byng-Thorne and £0.3m (2018: £0.2m) was recharged in respect of Penny Ladkin-Brand. These recharges are included in the salaries line for the Company in the table above.

Further details on the Directors' remuneration and interests are given in the Directors' remuneration report on pages 71 to 96. The highest paid Director during the year was Zillah Byng-Thorne (2018: Zillah Byng-Thorne) and details of her remuneration are shown on page 88.

7. Finance income and costs

	2019 £m	2018 £m
Interest payable on interest-bearing loans and borrowings	**(1.5)**	(0.9)
Amortisation of bank loan arrangement fees	**(0.6)**	(0.2)
Adjusted finance costs	**(2.1)**	(1.1)
Increase in fair value of contingent consideration	**(11.7)**	-
Unwinding of discount	**(1.2)**	-
Non-trading foreign exchange gain	**-**	0.2
Total reported finance costs	**(15.0)**	(0.9)
Fair value gain on currency option	**0.8**	-
Total reported finance income	**0.8**	-
Net finance costs	**(14.2)**	(0.9)

On 14 February 2019 the Group signed a £90 million multicurrency Revolving Credit Facility ("RCF"), including an incremental uncommitted £45 million accordion, providing additional flexibility. Included within amortisation of bank loan arrangement fees is the release of prepaid costs of £0.4m in relation to the previous loan facility.

The £11.7m increase in fair value of contingent consideration arose in respect of the MoNa Mobile Nations, LLC acquisition, which is measured at fair value through profit or loss account and for which a final amount payable of $55 million was agreed on 11 October 2019. Refer to note 29 for further detail. Similarly, £1.2m arose from unwinding of the discount on the contingent consideration in the year. See note 21 for further details.

8. Tax on profit

The tax charged/(credited) in the consolidated income statement is analysed below:

	2019 £m	2018 £m
Corporation tax		
Current tax at 19% (2018 : 19%) on the profit for the year	**7.5**	1.8
Adjustments in respect of previous years	**(0.5)**	0.1
Current tax charge	**7.0**	1.9
Deferred tax origination and reversal of temporary differences		
Current year (credit)/charge	**(3.2)**	0.5
Adjustments in respect of previous years	**0.8**	(0.9)
Deferred tax	**(2.4)**	(0.4)
Total tax charge	**4.6**	1.5

The tax assessed in each year differs from the standard rate of corporation tax in the UK for the relevant year. The differences are explained below:

	2019 £m	2018 £m
Profit before tax	**12.7**	4.4
Profit before tax at the standard UK tax rate of 19% (2018: 19%)	**2.4**	0.8
Losses not previously recognised	**(6.6)**	(1.0)
Provision for uncertain tax positions	**5.2**	-
Expenses not deductible for tax purposes	**3.5**	1.0
Share-based payments	**(0.1)**	(0.2)
Overseas tax rates/credits	**-**	0.5
Difference in tax rates	**(0.1)**	1.2
Adjustments in respect of previous years	**0.3**	(0.8)
Total tax charge	**4.6**	1.5

The Directors have assessed the Group's uncertain tax positions and in the current year a provision for uncertain tax positions of £5.6m has been recognised under IAS 12, taking into account the guidance published in IFRIC 23. Further information is given in the accounting policies section of the Financial Statements on page 118. The impact on the current year tax charge is a charge of £5.2m.

Historically, the deferred tax asset in the US arising on tax losses brought forward remained partially unrecognised. Due to the Group's increasing profitability (particularly in the US) this asset has now been recognised in full. The impact on the current tax charge has been a credit of £6.6m.

9. Dividends

Equity dividends	2019	2018
Number of shares in issue at end of year (million)	**83.6**	81.5
Dividends paid in year (pence per share)	**0.05**	-
Dividends paid in year (£m)	**(0.4)**	-

Interim dividends are recognised in the period in which they are paid and final dividends are recognised in the period in which they are approved. The dividend in respect of the year ended 30 September 2018 was paid on 15 February 2019. On 15 November 2019 the Board proposed a dividend of 1p per share in respect of the year ended 30 September 2019, which subject to shareholder consent at the AGM, will be paid on 14 February 2020 to shareholders on the register on 17 January 2020.

10. Earnings per share

			2019			2018
	Adjusted results pence	Adjusting items pence	Statutory results pence	Adjusting results pence	Adjusted items pence	Statutory results pence
Basic earnings/(loss) per share	**50.1**	**(40.2)**	**9.9**	26.2	(21.1)	5.1
Diluted earnings/(loss) per share	**47.5**	**(38.2)**	**9.3**	24.3	(19.6)	4.7

Basic earnings per share are calculated using the weighted average number of Ordinary shares in issue during the year. Diluted earnings per share have been calculated by taking into account the dilutive effect of shares that would be issued on conversion into Ordinary shares of awards held under employee share schemes and contingent consideration.

Adjusted earnings per share is based on profit after taxation which is then adjusted to exclude share-based payments (relating to equity-settled share awards with vesting periods longer than 12 months) and related security costs, interest, tax, amortisation of acquired intangible assets, fair value movements on contingent consideration (and unwinding of associated discount) and on currency option, non-trading foreign exchange gains and exceptional items and any related tax effects.

Total Group	2019	2018
Adjustments to profit after tax:		
Profit after tax (£m)	**8.1**	2.9
Share-based payments (including social security costs) (£m)	**9.0**	3.1
Exceptional items (£m)	**3.4**	4.4
Amortisation of intangible assets arising on acquisitions (£m)	**13.1**	5.7
Exchange gains included in finance costs (£m)	**-**	(0.2)
Increase in fair value of contingent consideration (£m)	**11.7**	-
Unwinding of discount (£m)	**1.2**	-
Fair value gain on currency option (£m)	**(0.8)**	-
Tax effect of the above adjustments (£m)	**(4.5)**	(1.0)
Adjusted profit after tax (£m)	**41.2**	14.9
Weighted average number of shares in issue during the year:		
- Basic	**82,190,827**	56,886,851
- Dilutive effect of share options	**4,536,480**	4,453,155
- Diluted	**86,727,307**	61,340,006
Basic earnings per share (in pence)	**9.9**	5.1
Adjusted basic earnings per share (in pence)	**50.1**	26.2
Diluted earnings per share (in pence)	**9.3**	4.7
Adjusted diluted earnings per share (in pence)	**47.5**	24.3
The adjustments to profit after tax have the following effect:		
Basic earnings per share (pence)	**9.9**	5.1
Share-based payments (including social security costs) (pence)	**11.0**	5.4
Exceptional items (pence)	**4.1**	7.7
Amortisation of intangible assets arising on acquisitions (pence)	**15.9**	10.0
Exchange gains included in finance costs (pence)	**-**	(0.3)
Increase in fair value of contingent consideration (pence)	**14.2**	-
Unwinding of discount (pence)	**1.5**	-
Fair value gain on currency option (pence)	**(1.0)**	-
Tax effect of the above adjustments (pence)	**(5.5)**	(1.7)
Adjusted basic earnings per share (pence)	**50.1**	26.2
Diluted earnings per share (pence)	**9.3**	4.7
Share-based payments (including social security costs) (pence)	**10.4**	5.1
Exceptional items (pence)	**3.9**	7.2
Amortisation of intangible assets arising on acquisitions (pence)	**15.1**	9.3
Exchange gains included in finance costs (pence)	**-**	(0.3)
Increase in fair value of contingent consideration (pence)	**13.5**	-
Unwinding of discount (pence)	**1.4**	-
Fair value gain on currency option (pence)	**(0.9)**	-
Tax effect of the above adjustments (pence)	**(5.2)**	(1.7)
Adjusted diluted earnings per share (pence)	**47.5**	24.3

11. Property, plant and equipment

Group	Land and buildings £m	Plant and machinery £m	Equipment, fixtures and fittings £m	Total £m
Cost				
At 1 October 2017	0.7	3.6	0.6	4.9
Additions	0.3	0.9	0.1	1.3
At 30 September 2018	**1.0**	**4.5**	**0.7**	**6.2**
On acquisition	**0.4**	**0.5**	**0.2**	**1.1**
Additions	**0.2**	**1.1**	**-**	**1.3**
At 30 September 2019	**1.6**	**6.1**	**0.9**	**8.6**
Accumulated depreciation				
At 1 October 2017	(0.3)	(3.3)	(0.3)	(3.9)
Charge for the year	(0.1)	(0.4)	(0.1)	(0.6)
At 30 September 2018	**(0.4)**	**(3.7)**	**(0.4)**	**(4.5)**
On acquisition	**(0.2)**	**(0.3)**	**(0.2)**	**(0.7)**
Charge for the year	**(0.1)**	**(0.7)**	**(0.1)**	**(0.9)**
At 30 September 2019	**(0.7)**	**(4.7)**	**(0.7)**	**(6.1)**
Net book value at 30 September 2019	**0.9**	**1.4**	**0.2**	**2.5**
Net book value at 30 September 2018	0.6	0.8	0.3	1.7
Net book value at 1 October 2017	0.4	0.3	0.3	1.0

Depreciation is included within administration expenses in the consolidated income statement.

