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Satisfying the need to know

Annual Report
2019

DMGT
Daily Mail and General Trust plc

Financial Highlights

Statutory Results†

Revenue
£1,337m
2018: £1,341m

Operating profit/(loss)
£67m
2018: £168m

Profit/(loss) before tax
£134m
2018: £707m

Profit for the year
£91m
2018: £688m

Earnings per share
30.7p
2018: 194.7p

Dividend per share
23.9p
2018: 23.3p

Adjusted Measures

Revenue
£1,411m
2018: £1,426m

Operating margin*
10%
2018: 10%

Profit before tax*
£145m
2018: £182m

Earnings per share*
38.6p
2018: 42.2p

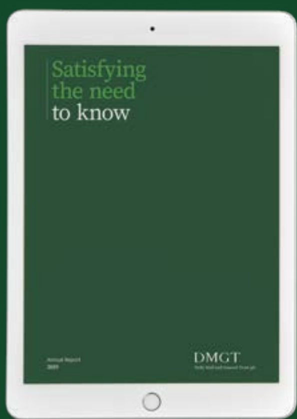
Cash operating income*
£162m
2018: £155m

Net cash§:EBITDA
1.2x
2018: 0.8x

£ million	FY 2019	FY 2018	Explanation
Statutory profit before tax	**134**	707	
Discontinued operations	**(33)**	(15)	i
Exceptional operating costs	**36**	25	ii
Intangible impairment and amortisation	**69**	95	iii
Profit on sale of assets	**(67)**	(658)	iv
Pension finance (credit)	**(7)**	(2)	v
Other adjustments	**13**	30	vi
Adjusted profit before tax	**145**	182	

For explanations i to vi and more detailed tables please refer to pages 28 and 30.

† Statutory revenue, operating profit and profit before tax figures are for continuing operations only (excluding Energy Information). The FY 2018 statutory results have been reclassified accordingly.
* Before exceptional items, other gains and losses, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, pension finance credits and fair value adjustments; see Consolidated Income Statement on page 90 and the reconciliation in Note 13 to the Accounts.
§ See Note 16 for details of net cash. The actual net cash:EBITDA ratio as at 30 September 2019 was 0.4 but £117 million of net cash has been made available to the pension schemes and £282 million of gross proceeds from the disposal of Genscape, the Energy Information business, were received in November 2019. The 2019 net cash:EBITDA ratio of 1.2 is stated after adjusting net cash to exclude the £117 million and include the £282 million. The 2018 ratio includes £237 million of short-term deposits that matured in December 2018.



Go online to www.dmgt.com to find out more

Strategic Report
Governance
Financial Statements
Shareholder Information

DMGT is an international business built on entrepreneurialism and innovation.

DMGT manages a portfolio of companies that provide businesses and consumers with compelling information, analysis, insight, events, news and entertainment. The Group takes a long-term approach to investment and has market-leading positions in consumer media, insurance risk, property information, education technology and events & exhibitions. In total, DMGT generates revenues of around £1.4 billion.

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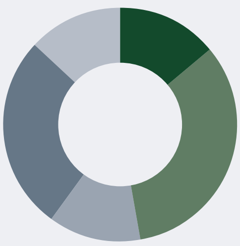


Strategic Report
Governance
Financial Statements
Shareholder Information

Maintaining a strong portfolio of businesses

Chairman's Statement

The Viscount Rothermere
Chairman

DMGT has significant financial flexibility and continues to benefit from the resilience of its diversified portfolio.

> **"During the past year, DMGT took further important strides to improve the focus of the portfolio, and I am enthused by the potential of the next phase of DMGT's development."**

I am pleased to report that the transformation of DMGT continues to enhance the performance of our businesses and demonstrate our ability to create sustainable value for our shareholders. During the past year, DMGT took further important strides to improve the focus of the portfolio, and I am enthused by the potential of the next phase of the Group's development.

Above all, DMGT prides itself on its long-term approach to investment which is underpinned by our ownership structure. We back entrepreneurial businesses with patient capital. We look for opportunities in markets that are undergoing rapid change, recognising that there is a balance between reward and risk. We seek to nurture young companies as they grow and develop them into strong cash generators of the future.

Group revenue
+2%
underlying growth

Minutes spent on MailOnline daily
139 million

Sale of Genscape
US$364 million

There are few better examples of the merits of this approach than Euromoney Institutional Investor PLC (Euromoney). It was 50 years ago last April that Patrick Sergeant, then the City editor of the Daily Mail, told my father about his idea for a new monthly magazine to cover the nascent Eurobond markets. When Associated Newspapers agreed to back Euromoney with a £6,000 investment, it was impossible to envisage the extent to which financial markets would grow, nor the myriad of opportunities that would arise as Sergeant and his successors built the substantial business that exists today.

DMGT is proud of its role in Euromoney's success, which remained a subsidiary of the Group until 2016 when DMGT's stake was reduced from c.67% to c.49%. Euromoney also provided DMGT with its first experience of investing in business-to-business markets, which has become such an important part of the Group in recent years. It was therefore an important milestone when, during the year, the Board decided to distribute DMGT's holding of Euromoney shares to our shareholders, along with £200 million in cash (April 2019 Distributions). I was delighted at the exceptionally high level of support we received from shareholders for this complicated transaction.

Business highlights

DMGT delivered a good performance for the year ended 30 September 2019, with financial results in line with market expectations. Revenues grew by 2% on an underlying basis while adjusted earnings per share of 38.6 pence reflected disposals. Cash operating income, which we regard as an important indicator of our performance, increased by 4% to £162 million even though the portfolio now has fewer businesses.

On a statutory basis, revenues were £1,337 million and earnings per share were 30.7 pence.

The Board is pleased to recommend an increase in the final dividend per share for FY 2019, giving a total dividend for the year of 23.9 pence per share, an increase of 3%, continuing DMGT's long-standing commitment to delivering sustainable annual real dividend growth.

We were particularly pleased by the performance of our Consumer Media business, which reported adjusted operating profits of £67 million on revenues of £672 million. The strength of the Mail and Metro brands, and our long-term investment in high-quality journalism, has allowed us to continue to take market share in the declining UK newspaper market. MailOnline, one of the world's most popular online news sources, had an excellent year with underlying revenue growth of 13% and nearly 140 million minutes spent on the site each day. The growth in MailOnline's advertising revenues more than offset the expected decline from print advertising.

Our B2B portfolio delivered revenue growth of 2% on an underlying basis, with our educational technology business, Hobsons, a notable highlight. We held a successful Investor Briefing event to explain the opportunities for RMS, our Insurance Risk business, and the progress made by the new management team.

Following our stated strategy, we have continued to focus the portfolio. Having distributed our Euromoney shares in April, we sold our stake in Real Capital Analytics, a US Property Information business, for US$89 million in May. On-geo, a German Property Information business, was sold in June. In August, we announced the US$364 million sale of Genscape, our Energy Information company. Most recently, we sold BuildFax, the US Property Information business, in October.

As a result of these transactions, we had nearly £250 million net cash on our balance sheet at year end, providing us with the financial flexibility to take advantage of the opportunities we see, as with the recent acquisition of the 'i', the UK national newspaper and website. While we will remain patient and financially disciplined, prioritising organic investments ahead of external acquisitions, we are well placed to take advantage of any downturn in asset valuations.

I am excited by the gathering momentum within DMGT's businesses.

Maintaining a strong portfolio of businesses

Chairman's Statement

Governance

The Board remains committed to the high governance standards our shareholders expect. We are fortunate to have Directors with experience of an extensive range of businesses and international markets, which supports rigorous and high-quality debate of DMGT's strategic opportunities. I would like to thank our Non-Executive Directors for their contribution over the past year, with a special mention for Kevin Parry, who chaired the independent committee that assessed the fairness of the April 2019 Distributions.

Read more in Governance report, pages 40 to 54

People and culture

The continued success of DMGT will rely on our ability to attract the talent of the future at all levels of our business. This year, for example, the executive team at Landmark was strengthened and I am pleased by the progress that they are already making. We continue to invest in talent, nurturing the next generation of entrepreneurs and managers and developing the individuals who create the products and distribute the content that our customers value.

On behalf of the Board, I would like to thank all our employees for their continued hard work, dedication and significant contribution to the Group, as well as their wider communities.

Read more in Our People and Our Stakeholders, pages 31 to 33

Remuneration

We are conscious that remuneration remains an issue of importance both for our shareholders and for the wider community of stakeholders that we serve. DMGT continues to set remuneration and incentives to ensure focus on performance in line with our strategic priorities. The details of our approach are set out in the Remuneration Report.

Read more in Remuneration Report, pages 55 to 77

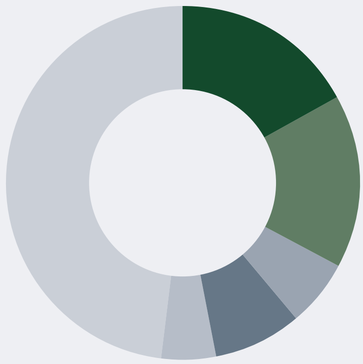
Outlook

The three strategic priorities established by our CEO Paul Zwillenberg – improving operational execution, increasing portfolio focus and maintaining financial flexibility – are serving shareholders well. DMGT's more tightly concentrated portfolio is delivering an improved quality of earnings from businesses with leadership in their markets; and, together with the strength of our balance sheet, this has created the foundation for future growth. I am increasingly encouraged by the momentum I see across our Group, and confident in our ability to deliver long-term returns to shareholders. We look forward to making further progress in the year ahead.

The Viscount Rothermere
Chairman

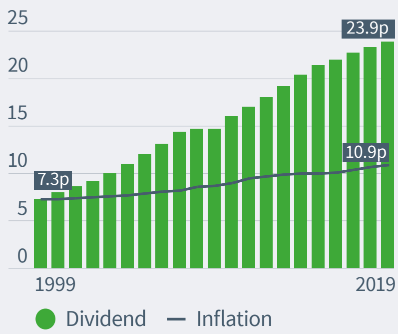
Adjusted revenue by business FY 2019 (%)

Insurance Risk	17
Property Information	16
EdTech	6
Events and Exhibitions	8
Energy Information	5
Consumer Media	48



Dividend per share

The Board's policy is to grow the dividend in real terms and, in the medium term, to aim to distribute around one-third of the Group's adjusted earnings.



Who we are

DMGT at a Glance

DMGT's portfolio of companies operates across B2B and consumer markets and has become more focused, positioning the Group for long-term growth and value creation.

Our sectors

B2B

Insurance Risk

RMS produces risk models and software applications, and provides analytical data services used by the global risk and insurance industry to quantify and manage catastrophe risk.

Read more, page 17

Property Information

Our Property Information companies provide technology, data and workflow solutions to clients involved in commercial and residential property markets as well as risk and valuation services to the Commercial Mortgage-Backed Securities (CMBS) market. The disposal of BuildFax occurred in October 2019.

Read more, page 17

EdTech

Hobsons is the leading provider of student success solutions in the US through its Naviance, Intersect and Starfish platforms.

Read more, page 18

Events and Exhibitions

dmg events is an international B2B exhibitions and conference organiser, focusing on the energy, construction, interiors, hotel, hospitality and leisure sectors, operating across several geographies.

Read more, page 19

Energy Information

Genscape provides data, workflow tools and predictive analytics.

The disposal of Genscape was announced in August 2019 and completed in November.

Read more, page 19

Consumer

Consumer Media

dmg media is a modern news media company with two of the UK's most-read paid-for newspapers and one of the world's most popular free newspapers. It includes MailOnline, whose readers spend 139 million minutes on the site and apps each day. In November 2019, the 'i', the UK national newspaper and website, was added to the portfolio.

Read more, page 20

JVs, Associates and dmg ventures

dmg ventures invests in disruptive consumer propositions that need to scale and which can leverage DMGT's assets to do so. These include Yopa, the UK hybrid estate agent, and Cazoo, which aims to change the way people buy used cars in the UK. The Group also invests in B2B businesses, including Praedicat in the Insurance Risk sector.

Read more, page 21

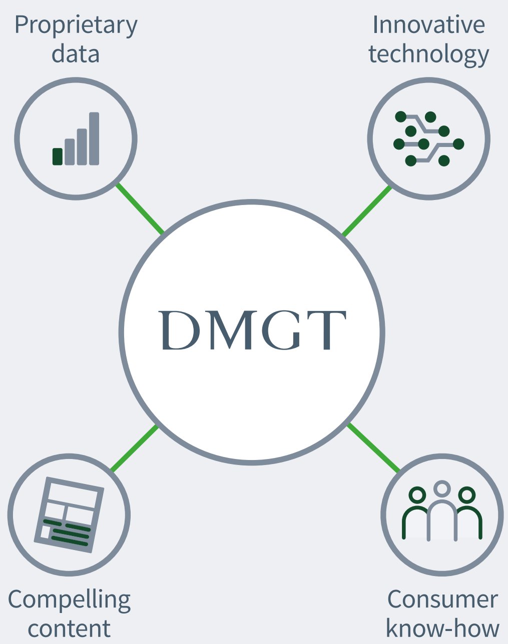
How we create value

Our Business Model

Satisfying the need to know

Which we monetise through five revenue models

DMGT creates first-choice products, combining data, technology and consumer know-how to connect people with intelligent insight and engaging content.



Subscription
Our B2B operating companies have a strong subscription revenue component with high renewal rates demonstrating the strength of our client relationships.

Circulation
Circulation revenues are generated from sales of the Daily Mail and The Mail on Sunday newspapers, which continue to hold market-leading positions and gain market share in a declining market.

Advertising
Our Consumer Media business generates advertising revenue both in print and digital formats. Growth in our digital advertising revenues continues to help offset structural declines in print advertising. Enhanced user engagement drives advertiser interest in increasingly sophisticated advertising formats.

Events attendance and sponsorship
Exhibitor fees, sponsorship revenues and delegate fees are earned from the growing portfolio of B2B shows run by dmg events.

Transactions
Our Property Information revenues are influenced by UK residential and commercial property transaction volumes.

Read more in Financial Review, pages 22 to 30

Supported by our values

Entrepreneurialism
As a home for entrepreneurs, working at the cutting edge of technology, DMGT fosters constant innovation, growth and talent development across our international businesses.

Purpose
Long-term perspective and businesses with a clear sense of purpose for their customers and society.

Excellence
Commitment to quality, craftsmanship and delivering excellence. We seek the best talent, leadership and expertise.

Enabling us to create value for our stakeholders

For our shareholders
We have a track record of investing for the long term to deliver value creation across a diversified portfolio of entrepreneurial operating companies. Our strategy aims to achieve sustainable long-term earnings and dividend growth.

Total shareholder return FY 2009 – FY 2019

11% CAGR

For our employees
We nurture entrepreneurial talent and encourage our people to make their own mark on DMGT, a diverse international portfolio with over 120 years of heritage.

Employees worldwide

5,950

For our customers
Our deep understanding of customer needs enables us to innovate constantly and create content, products and solutions that provide our operating companies with a competitive edge and make us even more relevant to our customers.

Organic investment as a percentage of revenues FY 2019

9%

For our communities
DMGT operating companies have developed strategic partnerships with a number of charitable organisations, with a focus on making a difference in the communities where our people work and live.

Amount donated to charity FY 2019

£1.2 million

Adapting to continuous change

Market Overview

DMGT comprises a portfolio of businesses working across diverse markets. While each sector has its own individual characteristics, some common features exist:

- Content and information-driven
- Fast-paced and evolving to adopt new technology and business models
- Technology-enabled with high degrees of innovation
- Enduring and resilient

Increased volatility

Context to DMGT

- **As a provider of proprietary, hard-to-obtain information, DMGT benefits from growing uncertainty in the world as its customers rely more heavily on data and analysis to inform critical decisions.**

Market trend

- Global economic uncertainty, political tensions and supply and demand disruptions continue to influence our customers and their markets. The uncertainty while we await the outcome of the UK general election (December 2019) and the conditions of Brexit continues to unsettle the UK economy.
- Extreme weather events, commodity price fluctuations and continued exchange-rate swings have directly impacted the economic and social environments for both investment and business operations.

Our approach

- Our diversified portfolio provides balance in an increasingly volatile world: as one sector may be facing headwinds, another may benefit.
- DMGT is providing its customers with fundamental content, data, analytics and insights. This enables them to move away from decisions based on instinct and embrace data as a means to navigate volatility.
- DMGT's businesses are not dependent on trade between the UK and the remaining EU members, other than the sourcing of newsprint for the Consumer Media business. Notwithstanding a period of political and macroeconomic uncertainty, the future is viewed with confidence.

Political uncertainty

Context to DMGT

- **Political policy decisions have direct and often unexpected impacts on the geographies and sectors in which DMGT operates and will continue to shape where and how DMGT pursues commercial and strategic opportunities.**

Market trend

- There is still long-term geopolitical uncertainty for UK companies' operations abroad.
- Changing political landscapes throughout the world add to the climate of political uncertainty, notably in the Middle East.

Our approach

- DMGT closely follows political changes and implications for the geographies and sectors in which it participates. In many instances, the uncertainty of changing political and regulatory norms presents commercial opportunities, as we help our customers anticipate implications for their business.
- We continually review our operations against changes to global sanctions and diplomatic relations.

Cyber security

Context to DMGT

- **As a provider of business-critical data, analytic tools for global industries and news media, DMGT is exposed to cyber security risks across its operations.**

Market trend

- Cyber security threat is a permanent business risk in the digital age. Governments and regulatory bodies are increasingly alert to the threat posed to individuals and society by security breaches.
- As customer confidence is easily eroded, enforcing the highest possible cyber security standards is critical for maintaining customer and market trust.

Our approach

- DMGT continues to strengthen its information security controls. The Group Chief Information Security Officer leads a continuous review of the cyber security landscape in order to roll out revised information security standards, compliance road maps and perform regular cyber security audits.
- The Executive Committee ensures senior-level engagement across the Group and appropriate investment in risk reduction.
- Incident reports, responses and best practices are shared across the Group to help ensure appropriate mitigation of any threat.

Our businesses are constantly looking to the future to identify and manage current and future trends. The most significant of these are identified here as well as DMGT's approach to the trends.

Read more on the trends affecting the Group in Principal Risks, pages 34 to 39

Continuous innovation

Context to DMGT

- **Technological change and customer adoption rates of new technologies in our key sectors are accelerating, changing and erasing traditional business models.**

Market trend

- The speed of technology evolution is increasing the capital intensity of IT investment and product development, reducing business investment horizons.

Our approach

- As an entrepreneurial Group focused on digital growth, DMGT stays ahead by continually fostering innovation and embracing new ideas. This is reflected by DMGT's expectation of investing at least 5% of revenue in organic initiatives each year.
- DMGT has a family heritage which encourages long-term thinking and the application of patient capital. Consequently, the Group can invest for the future, seeding, incubating and nurturing innovative opportunities.
- Throughout DMGT's history, innovation and diversification have been essential elements of how we do business and have given us a wealth of experience to draw on in order to adapt to market changes.
- DMGT's investment approach enables us to remain close to customers through our portfolio of businesses. This provides greater insight into exactly what our customers value, engage with and, ultimately, want to buy.

Artificial intelligence

Context to DMGT

- **There is an increasing prevalence of systems and devices that are designed to act intelligently. There is also continued growth in the amount of data being generated, stored and made available for analysis. With the benefit of artificial intelligence, a smart system can quickly process and use data to inform and change its future behaviour. These developments create opportunities for DMGT and its businesses.**

Market trend

- Artificial intelligence, including machine learning, enables businesses to perform analysis on immense quantities of data and derive insights that were previously impossible to see.

Our approach

- DMGT's businesses help their customers to identify which information provides strategic value, access data from different sources and explore how algorithms can be used to improve processes and understanding. This area is evolving quickly and DMGT's businesses are embracing the opportunity to develop new products to increase efficiency.
- Statistical analytics are integral to many of the products and services that we continue to develop across our businesses.
- We have a central technology function with expertise in artificial intelligence, which is leveraged by the operating companies.

A competitive talent pool

Context to DMGT

- **Across the global workforce, top talent is drawn to companies that offer a compelling employee value proposition. This includes purpose beyond profit, competitive remuneration and ongoing learning and development opportunities.**

Market trend

- Demand for top talent is always fierce, particularly in the critical areas of big data analytics, artificial intelligence and data science, where demand in many labour markets outstrips supply.

Our approach

- In competing for key employees, especially critical technology talent, DMGT is committed to enhancing its employee proposition.
- The central technology function coordinates Group-wide communication and mobility for technological talent.
- DMGT supports training and development in order to enhance employees' capabilities and transfer skills throughout the businesses. We also provide initiatives such as our talent development programmes to encourage rising talent within DMGT.
- Our Board of Directors meets emerging leaders at the operating companies as part of the schedule of Board meetings.

Delivering against clear strategic priorities

CEO Review

Overview

I am pleased to report that DMGT delivered a robust performance in FY 2019. This has been a direct result of continued successful execution against our three key strategic priorities of improving operational execution, increasing portfolio focus and maintaining financial flexibility.

This year's performance marks an important milestone in the Group's transformation. Over the last three years, we have moved from 10 sectors to five, from 40 operating companies to eight, and from net debt to EBITDA of 1.8 times to pro forma net cash of nearly £250 million. We have made substantial returns to shareholders in the process, with distributions of over £3.80 per share. We have also embedded a culture of improving operational execution across our portfolio of businesses, helping them to become more effective and more efficient with a disciplined approach to return on investment (ROI).

As a result, our portfolio is streamlined and we are focused on those assets which we believe have the most potential to generate cash flow and capital value, whilst ensuring we have significant financial flexibility. We are now transitioning to the next phase of the Group's transformation, focused on delivering profitable growth, improved cash generation and sustainable long-term value creation.

Key strategic priorities

Delivering on our potential

- Improving operational execution
- Increasing portfolio focus
- Maintaining financial flexibility

Business highlights

Our performance over the last year included a strong performance from Consumer Media and, consistent with our expectations, a mixed performance across our B2B businesses. Our portfolio now comprises businesses with leading market positions in attractive segments and which are increasingly well placed to realise their potential over the medium to long term.

In April 2019, we returned almost £900 million in capital to our shareholders, in the form of shares in Euromoney Institutional Investor PLC (Euromoney) and a £200 million cash special dividend, which equated to approximately 38% of our market capitalisation at the time. To recap, we had previously sold down DMGT's holding in Euromoney from 67% to 49% in December 2016. We then realised a fundamental milestone for DMGT this year by redistributing our remaining stake in Euromoney to our shareholders. This was the biggest return of capital in DMGT's history and 95% of those shareholders who voted at the Class Meeting voted in favour of the distributions.

On a symbolic level, it was a defining moment for the Group. Not only has it made the Group more focused, it was also a statement of confidence by our Board in the future of DMGT.

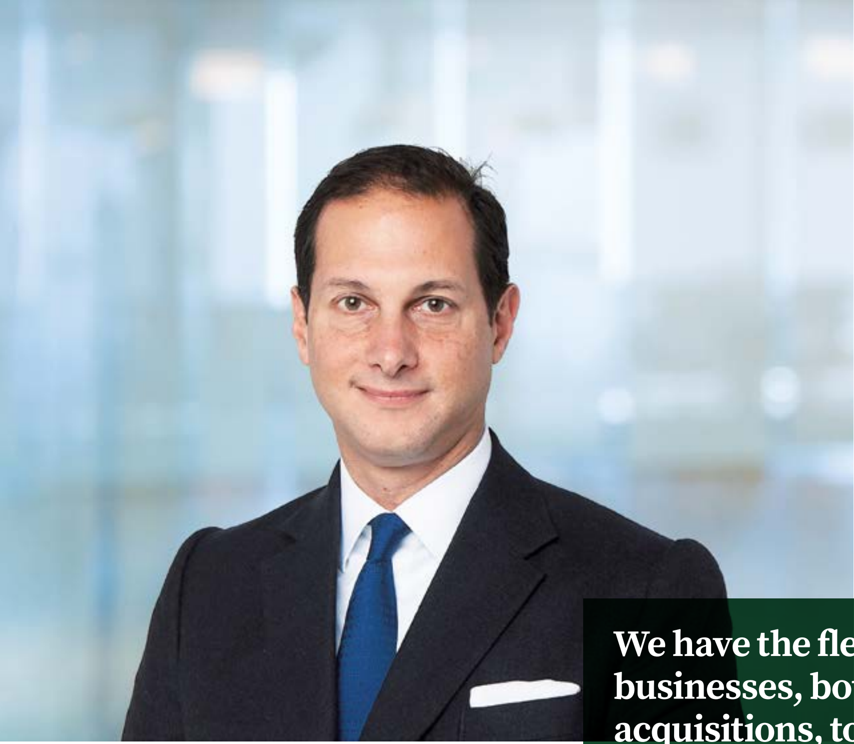
The distribution of our holding in Euromoney was another compelling example of DMGT's successful long-term approach of supporting our portfolio companies to secure significant value creation for our shareholders. This was also demonstrated by the sale of our stake in ZPG Plc (ZPG) in 2018 and of Genscape, On-geo, BuildFax and Real Capital Analytics in 2019.

The disposal of Genscape, our Energy Information business, completed in November 2019, having been agreed in August. The Genscape management team had made significant progress with restructuring the business and improving operational execution over the past two years, resulting in a US$364 million valuation. As well as returning significant capital to DMGT's shareholders during the year, we have retained the financial flexibility to invest in our businesses and be acquisitive. We continue to maintain a highly disciplined approach to capital allocation.

At an operating level, the Group delivered a solid performance. Our Consumer Media businesses outperformed their respective markets and grew revenues by an underlying 2%. This is an excellent performance in an industry that continues to face structural headwinds. Across our B2B businesses, we saw modest growth with strong revenue growth in EdTech offset by our Property Information business, which continued to face challenging conditions in the UK. In addition, in Insurance Risk, a good rate of contract renewals was partially offset by industry consolidation and historic RMS(one) delivery issues.

The good progress that we are making against the three strategic priorities is reflected in our financial results in general and in cash operating income (Cash OI) in particular. Cash OI focuses our management teams on the underlying cash generation of their businesses. By successfully implementing a performance management culture across the portfolio, we have seen an especially impressive improvement during FY 2019 in the Cash OI margins at Hobsons, the EdTech business, and Genscape ahead of its disposal.

At RMS, the new leadership team hosted an Investor Briefing event in London in July. They discussed the strength of RMS's catastrophe risk modelling business and set out their plans to enter the large and high-growth Insurance Risk Analytics market, where their new software platform, Risk Intelligence, which was launched in May, will be an important enabler in the delivery of new products and services. RMS has already made good progress on its new architecture as well as in product development, including the launch of SiteIQ



Paul Zwillenberg
CEO

We have the flexibility to invest behind our businesses, both organically and through acquisitions, to support DMGT's long-term growth and value creation.

in June 2019. Given the attractive market dynamics and strength of the business's customer proposition, we are confident that RMS is well placed to create significant long-term value for shareholders. RMS is expected to continue to deliver modest revenue growth over the next two to three years before gradually accelerating as the new products and services gain traction. Profitability is expected to improve as the ongoing investment programme peaks and revenue growth accelerates.

The Consumer Media business's revenue growth is a result of our continued commitment to invest in high-quality journalism, which is reflected in MailOnline's direct traffic and the Mail newspapers' significant, and increasing, market share. MailOnline delivered an excellent performance as it continued to execute its strategy of prioritising direct traffic. In FY 2019, the solidly profitable MailOnline site returned to double-digit revenue growth and there was strong organic growth from DailyMailTV, in which we continue to invest, and Metro.

The financial performance for FY 2019 across our Consumer Media and B2B businesses is a good demonstration of our deliberate strategy to maintain a well-balanced and diversified portfolio of businesses across different sectors and economic cycles. We will continue to focus on improving the performance across the portfolio, investing prudently where opportunities exist, to drive long-term returns for our shareholders.

Financial performance

Group revenues grew 2% on an underlying basis with growth from both the Consumer Media business and, although market conditions were challenging in some sectors, the B2B portfolio. Operating profit increased by an underlying 6%, reflecting growth from Consumer Media, Insurance Risk and Energy Information and reduced Corporate costs.

Cash operating income increased 10% on an underlying basis as the growth from Consumer Media, EdTech and Energy Information and reduced Corporate costs more than offset the increased organic investment in the B2B businesses.

Adjusted profit before tax was £145 million, a 21% decrease on the prior year due to disposals, but an underlying increase of 19%. Similarly, disposals resulted in adjusted earnings per share decreasing by 8%.

Statutory profit before tax was £134 million, a £573 million decrease largely due to the prior year including a gain on disposal of DMGT's stake in ZPG. Statutory profit for the year decreased by £597 million to £91 million and statutory earnings per share were 30.7 pence.

As well as illustrating the challenging conditions in many sectors and DMGT's commitment to investing through the cycle, these figures reflect the impact of disposals. DMGT has maintained a strong balance sheet with a pro forma net cash position whilst also returning significant capital to shareholders and making additional funds available to the pension schemes during the year.

Tim Collier, Group Chief Financial Officer, describes DMGT's financial performance in further detail in the Financial Review (pages 22 to 30). An update on the progression of DMGT's Key Performance Indicators (KPIs), used as a measure of our performance at a Group level, can be found on pages 14 and 15 of the Strategic Report.

Strategy update

I am pleased by the progress we have made against our strategic priorities since I first communicated them to the market three years ago. Since I was appointed CEO, we have streamlined the portfolio significantly, focused on those assets which have the most potential and built capabilities within the businesses which will position them well for the long term. The focus on operational execution has been successfully integrated and a performance management culture embedded.

DMGT is on its way to becoming a higher-performance business, but there is a lot more to do. Going forward, we will continue to focus on the three strategic priorities which have served DMGT well in its transformation to date. The same priorities will underpin the next phase of the Group's transformation which will be focused on delivering profitable growth, improved cash generation and sustainable long-term value creation.

Delivering against clear strategic priorities

CEO Review

Increasing portfolio focus

We have made further progress in increasing the focus of our portfolio over the past year. Further to the distribution of our Euromoney stake to shareholders, we sold Genscape, On-geo, BuildFax and our c.40% stake in Real Capital Analytics.

Although DMGT is in five sectors today, compared to 10 three years ago, the Group remains diversified by sector, geography and revenue stream. Our portfolio is well positioned for the future, with a number of businesses in markets with long-term growth characteristics that are well placed to benefit from digitisation, including Insurance Risk and EdTech.

As a portfolio manager, DMGT owns businesses at different stages of their life cycles. We are highly focused on achieving the full potential of our portfolio and we evaluate each business against our aspirations for their future. That may be to generate predictable cash flows to invest back into the business or to support the payment of the dividend; to be a future generator of growth and profitability; or to generate capital value. Equally, should a business be worth substantially more to somebody else than it is to us, we will continue to look to monetise that value. In that context, I frame my thinking on the roles of our businesses into the following three groups:

1. **Predictable performers.** These are among our largest businesses, are typically more mature and predictable, and form the economic bedrock of the Group. They are strong brands which play an important role in their individual markets and include Daily Mail, The Mail on Sunday, Metro, Landmark and Trepp. If an attractive opportunity arises where we can take advantage of our scale and where it will create value for our shareholders, we will invest in this space.
2. **Growing and delivering.** These are businesses that are well positioned in attractive markets with long runways for future growth. Over the longer term, they are expected to deliver the majority of our revenue and profit growth. This group includes RMS, MailOnline, dmg events and Hobsons. Future growth for this group is expected to be driven both organically and through bolt-on acquisitions.
3. **Businesses for the future.** This is a unique strength of DMGT; our ability to take a long-term approach to create the 'Growing and delivering' businesses of the future. These are essentially start-up businesses where technological changes create opportunities for us. This group includes DailyMailTV, Yopa and Cazoo. dmg ventures, our venture and early-stage investment division, is actively exploring additional growth opportunities and will play an important role in expanding our investments in this area.

Improving operational execution

The second area of strategic focus is improving operational execution and I am pleased with the progress that has been made in this regard. Importantly, the performance management culture has been embraced by the management teams of the individual businesses and improving operational execution is increasingly becoming business as usual for our people.

Throughout FY 2019, we continued to undertake a number of initiatives which reflected our operational focus and I have included some examples below.

Clear portfolio roles

We have established clear roles for each business within the portfolio and the expectations for each business reflect their role.

Predictable performers	Growing and delivering	Businesses for the future
Predictable profit and cash generation to meet DMGT's obligations, fund investment and incubate 'Businesses for the future'	Revenue growth and margin improvement driving value creation	Option value for the future, tomorrow's 'Growing and delivering' businesses
Daily Mail The Mail on Sunday Metro Landmark Trepp	RMS MailOnline dmg::events HOBSONS	Yopa CAZOO Daily Mail tv dmg::ventures
• Innovate and extend core; seed 'Businesses for the future'. • Optimise efficient operations. • Leverage scale.	• Scale breakthrough products. • Harness operational gearing to drive margin. • Prioritise customer retention; grow market share.	• Exploit niche opportunities. • Establish scalable processes and infrastructure. • Innovate and act on rapid market feedback.

Delivering sustainable returns over the long term

DMGT's businesses have market-leading positions in growing sectors that are digitising. The strategy is built around a long-term vision, applying the expertise learnt from our consumer businesses to our B2B businesses, and is comprised of three priorities: increasing portfolio focus, improving operational execution and maintaining financial flexibility. We expect this position and strategy to drive sustainable revenue, profit, cash and EPS growth over the long term.

In **Product**, MailOnline tested its paywall outside of its main geographical markets and Hobsons enhanced its user experience, features and functions. In **Commercial**, meanwhile, RMS implemented a new broker structure. In **Operations**, dmg events implemented an efficiency review, while Genscape successfully delivered its cost-efficiency programme. In **People**, we were delighted with the appointment of a new CEO and Executive Chairman at Landmark Information Group. In **Technology**, we have harmonised dmg events' back office systems. At Hobsons, we have increased the focus on shared services and common architecture.

Although good progress has been made, we are not complacent and there is still more work to be done. We are fully committed to ensuring that a high-performance culture pervades everything that we do through a clear ROI mindset and a focus on cash OI, and this will remain a key focus.

Maintaining financial flexibility

Following the payment of a £200 million special dividend in April and an additional £117 million being made available to the pension schemes, the balance sheet still remains very strong. Pro forma net cash was £247 million at the period end, including the gross proceeds from the November 2019 disposal of Genscape; see page 25 for more details. As a result, we have maintained our financial flexibility to ensure we are well placed to take advantage of attractive opportunities, at the right price, as they arise. The acquisition of the 'i', the UK national newspaper and website, in November 2019, is a good example; a strategically and financially compelling acquisition of a content-led business.

Our capital allocation framework remains the same. Organic investment will continue to be the priority and was equivalent to 9% of revenues in FY 2019. We will remain highly disciplined in our approach to M&A and continue to prioritise bolt-on acquisitions in our chosen sectors as we target those segments which are growing and are set to benefit from digitisation.

The dividend remains the primary mechanism for delivering returns to shareholders and we are committed to real dividend growth. We remain confident that our capital allocation framework, underpinned by a strong balance sheet, will drive shareholder value creation.

Outlook

The financial performance in FY 2020 will reflect the significant portfolio changes over the past year. Group revenues are expected to be broadly stable on an underlying basis. The cash operating income margin is expected to exceed the operating profit margin, which is expected to be around 10%. DMGT will continue to invest to drive long-term value creation.

Paul Zwillenberg
CEO

Measuring our performance

Key Performance Indicators

The Board seeks to deliver sustained long-term growth and value creation for DMGT's shareholders.

Due to DMGT holding a changing portfolio of different companies, many Key Performance Indicators (KPIs) that are targeted by individual businesses are not appropriate at a consolidated Group level. Examples include customer numbers, revenue per customer, employee productivity and employee engagement. The KPIs shown below, however, are considered to be good indicators of the Group's overall progress against its strategic priorities.

Key strategic priorities

- Improving operational execution
- Increasing portfolio focus
- Maintaining financial flexibility

Description	Relevance	Performance	Narrative	Strategic priority
Underlying revenue growth^	Underlying revenue growth compares revenues on a like-for-like basis and is an important indicator of the health and trajectory of the individual businesses and the Group as a whole.	2019 +2% 2018 0% 2017 +1% 2016 0% 2015 +1%	**Underlying revenue growth** **+2%** **2018: 0%** The underlying revenue performance reflects a strong Consumer Media performance and continued B2B growth.	Improving operational execution; Increasing portfolio focus
Group adjusted* profit before tax	DMGT actively manages its portfolio and allocates capital to increase adjusted profit before tax over the long term.	2019 £145m 2018 £182m 2017 £226m 2016 £260m 2015 £281m	**Group adjusted profit before tax** **£145m** **2018: £182m** Group adjusted profit before tax decreased by £37 million, reflecting the disposal of B2B businesses and associates. Group adjusted profit before tax grew 19% on an underlying basis.	Improving operational execution; Increasing portfolio focus
Adjusted* earnings per share	Management seeks sustained long-term growth in adjusted earnings per share to maximise overall returns for DMGT's shareholders.	2019 38.6p 2018 42.2p 2017 55.6p 2016 56.0p 2015 59.7p	**Adjusted earnings per share** **38.6p** **2018: 42.2p** Adjusted earnings per share decreased by 8%, reflecting the reduction in adjusted profit before tax and an increase in the effective tax rate, partially offset by a reduction in the number of shares in issue that occurred in April 2019.	Improving operational execution; Increasing portfolio focus

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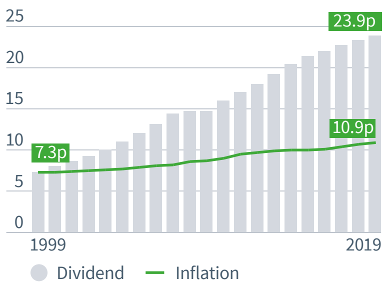
Description	Relevance	Performance	Narrative	Strategic priority
Group adjusted* cash operating income	This metric adds back depreciation and amortisation and deducts capital expenditure from Group adjusted operating profit. It reflects the cash generation of the Group's businesses.	2019 £162m 2018 £155m 2017 £199m 2016 £254m 2015 £278m	**Group adjusted cash operating income** **£162m** **2018: £155m** Group adjusted cash operating income increased by £7 million as the increased investment in the B2B businesses was more than offset by improved operational execution.	
Net cash§/(debt): EBITDA ratio	Management aims to maintain a strong balance sheet and retain DMGT's investment-grade status and consequently targets the net (debt):EBITDA ratio to be no more than (2.0) throughout the year.	2019 1.2x 2018 0.8x 2017 (1.4)x 2016 (1.8)x 2015 (1.8)x	**Net cash/(debt):EBITDA** **1.2x** **2018: 0.8x** DMGT continues to maintain significant financial flexibility and remains in a net cash position. During the year, the Group distributed a £200 million special dividend to shareholders and made a further £117 million available to the pension schemes.	
Dividend per share	The Board's policy is to maintain dividend growth in real terms and, in the medium term, to distribute about one-third of the Group's adjusted earnings.		**Dividend per share** **23.9p** **2018: 23.3p** We have proposed a full-year dividend of 23.9 pence, up by 3% from last year, continuing our strong track record of dividend growth and delivering a 6% cumulative annual growth rate over the past 20 years.	
Organic investment¥ as a percentage of revenues	Investing back into the businesses to support product innovation and effective use of technology is key to delivering DMGT's sustained long-term growth. The Board expects at least 5% of revenues to be used for organic investment.	2019 9% 2018 8% 2017 9% 2016 9% 2015 7%	**Organic investment as a % of revenues** **9%** **2018: 8%** DMGT continued to reinvest in the businesses during the year, notably in the B2B portfolio.	

^ Underlying revenue growth is on a like-for-like basis, adjusted for constant exchange rates, the exclusion of disposals and business closures, the inclusion of the year-on-year organic growth from acquisitions and for the consistent timing of revenue recognition. For events, the comparisons are between events held in the year and the same events held the previous time. The September 2019 Gastech event revenue is compared to two-thirds of the September 2018 event's revenue, having changed from an 18-month to an annual cycle. For Consumer Media, underlying revenues exclude low-margin newsprint resale activities. See pages 29 and 30.