12. Intangible assets

Group	Goodwill £m	Acquired intangibles £m	Other £m	Total £m
Cost				
At 1 October 2017	329.2	38.2	18.8	386.2
Additions through business combinations	34.1	83.3	-	117.4
Other additions	-	-	1.2	1.2
Adjustments to fair value on prior year acquisitions	(0.2)	-	-	(0.2)
Exchange adjustments	0.9	0.1	-	1.0
At 30 September 2018	**364.0**	**121.6**	**20.0**	**505.6**
Additions through business combinations	**78.1**	**51.6**	**0.1**	**129.8**
Other additions	**-**	**-**	**2.6**	**2.6**
Adjustments to fair value on prior year acquisitions	**39.2**	**(37.8)**	**-**	**1.4**
Disposal	**(0.2)**	**-**	**-**	**(0.2)**
Exchange adjustments	**3.6**	**5.1**	**0.5**	**9.2**
At 30 September 2019	**484.7**	**140.5**	**23.2**	**648.4**
Accumulated amortisation and impairment				
At 1 October 2017	(263.4)	(14.2)	(16.3)	(293.9)
Charge for the year	-	(5.7)	(1.6)	(7.3)
Exchange adjustments	(0.8)	(0.2)	-	(1.0)
At 30 September 2018	**(264.2)**	**(20.1)**	**(17.9)**	**(302.2)**
Charge for the year	**-**	**(13.1)**	**(1.4)**	**(14.5)**
Exchange adjustments	**(1.8)**	**(0.4)**	**(0.5)**	**(2.7)**
At 30 September 2019	**(266.0)**	**(33.6)**	**(19.8)**	**(319.4)**
Net book value at 30 September 2019	**218.7**	**106.9**	**3.4**	**329.0**
Net book value at 30 September 2018	99.8	101.5	2.1	203.4
Net book value at 1 October 2017	65.8	24.0	2.5	92.3

Acquired intangibles relate mainly to brands, subscriber databases, trademarks, advertising relationships, creative services relationships, publishing rights, content and customer lists. These assets are amortised over their estimated economic lives, typically ranging between one and fifteen years.

Any residual amount arising as a result of the purchase consideration being in excess of the value of acquired assets is recorded as goodwill. Goodwill is not amortised under IFRS, but is subject to impairment testing at least annually or more frequently on the occurrence of some triggering event. Goodwill is recorded and tested for impairment on a territory by territory basis.

Further details regarding the intangible assets acquired during the year through business combinations (and adjustments to fair value in respect of these intangibles) are set out in note 28.

Other intangibles relate to capitalised software costs and website development costs which are internally generated.

Amortisation is included within administration expenses in the consolidated income statement.

Impairment assessments for goodwill

The net book value of goodwill at 30 September 2019 consists of £73.9m (2018: £72.8m) relating to the UK and £144.8m (2018: £27.0m) relating to the US.

The basis for calculating recoverable amounts is described in the accounting policies on page 117.

Trends in the economic and financial environment, competition and regulatory authorities' decisions, or changes in competitor behaviour in response to the economic environment may affect the estimate of recoverable amounts, as will unforeseen changes in the political, economic or legal systems of some countries.

The UK and US segments are considered to be the smallest group of cash generating units ('CGU') which independently generate cashflows so impairment testing has been performed at this level.

Other assumptions that influence estimated recoverable amounts are set out below:

At 30 September 2019

	UK	US
Basis of recoverable amount **Source used**	**Value in use** **Five year plans** **Discounted cash flow**	**Value in use** **Five year plans** **Discounted cash flow**
Growth rate to perpetuity	**3.0%**	**3.0%**
EBITDA margins assumed*	**24.0% to 33.0%**	**19.0% to 21.0%**
Post-tax discount rate	**8.2%**	**8.2%**
Pre-tax discount rate	**10.6%**	**10.6%**

***Note that EBITDA margins are after intra-group adjustments for management fees and licence charges.**

At 30 September 2018

	UK	US
Basis of recoverable amount Source used	Value in use Five year plans Discounted cash flow	Value in use Five year plans Discounted cash flow
Growth rate to perpetuity	0.0%	3.0%
EBITDA margins assumed*	17.7% to 19.7%	21.8% to 24.2%
Post-tax discount rate	9.0%	9.0%
Pre-tax discount rate	11.8%	11.8%

***Note that EBITDA margins are after intra-group adjustments for management fees and licence charges.**

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Growth rate into perpetuity	This is the growth rate used to extrapolate cash flows beyond the period of the five-year plan. The rates are consistent with forecasts included in industry reports.
EBITDA margins assumed	EBITDA margin is based on budgeted and forecast margins from the Group's five-year plan (based on past performance and management's expectations for the future), adjusted to include intragroup management and licence charges.
Post-tax discount rate	The pre-tax discount rate adjusted for the impact of tax.
Pre-tax discount rate	Reflects risks relevant to each CGU and the country in which they operate.

Sensitivity of recoverable amounts

At 30 September 2019 the analysis of the recoverable amounts gave rise to the following assessments of sensitivity:

The value in use of the UK business and the value in use of the US business exceeded their carrying values by £459.8m and £254.5m respectively. A change of plus 50 basis points in the post-tax discount rate would decrease the recoverable amount of the UK business by £32.3m and the US business by £20.7m. A change of minus 50 basis points in the post-tax discount rate would increase the recoverable amount of the UK business by £36.5m and the US business by £23.4m. The Group has conducted sensitivity analysis of the impairment testing and has concluded that no reasonably possible change would result in an impairment of goodwill for either CGU.

Goodwill is not considered to be impaired at 30 September 2019.

13. Investments in Group undertakings

Company	2019 £m	2018 £m
Shares in Group undertakings		
At 1 October	**123.6**	19.5
Additions	**18.6**	104.1
At 30 September	**142.2**	123.6

Additions of £15.2m represent an increased investment in Future Holdings 2002 Limited arising as a result of the capitalisation of amounts owed to the Company by other Group companies as a result of the approach to funding the MoNa Mobile Nations, LLC and SmartBrief, Inc. acquisitions.

The remaining addition of £3.4m represents the fair value of share-based compensation awards granted to employees of subsidiary undertakings of Future Holdings 2002 Limited, treated as a capital contribution to that company.

The Directors believe that the carrying values of the investments are supported by their underlying assets.

14. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and prior years.

	Intangible assets £m	Share-based payments £m	Temporary differences £m	Depreciation vs tax allowances £m	Tax losses £m	Provision for uncertain tax positions £m	Total £m
At 1 October 2017	(4.6)	0.8	0.2	0.6	2.8	-	(0.2)
Acquisitions	(1.1)	-	-	-	-	-	(1.1)
Credited to income statement	0.8	0.5	-	-	(0.9)	-	0.4
Credited to equity	-	1.1	-	-	-	-	1.1
At 30 September 2018	**(4.9)**	**2.4**	**0.2**	**0.6**	**1.9**	**-**	**0.2**
Acquisitions	**(4.8)**	**-**	**-**	**-**	**-**	**-**	**(4.8)**
Credited to income statement	**(0.7)**	**0.2**	**0.1**	**(0.1)**	**4.7**	**(1.8)**	**2.4**
Credited to equity	**-**	**5.6**	**-**	**-**	**-**	**-**	**5.6**
Exchange adjustment	**(0.2)**	**-**	**-**	**-**	**0.1**	**-**	**(0.1)**
At 30 September 2019	**(10.6)**	**8.2**	**0.3**	**0.5**	**6.7**	**(1.8)**	**3.3**

Certain deferred tax assets and liabilities have been offset against each other where they relate to the same jurisdiction. The following is the analysis of deferred tax balances after offset for balance sheet purposes:

	2019 £m	2018 £m
Deferred tax assets	**3.7**	5.3
Deferred tax liabilities	**(0.4)**	(5.1)
Net deferred tax asset	**3.3**	0.2

The net deferred tax asset of £3.3m (2018: £0.2m) comprises a deferred tax asset of £3.7m (2018: £5.3m) and a deferred tax liability of £0.4m (2018: £5.1m).

As at 30 September 2019 the Group has: unrecognised tax losses totalling £4.9m (2018: £33.0m) of which £nil (2018: £28.2m) arose in the US.

Deferred tax assets have been recognised in respect of tax losses and other temporary differences where it is probable that these assets will be recovered.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as any remitted earnings would not give rise to a tax liability in the foreseeable future. See note 8 for the impact of any changes in tax rates compared to the previous accounting period which have been substantively enacted and have impacted the measurement of deferred tax balances.

The deferred tax asset of £4.5m (2018: £2.2m) recognised on the Company's balance sheet is in respect of share-based payments. The Company has no unprovided deferred tax assets or liabilities at 30 September 2019 (2018: £nil).

15. Trade and other receivables

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Current assets:				
Trade receivables	**38.6**	**-**	32.7	-
Alowance for impairment of trade receivables	**(3.2)**	**-**	(3.3)	-
Trade receivables net	**35.4**	**-**	29.4	-
Amounts owed by Group undertakings	**-**	**94.7**	-	79.7
Other receivables	**0.6**	**-**	2.4	-
Prepayments and accrued income	**5.9**	**-**	5.8	-
Total	**41.9**	**94.7**	37.6	79.7

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Adoption of IFRS 9 *Financial Instruments*

The Group has adopted IFRS 9 *Financial instruments* from 1 October 2018, applying the simplified approach to recognise lifetime credit losses for trade receivables. The adoption of the standard has not had a significant impact on the Group's consolidated results or financial position.

A breakdown of the ageing is set out below:

Past due	Group 2019 £m	Group 2018 restated[1] £m
0-30 days	**3.6**	5.7
31-60 days	**1.4**	3.2
61-90 days	**1.3**	1.8
91+ days	**2.0**	4.2
Total	**8.3**	14.9

1 Restated for the impact of adopting IFRS 9 *Financial instrųments*. Whilst there has been no change in the total provision recognised, application of the lifetime credit losses method has meant the provision has moved between ageing categories

As at 30 September 2019, trade receivables of £3.2m (2018: £3.3m) were impaired and provided for. The individually impaired receivables mainly relate to advertising, events and licensing customers.

The movement in the Group allowance for impairment of trade receivables during the year is as follows:

	Group 2019 £m	Group 2018 £m
At 1 October	**3.3**	2.2
Impairment losses recognised on trade receivables:		
On acquisition	**0.5**	1.5
Provided for in the year	**0.8**	0.7
Receivables written off during the year	**(1.4)**	(1.1)
At 30 September	**3.2**	3.3

Receivables written off during the year include amounts provided for in full on acquisitions.

The allowance for impairment of trade receivables is split by ageing category as follows:

	Current	0-30 days	31-60 days	61-90 days	91+ days	Total
Gross carrying amount of trade receivables	27.9	4.1	1.7	1.7	3.2	**38.6**
Allowance for impairment of trade receivables	0.8	0.5	0.3	0.4	1.2	**3.2**
Expected loss rate	**2.8%**	**9.9%**	**20.5%**	**29.6%**	**17.0%**	

Impairment losses have been included in administration expenses in the income statement. Impaired amounts are written off when there is no realistic expectation of recovering additional cash.

Credit risk

Credit checks are required for both new and existing accounts where trading exceeds a risk based deminimus threshold. Default credit terms are 30 days but can be extended for commercial reasons. Final decisions on both the customer credit limit and the extension of credit terms are made by a senior manager in the finance function who will take consideration of the following factors; trading history to date, credit status of the customer, deal profitability and any other relevant commercial factors.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security for trade receivables.

All the Company's receivables are with Group undertakings and no additional disclosure in relation to credit risk is required. Interest on £38.6m (2018: £5.4m) of the amounts owed by Group undertakings has been charged at one-month USD LIBOR plus 2%. The balance of amounts owed by Group undertakings is interest-free without any terms for repayment. There has been no material impact of adopting IFRS 9 on the Company's financial statements.

16. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statements:

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Cash and cash equivalents	**6.6**	**-**	6.4	0.3

The Group has a number of authorised counterparties with whom cash balances are held in the countries in which the Group operates. Credit risk is minimised by considering the credit standing of all potential bankers before selecting them by the use of external credit ratings. 95% of the Group's cash and cash equivalent balance was held with counterparties with a minimum S&P credit rating of A-. The remaining 5% related to small short term balances held with PayPal (BBB+). The Group monitors the exposure, credit rating and outlook of all financial counterparties on a regular basis.

17. Trade and other payables

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Trade payables	**3.4**	**-**	4.9	-
Amounts owed to Group undertakings	**-**	**-**	-	0.5
Other taxation and social security	**8.2**	**-**	2.6	-
Other payables	**2.3**	**-**	2.7	-
Accruals and deferred income	**48.5**	**0.2**	38.2	0.5
Total	**62.4**	**0.2**	48.4	1.0

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure all payables are paid within the agreed credit terms.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

18. Financial liabilities – loans, borrowings and overdrafts

Non-current liabilities

	Interest rate at 30 September 2019	Interest rate at 30 September 2018	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Sterling term loan	**n/a**	3.0%	**-**	**-**	7.6	7.6
Sterling revolving loan	**2.5%**	3.0%	**14.3**	**14.3**	8.1	8.1
US dollar revolving loan	**3.8%**	n/a	**28.3**	**28.3**	-	-
Total			**42.6**	**42.6**	15.7	15.7

Current liabilities

	Interest rate at 30 September 2019	Interest rate at 30 September 2018	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Multi-currency overdraft	**2.59%**	n/a	**4.3**	**-**	-	-
Sterling term loan	**n/a**	3.0%	**-**	**-**	2.3	2.3
Sterling revolving loan	**n/a**	3.0%	**-**	**-**	0.9	0.9
US dollar term loan	**n/a**	4.8%	**-**	**-**	5.3	5.3
Total			**4.3**	**-**	8.5	8.5

The interest-bearing loans are repayable as follows:

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
Within one year	**4.3**	**-**	8.8	8.8
Between one and two years	**-**	**-**	4.9	4.9
Between two and five years	**42.6**	**42.6**	11.0	11.0
Total	**46.9**	**42.6**	24.7	24.7

On 14 February 2019 the Group signed a £90 million multicurrency Revolving Credit Facility ("RCF"), including an incremental uncommitted £45 million accordion, providing additional flexibility. The facility replaced existing debt facilities and has an initial maturity of February 2023.

All material companies in the Group are guarantors to the facility and the availability of the facility is subject to certain covenants.

Total fees relating to the new facility amounted to £0.8m and these are being amortised over the term of the facility. The bank borrowings and interest are guaranteed by Future plc.

Interest payable under the current facility for sterling denominated loans is calculated as the cost of one-month LIBOR (currently approximately 0.7%) plus an interest margin of between 1.75% and 3.0%, dependent on the level of Leverage.

Interest payable under the current credit facility for the US dollar denominated loan is calculated as the cost of one-month USD LIBOR (currently approximately 1.7%) plus an interest margin of between 1.75% and 3.0%, dependent on the level of Leverage.

The term of RCF spans the proposed LIBOR end date of 2021, it is the intention of the Group to agree an alternative reference rate with the Lenders ahead of the LIBOR end date.

The key covenants are set out in the following table where net debt is exclusive of non-current tax and other payables and Bank EBITDA is not materially different to statutory EBITDA. The covenants are calculated on a consistent GAAP basis however, it is not anticipated that the adoption of new financial standards (IFRS 16) will have a material impact on the covenant calculations.

Net debt/Bank EBITDA	Leverage in respect of any Relevant Period shall not exceed 3.0:1
Bank EBITDA/Interest	Interest Cover in respect of any Relevant Period shall not be less than 4.0:1

The covenants are tested quarterly on the basis of rolling figures for the preceding 12 months and the covenant position at 30 September 2019 is set out in the following table:

	30 September 2019	Covenant
Net debt/Bank EBITDA	1.0 times	< 3.0 times
Bank EBITDA/Interest	24.1 times	> 4.0 times

The Group had drawn down £4.3m on its interest-bearing overdraft at 30 September 2019 (30 September 2018: £nil). Any draw down forms part of the Group cash pooling account and can be offset against cash balances in other Group companies. Net of pooling the Group had an overdraft position of £2.7m and total cash balance, including non-pool accounts of £2.3m.

19. Provisions

Group	Property £m
At 1 October 2018	2.8
Charged in the year	0.7
Released in the year	(0.7)
Utilised in the year	(0.7)
At 30 September 2019	**2.1**

The provision for property relates to dilapidations and obligations under short leasehold agreements on vacant property. The majority of the vacant property provision is expected to be utilised over the next two years, with the remainder over seven years.

Provisions for the Company were £nil (2018: £nil).

20. Other non-current liabilities

Group	2019 £m	2018 £m
Other payables	**0.4**	0.5

Other payables consist mainly of a property lease incentive which is amortised over the life of the lease.

21. Financial instruments

Adoption of IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* became effective for the Group from 1 October 2018. The standard has been applied fully retrospectively, as required by IFRS 9, but the designation of financial assets and liabilities has been taken at the date of initial application. The Group has adopted the simplified approach to recognise lifetime credit losses for trade receivables. The change in approach has not had a material impact on the provision for bad debt.

IFRS 9 largely retains the existing classifications for financial liabilities. For the Group's financial assets, the following table shows the new measurement categories under IFRS 9:

Financial asset	IFRS 9 classification	Previous classification under IAS 39
Cash and cash equivalents	Amortised cost	Loans and receivables
Trade and other receivables	Amortised cost	Loans and receivables
Derivative – purchased option	Fair value through profit or loss	N/a

There has not been a significant impact on the carrying amounts of assets held.

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 September 2019:

	Level 2 Fair value £m	Level 3 Fair value £m
Assets		
Financial asset – derivative	1.4	-
Liabilities		
Deferred consideration		(43.9)
Contingent consideration	-	(10.9)

All other financial assets and liabilities are classed as level 1.

Deferred and contingent consideration

Deferred consideration of £43.9m ($55m) relates to the acquisition of MoNa Mobile Nations, LLC and £10.9m of contingent consideration relates to the acquisition of SmartBrief, Inc. (see note 28 for further details).

The contingent consideration for SmartBrief has been valued using a scenario-based approach drawing from internal EBITDAE projections and forecasts and weighting them according to the perceived probability of being achieved. The outcome is then discounted to reflect the market risk related to the earn outs and underlying achievement of the EBITDAE targets.

The amount of deferred consideration for MoNa Mobile Nations, LLC was agreed on 11 October 2019 (see note 30), therefore other than in deterimining the discount rate to apply there is little judgement involved in estimating the amount of deferred consideration payable.

The discount rates for both the acquisition of MoNa Mobile Nations, LLC and the acquisition of SmartBrief, Inc were determined using a Capital Asset Pricing Model (CAPM) approach.

The main level 3 inputs used in valuing the deferred and contingent consideration are shown in the table below.

Assumption	MoNa Mobile Nations, LLC	SmartBrief, Inc.
Discount rate	3%	10%
EBITDAE/gross profit	n/a	$26.4m - $31.5m

A 10% change in the discount rate applied to the MoNa Mobile Nations, LLC deferred consideration, which is considered to be a reasonably possible alternative assumption, would give rise to less than £0.1m impact on the quantum of the liability recognised.

The table below sets out the sensitivity of level 3 inputs to a 10% change in the assumptions for the SmartBrief, Inc. contingent consideration, which is considered to be a reasonably possible alternative assumption:

Assumption	Increase/(decrease)	Increase/(decrease) in liability
Discount rate	10%	£(0.1)m
Discount rate	(10)%	£0.1m
Gross profit	10%	£3.2m
Gross profit	(10)%	£(8.4)m

Financial asset - derivative

A derivative foreign currency option to buy $30m in June 2020 was acquired in order to hedge the currency exposure arising on the deferred consideration.

The derivative option has been valued using rates available from publicly-quoted sources and at 30 September 2019 had a value of £1.4 million.

In the comparative period no financial assets or liabilities were measured at fair value. There were no transfers between levels in the current or prior period.

Financial instruments by category

The designation of financial assets and liabilities under IFRS 9 has been taken at the date of initial application, therefore the prior year classifications have not been amended.