§ See Note 16 for details of net cash. The actual net cash:EBITDA ratio as at 30 September 2019 was 0.4 but £117 million of net cash has been made available to the pension schemes and £282 million of gross proceeds from the disposal of Genscape, the Energy Information business, were received in November 2019. The 2019 net cash:EBITDA ratio of 1.2 is stated after adjusting net cash to exclude the £117 million and include the £282 million.

* Before exceptional items, other gains and losses, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, pension finance charges or credits and fair value adjustments; see Consolidated Income Statement on page 90 and the reconciliation in Note 13 to the Accounts.

¥ Organic investment is expenditure that is incurred with the objective of delivering long-term growth. It includes expenditure on product development, whether capitalised or expensed directly, and the adjusted operating losses of early-stage businesses.

Operating Business Reviews
B2B

Summary

Our B2B companies operated in five sectors during the year, namely Insurance Risk, Property Information, EdTech, Energy Information, and Events and Exhibitions. Following the disposal of the Energy Information business, Genscape, which completed in November 2019, the B2B companies now operate across four sectors.

Total B2B	2019 £m	2018 £m	Movement %	Underlying^ %
Revenue	**738**	773	(4)%	+2%
Cash operating income*	**126**	131	(4)%	(4)%
Operating profit*	**117**	128	(9)%	(8)%
Cash operating income margin*	**17%**	17%		
Operating margin*	**16%**	17%		

* Adjusted results rather than statutory; see pages 28 and 30 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 30 for details.

Performance

Revenues from B2B totalled £738 million, up 2% on an underlying basis. The performance reflects growth from EdTech, Insurance Risk and Events and Exhibitions partially offset by a decrease in Property Information, which continued to experience challenging market conditions in the UK, and Energy Information. Revenues decreased by 4% in absolute terms due to disposals within the Property Information and Energy Information sectors in FY 2018.

B2B cash operating income decreased by an underlying 4% to £126 million, reflecting increased investment in product development, notably to take advantage of the attractive growth opportunities available to RMS, the Insurance Risk business. The overall B2B cash operating income margin remained at 17%, with improvements from Property Information, EdTech and Energy Information offset by lower margins in Insurance Risk and Events and Exhibitions.

B2B adjusted operating profits were £117 million, down an underlying 8%, due to growth from Insurance Risk and Energy Information being more than offset by reductions from the other sectors. The performance reflected a larger proportion of technology costs being expensed, not capitalised, and the overall B2B operating margin decreased to 16%.

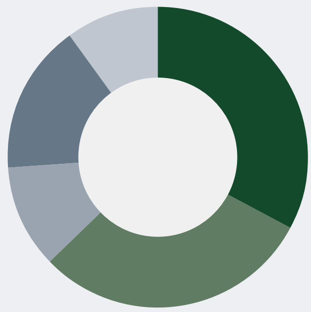
Outlook

The B2B financial performance will be affected by the disposal of Genscape and the On-geo and BuildFax Property Information businesses during 2019. FY 2019 revenues, based on the current portfolio of businesses, were £638 million. In FY 2020, the B2B portfolio's revenues are expected to grow on an underlying basis. There will be significant organic investment, reflecting the opportunities to create value over time, but which will likely impact the cash operating income and operating margin in the short term.

Read more on the risks affecting our B2B businesses in Principal Risks, pages 34 to 39

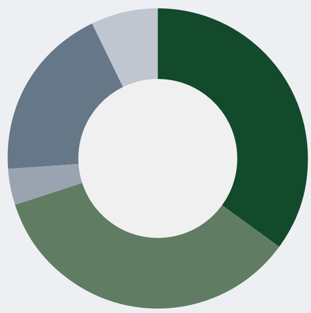
Adjusted revenue (%)

Insurance Risk	33
Property Information	30
EdTech	11
Events and Exhibitions	16
Energy Information	10



Adjusted operating profit (%)

Insurance Risk	35
Property Information	35
EdTech	4
Events and Exhibitions	19
Energy Information	7



Insurance Risk

	2019 £m	2018 £m	Movement %	Underlying^ %
Revenue	**244**	229	+6%	+1%
Cash operating income*	**41**	50	(18)%	(24)%
Operating profit*	**40**	35	+17%	+6%
Cash operating income margin*	**17%**	22%		
Operating margin*	**17%**	15%		

* Adjusted results rather than statutory; see pages 28 and 30 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 30 for details.

The Insurance Risk business, RMS, is focused on technological innovation, which continues to underpin its market-leading position in the catastrophe risk modelling market. During FY 2019, RMS increased its investment in software, data, data analytics and applications, and launched Risk Intelligence. This new software platform will be an important enabler in the delivery of RMS's new products and services, particularly for the large and high-growth Insurance Risk Analytics market that the business is expanding into.

Business model

RMS's solutions help insurers, reinsurers, brokers, financial markets and public agencies evaluate and manage catastrophe risks throughout the world. RMS leads the catastrophe risk modelling industry that it helped to pioneer, delivering models, data, analytical services and software to its customers, mainly through multi-year subscriptions. RMS also offers a variety of managed and hosted services.

Insurers, reinsurers, brokers and other financial institutions trust RMS's solutions to improve their understanding and manage the risks of natural and human-made catastrophes, including hurricanes, earthquakes, floods, wildfires, cyber attacks and terrorism.

Performance highlights

Insurance Risk revenues grew by 1% on an underlying basis as the benefit of favourable contract renewals during the year more than offset the impact of industry consolidation and historic RMS(one) delivery issues. Reported revenues grew 6% to £244 million including the benefit of the stronger US dollar.

The cash operating income margin decreased to 17% from 22% in the prior year as the business increased its investment to drive future growth. RMS continued to expense development costs as they were incurred. The adjusted operating profit margin of 17% benefitted, however, from the absence of RMS(one) amortisation, which was £15 million in the prior year, following the impairment of the asset in September 2018.

The substantial amount of product development that occurred in FY 2019 reflects the strengthening of the executive team over the past two years and the significant increase in the management team's collective experience in enterprise software.

In May 2019, RMS held its annual client conference and announced the launch of Risk Intelligence, an open and flexible platform to enable better risk management. Risk Intelligence is a modern, cloud-based, unified risk management platform. It enables higher performance risk model execution at a lower cost, as well as rich data analytics, and supersedes the RMS(one) platform which was retired during the year.

RMS also released two new analytics applications that are available on the Risk Intelligence platform. SiteIQ synthesises risk data across millions of global locations, at the level of a single location or a portfolio of locations, and allows underwriters to gain an immediate better understanding of property risk. ExposureIQ is aimed at exposure management. The applications are expected to facilitate RMS's entry into the large and high-growth Insurance Risk Analytics market as it expands beyond the natural catastrophe modelling market it serves today. Similarly, RMS Location Intelligence was launched for the Property Data market in June 2019, making trillions of data points accessible to customers.

The business also continues to invest in model development, reflecting an ongoing commitment to build upon RMS's market-leading position. The US Inland Flood high-definition (HD) model and US Wildfire HD model were both released on Risk Intelligence during the year.

Priorities in the year ahead

RMS continues to take a disciplined approach to investing in the long-term growth opportunities that have been identified. Given the strength of the business's customer proposition, the Board of DMGT remains confident that, with the new management team in place, RMS is well placed to create good long-term value for shareholders. RMS is expected to continue to deliver modest revenue growth over the next two years before a gradual acceleration as the new products and services gain traction. We are encouraged by the level of customer engagement and in response to the feedback will be accelerating elements of the product roadmap to align best with customers' priorities. The FY 2020 operating margin will reflect this investment and continue at a similar level to the H2 2019 run rate. Beyond FY 2020, profitability is expected to improve following the peak in investment and as revenue growth accelerates.

Property Information

	2019 £m	2018 £m	Movement %	Underlying^ %
Revenue	**222**	272	(18)%	(1)%
Cash operating income*	**44**	48	(8)%	(4)%
Operating profit*	**41**	58	(29)%	(25)%
Cash operating income margin*	**20%**	18%		
Operating margin*	**19%**	21%		

* Adjusted results rather than statutory; see pages 28 and 30 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 30 for details.

The Property Information portfolio operates in the UK, US and Ireland. The businesses delivered a resilient performance, although market conditions in the UK were challenging, and both Trepp and Landmark Information Group continue to play an important role as strong cash generators for DMGT.

Business model

In the UK and Ireland, Landmark Information Group derives revenues from providing services that use technology, data and workflow to streamline and help reduce the risk associated with commercial and residential property transactions. In the US, Trepp provides risk, valuation and data solutions for the commercial mortgage-backed securities market as well as tools, analytics and models for commercial real estate investors and lenders. Revenues are generated from volume-related transactions as well as subscriptions.

Operating Business Reviews
B2B

Performance highlights

The focus within the portfolio was further increased in 2019 with the disposal of On-geo, the German business, in June and BuildFax, the early-stage US business, in October. The disposals followed those of EDR and SiteCompli in April 2018 and Xceligent's cessation of trading in December 2017.

Trepp is now DMGT's sole US business in Property Information. Trepp is a leading provider of data, analytics and technology solutions to the global securities and investment management industries. In Europe, the Landmark Information Group includes Landmark and SearchFlow.

Property Information revenues decreased by 1% on an underlying basis. Revenue growth in the US was more than offset by the European business, which continued to face challenging conditions in the UK residential market. The 18% reported decrease in revenues reflected the reduced number of businesses in the portfolio, slightly offset by the stronger US dollar.

There was significant product development in the period across all businesses. Notably, Trepp introduced new analytics for lending institutions in the commercial real estate market and made considerable progress with the development of TreppCLO, which will provide data analytics to the collateralised loan obligations (CLO) market.

There was an underlying decrease in cash operating income and adjusted operating profit as a result of the increased cost base of the remaining businesses and increased investment. Margins, however, benefitted from changes to the portfolio mix.

Landmark Information Group has expanded into conveyancing panel management services following the acquisition of its Optimus business in July 2019. Optimus's technology integrates with conveyancers and introducers, such as mortgage brokers, to ensure a faster and more transparent residential property transaction process. The acquisition enables Landmark to work more closely with introducers while continuing to serve existing complementary markets such as legal conveyancing, estate agency and mortgage lending.

Priorities in the year ahead

In the coming year, there will be continued product development and investment in technology to enhance Trepp and Landmark Information Group's market-leading positions and drive future revenue growth. Notably, there will be investment in launching TreppCLO early in the new year and in further enhancing the product, which will affect margins in the short term. In the UK, the challenging market conditions are expected to continue due to ongoing political uncertainty.

EdTech

	2019 £m	2018 £m	Movement %	Underlying^ %
Revenue	**80**	68	+17%	+12%
Cash operating income*	**8**	2	N/A[1]	N/A[1]
Operating profit*	**4**	7	(41)%	(34)%
Cash operating income margin*	**10%**	3%		
Operating margin*	**6%**	11%		

* Adjusted results rather than statutory; see pages 28 and 30 for details.

^ Underlying growth rates give a like-for-like comparison; see pages 29 and 30 for details.

1 Cash operating income increased by £6 million and by an underlying £7 million.

The EdTech business, Hobsons, is a leading provider of college and career readiness and student success solutions to the North American market. The business delivered strong underlying revenue growth and an improving cash operating income margin during the year.

Business model

Hobsons offers college, career and life readiness tools to middle and high schools; student match and fit solutions for college admissions offices; and a student success platform for colleges and universities to help guide students from enrolment through to degree completion. Hobsons' revenues are mainly derived from subscription contracts with schools and colleges, with the balance from training and consulting services.

Performance highlights

EdTech revenues continued to grow, increasing 12% on an underlying basis. There was continued growth from each of Hobsons' three product lines: Naviance, the K-12 college and career readiness solution; Intersect, the higher education match and fit business; and Starfish, the higher education student retention and success platform. Reported revenues grew 17% including the benefit of the stronger US dollar relative to sterling.

The improved operational execution delivered high cash conversion from revenue growth and a transformation in cash operating income and margin, which improved from 3% to 10%. Good progress was made during the year with the modernisation of the core EdTech product platforms and addition of new client-facing features and functionality, which will help to drive revenue growth. In FY 2019, a larger proportion of expenditure on technology was expensed directly to the income statement rather than capitalised, contributing to a decrease in the adjusted operating margin from 11% to 6%.

Intersect launched its improved search and match feature set, expanding the criteria students can use to find their 'best fit' institution. The enhanced search features are available to over 13 million students, including over 40% of US high school students, as over 13,000 schools subscribe to the Naviance platform. Additional enhancements were also made to the Naviance and Starfish product suites during the year. Over 1,100 US colleges and universities are now using Hobsons' higher education products, Intersect and Starfish.

Priorities in the year ahead

In the coming year, there will be further investment to modernise the core EdTech product platforms and add new client-facing features and functionality. The business is well positioned to deliver continued growth and improving cash generation, supported by a continued focus on operational execution.

Events and Exhibitions

	2019 £m	2018 £m	Movement %	Underlying^ %
Revenue	**119**	118	+1%	+4%
Cash operating income*	**22**	28	(21)%	(14)%
Operating profit*	**22**	28	(19)%	(12)%
Cash operating income margin*	**19%**	24%		
Operating margin*	**19%**	24%		

* Adjusted results rather than statutory; see pages 28 and 30 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 30 for details.

The Events and Exhibitions business, dmg events, is an organiser of B2B exhibitions and conferences with industry-leading events in the energy, construction, interiors, hotel, hospitality and leisure sectors. dmg events continues to seek new opportunities for customers in emerging markets, with six new events launched in FY 2019. dmg events hosts over 50 events per year, attracting over 300,000 visitors and exhibitors from more than 100 different countries.

Business model

dmg events has strong market and brand positions, emerging market experience and an entrepreneurial culture. This creates opportunities for growth through geo-cloning existing events into new locations and by creating spin-off sections to become stand-alone events. The key branded events are Big 5, ADIPEC, Gastech, INDEX and The Hotel Show, which all provide opportunities to develop the spin-off and geo-clone strategy. dmg events derives its revenues from exhibitor, sponsorship and delegate fees, with over half of the revenues generated from the top three events.

Performance highlights

Events and Exhibitions revenues grew by 4% on an underlying basis due to Gastech, one of the three largest events in the portfolio, successfully transitioning to an annual format having previously been held every 18 months. Gastech grew absolute revenues and delivered particularly strong underlying growth.

ADIPEC and Big 5 Dubai, the two other largest events, occurred in November 2018 and collectively delivered underlying growth, although market conditions in the Middle East have deteriorated since then. ADIPEC, the Abu Dhabi-based energy event, benefitted from additional conference content on artificial intelligence and technology. dmg events' reported revenues increased by 1% to £119 million, including the benefit of the stronger US dollar relative to sterling.

The business continued to geo-clone existing shows by launching into new locations, including a Big 5 Nigeria construction exhibition and an INDEX Saudi interior design event. Other new events were successfully launched in Thailand and South Africa.

The cash operating income margin and operating profit margin were 19% respectively, a reduction compared to the prior year. This reflected the impact of reduced revenues from most Middle East events as well as investment to support the future growth of major events and new launches. As a result, operating profit decreased by an underlying 12%.

Priorities in the year ahead

dmg events will remain focused on developing its key large-scale market-leading events. Market conditions in the Middle East remain challenging, exacerbated by political tension in the region. Big 5 Dubai and ADIPEC occurred in November 2019 and, collectively, revenues were stable. The business will continue to launch new events, including in Africa and the US. We also remain committed to the Middle East events, illustrating DMGT's appetite to invest to support longer-term revenue growth.

Energy Information

	2019 £m	2018 £m	Movement %	Underlying^ %
Revenue	**74**	86	(14)%	(2)%
Cash operating income*	**12**	4	+208%	+112%
Operating profit*	**8**	–	N/A[1]	N/A[1]
Cash operating income margin*	**16%**	4%		
Operating margin*	**11%**	0%		

* Adjusted results rather than statutory; see pages 28 and 30 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 30 for details.
1 Adjusted operating profit increased by £8 million and by an underlying £6 million.

DMGT no longer operates an Energy Information division, following the disposal of Genscape for US$364 million in November 2019.

Genscape delivers innovative solutions to improve market transparency and efficiency across several asset classes including oil, power, natural gas, liquid natural gas and maritime. The business's focus on improving operational execution, following the elimination of peripheral products and streamlining of support functions in the prior year, delivered a significant improvement in cash generation.

Business model

Genscape provides its customers with fundamental data, intelligence and real-time alerts, workflow tools, and predictive analytics to manage volatility, make complex decisions and increase the efficiency of their supply chains. Genscape operates the world's largest private network of in-field monitors in the sector and aims to improve market transparency and efficiency. Revenues are mainly subscription based through annual and multi-year client contracts.

Performance highlights

Energy Information revenues decreased 2% on an underlying basis to £74 million, with continued growth from the oil and gas sectors more than offset by challenging market conditions in the power sector and the rationalisation of product lines. Revenues decreased by 14% in absolute terms following the merger of Genscape's solar business into AlsoEnergy in September 2018.

Significant progress was made during the year with the consolidation of the development team across the company, the removal of management layers and the streamlining of decision-making processes. The management team's focus on delivering efficiencies resulted in a transformation in cash generation, with the cash operating income margin increasing from 4% to 16% and cash operating income more than doubling on an underlying basis to £12 million. Similarly, the adjusted operating margin increased from 0% to 11%.

The significant progress made with improving operational execution during the year resulted in a pleasing valuation for the business at disposal.

Priorities in the year ahead

Genscape ceased being a DMGT business in November 2019.

Operating Business Reviews
Consumer Media

	2019 £m	2018 £m	Movement %	Underlying^ %
Revenue	672	654	+3%	+2%
Cash operating income*	78	77	+2%	+12%
Operating profit*	67	64	+4%	+18%
Cash operating income margin*	12%	12%		
Operating margin*	10%	10%		

* Adjusted results rather than statutory; see pages 28 and 30 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 30 for details.

The Consumer Media business, dmg media, is focused on delivering high-quality, popular journalism to a large global audience. dmg media has prospered in an increasingly digital-oriented consumer media market. The combined strength of the Mail and Metro brands continues to create innovative and exciting opportunities for advertisers through a sophisticated and targeted multi-channel approach.

Business model

dmg media's portfolio of news media businesses includes two of the UK's most read paid-for newspapers, the Daily Mail and The Mail on Sunday; Metro, its free newspaper, which is the UK's highest circulation weekday newspaper; and MailOnline, whose audience spends 139 million minutes engaged with its content each day.

The Mail brand reaches over 25 million UK adults every month across its print and digital platforms and has achieved scale in other geographic markets, including the US and Australia. Combined, the Mail and Metro brands reach c.61% of the UK's adult population each month.

dmg media's revenues are generated mainly from advertising and circulation revenues. While the newspaper businesses continue to generate strong profits and cash flow, the digital businesses are expected to be the driver of dmg media's future growth.

Performance highlights

The Consumer Media business's revenues grew an underlying 2% to £672 million, benefitting from relatively favourable conditions in the advertising market. The 13% underlying growth from MailOnline and 61% from DailyMailTV more than offset a 3% decrease in circulation revenues and a 1% decline in print advertising revenues. Revenues grew 3% in absolute terms, benefitting from the inclusion of DailyMailTV, which became a wholly-owned business in October 2018.

Cash operating income and adjusted operating profit grew by an underlying 12% and 18% to £78 million and £67 million respectively. The growth reflected the continued focus on improving operational execution and the flow-through of revenue growth to profits. The cash operating income margin was 12% and the operating margin 10%, in line with the prior year.

Mail businesses

Revenues from the combined newspaper, website and TV businesses (the Daily Mail, The Mail on Sunday, MailOnline and DailyMailTV) grew by an underlying 1% to £559 million, including £140 million from MailOnline. The Mail brands remain strong, which is reflected in the large and growing UK retail market shares held by the Daily Mail and The Mail on Sunday, averaging 25.5% and 22.8% for the year respectively. Circulation revenues decreased by 3% to £284 million with the continued decline in volumes being only partly offset by the benefit of the 5 pence cover price increase in September 2018 of the weekday editions to 70 pence.

An 8% decline in print advertising revenue to £108 million was more than offset by MailOnline's growth. FY 2019 was a relatively benign year for print advertising despite the continued long-term structural and competitive challenges facing the UK national newspaper advertising market.

MailOnline continues to focus on attracting traffic directly to its homepages on desktop or mobile or its apps. Indirect traffic, primarily via social media and search platforms, decreased year-on-year and resulted in total average daily global unique browsers during the year decreasing by 3% to 12.6 million. Total minutes spent on the site decreased by 4% to a daily average of 139 million. The direct audience accounted for 79% of minutes spent, compared to 77% in the prior year, reflecting continued high levels of engagement with the direct audience.

MailOnline is one of our 'Growing and delivering' businesses and its growth strategy is far-reaching, including providing new advertising formats and working with our key commercial partners, Snapchat, Google and Facebook.

DailyMailTV, the US business, grew revenues by an underlying 61% to £13 million. The show is currently in its third season and attracts an average of 1.1 million viewers a day.

Metro

Following the integration of the advertising operations of the Metro and Mail in April 2018, Metro delivered a strong performance. Revenues grew by 11% to £79 million, a good achievement in the context of a declining print advertising market. Revenues also benefitted from the addition of two regional franchises in January 2018, one in July 2018 and a further one in January 2019. Metro is read by an average of 2.4 million people each day and has the largest Monday to Friday share by volume of the UK newspaper advertising market, excluding supplements.

The 'i'

The 'i', the UK national newspaper and website, was acquired for £50 million in November 2019. The business has an established reputation for quality journalism with a loyal and engaged readership. In 2018, the 'i' generated £11 million in cash operating income and operating profit from £34 million revenue. The acquisition is both strategically and financially compelling and there is scope for potential synergies in the future, notably from dmg media's existing infrastructure and in advertising sales. It is anticipated that the acquisition will be reviewed by the UK Competition and Markets Authority.

Priorities in the year ahead

dmg media will continue to harness the value of the Mail brands for both readers and advertisers and invest in the quality of its popular journalism to drive and engage its global audiences. The cost base of the newspaper businesses will continue to be well managed with a measured approach that ensures the quality of the content is not compromised, consistent with DMGT's strategy of supporting the longevity of the newspapers' strong cash generation.

Outlook

Digital advertising revenues are expected to grow, helping to offset anticipated underlying print advertising declines. The advertising market continues to lack visibility and conditions are likely to remain volatile. Circulation volumes are expected to decline. The cash operating income margin and operating margin will reflect a mix of the expected underlying revenue reduction, the benefit of continued cost efficiencies within the newspapers, MailOnline's growing profitability and the inclusion of the 'i'.

Read more on the risks affecting our Consumer Media businesses in Principal Risks, pages 34 to 39

Operating Business Reviews

Joint ventures, Associates and dmg ventures

	2019 £m	2018 £m	Movement %	Underlying^ %
Euromoney Institutional Investor PLC	**23**	56	(59)%	N/A
ZPG Plc	**–**	23	(100)%	N/A
Other joint ventures and associates	**(10)**	(5)	+96%	-3%
Total share of adjusted operating profit*	**13**	**74**	**(83)%**	**-3%**

* Adjusted results rather than statutory; see pages 28 and 30 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 30 for details.

As well as a diverse portfolio of operating companies, DMGT holds minority stakes in early-stage businesses.

Current notable associates include:

- c.45% stake in Yopa, a UK hybrid estate agent;
- c.27% stake in Praedicat, which is dedicated to improving the underwriting and management of casualty risk; and
- c.24% stake in Excalibur, which operates the online discount businesses Wowcher and LivingSocial UK.

DMGT's most significant investment is its c.19% stake in Cazoo, which aims to change the way people buy used cars in the UK.

Until recently DMGT also held stakes in two UK-listed companies that it founded. In April 2019, DMGT distributed £662 million of shares in Euromoney Institutional Investor PLC (Euromoney), all of its c.49% stake, to DMGT's shareholders; see page 25 for more information. This followed the sale of DMGT's c.30% stake in ZPG Plc (ZPG) for £642 million in July 2018.

In May 2019, the focus of the portfolio was further increased by the disposal of DMGT's c.40% stake in Real Capital Analytics (RCA), the US-based Property Information business, for US$89 million.

In FY 2019, the Group's share of operating profits from its joint ventures and associates was £13 million, an 83% decrease compared to FY 2018. Following its disposal, no profits were generated from ZPG, compared to £23 million in the prior year. Similarly, since DMGT only owned a stake in Euromoney for the first six months of the year, the share of profits from Euromoney was £23 million compared to £56 million in FY 2018.

The net share of operating losses from other joint ventures and associates was £10 million, notably from Yopa, which became an associate in August 2018. The year-on-year performance benefitted from the absence of DailyMailTV, another early-stage business which is now part of dmg media. On an underlying basis, excluding ZPG, Euromoney, DailyMailTV and RCA and including Yopa's organic year-on-year performance, the share of net losses was in line with the prior year.

Investments and dmg ventures

As well as joint ventures and associates, DMGT invests in and develops early-stage businesses in which the Group holds smaller stakes. As the percentage holdings are too small for the companies to be associates, the Group does not recognise a share of profits or losses from these investments.

dmg ventures is responsible for DMGT's minority and early-stage investments, including some associates. It focuses on investing in companies with disruptive consumer propositions which need to scale and can leverage the Group's assets to do so. In some cases, equity stakes are acquired by providing advertising in DMGT's Consumer Media products, reflecting the extensive reach of the Mail and Metro brands.

Cazoo is currently in the process of launching its service to market and has the potential to develop into a major business.

Kortext, the leading supplier to UK universities of digital textbook solutions, is another notable investment.

The year ahead

The financial performance in FY 2020 will be affected by the absence of Euromoney and, much less significantly, RCA.

Yopa is expected to have the most significant impact on future financial performance. DMGT's stake has increased to c.45% from c.26% for most of FY 2019 and the business continues to invest in disrupting the estate agency market.

Yopa and DMGT's other joint ventures and associates are primarily investment-stage businesses and DMGT does not control them, unlike subsidiaries. The current expectation is that they will generate cumulative net losses in excess of £10 million in FY 2020.

Focused on driving long-term shareholder value

Financial Review

DMGT has a strong balance sheet and the foundations in place to deliver long-term growth.

Tim Collier
Group Chief Financial Officer

DMGT's clear portfolio roles, strong balance sheet and clear and disciplined approach to value creation, position the Group well to invest in opportunities and to deliver sustained growth over the long term.

The Financial Review details DMGT's performance during a year when DMGT completed the first stage of its transformation and made a substantial return of capital to shareholders.

The statutory results reflect the exclusion of discontinued operations, namely Genscape, the Energy Information business, from revenue, operating profit and profit before tax. They include gains on disposals and exceptional items. Profit for the year was £91 million, a £597 million decrease on the prior year. This reduction was primarily due to the inclusion of a substantial gain on the disposal of ZPG Plc (ZPG) in the prior year. Similarly, statutory earnings per share decreased by 84%.

DMGT's balance sheet remains strong, with pro forma net cash of £247 million, including gross proceeds from the November 2019 disposal of Genscape. During the year, as well as maintaining financial flexibility, DMGT also paid a £200 million special dividend and made £117 million available to the Group's defined benefit pension schemes, which are in an improved pro forma net surplus position on an accounting basis.

The recommended final dividend of 16.6 pence per share gives a total for the year of 23.9 pence, up 3% on the prior year. This continues DMGT's track record of delivering annual real dividend per share growth and reflects the Board's confidence in the Group's ability to deliver long-term earnings growth.

The Board and management team use adjusted results and measures, rather than statutory results, as the primary basis for providing insight into the financial performance of the Group and the way it is managed. Similarly, adjusted results are used in setting management remuneration. Adjusted results exclude certain items which, if included, could distort the understanding of comparative performance of the business during the year. Consequently, the rest of this Financial Review focuses on adjusted measures. The explanations for the adjustments and the reconciliations to statutory results are shown on pages 28 and 30.

When assessing revenue and profit growth, the Board and management focus on underlying growth rates as the most meaningful like-for-like comparison between the current year and the prior year. A more detailed explanation and the calculations are shown on pages 29 and 30.

Financial highlights: statutory results

Revenue
£1,337m
2018: £1,341m

Operating profit
£67m
2018: £168m

Profit before tax
£134m
2018: £707m

Profit for the year
£91m
2018: £688m

Earnings per share
30.7p
2018: 194.7p

Dividend per share
23.9p
2018: 23.3p

Go online to www.dmgt.com to read more about our Financial highlights

Performance highlights

The Group's overall financial performance in the year was consistent with our expectations. It reflected the impact of disposals, a good year for Consumer Media and a mixed B2B performance with challenging market conditions faced by some of our businesses, notably UK Property Information. Nevertheless, the Group's results demonstrate the benefit of our diversified portfolio and the strength of our market-leading businesses.

Group revenue grew 2% on an underlying basis. Subscription revenue grew by an underlying 4%, with growth across the EdTech and Property Information sectors. Events revenue grew by an underlying 4% and digital advertising by 11%. Transaction revenues decreased by 1% on an underlying basis, reflecting lower transaction volumes in the UK property market. Although print advertising and circulation revenues continued to decrease, the reductions were at slower rates than the previous year.

Adjusted operating profit grew 6% on an underlying basis. The performance reflected underlying growth in profits from Consumer Media, Insurance Risk and Energy Information as well as reduced Corporate costs. Group adjusted operating margin was 10%, in line with the prior year. Adjusted profit before tax was £145 million, a 21% decrease on the prior year, reflecting the benefit of reduced finance costs being more than offset by a reduction in the share of operating profits from associates. On an underlying basis, adjusted profit before tax grew 19%.

The portfolio focus was increased further during the year, as explained in the CEO Review, including the distribution of the Group's c.49% stake in Euromoney Institutional Investor PLC (Euromoney) to DMGT's shareholders. The Group ended the year with pro forma net cash§ of £247 million and a net cash:EBITDA ratio of 1.2, maintaining DMGT's significant financial flexibility.

Revenue performance

Group revenues in the financial year grew 2% on an underlying basis. Adjusted revenues decreased 1% in absolute terms to £1,411 million as the benefit of the stronger US dollar relative to sterling was more than offset by the impact of disposals. The average exchange rate during the year was £1:$1.28 compared with £1:$1.35 in the prior year.

Revenues from B2B businesses grew 2% on an underlying basis, to £738 million, with growth from EdTech, Insurance Risk and Events and Exhibitions partially offset by Property Information, which experienced weakness in the UK, and Energy Information. B2B revenues decreased by 4% on an absolute basis, following the exit of certain Property Information and Energy Information businesses, primarily in 2018.

Revenues from the Consumer Media business, dmg media, grew 2% on an underlying basis to £672 million. The strong growth from MailOnline and DailyMailTV more than offset the decrease in circulation revenues and decline in print advertising.

The charts on page 24 demonstrate the diverse profile of DMGT's revenues.

Read more on each operating business's revenue performance, pages 17 to 20

Operating profit performance

Adjusted operating profit of £144 million grew 6% on an underlying basis and was in line with the prior year on a reported basis.

The adjusted operating profit of the Group's B2B operations decreased by an underlying 8% to £117 million, with growth from Insurance Risk and Energy Information being more than offset by reductions elsewhere. The performance was affected by increased investment, notably in Insurance Risk, and a larger proportion of technology costs being expensed, not capitalised. The adjusted operating profit from Consumer Media grew by an underlying 18% to £67 million as the profit growth from MailOnline, reduced losses from DailyMailTV and reduction in the Mail Newspapers' cost base more than offset the adverse effect of decreasing circulation and print advertising revenues. As expected, Corporate costs decreased by an underlying 17% to £40 million, reflecting the Group's more focused portfolio.

Financial highlights: adjusted measures*

Underlying^ revenue growth
+2%
2018: 0%

Underlying^ cash operating income growth
+10%
2018: (20)%

Underlying^ operating profit growth
+6%
2018: (17)%

Operating margin
10%
2018: 10%

Underlying^ PBT growth
+19%
2018: (14)%

EPS growth
(8)%
2018: (23)%µ

Net cash§
£247m
2018: £233m

Net cash§:EBITDA
1.2x
2018: 0.8x

Footnotes are defined on the inside front cover with the exception of those below.

^ Underlying growth rates are on a like-for-like basis, see pages 29 and 30. Underlying revenues, cash operating income and operating profits are adjusted for constant exchange rates, the exclusion of disposals and business closures, the inclusion of the year-on-year organic growth from acquisitions and for the consistent timing of revenue recognition. For events, the comparisons are between events held in the year and the same events held the previous time. The September 2019 Gastech event's revenue, cash operating income and profit are compared to two-thirds of the September 2018 event's, having changed from an 18-month to an annual cycle. For Consumer Media, underlying revenues exclude low-margin newsprint resale activities. The underlying change in the share of operating profits from joint ventures and associates excludes ZPG, Euromoney, DailyMailTV and Real Capital Analytics, which have ceased to be associates, but includes the year-on-year organic growth from Yopa, which became an associate in August 2018. The underlying net finance costs exclude the share of finance costs from ZPG and Euromoney and the underlying FY 2018 costs have also been adjusted to include an assumed £10 million additional benefit from £642 million proceeds on the disposal of ZPG.

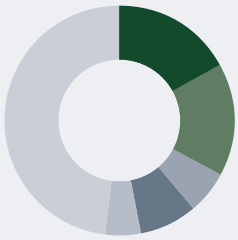
µ 2018 growth rates based on FY 2018 results but pro forma FY 2017 results, treating Euromoney as a c.49% associate for the whole year, consistent with the ownership profile during FY 2018.

Focused on driving long-term shareholder value

Financial Review

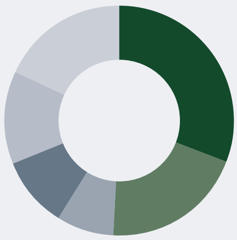
Adjusted revenue profile

By business (%)



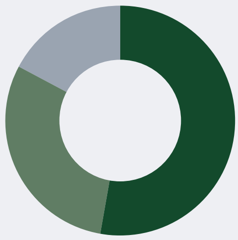
Insurance Risk	17
Property Information	16
EdTech	6
Events and Exhibitions	8
Energy Information	5
Consumer Media	48

By type (%)



Subscriptions	31
Circulation	20
Events	8
Digital advertising	10
Print advertising	13
Transactions and other	18

By destination (%)



UK	53
North America	30
Rest of the World	17

Cash operating income

Cash operating income is a performance metric used by DMGT to assess the cash generation of its businesses. It is calculated by adding back depreciation and amortisation expenses, which are non-cash items, to adjusted operating profit and then deducting capital expenditure. In the financial year, cash operating income for the Group as a whole was £162 million, a £7 million increase compared to the prior year, due to the £13 million reduction in depreciation and amortisation being more than offset by a £20 million reduction in capital expenditure. Cash operating income grew by 10% on an underlying basis as the growth from Consumer Media and reduced Corporate costs more than offset the increased investment in the B2B businesses.

Joint ventures and associates

The Group's share of the operating profits* of its joint ventures and associates was £13 million, an 83% reduction on the prior year. The reduction resulted from the disposal of DMGT's stake in ZPG in 2018 and the distribution to shareholders in April 2019 of the Group's c.49% stake in Euromoney.

Further information on our JVs and associates' performance can be found on page 21 of this report.

Business performance

	Revenues				Cash operating income*				Operating profit*			
	FY 2019 £m	FY 2018 £m	Growth Reported	Growth Underlying^	FY 2019 £m	FY 2018 £m	Growth Reported	Growth Underlying^	FY 2019 £m	FY 2018 £m	Growth Reported	Growth Underlying^
Insurance Risk	**244**	229	+6%	+1%	**41**	50	(18)%	(24)%	**40**	35	+17%	+6%
Property Information	**222**	272	(18)%	(1)%	**44**	48	(8)%	(4)%	**41**	58	(29)%	(25)%
EdTech	**80**	68	+17%	+12%	**8**	2	N/A[1]	N/A[1]	**4**	7	(41)%	(34)%
Events and Exhibitions	**119**	118	+1%	+4%	**22**	28	(21)%	(14)%	**22**	28	(19)%	(12)%
Energy Information	**74**	86	(14)%	(2)%	**12**	4	+208%	+112%	**8**	–	N/A[2]	N/A[2]
B2B	**738**	773	(4)%	+2%	**126**	131	(4)%	(4)%	**117**	128	(9)%	(8)%
Consumer Media	**672**	654	+3%	+2%	**78**	77	+2%	+12%	**67**	64	+4%	+18%
Corporate costs					**(43)**	(53)	(20)%	(20)%	**(40)**	(47)	(16)%	(17)%
DMGT	**1,411**	**1,426**	(1)%	+2%	**162**	**155**	+4%	+10%	**144**	**145**	0%	+6%

1. EdTech cash operating income increased by £6 million and by an underlying £7 million.
2. Energy Information operating profit increased by £8 million and by an underlying £6 million.

Cash operating income

£ million	Source	FY 2019	FY 2018
Adjusted Group operating profit	Tables on page 28	**144**	145
Add: Depreciation of tangible fixed assets	Note 3	**25**	27
Add: Amortisation of intangible fixed assets (e.g. products and software)	Note 3	**22**	33
Less: Purchase of tangible fixed assets	Cash flow	**(16)**	(30)
Less: Expenditure on intangible fixed assets (e.g. products and software)	Cash flow	**(14)**	(20)
DMGT Cash operating income		**162**	**155**

Amounts in the tables are stated rounded to the nearest million pounds, consequently totals may not equal the sum of the component integers.

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Financing costs

As expected, adjusted net finance costs were £12 million, a 67% reduction on the prior year. This reflected lower average levels of net debt, the maturing of £219 million of bond debt in December 2018 and a reduced share of associates' interest payable.

The pension finance credit, which is excluded from adjusted results, was £7 million compared to £2 million in the prior year.

Results before taxation

Adjusted profit before tax was £145 million, underlying growth of 19%, reflecting the reduction in net finance costs, though £37 million less than the prior year in absolute terms due to the disposal of ZPG and distribution of Euromoney shares.

Taxation

The adjusted tax charge for the year, after adjusting for the effect of exceptional items, was £29 million, see note 11, compared to £33 million in the prior year. The adjusted tax rate was 20.3%, an increase on 18.2% in the prior year, due to the geographical mix of profits.

The statutory tax charge for the year was £20 million. In addition, the statutory tax credit on discontinued operations was £10 million and the share of associates' tax charges amounted to £6 million.

Go online to www.dmgt.com to read our tax policy

Profit after tax

Adjusted Group profit after tax and minority interests was £115 million, a decrease of 23%.

Earnings per share

Adjusted basic earnings per share were 38.6 pence, down 8%. In April 2019, 127.3 million shares were returned to DMGT and cancelled in conjunction with the distribution of Euromoney shares and a £200 million special dividend to DMGT's shareholders. Consequently, the weighted average number of shares in issue during the year was 296.4 million, a significant reduction from 354.1 million in the previous year. The total number of shares in issue at the end of the year, excluding shares held in Treasury and the Employee Benefit Trust, was 228.1 million.

Net cash and cash flow

Pro forma net cash§ at the end of the year was £247 million, a £14 million increase compared to the £233 million net cash position at the start of the year. Pro forma net cash is stated after adjusting to:

i) exclude £117 million of cash that has been made available to the Group's pension schemes but which currently remains as cash on DMGT's balance sheet; and
ii) include £282 million of gross proceeds received in November 2019 from the disposal of the Energy Information business, Genscape, which was agreed in August 2019.

The pro forma net cash:EBITDA ratio was 1.2 at the year end.

The Group's cash operating income of £162 million is stated after £30 million of capital expenditure, a significant reduction on £50 million in the prior year which reflects a larger proportion of technology costs being expensed directly. The Group remains committed to investing for the long term and organic investment was equivalent to 9% of revenues in the year.

April 2019 Distributions: Euromoney shares and £200 million special dividend

On 3 March 2019, DMGT announced its intention to return all of DMGT's shares in Euromoney (Euromoney Distribution) together with a £200 million cash special dividend (Cash Distribution) to holders of DMGT's A Ordinary Non-Voting Shares (A Shares). This followed a review by the DMGT Board that concluded that the Group's capital and cash resources were in excess of its requirements and that a significant distribution to shareholders was appropriate. The Board also believed that the value of DMGT was not fully optimised since investors had an indirect holding in Euromoney, a separately listed company, via their holding in DMGT, resulting in a discount being applied to the market price of the A Shares.