The Group's financial assets and financial liabilities are set out below:

					2019
Group	Note	Amortised cost £m	Fair value through profit or loss £m	Total carrying value £m	Total fair value £m
Financial asset - derivative		**-**	**1.4**	**1.4**	**1.4**
Trade receivables net	15	**35.4**	**-**	**35.4**	**35.4**
Other receivables	15	**0.6**	**-**	**0.6**	**0.6**
Cash and cash equivalents	16	**6.6**	**-**	**6.6**	**6.6**
Total financial assets		**42.6**	**1.4**	**44.0**	**44.0**
Trade payables	17	**(3.4)**	**-**	**(3.4)**	**(3.4)**
Other liabilities		**(50.4)**	**-**	**(50.4)**	**(50.4)**
Current borrowings	18	**(4.3)**	**-**	**(4.3)**	**(4.3)**
Deferred consideration	21	**-**	**(43.9)**	**(43.9)**	**(43.9)**
Contingent consideration	21	**-**	**(10.9)**	**(10.9)**	**(10.9)**
Non-current borrowings	18	**(42.6)**	**-**	**(42.6)**	**(42.6)**
Total financial liabilities		**(100.7)**	**(54.8)**	**(155.5)**	**(155.5)**

		Amortised cost			2018
Group	Note	Loans and receivables £m	Other liabilities £m	Total carrying value £m	Total fair value £m
Trade receivables net	15	29.4	-	29.4	29.4
Other receivables	15	2.4	-	2.4	2.4
Cash and cash equivalents	16	6.4	-	6.4	6.4
Total financial assets		38.2	-	38.2	38.2
Trade payables	17	-	(4.9)	(4.9)	(4.9)
Other liabilities		-	(33.9)	(33.9)	(33.9)
Current borrowings	18	-	(8.5)	(8.5)	(8.5)
Non-current borrowings	18	-	(15.7)	(15.7)	(15.7)
Total financial liabilities		-	(63.0)	(63.0)	(63.0)

The Company's financial assets and liabilities are set out below:

					2019
Company	Note	Amortised cost £m	Fair value through profit or loss £m	Total carrying value £m	Total fair value £m
Financial asset - derivative		**-**	**1.4**	**1.4**	**1.4**
Other receivables	15	**94.7**	**-**	**94.7**	**94.7**
Total financial assets		**94.7**	**1.4**	**96.1**	**96.1**
Other liabilities	17	**(0.2)**	**-**	**(0.2)**	**(0.2)**
Non-current borrowings	18	**(42.6)**	**-**	**(42.6)**	**(42.6)**
Total financial liabilities		**(42.8)**	**-**	**(42.8)**	**(42.8)**

		Amortised cost			2018
Company	Note	Loans and receivables £m	Other liabilities £m	Total carrying value £m	Total fair value £m
Other receivables	15	79.7	-	79.7	79.7
Cash and cash equivalents	16	0.3	-	0.3	0.3
Total financial assets		80.0	-	80.0	80.0
Other liabilities	17	-	(1.0)	(1.0)	(1.0)
Current borrowings	18	-	(8.5)	(8.5)	(8.5)
Non-current borrowings	18	-	(15.7)	(15.7)	(15.7)
Total financial liabilities		-	(25.2)	(25.2)	(25.2)

In both the Group and Company tables total financial liabilities are shown net of unamortised costs which amounted to £0.7m (2018: £0.5m).

The fair value is the amount for which a financial instrument could be exchanged between knowledgeable, willing parties. If an active market exists, the market price is applied. If an active market does not exist a discounted cash flow or generally accepted estimation and valuation technique based on market conditions at the balance sheet date is used to calculate an estimated value.

The market value of financial instruments is determined by the use of valuation techniques including estimated discounted cash flows.

Treasury overview

The Group uses financial instruments where appropriate to raise funding for its operations and to manage the financial risks arising from those operations. The agreements governing the principal instruments entered into were approved by the Board.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, provide returns and benefits for shareholders.

The principal financing and treasury exposures faced by the Group arise from foreign currencies, working capital management, the financing of capital expenditure and acquisitions, the management of interest rates on the Group's debt, the investment of surplus cash and the management of the Group's debt facilities. The Group manages all of these exposures with an objective of remaining within covenant ratios agreed with the Group's banks, and the Group has been in compliance with its covenants during the year. These ratios are disclosed in note 18.

Currency and interest rate profile

The currency and interest rate profile of the Group's financial assets and liabilities is shown below:

	Financial assets		Financial liabilities				
	Non-interest bearing £m	Total £m	Floating rate £m	Fixed rate £m	Non-interest bearing £m	Total £m	Net financial (liabilities)/ assets £m
At 30 September 2019							
Currency:							
Sterling	**10.8**	**10.8**	**(18.6)**	**-**	**(35.6)**	**(54.2)**	**(43.4)**
US Dollar	**31.1**	**31.1**	**(28.3)**	**-**	**(71.8)**	**(100.1)**	**(69.0)**
Euro	**0.6**	**0.6**	**-**	**-**	**(0.4)**	**(0.4)**	**0.2**
Other	**1.5**	**1.5**	**-**	**-**	**(0.8)**	**(0.8)**	**0.7**
Total	**44.0**	**44.0**	**(46.9)**	**-**	**(108.6)**	**(155.5)**	**(111.5)**
At 30 September 2018							
Currency:							
Sterling	10.5	10.5	(18.8)	-	(22.6)	(41.4)	(30.9)
US Dollar	26.1	26.1	(5.4)	-	(15.5)	(20.9)	5.2
Euro	0.4	0.4	-	-	-	-	0.4
Other	1.2	1.2	-	-	(0.7)	(0.7)	0.5
Total	38.2	38.2	(24.2)	-	(38.8)	(63.0)	(24.8)

Interest rate risk

Details of the interest rates on borrowings as at 30 September 2019 are set out in note 18.

The Group has no significant interest-bearing assets but is exposed to interest rate risk as it borrows funds at floating interest rates through its bank facilities. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group evaluates its risk appetite towards interest rate risks regularly and may undertake hedging activities, including interest rate swap contracts, to manage interest rate risk in relation to its revolving credit facility if deemed necessary. The Group did not enter into any hedging transactions during the current or prior years and as at 30 September 2019 the only floating rate to which the Group was exposed is LIBOR. The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the liquidity risk section of this note.

For 2019, if interest rates on net borrowings had been on average 0.5% higher/lower with all other variables held constant, the post-tax profit for the year would have decreased/increased by £0.2m (2018: £0.1m).

There would be no impact on equity excluding retained earnings.

Foreign exchange risk

Some of the Group's activities are carried out in countries outside the United Kingdom where transactions are carried out in that country's own functional currency. Movements in exchange rates can therefore have a significant impact on the Group's total cash flows, whilst the translation of the results, assets and liabilities of foreign operations into Sterling can have a significant effect on the Group's reported profits and balance sheet. The main exposure is to movements in the US Dollar against Sterling.

The Group's policy for managing exchange rate risk is summarised as follows:

Transaction exposure – the Group manages this by ensuring that transactions are denominated in the local functional currency of the operating units wherever possible. Where this is not possible the use of forward contracts to hedge exposure is considered, however the Group seeks to ensure that its balance sheet positions are naturally hedged wherever possible. The use of forward contracts (or any other derivative financial instrument) is subject to authorisation by the Board.

A derivative foreign currency option to buy $30m in June 2020 was acquired in order to hedge the currency exposure arising on contingent consideration relating to the MoNa Mobile Nations, LLC and SmartBrief, Inc. (see page 134 for further detail).

The following table summarises the Group's sensitivity to translational currency exposures at 30 September:

2019 currency risks expressed in Currency 1/Currency 2 £m	GBP/USD
Reasonable shift	**10%**
Impact on profit after tax if Currency 1 strengthens against Currency 2	**0.2**
Impact on profit after tax if Currency 1 weakens against Currency 2	**(0.2)**
Impact on equity excluding retained earnings if Currency 1 strengthens against Currency 2	**-**
Impact on equity excluding retained earnings if Currency 1 weakens against Currency 2	**-**

2018 currency risks expressed in Currency 1/Currency 2 £m	GBP/USD
Reasonable shift	10%
Impact on profit after tax if Currency 1 strengthens against Currency 2	(0.3)
Impact on profit after tax if Currency 1 weakens against Currency 2	0.3
Impact on equity excluding retained earnings if Currency 1 strengthens against Currency 2	0.3
Impact on equity excluding retained earnings if Currency 1 weakens against Currency 2	(0.3)

Liquidity risk

The Group funds the business largely from cash flows generated from operations and long-term debt. Details of the Group's borrowings are disclosed in note 18.

The Group monitors and manages the cash for the Group and has maintained committed banking facilities as noted above to mitigate any liquidity risk it may face. If necessary, inter-company loans within the Group meet short-term cash needs. The following table shows the Group's remaining contractual maturity for financial liabilities and derivative financial instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is obliged to pay:

30 September 2019	Less than one year £m	Between one and two years £m	Between two and five years £m	Over five years £m	Total £m
Trade payables	**(3.4)**	**-**	**-**	**-**	**(3.4)**
Other liabilities	**(50.4)**	**-**	**-**	**-**	**(50.4)**
Borrowings	**(4.3)**	**-**	**(42.6)**	**-**	**(46.9)**
Deferred consideration	**(43.9)**	**-**	**-**	**-**	**(43.9)**
Contingent consideration	**-**	**(10.9)**	**-**	**-**	**(10.9)**
Total financial liabilities	**(102.0)**	**(10.9)**	**(42.6)**	**-**	**(155.5)**

30 September 2018	Less than one year £m	Between one and two years £m	Between two and five years £m	Over five years £m	Total £m
Trade payables	(4.9)	-	-	-	(4.9)
Other liabilities	(33.0)	(0.2)	(0.4)	(0.3)	(33.9)
Borrowings	(8.5)	(4.8)	(10.9)	-	(24.2)
Total financial liabilities	(46.4)	(5.0)	(11.3)	(0.3)	(63.0)

22. Issued share capital

		2019		2018
	Number of shares	£m	Number of shares	£m
Allotted, issued and fully paid Ordinary shares of 15p each				
At beginning of year	**81,518,591**	**12.2**	45,392,814	6.8
Issued as consideration for acquisition	**1,642,658**	**0.2**	654,400	0.1
Placing of Ordinary shares	**-**	**-**	34,880,772	5.2
Share scheme exercises	**433,580**	**0.1**	589,895	0.1
Share Incentive Plan matching shares	**592**	**-**	710	-
At end of year	**83,595,421**	**12.5**	81,518,591	12.2

On 1 March 2019, the Company issued 615,166 Ordinary shares with a nominal value of £92,275 as consideration for the acquisition of MoNa Mobile Nations, LLC.

Between 1 August and 6 August 2019, the Company issued 1,027,492 Ordinary shares with a nominal value of £154,124 as consideration for the acquisition SmartBrief, Inc.

Further details of acquisitions are shown in note 28.

During the year 433,580 Ordinary shares with a nominal value of £65,037 were issued by the Company pursuant to share scheme exercises and a further 592 Ordinary shares were issued under the Share Incentive Plan for a combined total cash commitment of £nil, as detailed in note 23.

23. Share-based payments

The income statement charge for the year for share-based payments (and related social security costs) was £10.1m (2018: £2.6m). This charge has been included within administration expenses.

These charges arise when employees are granted awards under the Group's share option schemes, performance share plan (PSP), deferred annual bonus scheme (DABS) or Share Incentive Plan (SIP) and when employees are granted awards by the trustees of The Future plc Employee Benefit Trust (EBT). The charge equates to the fair value of the award and has been calculated using the Monte Carlo and Black-Scholes models, using the most appropriate model for each scheme. Assumptions have been made in these models for expected volatility, risk-free rates and dividend yields.

A reconciliation of movements in share options and other share incentive schemes is shown below:

	2019 Number of options/awards	2019 Weighted average exercise price	2018 Number of options/awards	2018 Weighted average exercise price
Outstanding at the beginning of the year	**4,970,723**	**£0.000**	4,271,059	£0.000
Granted	**1,124,899**	**£0.000**	782,451	£0.000
Share awards exercised – new share issues	**(433,580)**	**£0.000**	(589,895)	£0.000
Cancelled	**(435,006)**	**£0.000**	(251,065)	£0.000
Adjustment on rights issue	**-**	**-**	758,173	-
Outstanding at 30 September	**5,227,036**	**£0.000**	4,970,723	£0.000
Exercisable at 30 September	**2,663**	**£0.000**	9,344	£0.000

The weighted average share price at the date of exercise of share options and other share incentive awards during the year was £5.916 (2018: £4.080).

For options and other share incentive schemes outstanding at 30 September the weighted average exercise prices and remaining contractual lives are as follows:

	Number of options/awards		Weighted average remaining contractual life in years	
	2019	2018	2019	2018
PSP				
November 2015	**-**	379,567	**-**	-
September 2016	**-**	47,331	**-**	1
November 2016	**1,749,634**	1,749,634	**-**	1
February 2017	**2,005,190**	2,005,190	**-**	1
November 2017	**504,521**	504,521	**1**	2
February 2018	**64,611**	64,611	**1**	2
May 2018	**-**	127,976	**2**	3
July 2018	**-**	82,549	**2**	3
November 2018	**691,759**	-	**2**	-
March 2019	**13,393**	-	**2**	-
May 2019	**161,179**	-	**3**	-
June 2019	**16,992**	-	**3**	-
August 2019	**17,094**	-	**3**	-
DABS				
November 2015	**2,663**	9,344	**-**	-
Total outstanding at 30 September	**5,227,036**	4,970,723	**1**	1

The weighted average exercise price for share options outstanding at 30 September 2019 is £nil (2018: £nil).

The fair value per share for grants made during the year and the assumptions used in the calculation are as follows:

					2019
	PSP	PSP	PSP	PSP	PSP
Grant date	**23 Nov 2018**	**14 Mar 2019**	**17 May 2019**	**10 Jun 2019**	**12 Aug 2019**
Share price at grant date	**£5.1400**	**£7.3600**	**£8.4500**	**£11.7700**	**£10.1400**
Exercise price	**-**	**-**	**-**	**-**	**-**
Vesting period (years)	**3**	**3**	**3**	**3**	**3**
Expected volatility[1]	**45%**	**45%**	**46%**	**46%**	**47%**
Option life (years)	**3**	**3**	**3**	**3**	**3**
Expected life (years)	**3**	**3**	**3**	**3**	**3**
Risk-free rate	**0.79%**	**0.79%**	**0.69%**	**0.51%**	**0.33%**
Dividend yield	**-**	**-**	**-**	**-**	**-**
Fair value[2]	**£3.9010**	**£5.6070**	**£6.4290**	**£9.8648**	**£8.1741**
Fair value – share price element[2]	**£2.6619**	**£3.8540**	**£4.4081**	**£7.9595**	**£6.2082**
Fair value – EPS element[2]	**£5.1400**	**£7.360**	**£8.4500**	**£11.7700**	**£10.1400**

				2018
	PSP	PSP	PSP	PSP
Grant date	30 Nov 2017	01 Feb 2018	01 May 2018	01 Jul 2018
Share price at grant date	£3.6000	£4.1000	£4.5500	£5.3600
Exercise price	-	-	-	-
Vesting period (years)	3	3	3	3
Expected volatility[1]	36%	36%	41%	41%
Option life (years)	3	3	3	3
Expected life (years)	3	3	3	3
Risk-free rate	0.56%	0.81%	0.81%	0.81%
Dividend yield	-	-	-	-
Fair value[2]	£3.1137	£3.3909	£3.9684	£4.5618
Fair value – share price element[2]	£2.6273	£2.6318	£3.3867	£3.7636
Fair value – EPS element[2]	£3.6000	£4.1500	£4.5500	£5.3600

Notes:
1. The expected volatility is based on Future's historical volatility, averaged over a period equal to the expected life, where possible.
2. The Group has used the Black-Scholes model to value instruments with non-market-based performance criteria such as earnings per share. For instruments with market-based performance criteria, notably share price performance, the Group has used a Monte Carlo model to determine the fair value. The Black-Scholes model has been used to value all options with the exception of 50% of certain PSP grants which have market-based performance criteria; the Monte Carlo model has been used to value these awards.

Performance Share Plan (PSP)

The PSP is a share-based incentive scheme open to the Executive Directors and certain other key employees and 'rising stars', usually based on a percentage of the participant's salary. Awards under this scheme are subject to stretching performance criteria measured against a combination of earnings per share (EPS), net cash flow, adjusted EBITDA or share price performance, depending on the date of grant. Unless the Remuneration Committee decides otherwise at the date of grant, awards will vest three years after the date of grant subject to the participant's continued employment within the Group and achievement of the following performance criteria.

Performance criteria in respect of awards granted during the year ended 30 September 2017:

Performance metrics are weighted 50% on the Group's adjusted EBITDA (split 25% for the achievement of target for the year ending 30 September 2017 and 25% for the year ending 30 September 2018) and 50% on the Company's share price (split 25% for the achievement of target for the year ending 30 September 2018 and 25% for the year ending 30 September 2019). If the target is not met for either condition in either year, that portion of the award will not vest. If the target is met, that portion of the award vests in full.

Performance criteria in respect of awards granted during the year ended 30 September 2018:

Performance metrics are weighted 50% on the Group's adjusted EPS and 50% on the Company's share price. The threshold entry point of 25% vesting for the EPS element requires a 5% compound annual growth rate (CAGR), with 100% vesting at 10% CAGR. The threshold entry point of 25% vesting for the share price element requires a 5% CAGR, with 100% vesting at 9% CAGR. Vesting will be on a straightline basis between the threshold and maximum for both elements. Following the completion of the rights issue in the year ended 30 September 2018 the Remuneration Committee rebased the share price targets to adjust for the impact of the Purch acquisition and associated rights issue.

Performance criteria in respect of awards granted during the year ended 30 September 2019:

Performance metrics are weighted 50% on the Group's adjusted EPS and 50% on the Company's share price. The threshold entry point of 19% vesting for the EPS element requires a 5% CAGR, with 100% vesting at 20% CAGR. The threshold entry point of 19% vesting for the share price element requires 5% CAGR, with 100% vesting at 20% CAGR. Vesting will be on a straightline basis between the threshold and maximum for both elements.

Grants were made under the PSP in November 2016, February 2017, November 2017, February 2018, May 2018, July 2018, November 2018, March 2019, May 2019, June 2019, August 2019, and following the year end, November 2019.

Deferred Annual Bonus Scheme (DABS)

The DABS is a share-based incentive scheme open to the Executive Directors and certain managers across the Group. The maximum value of any shares granted under the DABS to any one participant will be an amount which is equal to a fixed percentage of that eligible participant's annual bonus for the previous financial year. The number of shares over which an award is to be granted to each participant will usually be calculated by reference to the market value of an Ordinary share in the Company on the date of the award. Unless the Remuneration Committee decides otherwise at the date of grant, the shares awarded under the DABS will vest six months after the date of the award, subject only to the employee remaining in the employment of the Group throughout the vesting period.

For Executive Directors, annual bonuses for the year ending 30 September 2019 are to be paid 50% in cash in November 2019 and 50% in Future shares, deferred for two years. See page 89 of the Remuneration report for further detail.

The last grant made under the DABS was in November 2018.

Share Incentive Plan (SIP)

The SIP is open to all UK employees including the Executive Directors. It is a tax efficient incentive plan pursuant to which employees are eligible to acquire up to £150 (or 10% of salary, if less) worth of Ordinary shares in the Company per month or £1,800 per annum. Under the SIP, employees are invited to subscribe for Partnership shares via salary deductions. If an employee agrees to buy Partnership shares the Company currently matches the number of Partnership shares bought with an award of Matching shares on the basis of one Matching share for every four Partnership shares. Matching share awards to date have been met by the issue of Ordinary shares to Yorkshire Building Society as Trustee of the SIP.

24. Reserves

Share premium account
Share premium represents the excess of proceeds received over the nominal value of new shares issued.

Group and Company	2019 £m	2018 £m
At 1 October	**97.2**	47.4
Premium arising on issue of equity shares	**-**	100.5
Costs of share issue	**-**	(3.3)
Share premium reduction	**-**	(47.4)
At 30 September	**97.2**	97.2

In June 2018 the Company's share premium amount of £47.4m was cancelled by special resolution, confirmed by the High Court of Justice in July 2018.

Treasury reserve
The treasury reserve represents the cost of shares in Future plc purchased in the market and held by the EBT to satisfy awards made by the trustees.