Following an approval process, the Euromoney Distribution occurred on 1 April 2019 and the Cash Distribution on 15 April 2019. The distributions totalled £862 million and were fully aligned with DMGT's strategic priorities of increasing portfolio focus and maintaining financial flexibility.

Since Rothermere Continuation Limited and Rothermere Investments Limited exist primarily to hold the Rothermere family's interests in DMGT, they did not participate in the Euromoney Distribution and limited their receipt of the Cash Distribution. Similarly, since they own all of DMGT's voting Ordinary Shares, these shares did not participate in the distributions.

The number of A Shares held by each shareholder were reduced in respect of the distributions received. The terms were set so that participants in the Euromoney Distribution benefitted from receiving Euromoney shares at a 14.5% discount, based on the 30-day volume weighted average market value of the Euromoney shares and A Shares when the proposal was announced.

As the terms of the proposal were different for 'Rothermere Affiliated Shareholders' and all other holders of A Shares, the 'Fully Participating Shareholders', an Independent Committee of independent Non-Executive Directors was established.

The Independent Committee assessed the proposal and concluded that it was in the best interests of Fully Participating Shareholders. A Class Meeting of Fully Participating Shareholders was held on 26 March 2019 and participation was high, with 87% of all Fully Participating Shareholders voting; 95% of the votes cast were in favour of the proposal.

As a result of the Distributions, the number of A Shares in issue was reduced by 127.3 million which will help to improve key financial metrics including DMGT's dividend coverage ratio and earnings per share.

In light of the Board's wider stakeholder obligations and the return of capital to shareholders, DMGT also made £117 million available to the Group's defined benefit pension schemes. DMGT is working with the Trustees of the pension schemes to finalise these arrangements.

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Other operating cash net outflows totalled £5 million including the expected increase in trade debtors for dmg media, following the cessation of a trade finance arrangement. Group operating cash flow was £157 million and the conversion rate of operating profits to operating cash flow was 109%, compared to the 80% in the prior year.

Pro forma net proceeds from disposals, including expenditure on acquisitions and investments, were £288 million. These included the gross proceeds from Genscape described above and US$89 million from the disposal of DMGT's c.40% stake in Real Capital Analytics. Dividend payments totalled £275 million, including a £200 million special dividend, and pro forma pension funding totalled £130 million, including £117 million made available to the defined benefit pension schemes in respect of the distribution of Euromoney shares and the special dividend. Other cash outflows included interest payments of £22 million and taxation of £10 million. The stronger US dollar at year end, relative to the prior year end, resulted in a favourable cash revaluation of £6 million.

The Group's cash, cash equivalents and short-term deposits, net of overdrafts, totalled £289 million at year end. On a pro forma basis, excluding £117 million made available for the pension schemes and including £282 million of cash gross proceeds from the disposal of Genscape, the Group's pro forma cash, cash equivalents and short-term deposits totalled £454 million.

At year end, bond debt was £203 million, with £1 million maturing in April 2021 and £202 million maturing in June 2027. There was also £5 million of net debt in respect of loan notes, collateral and derivatives. The Group's committed bank facilities were £381 million, which were completely unutilised.

In April 2019, Standard & Poor's revised its corporate credit rating for DMGT from BB+ to BB, following the distribution of Euromoney shares and £200 million cash to shareholders. In February 2019, Fitch reaffirmed DMGT's BBB- investment grade rating. The Group's preferred upper limit for gearing remains a net debt to adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) ratio of 2.0, below the requirements of the Group's bank covenants.

Viability Statement

In accordance with provision C.2.2 of the 2016 UK Corporate Governance Code, the Directors have assessed the prospects of the Company. The Board used a three year review period which is consistent with the Group's business planning cycle and with the performance measurement period of the Group's long-term incentive plans.

The Board's assessment of the Company's future prospects and viability determined the Group's overall risk capacity by considering banking and bond covenants, other financial commitments and borrowing capacity to determine the maximum loss from risk events that the Group could endure whilst remaining viable. The assessment has also been made with reference to the Group's current position and prospects, the Group strategy, the Board's risk appetite and principal risks, which the Directors review at least annually. The key factors affecting the Group's future prospects and viability are:

- DMGT manages a portfolio of operating companies with diversity across sector, revenue stream and geography. See page 24 for the Group's revenue profile;
- financial flexibility through a strong balance sheet with continued good cash flow generation and a net debt to EBITDA ratio comfortably below our preferred upper limit;
- the Group's ability to restructure quickly through the portfolio management of operating company subsidiaries; and
- the long-term view of the Company afforded by the family shareholding.

Group forecast revenue, operating profit, EBITDA and cash flows were subject to robust downside stress testing over the assessment period, which involved modelling the impact of a combination of hypothetical and severe adverse scenarios. This was focused on the impact of a number of the Group's severe but plausible principal risks crystallising, including:

- the impact of successive key product investment failures across the Group;
- the impact of a significantly accelerated decline in circulation volumes and print advertising and lower growth in digital advertising affecting profits from the Consumer Media businesses;
- the impact of a significant decline in UK housing transaction volumes affecting profits from the European Property Information business;
- the impact of a severe cyberattack resulting in the loss of high volumes of personal data, considering both the reputational impact, recovery costs and regulatory fines; and
- the impact of macroeconomic factors including large foreign exchange fluctuations, significant increases in interest rates and corporation tax increases.

The Group has also considered the specific uncertainties of Brexit on its future viability by modelling scenarios which include the impact of a reduction in the number of housing transactions on its European Property Information business and increases in the cost and reductions in the availability of newsprint on its Consumer Media business.

Mitigations considered as part of the stress testing included a number of cost reduction programmes and disposals of operating company subsidiaries.

In addition, the Board has also considered a reverse stress test scenario to establish the level of stress which would cause the Group's viability to be put into doubt. This scenario testing indicates that the Group's viability would be threatened by an unexpected cash outflow of £330 million in each year of its three year review period or a reduction in pre-tax profits of £170 million in each year of its three year review period. The Directors consider that unexpected outflows of this magnitude are unlikely to occur.

Based on the analysis described above, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due over the next three years.

Capital allocation framework

DMGT prioritises organic investment opportunities and takes a long-term approach, investing through the cycle. DMGT is also committed to its policy of delivering dividend per share growth in excess of inflation with the dividend remaining the primary mechanism for returning capital to shareholders.

The Group adopts a balanced and flexible approach to uses of capital across the two remaining categories: acquisitions and shareholder returns. DMGT is committed to its disciplined approach to acquisitions and will prioritise bolt-on targets to complement its existing portfolio of businesses. The Group also aims to prioritise the allocation of capital towards growth opportunities, particularly those that can benefit from technological or market disruption. Maintaining financial flexibility remains a strategic priority, enabling DMGT to be acquisitive in the future, as opportunities arise.

Pensions

The Group's defined benefit pension schemes provide retirement benefits for UK staff, largely in dmg media. These schemes are closed to new entrants. The net surplus on the schemes increased from £244 million at the start of the year to pro forma £332 million at 30 September 2019, calculated in accordance with IAS 19 (Revised). The pro forma surplus includes £117 million that has been made available to the pension schemes but which currently remains as cash on DMGT's balance sheet, as well as the statutory net surplus of £215 million. During the year, the increase in the value of the assets, including the £117 million described above, exceeded the increase in the value of the defined benefit obligation.

Excluding the £117 million referred to above, funding payments into the main schemes were £13 million in the year. The existing 2016 funding plan includes payments of £16 million p.a. from FY 2020 to FY 2027, as well as requiring, in certain circumstances, that a contribution of up to 20% of any share buy-backs shall be contributed to the schemes. Contributions will be discontinued should the schemes' actuary agree the schemes are no longer in deficit, calculated on an actuarial basis.

An actuarial valuation of the pension schemes as at 31 March 2019 is in the process of being completed and is expected to conclude that the schemes remain in deficit on an actuarial basis. Potential revisions to the existing funding plan are currently being discussed with the Trustees. The next actuarial valuation is scheduled for 31 March 2022.

Dividends

In April 2019, DMGT paid a £200 million special dividend to shareholders. The recommended final dividend is 16.6 pence which, if approved, would make the total dividend for the year, excluding the special dividend, 23.9 pence, an increase of 3% over the prior year. The recommended FY 2019 full-year dividend is equivalent to 62% of adjusted earnings per share and continues DMGT's track record of increasing the dividend in excess of inflation.

The Board's decision to recommend increasing the dividend, in real terms, despite the decline in adjusted earnings per share during the year reflects the Group's dividend policy and the Board's confidence in the Group's ability to deliver future long-term earnings growth. The dividend policy is to grow the dividend per share in real terms and, in the medium term, to distribute around one-third of the Group's adjusted earnings. This policy reflects the combined objectives of delivering a reliable and predictable dividend growth trajectory while also being sufficiently prudent to retain the flexibility to make significant investments in the long-term future growth of the business.

Exceptional items, impairments and amortisation

As explained in more detail below, certain items, including exceptional costs, impairments and some amortisation are excluded from adjusted results. Following a significant reduction in exceptional operating costs in FY 2018, costs remain at low levels compared to previous years. The exceptional cash costs in the year were £9 million, compared to £3 million in the prior year, reflecting the continued absence of exceptional severance and consultancy costs. Total exceptional operating costs, including those of discontinued operations, joint ventures and associates, were £36 million (2018 £25 million).

The charge for amortisation of intangible assets arising on business combinations, including the share from joint ventures and associates, was £20 million (2018 £32 million). Total impairment charges in the year were £49 million, primarily in respect of the Euromoney distribution and disposal of On-geo, the German Property Information business, compared to £63 million in the prior year.

The Group recorded other net gains on disposal of businesses and investments of £67 million, including discontinued operations, compared to a net gain of £658 million in the prior year.

Adoption of IFRS 16

IFRS 16, the new lease accounting standard, will apply to DMGT from 1 October 2019. Prior periods will not be restated and adoption of IFRS 16 will result in the Group recognising additional lease liabilities of c.£93 million and right-to-use assets of c.£92 million on the balance sheet as at 1 October 2019. The adoption of IFRS 16 is expected to impact FY 2020 results, reducing rental costs by c.£25 million, increasing depreciation charges by c.£23 million and increasing finance costs by c.£2 million. There will be no impact on total cash flow.

Outlook

The financial performance in FY 2020 will reflect the changes to the Group over the past year. The revenues of the current portfolio of businesses would have been £1,344 million in FY 2019, including the 2018 revenues of the 'i', and are expected to be broadly stable on an underlying basis in FY 2020.

In the coming year, we will continue to invest. The Group cash operating income margin is expected to exceed the operating profit margin, which is expected to be around 10%.

In FY 2020, we expect the net share of operating losses from JVs and associates to exceed £10 million and net finance charges to be in the £10 million to £15 million range. The effective tax rate is expected to reflect changes to the share of losses from associates, notably where a tax credit is not recognised, and is expected to be around 22%.

Our strategy, combined with a balanced and flexible approach to capital allocation, positions us to deliver on the Group's long-term revenue, profit and cash flow potential.

Focused on driving long-term shareholder value

Financial Review

Reconciliation of statutory operating profit to adjusted operating profit: FY 2019

£ million	Insurance Risk	Property Information	EdTech	Events and Exhibitions	Energy Information	Consumer Media	Corporate costs	JVs and Associates	Group	Explanation
Statutory operating profit	40	15	3	21	–	65	(50)	(28)	**67**	
Discontinued operations	–	–	–	–	(26)	–	–	–	(26)	i
Exceptional operating costs	–	–	–	–	31	2	10	(7)	36	ii
Intangible impairment and amortisation	–	26	2	1	3	–	–	36	69	iii
Exclude JVs and Associates								1	(1)	
Adjusted operating profit	**40**	**41**	**4**	**22**	**8**	**67**	**(40)**		**144**	

Reconciliation of statutory operating profit to adjusted operating profit: FY 2018

£ million	Insurance Risk	Property Information	EdTech	Events and Exhibitions	Energy Information	Consumer Media	Corporate costs	JVs and Associates	Group	Explanation
Statutory operating profit	(24)	48	5	27	–	46	(52)	118	**168**	
Exceptional operating costs	–	2	–	–	(4)	18	5	5	25	ii
Intangible impairment and amortisation	58	9	3	1	4	–	–	21	95	iii
Exclude JVs and Associates								144	(144)	
Adjusted operating profit	**35**	**58**	**7**	**28**	–	**64**	**(47)**		**145**	

Reconciliation of statutory profit before tax to adjusted profit before tax

£ million	FY 2019	FY 2018	Explanation
Statutory profit/(loss) before tax	**134**	707	
Discontinued operations	**(33)**	(15)	i
Exceptional operating costs	**36**	25	ii
Intangible impairment and amortisation	**69**	95	iii
Profit on sale of assets	**(67)**	(658)	iv
Pension finance credit	**(7)**	(2)	v
Other adjustments	**13**	30	vi
Adjusted profit before tax	**145**	182	

Reconciliation of adjusted operating profit to cash operating income

	FY 2019				FY 2018			
£ million	Adjusted operating profit	Depreciation and amortisation[1]	Purchase of fixed assets[1]	Cash operating income	Adjusted operating profit	Depreciation and amortisation[1]	Purchase of fixed assets[1]	Cash operating income
Insurance Risk	**40**	**5**	**(5)**	**41**	35	20	(5)	50
Property Information	**41**	**9**	**(6)**	**44**	58	7	(17)	48
EdTech	**4**	**8**	**(4)**	**8**	7	6	(11)	2
Events and Exhibitions	**22**	**–**	**(1)**	**22**	28	–	–	28
Energy Information	**8**	**7**	**(3)**	**12**	–	7	(3)	4
B2B	**117**	**29**	**(20)**	**126**	128	40	(36)	131
Consumer Media	**67**	**17**	**(6)**	**78**	64	20	(8)	77
Corporate costs	**(40)**	**1**	**(4)**	**(43)**	(47)	–	(6)	(53)
DMGT	**144**	**47**	**(30)**	**162**	145	60	(50)	155

1. Amortisation of intangible assets and expenditure on purchasing intangible assets refers to products and software, not assets acquired as part of business combinations.

Amounts in the tables are stated rounded to the nearest million pounds, consequently totals may not equal the sum of the component integers.

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Underlying performance

£ million	FY 2019 Reported	FY 2019 M&A	FY 2019 Other	FY 2019 Underlying	FY 2018 Reported	FY 2018 M&A	FY 2018 Exchange rates	FY 2018 Other	FY 2018 Underlying	Underlying growth
Revenue										
Insurance Risk	**244**	**–**	**–**	**244**	229	–	12	–	241	+1%
Property Information	**222**	**(20)**	**–**	**202**	272	(73)	5	–	204	(1)%
EdTech	**80**	**–**	**–**	**80**	68	–	4	(1)	71	+12%
Events and Exhibitions	**119**	**–**	**–**	**119**	118	–	5	(8)	114	+4%
Energy Information	**74**	**–**	**–**	**73**	86	(14)	4	–	75	(2)%
B2B	**738**	**(21)**	**–**	**718**	773	(88)	29	(9)	705	+2%
Consumer Media	**672**	**–**	**(32)**	**640**	654	8	2	(35)	629	+2%
DMGT	**1,411**	**(21)**	**(32)**	**1,358**	1,426	(79)	31	(44)	1,334	+2%
Cash operating income										
Insurance Risk	**41**	**–**	**–**	**41**	50	–	4	–	54	(24)%
Property Information	**44**	**(1)**	**–**	**43**	48	(4)	1	–	45	(4)%
EdTech	**8**	**–**	**–**	**8**	2	–	–	(1)	1	N/A[2]
Events and Exhibitions	**22**	**–**	**–**	**22**	28	–	1	(4)	25	(14)%
Energy Information	**12**	**–**	**–**	**12**	4	2	–	–	5	+112%
B2B	**126**	**(1)**	**–**	**125**	131	(2)	6	(5)	130	(4)%
Consumer Media	**78**	**–**	**–**	**78**	77	(7)	–	–	69	+12%
Corporate costs	**(43)**	**–**	**–**	**(43)**	(53)	–	(1)	–	(53)	(20)%
DMGT	**162**	**(1)**	**–**	**160**	155	(9)	6	(5)	146	+10%

2. EdTech cash operating income increased by £6 million and by an underlying £7 million.

£ million	FY 2019 Reported	FY 2019 M&A	FY 2019 Other	FY 2019 Underlying	FY 2018 Reported	FY 2018 M&A	FY 2018 Exchange rates	FY 2018 Other	FY 2018 Underlying	Underlying growth
Adjusted operating profit and profit before tax										
Insurance Risk	**40**	**–**	**–**	**40**	35	–	3	–	38	+6%
Property Information	**41**	**(2)**	**–**	**39**	58	(6)	1	–	53	(25)%
EdTech	**4**	**–**	**–**	**4**	7	–	–	(1)	7	(34)%
Events and Exhibitions	**22**	**–**	**–**	**22**	28	–	1	(4)	25	(12)%
Energy Information	**8**	**–**	**–**	**8**	–	2	–	–	2	N/A[3]
B2B	**117**	**(2)**	**–**	**114**	128	(5)	6	(5)	124	(8)%
Consumer Media	**67**	**–**	**–**	**67**	64	(7)	–	–	57	+18%
Corporate costs	**(40)**	**–**	**–**	**(40)**	(47)	–	(1)	–	(48)	(17)%
DMGT adjusted operating profit	**144**	**(2)**	**–**	**142**	145	(12)	6	(5)	134	+6%
Income from JVs and associates	**13**	**(22)**	**–**	**(9)**	74	(84)	–	–	(10)	(3)%
Net finance costs	**(12)**	**–**	**–**	**(12)**	(37)	14	–	–	(23)	(46)%
DMGT adjusted profit before tax	**145**	**(24)**	**–**	**120**	182	(82)	6	(5)	101	+19%

3. Energy Information operating profit increased by £8 million and by an underlying £6 million.

Amounts in the tables are stated rounded to the nearest million pounds, consequently totals may not equal the sum of the component integers.

Focused on driving long-term shareholder value

Financial Review

Adjusted results

The Board and management team use adjusted results and measures, rather than statutory results, to give greater insight to the financial performance of the Group and the way it is managed. The tables on page 28 show the full list of adjustments between statutory operating profit and adjusted operating profit by business, as well as between statutory profit before tax and adjusted profit before tax at Group level for both FY 2019 and FY 2018.

Note 13 on page 125 shows the full list of adjustments between statutory and adjusted results.

The explanation for each type of adjustment is as follows:

i. Discontinued operations: the adjusted results include the pre-disposal results of discontinued operations, namely Genscape, the Energy Information business, whereas statutory results only include continuing operations.

ii. Exceptional operating costs: businesses occasionally incur exceptional costs, including severance and consultancy fees, in respect of a reorganisation that is incremental to normal operations. These are excluded from adjusted results.

iii. Intangible impairment and amortisation: when acquiring businesses, the premium paid relative to the net assets on the balance sheet of the acquired business is classified as either goodwill or as an intangible asset arising on a business combination and is recognised on DMGT's balance sheet. This differs to organically developed businesses where assets such as employee talent and customer relationships are not recognised on the balance sheet. Impairment and amortisation of intangible assets and goodwill arising on acquisitions are excluded from adjusted results as they relate to historical M&A activity and future expectations rather than the trading performance of the business during the year. Software, including products, is also recognised as an intangible asset on the balance sheet. Occasionally the carrying value of software is considered to be greater than the value in use or the fair value less costs to sell, as was the case for the Insurance Risk RMS(one) asset in FY 2018, and it is appropriate to impair it. The impairment charge is excluded from adjusted results since it is unrelated to the ongoing cost of doing business. The ongoing amortisation of software is, however, similar to the depreciation of tangible assets and is an everyday cost of doing business, so is included in both statutory and adjusted results.

iv. Profit on sale of assets: the Group makes gains or losses when disposing of businesses, for example on the disposal of EDR, the US Property Information business, in FY 2018. These items are excluded from adjusted results as they reflect the value created since the business was formed or acquired rather than the operating performance of the business during the year. Similarly, the gains or losses made by joint ventures or associates when disposing of businesses are excluded from adjusted results.

v. Pension finance credit: the finance credit on defined benefit schemes is a formulaic calculation that does not necessarily reflect the underlying economics associated with the relevant pension assets and liabilities. It is effectively a notional credit and is excluded from adjusted results.

vi. Other adjustments: other items that are excluded from adjusted results include changes in the fair value of certain financial instruments and changes to future acquisition payments. They are considered to be unrelated to the ongoing cost of doing business. The share of joint ventures' and associates' tax charges is included in statutory profit before tax but, since it is a tax charge, is excluded from adjusted profit before tax. The share of joint ventures' and associates' interest charges is reclassified to financing costs in the adjusted results.

Underlying growth

When assessing the performance of the different businesses, the Board considers the adjusted results. The year-on-year change in adjusted results may not, however, be a fair like-for-like comparison as there are a number of factors which can influence growth rates but which do not reflect underlying performance.

When calculating underlying growth, adjustments are made to give a like-for-like comparison. For example, the adjusted results in FY 2019 benefitted from the stronger US dollar relative to sterling. To calculate underlying growth, the prior year comparatives are restated using the FY 2019 exchange rates.

Similarly, adjustments are made to exclude disposals from both years completely. When businesses are acquired, the prior year comparatives are adjusted to include the acquisition.

The timing of events within Events and Exhibitions can also be a distortion. To give a fair like-for-like comparison when calculating underlying growth, the FY 2018 comparative is amended to include the performance from the previously held events for each FY 2019 show.

In FY 2019, on a reported basis, DMGT's revenues decreased 1%, cash operating income increased 4%, adjusted operating profit was in line with the prior year and adjusted profit before tax decreased by 21%. The growth rates were adversely affected by disposals and the distribution of Euromoney shares but benefitted from the stronger US dollar. After adjusting for these factors as well as others, such as acquisitions and the timing of events, there was underlying growth of 2% in revenues, 10% in cash operating income, 6% in adjusted operating profit and 19% in adjusted profit before tax, as shown in the tables on page 29.

Tim Collier
Group Chief Financial Officer

Entrepreneurialism, Purpose and Excellence

Our People and Our Stakeholders

Our values

DMGT encourages curiosity and innovation amongst its people, and is built around a set of values common across our portfolio of operating companies. These are:

Entrepreneurialism

Purpose

Excellence

Entrepreneurialism

Since brothers Alfred and Harold Harmsworth invented popular journalism in 1896 with the launch of the Daily Mail, entrepreneurs have been a driving force for DMGT's businesses.

DMGT is dedicated to backing great ideas and the people who make them a reality. DMGT seeks out entrepreneurs renowned in their industries for growing businesses and provides them with the backing and resources of an international public company. DMGT's culture of nurturing and developing talented entrepreneurial people remains a distinctive strength of the Group.

Purpose

Alongside our commitment to entrepreneurialism, DMGT's businesses and our people operate with a clear sense of purpose, beyond profit.

DMGT is able to invest for long-term sustainable growth and quality and in businesses that share our ethos, whether that's providing insights that make it possible to 'insure the uninsurable', driving towards ever-greater transparency across property markets, enriching connections between businesses and communities with industry-leading exhibitions or holding authority to account through high-quality journalism.

DMGT is a responsible business, dedicated to its people and communities. Through a range of local partnerships within the communities our operating companies serve, and Group-wide programmes such as our Corporate Responsibility (CR) Champions network, DMGT supports and encourages purpose within our community.

We believe that supporting our operating companies' local communities is particularly important as it allows our employees to choose a cause close to their heart. This is actioned by the CR Champions network which has volunteers from across the operating companies.

Go online to www.dmgt.com to read more about our corporate responsibility programme

Excellence

DMGT is committed to excellence, demonstrated through its dedication to creating the highest quality content, proprietary data and products.

Our aim is to be at the forefront of cutting-edge technology and within new, exciting, high-potential growth sectors.

As a driver in technological innovation, DMGT is defining the jobs of the future through its work in data science, artificial intelligence, machine learning and predictive analytics found across businesses including Insurance Risk and EdTech.

DMGT holds a wealth of top leadership talent and sector expertise at Group level and across its operating companies. Our people are supported by a range of tailored local learning and development programmes.

Our people

DMGT's people play a key role in helping the Group deliver against its strategic priorities, particularly improving operational execution.

We believe that talented, motivated people are the key to our success and are committed to providing a working environment that allows people to reach their full potential.

Talent and development

We have continued to invest in our people and develop high-potential leaders at early stages in their careers. Our leadership programmes are designed to equip talented people with stretching experiences to accelerate their development and realise their potential. Our ambition is to enable people to be the best they can be to deliver today and build for tomorrow. Our people have the chance to develop at DMGT doing meaningful and interesting work that will stretch them, taking advantage of all the opportunities that our diverse group of businesses can offer.

Keeping our people informed

One of the challenges of a geographically diverse organisation is ensuring that we can effectively communicate with all of our people.

We continue to enhance employee collaboration by adopting platforms such as instant messaging, developing a Group-wide microsite to share policies and information, refining our internal newsletters, circulating a daily email news bulletin and holding regular 'town hall' meetings.

Responsible business

DMGT is a responsible business that adheres to strong ethical standards with a clear, robust Code of Conduct.

In a climate where employees, customers and other stakeholders are increasingly interested in the way companies do business, the things we do to encourage responsible business practice and respond to the needs of our different stakeholders contribute to the credibility and value of DMGT.

These include:

- strong governance and leadership which promote responsible business attitudes and actions across the Group;
- clear and robust Code of Conduct and supporting Group policies;
- ensuring DMGT employees understand key legal and reputational issues;
- operating effective risk management and internal controls; and
- business-level participation in CR and community support.

Whistleblowing

Employees who have concerns regarding criminal activity, gross misconduct and/or a breach of the DMGT Code of Conduct or supporting policies have a duty to report such activity. DMGT operates a confidential Speak Up facility to aid any such reports. The Speak Up facility is actively promoted to employees and managed externally by a specialist third party. All incidents are tracked to ensure appropriate follow-up. The Audit & Risk Committee is provided with a summary of any incidents.

Code of Conduct and Group policies

Our Code of Conduct sets the standards for our corporate and individual conduct. The Code of Conduct includes standards for equal opportunities, anti-bribery, conflicts of interest, share dealing and fair competition, among other topics. The Code of Conduct contains clear guidance regarding equality, diversity and inclusion. Many of the topics in the Code are supported by detailed policies and procedures for our employees.

In addition, policies regarding equal opportunities, entertainment and gifts, information security, data privacy and health and safety apply to DMGT employees. These policies, as well as our Code of Conduct, safeguard the welfare of our employees. All DMGT policies are available for employees to access on the Group-wide microsite. Where appropriate, certain policies are housed on the DMGT website. DMGT's equal opportunities statement can be found on the DMGT website and applies to both employees and DMGT supervisory bodies.

We have a rolling review programme to update DMGT policies and deliver continuous training to reinforce compliance.

Entrepreneurialism, Purpose and Excellence

Our People and Our Stakeholders

Human rights

DMGT believes that our exposure to the associated risks in the context of human rights frameworks is minimal. DMGT does not have a specific human rights policy but has a number of policies that cover areas such as health and safety, modern slavery, bribery and corruption. In addition, new suppliers are evaluated with a questionnaire to ensure they are ethical and lawful.

Gender breakdown of our employees

The table below sets out the gender breakdown of our employees. Our aim is to promote equality and diversity in accordance with our Group Code of Conduct and Diversity Policy.

	Male		Female	
	At 30 September 2019			
Board Directors	10	83%	2	17%
Operating company CEOs, and direct reports to the Group CEO*	6	55%	5	45%
All employees*	3,600	61%	2,346	39%

* Excluding Executive Board Directors.

Diversity and inclusion

Our Equal Opportunities Policy is designed to comply with the Equality Act 2010 and the Equality and Human Rights Commission Employment Statutory Code of Practice, and to promote best practice. Managers must set an appropriate standard of behaviour, lead by example and ensure that those they manage adhere to this policy. This policy applies to all aspects of the employee relationship. All decisions must be based on merit. This includes but is not limited to:

- recruitment and selection;
- job adverts;
- training and development;
- opportunities for promotion;
- conditions of service;
- pay and benefits; and
- conduct at work.

We have a suite of policies designed to promote the health and well-being of our employees, including a range of fitness and mindfulness programmes.

We partner with a number of external programmes and take part in volunteering activities to support diversity in media; one of our new programmes connects women from BAME backgrounds in the media industry with experienced female mentors.

We run a number of training programmes on equality, diversity and inclusion, as well as provide tools and resources for hiring managers to assist them in ensuring an objective hiring process that attracts the best talent regardless of background. We are introducing marketing tools that target a diverse range of job applicants. Our Career Boards ensure job opportunities are open to internal candidates, with training and mentoring offered to support promotions and internal mobility.

For our UK-based businesses, we also provide an inclusive apprenticeship programme for new talent and existing employees as development opportunities range up to MBA level. We believe this is a highly effective and sustainable way to support the progression of more people in our business.

DMGT has invested in a new Human Resources Information System that enables us to monitor the levels of diversity in our business, and also promote an inclusive culture. Diversity data including gender, ethnicity, race and disability is tracked across job levels and assessed against a number of key areas, including recruitment processes, attrition and promotions. We regularly ask employees for their feedback on diversity and inclusion, supported with regular internal communications on a range of activities that promote a collaborative and inclusive culture.

Gender pay reporting

Two of DMGT's UK-based operating companies with over 250 employees reported on their Gender Pay Gap for the second time in 2019. Both Landmark and dmg media published their data in April 2019 on their respective websites. DMGT as an employer believes in 'Equal pay for equal work', is committed to equal pay and conducts ongoing reviews to ensure we have the best possible processes in place.

Go online to www.landmark.co.uk/ www.dmgmedia.co.uk

Flexible working

DMGT supports its employees to maintain a work-life balance. Policies and guidance to enable this are in place across the Group.

Our stakeholders

Payments practices reporting

Similarly, in April 2019 DMGT's UK-based operating companies Landmark and dmg media published their payment practices data. DMGT is committed to ensuring that all of its suppliers are paid within the agreed terms.

Go online to www.gov.uk/check-when-businesses-pay-invoices

Our communities

As a diverse, international business, DMGT focuses its community efforts on a combination of Group-level partnerships that allow it to make the most of its scale and size, and support for local community initiatives and relief efforts, through its CR Champions network.

Total charitable donations during the year were £1.2 million. Funds donated include CR initiatives carried out at our operating companies.

Go online to www.dmgt.com/ corporate-responsibility

Environmental impact

At DMGT we evaluate and manage our environmental impact by measuring and reporting on our greenhouse gas (GHG) emissions. As a minimum, our operating companies comply with current regulation of the country that they operate in and are prepared for future legislation. However, we expect our operating companies to further mitigate against the negative impacts from their activities wherever possible.

DMGT's most significant environmental impact comes from the printing plants in our Consumer Media businesses. We have made a concerted effort to ensure our printing has circular systems wherever possible.

At Harmsworth Printing, 100% of our waste paper, cardboard and packaging is recycled. Our printed production waste from the presses has been reduced to only 4% on average. This is due to our use of flexographic printing, which enables lower production waste and less energy use. We have been systematically reducing our specialist waste streams, through improvements in the recycling process. Our waste from this stream has been reduced by 15% in FY 2019. At Harmsworth Printing, we have a 100-tonne rainwater harvesting tank which meets approximately 80% of our water demand, reducing our reliance on mains water.

We endeavour to ensure that the paper we buy is sourced from PEFC and FSC certified forests. We ensure our paper matches the industry standard ratio for Combined Waste Paper and Certified Virgin Fibre Content, ensuring that raw material use is at the lowest possible, whilst producing high-quality newspapers.

Carbon footprint

DMGT is committed to comprehensive and transparent reporting of our environmental performance. CO_2 emissions data has been collected from each of our operating companies. This data is collated and independently reviewed by environmental consultancy ICF International (ICF), who calculate our carbon footprint, in accordance with the GHG Protocol Corporate Accounting and Reporting Standards.

We strive to reduce our impact on the environment wherever possible and DMGT has succeeded in this is by reducing our GHG emissions. Our FY 2019 emissions were 23,800 tonnes CO_2e, a decrease from 27,000 tonnes CO_2e in FY 2018. The Group's carbon footprint for FY 2019 can be seen in the table below.

At DMGT we have actively reduced our energy consumption across our offices and printing facilities through implementing operational efficiency enhancements and building modifications as recommended by ICF.

Go online to www.dmgt.com/corporate-responsibility to read our Environment Policy

Carbon footprint

The table below shows our carbon footprint since FY 2017. For the purposes of comparability, the FY 2017 and FY 2018 figures have been restated to be consistent with the businesses in the portfolio during FY 2019.

	Tonnes of CO_2e			tCO_2e/£million revenue
Year	Scope 1: Combustion of fuel and operation of facilities	Scope 2: Electricity, heat, steam and cooling purchased for own use	Scope 3: Business travel and outsourced delivery	Total scope 1, 2 & 3 emissions/revenue
2019	**1,500**	**11,000**	**11,400**	**16.9**
2018	1,400	12,300	13,300	19.3
2017	1,200	14,800	14,300	20.8

Non-Financial Information Statement

We aim to comply with the non-financial reporting requirements contained in Sections 414CA and 414CB of the Companies Act 2006. The table below, and the information it refers to, is intended to help stakeholders understand our position on key non-financial matters.

Reporting requirement	Policies and standards which govern our approach	Risk management and additional information
Environmental matters	• Carbon footprint • Environment Policy	• Our People and Our Stakeholders, pages 31 to 33
Our people	• Code of Conduct • Equal Opportunities Policy • Health and Safety Policy • Whistleblowing Policy	• Directors' Report, pages 40 to 82 • Our People and Our Stakeholders, pages 31 to 33
Human rights	• Modern Slavery Statement • Privacy Policy • Information Security Policy	• Audit & Risk Committee Report, pages 48 to 53 • Directors' Report, pages 40 to 82
Social matters	• Responsible Business	• Responsible Business • Our People and Our Stakeholders, pages 31 to 33
Anti-bribery and anti-corruption	• Anti-Bribery and Corruption Policy • Code of Conduct • Tax Policy	• Directors' Report, pages 40 to 82 • Financial Review, pages 22 to 30
Policy embedding, due diligence and outcomes		• Principal Risks, pages 34 to 39 • Financial Review, pages 22 to 30 • Directors' Report, pages 40 to 82 • Responsible Business, pages 31 to 33 • Audit & Risk Committee Report, pages 48 to 53
Description of principal risks and impact of business activity		• Principal Risks, pages 34 to 39
Description of the business model		• DMGT at a Glance, page 5 • Our Business Model, pages 6 and 7

Actively monitoring and managing our risks

Principal Risks

Board oversight of risk management and internal controls

The Board delegates day-to-day oversight of management's operations of internal controls and risk management to the Audit & Risk Committee. The Board considers that the Audit & Risk Committee possesses the requisite skills and experience to meet its obligations and provide the relevant assurance to the Board. Operating and investment decisions are delegated to the Investment & Finance Committee. Further details of the activities of these Committees are on pages 43 to 54.

The Board has overall responsibility for establishing, monitoring and maintaining an effective system of risk management and internal controls. This system provides reasonable rather than absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board.

It is the responsibility of the Group's operating companies to ensure that they have established an appropriate level of risk and internal control systems, but which are overseen by the Executive Committee. Certain functions are undertaken centrally, including: Group Accounting; Investor Relations; Strategy; Risk; Internal Audit; Corporate Tax; Treasury; and Insurance.

The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Group. This process has been updated during the year and up to the date of approval of the financial statements. Monitoring is an ongoing process and principal risks are reviewed at operating company Board meetings, the Executive Committee and at half year and year end by the Audit & Risk Committee.

Risk management function

Care has been taken to avoid the threat of self-review across our 'three lines of defence' model (see page 35). The Risk function, led by the Company Secretary, provides an increased focus on priority risk areas. It is responsible for maintaining the Group risk management process, facilitating change for selected risks, evolving our approach to operational compliance, and working with other Group functions. The Risk function engages specialist external expertise to maintain best practice approaches. To ensure an open discussion of emerging risks, the Chairman of the Audit & Risk Committee met separately with the Company Secretary during the year, independent of operational management.

Internal Audit

The Internal Audit function undertakes an agreed programme of independent assurance reviews. The function sources external expertise as required. Internal Audit seeks to comply with relevant professional standards, notably those issued by the Institute of Internal Auditors.

The Internal Audit Charter (the Charter) sets out the purpose and objectives of Internal Audit. The Charter takes a systematic and disciplined approach to both the evaluation of and improvements in control and governance processes. It strengthens the function's independence and objectivity by means of the function's reporting lines and access to all records, personnel, property and operations of the Group. To ensure his independence from management, the Group Assurance Director reports directly to the Chairman of the Audit & Risk Committee. The Charter confirms the high-level responsibilities of operational management (first line of defence) and ensures that the Internal Audit function undertakes its third line of defence duties, avoiding any first or second line duties. The Charter is reviewed annually and updated as required to take account of changing practices and standards. The Audit & Risk Committee is satisfied that the provisions of the Charter have been achieved in the year.

The Board formally evaluated the system of risk management and internal control in conjunction with the Audit & Risk Committee during the year. This evaluation focused on material controls relating to principal risks and entity-level controls, as well as additional controls and processes required to support the Company's Viability Statement (see page 26). The evaluation also considered any control weaknesses identified by Internal or External Audit, or as a result of incidents of fraud. Controls over the recording of amounts in the Group's consolidated financial statements relating to investments have also been assessed and considered as appropriate.

Monitoring and oversight

The Group operates a 'three lines of defence' model. The benefits of this approach are shown in the table on page 35. The Board delegates day-to-day responsibility for internal controls to operational management with oversight by the Executive Committee and the Audit & Risk Committee.

During the year it was noted that there were no detected breakdowns in material controls that protect against the Group's principal risks.

Three lines of defence table

First line of defence	Second line of defence	Third line of defence
Each operating company is responsible for the identification and assessment of risks, understanding the Group's risk strategy and operating appropriate controls.	The Executive Committee and Company Secretary, supported as appropriate by other functional areas, particularly information technology, legal, tax and finance, reviews the completeness and accuracy of risk assessments, reporting and adequacy of mitigation plans.	Internal Audit provides independent and objective assurance on the robustness of the risk management framework and the effectiveness of internal controls.
Benefits • Ownership and responsibility remains close to the operating companies and their performance. • Promotes a strong culture of adhering to limits and managing risk exposures in accordance with each business's risk appetite and the regulatory environment. • Promotes a healthy risk culture and long-term approach to risk management.	**Benefits** • Understand aggregated risk positions. • Objective oversight and challenge to the business areas and internal control and risk management framework used in the first line. • Provide ongoing training and support on Group-wide risks to the operating companies.	**Benefits** • Independent assurance on the system of risk management and internal controls. • Assessment of the appropriateness and effectiveness of internal controls. • Internal Audit provides assurance to the Audit & Risk Committee.

Key features of the risk management and internal controls system

The main features of the system of risk management and internal controls in relation to the financial reporting process are described below:

1. Confirmation of key internal controls and the fraud and bribery assessment

Each operating company confirms the operation of key internal controls to Internal Audit annually. The purpose of the assessment is to confirm the operation of a framework of internal controls, including anti-fraud controls, which are expected to be in place in each business unit. These internal controls are intended to provide standards against which the control environments of DMGT's business units can be monitored. An annual fraud and bribery risk assessment is completed simultaneously, detailing risks and mitigating controls. In each case, the Internal Audit team reviews and follows up on these submissions, as appropriate.

2. Review of relevant and timely financial information

Each of the operating companies and DMGT executive management regularly review relevant and timely financial information. This is produced from a financial information system operated across the Group. It is supported by a framework of forecasts as well as annual budgets that are approved by the Executive Committee and confirmed by the Investment & Finance Committee.

3. Senior Accounting Officer sign-off

The Group Chief Financial Officer is the Senior Accounting Officer and is required, by HMRC, to certify that the Company, and its subsidiaries, have established and maintained appropriate arrangements to ensure that tax liabilities are calculated accurately in all material respects.

Actively monitoring and managing our risks

Principal Risks

The Directors confirm that they have completed a robust assessment of the Group's principal risks and a thorough review of risk management processes.