	Group 2019 £m	Group 2018 £m
At 1 October and 30 September	**(0.3)**	(0.3)

The 110,439 (2018: 110,439) shares held by the EBT represent 0.1% (2018: 0.1%) of the Company's issued share capital. The treasury reserve is non-distributable.

Merger reserve

	Group 2019 £m	Company 2019 £m	Group 2018 £m	Company 2018 £m
At 1 October	**124.9**	**15.9**	122.5	13.5
Premium arising on equity shares issued as consideration	**15.5**	**15.5**	2.4	2.4
At 30 September	**140.4**	**31.4**	124.9	15.9

An amount of £109.0m in the merger reserve arose in previous years following the 1999 Group reorganisation and is non-distributable. The movement in the current year relates to the premium on shares issued as consideration for the acquisitions of MoNa Mobile Nations, LLC in March 2019 and SmartBrief, Inc. in July 2019. The movement in the prior year relates to the premium on shares issued as consideration for the acquisitions of NewBay Media LLC in April 2018 and the Haymarket titles in May 2018.

25. Pensions

The Group operates a defined contribution scheme for employees resident in the United Kingdom.

In the US, the Group operates a section 401(K) profit sharing defined contribution plan in respect of pensions, which covers substantially all Future US employees. The section 401(K) plan allows employees to invest in 22 registered mutual funds at Charles Schwab Bank, the plan's custodian. The employees, not the employer, have complete control over which funds they invest in, although they have no control over the stocks owned by the funds.

During the year, £1.3m (2018: £1.0m) contributions were made to these plans and at 30 September 2019 the outstanding balance due to be paid over to the plans was £0.2m (2018: £0.4m).

26. Commitments and contingent liabilities

(a) Operating lease commitments

At 30 September 2019, the Group had the following total future lease payments under non-cancellable operating leases:

	Land and buildings £m	Other £m	Total 2019 £m	Land and buildings £m	Other £m	Total 2018 £m
Within one year	**4.6**	-	**4.6**	3.7	-	3.7
Between one and five years	**10.4**	-	**10.4**	8.3	-	8.3
After five years	**3.0**	-	**3.0**	5.1	-	5.1
Total	**18.0**	-	**18.0**	17.1	-	17.1

Future minimum sub-lease receipts expected under non-cancellable subleases at 30 September 2019 total £2.2m (2018: £2.1m).

During the year, £3.4m (2018: £2.1m) was recognised in the income statement in respect of operating lease rental payments and £0.2m (2018: £0.3m) was recognised in respect of sub-lease receipts.

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.

(b) Contingent liabilities

During the year, a contingent liability of £43.9m was recognised for variable deferred contingent consideration on the acquisition of MoNa Mobile Nations, LLC and £10.9m was recognised for variable deferred contingent consideration on the acquisition of SmartBrief, Inc. Following the reporting date, the contingent consideration for MoNa Mobile Nations, LLC was agreed, with the deferred consideration being settled 50% in shares, with 1,792,534 shares in Future plc being issued in October 2019 and 50% in cash payable on 28 February 2020. See notes 28 and 30 for further details regarding the acquisitions.

(c) Capital commitments

There were no material capital commitments as at 30 September 2019 (2018: £nil).

27. Related party transactions

The Group had no material transactions with related parties in 2019 or 2018 which might reasonably be expected to influence decisions made by users of these financial statements.

During the year, the Company had management charges payable of £1.4m (2018: £0.9m) to subsidiary undertakings. The outstanding balance owed at 30 September 2019 was £1.4m (2018: £0.9m). See note 21 for details.

No individuals other than the Directors meet the definition of key management personnel. Details of key management personnel compensation are set out in the Directors' Remuneration Report on page 88.

28. Acquisitions

Acquisition of Immediate Media titles

On 13 February 2019 Future Publishing Limited acquired two specialist consumer brands from Immediate Media, CyclingNews.com and Procycling Magazine, for consideration of £1.65 million. Cycling News is the leading cycling news website in the UK, while Procycling is the market-leading magazine within the professional cycling arena.

The impact of the acquisition on the consolidated balance sheet was:

	Fair value
Intangible assets	
- Customer lists	0.1
- Brands	0.7
Subscription liabilities	(0.1)
Deferred tax	(0.1)
Net assets acquired	0.6
Goodwill	1.1
	1.7
Consideration:	
Cash	1.7
Total consideration	**1.7**

The acquisition provides the Group with market-leading positions in the pro-cycling sector, complementing the Group's specialist media strategy and bringing organic growth opportunities.

Acquisition of MoNa Mobile Nations, LLC

On 1 March 2019 Future plc acquired MoNa Mobile Nations, LLC ("Mobile Nations"), a leading global digital publisher focused on consumer electronics and based in the US. The initial cash consideration paid was $55 million with a further $5 million satisfied through the issue of 615,166 new ordinary shares. In addition, a further variable deferred contingent consideration up to a total value of $60 million could be paid, subject to meeting certain financial targets based on the year ending 31 March 2020. The table below includes £29.3m as contingent consideration, which represents its fair value at the date of acquisition. At the reporting date, the deferred consideration had increased to £43.9m ($55m) following agreement of the final amount payable on 11 October 2019 (see note 21). 100% of the voting equity interest was acquired.

The impact of the acquisition on the consolidated balance sheet was:

	Fair value £m
Intangible assets	
- Brands	23.8
- Creative services relationships	3.2
- Software	1.4
- Other intangibles	1.7
Trade and other receivables	2.5
Trade and other payables	(0.6)
Net assets acquired	32.0
Goodwill	43.6
	75.6
Consideration:	
Equity shares	4.3
Cash	42.0
Consideration	**46.3**
Contingent consideration	29.3
Total consideration	**75.6**

The goodwill is attributable to significant further opportunities available through sharing of best practice and leveraging the Group's specialist media platform. The brands will be amortised over a period of between 10 and 15 years, creative services relationships over a period of eight years and other intangibles over three years. US intangibles, including goodwill, are expected to be deductible for tax purposes.

Gross trade receivables were £2.5m, of which £2.5m on acquisition were expected to be recovered.

The acquisition enhances the Group's market-leading position in consumer electronics and combine content, community and commerce to deliver shopping enablement systems. The complementary brands acquired further diversify and strengthen the Group's presence in the US.

Included within the Group's results for the year are revenues of £5.6m (after elimination of intra-group revenues) and a profit before tax of £4.7m (excluding deal fees and acquired intangible amortisation) from MoNa Mobile Nations, LLC.

If the acquisition has been completed on the first day of the financial year, it would have contributed £8.9m of revenue (after elimination of intra-group revenues) and profit before tax of £7.7m (excluding deal fees and acquired intangible amortisation) during the year.

28. Acquisitions (continued)

Acquisition of SmartBrief, Inc.

On 29 July 2019 Future plc acquired SmartBrief, Inc. ("SmartBrief"), a leading US based digital media publisher. The initial cash consideration paid was $30.3 million (being the original agreed amount of $32.2m less working capital and debt like adjustments) which includes a $4.6m payment to settle debt on acquisition, with a further $12.8 million satisfied through the issue of 1,027,492 new ordinary shares. In addition, a further deferred contingent consideration up to a total value of $20 million will be paid, subject to meeting certain financial targets based on the year ending 31 July 2020. The Group has included £10.8m as contingent consideration in the table below, which represents its fair value at the date of acquisition. At the reporting date, the contingent consideration had increased to £10.9m, representing the impact of discounting (see note 21). The impact of the acquisition on the consolidated balance sheet was:

	Provisional fair value £m
Tangible assets	0.4
Intangible assets	
- Subscriber base	10.6
- Brands	2.8
- Software	2.6
- Other intangible assets	2.5
Cash	2.3
Trade and other receivables	5.7
Trade and other payables	(6.6)
Financial liabilities - interest bearing loans and borrowings	(3.8)
Deferred tax	(4.3)
Net assets acquired	12.2
Goodwill	31.4
	43.6
Consideration:	
Equity shares	11.6
Cash	21.2
Consideration	**32.8**
Contingent consideration	10.8
Total consideration	**43.6**

The goodwill is attributable to opportunities to utilise the CRM solution for Future's existing B2B and B2C customers and through combining back office functions. The subscriber base will be amortised over a period of seven years, the brands over three years and other intangible assets over 10 years. US intangibles, including goodwill, are not expected to be deductible for tax purposes.

Gross trade receivables were £5.7m, of which £5.3m on acquisition were expected to be recovered.

The acquisition strengthens the Group's presence in the US B2B market and expands our audience reach through targeted email marketing and daily digital newsletters for business professionals, as well as enhancing the Group's proprietary technology stack.

Included within the Group's results for the year are revenues of £5.2m and a profit before tax of £1.0m (excluding deal fees, associated integration costs, depreciation and amortisation) from SmartBrief, Inc.

If the acquisition has been completed on the first day of the financial year, it would have contributed £28.4m of revenue and profit before tax of £4.3m (excluding deal fees, associated integration costs, depreciation and amortisation) during the year.

Following the acquisition, the legal form of the entity was changed from an Incorporation to an LLC.

The fair values included for the SmartBrief, Inc. acquisition are described as 'provisional' as it occurred within three months of the balance sheet date and so further time is required in order to fully ascertain the fair value of assets and liabilities acquired and the consideration is subject to customary adjustments on finalisation of completion accounts.

See note 5 for details of the total amount of acquisition and integration related costs recognised as exceptional items in respect of these acquisitions.

Acquisition of Purch Group LLC – update to fair values

On 4 September 2018, Future US Inc. acquired 100% of the share capital of Purch Group LLC, as disclosed in the Annual Report for the year ended 30 September 2018. An update to the fair value of the assets has been performed, as detailed below:

	Fair value £m
Intangible assets	
- Customer relationships	12.2
- Brands	21.9
- Software	2.8
Trade and other receivables	10.9
Trade and other payables	(5.3)
Net assets acquired	42.5
Goodwill	57.3
	99.8
Consideration:	
Cash	99.8
Total consideration	**99.8**

The Purch acquisition occurred within one month of the 2018 balance sheet date and following the passage of time further information has become available to the Directors which has enabled the calculation of the fair value of the assets and liabilities acquired to be refined. As part of this exercise, assets previously identified as websites were re-categorised as brands to better reflect the underlying nature of the intangible assets acquired.