The Group's risks are categorised as either strategic or operational. Strategic risks are linked to the Group's strategic priorities and impact the whole Group. Operational risks are those arising from the execution of the business functions and typically impact on one or more of the principal businesses.

Further details of the Group's risk management process, the governance structure surrounding risk and the Audit & Risk Committee can be found in the Governance Report on pages 40 to 82.

Strategic risks

Description and impact	Examples
Market disruption Market disruption creates opportunities as well as risks. Disruption enables us to move into new markets and geographies and encourages us to innovate to grow the business. Failure to anticipate and respond to market disruption may affect demand for our products and services and our ability to drive long-term growth.	Market disrupters include changes to customer behaviours and demands, new technologies, the emergence of competitors or structural changes to markets. Examples from the operating companies include: • Consumer Media: decline in print advertising revenue. • Consumer Media: changes in algorithms and strategies of tech giants materially impacting traffic and digital advertising revenue across properties, demanding constant oversight and agility. • Insurance Risk: structural decline in client markets and consolidation in insurance industry. Changing consumer expectations of insurers' utilisation of technology. • EdTech: declining foreign student enrolment pressuring higher education budgets.
Success of new product launches and internal investments A lack of innovation or failure to successfully evolve our products and services may compromise their appeal. Some may fail to achieve customer acceptance and yield expected benefits. This could result in lower than expected revenue and/or impairment losses. Uncertainty also results from geographic expansion into new and emerging markets.	The Group is continually investing in our products and services, developing new offerings and enriching existing products and services. Examples include: • Consumer Media: increased monetisation of online user base. • Insurance Risk: launch of Risk Intelligence platform to take advantage of the growing benefits of new technology. • Property Information: Trepp's launch and development of Collateralized Loan Obligation analytics service. • Events and Exhibitions: innovation within and expansion of events and launches across new locations.
Portfolio management Increasing portfolio focus is key to the Group's strategy. This could be compromised by portfolio changes not delivering expected benefits, failure to deliver acquisition or operating targets, and/or delay or delinquency in divesting from non-core businesses at the right time.	• Growth opportunities and potential synergies lost through failure to identify or succeed with acquisition and investment targets. • Lost acquisitions may allow competitors to gain footholds in key markets. • Underperforming acquisitions and investments may lead to reduced return on capital and/or impairment losses, as well as diversion of management time and bandwidth. • Optimal value may not be achieved from divestments.
Economic and geopolitical uncertainty Group performance could be adversely impacted by factors beyond our control such as the economic conditions in key markets and sectors and political uncertainty.	• Continued uncertainty surrounding the conditions of Brexit directly impacts the UK macroeconomic climate (Consumer Media) and UK property transaction volumes (Property Information). • Fluctuations in the global energy and commodity markets could impact revenue for associated trade shows (Events and Exhibitions). • Political and economic uncertainty, particularly in the Middle East, could negatively impact the exhibitors and attendees of events and exhibitions. • Sustained global low interest rate environment will continue to impact margins for global investors, including in insurance (Insurance Risk) and property (Property Information).

Risk increased   Risk did not change   Risk decreased

Mitigation	Trend
• The Group's presence in different market segments reduces the overall Group impact of any single market disruption. • Organic investment initiatives across the Group to innovate our products and services and to remain competitive in the markets we serve. Organic investment was 9% of total revenues in FY 2019. • The Executive Committee, supported by the Portfolio Solutions function and operating companies' management teams, monitor markets, the competitive landscape and technological developments; regular dialogue and in-person meetings ensure proactive, coordinated responses. • Analysis of the performance management dashboard and detailed financial management information for each operating company to highlight and react to early indicators of market disruption. • DMGT executive membership of operating company boards.	Risk did not change
• The culture of the Group encourages an entrepreneurial approach to identifying growth opportunities and new products. • Central capital allocation ensures focused investment in quality business cases. • A new innovation or business line is ring-fenced where required, to ensure it receives autonomous execution, dedicated talent, budget and undiluted management focus. • Direct engagement from DMGT functional leads and DMGT Board Directors contribute relevant expertise and guidance. • Central Portfolio Solutions function partners with each operating company to support achievement of key milestones, KPIs and financial plans. • Significant investments are approved by the Investment & Finance Committee and/or the Board.	Risk did not change
• The Executive Committee continues to evaluate the Group's portfolio in order to optimise resource allocation according to portfolio roles, business opportunities and risk-adjusted execution. • Investments and divestments are approved by the Investment & Finance Committee and, where warranted, the Board. • Extensive due diligence conducted pre-acquisition and comprehensive integration plans implemented post-acquisition by dedicated integration managers. • Proactive, detailed divestment roadmaps, including sell-side narrative, seller due diligence and talent incentives/retention. • The Executive and Investment & Finance Committees supported by the Portfolio Solutions function monitor post-acquisition performance. • DMGT executive membership of operating company boards and the boards of associates and investments (e.g. Yopa, Cazoo).	Risk did not change
• The Group's diverse and balanced portfolio of businesses and products reduces the overall impact of any single trend. • Quarterly Emerging Risk papers provided to the Audit & Risk Committee ensure both DMGT and operating company management consider and remain vigilant regarding emerging risks and their potential impact.	Risk increased The significance of this risk has increased given the imminent UK general election (December 2019).

Actively monitoring and managing our risks

Principal Risks

Strategic risks continued

Description and impact	Examples
Talent Our ability to identify, attract, retain and develop the right people for senior and business-critical roles could impact the Group's performance.	• Entrepreneurship and leadership skills are a priority for the Group and key to the continued success of many of our operating companies. • Technology and software development skills remain crucial to many of our businesses where there is significant investment in software platforms and technology infrastructure to support next-generation product development. • The strategy to build out our data analytics capabilities places focus on developing and attracting specialists in emerging technologies. These skills are in high demand, which makes attracting and retaining people with these skills more competitive. • Enterprise sales and operational execution expertise with market and product knowledge continue to be a strategic imperative.

Operational risks

Description and impact	Examples
Information security breach or cyberattack An information security breach, including a failure to prevent or detect a malicious cyberattack, could cause reputational damage and financial loss. The investigation and management of an incident would result in remediation costs and the diversion of management time. A breach of data protection legislation could result in financial penalties for the affected business and potentially the Group.	The risk is relevant to all businesses in the Group due to the nature of products and services across the portfolio. Examples which could impact the Group include: • Loss or unauthorised access to personal information and sensitive client data. • Unavailability or disruption of online products and services. • Integrity of online products, services and data compromised. • Disruption to critical systems that support business operations. • Theft of intellectual property.
Reliance on key third parties Certain third parties are critical to the operations of our businesses. A failure of one of our critical third parties may cause disruption to business operations, impact our ability to deliver products and services and result in financial loss. The reputation of our businesses may be damaged by poor performance or a regulatory breach by critical third parties, particularly outsourced service providers.	Key third parties include: • Data centre and cloud service providers. • Search engine traffic partners. • IT development support. • Data providers for core product. • Newsprint, flexographic plate and ink suppliers. • Newspaper distributors and wholesalers. • Event venues.
Compliance with laws and regulations The Group operates across multiple jurisdictions and sectors. Increasing regulation increases the risk that the Group is not compliant with all applicable laws and regulations across all of the jurisdictions in which it operates, which could result in financial penalties and reputational damage. Increasing regulation also results in increasing costs of compliance.	Particular areas of focus for DMGT businesses are: • Data protection, including the EU General Data Protection Regulation (GDPR) and the proposed ePrivacy Regulation. • Competition and anti-trust legislation. • EU Market Abuse Regulation. • Libel legislation. • Tax compliance. • Trade sanctions. • Entering regulated markets or sectors.
Pension scheme deficit Defined benefit pension schemes, although now closed to new entrants, remain ultimately funded by DMGT, with Pension Fund Trustees (Trustees) controlling the investment allocation. There is a risk that the funding of the deficit could be greater than expected.	Future pension costs and funding requirements could be increased by: • Adverse changes in investment performance. • Valuation assumptions and methodology. • Inflation and interest rate risks.

Mitigation	Trend
• Local HR specialists focused on recruitment, critical skills planning, identifying and developing internal talent combined with central oversight of reward. • Central Technology function with specialised expertise in artificial intelligence, machine learning, data architecture and management, platform development and scaling. • Central Technology function oversight of technology hire. • Central Portfolio Solutions function partners with operating companies' management, advising on critical skills to improve operational and commercial performance, including pricing and packaging strategies, go-to-market and sales execution and business case development and planning. • Executive management is involved in the recruitment of all operating company leadership roles and their ongoing development. • Payment of competitive rewards for key senior roles, developed using industry benchmarks and external specialist input.	→ The decreased size of the portfolio may have a detrimental impact on the internal mobility of talent. This combined with the record low levels of unemployment in the UK will result in an additional challenge to attracting the right calibre of talent. While the above is not deemed enough to alter the trend of this risk, extra provisions will be assessed in order to help manage this trend.

Mitigation	Trend
• The Technology Council provides oversight of information security initiatives Group-wide. • The Group Chief Information Security Officer is responsible for reviewing and recommending actionable roadmaps to improve information security procedures and protections at each operating company. • Group Information Security Policy and detailed information security standards with regular reviews reported to the Technology Council. Periodic reviews of the standards themselves are performed to ensure they keep pace with best practice. • Information security is reviewed as part of every internal audit of an operating company. • Cyber insurance policies in place. • Dedicated budget for information security investments.	↑ While risk transference is mitigated by the way in which DMGT manages its IT architecture, the profile and prevalence of this type of risk has increased.
• The Group's diverse and balanced portfolio of businesses and products reduces the overall impact of the failure of an individual third party. • Operational and financial due diligence is undertaken for key suppliers on an ongoing basis. • Close management of key supplier relationships including contracts, service levels and outputs. • Robust business continuity arrangements for the disruption to key third parties. • Event cancellation and business interruption insurance policies.	→
• Changes in laws and regulations are monitored and potential impacts discussed with the relevant persons, Board, or Committee, or escalated as appropriate. • Developments in the legal and regulatory landscape are reviewed by the Audit & Risk Committee. • Implementation and monitoring of Group-wide policies to address new legislation and regulation where applicable. • Group-wide working groups for key compliance areas, such as the GDPR. • Monitoring and management of tax risks is performed by the DMGT Tax Sub-Committee.	→
• The agreed funding plan gives certainty over the financial commitment. • Monitoring and management of pension risks is performed by the DMGT Pension Sub-Committee. • Company-appointed Trustees.	→

The Strategic Report was approved by the Board on 4 December 2019 and signed on its behalf by the Group Chief Financial Officer.

By order of the Board

Tim Collier
Group Chief Financial Officer

Governance
Board of Directors and Company Secretary

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Key to Board and Committees

- Audit & Risk Committee
- Remuneration & Nominations Committee
- Investment & Finance Committee

1. The Viscount Rothermere

Chairman

Appointed to the Board: 1995
Appointed Chairman: 1998

Skills and experience:

Lord Rothermere brings significant experience of media and newspapers. He worked at the International Herald Tribune in Paris and the Mirror Group before moving to Northcliffe Newspapers in 1995. In 1997 he became Managing Director of the Evening Standard.

Other appointments: Independent Television News Limited (until November 2018), Cazoo (from December 2018).

2. P A Zwillenberg

CEO

Appointed to the Board and CEO: 2016

Skills and experience:

Paul Zwillenberg has over 30 years' experience across the media industry. He has a broad knowledge of the Group, having set up the digital division of dmg media (formerly Associated Newspapers digital) in 1996. Prior to joining DMGT, Paul was the Global Leader of Media Sector and Senior Partner and Managing Director at The Boston Consulting Group. Before that he founded an early interactive media company and launched a European technology services firm.

No other appointments.

3. T G Collier

Group Chief Financial Officer

Appointed to the Board and Group Chief Financial Officer: 2017

Skills and experience:

Prior to joining DMGT, Tim Collier was Chief Financial Officer of Thomson Reuters Financial and Risk Business where he was responsible for driving financial and risk performance, optimising resources and enhancing growth through organic and strategic investments. Tim's experience has spanned media and business information industries and functions including banking, corporate finance, treasury, insurance, internal audit, accounting and M&A.

Other appointments: Euromoney Institutional Investor PLC Board and its Nominations and Audit Committees (until April 2019).

4. K J Beatty

Executive Director

Appointed to the Board: 2004

Skills and experience:

Kevin Beatty brings many years of media industry experience and is Chief Executive of dmg media. Before joining the Group he was Managing Director of the Scottish Daily Record and Sunday Mail. Kevin has been Managing Director of The Mail on Sunday, the Evening Standard and London Metro, COO of Associated New Media and Managing Director of Northcliffe Newspapers.

Other appointments: Euromoney Institutional Investor PLC Board and its Remuneration and Nominations Committees (until April 2019), Excalibur Board, which operates the Wowcher and Living Social daily deals businesses, PA Media Group Board and its Remuneration Committee (until March 2019), Board member of the NMA and Chairman of the RFC, the body that funds IPSO (Independent Press Standards Organisation).

5. Lady Keswick

Independent Non-Executive Director

Appointed to the Board: 2013

Skills and experience:

Lady Keswick's extensive career is based in public policy and international affairs, particularly in Asia. She is the former Director of the Centre of Policy Studies and was, until 2017, its Deputy Chairman. She was the Special Policy Adviser to the Rt. Hon. Kenneth Clarke QC MP, working at the Departments for Health, Education and Science, the Home Office and HM Treasury. She previously worked in advertising and journalism. In 2013, Lady Keswick was elected Chancellor of the University of Buckingham.

No other appointments.

6. A H Lane

Non-Executive Director

Appointed to the Board: 2013

Skills and experience:

Andrew Lane brings a range of experience of dealing in complex legal and regulatory matters. He is a partner at Forsters LLP and specialises in private client law.

Other appointments: Trustee of the Pension Fund of the Royal Agricultural Society of England.

7. F L Morin

Non-Executive Director (Canadian)

Appointed to the Board: 2017

Skills and experience:

François Morin brings a broad range of experience and skills to the Board arising from his role as Partner at the Canadian law firm Borden Ladner Gervais. He is a qualified lawyer admitted to the Québec Bar. In particular, he brings an international perspective relevant to the Group's global operations and experience of regulatory matters across a range of areas. François also has a strong record of community involvement including as director on a number of charitable boards.

No other appointments.

8. D H Nelson

Non-Executive Director

Appointed to the Board: 2009

Skills and experience:

David Nelson provides the Board and its Committees with relevant financial expertise, gained through a career in accounting. He is a Partner at Dixon Wilson, Chartered Accountants. He is an adviser to UK-based families and their businesses, advising on financial and tax matters in the UK and overseas. He is a trustee of a number of substantial UK trusts.

Other appointments: Mind Gym plc (Non-Executive Director); Dulwich Preparatory Schools Trust (a registered charity – Chairman), and The Rye, Winchelsea & District Memorial Hospital Limited.

9. K A H Parry OBE

Independent Non-Executive Director

Appointed to the Board: 2014

Skills and experience:

Kevin Parry is a chartered accountant who brings a broad range of experience and skills to the Board. He serves on a number of listed company boards and has previously been a Non-Executive Director of Schroders plc, Knight Frank LLP and the Homes and Communities Agency. He has extensive experience chairing companies as well as audit, risk and nominations committees. He was CFO of Schroders plc, CEO of Management Consulting Group PLC and the managing partner of KPMG's information, communications and entertainment practice in London.

Other appointments: The Royal London Mutual Insurance Society Limited (chairman), Intermediate Capital Group plc (until November 2019), and Nationwide Building Society.

10. JP Rangaswami

Independent Non-Executive Director

Appointed to the Board: 2017

Skills and experience:

JP Rangaswami brings extensive knowledge and experience in the fields of data and computer science. He was the Chief Data Officer and Group Head of Innovation at Deutsche Bank until September 2018. He is a director and trustee of the Web Science Trust and adjunct professor in Electronics and Computer Science at the University of Southampton.

Other appointments: Allfunds Bank S.A.

11. J H Roizen

Independent Non-Executive Director (American)

Appointed to the Board: 2012

Skills and experience:

Heidi Roizen provides the Board with experience in digital media, entrepreneurial growth and business development in both public and private companies in the US. She teaches entrepreneurship at Stanford University. Heidi was Vice President of Worldwide Developer Relations for Apple Computers, as well as being CEO and co-founder of pioneering consumer software company T Maker. She is a Partner at Threshold Ventures, a venture capital firm in California.

Other appointments: Threshold Ventures.

12. D Trempont

Independent Non-Executive Director (American)

Appointed to the Board: 2011

Skills and experience:

Dominique Trempont brings experience as a Chief Executive Officer, Chairman and Independent Board Director in large multinational high-tech companies and start-ups. He has extensive knowledge of software and digital data/content businesses, artificial intelligence, machine learning, cyber security, online B2C and B2B markets. He is currently on the board of companies focusing on disruptive innovation and emerging markets.

Other appointments: Airspan, ON24, (Real Networks until 31 October 2019).

F L Sallas

Company Secretary

Appointed as Company Secretary: 2017

Skills and experience:

Fran Sallas is Secretary to the Board, Audit & Risk Committee, Remuneration & Nominations Committee and the Investment & Finance Committee. Fran is a Fellow of the Institute of Chartered Secretaries and Administrators.

Governance

Chairman's Statement on Governance

The Viscount Rothermere
Chairman

In this section

> "Strong governance is essential to the way DMGT operates."

I am pleased to present the Corporate Governance Report for FY 2019. Strong governance is essential to the way DMGT operates; it is promoted by the Board and cascades throughout the Group. It is a key factor in our ability to achieve growth in a profitable, responsible and sustainable manner and in how we maximise shareholder value over the long term. DMGT's approach to governance is distinctive; because our corporate procedures are strengthened by the significant benefits we derive from the family shareholding and the long-term view that this engenders.

Our approach to governance

Our governance framework sets out clear parameters for decision-making. This is achieved through delegated authorities which ensure decisions are made by the appropriate body and that there is clear accountability to the DMGT Board.

Governance practice continues to evolve. DMGT applies the 2016 UK Corporate Governance Code (the Code). The 2018 UK Corporate Governance Code will apply to DMGT from FY 2020. Where possible we have begun to disclose our position in relation to the 2018 Code in this Annual Report. We voluntarily apply the new provisions where appropriate and explain when we are not in compliance.

April 2019 Distributions

Following a review, the Board concluded that the Group's capital and cash resources were in excess of its requirements and that a significant distribution was appropriate. It was decided to distribute the entirety of DMGT's shareholding in Euromoney Institutional Investor plc (Euromoney) and a further £200 million in cash. The April 2019 Distributions were in support of the Group's stated strategy of increasing portfolio focus.

The Board established an Independent Committee to assess the fairness of the distributions. This was expertly led by Kevin Parry, Independent Non-Executive Director and, based on a thorough analysis of the proposed Distributions by a panel of external advisers, recommended that shareholders should vote in favour and the Distributions were subsequently approved. I would like to thank Kevin Parry and the other members of the Independent Committee, JP Rangaswami and Dominique Trempont, for their stewardship of this important part of DMGT's history.

Read more about the April 2019 Distributions on page 25

Areas of focus

The Board continues to work closely with the executive team, offering support and robust challenge in a spirit of openness and transparency. Areas of particular focus for the Board include our approach to our portfolio of businesses and their continued growth, as well as divestments, rigorous financial management, balanced capital allocation and managing a strong balance sheet. Additionally, the Board has focused on our people agenda and leadership capabilities.

Read more in CEO Review, pages 10 to 13

Read more in Financial Review, pages 22 to 30

Read more in Our People and Our Stakeholders, pages 31 to 33

The Viscount Rothermere
Chairman

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Governance

Corporate Governance

Committee structure

The Board and Committee structure is set out below:

DMGT

DMGT Board

Collectively responsible for the long-term success of the Company.

Audit & Risk Committee

The Audit & Risk Committee has responsibility for:

- the Company's financial reporting;
- narrative reporting;
- the Internal and External Audit processes; and
- the signing off of external disclosures.

The Committee also oversees:

- the Group's system of internal controls and risk management;
- the Group's risk register, risk appetite and tolerance, including as part of the Viability Statement; and
- developments in relevant legislation and regulation.

Time is allocated at each meeting for both Audit and Risk matters, to ensure that all items are adequately addressed.

Remuneration & Nominations Committee

The Remuneration & Nominations Committee ensures that remuneration arrangements support the strategic aims of the business and enables the recruitment, motivation and retention of senior executives in a manner that is aligned to shareholder interests, while also complying with the requirements of regulation. It also reviews the structure and composition of the Board and its Committees, in particular the skills, knowledge and experience of Directors.

Time is allocated at each meeting for both Remuneration and Nominations matters, to ensure that all items are adequately addressed.

Investment & Finance Committee

The Investment & Finance Committee evaluates investment opportunities and financing proposals and monitors returns on investments made.

Executive Committee

The Executive Committee meets regularly to discuss all aspects of the Group's performance and strategy, particularly performance management, capital allocation, risk management and senior talent considerations.

Family shareholding

Rothermere Continuation Limited (RCL) is a holding company incorporated in Bermuda. The main asset of RCL was its holding of DMGT Ordinary Shares. RCL is controlled by a discretionary trust (Trust) which is held for the benefit of Lord Rothermere and his immediate family. As explained on page 78, the Board anticipates that as of 5 December 2019, Rothermere Investments Limited (RIL) will become the holder of the DMGT Ordinary Shares, however there will be no change in the Trust's ultimate control of DMGT. Both RCL and the Trust are administered in Jersey, in the Channel Islands. The directors of RCL, of which there are seven, included two directors of DMGT during the reporting period: Lord Rothermere and François Morin.

RCL has controlled the Company for many years. RCL maintains that the Company should be managed in accordance with high standards of corporate governance for the benefit of all shareholders; this has been the case throughout the period of RCL's control.

RCL has again indicated to the Company that its intentions for the Company's governance are long term in nature and that it will discuss with the Board of the Company any material change in its intentions. In particular, RCL has confirmed its intention that the Company will:

- continue to observe the Listing Principles in their current form;
- continue to maintain a securities dealing code for certain of its employees;
- continue to voluntarily observe the UK Code on a 'comply or explain' basis. RCL have indicated that this will continue to be the case under the 2018 UK Corporate Governance Code; and
- have an appropriate number of Independent Non-Executive Directors on its Board.

It is also intended by RCL that the Company's Independent Directors would take decisions on behalf of the Company in relation to any proposed transaction between the Company and RCL, or between the Company and an associate of RCL, where any such proposed transaction would have been a related party transaction under Chapter 11 of the Listing Rules.

UK Corporate Governance Code

The Code forms an important part of how we operate. It allows a 'comply or explain' approach to achieving best governance practice. We have chosen to explain our governance practices if these do not fully meet the provisions of the Code. This allows us to recognise our requirements under the Code and the benefits of our shareholding structure. Our explanations, where we deviate from the Code, are set out in the relevant sections of this Corporate Governance Report. DMGT will report on the 2018 UK Corporate Governance Code from FY 2020.

The Code is available at ww.frc.co.uk. Information required under DTR 7.2.6 is provided on page 78 and forms part of this Report. Key features of the risk management and internal control systems can be found on pages 34 and 35.

Leadership

The Board has a duty to promote the long-term success of the Company for its shareholders. This includes: the review and monitoring of strategic objectives; approval of major acquisitions, disposals

Governance

Corporate Governance

and capital expenditure; financial performance; reviewing the effectiveness of the Group's systems of internal controls; governance; risk management; and training and development.

Persons discharging managerial responsibility

As part of the Company's continuing obligation to ensure compliance with the Listing Rules and related regulations, we have identified that Directors and other senior executives who have regular access to inside information and the power to make managerial decisions affecting the future development and business prospects of the Company are those on the Board, Executive Committee and regular attendees at the Investment & Finance Committee.

How the Board operates

There is a schedule of matters reserved to the Board. This details key matters in respect of the Company's management that the Board does not delegate. This can be seen at www.dmgt.com/about-us/board-and-governance. If any Director had any concerns about the way the Board was operating, these would be recorded in the minutes. No such concerns were raised during the reporting period. Day-to-day management of the Company is the responsibility of the Executive Committee and of the executive management of the operating companies.

Delegation of authority

The Board has delegated certain activities to Board Committees, under formal terms of reference, details of which are set out on pages 43 to 54.

Go online to www.dmgt.com/about-us/board-and-governance for full Terms of Reference

Division of Chairman and CEO responsibilities

In accordance with provision A.2.1 of the Code, the roles of Chairman and CEO are separate. The Chairman is responsible for leading the Board and overseeing operations and strategy. The CEO is responsible for the execution of the strategy and the day-to-day management of the Group and is supported by the Executive Committee.

Non-Executive Directors

The Non-Executive Directors, as members of the Board and its Committees, are responsible for ensuring the Company has effective systems of internal controls and risk management, and additionally, for monitoring financial performance.

All Committee Chairmen report to the Board on Committee activity at each Board meeting.

Senior Independent Director

The Chairman has an interest in the shares of the Company through the Trust and the Board feels that there is no need for a Senior Independent Director to represent shareholders additionally. Accordingly the Board has not appointed a Senior Independent Director as recommended under Code provision A.4.1. Directors consider that they can represent themselves freely to the Chairman. However, when a situation arises that would best be handled by an individual Independent Non-Executive Director, the most appropriate person is appointed by the Board (with or without the Chairman being present, as appropriate), as was the case during the year for the April 2019 Distributions with the formation of the Independent Committee led by Kevin Parry.

Chairman evaluation

The Remuneration & Nominations Committee (without the Chairman being present) annually assesses the Chairman's performance.

Independence

The Board has determined that Lady Keswick, Kevin Parry, JP Rangaswami, Heidi Roizen and Dominique Trempont are independent within the meaning of provision B.1.1. of the Code.

Andrew Lane, François Morin and David Nelson are not considered to be independent within the meaning of the Code.

Andrew Lane and David Nelson are each advisers to the Chairman. François Morin is a Director of RCL. Nevertheless, the Board believes that these Non-Executive Directors make an important contribution to its deliberations and have invaluable experience of the Company, its business and its employees. They are independent of the Executive Directors, and are aligned with shareholders' interests.

Less than half of the Board are Independent Non-Executive Directors, which is not in line with provision B.1.2. of the Code. The Board believes, however, that its current composition is appropriate taking into account the heritage of the Group, the interests of our operating companies as represented on the Board, and that a good balance is achieved from the Board's Non-Executive Directors in terms of skill and independence. The Board keeps this under review.

The Chairman, Lord Rothermere, having been appointed in 1998 is not considered to be independent under the Code. For Companies Act 2006 disclosure purposes, Lord Rothermere is treated as holder of all the Ordinary Shares of the Company. In addition, Lord Rothermere and his immediate family have the largest economic interest in DMGT through their holding of A Ordinary Non-Voting shares. The Board therefore considers that Lord Rothermere's interests are fully aligned with those of other shareholders.

Effectiveness

The Board reviewed its effectiveness within the context of the provisions of Section B of the Code. In addition to its review of independence and the Board evaluation process, discussed separately, the Board discharged its Code duties as follows:

- appointments: the Remuneration & Nominations Committee is responsible for referring potential appointments to the Board for approval and is assisted by the CEO. Further details are in the Remuneration & Nominations Committee Report on page 54;
- time: the time commitment of each Non-Executive Director is set out in his/her Letter of Engagement. Each Letter of Engagement is renewed annually following consideration by the Remuneration & Nominations Committee and a shareholder vote at the Annual General Meeting (AGM);
- multiple commitments: the Remuneration & Nominations Committee recognises that Board members may be directors of other companies and that this additional experience is likely to enhance discussions at the Board. Details of any additional directorships are on pages 40 and 41. Executive Directors are generally permitted to hold non-executive directorships as long as they do not lead to conflicts of interest or time;
- development and information: on joining, Directors receive a comprehensive, tailored induction programme, which includes time with the Company Secretary, the Executive Directors and a range of senior managers across the Group. During the year, as part of a rolling training programme, the Board has received updates on key areas of finance and governance as well as detailed presentations by operating companies; and
- re-election: in line with principle B.7 of the Code, all Directors are eligible to stand for re-election annually and will do so at the 2020 AGM.

Relations with shareholders

There is a unity of interests between the family and other shareholders. Any concerns raised by shareholders in relation to the Company and its affairs are communicated to the Board through regular briefings. Shareholders have access to the Company Secretary and Company's Registrars to discuss queries or raise issues they may face.

Senior executives hold regular Investor Relations (IR) meetings with institutional investors; IR roadshows follow the half and full-year results. The Chairman also meets DMGT's largest shareholders. Institutional feedback is provided to the Board through a broker report distributed prior to meetings and investor feedback is circulated to Directors following results and trading updates. In addition:

- An Investor Briefing was held on 2 July 2019 and focused entirely on RMS, the Insurance Risk business. The event included presentations from the RMS management team and a Q&A session. During the April 2019 Distributions, a number of large shareholders expressed a keen interest in RMS's prospects and potential to create value. The event gave investors an update on RMS's progress and the opportunity to meet RMS's management.
- Following the April 2019 Distributions, DMGT engaged an external adviser to review interactions with investors. This included feedback on the April 2019 Distributions, interaction with management, DMGT's IR team, shareholder messaging and corporate governance. The findings were satisfactory and no significant concerns were raised.

Board activities and stakeholder engagement

DMGT understands the importance of considering a company's responsibilities to a broad stakeholder group. When making decisions, the Board considers the impact on its employees, customers, suppliers, the communities in which we operate, its shareholders and its suppliers, in line with section 172 of the Companies Act 2006. As described throughout the Annual Report, during FY 2019 the Board met with employees to hear their views, including attending an emerging leaders event with representatives from the operating companies. It has heard from shareholders both through regular updates and also during the April 2019 Distributions. The Board considers the importance of key suppliers when making commercial decisions, in particular their practices and approach to items such as data privacy. The Board also heard more about DMGT's Corporate Responsibility programme when it attended a ceremony to present the Hobsons winner of the DMGT Community Champions Awards, when visiting the business in September 2019.

Go online to www.dmgt.com/careers to find out more

Website

The Company's website, www.dmgt.com, provides the latest news, historical financial information, details about forthcoming events for shareholders and analysts, and other information relevant to shareholders regarding the Group.

Board composition and diversity

The Board has continued to review its composition during FY 2019 to ensure that it has the right combination of members to contribute effectively to the development of strategy and how DMGT operates. DMGT considers diversity in its broadest sense when reviewing how the Board operates and its composition.

The split of the Group's profits between our US and other businesses, the global nature of our operations and the range of activities undertaken across the Group has been reflected over recent years in our Board appointments. Maintaining this broad range of appropriate skills, including international and specific sector experience, will continue to be a factor in our Board succession planning.

The Board is aware of and takes into account the diversity of its senior management. This is considered as part of the senior management appointment process. Further details on our approach are included in the Remuneration & Nominations Committee Report on page 54.

Diversity

Read more about DMGT's approach to diversity in Our People and Our Stakeholders, pages 31 to 33

Read more about the scheme and winners on DMGT.com

Fair, balanced and understandable

One of the key governance requirements of a group's annual report is for it to be fair, balanced and understandable. The coordination and review of Group-wide input into the Annual Report is a specific project, with defined time frames, which runs alongside the formal audit process undertaken by the External Auditor. The Audit & Risk

Board evaluation

In FY 2019, the Board undertook a review of its own performance and those of its Committees, which built on the results of the FY 2018 review. The review was conducted through an internal process facilitated by the Company Secretary. An online questionnaire was used, focusing on the Board's remit and key issues faced. The review focused on a series of specific questions covering key areas reserved to the Board. In particular, the Board considered how it was discharging its strategic remit and review of key issues facing the Group and its businesses.

Completed questionnaires were submitted and reviewed by the Chairman. A summary of findings was presented to the Board in a manner that did not identify individual specific responses, ensuring that the follow-up discussion with the entire Board was open. The responses showed that the Board welcomed the process and that overall, the Board was happy with the progress during the year and that the Board and its Committees continue to function well.

There was a continuous monitoring programme to ensure that items addressed in the FY 2018 evaluation were also addressed during the year.

Actions arising from the FY 2019 evaluation included ensuring that time on the Board agenda was allocated to the continued review of Board composition in relation to B2B experience; cyber security; and oversight of operating companies through regular strategy updates.

The Board believes that an internal evaluation process facilitated by the Company Secretary is appropriate. The Board will keep this under review.

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Committee's and the Board's confirmations of satisfaction with the process and the statements being made is underpinned by:

- comprehensive guidance being provided to the operating companies in respect of each of the requirements for, and each of their contributions to, the Annual Report;
- a verification process in respect of the factual content of the submissions made;
- comprehensive sign-off process by owners of all statements made; and
- comprehensive reviews undertaken at different levels of the Group with the aim of ensuring consistency and overall balance.

As a result of this process, the Audit & Risk Committee and the Board are satisfied with the overall fairness, balance and understandability of the Annual Report.

DMGT Board – membership

Member	Member for the full period	Meetings held	Meetings attended
Chairman The Viscount Rothermere	Yes	9	8
CEO P A Zwillenberg	Yes	9	9
Group Chief Financial Officer T G Collier	Yes	9	9
Executive Directors			
K J Beatty	Yes	9	9
Non-Executive Directors			
Lady Keswick	Yes	9	8
A H Lane	Yes	9	9
F L Morin	Yes	9	9
D H Nelson	Yes	9	9
K A H Parry	Yes	9	9
JP Rangaswami	Yes	9	9
J H Roizen	Yes	9	9
D Trempont	Yes	9	9

Additional meetings were held during FY 2019 to consider items relating to the April 2019 Distributions and disposal of Genscape.

The Board's focus in FY 2019

Board members have visited, and received presentations and functional area updates from, DMGT's operating companies on a rolling basis. During the year, as part of the Directors' ongoing development and follow-up from the FY 2018 Board evaluation process, these updates were a combination of presentations to the whole Board and smaller groups as deemed appropriate, as detailed below.

Portfolio management and strategy

- A strategic review of the portfolio.
- Future size and shape of the Group.
- Non-Executive Directors Andrew Lane and Dominique Trempont attended RMS Exceedance in Miami in May 2019.
- Presentations by the operating companies.
- A visit by Non-Executive Directors to Hobsons and Landmark Information Group.
- The September Board meeting incorporated a site visit to Hobsons, including product demonstrations.

Read more in CEO Review, pages 10 to 13

Risk management

- With the support of the Audit & Risk Committee, review of the Group's principal risks, other key risk areas and performance against risk appetite.
- Approval of the Group's Viability Statement and risk appetite for FY 2020.

Read more in Principal Risks, pages 34 to 39

People

- Discussions regarding senior appointments and succession planning.
- Updates on talent management and diversity.
- Presentation to Non-Executive Directors on succession and senior executives.
- Non-Executive Directors were given the opportunity to meet with emerging leaders across the Group.

Finance and capital

- Assessment and monitoring on a regular basis, performance against agreed financial targets, budget and returns on investment.
- Approval of authority limits and process for investments.
- Assessment and monitoring of approach to pensions and tax policy.
- Assessment and monitoring of the April 2019 Distributions.

Read more in Financial Review, pages 22 to 30

Governance

- Regular updates throughout the year including on Market Abuse Regulation, 2018 UK Corporate Governance Code, payments practices reporting, gender pay gap reporting, modern slavery and human trafficking, General Data Protection Regulation as well as reports from the Committee Chairmen.
- Approval and changes to updated Terms of Reference and matters reserved to the Board.
- Review of the quality of the External Audit.
- Review of 'DMGT Essentials', the Group internal governance guide for operating companies.

Technology

- Review of tech debt, mission-critical outsourcing, cyber security and business continuity.

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Board Committees

Executive Committee

The Executive Committee is responsible for the day-to-day operation of the Group in line with the overall strategic aims set by the Board.

Membership

Member	Member for the full period
The Viscount Rothermere (Chairman)	Yes
P A Zwillenberg	Yes
T G Collier	Yes
K J Beatty	Yes
R Chandhok	Yes

The Executive Committee meets regularly. It has a broad remit covering strategy and its execution, and operational performance oversight.

Key activities

- Business reviews with all operating companies at least twice yearly.
- Performance management review and analysis.
- Talent acquisition and management.
- Review of key investment and divestment opportunities and capital allocation decisions.
- Review of operating company and Group risk registers.
- Budget approval and tracking against budget.

Governance

The Executive Committee is designed to represent key businesses and functions. It ensures that there is appropriate support for, and challenge to, the operating companies.

Investment & Finance Committee

The Investment & Finance Committee evaluates the benefits and risks of investment opportunities and financing proposals up to a value threshold. The Investment & Finance Committee provides regular updates to the Board including monitoring returns on investments made and progress against agreed targets.

Membership

There were six meetings held in the year.

Member	Member for the full period
The Viscount Rothermere (Chairman)	Yes
P A Zwillenberg	Yes
T G Collier	Yes
A H Lane	Yes
D H Nelson	Yes
K A H Parry*	Yes

* Independent.

Governance

- The Investment & Finance Committee reviewed its membership and approved that Lord Rothermere continue as its Chairman.
- The Investment & Finance Committee reviewed its Terms of Reference and those of the Pensions and Tax Sub-Committees and these were updated to reflect changes during the year.
- The Investment & Finance Committee confirmed that it and its Sub-Committees had complied with their Terms of Reference and had been effective throughout the year.

Key activities

- Reviewing all acquisitions, disposals and capital expenditure within its remit, including presentations made by operating companies to request support in line with strategic objectives.
- Reviewing performance against budget and plan including reviewing debt position, tracking performance against the original investment case and assumptions for acquisitions and investments.
- Oversight of the Company's pension scheme planning, including discussions with the various scheme Trustees and their advisers and the latest triennial valuations.
- Reviewing the Company's dividend planning activities.
- Reviewing and approving the Company's tax strategy.
- Reviewing the Committee's effectiveness.
- Reviewing options for the proposed distribution of Euromoney shares and cash special dividend to shareholders.

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Audit & Risk Committee: Chairman's Introduction

In the context of our changing Group, we have focused our audit work on judgmental areas of accounting and auditing, and our risk work on high-impact possible events.

There is a comprehensive process to review significant business risks to the Group including financial risk, operational risk and compliance risk that could affect or impact the achievement of the Group's strategy and business objectives.

Dear Shareholders

I am pleased to present the Audit & Risk Committee Report.

We operate as a combined Audit & Risk Committee.

The Audit & Risk Committee reviewed financial information connected with acquisitions and disposals to ensure appropriate accounting, including information included in the circular issued for the April 2019 Distributions.

During the year we maintained our focus on threats to our cyber security and closely monitored the Group's compliance with the General Data Protection Regulation (GDPR).

We continue to monitor the potential impact of Brexit on DMGT. The Committee considered the risks associated with Brexit and concluded that our preparations were such that there would be no material impact on the Group's businesses.

The Group has maintained its attention on operational effectiveness during the year. The Committee focuses on ensuring our risk management procedures and internal and external audits address changing requirements.

The following pages set out the Audit & Risk Committee's Report for the financial year. The report is structured in four parts:

- How the Audit & Risk Committee operates: membership, key responsibilities, governance, effectiveness and operating practices;
- Review of the year: key activities and the significant financial reporting and auditing issues and other financial matters;
- Oversight: risk and controls, and internal audit; and
- External Auditor: auditor independence; and audit quality and materiality.

Kevin Parry
Audit & Risk Committee Chairman

Membership

Member	Member for full period	Meetings held	Meetings attended
K A H Parry (Chairman)*	Yes	7	7
A H Lane	Yes	7	7
D H Nelson	Yes	7	7
D Trempont*	Yes	7	7

* Independent.

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The Audit & Risk Committee meets at least six times a year. In FY 2019 the Audit & Risk Committee met seven times due to the April 2019 Distributions.

All members of the Audit & Risk Committee are Non-Executive Directors and two are Independent Non-Executive Directors. The Committee as a whole has competence relevant to the sectors in which DMGT operates, providing an effective level of challenge to management. Kevin Parry is a former senior audit partner, a former chief financial officer and has extensive experience as an audit committee chairman. David Nelson is a partner of an accounting practice. Dominique Trempont is a former chief financial officer and has extensive experience as an audit committee chairman and member. Consequently Kevin Parry, David Nelson and Dominique Trempont are designated under provision C.3.1 of the Code as the financial experts with competence in accounting and auditing.

Key responsibilities

The Audit & Risk Committee's Terms of Reference are on our website at www.dmgt.com/about-us/board-and-governance.

Governance

The integrity of the Group's financial results and internal control systems are important to the Directors and the shareholders. Consequently, the Audit & Risk Committee encourages and seeks to safeguard high standards of integrity and conduct in financial reporting and internal control. The Committee tests and challenges the results and controls in conjunction with management and the Internal and External Auditors.

The Committee has fulfilled its responsibilities during the year and confirms the Group is in compliance with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. The Committee is permitted to obtain its own external advice at the Company's expense. No such advice was sought during the year.

Andrew Lane and David Nelson are advisers to RCL and not Independent Directors. This is a deviation from Code Provision C.3.1. The Board considers that their membership adds to the deliberations of the Audit & Risk Committee and the Committee Chairman confirmed there was no conflict of interest during the year, except in respect of the April 2019 Distributions.

Andrew Lane and David Nelson did not take part in discussions relating to the Audit & Risk Committee's duties in connection with the April 2019 Distributions.

Effectiveness

The Audit & Risk Committee reviews its Terms of Reference and effectiveness annually. The review confirmed that the Committee is effective at meeting its objectives, under principle B.6 of the Code and the needs of the Group.

The Committee embraced continued emphasis being placed on cyber risks and restructurings of businesses and management.

Operating practices

During the year the Audit & Risk Committee meetings were scheduled to take place prior to Board meetings to maximise the efficiency of interactions. Reports are made to each Board meeting on the activities of the Committee, focusing on matters of particular relevance to the Board in the conduct of its work.

The Committee has been supported in its activities during the year by the Group Chief Financial Officer, Company Secretary, Group Assurance Director, Group Chief Technology Officer, Group Chief Information Security Officer, Group Financial Controller and the Director of Group Finance, as well as the External Auditor. These individuals generally sponsor Committee papers, which are typically distributed one week prior to meetings. The Committee works with all contributors to discuss judgmental issues at an early and relevant opportunity.

The Group Chief Financial Officer, Director of Group Finance, Group Financial Controller, Group Assurance Director, Company Secretary and the External Auditor are invited to each meeting but are recused when appropriate. The CEO is invited to the Half Year and Full Year meetings. The Chief Technology Officer, Chief Information Security Officer and UK and US Data Privacy Counsel are also invited to attend when appropriate. This approach results in informed decisions based on quality papers and discussion which provides for a thorough understanding of facts and circumstances.

The Committee met regularly and separately with the External Auditor, Group Assurance Director (who is responsible for Internal Audit and Risk Assurance), the Group Chief Financial Officer and Company Secretary, without other executive management being present.

Review of the year

Key activities

Key activities undertaken by the Audit & Risk Committee during the year included:

Audit

- Review of financial information relating to the April 2019 Distributions.
- Agreeing the scope of Internal and External Audit work.
- Challenging management's accounting judgments.
- Reviewing and discussing Internal Audit reports to maintain their contribution to improving the control environment.
- Reviewing the basis of alternative performance measures.
- Reviewing the effectiveness of the External Audit.

Risk

- Reviewing the 2018 Corporate Governance Code and DMGT's proposed compliance.
- Reviewing the Group's risk management processes and the Group risk register.
- Robust challenge to the assumptions supporting the Group's Viability Statement (see page 26).
- A rolling programme of focused risk topics, including information security and cyber resilience.
- Review of compliance with GDPR post-launch.
- Reviewing payment practices.
- Compliance with legislation relating to anti-bribery and corruption, trade sanctions, health and safety, and modern slavery.
- Business continuity and incident management.
- Reviewing the Group's whistleblowing arrangements with findings reported to the Board.

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Financial reporting and auditing matters

The Audit & Risk Committee considered and discussed the significant matters relating to financial reporting and auditing, as set out in the table below.

The matter and its significance	Focus of work	Comments and conclusion
Financial reporting The content of the Annual and Half-year Reports and trading updates should be appropriate, complying with laws and regulation.	We specifically reviewed: • all accounting policies for continued appropriateness, consistency of application and the impact of new accounting standards; • all sections of the Annual Report having particular regard for the Audit & Risk Committee's responsibilities for the financial statements; • reports from Financial Management, Legal, Risk and Internal Audit which confirmed compliance with regulations; and • the financial risks and papers to support the going concern basis of accounting.	A materiality threshold of £5 million has been set for exceptional items unless there was continuation of an activity previously disclosed as exceptional. During the year the Group adopted two new accounting standards, IFRS 15, Revenue from Customers and IFRS 9, Financial Instruments. The new revenue recognition standard introduced additional guidance surrounding performance obligations within sales contracts and the timing of revenue recognition. In addition, IFRS 15 also introduced changes to the recognition of incremental costs incurred when obtaining a contract with a customer, known as contract acquisition costs. IFRS 9 contains three principal classification categories for financial assets: Measured at Amortised Cost; Fair Value through Other Comprehensive Income; and Fair Value through Profit and Loss. The main effect resulting from this reclassification relates to the Group's equity investments which are now classified as Fair Value through Other Comprehensive Income. As a result, all fair value movements are now recorded in Other Comprehensive Income. IFRS 9 also introduced an expected credit loss model which requires an impairment provision to be made on initial recognition of a receivable. Finally, the Group has adopted the new general hedge accounting model in IFRS 9, which aligns hedge accounting with the Group's risk management strategy. Based on our enquiries with management and the External Auditor we have concluded that all our accounting policies have been properly applied.
The Annual Report includes a number of non-GAAP measures. See Notes 13, 15 and 16 on pages 125, 127 and 128.	In addition to the disclosure of operating profit, before and after specified adjustments, other non-GAAP measures, known as alternative performance measures (APMs), are disclosed in the Annual Report, e.g. underlying revenue growth, cash operating income and net cash to EBITDA ratio. We commissioned Internal Audit to review our APMs to ensure, whenever possible, that they were either sourced from third parties or otherwise robustly compiled. We ensured that equal prominence was given to statutory measures and that explanations and reconciliations accompanied all alternative measures including pro forma figures quoted throughout the accounts. Read more on page 45 regarding Fair, balanced and understandable	We continued to adjust operating profit for the amortisation of acquired intangible assets, as they relate to historical M&A activity rather than current trading. Additional adjustments have been made to exclude the impact of exceptional costs, impairments and other fair value adjustments. These adjustments assist understanding the outcome for the reporting period. We confirmed the prominence of GAAP numbers and reviewed the reconciliation of APMs to GAAP. We determined that the published information was of a high quality and helps shareholders understand progress. Sources of data are disclosed.

The matter and its significance	Focus of work	Comments and conclusion
Accounting judgments The Group has capitalised software development costs, other intangible assets and goodwill associated with acquisitions. Goodwill and intangible assets represent 32% (2018 20%) and 9% (2018 8%) respectively of net assets. In addition the Company holds shares in Group undertakings with a carrying value of £3,238 million. These carrying values need to be justified by reference to future economic benefits to the Group (see Notes 21 and 22).	Capitalised computer software costs amounted to £14 million in the year compared to £20 million in 2018. We have ensured that capitalised costs were separately identifiable and met the requirements of the relevant accounting standards. As part of our review of the carrying values of our intangible assets, we have considered whether there has been any event which triggered an impairment and have reviewed reports prepared by executive management to determine whether an impairment event has taken place. In addition, to justify the carrying values of shares in Group undertakings, goodwill and intangible assets, we have reviewed value in use calculations, based on the Board-approved three-year forecasts, focusing on long-term growth rates and discount rates. We have received input directly from both operational and financial management.	We were satisfied that costs that had been capitalised were appropriately held on the balance sheet. Our reviews included sensitivities to changes in assumptions which allowed us to understand the materiality of conclusions in the context of our financial reporting. We focused on our EdTech segment and concluded no impairment was necessary following trading improvement which resulted in headroom of £35 million associated with this business. In addition, we concluded that no impairment was necessary to the Company's shares in Group undertakings. We noted that these conclusions are sensitive to future outcomes. Some combined downside sensitivities could trigger impairments if they occur in the future. Appropriate disclosures are included in the financial statements. In addition we are satisfied that judgmental matters have been explained and appropriate disclosures made.
The Group carries deferred tax assets in respect of brought-forward losses and deferred interest that represent 8% (2018 3%) of net assets (see Note 37).	At the year end the Group held deferred tax assets of £58 million (2018 £57 million) in respect of brought forward losses and deferred interest.	During the year, a dispute with HMRC regarding the timing of the tax deductibility of a number of intra group deferred interest payments was settled. As a result £81 million of deferred interest in respect of which no deferred tax asset had been recognised was converted to £69 million of usable tax losses and £10 million of capital allowances and a corresponding increase of £13 million in the Group's recognised deferred tax asset. Also during the year, the Group paid £39 million of UK deferred interest, to enable a deduction to be taken against current year UK profits, with a resultant net reduction in the Group's recognised deferred tax asset of £6 million.
The Group actively manages its portfolio of investments and consequently is active in making acquisitions and disposals. Transactions that contain unusual terms and/or innovative structures would require the accounting treatment to be carefully considered. During the year, £73 million was incurred on acquisitions and £70 million was realised on disposals. (see Notes 8, 17 and 18).	We carefully consider judgmental accounting and the carrying value of intangible assets and goodwill. We reviewed the valuation of the fair value of the Company's equity investments. Internal Audit reviews all significant acquisitions within 12 months of the relevant acquisition. As there was an additional impairment charge recognised in reserves in the second half of the year relating to Euromoney, we have specifically assessed the rationale and the timing of the recognition of the impairment charge to ensure this was recorded in the correct period having regard to the principles of IFRIC 17.	The Investment & Finance Committee oversees all acquisition and disposal activity. There are three common Audit & Risk Committee members. We were satisfied with the judgments made in the year. We performed a robust review of the treatment of acquisitions and disposals during the year and were satisfied with the treatments and calculations. We considered the appropriateness of the accounting treatment of Euromoney, the disposal of Real Capital Analytics, On-geo, and SiteCompli, the reduced stake in TreppPort and the acquisitions of DailyMailTV and Optimus. We noted that in accordance with IFRS 9, the fair value of the Group's stake in Euromoney at the half year was £674 million based on the closing share price at 31 March 2019. This resulted in a first-half impairment charge of £24 million. Following a fall in the share price on 2 April 2019, the date of the Euromoney Distribution, we noted that an additional impairment of £12 million was necessary, which was recognised in reserves following the principles of IFRIC 17.

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The matter and its significance	Focus of work	Comments and conclusion
Accounting judgments continued The Group has many operating lease agreements with differing terms which will be impacted by IFRS 16, the new accounting standard on leases.	The Committee has received regular updates from management outlining the impact of this new accounting standard, including the judgments and key assumptions used in the estimation of the impact.	IFRS 16, the new leasing standard, is effective for the FY 2020. The Group has decided to adopt IFRS 16 using the modified retrospective transition approach meaning the comparative period will not be restated and the cumulative effect of initially applying the standard will be recognised as an adjustment to the opening balance of retained earnings. Due to the volume of lease agreements across the Group and the subjectivity inherent in calculating the rate implicit in a lease, we commenced a project in 2016 to collect and analyse the Group's lease agreements and to evaluate the impact of this standard. The Committee has reviewed the results of this project with management and is satisfied that the assumptions used are appropriate.
Accounting estimates The Group records provisions for lawsuits and claims when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. The amounts accrued for legal contingencies often result from complex judgments about future events and uncertainties that rely heavily on estimates and assumptions.	We reviewed the claim brought by the US Environmental Protection Agency (Note 19) including the timeline of events leading to the provision and the calculation of the potential maximum amount which may be payable.	We are satisfied that outflow is now probable and the Group has made a provision in line with the potential maximum amount payable. The basis for the calculation of the provision using a two-year average price for Renewable Identification Numbers was reviewed and considered reasonable taking account of the liquidity and volatility in the market price of Renewable Identification Numbers.

Other financial matters

In addition to the significant matters addressed above, the Audit & Risk Committee maintains a rolling agenda of items for its review, including: capital strategy; financial and treasury management; feedback from analysts and investors; reconciliations of reported financial results with management accounts; tax management; and litigation. Nothing of significance arose in respect of those reviews during the year. There was no interaction with the FRC Corporate Reporting team during the year and no disagreement over accounting or reporting outcomes with management or the External Auditor during the reporting period.

Oversight

The Audit & Risk Committee has oversight responsibility for risks and controls and direct responsibility for the operation of the Internal Audit function; this is described in detail in the Risk section.

Read more about our approach to Internal Audit, pages 34 and 35.

External Auditor

PricewaterhouseCoopers (PwC) is DMGT's External Auditor. The lead audit partner is Neil Grimes, who has led the audit since the beginning of the relationship. The FY 2019 audit will be his last for DMGT. The Audit & Risk Chairman and David Nelson met with potential replacement PwC partners prior to the selection of Philip Stokes as the successor to Neil Grimes as the Group's lead audit partner.

Its first audit of DMGT was in respect of the year ended 30 September 2015, following a competitive tender process. The Audit & Risk Committee has responsibility for making recommendations to the Board on the reappointment of the External Auditor, for determining its fee and for ensuring its independence of the Group and management. The External Auditor stands for reappointment at the Annual General Meeting. There are no concerns over the quality of the service or opinion. Therefore, the Audit & Risk Committee recommended to the Board that it recommends to the shareholders that PwC be re-elected with a view to serving a second five-year term in office.

Auditor independence

The Audit & Risk Committee considered the safeguards in place to protect the External Auditor's independence. In particular, the Committee has ensured that the Company's policy on the External Auditor's independence is consistent with the Ethical Standard set out by the FRC in the UK. PwC reviewed its own independence in line with this criterion and its own ethical guideline standards. PwC confirmed to the Committee that following this review it was satisfied that it had acted in accordance with relevant regulatory and professional requirements and that its objectivity is not compromised.

To ensure no conflicts of independence arising from auditors being responsible for non-audit work, the Audit & Risk Committee reviewed and approved the policy on non-audit services. The review included consideration of the process to manage the engagement of PwC, regulatory changes and good practice.

The audit fee payable to PwC amounts to £2.7 million (2018 £3 million). The Audit & Risk Committee is satisfied that the fee is commensurate with the quality of audit provided by PwC. In addition to the Group's policy, PwC has confirmed that any non-audit work commissioned by the Group is reviewed for compliance with its internal policy on the provision of non-audit services. The cap on non-audit service fees is set at 70% of the average audit fees for the preceding three years. The total non-audit fees paid to PwC amounted to £0.8 million (2018 £0.5 million) which translates to a non-audit fee to audit fee percentage of 29% (2018 17%). The Committee is satisfied that PwC was selected based on individuals' particular expertise, knowledge and experience and that the work did not impair PwC's independence as External Auditor (see Note 5 to the Accounts). All non-audit work undertaken by PwC was approved by the Committee.

The Committee, having taken account of PwC's confirmations, is satisfied that PwC is independent of DMGT and its subsidiaries.

Audit quality and materiality

The Audit & Risk Committee places great importance on ensuring that there are high standards of quality and effectiveness in the external audit process.

In addition, the Committee reviewed PwC's scope and approved the external audit plan to ensure that it is consistent with the scope of the External Audit engagement. The Committee discussed significant and elevated risk areas that are most likely to give rise to a material financial reporting error or those that are perceived to be of a higher risk and requiring audit emphasis (including those set out in PwC's report on pages 83 to 89). The Committee considered the audit scope and materiality threshold. This included the Group-wide risks and local statutory reporting, enhanced by desktop reviews for smaller, low-risk entities. 83% (2018 84%) of the revenue and 78% (2018 70%) of adjusted profit was fully audited; the balance of revenue and profit was covered by desktop reviews.

We have discussed the accuracy of financial reporting (known as materiality) with PwC, both as regards to accounting errors that will be brought to the Audit & Risk Committee's attention, and as regards to amounts that would need to be adjusted so that the financial statements give a true and fair view. Errors can arise for many reasons, ranging from deliberate errors (fraud), to good estimates that were made at a point in time that, with the benefit of more time, could have been more accurately measured. Overall audit materiality has been set at £7.25 million (2018 £7.2 million). This equates to approximately 5% (2018 4%) of adjusted profit before tax, as reported in the income statement. This is within the range that audit opinions are conventionally thought to be reliable. To manage the risk that aggregate uncorrected errors become material, we agreed that audit testing would be performed to a lower materiality threshold of £5.4 million (2018 £5.4 million). PwC has drawn the Committee's attention to all identified uncorrected misstatements greater than £0.5 million. The aggregate net difference between the reported adjusted profit before tax and the Auditor's judgment of net adjusted profit before tax was £3.4 million, which was significantly less than audit materiality. The gross differences were attributable to various individual components of the income statement. No audit difference was material to any line item in either the income statement or the balance sheet. Accordingly, the Committee did not require any adjustment to be made to the financial statements as a result of the audit differences reported by the External Auditor.

PwC has outlined to the Audit & Risk Committee the professional development programme applicable to the partners and employees engaged on our audit, has reviewed key judgments taken during the course of the audit, and confirmed the audit complies with its internal independent review procedures. We have reviewed the professional skills, knowledge and scepticism of key members of the audit team including the Group team and partners responsible for the divisional audits.

We have reviewed PwC's latest available transparency report. The 2018 audit of DMGT was not subject to re-review by the FRC or PwC's internal audit process.

During the year, the Audit & Risk Committee reviewed the quality of the FY 2018 audit, taking account of PwC's internal assessment, management's assessment and the Committee's assessment. The Committee was satisfied with the robustness of the opinion and with the audit service. In particular, the Audit & Risk Committee was pleased with an overall improvement in service scores. Based on the information currently available, which draws on the enquiries outlined above and informal soundings of management, the Audit & Risk Committee anticipates it will conclude there has been a robust, high-quality audit for the year ended 30 September 2019, both in respect of PwC's opinion and service. The Committee has consequently recommended that PricewaterhouseCoopers LLP be reappointed as Auditor at the 2020 AGM.

The Audit & Risk Committee Report was approved by the Board on 4 December 2019 and signed on its behalf by the Audit & Risk Committee Chairman.

By order of the Board

Kevin Parry
Audit & Risk Committee Chairman

Governance

Corporate Governance

Remuneration & Nominations Committee

The Remuneration & Nominations Committee meetings are held together. Remuneration items are taken separately to the Nominations items.

The Remuneration element of the Committee is described within the Remuneration Report on pages 55 to 77.

The Nominations element of the Committee is described below. It keeps under regular review the structure and composition of the Board and its Committees, particularly the skills, knowledge and experience of the Directors to ensure that these remain aligned with the Group's developing requirements and strategic agenda.

Membership

The Remuneration & Nominations Committee has been supported in its activities during the year by the CEO, the Group Chief Financial Officer and the Head of Reward and Benefits. Membership and meetings are shown below.

Member	Member for full period	Meetings held	Meetings attended
The Viscount Rothermere (Chairman)	Yes	7	7
D H Nelson	Yes	7	7
J H Roizen*	Yes	7	7
D Trempont*	Yes	7	7

* Independent.

Governance

- The combined Remuneration & Nominations Committee reviewed its Terms of Reference during the year.
- The Committee confirmed that it had complied with its Terms of Reference throughout the year.
- The Committee paid particular attention to extending the term of any Non-Executive Director who has served a term in excess of six years.
- The Committee reviewed the independence of Non-Executive Directors and agreed to recommend that Lady Keswick, Kevin Parry, JP Rangaswami, Heidi Roizen and Dominique Trempont continued to be considered independent in accordance with Code Provision B.1.1. Andrew Lane, David Nelson and François Morin were not considered independent due to their connection to Rothermere Continuation Limited.
- The process for appointing Directors depends on which role is being filled. External recruiters and other methods have been used to identify potential candidates.
- In line with Code Provision A.4.2, the Non-Executive Directors met with the Chairman without the Executive Directors present.
- The Chairman of the Committee is Lord Rothermere and the majority of its members are not considered to be independent under the Code. Although this does not meet Code Provision B.2.1, as the holder of all the Ordinary Shares and the largest holder of A Shares of the Company through the Trust, the Board considers that Lord Rothermere's interests are fully aligned with those of other shareholders. Additionally, the Committee is confident that its membership ensures that it carries out all aspects of its role with proper and appropriate regard to long-term shareholder interests.

Key activities of the Nominations element of the Remuneration & Nominations Committee

- Reviewing arrangements for Share Plans in light of the April 2019 Distributions.
- Reviewing the Letter of Engagement with each Non-Executive Director to ensure the provisions remain in line with best practice, following shareholder approval at the AGM.
- Re-engaging the service of Non-Executive Directors for a further period of a minimum of one year.
- Reviewing time commitments required by Non-Executive Directors and confirming that it was satisfied that the Directors had met or exceeded the time commitment required.
- In line with principle B.7 of the Code, recommending that all Directors stand for re-election at the AGM.
- Discussing Board and Committee composition and longevity of service, and Board independence.
- Reviewing the Committee's effectiveness and governance activities against best practice.

Looking ahead, the Committee's key activities for the forthcoming year are:

- reviewing the composition of the Board to ensure that the right skills and experience to support the Group's strategy are represented;
- reviewing Committee membership to ensure that there is a diverse balance of skills and experience reflected;
- continuing to review succession planning for the Executive Directors; and
- reviewing the Committee's effectiveness.

This Governance Report was approved by the Board on 4 December 2019 and signed on its behalf by the Chairman.

The Viscount Rothermere
Chairman

Governance

Remuneration Report

The Viscount Rothermere
Chairman

"The proposed changes to our incentive arrangements are designed to promote the execution of the next phase of DMGT's development, and to continue to deliver long-term value to shareholders."

Chairman's statement on remuneration

As Chairman of the Remuneration & Nominations Committee (Committee), I am pleased to present the Directors' Remuneration Report.

Policy Review

This year the Committee, and specifically the Non-executive Directors (NEDs) on the Committee, have reviewed all aspects of the Directors' Remuneration Policy (Policy), in view of the requirement to submit a new Policy for shareholder approval at the February 2020 Annual General Meeting (AGM).

The review concluded that although most of the existing Policy continues to be appropriate for current business circumstances, changes to the annual bonus and long-term incentive plan (LTIP) arrangements are appropriate to better align with the next phase of DMGT's development and to deliver long-term value to shareholders:

1. to optimise revenue and income and thus capital value through the organic growth of the DMGT portfolio of businesses (financial objectives); and
2. to effectively manage the DMGT Group's portfolio, balance sheet and financial gearing, as well as making key strategic decisions including acquisitions and disposals (management objectives).

The following changes are proposed for FY 2020 onwards, subject to shareholder approval:

Annual Bonus

The target bonus for the Executive Chairman, CEO and Group Chief Financial Officer will be aligned at 100% of base salary. The Chief Executive of dmg media's target bonus is unchanged at 30% of base salary.

The maximum annual bonus opportunity continues to be set at two times target.

The above target portion of the annual bonus will continue to be deferred into shares to be held for two years for the CEO, Group Chief Financial Officer and Chief Executive of dmg media.

Long-Term Incentives

The 2017 Executive Incentive Plan (EIP) for Executive Directors (EDs) will be replaced by a new long-term incentive plan (2020 LTIP) split into two parts to meet the financial and management objectives previously defined:

(i) Performance LTIP
Performance will be measured against Group financial targets over a three year period.

The target award for the Performance LTIP will be 100% of base salary for the Executive Chairman, CEO and Group Chief Financial Officer and 60% of base salary for the Chief Executive of dmg media.

Maximum awards will be set at two times target for the Performance LTIP. All awards will be paid in shares at the end of the performance period, except for the Executive Chairman's which will be paid in cash (see page 57 for further details).

(ii) Conditional share award
An annual conditional share award (CSA) will be based on the NED members of the Committee's assessment of the management objectives outlined above.

It is recognised that the impact of strategic decisions cannot always be measured over the course of a single year and this will be taken into account by the NEDs as well as actual and forecast payments for the EDs' annual bonus and Performance LTIP, when determining the annual CSA.

In the normal course of business, an annual CSA of up to 200% of base salary may be made at the Committee's discretion.

The quantum of CSA will be determined at the end of the first year, as noted above. There will then be a holding period, of up to four years, at the Committee's discretion, before the CSA can vest.

The first CSAs will be made in respect of FY 2020.

Remuneration Policy

In accordance with the S439A Companies Act 2006 shareholders are provided with the opportunity to endorse the Company's Remuneration Policy through a binding vote. The new policy will be put forward for shareholder vote at the next Annual General Meeting (AGM) on 5 February 2020.

Governance

Remuneration Report

Key Strategic Priorities

Improving operational execution

Increasing portfolio focus

Maintaining financial flexibility

LTIP opportunity

The changes, as described above, mean that the maximum LTIP award, in normal business circumstances, will reduce from 500% of base salary to 400% of base salary, with a maximum of 200% for the Performance LTIP and a maximum of 200% for the CSA.

In truly exceptional circumstances, however, the Committee retains the flexibility to increase the award of the annual CSA to 300% of base salary, in line with the rules of the EIP, under which all 2020 LTIP awards will be made.

Pay review for FY 2020

The Committee regularly reviews all aspects of the competitive position of remuneration for the EDs by undertaking periodic market benchmarking. This year, the Committee (without me present), decided to award base salary increases of 2% to each of the EDs from the start of FY 2020.

This is in line with the typical base salary increase awarded to employees across DMGT this year.

Executive Directors' bonus payments for FY 2019

In FY 2019, as disclosed in last year's Directors' Remuneration Report, we used two metrics in the annual bonus; revenue and cash operating income, weighted evenly. Cash operating income, which is operating profit plus depreciation and amortisation less capital expenditure, is a metric that captures both profit and the underlying cash generation of the Group. The same two metrics will continue to be used in the annual bonus plan for FY 2020.

The FY 2019 plan included an adjustment, to ensure that participants did not benefit from, and were not penalised by, short-term currency fluctuations beyond management's control. This will also continue in FY 2020.

The purpose of the annual bonus plan is to focus the participants on delivering short-term financial expectations. In a year where we have continued to rebalance and reposition the DMGT portfolio, performance against our revenue and cash operating income targets for the year has been good and the annual bonus payments at 80% of maximum for the year reflects this.

The bonus paid to Kevin Beatty, Chief Executive of dmg media, at 92% of maximum, reflects the strong performance of the Consumer Media business in a challenging environment.

For the CEO, Group Chief Financial Officer and Chief Executive of dmg media, the part of annual bonus payable above the target level will be deferred into DMGT shares for a period of two years, in line with the stated Policy.

Details of the EDs bonuses for FY 2019 are shown in tables 2.1 to 2.2 on page 69.

2018 Long-term incentive award

The Long-Term Executive Incentive Plan (EIP) was approved by shareholders in February 2017. The performance period for the 2018 award is from the beginning of FY 2019 to the end of FY 2021.

The EIP is intended to provide a direct link between pay and performance of the Group, with the opportunity for exceptional levels of reward linked to truly exceptional business performance. To achieve this, the 2018 EIP award is based on DMGT's cumulative profits over the period FY 2019 to FY 2021 inclusive, together with a charge for the use of capital.

Participants are not rewarded under the EIP unless a minimum performance threshold is reached and the payment for each participant is subject to a cap of five times target.

The outcome of the 2018 EIP award will be delivered in shares, vesting at the end of FY 2021.

No further awards will be made under the current profit-share design through the EIP.

April 2019 Distributions

In respect of the April 2019 Distributions, an independent committee of the Board (Independent Committee) approved the principle that participants in DMGT share plans should neither be advantaged nor disadvantaged, as compared to participating shareholders.

April 2019 Distributions – discretionary payment

The Board, at the recommendation of the Independent Committee, however determined that EDs and certain other senior executives should not trade in DMGT shares in advance of the April 2019 Distributions. Solely for this reason, these individuals were therefore placed at a disadvantage compared to participating shareholders as they were unable to sell shares before an income tax liability arose. The Committee therefore decided to make a discretionary payment to cover the costs for all affected. Details of the payments to three of the EDs are shown in table 1 on page 68. Since these payments are made outside of the approved Policy, agreement will be sought from shareholders at the February 2020 AGM.

Long-term incentive awards vesting in FY 2019

2016 LTIP

The first LTIP award under the EIP over the period FY 2017 to FY 2019 is based on the EDs receiving a percentage of the growth in profit above a defined threshold (eligible profit) over the three year performance period.

The Committee, without me present, reviewed the calculated result of 29% of Target and are of the view that it does not truly reflect actual performance during the period and, in particular, does not take account of the ZPG Plc sale and April 2019 Distributions (disposal of Euromoney).

The Committee recognised the significant value that management has created for shareholders from these two transactions and therefore used its discretion to agree a final vesting outcome of 100% of target for the 2016 LTIP award. Further details are shown in table 5.2 on page 72.

2014 LTIP

The vesting of the LTIP award made in December 2014 was measured against the following priorities:

- grow the B2B businesses;
- continue to grow and invest in strong brands of digital consumer media, particularly MailOnline;
- grow sustainable earnings and dividends; and
- increase DMGT's exposure to growth economies and to international opportunities.

We have continued to make progress against these priorities. Over the last five years B2B revenues, excluding Euromoney, achieved an average annual increase of 4% on an underlying basis; MailOnline revenues have grown from £62 million in FY 2014 to £140 million in FY 2019; profitability has improved and dividends per share continued to grow in real terms; and international revenues remained stable at 47% of total revenues. Given this performance, the Committee has determined that the 2014 LTIP award should vest in full in December 2019. For more information see table 5.1 on page 71.

Operating company incentive plans

Our incentive plans across our operating companies are designed to reward sustainable revenue and profitable growth. We focus on ensuring that performance measures and targets are consistent with business objectives and circumstances, the Group's long-term strategy and the creation of shareholder value.

For each operating company, we also consider its sector, geography and portfolio role within the Group.

Directors' Remuneration Policy

As noted above, the new Directors' Remuneration Policy will be submitted for approval by shareholders at the February 2020 AGM and will apply for three years from FY 2020 to FY 2022.

The Viscount Rothermere
Chairman

Remuneration of the Executive Chairman

The Committee is committed to a Policy where a significant part of ED remuneration is paid in shares in order to:

- align the interests of the executive with that of shareholders over the long term; and
- provide a retention element to the remuneration package.

The Committee, without Lord Rothermere present, have concluded that as the beneficiary of the largest shareholder of DMGT (RCL) these reasons are not applicable to the Executive Chairman.

Under the new Policy, Lord Rothermere will therefore continue to participate in the same annual bonus and LTIP as the other EDs, and in both parts of the LTIP he will be aligned in terms of DMGT share price movement over the period and benefitting from dividend equivalent payments made. All incentive awards to Lord Rothermere will, however, be paid in cash only.

The new Policy aligns the percentage of both the annual bonus and LTIP of the Executive Chairman with that of the CEO and the Group Chief Financial Officer.

Governance

Remuneration Report

FY 2019 Remuneration outcomes for the Executive Directors

The table below summarises the remuneration for the Executive Directors in FY 2019:

	The Viscount Rothermere £000	P A Zwillenberg £000	T G Collier £000	K J Beatty £000	Total £000
Salary 2019	858	769	513	763	**2,902**
Bonus (including deferred amounts)	1,229	857	571	420	**3,077**
As a % of salary	143%	111%	111%	55%	
Taxable benefits	56	38	31	24	**149**
Pension benefits	317	231	128	282	**958**
LTIP awards vesting in year including dividend equivalents	858	858	448	1,335	**3,499**
Other awards realised in year including dividend equivalents	350	926	1,126	12	**2,414**
April 2019 Distributions discretionary payment	–	57	476	957	**1,490**
Total remuneration FY 2019	**3,669**	**3,736**	**3,293**	**3,792**	**14,489**
Total remuneration FY 2018	2,430	1,867	1,229	1,868	7,394

Key elements of remuneration for the Executive Directors in FY 2020

The key elements of remuneration applicable for the Executive Directors in FY 2020 are shown below:

	Salary	Annual bonus opportunity	Annual bonus deferral	Performance LTIP	Conditional Shares	Pension	Benefits
The Viscount Rothermere	£875,200	100% of salary on target. 200% of salary maximum.	None applies.	On-target value of 100% of salary vesting after three years based on Group financial performance paid in cash.	Maximum of 200% of salary based on management of Group and business strategic priorities for the year paid in cash at the end of the period.	Allowance of 37% of salary	Car allowance and driver. Family medical insurance, Life assurance.
P A Zwillenberg	£784,400	100% of salary on target. 200% of salary maximum.	Any amount above target deferred into nil cost options for two years.	On-target value of 100% of salary vesting after three years based on Group financial performance paid in shares.	Maximum of 200% of salary based on management of Group and business strategic priorities for the year paid in shares at the end of the period.	Allowance of 30% of salary	Car allowance and driver. Family medical insurance, Life Assurance, Tax assistance.
T G Collier	£522,750	100% of salary on target. 200% of salary maximum.	Any amount above target deferred into nil cost options for two years.	On-target value of 100% of salary vesting after three years based on Group financial performance paid in shares.	Maximum of 200% of salary based on management of Group and business strategic priorities for the year paid in shares at the end of the period.	Allowance of 25% of salary	Car allowance. Family medical insurance, Life Assurance, Tax assistance.
K J Beatty	£777,750	30% of salary on target. 60% of salary maximum.	Any amount above target deferred into nil cost options for two years.	On-target value of 60% of salary vesting after three years based on Group financial performance paid in shares.	Maximum of 200% of salary based on management of Group and business strategic priorities for the year paid in shares at the end of the period.	Allowance of 37% of salary	Car allowance and driver. Family medical insurance, Life assurance.

Directors' Remuneration Policy

This part of the report sets out the Company's proposed policy for the proposed remuneration of Directors (Policy) for FY 2020 to FY 2022 which will be put forward for approval by shareholders at the AGM on 5 February 2020. The current and proposed Policy can be found on the Company website.

At the AGM in February 2017 the current Policy was approved by shareholders, the Policy received 19,890,364 (100%) votes for, with no votes against and no abstentions.

The Committee has reviewed all aspects of the Directors' Remuneration Policy (Policy), in view of the requirement to submit a new Policy for shareholder approval at the February 2020 AGM. The proposed changes to annual bonus and LTIP arrangements are set out in the Chairman's statement on remuneration and described in the Policy set out on pages 59 to 62 below. This Policy is intended to apply for a three-year period from the date of the 2020 AGM.

Policy overview

The Committee aims to structure remuneration packages which attract, motivate and retain Directors, drive the right behaviours and pay at competitive market rates. The Committee considers that a successful Policy needs to be sufficiently flexible to take account of commercial demands, changing market practice and shareholder expectations. Our approach is to align base salary with reference to market levels of pay and to ensure that a significant part of Executive Director pay is variable and linked to the success of the Group.

The Committee regularly reviews remuneration structures to ensure they are aligned to business strategy. The Policy incorporates a degree of flexibility to allow the Committee to manage remuneration over its three year life.

Policy applied to Executive Directors

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Base salary To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.	The base salary for each Executive Director is reviewed annually for the following year taking into account contractual agreements, general economic and market conditions and the level of increases made across the Group as a whole. Given the location of the Company's principal operations, a particular focus is put on US and UK market conditions. Benchmarking based on media, B2B, technology and other relevant companies is performed periodically and the Committee's intention is to apply judgment in evaluating market data.	Annual base salary increases, where made, are normally in line with average UK and US-based employees, subject to particular circumstances, such as changes in roles, responsibilities or organisation, or as the Committee determines otherwise based on factors listed under 'Operation'. The base salary for each Executive Director is set at a level the Committee considers appropriate taking account of the individual's skills, experience and performance, and the external environment. Base salaries for FY 2020 are set out on page 58.	Not performance related.
Pension To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.	Executive Directors may participate in a defined contribution pension scheme or may receive a cash allowance in lieu of pension contribution. Any contributions paid to the Company pension scheme will be offset from the cash allowance.	For Executive Directors who previously participated in the defined benefit scheme, the pension allowance has been set at a higher level (up to 37% of base salary). 30% of base salary or less for new recruits.	Not performance related.

Governance
Remuneration Report

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Benefits To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.	Benefits typically include cash allowances such as car and pension allowances and non-cash benefits such as medical insurance and life assurance. Where appropriate, the Committee may also offer allowances for relocation or other benefits where it concludes that it is in the interest of the Company to do so, having regard to the particular circumstances of the executive and to market practice. Allowances do not form part of pensionable earnings. Executive Directors are also eligible to participate in the DMGT SharePurchase+ plan, an all-employee HMRC approved share incentive plan, on the same basis as other employees.	Benefits may vary by role and individual circumstances. The cost of benefits changes periodically and may be determined by outside providers.	Benefits, including the DMGT SharePurchase+ plan are not performance related.
Annual bonus To focus Executive Directors on the delivery of financial performance and strategic objectives which create value for the Company and shareholders.	The annual bonus is based on in-year performance against financial objectives. The performance targets and measures are determined annually by the Committee and may change from year to year: • up to 100% of total bonus opportunity is based on financial performance at corporate and business unit level; and • a proportion of total bonus opportunity may be based on performance against strategic non-financial objectives. The bonus weightings applied for each of the Executive Directors may vary from time to time and may include financial measures and targets relating to the Group as well as their specific business. The weightings that apply to the bonus may vary if the Committee determines that it is appropriate in order to achieve the strategic aims of the business. Performance is measured separately for each item as shown in table 2.2 on page 69. Annual bonus payments do not form part of pensionable earnings. Annual bonus plans are discretionary and the Committee reserves the right to make adjustments to payments up or down if it believes that exceptional circumstances warrant doing so. Annual bonuses are subject to malus prior to payment, and to clawback for two years after payment, in circumstances including a material misstatement in results, an error in calculating/assessing satisfaction of any condition, the participant causing material reputational damage to any member of the Group or serious misconduct by the participant causing loss to any member of the Group.	Target and Maximum annual bonus opportunity are as follows: • for the Executive Chairman, CEO and Group Chief Financial Officer, 100%/200% of salary; and • for Chief Executive of dmg media, 30%/60% of salary. The maximum level for new recruits will not exceed 200% of salary. The achievement of stretch targets results in maximum payout. On-target bonus is set at 50% of maximum. There is normally no payout for performance below threshold. Payout between threshold and target is calculated on a straight-line basis. The performance range sets a balance between upside opportunity and downside risk and is normally based on targets in accordance with the annual budget.	Bonuses are subject to the achievement of financial measures set by the Committee. These measures may be varied from year to year. The measures for determining the annual bonus in FY 2019 were revenue and cash operating income and this will continue to be the case for FY 2020. The performance required for a maximum payout is set at a stretch performance level that is above the level of the Company's forecasts. If performance is in line with forecast, then typically an on-target level of the annual bonus will be paid. The weightings that were applied to the FY 2019 bonus targets are as reported in table 2.2 on page 69. The Board considers the specific targets and relative weightings for each measure to be commercially sensitive and they will not be disclosed. Performance against targets in the year that bonus awards are made will be disclosed along with the relevant weightings in the Annual Report following the payment.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Bonus deferral To provide an element of retention and align Executive Directors' interests with those of shareholders.	Amounts above target of some Executive Directors' annual bonus is deferred for a period of two years into nil-cost options. Annual bonus deferral requirements are reported in detail in table 3 on page 69. Following the exercise of an option, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares will be made. Clawback of vested and unvested awards is possible in the event of material misstatement of information or misconduct.	All Executive Directors (with the exception of Lord Rothermere) are required to defer any above-target annual bonus into nil cost options for two years.	No further performance conditions are imposed except for continued employment during the two year period.
Long-term incentives To focus Executive Directors on the delivery of financial and strategic priorities creating sustainable long-term value for the Company and shareholders, thereby aligning Executive Directors' interests with the interests of the Company and shareholders.	The Company adopted the EIP, following shareholder approval at the February 2017 AGM. The EIP will continue to be used to grant long-term incentive awards to Executive Directors but the previous profit share design for the LTIP has now been discontinued. The new long-term incentive plan (2020 LTIP) is split into two parts: **i. Performance LTIP** Awards will be made annually with performance being measured against Group financial targets over a three year period. **ii. Conditional Share Award** An annual conditional share award (CSA) based on the Executive Directors management of the DMGT portfolio, financial balance sheet and gearing, as well as acquisitions, disposals and other strategic decisions taken during the year. The holding period of the CSA, of up to four years, will be set annually at the discretion of the Committee. In exceptional cases (e.g. recruitment) awards may be made without performance conditions if the Committee considers this appropriate. Awards will typically be paid out in shares, calculated by reference to the share price as at the date of grant, in order to ensure further alignment of the Executive Directors' interests with those of shareholders. The Committee may determine that awards will alternatively be settled in cash if it considers this appropriate. Awards may be granted on terms that the value of any dividends paid to shareholders on their shares in the period between the date of grant and the date of vesting (or exercise) is paid to the individual following the end of that period.	In order to incentivise and allow the potential to appropriately reward Executive Directors for truly exceptional performance, the maximum annual value of shares which can vest under both parts of the LTIP is capped at 500% of salary at the time the award is made. Performance below threshold results in zero payout. The maximum opportunity for the Performance LTIP will be set at 200% of base salary. In the normal course of business an annual CSA of up to 200% of base salary may be made at Committee discretion. In truly exceptional circumstances however, the Committee retain the flexibility to increase the annual quantum of the CSA to 300% of base salary in line with the maximum under the rules of the EIP.	The Committee may set different performance measures, in terms of type of measure and the weighting given to each measure, for awards granted on different dates, provided the Committee considers that such measures are aligned with the Company's financial and strategic goals and with the interests of its shareholders. Performance conditions may also be set on an individual basis to reflect a particular individual's role. The performance measures are designed to reflect progress towards the achievement of key strategic goals which may vary from year to year.