Following the acquisition of MoNa Mobile Nations LLC, existing customer relationships of £5.0m between the two parties that had been included as an identified intangible asset included in the original purchase price allocation exercise were reclassified to goodwill – reflecting the fact that the relationship is now with an entity within the Future Group.

29. Subsidiary undertakings

Details of the Company's subsidiaries at 30 September 2019 are set out below. All subsidiaries are included in the consolidation. Shares of those companies marked with an * are indirectly owned by Future plc through an intermediate holding company.

Company name and registered number	Country of incorporation and registered office	Nature of business	Holding %	Class of shares
Ascent Publishing Limited* 02561341	England and Wales[1]	Non-trading	100	£1 Ordinary shares
Future Holdings 2002 Limited 04387886	England and Wales[1]	Holding company	100	£1 Ordinary shares
Future Publishing Limited* 02008885	England and Wales[1]	Publishing	100	10p Ordinary shares
Future Publishing (Overseas) Limited* 06202940	England and Wales[1]	Publishing	100	£1 Ordinary shares
Future Publishing Holdings Limited 03430449	England and Wales[1]	Holding company	87.5	1 pence Ordinary shares
Future US, Inc* 1513070	USA[2]	Publishing	100	Not applicable
Future Verlag GmbH* HRB12567	Germany[3]	Non-trading	87.5	€1 Ordinary shares
FutureFolio Limited* 07956484	England and Wales[1]	Digital publishing solutions	100	£1 Ordinary shares
Next Commerce Philippines Inc* CS201517783	Philippines[4]	Dormant	100	₱ Ordinary shares
Next Commerce Pty Ltd* 113 146 786	Australia[5]	Comparison shopping	100	$1 Ordinary shares
Pricepanda Group GmbH* HRB138471B	Germany[6]	Dormant	100	€1 Ordinary shares
Newbay Media UK Holdco Limited* 04387886	England and Wales[1]	Holding company	100	£1 Ordinary shares
Newbay Media Europe Limited* 03641099	England and Wales[1]	Non-trading	100	£1 Ordinary shares
MoNa Mobile Nations, LLC* 7277455	USA[7]	Digital media publishing	100	Not applicable
MoNa Network, LLC* L16000161192	USA[7]	Digital media publishing	100	Not applicable
Mobile Nations, LLC* L12000001404	USA[7]	Digital media publishing	100	Not applicable
MoNa Media Canada Ltd* BC1198396	Canada[9]	Digital media publishing	100	Not applicable
Active Junky Inc* 5341234	USA[2]	Trading	100	Not applicable
Purch Technologies Sarl* 84138050400016	France	Non-trading	100	Not applicable
Newbay Media LLC* 4208889	USA[2]	Non-trading	100	Not applicable
Purch Group LLC* 4560993	USA[2]	Trading	100	Not applicable
Sarracenia Limited 04582851	England and Wales[1]	Dormant	100	£1 Ordinary shares
SmartBrief, LLC* 3072249	USA[8]	Digital Publishing	100	Not applicable

1 Registered office: Quay House, The Ambury, Bath, BA1 1UA, England
2 Registered office: 11 West 42nd Street, New York, NY 10036
3 Registered office: c/o Poruba GbR, Clemensstraße 32, 80803 Munich, Germany
4 Registered office: 2/F GC Corporate Plaza, 150 Legaspi Street, Legaspi Village, Makati, Manila, Philippines
5 Registered office: Suite 3, Level 10, 100 Walker Street, North Sydney, NSW 2060, Australia
6 Registered office: Charlottenstraße 4, 10969 Berlin, Germany
7 Registered office 360 Central Ave, Suite 800, St Petersburg, FL 33701
8 Registered office: 555 11th Street, Suite 600, Washington, DC 20004
9 Registered office: 201 Portage Avenue, Suite 1800, Winnipeg, MB R3B 3K6

Ascent Publishing Limited, Future Holdings 2002 Limited, Future Publishing Limited, FutureFolio Limited, NewBay Media UK Holdco Limited and NewBay Media Europe Limited are exempt from the requirement to file audited financial statements by virtue of Section 479A of the Companies Act 2006. Sarracenia Limited is exempt from the requirement to file audited financial statements by virtue of Section 480 of the Companies Act 2006.

30. Post balance sheet events

MoNa Mobile Nations, LLC contingent consideration

On 11 October 2019 the Group announced the acceleration of the payment of the contingent consideration in respect of MoNa Mobile Nations, LLC, which the Group acquired on 1 March 2019 (see note 28). With the attainment of the financial targets for the year ended March 2020 likely to be above the top end of the earn out range, a total contingent consideration of $55m has been agreed, split equally between cash and the issuance of new shares in Future plc. The cash element ($27.5m) will be paid on 28 February 2020 and 1,792,534 new shares were issued in October 2019 representing the balance of the payment (see note 28).

This move recognises the achievement of certain financial targets ahead of the anticipated timeframe and will enable the businesses to work together to deliver additional benefits across the combined Group.

Acquisition of TI Media

On 30 October 2019 the Group announced the proposed acquisition of TI Media for a total consideration of £140 million in cash. TI Media is a UK-based, print-led consumer magazine and digital publisher with deep industry heritage and a portfolio that incorporates 41 brands including Decanter, Country Life, Wallpaper* and Woman & Home. TI Media brings to Future a presence in the Wine, Golf, Equestrian, Country Living, TV Listings and Gardening verticals and deepens and extends Future's strength and position in Home, Cycling, Consumer Technology and Country Sports. The acquisition will be funded by a placing of 8,184,906 new ordinary shares with the balance being settled by increasing the Group's debt facilities to £135 million with the drawdown of an additional £45 million through exercise of the accordion option.

Acquisition of Barcroft Studios

On 14 November 2019, Future signed a contract to purchase Barcroft Studios, a small independent studio that creates original content, which is then published on a variety of owned and operated social sites in addition to being distributed across mass media channels. The deal was completed on 30 November 2019. Total consideration is £23.5m (9.4x multiple of last 12 months EBITDA) of which 40% was satisfied by the issue of 686,497 consideration shares.

Notice of Annual General Meeting

This Notice of Meeting is important and requires your immediate attention.

If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Future plc, please forward this notice, together with the accompanying documents, as soon as possible either to the purchaser or transferee, or to the person who arranged the sale or transfer so that they can pass these documents to the purchaser or transferee.

Notice of Annual General Meeting

Notice is hereby given that the twenty first Annual General Meeting of Future plc will be held on 5 February 2020 at Future's London office, 1-10 Praed Mews, London W2 1QY at 10:30am at which the following resolutions numbered 1 to 14 will be proposed as ordinary resolutions, and resolutions numbered 15 to 18 will be proposed as special resolutions.

Ordinary Business

Ordinary resolutions

1. To receive and adopt the audited financial statements of the Company for the financial year ended 30 September 2019 and the reports of the Directors and the auditors (the "Annual Report").

2. To approve the Directors' remuneration implementation report as set out in pages 87 to 96 of the Annual Report of the Company for the financial year ended 30 September 2019.

3. To approve the amendments to the Remuneration policy for the three year period commencing on 1 October 2019 as set out in pages 78 to 86 of the Annual Report of the Company.

4. To declare a final dividend upon the recommendation of the Directors for the year ended 30 September 2019 of 1.0p per ordinary share payable on 14 February 2020 to shareholders on the register at the close of business on 17 January 2020.

5. To re-elect as a Director Alan Newman.

6. To re-elect as a Director Rob Hattrell.

7. To re-elect as a Director Richard Huntingford.

8. To re-elect as a Director Zillah Byng-Thorne.

9. To re-elect as a Director Penny Ladkin-Brand.

10. To re-elect as a Director Hugo Drayton.

11. To reappoint PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, as auditors of the Company to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company.

12. To authorise the Directors to determine the remuneration of the auditors of the Company.

13. That, in substitution for any existing authority, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

13.1 in connection with an offer by way of a rights issue (comprising equity securities as defined by section 560 of the Act), up to an aggregate nominal amount of £9,801,426 (such amount to be reduced by the nominal amount of any relevant securities allotted under paragraph 13.2 below):

(a) to holders of Ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their respective holdings of Ordinary shares in the capital of the Company; and

(b) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

13.2 in any other case, up to an aggregate nominal amount of £4,900,713 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph 13.1 above in excess of £4,900,713 at any time or times during the period beginning on the date of the passing of this resolution and ending following the conclusion of the Company's next Annual General Meeting or, if earlier, on 4 May 2021 (unless previously revoked or varied by the Company in General Meeting) save that the Company may before expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after its expiry and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority hereby conferred had not expired.

14. To authorise the Company, and all companies that are its subsidiaries, at any time during the period for which this resolution has effect for the purposes of Section 366 of the Act to:

(a) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;

(b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and

(c) incur political expenditure not exceeding £50,000 in total,

during the period beginning with the date of the passing of this resolution and ending following the conclusion of the Company's next Annual General Meeting or, if earlier, on 4 May 2021.

Special resolutions

15. That, if resolution 13 is passed, the Directors be authorised to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by that resolution (in accordance with section 570(1) of the Act) and/or to sell Ordinary shares held by the Company as treasury shares (in accordance with section 573 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be limited to:

(a) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph 13.1 of resolution 13, by way of a rights issue only):

(i) in favour of holders of Ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of Ordinary shares in the capital of the Company held by them; and

(ii) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

(b) the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities up to an aggregate nominal value equal to £735,107

such authority to expire at the end of the next AGM of the Company or, if earlier, at the close of business on 4 May 2021 (unless previously revoked or varied by the Company in General Meeting) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

16. That, if resolution 13 is passed, the Board be authorised in addition to any authority granted under resolution 15 to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by that resolution (in accordance with section 570(1) of the Act) and/or to sell Ordinary shares held by the Company as treasury shares (in accordance with section 573 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be:

a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £735,107; and

b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next AGM of the Company or, if earlier, at the close of business on 4 May 2021 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

17. That a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

18. That article 13.3 of the Articles of Association of the Company be and is hereby deleted and replaced with the following:

The remuneration of the Directors for their services as such (excluding amounts payable under other provisions of these Articles) shall be determined by the Board but shall not exceed in aggregate the sum of £600,000 per annum or such greater sum as the Company may from time to time determine by ordinary resolution. Such sum (unless otherwise directed by ordinary resolution of the Company) shall be divided amongst the directors in such proportions and in such manner as the Board may determine or, failing such determination, equally.