Governance
Remuneration Report

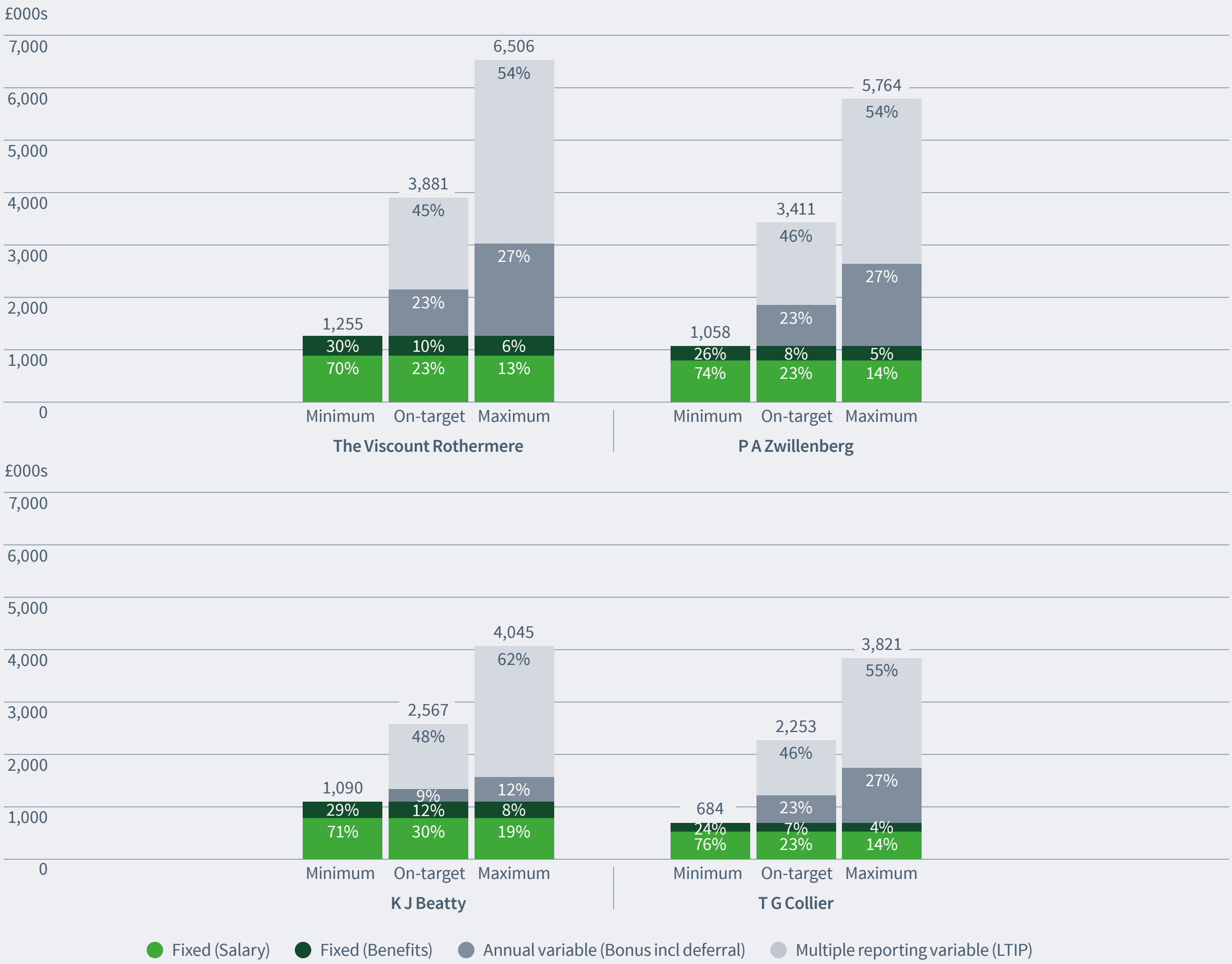
Purpose and link to strategy	Operation	Opportunity	Performance metrics
Long-term incentives continued	The Committee has discretion, within the rules of the EIP and the 2012 LTIP, to make adjustments taking into account exceptional factors that distort underlying business performance, such as (for example) material M&A activity. All awards are subject to malus prior to vesting, and to clawback for three years after vesting, in circumstances including a material misstatement in results, an error in calculating/assessing satisfaction of any condition, the participant causing material reputational damage to any member of the Group or serious misconduct by the participant causing loss to any member of the Group. Awards under the 2012 LTIP are subject to clawback (whether vested or unvested) in the event of material misstatement of information or misconduct. All awards are subject to the rules of the relevant plan (as may be amended from time to time in accordance with the rules) and any other terms and conditions applicable to the awards as the Committee may determine.		The Committee sets the applicable performance targets prior to, or at the time the awards are made, in accordance with its strategic planning. The Board considers the specific performance targets for each measure and the relative performance measure weightings to be commercially sensitive. Performance against non-confidential targets and the relative weightings will be disclosed at the time the awards vest.
Shareholding requirement To align the interests of Executive Directors and shareholders.	Executive Directors are encouraged to build up a substantial shareholding in the Company. Shares which have been awarded subject to satisfaction of performance measures are not included in the calculation of the value of the Executive Director's shareholding. Hedging by Executive Directors of any shares held in the Company is prohibited.	The Committee recommends a minimum shareholding of 500% of base salary for the Chairman and the CEO, and 150% for all other Executive Directors. There is no time frame over which the guidelines should be met.	Not performance related.

Differences in remuneration policy for all employees

Base Salary	Base salary increases elsewhere in the Group are set at a business level, taking into account economic factors, business sector, location and circumstances, competitive market rates, roles, skills, experience and individual performance. The change in wages and salaries for the Company as a whole is reported in chart 2 on page 74.
Pension	Employees in the UK are auto-enrolled into a Company defined contribution pension scheme. There are a number of defined contribution schemes in operation across the Group, all of which offer levels of employer matching contributions to employee contributions. Employees in the US participate in 401(k) retirement plans.
Benefits	Cash and non-cash benefits for employees reflect the local labour market in which they are based.
Annual bonus	The majority of employees participate in some form of cash-based annual bonus or commission plan. The annual bonus plan for the Executive Directors forms the basis of the annual bonus plan for other head office executives. Plans across the Group are designed and tailored for each business, with the purpose of incentivising the achievement of their annual targets. Most annual bonus plans around the Group do not include a requirement for bonus deferral.
Long-term incentives	The LTIP for the Executive Directors forms the basis of annual awards for other selected head office executives. LTIPs for executives in other businesses across the Group are considered and approved by the Committee. Plans are designed to be appropriate to the stage of development of the business and to incentivise the achievement of the mid- to long-term strategic aims of the business in which they operate.
Shareholding requirement	There is no shareholding requirement for employees below Executive Director level.

Pay scenario charts

Chart 1: Illustrations of application of Executive Directors' remuneration policy
The elements of remuneration have been categorised into three components: (i) Fixed; (ii) Annual variable; and (iii) Multiple reporting period variable, which are set out in the future policy chart below:



Notes
Numbers may not add up due to roundings.
Potential reward opportunities illustrated above are based on this Policy, applied to the latest-known base salaries and incentive opportunities.
Minimum in the graphs above is fixed remuneration only (salary, pension and benefits).
On-target assumes an on-target LTIP award (performance LTIP and CSA) and target bonus have been awarded as stated in the Policy table.
Maximum assumes a maximum LTIP award (performance LTIP and CSA) and the maximum bonus have been awarded as stated in the Policy table.
Share awards valued at share price at date of award. No allowance is made for potential share price changes. Future share price changes form a key part of the remuneration linkage to performance and alignment of long-term shareholder returns.

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Executive Directors' service contracts

The Executive Directors are employed under service contracts, the principal terms of which are summarised below.

Executive Director	Position	Effective date of contract	Employer	Notice period (by either party)	Compensation on termination by employer without notice or cause
The Viscount Rothermere	Executive Chairman	17 October 1994	Daily Mail and General Holdings Limited	3 months	Base salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.
P A Zwillenberg	CEO	1 June 2016	Daily Mail and General Holdings Limited	12 months	Base salary, pension allowance, car allowance and cash equivalent value of other benefits for the notice period. Compensation is subject to mitigation if the Director obtains an alternative remunerated position.
T G Collier	Group Chief Financial Officer	2 May 2017	Daily Mail and General Trust plc	12 months	Base salary, pension allowance, car allowance and cash equivalent value of other benefits for the notice period. Compensation is subject to mitigation if the Director obtains an alternative remunerated position.
K J Beatty	Chief Executive of dmg media	19 May 2002	Associated Newspapers Limited	12 months	Base salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.

External appointments

The Company allows its Executive Directors to take a very limited number of outside directorships. Individuals retain the payments received from such services since these appointments are not expected to impinge on their principal employment. Tim Collier and Kevin Beatty stepped down as Directors of Euromoney in March 2019. Lord Rothermere stepped down as a Director of ITN in November 2018. Lord Rothermere was appointed a Director of Cazoo Ltd in December 2018.

Legacy arrangements

For the avoidance of doubt, in approving this Policy, authority is given to the Company to honour any commitments entered into with current or former Directors prior to the approval and implementation of this Policy (such as payment of pensions or the vesting/exercise of past share awards), provided that such commitments complied with any Policy in effect at the time they were given.

Approach to recruitment remuneration

When appointing or recruiting a new Executive Director from outside the Company, the Committee will aim to set remuneration at a level which is consistent with the Remuneration Policy in place for other Executive Directors and in particular the Executive Director who previously filled the relevant role, although it is recognised that, in order to secure the best candidate for a role, the Company may need to pay a new Executive Director more than it pays its existing Executive Directors. Pre-existing contractual agreements for internal candidates may be maintained on promotion to an Executive Director role.

The Committee may make use of any of the below components in the (recruitment) remuneration package.

Component	Approach	Maximum annual grant level
Base salary	Base salary will be determined by reference to the individual's role and responsibilities, location of employment, and the salary paid to the previous incumbent.	Not applicable.
Pension	The appointed Executive Director will be eligible to participate in the Group's defined contribution pension plan and/or receive a cash pension allowance.	30% of base salary for new recruits.
Benefits	New appointments will be eligible to receive benefits in line with the Policy for current Executive Directors and potentially benefits relating to relocation such as (but not limited to) cost of living, housing and tax equalisation support.	Not applicable.
Annual bonus	The appointed Executive Director will be eligible to participate in the Company's annual bonus plan in accordance with the Policy for current Executive Directors and may be required to defer some or all of any bonus granted in accordance with the Policy.	200% of base salary.
Long-term incentives	The appointed Executive Director will be eligible to participate in the LTIP in accordance with the Policy for current Executive Directors, save that the Committee may provide that an initial award under EIP (within the salary multiple limits on page 61) is subject to a requirement of continued service over a specified period, rather than the usual performance conditions.	500% of base salary at the time the award is made.
Replacement awards	If in joining DMGT a new Executive Director would forfeit any existing award under variable remuneration arrangements with a previous employer, the Committee will consider on a case-by-case basis what replacement awards (if any) are reasonably necessary to facilitate that individual's recruitment, taking into account all relevant factors such as performance achieved or likely to be achieved, the proportion of the performance period remaining and the form of the award due to be forfeited.	Not applicable.

Exit payment policy

The Company normally sets the notice period of Executive Directors as 12 months, but may decide to vary this in circumstances it deems appropriate.

On termination, the Company will normally make a payment in lieu of notice (PILON) which is equal to the aggregate of: the base salary at the date of termination for the applicable notice period; the pension allowance over the relevant period; the cost to the Company of providing all other benefits (excluding pension allowance) or a sum equal to the amount of benefits as specified in the Company's most recent Annual Report; and an annual bonus payment calculated in accordance with the service contract of the Executive Director. The treatment of awards under the Company's long-term incentive plans on termination will be in accordance with the rules of the plan and, where appropriate, at the discretion of the Committee. Under the rules of the Plan, participants will be considered 'good leavers' if their participation ceases due to death, retirement, long-term sickness, disability and any other reason, at the discretion of the Committee (such discretion being applied fairly and reasonably).

The Company may pay the PILON either as a lump sum or in equal monthly instalments from the date on which the employment terminates until the end of the relevant period. If alternative employment (paid above a pre-agreed rate) is commenced, for each month that instalments of the PILON remain payable, the amounts, in aggregate (excluding the pension payment), may be reduced by half of one month's base salary in excess of the pre-agreed rate.

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In the event that a participant's employment is terminated, treatment of outstanding awards under the Group's incentive plans will be determined based on the relevant plan rules, which are summarised below:

Incentive plan	Treatment of awards
DMGT SharePurchase+	Under HMRC regulations, all leavers have to exit DMGT SharePurchase+ and either sell or transfer their shares. If identified as a 'good leaver', under the rules of DMGT SharePurchase+, no tax or National Insurance contributions are paid.
Annual bonus	If identified as a 'good leaver' for the purposes of the bonus, the Committee may determine that the leaver's contribution was significant against targets, in which case, it may decide to make a payment which is equivalent of up to a full year's bonus.
Deferred bonus plan	If identified as a 'good leaver' under the deferred bonus plan rules (including those identified at the discretion of the Committee), outstanding awards shall vest in full on the normal vesting date or on such earlier date as the Committee may determine.
Long-term incentive plans	If identified as a 'good leaver' under the rules (including those identified at the discretion of the Committee), outstanding awards will vest, either on the normal vesting date or on such earlier date as the Committee may determine, to the extent determined by the Committee taking into account the performance conditions, the proportion of the performance period which has elapsed at the date of termination and any other factors it considers appropriate. If, in the judgment of the Committee, greater progress towards achievement of targets has been made as a result of the performance of the leaver, it may, at its absolute discretion, decide to vest up to 100% of the outstanding award.

The Committee may make payments it considers reasonable in settlement of potential legal claims, e.g. unfair dismissal or where agreed under a settlement agreement. This may include an entitlement to compensation in respect of their statutory rights under employment protection legislation and such reasonable reimbursement of fees for legal and/or tax advice in connection with such agreements and/or costs of outplacement services.

Where an Executive Director is a 'good leaver', the Committee reserves the discretion to approve any or all of the following additional benefits:

- continuation of private medical insurance or life assurance for a period of time following termination;
- use of business premises for a period after termination;
- retention of IT equipment by the Executive Director; and/or
- use of a company car and/or driver for a period after termination.

Consideration of pay and employment conditions elsewhere across the Group

The Committee considers pay and employment conditions elsewhere in the Group when making decisions on remuneration matters affecting the Executive Directors. The Committee receives a report annually on the salary increase budget for each business. The Committee makes reference, where appropriate, to pay and employment conditions elsewhere in the Group (whilst remaining aware of the variety of geographies and sectors in which it operates) when determining annual base salary increases and to external benchmarks of remuneration levels in other companies.

The Committee makes reference to data provided by and advice sought from internal and external advisers when making decisions on remuneration matters affecting the Directors. It does not specifically consult with employees over the effectiveness and appropriateness of the Remuneration Policy and framework.

Consideration of shareholder views

The Committee receives annual updates on the views and best practices of shareholders and their representative bodies and, notwithstanding the Company shareholder structure, takes these into account. The Committee seeks the views of shareholders on matters of remuneration where appropriate.

This report covers the reporting period to 30 September 2019 and has been prepared in accordance with the relevant requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and of the Listing Rules of the Financial Conduct Authority.

Annual Report on Remuneration

The report has been audited in accordance with CA 2006.

Remuneration & Nominations Committee role and activities

The Committee's responsibilities with respect to remuneration include:

- Group remuneration policy; and
- Setting the remuneration and terms and conditions of employment of the Company's Executive Directors and other senior executives in line with the Committee's Terms of Reference. The Committee's Terms of Reference are available on the Company's website. The Committee is chaired by Lord Rothermere with Committee members David Nelson, Heidi Roizen and Dominique Trempont.

The Code recommends that a remuneration committee should be composed entirely of independent non-executive directors. The Board, however, considers that, as the beneficiary of the Company's largest shareholder, Lord Rothermere's interests are fully aligned with those of other shareholders. The Committee is confident that its make-up ensures that it carries out all aspects of its role with proper and appropriate regard to shareholders' long-term interests and that this alignment is, in fact, stronger as a direct consequence of its membership. The Non-Executive Directors meet regularly and independently outside of the formal meetings.

The Committee spends a large portion of its time reviewing the remuneration and incentive plans of the different businesses which are diverse both in geography and sector. There are a variety of incentive plans requiring significant consideration and oversight, which are designed to reflect the business type and stage of development, the market and locations it operates in and aims to incentivise the delivery of the business' strategic plan. The Committee's objective is to combine the necessary attention to short-term financial performance, through annual bonus plans, with a stronger focus on the fundamentals that drive long-term growth, through LTIPs.

Committee performance and effectiveness

In September 2019, the Committee conducted a formal review of its effectiveness and concluded that it had fulfilled its remit and had been effective during the year.

Remuneration & Nominations Committee agenda items (selected)

Date	Agenda items
October 2018	• Vesting of FY 2013 DMGT LTIP awards. • Vesting of FY 2015 DMGT LTIP award for Paul Dacre. • Performance targets for the FY 2019 operating company LTIP awards.
November 2018	• Vesting of operating company LTIPs. • FY 2018 outcome of executive bonus schemes. • Recruitment of operating company senior employees and associated compensation packages. • Funding of employee benefits trust for share awards.
December 2018	• RMS compensation for FY 2018 and FY 2019. • Approval of FY 2019 DMGT share awards.
March 2019	• Euromoney distributions and DMGT share plans. • New LTIP for RMS. • Transaction bonus arrangements for Genscape and Buildfax.
May 2019	• Performance targets for FY 2019 DMGT EIP awards. • New remuneration policy for FY 2020 onwards – initial discussions. • Summary of half-year bonus positions.
July 2019	• Operating company LTIPs. • New remuneration policy for FY 2020 onwards – continued discussions. • Review of Board composition. • NEDs met with Willis Towers Watson to discuss executive remuneration advice.
September 2019	• Salary review for FY 2020. • Annual bonus structure and targets for FY 2020. • Termination of Genscape LTIP due to sale of business. • Review of Remuneration and Nominations Committee effectiveness and terms of reference.

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Risk and reward
During the year, the Committee reviewed and confirmed that the plans in operation throughout the Group did not incentivise taking excessive risk and, in particular, that the annual bonus and LTIPs in the Company are aligned with DMGT's risk policies and systems.

Advice to the Remuneration & Nominations Committee
The Committee received independent advice on executive remuneration from Willis Towers Watson; on RMS remuneration from FW Cook; legal input on the implications of the 2019 April Distributions from Slaughter and May in addition to advice from members of the senior management team during the year.

Table 1: Single figure of remuneration paid to Executive Directors for FY 2019 (Audited)
The table below sets out the single total figure of remuneration and breakdown for each Executive Director in FY 2019 and FY 2018. Details of the calculation of the annual bonus figure for FY 2019 can be found in the section variable pay awards vesting in FY 2019, on page 69. Details of the calculation of LTIP Awards that are vesting this year can be found in tables 5.1 and 5.2 on pages 71 and 72 respectively. Details of nil-cost options that were realised during the year can be found in table 4 on page 70.

	Financial year	Salary and fees £000	Taxable benefits[2] £000	Pension benefits £000	Total fixed £000	Annual bonus[3] £000	Total annual remuneration £000	LTIP and dividend equivalents £000	Other Awards £000	April 2019 Distribution payments[13] £000	Total remuneration £000
The Viscount Rothermere	**2019**	**858[1]**	**56**	**317**	**1,231**	**1,229**	**2,460**	**858[4]**	**350[5]**	–	**3,669**
	2018	837	54	310	1,201	1,229	2,430	–	–	–	2,430
P A Zwillenberg	**2019**	**769**	**38**	**231**	**1,038**	**857**	**1,895**	**858[6]**	**926[7]**	**57**	**3,736**
	2018	750	36	225	1,011	856	1,867	–	–	–	1,867
T G Collier	**2019**	**513[1]**	**31**	**128**	**672**	**571**	**1,243**	**448[8]**	**1,126[9]**	**476**	**3,293**
	2018	500	33	125	658	571	1,229	–	–	–	1,229
K J Beatty	**2019**	**763[1]**	**24**	**282**	**1,069**	**420**	**1,489**	**1,335[10]**	**12[11]**	**957**	**3,792**
	2018	744	24	275	1,043	303	1,346	522[12]	–	–	1,868
Total	**2019**	**2,902**	**149**	**958**	**4,009**	**3,077**	**7,086**	**3,499**	**2,414**	**1,490**	**14,489**
	2018	2,831	147	935	3,913	2,959	6,872	522	–	–	7,394

Notes
1. Salary shown for Lord Rothermere includes fees of £3,787 as Director of ITN for the period October 2018 to 8 November 2018. Salary shown for Tim Collier and Kevin Beatty includes fees of £25,189 as Directors of Euromoney for the period 1 October 2018 to 2 April 2019.
2. Taxable benefits comprise car allowances which are £34,000 p.a. for Lord Rothermere; £18,000 p.a. for Paul Zwillenberg; £16,000 p.a. for Tim Collier; and £16,000 p.a. for Kevin Beatty. Lord Rothermere, Paul Zwillenberg and Kevin Beatty also received benefits in respect of home-to-work travel. Amounts, including tax paid by the Company, are £17,037; £8,745; and £6,321 respectively. Lord Rothermere and Paul Zwillenberg received UK medical benefits with a cost to the Company of £5,073 p.a. and Kevin Beatty received UK medical benefits with a cost to the Company of £2,352 p.a.. Tim Collier received US medical benefits with a cost to the Company of £14,765 p.a. (converted at a rate of £1:$1.28). Paul Zwillenberg received £6,174 in relation to tax compliance requirements paid for by the Company.
3. The bonuses shown include amounts that will be deferred into shares but do not have any further performance conditions attached other than continued service during the deferral period. Deferrals apply to bonuses above target in FY 2019. Details of the calculation of the bonus and deferral are shown in tables 2.1 and 2.2 on page 69.
4. The figure shown for Lord Rothermere is the vesting value of the 2016 award under the EIP which will be realised in December 2019, details of which can be found in table 5.2 on page 72.
5. The figure shown for Lord Rothermere is the value of the cash dividend equivalent received in respect of his 2011 and 2012 nil cost option awards which were exercised in December 2018 and June 2019 respectively details of which can be found in table 4 on page 70.
6. The figure shown for Paul Zwillenberg is the vesting value of the 2016 award under the EIP which will be realised in December 2019, details of which can be found in table 5.2 on page 72.
7. The figure shown for Paul Zwillenberg is the value of his recruitment award (adjusted to reflect the April 2019 Distributions) of 114,809 shares which vested and was realised in accordance with the terms of his award in June 2019 at a share price of £7.42 and a cash dividend equivalent payment of £74,507.
8. The figure shown for Tim Collier is the vesting value of the pro-rated 2016 award under the EIP which will be realised in December 2019, details of which can be found in table 5.2 on page 72.
9. The figure shown for Tim Collier is the value of the first tranche of his recruitment award of 188,284 shares which vested and was realised in accordance with the terms of his award in December 2018 at a share price of £5.69 and a cash dividend equivalent payment of £54,619.
10. The figure shown for Kevin Beatty is the vesting value of the 2014 award made under the 2012 Long-Term Executive Incentive Plan which will be realised in December 2019, details of which can be found in table 5.1 on page 71 and the vesting value of the 2016 award under the EIP which will be realised in December 2019, details of which can be found in table 5.2 on page 72.
11. The figure shown for Kevin Beatty is the value of the cash dividend equivalent received in respect of his 2015 nil cost option award which was exercised in September 2019, details of which can be found in table 4 on page 70.
12. The figure shown for Kevin Beatty in 2018 has been adjusted from the estimated payments stated in the 2018 report to reflect the actual amount realised in December 2018. Details can be found in table 5.1 on page 71.
13. The discretionary payments related to the April 2019 Distributions have been made to compensate the Directors for the additional tax payable as a result of the decision by the Board that the EDs and certain other senior executives should not trade in DMGT shares in advance of the distributions. Since these payments are made outside of the approved Policy, agreement will be sought from shareholders at the February 2020 AGM.

Variable pay awards vesting in FY 2019

Table 2.1: Annual bonus weightings, opportunity and outcomes (Audited)

The details of the weightings and opportunity relating to the annual bonus paid to Executive Directors for the year ended 30 September 2019 and included in the single figure in table 1 on page 68 are shown below. The performance measures for FY 2019 are a combination of revenue and cash operating income, both equally weighted. The resulting bonus amounts are shown in the table below:

	Weightings		Opportunity as a % of salary				
	Revenue	Cash operating income	Threshold	Target	Maximum	Actual outcome as a % of salary	Actual outcome £000
The Viscount Rothermere	50%	50%	0%	90%	180%	143%	1,229
P A Zwillenberg	50%	50%	0%	70%	140%	111%	857
T G Collier	50%	50%	0%	70%	140%	111%	571
K J Beatty[1]	50%	50%	0%	30%	60%	55%	420

Notes
1. See 2.2 below

Table 2.2: DMGT annual bonus targets (Audited)

The financial measures are split into two categories and weighted evenly (shown in table 2.1). Kevin Beatty's bonus is weighted 70% against targets specific to dmg media and 30% against DMGT targets.

The Board considers the performance targets for the measures to be commercially sensitive, as it would disclose information of value to competitors, and they will not be disclosed. The final targets were adjusted to reflect the final US$/£ average exchange rate over the year.

The following tables illustrate performance against DMGT and dmg media bonus targets and the corresponding outcome:

DMGT bonus targets (All)	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target
Revenue					118%
Cash operating income					200%

dmg media bonus targets (Kevin Beatty only)	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target
Revenue					188%
Cash operating income					200%

Table 3: Deferred annual bonus (Audited)

The Committee agreed the following deferral requirements would apply to the above target amount of the FY 2019 annual bonus with no further performance conditions except for continued employment over the two year deferral period:

	Deferral requirement	Type of deferral	Amount deferred FY 2019 £000	Amount deferred as a % of FY 2019 bonus
P A Zwillenberg	Amounts above target bonus deferred for two years	Nil cost options	318	37%
T G Collier	Amounts above target bonus deferred for two years	Nil cost options	212	37%
K J Beatty	Amounts above target bonus deferred for two years	Nil cost options	191	46%

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Awards made under share schemes

The Company funds the purchase of shares by an Employee Benefits Trust in order to ensure that its obligations under its share schemes are adequately funded and this also ensures that there is no impact on share dilution. Share awards made to Lord Rothermere are settled using Treasury Shares.

Table 4: Nil cost options (Audited)

The table below sets out the details of all outstanding awards of nil cost options as part of the deferred bonus plan. Following the exercise of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares is made. No further performance conditions are imposed except for the employees continued employment. The December 2019 award was based on the average price of the first three days of trading after the announcement of the financial results for FY 2018 of £6.29.

Outstanding awards that were made before the April 2019 Distributions will be adjusted at exercise by 4.7825%.

A deferral applies to Paul Zwillenberg, Tim Collier and Kevin Beatty's bonuses for FY 2019, details of the deferral are shown in table 3 on page 69.

Award date	Dec 2011	Dec 2012	Dec 2015	Jan 2018	Dec 2018[4]	
Award type	Nil cost options	Nil cost options	Nil cost options	Nil cost options	Nil cost options	
Relating to	2011 Bonus	2012 Bonus	2015 Bonus	2017 Bonus	2018 Bonus	
Exercisable from	Dec 2014	Dec 2015	Dec 2017	Jan 2020	Dec 2020	
Expiry date	Dec 2018	Dec 2019	Dec 2022	Jan 2025	Dec 2025	
Status of awards	Vested	Vested	Outstanding	Outstanding	Outstanding	
Award price	£3.98	£5.27	£7.06	£5.63	£6.29	
Outstanding awards						**Total**
P A Zwillenberg	–	–	–	–	52,685[4]	52,685
T G Collier	–	–	–	–	35,124[4]	35,124
K J Beatty	–	–	–	14,404	12,729[4]	27,133
Total outstanding	–	–	–	**14,404**	**100,538**	**114,942**
Exercised during year						**Total**
The Viscount Rothermere	110,464[2]	135,834[1,2]	–	–	–	246,298
K J Beatty	–	–	13,416[1,3]	–	–	13,416
Total exercised during year	**110,464**	**135,834**	**13,416**	–	–	**259,714**

Shaded columns show options that have vested.

Notes
1. Reflects the adjustment for the April 2019 Distributions made at exercise to the number of options originally awarded.
2. Lord Rothermere received cash dividend equivalent payments of £157,411 in respect of his 2011 bonus award and £192,768 in respect of his 2012 bonus award which were exercised during the year. The awards were exercised at a share price of £6.21 and £7.70 respectively with a value at exercise of £685,650 and £1,045,952 respectively.
3. Kevin Beatty received cash dividend equivalent payments of £11,549 in relation to the exercise of his 2015 bonus award exercised during the year. The award was exercised at a share price of £8.26 with a value at exercise of £110,816.
4. The value of the awards made in December 2018 was £331,388 for Paul Zwillenberg, £220,926 for Tim Collier and £80,062 for Kevin Beatty.

Table 5.1: Awards made under the 2012 Long-Term Executive Incentive Plan (LTIP) (Audited)
Outstanding share based awards subject to performance conditions under the LTIP are summarised in the table below. The Board considers the performance targets for the measures to be commercially sensitive, as it would disclose information of value to competitors, and they will not be disclosed.

Following the realisation of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares is made. Outstanding awards that were made before the April 2019 Distributions will be adjusted at vesting by 4.7825%.

The 2014 LTIP award made to Kevin Beatty vested in full during the year based on an evaluation by the Committee of the performance against the performance measures, further details can be found on page 57. No further awards are being made under the LTIP.

Award name	2013 LTIP award[1]	2014 LTIP award	2015 LTIP award	
Award date	Dec 2013	Dec 2014	Dec 2015	
Performance period ends	Sep 2018	Sep 2019	Sep 2020	
Standard award as a % of salary	100%	100%	100%	
Award price	£9.16	£8.29	£7.06	
Price at vesting	£7.48	£7.95	N/A	
Performance measures	• Grow B2B business. • Continue to invest in strong brands of digital consumer media, particularly MailOnline. • Grow sustainable earnings and dividends. • Increase the Company's exposure to growth economies and to international opportunities.			
Status of award	Vested	Vested	Outstanding	
Maximum percentage of face value that could vest	100%	100%	100%	
Vesting level as a percentage of maximum	100%	100%	N/A	
Outstanding awards				**Total**
K J Beatty	–	92,142[1]	105,382	197,524
Value (including cash dividend equivalent)	–	£819,694[1]	N/A	£819,694
Realised during year				**Total**
K J Beatty	77,226	–	–	77,226
Value (including cash dividend equivalent)	£521,939[2]	N/A	N/A	£521,939

Shaded columns show options that have vested.

Notes
1. The value of the 2014 LTIP award for Kevin Beatty (adjusted for the April 2019 Distributions) at vesting was £732,529 calculated using the average share price for the fourth quarter of FY 2019 which was £7.95. A cash dividend equivalent payment of £87,165 will be paid at realisation with a total value of £819,694.
2. The value of the 2013 LTIP award for Kevin Beatty on realisation at a share price of £5.69 in December 2018 was £439,384. A cash dividend equivalent payment of £82,555 was also paid with a total value of £521,939.

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Table 5.2: Awards made under the 2017 Executive Incentive Plan (EIP) (Audited)
Outstanding share based awards subject to performance conditions under the EIP are summarised in the table below. The Board considers the performance targets for the measures to be commercially sensitive as it would disclose information of value to competitors, and they will not be disclosed.

Following the realisation of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the beginning of the performance period and the date of delivery of the shares is made. Outstanding awards that were made before the April 2019 Distributions will be adjusted at vesting by 4.7825%.

The 2018 EIP awards were made in June 2019 based on the average price of the first three days of trading after the announcement of the financial results for FY 2018 of £6.29. The 2016 LTIP award vested at 100% of target during the year, further details can be found on page 57.

	2016 EIP	2017 EIP	2018 EIP
Award date	Jun 2017	Jun 2018	Jun 2019
Performance period ends	Sep 2019	Sep 2020	Sep 2021
Performance period starts	Oct 2016	Oct 2017	Oct 2018
Award price	£7.88/£7.17[1]	£5.63	£6.29
Status of award	Vested	Outstanding	Outstanding
Vesting level as a percentage of maximum	20%[2]	N/A	N/A
Basis on which award is made	Percentage share of growth in eligible profit over the performance period, converted at the end of the performance period to shares based on the average share price for the first three days following the release of the financial results of the preceding financial year in which the awards were made.		
Maximum payable	There is a cap on the maximum amounts payable which is five times target at the time the award was made with the number of shares being calculated by reference to the award price above.		
Percentage receivable if maximum performance achieved	If the performance level is on target or above, Lord Rothermere and Paul Zwillenberg would receive 1.25% and Tim Collier and Kevin Beatty 0.75% of eligible profits. No amounts are payable if there are no eligible profits.	If the performance level is on target or above, Lord Rothermere and Paul Zwillenberg would receive 2.5% and Tim Collier and Kevin Beatty 1.25% of eligible profits. No amounts are payable if there are no eligible profits.	If the performance level is on target or above, Lord Rothermere and Paul Zwillenberg would receive 2.6% and Tim Collier and Kevin Beatty 1.5% of eligible profits. No amounts are payable if there are no eligible profits.
Performance measures	Outcomes are linked to stretching profit targets over a minimum threshold, subject to fair adjustment for any change in capital usage.		

	2016 EIP		2017 EIP		2018 EIP	
	Vesting shares	Value at vesting including cash dividend equivalents	Maximum shares that could vest	Shares vesting at target	Maximum shares that could vest	Shares vesting at target
The Viscount Rothermere	99,728	£858,129[3]	666,271	133,254	613,831	122,766[3]
P A Zwillenberg	99,728	£858,129[3]	666,271	133,254	611,287	122,257[3]
T G Collier	52,970	£448,057[3]	399,763	79,953	366,653	73,330[3]
K J Beatty	59,837	£514,879[3]	399,763	79,953	363,672	72,734[3]

Notes
1. The 2016 awards made to Tim Collier were based on the closing share price on his employment start date in May 2017 of £7.17. His award outcome has been pro-rated to reflect his start date.
2. The Committee determined to exercise discretion to allow the 2016 EIP awards to vest at 100% of target, recognising the significant value that management has created for shareholders as a result of the ZPG Plc sale and the April 2019 Distributions (disposal of Euromoney) during the performance period. The value created by these transactions was not reflected by the formulaic outcome from the performance conditions.
3. The value of the 2016 LTIP award at vesting (adjusted for the April 2019 Distributions) calculated using the average share price for the fourth quarter of FY 2019 which was £7.95, was £792,838 for Lord Rothermere and Paul Zwillenberg, £421,112 for Tim Collier and £475,704 for Kevin Beatty. A cash dividend equivalent payment will be paid at realisation of £65,291 for Lord Rothermere and Paul Zwillenberg, £26,945 for Tim Collier and £39,175 for Kevin Beatty.
4. The value of the 2018 at target EIP awards at issue was £772,200 for Lord Rothermere, £769,000 for Paul Zwillenberg, £461,250 for Tim Collier and £457,500 for Kevin Beatty.

Payments to past Directors (Audited)

Martin Morgan vested share awards

The Committee was satisfied that the performance conditions had been met for the 2014 award made to Martin Morgan in December 2014 under the DMGT 2012 Long-Term Incentive Plan. The award of 124,626 shares (after adjustment for the April 2019 Distributions) will vest at 100% and be realised in December 2019.

Martin Morgan received a total amount of £706,273 in December 2018 in relation to the realisation of the 2013 award made under the DMGT 2012 Long-Term Incentive Plan. The award of 104,500 shares was realised at a share price of £5.69 with a value of £594,562 and a dividend equivalent payment of £111,711.

Paul Dacre vested share awards

The Committee was satisfied that the performance conditions had been met in full for the 2016 award made to Paul Dacre in February 2017 under the DMGT 2017 Executive Incentive Plan. The award of 134,780 shares (after adjustment for the April 2019 Distributions) will vest and be realised in December 2019.

Paul Dacre received a total amount of £917,693 in December 2018 in relation to the realisation of the 2015 award made under the DMGT 2012 Long-Term Incentive Plan. The award of 143,569 shares was realised at a share price of £5.73 with a value of £821,933 and a dividend equivalent payment of £95,761.

Payments for loss of office (Audited)

There were no payments for loss of office to any Directors during the year.

Table 6: Executive Directors' accrued entitlements under DMGT Senior Executives' Pension Fund (Audited)

The defined benefit scheme is closed for future accrual. It is the Company's policy that annual bonuses and benefits in kind are not pensionable.

No Executive Directors are now accruing further pension in the DMGT Senior Executives' Pension Fund. The normal retirement age under the Fund for the Executive DIrectors is 60.

	Defined benefit: accrued annual benefit as at 30 September 2019 based on normal retirement age £000	Defined benefit: normal retirement age	Defined benefit: additional value of benefits if early retirement taken	Weighting of pension benefit value as shown in single figure table
The Viscount Rothermere	82	3 December 2027	–	Cash allowance: 100%

Notes
1. The key elements of remuneration for the Executive Directors table on page 58 shows the cash allowances paid to each director as percentage of salary in lieu of pension.

Table 7: Single figure of remuneration paid to Non-Executive Directors (Audited)

The table below sets out the single total figure of remuneration for each Non-Executive Director (NED) in FY 2019 and FY 2018.

There were no changes to NED fees during FY 2019.

Travel allowances of £4,000 are paid for each Board meeting that requires a single (one way) flight of between five and 10 hours and £10,000 for each Board meeting that requires a single (one way) flight of more than 10 hours. Additional fees are paid for membership and chairmanship of sub-committees and subsidiary boards.

	2018			2019		
	Fees £000	Travel allowance £000	Total £000	Fees £000	Travel allowance £000	Total £000
Lady Keswick	50	4	54	**50**	**4**	**54**
A H Lane	89	4	93	**114**[1]	**8**	**122**
F L Morin	50	16	66	**50**	**16**	**66**
D H Nelson	149	8	157	**174**[1]	**4**	**178**
K A H Parry	105	4	109	**205**[1]	**4**	**209**
JP Rangaswami	42	–	42	**60**[1]	4	**64**
J H Roizen	211	14	255	**224**	**10**	**234**
D Trempont	250	34	284	**223**	**44**	**267**
Total	946	84	1,030	**1,100**	**94**	**1,194**

Notes
1. Additional fees of £25,000 to Andrew Lane, David Nelson and JP Rangaswami, and £100,000 to Kevin Parry were paid for their work in relation to the April 2019 Distributions.

Governance

Remuneration Report

Chart 2: Percentage change in remuneration of the CEO
The chart below sets out the remuneration delivered to the CEO compared to total employee remuneration.

	2019	2018	% increase/decrease
Chief Executive remuneration[1] £000	£3,736	£1,867	+100.1%
Total employee remuneration £000	£455,249	£446,965	+1.9%
Average remuneration[2] £000	£75.26	£71.32	+5.5%

Notes
1. Remuneration includes salaries, wages and incentives, but excludes LTIP awards made in the year and pension benefits.
2. The change in average employee remuneration is partly due to movement in the US$ exchange rate.

Chart 3: Comparison of overall performance of DMGT vs comparators

The chart compares the Company's TSR with the Media Sector Total Return Index and the FTSE 100 Index over the past 10 financial years, assuming an initial investment of £100.

The Company is a constituent of the Media Sector Total Return Index and, accordingly, this is considered to be the most appropriate comparison to demonstrate the Company's relative performance.

Source: Thomson Reuters Datastream

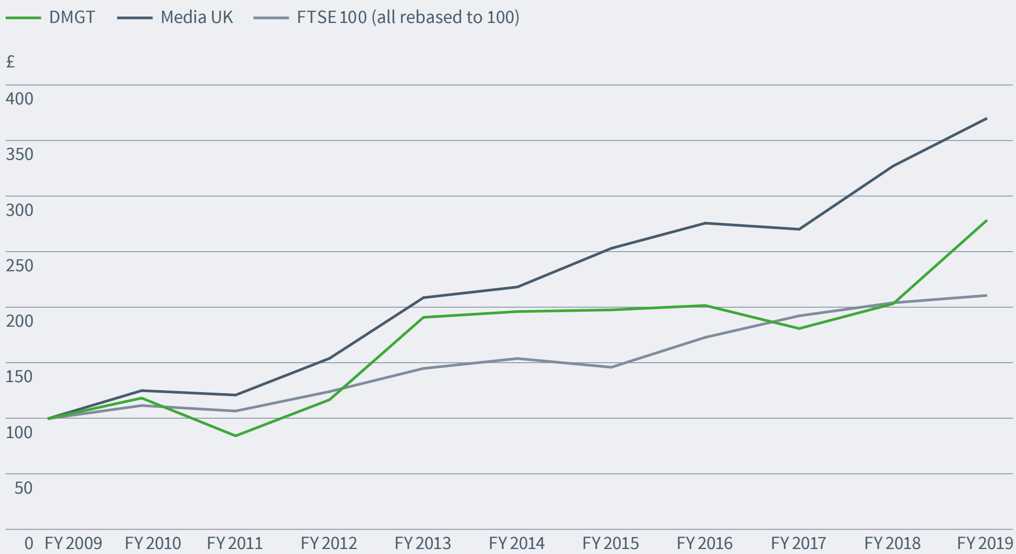


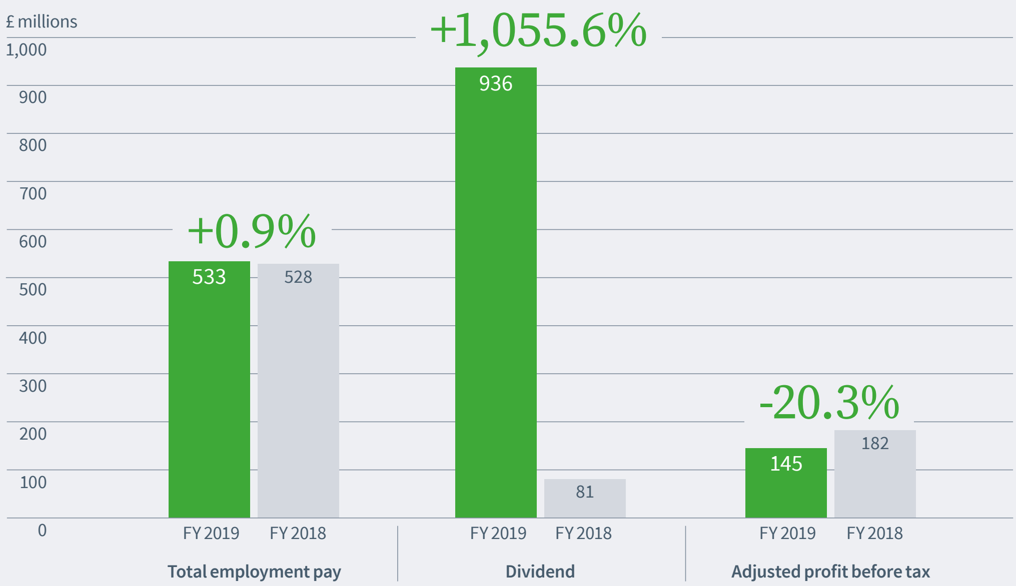
Table 8: Chief Executive remuneration outcomes FY 2010 to FY 2019

Financial year ending	FY 2010 £000	FY 2011 £000	FY 2012 £000	FY 2013 £000	FY 2014 £000	FY 2015 £000	FY 2016[2] £000	FY 2017 £000	FY 2018 £000	FY 2019 £000
CEO	Martin Morgan							Paul Zwillenberg		
Total remuneration (single figure)	2,961	1,722	2,809	2,949	2,021	1,944	3,342	1,450	1,867	**3,736**
Annual variable pay[1] (% maximum)	98%	40%	63%	88%	54%	58%	63%	42.5%	81%	**80%**
LTIP achieved (% maximum)	25%	25%/100%	52.5%	37.5%	40%	–	100%	–	–	**20%**
Share price at vesting	£4.14	£5.72/£3.68	£4.82	£7.62	£8.31	–	£6.95	–	–	**£7.95**

Notes
1. Maximum bonus opportunity was 100% of salary from FY 2010 to FY 2017 when it increased to 140%.
2. The single figure shown for FY 2016 combines the period of Martin Morgan's service to 31 May 2016 and his successor Paul Zwillenberg from 1 June 2016.

Chart 4: Relative importance of spend on pay in the financial year

The chart sets out the relative importance of spend on pay in the financial year.



Governance

Remuneration Report

Table 9: Statement of Directors' shareholding and share interests (Audited)
The number of shares of the Company in which the Executive and Non-Executive Directors or their families had a beneficial or non-beneficial interest during FY 2019 and details of Long-Term Incentive (LTI) interests as at 30 September 2019 are set out in the table below. The shareholding guideline for Executive Directors is 500% of salary for Lord Rothermere and Paul Zwillenberg and 150% of salary for Tim Collier and Kevin Beatty. The value as a percentage of salary has been calculated using the 28 September 2019 share price of £7.02.

As at 30 September 2019	Ordinary	A Ordinary Non-Voting	LTI interests not subject to performance conditions[1] Vested	LTI interests not subject to performance conditions[1] Unvested	Value (as a percentage of salary)[2]	Guideline met	LTI interests subject to performance conditions[3]	Total outstanding interests[4]
Beneficial								
The Viscount Rothermere	19,890,364[5]	59,268,078	–	–	64,766%	Yes	1,379,830	1,379,830
P A Zwillenberg	–	74,283	–	52,685	116%	No	1,377,286	1,429,971
T G Collier	–	108,539	–	171,805	384%	Yes	819,386	991,191
K J Beatty	–	226,850	–	27,133	234%	Yes	1,020,796	1,047,929
K A H Parry	–	12,565	–	–	N/A	N/A	N/A	N/A
	19,890,364	**59,690,315**	–	**251,623**			**4,597,298**	**4,848,921**
Non-beneficial								
The Viscount Rothermere	–	4,687,424						
D H Nelson	–	204,221						
		4,891,645						
Total Directors' interests	**19,890,364**	**64,581,960**						
Less duplications	–	(204,221)						
	19,890,364	**64,377,739**						

Notes
1. The LTI interests not subject to performance conditions (vested and unvested) are the nil cost options awarded as the bonus deferral; full details can be found in table 4 on page 70. The LTI interests not subject to performance conditions (unvested) includes the unvested tranche of the recruitment award made to Tim Collier of 136,681 shares. These were awarded under the DMGT 2017 Long-Term Incentive Plan as Conditional Share Awards.
2. The value as a multiple of salary includes LTI interests not subject to performance conditions.
3. The LTI interests subject to performance conditions are detailed in tables 5.1 to 5.2 on pages 71 and 72 and include those shares which have vested but are not yet realised as well as those that are outstanding.
4. Total outstanding interests are the sum of the LTI interests subject to performance conditions and unvested LTI interests not subject to performance conditions.
5. The Company has been notified that under Sections 793 and 824 of the Companies Act 2006, Lord Rothermere was deemed to have been interested as a shareholder in 19,890,364 Ordinary Shares at 30 September 2019.

None of the other directors held any shares in the Company, either beneficial or non-beneficial.

At 30 September 2019, Lord Rothermere was beneficially interested in 756,700 Ordinary Shares of Rothermere Continuation Limited, the Company's ultimate holding company.

For Paul Zwillenberg and Kevin Beatty, purchases of shares were made between 30 September 2019 and 30 November 2019 through the share purchase+ plan. These purchases increased the beneficial holdings of these Executive Directors by 35 shares for Paul Zwillenberg and 29 shares for Kevin Beatty. There were no other changes in Directors share interests between these dates.

Voting at general meeting

At the February 2019 AGM, the advisory vote on the Remuneration Report received 19,890,364 (100%) votes for, with no votes against and no abstentions. The Committee consults with major shareholders prior to any major changes to remuneration policy and practice.

Non-Executive Directors' appointment

The Non-Executive Directors are appointed for specified terms under the Company's Articles of Association and are subject to annual re-election at the AGM. Each appointment can be terminated before the end of the one-year period with no notice or fees due. The dates of each Non-Executive Director's original appointment and latest reappointment are set out below:

Non-Executive Director	Appointment commencement date	Latest reappointment date
Lady Keswick	23 September 2013	6 February 2019
A H Lane	6 February 2013	6 February 2019
F L Morin	8 February 2017	6 February 2019
D H Nelson	1 July 2009	6 February 2019
K A H Parry	22 May 2014	6 February 2019
JP Rangaswami	7 February 2018	6 February 2019
J H Roizen	26 September 2012	6 February 2019
D Trempont	9 February 2011	6 February 2019

Directors' service contracts/letters of appointment are available for inspection at DMGT's registered office.

Implementation of Remuneration Policy in FY 2020

Executive Directors' base salary	Salary increases for each of the Executive Directors of 2.0% for FY 2020 were approved in line with increases across the Group. Revised annual salaries including Directors' fees from 1 October 2019 are £875,200 for Lord Rothermere, £784,400 for Paul Zwillenberg, £522,750 for Tim Collier and £777,750 for Kevin Beatty.
Executive Directors' pension	No change to prior year. Pension allowances are reported in table 6 on page 73.
Executive Directors' benefits in kind	No change to nature of benefits since prior year.
Executive Directors' annual bonus	Awards in FY 2020 will be measured against two financial metrics: Group level revenue and cash operating income. In addition to Group level performance, Kevin Beatty will be measured on the performance of dmg media against the same financial metrics (weighting 30% Group, 70% divisional). The Board considers the specific targets and relative weightings for each measure to be commercially sensitive and they will not be disclosed.
Executive Directors' Bonus deferral	Amounts above target of bonus for Paul Zwillenberg, Tim Collier and Kevin Beatty will be deferred into nil-cost options for two years. No deferral will apply for Lord Rothermere.
Executive Directors' long-term incentive	The new long-term incentive plan (2020 LTIP) is split into two parts: **i. Performance LTIP** In order to incentivise the Executive Directors to continue to focus on increasing income and capital value through the organic growth of the DMGT portfolio of business, performance will be measured against Group financial targets over the three year period. **ii. Conditional Share Award** An annual conditional share award (CSA) vesting over a period of up to five years based on the EDs management of the DMGT portfolio, financial balance sheet and gearing, as well as acquisitions, disposals and other strategic decisions taken during the year. The Board considers the specific targets and relative weightings for each measure to be commercially sensitive and they will not be disclosed.
Executive Directors' service contracts	No changes to service contracts are planned for FY 2020.
External appointments	The Company allows EDs to take a very limited number of outside directorships. Individuals retain the payments from such services since these appointments are not expected to impinge on their principal employment.
Executive Directors' shareholding guidelines	The guideline is 500% of base salary for Lord Rothermere and Paul Zwillenberg and 150% of base salary for all other Executive Directors. Directors' interests are reported in detail in table 9 on page 76.
Recruitment award	None.
Exit payments	None.

Implementation of Policy for Non-Executive Directors FY 2020

Non-Executive Directors' fees	No change to prior year.

Governance

Statutory Information

Directors' Report

Other statutory information

Required information can be found in the Strategic Report on pages 1 to 39, which is incorporated into this report by reference. Information on employees, community and social issues is given in the Our People and Our Stakeholders section on pages 31 to 33.

In accordance with the Financial Conduct Authority's Listing Rules (LR 9.8.4C), the information to be included in the Annual Report, where applicable, under LR 9.8.4, is set out in the Governance section, with the exception of details of transactions with controlling shareholders (if any) which are set out in Note 44.

Forward-looking statements

This Annual Report contains certain forward-looking statements with respect to principal risks and uncertainties facing the Group. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by those forward-looking statements. No assurances can be given that the forward-looking statements are reasonable as they can be affected by a wide range of variables.

The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

Tangible fixed assets and investments

The Company's subsidiaries are set out on page 179. Changes to the Group's tangible fixed assets and investments during the year are set out in Notes 23 to 25. There was no material difference in value between the book value and the market value of the Group's land and buildings.

Directors

The names of the Directors, plus brief biographical details are given on pages 40 and 41. All Directors held office throughout the year. In accordance with the UK Corporate Governance Code, all existing Directors will stand for re-election at the Annual General Meeting (AGM) on 5 February 2020.

Principal activities

A description of the principal activities of the Group and likely future developments and important events occurring since the end of the year are given in the Strategic Report on pages 1 to 39.

Results and dividends

The profit for the year of the Group and the profit for the year attributable to owners of the Company amounted to £91 million. The Board recommends a final dividend of 16.6 pence per share. If approved at the 2020 AGM, the final dividend will be paid on 7 February 2020 to shareholders at the close of business on 13 December 2019. Together with the interim dividend of 7.3 pence per share paid on 28 June 2019, this makes a total dividend for the year of 23.9 pence per share (2018 23.3 pence).

Directors' interests

The number of shares of the Company and of securities of other Group companies in which the Directors, or their families, had an interest at the year end, are stated in the Remuneration Report on page 76.

Employee Benefit Trust

The Executive Directors of the Company, together with other employees of the Group, are potential beneficiaries of the Employee Benefit Trust (EBT) and, as such, are deemed to be interested in any A Shares held by the EBT. At 30 September 2019, the EBT's shareholding totalled 2,157,613 A Shares. The EBT has waived its right to dividends on the shares held.

Between 30 September 2019 and 4 December 2019 the EBT transferred nil A Shares to satisfy the exercise of awards under employee share plans.

Significant shareholdings

Until 4 December 2019, Rothermere Continuation Limited (RCL) held 100% of the issued Ordinary Shares. The Company anticipates that as of 5 December 2019, pursuant to a consolidation of the Company's holding structure, RCL will be acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey. RIL and its directors are related parties of the Company as explained in Note 44 on page 175.

RIL will be the Company's holding company and hold 100% of the issued Ordinary Shares. This will not result in any change to the underlying control of the Company, and the Company's ultimate controlling shareholder will be as stated in the Corporate Governance Report on page 40. RIL proposes to rename itself RCL before the end of the calendar year.

The Board regards holdings in the Company's securities of greater than 15% to be significant. There are no significant holdings in the Company's securities other than those shown in the Remuneration Report on page 76.

Share capital

The Company has two classes of shares. Its total share capital is comprised of 8% Ordinary Shares and 92% A Shares. Full details of the Company's share capital are given in Note 38.

Holders of Ordinary and A Shares are entitled to receive the Company's Annual Report. Holders of Ordinary Shares are entitled to attend and speak at general meetings and to appoint proxies and exercise voting rights.

During the year, the Company transferred 1.5 million shares out of Treasury and the EBT, representing 0.7% of called-up A Shares, in order to satisfy incentive schemes. The Company held 6,723,734 shares in Treasury and the DMGT EBT with a nominal value of £0.8 million at 30 September 2019. The maximum number of shares held in Treasury and by the DMGT EBT during the year was 7,793,528, which had a nominal value of £1 million. The Company also purchased 0.4 million shares for holding in Treasury having a nominal value of £0.1 million in order to match obligations under various incentive plans. The consideration paid for these shares was £2.5 million. Shares purchased during the year represented 0.2% of the called-up A Share capital as at 30 September 2019.

On 4 December 2019 the Company held 4,566,121 Treasury Shares.

Details of allotments of share capital which arose solely from the exercise of options are given at Note 39.

April 2019 Distributions

In April 2019 there was a reduction of 127.3 million A shares. These were cancelled as part of the April 2019 Distributions, read more on page 25.

Authority to purchase shares

At the Company's AGM on 6 February 2019, the Company was authorised to make market purchases of 21,491,333 A Shares representing approximately 10% of the total number of A Shares in issue at the time. During the period from 29 November 2018 to 30 September 2019, the Company purchased nil shares into Treasury, at a total cost of £nil (see Note 39).

External Auditor and disclosure of information to the External Auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's External Auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's External Auditor is aware of that information. The Company's External Auditor, PwC, has indicated its willingness to serve and, in accordance with Section 489 of the Companies Act 2006, a resolution proposing the reappointment of PwC will be put to the AGM on 5 February 2020.

Directors' indemnity

A qualifying third-party indemnity (QTPI), as permitted by the Company's Articles of Association and Sections 232 and 234 of the Companies Act 2006, has been granted by the Company to each of the Directors of the Company. Under the provisions of the QTPI, the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' defence costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgment is given against the Director.

Going concern

A full description of the Group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, is set out in the Strategic Report, particularly the Financial Review on pages 22 to 30 and in the Notes to the Accounts on page 96.

The Group has significant financial resources and the Directors, having reviewed the Group's operating budgets, investment plans and financing arrangements, have assessed the future funding requirements of the Group and compared this to the level of committed facilities and cash resources. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the Annual Report.

Viability Statement

A Viability Statement in respect of the Company can be found on page 26.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

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 (IFRS) as adopted by the European Union (EU), and the parent Company Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the Company and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent Company Financial Statements respectively; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 International Accounting Standards Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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. Each of the Directors confirms that, to the best of his/her knowledge:

- the Group Financial Statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report contained on pages 1 to 39 includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Relationship agreements

Daily Mail and General Trust plc entered into a Relationship Deed with Euromoney Institutional Investor PLC (Euromoney) on 8 December 2016, in accordance with the Listing Rules and has acted in accordance with the terms of the Deed since execution. The Euromoney Relationship Deed ceased as a result of the April 2019 Distributions.

Governance

Statutory Information

Political donations

No political donations were made during the year.

Principal risks

The principal risks and how they are being managed or mitigated are shown on pages 34 to 39. The Directors have reviewed the Group's principal risks including those that would threaten the Group's business model, future performance, solvency or liquidity.

Events after the balance sheet date

Details are provided in Note 45.

Material contracts

Group companies undertake business with a range of customers and suppliers. There is no dependence on any particular contractual arrangement other than those disclosed in Note 41 as regards to ink and printing, where arrangements are in place until FY 2020 and FY 2022 respectively in order to obtain competitive prices and to secure supplies. Six month contracts with different start dates are agreed with a range of newsprint suppliers, to ensure the security of supply at the best available prices, having regard to the need for the necessary quality. Distribution arrangements are in place to ensure the delivery of newspapers to retail outlets.

Since the Group is a diversified international portfolio of businesses, DMGT is not dependent on any supplier of other commodities for its revenue or any particular customer.

Employees

Details in respect of employees are in the Our People and Our Stakeholders section on pages 31 to 33.

Articles of Association

The appointment and replacement of Directors is governed by the Company's Articles of Association. Any changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force at the time.

The Directors have authority to issue and allot A Shares pursuant to Article 9 of the Articles of Association and shareholder authority is requested at each AGM. The Directors have authority to make market purchases of A Shares. This authority is also renewed annually at the AGM.

Conflicts of interest

The Articles of Association permit the Board to authorise a conflict of interest in respect of any matter which would otherwise involve a Director breaching their duty, under the Companies Act 2006, to avoid conflicts of interest.

When authorising a conflict of interest the Board must do so without the conflicting Director counting as part of the quorum. In the event that the Board considers it appropriate, the conflicted Director may be permitted to participate in the debate, but will neither be permitted to vote nor count in the quorum when the decision is being agreed. The Directors are aware that it is their responsibility to inform the Board of any potential conflicts as soon as possible. Procedures are in place to facilitate disclosure. The Board reviews its position on conflicts of interest annually and at such other times as are appropriate.

Change of control

The Company is not party to any significant agreements that would take effect, alter or terminate upon a change of control of the Company following a takeover bid. However, certain of the Group's third-party funding arrangements would terminate upon a change of control of the Company.

The Company does not have agreements with any Director or employee providing compensation for loss of office or employment that occurs because of a takeover bid, except for provisions in the rules of the Company's share schemes which may result in options or awards granted to employees vesting on a takeover.

Transactions with Directors

No transaction, arrangement or agreement required to be disclosed in terms of the Companies Act 2006 and IAS 24, Related Parties, was outstanding at 30 September 2019, nor was entered into during the year for any Director and/or connected person except as detailed in Note 44 (2018 none).

Annual General Meeting

The AGM will be held at 9.00 am on Wednesday 5 February 2020 at Northcliffe House, 2 Derry Street, London W8 5TT. The resolutions to be put to the meeting are set out on pages 81 and 82. A notice of meeting will be issued to the holders of Ordinary Shares and their nominees only. Only Ordinary Shareholders will be entitled to attend.

A resolution to reappoint the Group's External Auditor PricewaterhouseCoopers LLP, will be proposed at the 2020 AGM.

By order of the Board

F Sallas
Company Secretary

Governance

Annual General Meeting 2020: Resolutions

The Company's Annual General Meeting (AGM) will be held at 9.00 am on Wednesday 5 February 2020. Only the holders of Ordinary Shares are entitled to attend and vote. For information, below are the resolutions that will be put to the Ordinary shareholders at the AGM. The results will be posted on the Company's website following the meeting in the usual way.

Report and Accounts

1. To receive the Directors' Report, the Accounts and the Auditor's Report for the financial year ended 30 September 2019.

Remuneration Report

2. To receive and approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) as set out on pages 55 to 77 of the Annual Report and Accounts for the financial year ended 30 September 2019, in accordance with Section 439 of the Companies Act 2006 (the Act).

Remuneration Policy

3. To receive and approve the Directors' Remuneration Policy (contained in the Directors' Remuneration Report) as set out on pages 55 to 77 of the Annual Report and Accounts for the financial year ended 30 September 2019, in accordance with Section 439A of the Act.
4. To approve the payments to Directors outside of the Remuneration Policy, details of which are set out in the Remuneration Report in table 1 on page 68.

Dividend

5. To declare the final dividend recommended by the Directors of 16.6 pence per Ordinary Share or A Ordinary Non-Voting Share (A Share) for the year ended 30 September 2019 to all holders of Ordinary Shares and/or A Shares on the register at the close of business on 13 December 2019.

Directors

6. To re-elect Viscount Rothermere as a Director.
7. To re-elect Mr Beatty as a Director.
8. To re-elect Mr Collier as a Director.
9. To re-elect Lady Keswick as a Director.
10. To re-elect Mr Lane as a Director.
11. To re-elect Mr Morin as a Director.
12. To re-elect Mr Nelson as a Director.
13. To re-elect Mr Parry as a Director.
14. To re-elect Mr Rangaswami as a Director.
15. To re-elect Ms Roizen as a Director.
16. To re-elect Mr Trempont as a Director.
17. To re-elect Mr Zwillenberg as a Director.

Auditor

18. To reappoint PricewaterhouseCoopers LLP as the Company's External Auditor until the end of the next general meeting at which accounts are laid before the Company.
19. To authorise the Directors to determine the Company's External Auditor's remuneration.
20. That the Company be and is hereby generally and unconditionally authorised for the purposes of s701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of A Shares on the London Stock Exchange provided that:

    (a) the maximum aggregate number of A Shares which may be purchased is 21,491,333;

    (b) the minimum price (excluding expenses) which may be paid for each A Share of 12.5 pence each in its share capital is not less than 12.5 pence per share;

    (c) the maximum price (excluding expenses) which may be paid for each A Share of 12.5 pence each in its share capital does not exceed the higher of:

      (i) 5% above the average of the middle market quotation taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase; and

      (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Regulatory Technical Standards adopted by the European Commission under Article 5(6) of the Market Abuse Regulation (EU) No 596/2014; and

    (d) the authority conferred by this Resolution shall expire on the date of the AGM next held after the passing of this Resolution or on 5 May 2021 whichever is the earlier (except in relation to the purchase of shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date). This authority revokes and replaces all unexercised authorities previously granted to the Directors to allot A Shares but without prejudice to any allotment of A Shares or grant of rights already made, offered or agreed to be made pursuant to such authority.
21. That the Directors be generally and unconditionally authorised pursuant to Section 551 of the Act to:

    (a) allot A Shares in the Company, and to grant rights to subscribe for or to convert any security into A Shares in the Company up to an aggregate nominal amount of £1,343,208 for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) at the next AGM of the Company after the date on which this Resolution is passed or on 5 May 2021, whichever is the earlier; and

    (b) make an offer or agreement which would or might require A Shares to be allotted, or rights to subscribe for or to convert any security into A Shares to be granted, after expiry of this authority and the Directors may allot A Shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

This authority revokes and replaces all unexercised authorities previously granted to the Directors to allot A Shares but without prejudice to any allotment of A Shares or grant of rights already made, offered or agreed to be made pursuant to such authority.

Governance

Annual General Meeting 2020: Resolutions

22. If Resolution 21 is passed, that the Directors be generally empowered pursuant to Section 570 and Section 573 of the Act to allot A Shares or grant rights to subscribe for or to convert any security into A Shares, for cash, or sell A Shares held by the Company as Treasury Shares for cash, pursuant to the authority conferred by Resolution 21, as if s561(1) of the Act did not apply to the allotment. This power:

    (a) expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the next AGM of the Company after the date on which this Resolution is passed or on 5 May 2021, whichever is the earlier, but the Company may make an offer or agreement which would or might require such securities to be allotted after expiry of this power and the Directors may allot such securities in pursuance of that offer or agreement as if this power had not expired; and

    (b) shall be limited to the allotment of such A Shares, the grant of rights to subscribe for or to convert any security into A Shares or the sale of A Shares held by the Company as Treasury Shares for cash, up to an aggregate nominal amount of £1,343,208.

23. If Resolution 21 is passed, that the Directors be generally and unconditionally empowered, in addition to any authority granted under Resolution 22, pursuant to s570 and s573 of the Act to allot equity securities for cash pursuant to the authority conferred by Resolution 21, and/or to sell A Shares held by the Company as Treasury Shares for cash, as if s561(1) of the Act did not apply to the allotment or sale. This power:

    (a) expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the next AGM of the Company after the date on which this Resolution is passed or on 5 May 2021, whichever is the earlier, but the Company may make an offer or agreement which would or might require such securities to be allotted after expiry of this power and the Directors may allot such securities in pursuance of that offer or agreement as if this power had not expired;

    (b) shall be limited to the allotment of equity securities and/or the sale of A Shares held by the Company as Treasury Shares for cash, up to an aggregate nominal amount of £1,343,208; and

    (c) shall be 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 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.

Notice

24. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

F Sallas
Company Secretary

Daily Mail and General Trust plc
Northcliffe House, 2 Derry Street,
London W8 5TT

4 December 2019

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Report on the audit of the financial statements

Opinion

In our opinion:

- Daily Mail and General Trust 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 cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Statements of Financial Position as at 30 September 2019; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, and the Consolidated Cash Flow Statement for the year then ended; and the Notes to the financial statements, which include a description of the significant accounting policies.

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 5 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

Materiality

- Overall Group materiality: £7.25 million (2018: £7.20 million), based on 5% of adjusted profit before tax and non-controlling interests as identified in Note 13 of the Annual Report ('adjusted profit before tax and non-controlling interests').
- Overall Company materiality: £33 million (2018: £38 million), based on 1% of total assets.

Audit scope

- Of the Group's six operating divisions, we obtained full scope audits for Consumer Media and Insurance Risk.
- For Events and Exhibitions, Property Information, EdTech and Energy Information, we scoped our audit at a business level, and identified six businesses over which we performed a full scope audit and two businesses over which we performed specified audit procedures on certain balances or transactions.
- A full scope audit was also performed for the Group's material associate, Euromoney Institutional Investor PLC, which was disposed on 2 April 2019.
- Taken together, the components where we performed audit work accounted for 83% of Group revenue and 78% of absolute adjusted profit before taxation and non-controlling interests.

Key audit matters

- Impairment of intangible assets and goodwill (Group).
- Accounting for acquisitions and disposals (Group).
- Presentation of adjusted profit (Group).
- Accounting for deferred taxation and uncertain tax positions (Group).
- Carrying value of shares in Group undertakings (Company).

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. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

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 data protection, including the EU General Data Protection Regulation (GDPR) and the proposed ePrivacy Regulation, competition and anti-trust legislation, EU Market Abuse Regulation, libel legislation, and tax 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, including but not limited to, 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 and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- review of the financial statement disclosures to underlying supporting documentation;
- enquiry with senior management and internal counsel and confirmations with external counsel;
- review of material component auditors' work;
- review of internal audit reports in so far as they related to the financial statements;

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- review of the Directors' Litigation report and bribery, fraud, whistleblowing and internal controls review report; and
- testing journal entries, in particular those with unusual financial statement line item 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
Impairment of intangible assets and goodwill (Group) Refer to the Audit & Risk Committee report on pages 48 to 53 and to Notes 21 and 22 in the Group financial statements. The Group had £251.2 million of goodwill and a further £69.9 million of intangible assets on the balance sheet at 30 September 2019. No impairment charges have been recorded against intangible assets and goodwill for businesses which remain in the statement of financial position at 30 September 2019. The carrying values of the remaining goodwill and intangible assets are based on subjective judgements about the future performance of the underlying cash generating units ('CGUs') with key assumptions including future cash flows, long-term growth rates and discount rates. There is a risk that if these cash flows do not meet the Directors' expectations, some of these assets may be impaired. Our work focussed principally on the carrying value of the CGU most at risk of impairment, being the EdTech CGU.	As part of our audit of the Directors' impairment assessments (for both goodwill and intangible assets) we evaluated future cash flow forecasts and the process by which they were drawn up. This included comparing them to the latest Board approved budgets and two-year plans, and testing the mathematical accuracy of the assessments. For the impairment assessment of goodwill and intangible assets allocated to the EdTech CGU, we tested all key assumptions, including: • revenue and profit assumptions included within the future forecasts, by considering the historical accuracy of forecasts against actual performance, retention rates and new contracts; • the long-term growth rates in the forecasts by comparing them to historical results, market data, and economic and industry forecasts using our valuation expertise; • the discount rate by comparing the cost of capital for the Group with comparable organisations, and assessing the specific risk premium applied to the business using our valuation expertise; and • the Directors' potential bias by performing our own sensitivity analysis on key assumptions, particularly those driving underlying cash flows. We assessed the appropriateness of the related disclosures in Note 21, including the sensitivities provided in respect of Hobsons and considered them to be reasonable. For those assets where the Directors determined that no impairment was required and that no additional sensitivity disclosures were necessary, we found that these judgements were supported by reasonable assumptions that would require significant downside changes before any material impairment was necessary.

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Key audit matter	How our audit addressed the key audit matter
Accounting for acquisitions and disposals (Group)	
Refer to the Audit & Risk Committee report on pages 48 to 53 and to Notes 8, 17, 18, 19, and 20 in the Group financial statements. The Group has made a number of acquisitions and disposals during the year. The focus of our work has been in relation to the following disposals where the judgements are more significant: • disposal of the Group's remaining stake in Euromoney through dividend in specie and cash distribution; • disposal of the On-Geo GmbH business; • disposal of the Group's 49.9% stake in SiteCompli; and • disposal of the Group's c. 40% stake in Real Capital Analytics, Inc.	For the Group's disposal of its remaining 49.9% stake in Euromoney, we: • validated the appropriateness of the accounting treatment of the dividend in specie distribution; • verified the fair value of the distribution to underlying support including the share price at distribution date for the dividend in specie and vouched the cash paid; • tested the impairment charge required by comparing the investment value to the fair value of the shares on the date of distribution; and • validated disposal costs to underlying support. With regards to the calculation of the profit on disposals of On-Geo GmbH, SiteCompli, and Real Capital Analytics, Inc., we: • obtained and recalculated the Directors' calculation of the profit on disposal; • verified the fair value of consideration received to underlying support including cash transactions and sale agreements; and • validated disposal costs to underlying support. Based on the procedures performed, we concluded that the accounting for acquisitions and disposals was accurate.
Presentation of adjusted profit (Group)	
Refer to the Audit & Risk Committee report on pages 48 to 53 and to Notes 2, 13, 19 and 41 in the Group financial statements. The Group presents adjusted profit before taxation and non-controlling interests to enable users of the financial statements to gain a better understanding of the underlying results. In arriving at adjusted profit a number of items are considered to have a distortive effect on current year earnings by management and as a result are excluded from underlying earnings. The classification of items as an adjustment to profit is an area of judgement and the appropriateness and consistency of the presentation of adjusted measures of performance continues to attract scrutiny from the financial reporting regulators. During the current year, the Group recorded a provision for 69.2 million Renewable Identification Numbers (RINs), valued at £32.5 million, in relation to the Environmental Protection Agency ('EPA') litigation, which has been classified as an adjustment to profit before tax. This provision requires estimation of the future outcome and valuation of the RINs.	We have understood the rationale for classifying items as adjustments to profit before taxation and considered whether this was reasonable and consistent, in that it includes items that both increase and decrease the adjusted profit measure, the adjustments were consistent year on year, and were in accordance with the Group's accounting policy. We have also audited the reconciliation of adjusted profit to statutory profit in Note 13, and agreed all material adjustments to underlying accounting records and our audit work performed over other balances. We consider the Group's disclosures setting out the reasons for its use of alternative performance measures and the reconciliations of these measures to the statutory amounts to be in line with regulatory guidance in this area. Specifically, with regards to the Environmental Protection Agency ('EPA') litigation provision expense, we: • enquired with internal and external counsel and obtained a legal confirmation from external counsel; • obtained and reviewed the Final Determination issued by the EPA and the Directors' settlement offer letter; • recalculated the value of the Renewable Identification Numbers (RINs) using pricing data independently obtained from external data sources; • considered the tax implications of the provision against applicable tax regulations; and • concluded that the after tax provision recorded is appropriate and that the Group financial statements appropriately disclosed the range of possible outcomes given the estimation uncertainty. Based on the procedures performed, we concluded that the accounting for the EPA provision was reasonable. Given the magnitude and nature of the EPA litigation, we considered the exclusion of this item from adjusted profit before tax and non-controlling interests to be in line with the Group's accounting policy.

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Key audit matter	How our audit addressed the key audit matter
Accounting for deferred taxation and uncertain tax positions (Group) Refer to the Audit Committee report on pages 48 to 53 and to Notes 11 and 37 in the Group financial statements. The Group's recognition of deferred tax assets in respect of trading and non-trading tax losses in the Group is an area of focus due to the quantum of the losses and the requirement to make estimates of future taxable profits in determining the valuation of deferred tax assets. The recognition and measurement of these items in the financial statements involves estimation, and we focussed on the Directors' forecasts of future profits against which to utilise accumulated losses, and the technical interpretation of taxation law in respect to transactions giving rise to deferred tax assets and uncertain tax positions.	We involved our tax specialists in our testing of the appropriateness of the estimates taken in relation to deferred taxation and in respect of uncertain tax positions recognised in the Group financial statements. In assessing the likelihood of the Group being able to generate sufficient future taxable profits against which to offset accumulated losses, we considered: • key inputs to the calculation including revenue and profit assumptions, in line with our work over the carrying value of goodwill and intangible assets; and • the Directors' ability to accurately forecast future profits. In understanding and evaluating the Directors' technical interpretation of tax law in respect of specific transactions that gave rise to deferred tax assets and uncertain tax positions we considered: • third party tax advice received by the Group; • the status of recent and current tax authority audits and enquiries; • the outturn of previous claims; • judgemental positions taken in tax returns and current year estimates; and • developments in the tax environment, including the continuing impact of US tax reform. We consider the valuation of the deferred tax assets and amounts recorded for uncertain tax positions to be supportable based on our evaluation of the technical interpretations outlined above.
Carrying value of shares in Group undertakings (Company) Refer to Notes 2 and 8 to the Company financial statements. Shares in Group undertakings of £3,237.6 million are accounted for at cost less impairment in the Company balance sheet at 30 September 2019. Shares in Group undertakings are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the shares in Group undertakings are estimated in order to determine the extent of the impairment loss, if any. The key assumptions included in those estimates include cash flow projections, nominal long-term (decline)/growth rates and discount rates of the CGUs. During the year, impairments of £15.1 million were recognised to the Company's investments.	Management identified an impairment indicator as the carrying value of investments in subsidiaries exceeds the market capitalisation of the Group. For each discounted cash flow prepared for the relevant undertakings, we tested all key assumptions, including: • cash flow projections by considering the historical accuracy of forecasts against actual performance; • the nominal long-term (decline)/growth rates by comparing them to historical results and industry forecasts; and • the discount rates applied in the models by comparing the cost of capital for the Group with comparable organisations and assessing the specific risk premium applied to each business using our valuation expertise. Where applicable, we have performed an independent sensitivity analysis to understand the impact of reasonable changes in management's assumptions on the available headroom. We also considered the implied multiples of the individual CGUs and the business as a whole in comparison to available external market data. As a result of our work, we considered the £15.1 million impairment charge to be appropriate and that the remaining carrying values of the shares in undertakings held by the Company are supportable in the context of the Company financial statements taken as a whole.

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 consists of a head office and six operating divisions: Insurance Risk; Consumer Media; Property Information; EdTech; Energy Information; and Events and Exhibitions. As each of these prepares a sub-consolidation, we considered each of these to be separate divisions. We scoped our audit of Consumer Media and Insurance Risk at the divisional level. For Property Information, EdTech, Energy Information, and Events and Exhibitions, we scoped our audit at the business level, with divisional consolidation adjustments audited at the Group level.

We identified Consumer Media as requiring an audit of their complete financial information due to its significance to the Group. In order to obtain sufficient and appropriate audit evidence over the Group as a whole we also instructed our Information Risk component team to complete an audit of the division's complete financial information.

Within Property Information; EdTech; and Events and Exhibitions, we identified six businesses, for which we instructed our component team to complete an audit of their complete financial information, either due to their relative size or risk. These businesses are located in the United States, the United Kingdom and the United Arab Emirates. A full scope audit was also performed by our component team for Euromoney Institutional Investor PLC, which was disposed on 2 April 2019.

Within Energy Information, we performed an audit of specific financial statements line items of a business in the United States. Further, for one Property Information business in the United States, we conducted specified procedures over higher risk financial statement line items.

Taken together, the components where we performed audit work accounted for 83% of Group revenue and 78% of absolute adjusted profit before taxation and non-controlling interests.

At the group level, we also carried out analytical and other procedures on the reporting components not covered by the procedures described above.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those locations 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. We issued formal, written instructions to component auditors setting out the work to be performed by each of them and maintained regular communication throughout the audit cycle. These interactions included attending component clearance meetings and holding regular conference calls, as well as reviewing and assessing matters reported. The group engagement team also reviewed selected audit working papers for material components.

This, together with audit procedures performed at the Group level (including procedures over impairment of goodwill and intangibles, material head office entities, tax, pensions and consolidation adjustments), 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	£7.25 million (2018: £7.20 million).	£33 million (2018: £38 million).
How we determined it	5% of adjusted profit before tax and non-controlling interests.	1% of total assets.
Rationale for benchmark applied	The Group is profit-oriented. Adjusted profit before taxation and non-controlling interests is the adjusted performance measure that is reported to investors and shareholders and is the measure which the Directors consider best represents the underlying performance of the Group. We have applied a 5% rule of thumb, which is the rule of thumb suggested by ISAs (UK) for the audit of profit-oriented entities.	The Company is not profit-oriented. Total assets is used as the benchmark as the Company's principal activity is to hold investments, creditors, and debtors balances. We have applied a 1% rule of thumb suggested by ISAs (UK) as the Company is a public interest entity.