On behalf of the Board

Timothy Maw
Company Secretary
4 December 2019

Notes

Further information about the AGM

1. Information regarding the meeting, including the information required by section 311A of the Act, is available from: www.futureplc.com/invest-in-future

Attendance at the AGM

2. If you wish to attend the meeting in person, please bring the attendance card attached to your form of proxy and arrive at Future's London office, 1-10 Praed Mews, London W2 1QY, in sufficient time for registration. Appointment of a proxy does not preclude a member from attending the meeting and voting in person. If a member has appointed a proxy and attends the meeting in person, the proxy appointment will automatically be terminated.

Appointment of proxies

3. Any member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and vote in their place. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If you appoint multiple proxies for a number of shares in excess of your holding, the proxy appointments may be treated as invalid. A proxy need not be a member of the Company. A proxy card is enclosed. To be effective, proxy cards should be completed in accordance with these notes and the notes to the proxy form, signed and returned so as to be received by the Company's Registrars:

   Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY

   not later than 10:30am on Monday 3 February 2020 being two business days before the time appointed for the holding of the meeting. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Electronic appointment of proxies

4. As an alternative to completing the printed proxy form, you may appoint a proxy electronically by visiting the following website: www.investorcentre.co.uk/eproxy.
   You will be asked to enter the Control Number, the Shareholder Reference Number (SRN) and PIN as printed on your proxy form and to agree to certain terms and conditions. To be effective, electronic appointments must have been received by the Company's Registrars not later than 10:30am on Tuesday 5 February 2019.

Number of shares in issue

5. As at the close of business on 4 December 2019 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 98,014,275 Ordinary shares of 15 pence each. Each Ordinary share carries one vote. There are no shares held in treasury. The total number of voting rights in the Company is therefore 98,014,275.

Documents available for inspection

6. Printed copies of the service contracts of the Company's Directors and the letters of appointment for the Non-Executive Directors will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the Company's London office at

   1-10 Praed Mews,
   London,
   W2 1QY

   and at the Company's registered office at

   Quay House,
   The Ambury,
   Bath,
   BA1 1UA

   including on the day of the meeting from 10:15am until its completion.

Eligible shareholders

7. The Company, pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those members on the register of the Company as at 6pm on Monday 3 February 2020 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register after 6pm on Monday 3 February 2020 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Indirect investors

8. Any person to whom this notice is sent who is a person that has been nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person') does not have a right to appoint a proxy. However, a Nominated Person may, under an agreement with the registered shareholder by whom they were nominated (a 'Relevant Member'), have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. Alternatively, if a Nominated Person does not have such a right, or does not wish to exercise it, they may have a right under any such agreement to give instructions to the Relevant Member as to the exercise of voting rights.

   A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, the Nominated Person's custodian or broker) and the Nominated Person should continue to contact them (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

Appointment of proxies through CREST

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 10:30am on Monday 3 February 2020 or, if the meeting is adjourned, not less than 48 hours before the time fixed for the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Amending a proxy

10. To change a proxy instruction, a member needs to submit a new proxy appointment using the methods set out above. Note that the deadlines for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant deadline will be disregarded. Where a member has appointed a proxy using the paper proxy form and would like to change the instructions using another such form, that member should contact the Registrars on +44 (0)370 707 1443.

If more than one valid proxy appointment is submitted, the appointment received last before the deadline for the receipt of proxies will take precedence.

Revoking a proxy

11. In order to revoke a proxy instruction, a signed letter clearly stating a member's intention to revoke a proxy appointment must be sent by post or by hand to the Company's Registrars:

Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

Note that the deadlines for receipt of proxy appointments (see above) also apply in relation to revocations; any revocation received after the relevant deadline will be disregarded.

Corporate members

12. In the case of a member which is a company, any proxy form, amendment or revocation must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the documents are signed (or a duly certified copy of such power of authority) must be included. A corporate member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share. Members considering the appointment of a corporate representative should check their own legal position, the company's articles of association and the relevant provision of the Companies Act 2006.

Joint holders

13. Where more than one of the joint holders purports to vote or appoint a proxy, only the vote or appointment submitted by the member whose name appears first on the register will be accepted.

Questions at the AGM

14. Under section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:

(a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

(b) the answer has already been given on a website in the form of an answer to a question; or

(c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members' right to require circulation of a resolution to be proposed at the AGM

15. Under section 338 of the Act, a member or members meeting the qualification criteria set out at note 18 on page 111, may, subject to conditions set out at note 19, require the Company to give to members notice of a resolution which may properly be moved and is intended to be moved at that meeting.

Members' right to have a matter of business dealt with at the AGM

16. Under section 338A of the Act, a member or members meeting the qualification criteria set out at note 18 on page 111, may, subject to the conditions set out at note 19, require the Company to include in the business to be dealt with at the AGM a matter (other than a proposed resolution) which may properly be included in the business (a matter of business).

Website publication of any audit concerns

17. Pursuant to Chapter 5 of Part 16 of the Act, where requested by a member or members meeting the qualification criteria set out at note 18 on page 111, the Company must publish on its website a statement setting out any matter that such members propose to raise at the AGM relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM.

Where the Company is required to publish such a statement on its website:

(a) it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;

(b) it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and

(c) the statement may be dealt with as part of the business of the AGM.

The request:

(d) may be in hard copy form or in electronic form and must be authenticated by the person or persons making it (see note 19(d) and (e) below);

(e) should either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported; and

(f) must be received by the Company at least one week before the AGM.

Members' qualification criteria

18. In order to be able to exercise the members' rights set out in notes 15 to 17 above the relevant request must be made by:

(a) a member or members having a right to vote at the AGM and holding at least 5% of total voting rights of the Company; or

(b) at least 100 members having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital.

Conditions

19. The conditions are that:

(a) any resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

(b) the resolution or matter of business must not be defamatory of any person, frivolous or vexatious;

(c) the request:

(i) may be in hard copy form or in electronic form;

(ii) must identify the resolution or the matter of business of which notice is to be given by either setting it out in full or, if supporting a resolution/matter of business sent by another member, clearly identifying the resolution/matter of business which is being supported;

(iii) in the case of a resolution, must be accompanied by a statement setting out the grounds for the request;

(iv) must be authenticated by the person or persons making it; and

(v) must be received by the Company not later than six weeks before the date of the AGM;

(d) in the case of a request made in hard copy form, such request must be:

(i) signed by you and state your full name and address; and

(ii) sent either: by post to

Company Secretary,
Future plc,
Quay House,
The Ambury,
Bath BA1 1UA;

or by fax to +44(0)1225 732266

marked for the attention of the Company Secretary; and

(e) in the case of a request made in electronic form, such request must:

(i) state your full name and address; and

(ii) be sent to cosec@futurenet.com.

Please state 'AGM' in the subject line of the email. You may not use this electronic address to communicate with the Company for any other purpose.

Investor information

For enquiries of a general nature regarding the Company and for investor relations enquiries please contact Timothy Maw at the Company's Registered Office, or visit www.futureplc.com and select the investor relations section.

Registrar and transfer office

The Company's share register is maintained by:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
Tel: +44 (0)370 707 1443

Shareholders should contact the Registrar, Computershare, in connection with changes of address, lost share certificates, transfers of shares and bank mandate forms to enable automated payment of dividends.

Online information – www.investorcentre.co.uk

Our Registrar, Computershare, has a service to provide shareholders with online internet access to details of their shareholdings.

The service is free, secure and easy to use.
To register for the service, go to **www.investorcentre.co.uk**

Unsolicited mail

The share register is by law a public document. To limit the receipt of mail from other organisations, please register with the Mailing Preference Service, by visiting **www.mpsonline.org.uk/mpsr/**

Warning to shareholders – 'boiler room' scams

In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FCA before getting involved by visiting **www.fca.org.uk/register**
- Report the matter to the FCA either by calling **0800 111 6768** or by completing the fraud reporting form on the FCA website at: **www.fca.org.uk/consumers/scams/investment-scams/share-fraud-and-boiler-room-scams/reporting-form**
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme.

Details of any share dealing facilities that the Company endorses will be included in company mailings.

More detailed information on this or similar activity can be found at **www.moneyadviceservice.org.uk**

Directors and advisers

Directors

Richard Huntingford
Independent Non-Executive Chairman

Zillah Byng-Thorne
Chief Executive

Penny Ladkin-Brand
Chief Financial Officer

Hugo Drayton
Independent Non-Executive Director

Alan Newman
Independent Non-Executive Director

Rob Hattrell
Independent Non-Executive Director

Timothy Maw
Company Secretary

Offices

Registered office
Future plc
Quay House
The Ambury
Bath BA1 1UA
Tel +44 (0)1225 442244

London office
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Tel +44 (0)20 7042 4000

www.futureplc.com

Company registration number 3757874
Registered in England and Wales

Advisers

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Chartered accountants and statutory auditors
2 Glass Wharf
Bristol BS2 0FR

Brokers
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10 Paternoster Square
London EC4M 7LT

N+1 Singer
1 Bartholomew Lane
London EC2N 2AX

Principal bankers
HSBC Bank plc
8 Canada Square
London E14 5HQ

Solicitors
Simmons and Simmons LLP
Aurora
Finzels Reach
Counterslip
Bristol BS1 6BX

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE

Financial calendar

Annual General Meeting
5 February 2020

Half-year end
31 March 2020

Announcement of interim results
May 2020

Financial year-end
30 September 2020

Announcement of annual results
November 2020

Contacts

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"If everyone is moving forward together then success takes care of itself"

Henry Ford