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 £0.68 million and £6.2 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.5 million (Group audit) (2018: £0.5 million) and £1.6 million (Company audit) (2018: £1.9 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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Independent auditor's report to the members of Daily Mail and General Trust plc

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.

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 and Directors' Report, 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) and ISAs (UK) 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)*

The Directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group
As a result of the Directors' voluntary reporting on how they have applied the UK Corporate Governance Code (the 'Code'), we are required to report to you if we have anything material to add or draw attention to regarding:

- The Directors' confirmation on pages 34 to 39 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 26 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 in respect of this responsibility.

Other Code Provisions
As a result of the Directors' voluntary reporting on how they have applied the Code, we are required to report to you if, in our opinion:

- The statement given by the Directors, on pages 45 and 46, 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 pages 48 to 53 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have nothing to report in respect of this responsibility.

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 Directors' Responsibilities set out on page 79, 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 4 February 2015 to audit the financial statements for the year ended 30 September 2015 and subsequent financial periods. The period of total uninterrupted engagement is 5 years, covering the years ended 30 September 2015 to 30 September 2019.

Other voluntary reporting

Going concern

The Directors have requested that we review the statement on page 79 in relation to going concern as if the Company were a premium listed Company. We have nothing to report having performed our review.

The Directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

The Directors have requested that we perform a review of the Directors' statements on pages 34 to 39 and 26 that they have carried out a robust assessment of the principal risks facing the Group and in relation to the longer-term viability of the Group, as if the Company were a premium listed Company. 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 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. We have nothing to report having performed this review.

Other Code provisions

The Directors have prepared a corporate governance statement and requested that we review it as though the Company were a premium listed Company. We have nothing to report in respect of the requirement for the auditors of premium listed companies to report when 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.

Neil Grimes (Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
London

4 December 2019

Financial Statements

Consolidated Income Statement

For the year ended 30 September 2019

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
CONTINUING OPERATIONS			
Revenue	3	**1,337.0**	1,340.9
Adjusted operating profit	3, (i)	**135.8**	144.6
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment	3	**(11.9)**	(82.6)
Amortisation and impairment of acquired intangible assets arising on business combinations and impairment of goodwill	3, 21, 22	**(29.3)**	(12.2)
Operating profit before share of results of joint ventures and associates	4	**94.6**	49.8
Share of results of joint ventures and associates	7	**(28.1)**	118.4
Total operating profit		**66.5**	168.2
Other gains and losses	8	**73.7**	565.5
Profit before investment revenue, net finance costs and tax		**140.2**	733.7
Investment revenue	9	**11.5**	4.8
Finance expense	10	**(24.5)**	(37.5)
Finance income	10	**7.1**	5.5
Net finance costs		**(17.4)**	(32.0)
Profit before tax		**134.3**	706.5
Tax	11	**(20.4)**	(7.6)
Profit after tax from continuing operations		**113.9**	698.9
DISCONTINUED OPERATIONS	19		
Loss from discontinued operations		**(22.6)**	(10.7)
PROFIT FOR THE YEAR		**91.3**	688.2
Attributable to:			
Owners of the Company	39	**90.9**	689.4
Non-controlling interests*	40	**0.4**	(1.2)
Profit for the year		**91.3**	688.2
Earnings/(loss) per share	14		
From continuing operations			
Basic		**38.3p**	197.7p
Diluted		**37.8p**	196.0p
From discontinued operations			
Basic		**(7.6)p**	(3.0)p
Diluted		**(7.5)p**	(3.6)p
From continuing and discontinued operations			
Basic		**30.7p**	194.7p
Diluted		**30.3p**	192.4p
Adjusted earnings per share			
Basic		**38.6p**	42.2p
Diluted		**38.1p**	41.7p

* All attributable to continuing operations.

(i) Adjusted operating profit is defined as total operating profit from continuing operations before share of results of joint ventures and associates, exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2019

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Profit for the year		**91.3**	688.2
Items that will not be reclassified to Consolidated Income Statement			
Actuarial (loss)/gain on defined benefit pension schemes	39	**(45.3)**	183.6
Foreign exchange differences on translation of foreign operations of non-controlling interests	40	**(0.1)**	0.2
Tax relating to items that will not be reclassified to Consolidated Income Statement	39	**7.7**	(31.2)
Fair value movement of financial assets through other comprehensive income	25, 39	**(4.5)**	–
Total items that will not be reclassified to Consolidated Income Statement		**(42.2)**	152.6
Items that may be reclassified subsequently to Consolidated Income Statement			
Loss on hedges of net investments in foreign operations	39	**(13.5)**	(2.1)
Costs of hedging	39	**(0.1)**	–
Cash flow hedges:			
Change in fair value of cash flow hedges	39	**–**	4.9
Transfer of gain on cash flow hedges from translation reserve to Consolidated Income Statement	39	**–**	(4.9)
Share of joint ventures' and associates' items of other comprehensive (expense)/income	7, 39	**(0.7)**	14.7
Translation reserves recycled to Consolidated Income Statement on disposals	8, 18, 19, 39	**(3.6)**	(10.4)
Foreign exchange differences on translation of foreign operations	39	**16.2**	(8.9)
Total items that may be reclassified subsequently to Consolidated Income Statement		**(1.7)**	(6.7)
Other comprehensive (expense)/income for the year		**(43.9)**	145.9
Total comprehensive income for the year		**47.4**	834.1
Attributable to:			
Owners of the Company		**47.1**	835.1
Non-controlling interests		**0.3**	(1.0)
		47.4	834.1
Continuing operations		**67.4**	848.4
Discontinued operations		**(20.0)**	(14.3)
		47.4	834.1
Total comprehensive income/(expense) for the year from continuing operations attributable to:			
Owners of the Company		**67.1**	849.4
Non-controlling interests		**0.3**	(1.0)
		67.4	848.4

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Consolidated Statement of Changes in Equity

For the year ended 30 September 2019

	Note	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Translation reserve £m	Retained earnings £m	Equity attributable to owners of the Company £m	Non-controlling interests £m	Total equity £m
At 30 September 2017		**45.3**	**17.8**	**5.0**	**(64.3)**	**74.9**	**829.5**	**908.2**	**11.0**	**919.2**
Profit/(loss) for the year	39, 40	–	–	–	–	–	689.4	689.4	(1.2)	688.2
Other comprehensive income/(expense) for the year	39, 40	–	–	–	–	(21.4)	167.1	145.7	0.2	145.9
Total comprehensive income/(expense) for the year		–	–	–	–	(21.4)	856.5	835.1	(1.0)	834.1
Dividends	12, 39, 40	–	–	–	–	–	(81.0)	(81.0)	(0.2)	(81.2)
Own shares acquired in the year	39	–	–	–	(14.3)	–	–	(14.3)	–	(14.3)
Own shares released on exercise of share options	39	–	–	–	21.4	–	–	21.4	–	21.4
Changes in non-controlling interests following disposal and closure of businesses	40	–	–	–	–	–	–	–	3.7	3.7
Credit to equity for share-based payments	39	–	–	–	–	–	10.8	10.8	–	10.8
Settlement of exercised share options of subsidiaries	39	–	–	–	–	–	(13.8)	(13.8)	–	(13.8)
Corporation tax on share-based payments	39	–	–	–	–	–	2.3	2.3	–	2.3
Deferred tax on other items recognised in equity	37, 39	–	–	–	–	–	(6.8)	(6.8)	–	(6.8)
At 30 September 2018		**45.3**	**17.8**	**5.0**	**(57.2)**	**53.5**	**1,597.5**	**1,661.9**	**13.5**	**1,675.4**
Adjustment for transition to IFRS 15	2, 39	–	–	–	–	–	(2.4)	(2.4)	–	(2.4)
Adjustment for transition to IFRS 9	2, 39	–	–	–	–	–	(2.9)	(2.9)	–	(2.9)
Restated at 1 October 2018		**45.3**	**17.8**	**5.0**	**(57.2)**	**53.5**	**1,592.2**	**1,656.6**	**13.5**	**1,670.1**
Profit for the year	39, 40	–	–	–	–	–	90.9	90.9	0.4	91.3
Other comprehensive expense for the year	39, 40	–	–	–	–	(1.0)	(42.8)	(43.8)	(0.1)	(43.9)
Total comprehensive income/(expense) for the year		–	–	–	–	(1.0)	48.1	47.1	0.3	47.4
Cancellation of A Ordinary Non-Voting Shares	38, 39	(16.0)	–	16.0	–	–	–	–	–	–
Dividends	12, 39, 40	–	–	–	–	–	(74.1)	(74.1)	(1.0)	(75.1)
Euromoney dividend in specie	12, 39	–	–	–	–	–	(661.8)	(661.8)	–	(661.8)
Euromoney impairment	39	–	–	–	–	–	(11.8)	(11.8)	–	(11.8)
Euromoney cash distribution	12, 39	–	–	–	–	–	(200.0)	(200.0)	–	(200.0)
Own shares acquired in the year	39	–	–	–	(2.5)	–	–	(2.5)	–	(2.5)
Own shares released on exercise of share options	39	–	–	–	10.6	–	–	10.6	–	10.6
Changes in non-controlling interests following disposal and closure of businesses	40	–	–	–	–	–	–	–	(12.8)	(12.8)
Credit to equity for share–based payments	39	–	–	–	–	–	21.1	21.1	–	21.1
Settlement of exercised share options of subsidiaries	39	–	–	–	–	–	(11.5)	(11.5)	–	(11.5)
Deferred tax on other items recognised in equity	37, 39	–	–	–	–	–	0.6	0.6	–	0.6
At 30 September 2019		**29.3**	**17.8**	**21.0**	**(49.1)**	**52.5**	**702.8**	**774.3**	**–**	**774.3**

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Consolidated Statement of Financial Position

At 30 September 2019

	Note	At 30 September 2019 £m	At 30 September 2018 £m
ASSETS			
Non-current assets			
Goodwill	21	**251.2**	333.2
Other intangible assets	22	**69.9**	131.2
Property, plant and equipment	23	**74.4**	99.7
Investments in joint ventures	24	**8.1**	1.0
Investments in associates	24	**90.9**	769.5
Financial assets at fair value through other comprehensive income	25	**33.8**	–
Available for sale investments	25	**–**	20.4
Trade and other receivables	27	**26.6**	27.3
Other financial assets	28	**12.0**	18.4
Derivative financial assets	34	**3.6**	9.0
Retirement benefit assets	35	**225.7**	249.1
Deferred tax assets	37	**54.9**	49.5
		851.1	1,708.3
Current assets			
Inventories	26	**26.8**	31.5
Trade and other receivables	27	**288.7**	264.3
Current tax receivable	31	**0.8**	5.4
Other financial assets	28	**15.4**	245.3
Derivative financial assets	34	**–**	0.7
Cash and cash equivalents	29	**299.1**	437.8
Total assets of businesses held for sale	20	**153.5**	–
		784.3	985.0
Total assets		**1,635.4**	2,693.3
LIABILITIES			
Current liabilities			
Trade and other payables	30	**(478.0)**	(492.9)
Current tax payable	31	**(3.5)**	(6.1)
Acquisition put option commitments	32	**–**	(0.6)
Borrowings	33	**(11.8)**	(222.3)
Derivative financial liabilities	34	**(18.7)**	(6.6)
Provisions	36	**(44.7)**	(38.8)
Total liabilities of businesses held for sale	20	**(72.6)**	–
		(629.3)	(767.3)
Non-current liabilities			
Trade and other payables	30	**(2.3)**	(2.0)
Acquisition put option commitments	32	**–**	(7.6)
Borrowings	33	**(202.8)**	(205.7)
Derivative financial liabilities	34	**(5.7)**	(13.5)
Retirement benefit obligations	35	**(10.7)**	(5.6)
Provisions	36	**(7.8)**	(10.0)
Deferred tax liabilities	37	**(2.5)**	(6.2)
		(231.8)	(250.6)
Total liabilities		**(861.1)**	(1,017.9)
Net assets		**774.3**	1,675.4

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Consolidated Statement of Financial Position

At 30 September 2019

	Note	At 30 September 2019 £m	At 30 September 2018 £m
SHAREHOLDERS' EQUITY			
Called-up share capital	38	**29.3**	45.3
Share premium account	39	**17.8**	17.8
Share capital		**47.1**	63.1
Capital redemption reserve	39	**21.0**	5.0
Own shares	39	**(49.1)**	(57.2)
Translation reserve	39	**52.5**	53.5
Retained earnings	39	**702.8**	1,597.5
Equity attributable to owners of the Company		**774.3**	1,661.9
Non-controlling interests	40	**–**	13.5
		774.3	1,675.4

The financial statements of DMGT plc (Company number 184594) on pages 90 to 183 were approved by the Directors and authorised for issue on 4 December 2019. They were signed on their behalf by

The Viscount Rothermere
P A Zwillenberg

Directors

Consolidated Cash Flow Statement

For the year ended 30 September 2019

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Cash generated by operations	15	**165.0**	137.3
Taxation paid		**(20.0)**	(27.1)
Taxation received		**9.8**	4.8
Net cash generated by operating activities		**154.8**	115.0
Investing activities			
Interest received		**7.4**	0.9
Dividends received from joint ventures and associates	24	**12.3**	23.1
Dividends received from financial assets held at fair value through other comprehensive income	9	**–**	0.1
Purchase of property, plant and equipment	23	**(15.9)**	(30.4)
Expenditure on internally generated intangible fixed assets	22	**(13.9)**	(19.5)
Expenditure on other intangible assets	22	**–**	(0.2)
Purchase of financial assets held at fair value through other comprehensive income	25	**(6.1)**	–
Purchase of available for sale investments	25	**–**	(19.3)
Proceeds on disposal of property and plant and equipment		**9.3**	0.1
Proceeds on disposal of available for sale investments		**–**	1.0
Purchase of businesses and subsidiary undertakings	17	**(27.6)**	(19.1)
Settlements and collateral payments on treasury derivatives		**(12.3)**	7.7
Investment in joint ventures and associates	24	**(39.4)**	(1.8)
Loans advanced to joint ventures and associates		**–**	(8.4)
Loans to joint ventures and associates repaid		**0.2**	0.2
(Costs)/proceeds on disposal of businesses and subsidiary undertakings	18	**(11.6)**	146.3
Proceeds on disposal of joint ventures and associates	8, 24	**81.4**	637.9
Sale/(purchase) of other financial assets	28	**237.3**	(237.3)
Net cash generated by investing activities		**221.1**	481.3
Financing activities			
Equity dividends paid	12, 39	**(274.1)**	(81.0)
Dividends paid to non-controlling interests	40	**(1.0)**	(0.2)
Purchase of own shares	39	**(2.5)**	(14.3)
Net (payment)/receipt on settlement of subsidiary share options		**(0.8)**	7.6
Interest paid		**(28.7)**	(37.7)
Bonds repaid	16	**(218.5)**	–
Bonds redeemed	16	**(6.7)**	–
Premium on redemption of bonds	10	**(0.9)**	–
Loan notes repaid	16	**(0.1)**	(0.1)
Decrease in bank borrowings	16	**–**	(43.7)
Net cash used in financing activities		**(533.3)**	(169.4)
Net (decrease)/increase in cash and cash equivalents	16	**(157.4)**	426.9
Cash and cash equivalents at beginning of year	29	**435.9**	7.4
Exchange gain on cash and cash equivalents	16	**10.7**	1.6
Net cash and cash equivalents at end of year	16, 29	**289.2**	435.9

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Notes to the accounts

1 Basis of preparation

DMGT plc is a company incorporated and domiciled in the United Kingdom. The address of the registered office is Northcliffe House, 2 Derry Street, London, W8 5TT.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and related IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

These financial statements have been prepared for the year ended 30 September 2019.

Other than the Daily Mail, The Mail on Sunday and Metro businesses, the Group prepares accounts for a year ending on 30 September. The Daily Mail, The Mail on Sunday and Metro businesses prepare financial statements for a 52 or 53 week financial period ending on a Sunday near to the end of September and do not prepare additional financial statements corresponding to the Group's financial year for consolidation purposes as it would be impracticable to do so. The Group considers whether there have been any significant transactions or events between the end of the financial year of these businesses and the end of the Group's financial year and makes any material adjustments as appropriate.

The significant accounting policies used in preparing this information are set out in Note 2.

The Group's financial statements incorporate the financial statements of the Company and all of its subsidiaries together with the Group's share of all of its interests in joint ventures and associates. The financial statements have been prepared on the historical cost basis, except for derivative financial instruments, hedged items, equity investments, contingent consideration, put options and the pension scheme surplus/(deficit) all of which are measured at fair value.

The Group presents the results from discontinued operations separately from those of continuing operations. An operation is classed as discontinued if it has been, or is in the process of being disposed and represents either a separate major line of business or a geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or exit a major geographical area of operations.

Prior period amounts have been re-presented to conform to the current period's presentation, as prescribed by IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

All amounts presented have been rounded to the nearest £0.1 million.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review, and the Strategic Report.

As highlighted in Note 33 and 34 to the financial statements, the Company has long-term financing in the form of bonds and meets its day-to-day working capital requirements through surplus cash balances and committed bank facilities which expire in March 2023. The Board's forecasts and projections, after taking account of reasonably possible changes in trading performance, show that the Group is expected to operate within the terms of its current facilities. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

2 Significant accounting policies

The following new and amended IFRSs have been adopted during the period:

- IFRS 9, Financial Instruments (effective 1 October 2018)
- IFRS 15, Revenue from Contracts with Customers (effective 1 October 2018)
- IFRIC 22, Foreign Currency Transactions and Advance Consideration (effective 1 January 2018)

IFRS 9, Financial Instruments replaced IAS 39, Financial Instruments: Recognition and Measurement. The key areas of IFRS 9 which affect the Group are those which relate to the recognition of impairment provisions against receivables, the treatment of available for sale investments and new hedging requirements.

In accordance with the transitional provisions of IFRS 9 the Group has adopted IFRS 9 on a modified retrospective basis such that comparative figures have not been restated and remain in line with the requirements of IAS 39.

IFRS 9 contains three principal classification categories for financial assets – Measured at Amortised Cost, Fair Value through Other Comprehensive Income (FVTOCI) and Fair Value through Profit and Loss (FVTPL) and eliminates the IAS 39 categories of held to maturity, loans and receivables and available for sale. The main effect resulting from this reclassification relates to the Group's equity investments which under IAS 39 were classified as available for sale whilst under IFRS 9 are now classified as Fair Value through Other Comprehensive Income. As a result, all fair value movements are now recorded in Other Comprehensive Income and gains and losses will not be recycled to the Consolidated Income Statement on disposal although dividend income will continue to be recorded in the Consolidated Income Statement. A fair value gain of £9.4 million has been recorded on transition to IFRS 9.

With regard to impairment provisions, IFRS 9 introduces the expected credit loss (ECL) model which requires an impairment provision to be made on initial recognition of the receivable which under IAS 39 was required only when a loss event occurred. IFRS 9 requires ECLs to be recognised by reference to historical recovery rates and forward-looking indicators. The Group has applied the simplified approach to trade receivables, contract assets and other receivables. The IFRS 9 ECL model has resulted in an ECL loss of £0.3 million on transition to IFRS 9 in relation to other receivables.

The IFRS 9 ECL model also applies to long-term receivables due from associates and joint ventures. The Group has recorded an ECL loss of £12.0 million on transition to IFRS 9 in relation to amounts due from its associates.

The Group has adopted the new general hedge accounting model in IFRS 9 which aligns hedge accounting with the Group's risk management strategy. All hedge relationships designated under IAS 39 are treated as continuing hedges under IFRS 9. Under the new standard, the Group has excluded the currency basis from its hedge designation retrospectively.

A summary of the transition impact of IFRS 9 is shown below:

	Note	Previously reported £m	As at 1 October 2018 IFRS 9 transition adjustment £m	Restated £m
Financial assets at FVTOCI	25	20.4	9.4	29.8
Non-current other receivables	27	27.3	(0.3)	27.0
Other financial assets	28	18.4	(12.0)	6.4
Total		**66.1**	**(2.9)**	**63.2**

IFRS 15 Revenue from Contracts with Customers replaced IAS 18 Revenue. In accordance with the transitional provisions of IFRS 15 the Group has adopted IFRS 15 on a modified retrospective basis such that comparative figures have not been restated and remain in line with the requirements of IAS 18.

The new revenue recognition standard introduced additional guidance surrounding performance obligations within sales contracts and the timing of revenue recognition. The standard introduces a five step model which will require judgement in their application, which are as follows:

- Identify the contract(s) with the customer
- Identify the separate performance obligations in the contract
- Determine the contract price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when each performance obligation has been satisfied

In addition to changes to the timing of revenue recognition IFRS 15 also introduces changes to the recognition of incremental costs incurred when obtaining a contract with a customer known as contract acquisition costs. These include commissions paid to employees. The standard requires such costs to be recognised as an asset, when the Group expects to recover them, and charge them to the Consolidated Income Statement on a systematic basis rather than being expensed immediately. Judgement is required to determine this period and whether this is the contract term or a longer period such as the estimated customer life for contracts which are expected to renew. Such deferred costs are de-recognised and charged immediately to the Consolidated Income Statement when no future economic benefits are expected.

The adoption of IFRS 15 resulted in a reduction in net assets of £2.4 million which is summarised as follows:

Segment	Increased contract acquisition costs £m	(Increased)/ decreased deferred revenue and accruals £m	Increased/ (decreased) deferred tax assets £m	IFRS 15 transition adjustment £m
Insurance Risk	1.1	1.2	(0.6)	1.7
Property Information	1.0	(1.1)	–	(0.1)
EdTech	–	(7.3)	1.9	(5.4)
Energy Information	1.6	–	(0.2)	1.4
Total	**3.7**	**(7.2)**	**1.1**	**(2.4)**

The IFRS 15 transition adjustment represents the reversal of certain revenues which met the criteria for recognition under IAS 18 but do not so under IFRS 15 together with contract acquisition costs which were expensed immediately under IAS 18 and which are now deferred and recognised on a systemic basis under IFRS 15.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for the Group's accounting periods beginning on or after 1 October 2019. These new pronouncements are listed below:

- IFRS 16, Leases (effective 1 January 2019)
- Amendment to IFRS 2, Share Based Payments – benefits (effective 1 January 2019 but not yet endorsed by the EU)
- IFRIC 23, Uncertainty over Income Tax Treatments (effective 1 January 2019 but not yet endorsed by the EU)

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2 Significant accounting policies continued

Other than IFRS 16, the adoption of standards, amendments and interpretations which have been issued but are not yet effective are not expected to have a material impact on the Group's Consolidated Financial Statements.

IFRS 16, effective for the 2020 fiscal year, eliminates the distinction between operating and finance leases for lessees and requires lessees to recognise right of use assets and corresponding liabilities for all leases. The new standard replaces the operating lease expense with a depreciation charge included within operating costs on the underlying right of use asset and an interest expense included within finance costs on the lease liability.

Lessors will continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting largely unchanged from its predecessor, IAS 17. The Group will adopt IFRS 16 on a modified retrospective basis such that the Group will recognise the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings i.e. as at 1 October 2019 with no restatement of prior periods.

As permitted by IFRS 16 the Group will apply the following practical expedients:

- The Group has not brought onto the balance sheet short-term leases (those with 12 months or less to run as at 1 October 2019 including reasonably certain options to extend) or low-value assets. Costs for these items will therefore continue to be expensed directly in the Income Statement.
- The Group has relied on its onerous lease assessments under IAS 37 to impair right of use assets in place of performing an impairment assessment on adoption of IFRS 16.
- The Group has measured right of use assets at an amount equal to the lease liability on adoption of IFRS 16 as adjusted by existing lease accruals, prepayments and dilapidations and onerous lease provisions.
- The Group also expects to separate non-lease components from lease components as part of the transition adjustment.

At 1 October 2019, on the adoption of IFRS 16 the Group will recognise right of use assets of approximately £91.6 million and lease liabilities of approximately £93.4 million. This includes right of use assets of approximately £7.3 million and lease liabilities of approximately £7.5 million relating to businesses held for sale. The additional lease liability will not equal the operating lease commitment in Note 41 largely because the lease liabilities are discounted under IFRS 16 and lease terms determined under IFRS 16 may be longer than under IAS 17.

The impact on the Consolidated Income Statement for the year to 30 September 2020 will depend on factors which may occur during that year including new leases entered into, changes to exchange rates and discount rates.

The operating lease charge for the year ended 30 September 2019 amounted to £43.7 million and this will be replaced with a depreciation charge and an interest charge, other than for those leases which are short-term and low-value assets which will continue to be charged to the Consolidated Income Statement.

From continuing operations for the year ended 30 September 2020, the Group estimates the depreciation charge on IFRS 16 right of use assets will be approximately £22.6 million and interest on additional IFRS 16 lease liabilities will be approximately £1.9 million. Lease rentals of approximately £25.2 million will no longer be charged to the Consolidated Income Statement.

In the Consolidated Cash Flow Statement there will be no impact in the total change in cash and cash equivalents. Under IFRS 16 the repayment of the lease liabilities will be included in financing activities and interest on IFRS 16 leases will be shown in operating activities whereas under IAS 17 lease rental payments were in operating activities.

Business combinations

The acquisition of subsidiaries and businesses is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the Consolidated Income Statement as incurred.

Where the consideration for an acquisition includes any asset or liability resulting from a contingent arrangement, this is measured at its discounted fair value on the date of acquisition. Subsequent changes in fair values are adjusted through the Consolidated Income Statement in Financing. Changes in the fair value of contingent consideration classified as equity is not recognised.

Put options granted to non-controlling interests are recorded at present value as a reduction in equity on initial recognition, since the arrangement represents a transaction with equity holders. Changes in present value after initial recognition are recorded in the Consolidated Income Statement in Financing.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the date of the acquisition that, if known, would have affected the amounts recognised as at that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as at the acquisition date and is a maximum of one year.

Business combinations achieved in stages
Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the date the Group attains control and the resulting gain or loss is recognised in the Consolidated Income Statement. Amounts arising from interests in the acquiree prior to the acquisition date that were recognised in other comprehensive income are reclassified to the Consolidated Income Statement where such treatment would be appropriate if the interest were disposed of.

Purchases and sales of shares in a controlled entity
Where the Group's interest in a controlled entity increases, the non-controlling interests' share of net assets, excluding any allocation of goodwill, is transferred to retained earnings. Any difference between the cost of the additional interest and the existing carrying value of the non-controlling interests' share of net assets is recorded in retained earnings.

Where the Group's interest in a controlled entity decreases, but the Group retains control, the share of net assets disposed, excluding any allocation of goodwill, is transferred to the non-controlling interests. Any difference between the proceeds of the disposal and the existing carrying value of the net assets or liabilities transferred to the non-controlling interests is recorded in retained earnings.

Disposal of controlling interests where non-controlling interest retained
Where the Group disposes of a controlling interest but retains a non-controlling interest in the business, the Group accounts for the disposal of a subsidiary and the subsequent acquisition of a joint venture, associate or financial assets at fair value through other comprehensive income at fair value on initial recognition. On disposal of a subsidiary all amounts deferred in equity are recycled to the Consolidated Income Statement.

Contingent consideration receivable
Where the consideration for a disposal includes consideration resulting from a contingent arrangement, the contingent consideration receivable is discounted to its fair value, with any subsequent movement in fair value being recorded in the Consolidated Income Statement in Financing.

Discontinued operations
The Group presents the results from discontinued operations separately from those of continuing operations. An operation is classed as discontinued if it has been, or is in the process of being disposed and represents either a separate major line of business or a geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or exit a major geographical area of operations.

Assets and liabilities of businesses held for sale
An asset or disposal group is classified as held for sale if its carrying amount is intended to be recovered principally through sale rather than continuing use, is available for immediate sale and it is highly probable that the sale will be completed within 12 months of classification as held for sale. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment is recognised in the Consolidated Income Statement and is first allocated to the goodwill associated with the disposal group and then to the remaining assets and liabilities on a pro rata basis. No further depreciation or amortisation is charged on non-current assets classified as held for sale from the date of classification.

Accounting for subsidiaries
A subsidiary is an entity controlled by the Group. Control is achieved where the Group has power over an investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the returns.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Income Statement from the effective date control is obtained or up to the date control is relinquished, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests
Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein, either at fair value or at the non-controlling interest's share of the net assets of the subsidiary, on a case-by-case basis. The total comprehensive income of a subsidiary is apportioned between the Group and the non-controlling interest, even if it results in a deficit balance for the non-controlling interest.

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2 Significant accounting policies continued

Interests in joint ventures and associates

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The post-tax results of joint ventures and associates are incorporated in the Group's results using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the Consolidated Statement of Financial Position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture and associate, less any impairment in the value of investment. Losses of joint ventures and associates in excess of the of the Group's interest in that joint venture or associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

Foreign currencies

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than sterling are translated into sterling using exchange rates prevailing on the period end date.

Income and expense items and cash flows are translated at the average exchange rates for the period and exchange differences arising are recognised directly in equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the Consolidated Income Statement as part of the gain or loss on sale.

The Group records foreign exchange differences arising on retranslation of foreign operations within the translation reserve in equity.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the exchange rate prevailing on the date of the transaction. At each period end date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the period end date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Consolidated Income Statement for the period.

Goodwill, intangible assets and fair value adjustments arising on the acquisition of foreign operations after transition to IFRS are treated as part of the assets and liabilities of the foreign operation and are translated at the closing rate. Goodwill which arose pre-transition to IFRS is not translated.

In respect of all foreign operations, any cumulative exchange differences that have arisen before 4 October 2004, the date of transition to IFRS, were reset to £nil and will be excluded from the determination of any subsequent profit or loss on disposal.

Goodwill and intangible assets

Goodwill and intangible assets acquired arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Negative goodwill arising on an acquisition is recognised directly in the Consolidated Income Statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rates on the period end date. On disposal of a subsidiary, associate or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the Consolidated Income Statement on disposal.

Impairment of goodwill

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units (CGUs). If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, prorated on the basis of the carrying amount of each asset in the unit, but subject to not reducing any asset below its recoverable amount.

When testing for impairment, the recoverable amounts for all of the Group's CGUs are measured at the higher of value in use or fair value less costs to sell. Value in use is calculated by discounting future expected cash flows. These calculations use cash flow projections based on Board-approved budgets and projections which reflect management's current experience and future expectations of the markets in which the CGU operates. Risk adjusted pre-tax discount rates used by the Group in its impairment tests range from 10.50% to 15.28% (2018 13.25% to 15.28%) the choice of rates depending on the risks specific to that CGU. The Directors' estimate of the Group's post tax weighted average cost of capital is 8.5% (2018 8.5%). The cash flow projections consist of Board-approved budgets for the following year, together with forecasts for up to two additional years and nominal long-term growth rates beyond these periods. The nominal long-term growth rates range between 2.0% and 3.0% (2018 nominal long-term growth rate of 3.0%) used varies with management's view of the CGU's market position, maturity of the relevant market and does not exceed the long-term average growth rate for the market in which the CGU operates.

An impairment loss recognised for goodwill is charged immediately in the Consolidated Income Statement and is not subsequently reversed.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's development activity, including software for internal use, is recognised only if the asset can be separately identified, it is probable the asset will generate future economic benefits, the development cost can be measured reliably, the project is technically feasible and the project will be completed with a view to sell or use the asset. Additionally, guidance in Standing Interpretations Committee (SIC) 32 has been applied in accounting for internally developed website development costs.

Internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives, when the asset is available for use, and are reported net of impairment losses. Where no internally generated intangible asset can be recognised, such development expenditure is charged to the Consolidated Income Statement in the period in which it is incurred.

Licences

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives, being three to five years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs and directly attributable overheads, are capitalised as intangible assets.

Computer software which is integral to a related item of hardware equipment is accounted for as property, plant and equipment. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Other intangible assets

Other intangible assets with finite lives are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to Operating Profit in the Consolidated Income Statement on a reducing balance or straight-line basis over the estimated useful lives of the intangible assets from the date they become available for use. The estimated useful lives are as follows:

Publishing rights, mastheads and titles	5 – 30 years
Brands	3 – 20 years
Market and customer-related databases and customer relationships	3 – 20 years
Computer software	2 – 5 years

Amortisation of intangible assets not arising on business combinations are included within Adjusted Operating Profit in the Consolidated Income Statement.

The Group has no intangible assets with indefinite lives.

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2 Significant accounting policies continued

Impairment of intangible assets

At each period end date, reviews are carried out of the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of value in use and fair value less costs to sell, of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, value in use estimates are made based on the cash flows of the CGU to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its net carrying amount, the net carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised immediately in the Consolidated Income Statement.

At the end of each reporting period the Group assesses whether there is any indication that an impairment loss recognised in prior periods, for an asset other than goodwill, may no longer exist or may have decreased. If any such indication exists, the Group estimates the recoverable amount of that asset. In assessing whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased, the Group considers, as a minimum, the following indications:

(i) whether the asset's market value has increased significantly during the period;

(ii) whether any significant changes with a favourable effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated; and

(iii) whether market interest rates or other market rates of return on investments have decreased during the period, and those decreases are likely to affect the discount rate used in calculating the asset's value in use and increase the asset's recoverable amount materially.

Property, plant and equipment

Land and buildings held for use are stated in the Consolidated Statement of Financial Position at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use. Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement.

Depreciation is charged so as to write off the cost of assets, other than property, plant and equipment under construction using the straight-line method, over their estimated useful lives as follows:

Freehold buildings and long leasehold properties	50 years
Short leasehold premises	the term of the lease
Plant and equipment	3 – 25 years
Depreciation is not provided on freehold land	

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Group uses the Average Cost method in the Consumer Media segment for newsprint and the First In First Out method for all other inventories.

Exhibitions, training and event costs

Directly attributable costs relating to future exhibitions, training and events are deferred within work in progress and measured at the lower of cost and net realisable value. These costs are charged to the Consolidated Income Statement when the exhibition, training or event takes place.

Pre-publication costs

Pre-publication costs represent direct costs incurred in the development of titles prior to their publication. These costs are recognised as work in progress on the Consolidated Statement of Financial Position to the extent that future economic benefit is virtually certain and can be measured reliably. These are recognised in the Consolidated Income Statement on publication.

Marketing costs

All marketing and promotional costs are charged to the Consolidated Income Statement in the period in which they are incurred. Direct event costs are charged to the Consolidated Income Statement within Direct Event Costs.

Cash and cash equivalents

Cash and cash equivalents shown in the Consolidated Statement of Financial Position includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less and which are subject to insignificant changes in value. For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents are as defined above, net of bank overdrafts.

Revenue

Revenue is stated at the fair value of consideration, net of value added tax, trade discounts and commission where applicable and is recognised using methods appropriate for the Group's businesses.

Where revenue contracts have multiple elements (such as software licences, data subscriptions and support), all aspects of the transaction are considered to determine whether these elements can be separately identified. Where transaction elements can be separately identified and revenue can be allocated between them on a fair and reliable basis, revenue for each element is accounted for according to the relevant policy below. Where transaction elements cannot be separately identified, revenue is recognised over the contract period.

The consumer media segment enters into agreements with advertising agencies and certain clients, which are subject to a minimum spend and typically include a commitment to deliver rebates to the agency or client based on the level of agency spend over the contract period.

The principal revenue performance obligations are:

- subscriptions revenue, including revenue from information services, is recognised over the period of the subscription or contract;
- publishing and circulation revenue is recognised on issue of the publication or report;
- advertising revenue is recognised on issue of the publication or over the period of the online campaign;
- contract print revenue is recognised on completion of the print contract;
- exhibitions, training and events revenues are recognised over the period of the event;
- software revenue is recognised on delivery of the software or the technology or over a period of time where the transaction is a licence (the licence term). If support is unable to be separately identified from hosting and revenue is unable to be allocated on a fair and reliable basis, support revenue is recognised over the licence term. Commissions paid to acquire software and services contracts are capitalised in prepayments and recognised over the term of the contract;
- support revenue associated with software licences and subscriptions is recognised over the term of the support contract; and

Adjusted measures

The Group presents adjusted operating profit and adjusted profit before tax adjusting for costs and profits which management believe to be significant by virtue of their size, nature or incidence or which have a distortive effect on current year earnings.

In the Director's judgement such items would include, but are not limited to, costs associated with business combinations, gains and losses on the disposal of businesses and subsidiary undertakings, finance costs relating to premium on bond buy backs, fair value movements, exceptional operating costs, impairment of goodwill and amortisation and impairment of intangible assets arising on business combinations.

The board and management team believe these adjusted results, used in conjunction with statutory IFRS results, give a greater insight into the financial performance of the Group and the way it is managed. Similarly, adjusted results are used in setting management remuneration.

See Note 13 for a reconciliation of profit before tax to adjusted profit before and after tax.

The Group also presents a measure of net debt. In the judgement of the Directors this measure should include the currency gain or loss on derivatives entered into with the intention of economically converting the currency borrowings into an alternative currency. See Note 16 for further detail.

Other gains and losses

Other gains and losses comprise profit or loss on sale of trading investments, profit or loss on sale of property, plant and equipment, impairment of available for sale assets, profit or loss on sale of businesses and subsidiary undertakings and profit or loss on sale of joint ventures and associates.

EBITDA

The Group discloses EBITDA, being adjusted operating profit before depreciation of property, plant and equipment. EBITDA is broadly used by analysts, rating agencies, investors and the Group's banks as part of their assessment of the Group's performance. A reconciliation of EBITDA from operating profit is shown in Note 15 and the ratio of net debt to EBITDA is disclosed in Note 34.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included in the Consolidated Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Consolidated Income Statement.

Rentals payable under operating leases are charged to the Consolidated Income Statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Dividends

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividends are recognised as a distribution in the period in which they are approved by the shareholders. Interim dividends are recorded in the period in which they are paid.

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Notes to the accounts

2 Significant accounting policies continued

Borrowing costs

Unless capitalised under IAS 23, Borrowing Costs, all borrowing costs are recognised in the Consolidated Income Statement in the period in which they are incurred. Finance charges, including premiums paid on settlement or redemption and direct issue costs and discounts related to borrowings, are accounted for on an accruals basis and charged to the Consolidated Income Statement using the effective interest method.

Retirement benefits

Pension scheme assets are measured at market value at the period end date. Scheme liabilities are measured using the projected unit credit method and discounted at a rate reflecting current yields on high-quality corporate bonds having regard to the duration of the liability profiles of the schemes.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability on the Consolidated Statement of Financial Position. Actuarial gains and losses arising in the year are taken to the Consolidated Statement of Comprehensive Income. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred. For defined benefit schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out triennially. In accordance with the advice of independent qualified actuaries in assessing whether to recognise a surplus, the Group has regard to the principles set out in IFRIC 14.

Other movements in the net surplus or deficit are recognised in the Consolidated Income Statement, including the current service cost, any past service cost and the effect of any curtailment or settlements. The net finance income/(charge) is also charged to the Consolidated Income Statement within net finance costs.

The Group's contributions to defined contribution pension plans are charged to the Consolidated Income Statement as they fall due.

Taxation

Income tax expense represents the sum of current tax and deferred tax for the year.

The current tax payable or recoverable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Income Statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using the UK and foreign tax rates that have been enacted or substantively enacted by the period end date.

Current tax assets and liabilities are set off and stated net in the Consolidated Statement of Financial Position when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority or on the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition other than in a business combination of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries, joint ventures and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Goodwill arising on business combinations also includes amounts corresponding to deferred tax liabilities recognised in respect of acquired intangible assets. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

The carrying amount of deferred tax assets is reviewed at each period end date, and is reduced or increased as appropriate to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered, or it becomes probable that sufficient taxable profits will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the period end date, and is not discounted.

Deferred tax assets and liabilities are set off when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly to equity, in which case the tax is recognised directly in equity.

Actual tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets when it is more likely than not that there will be a cash impact. These provisions are made for each uncertainty individually on the basis of management judgement following consideration of the available relevant information. The measurement basis adopted represents the best predictor of the resolution of the uncertainty which is usually based on the most likely cash outflow. The Company reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances.

Financial instruments

Financial assets and financial liabilities are recognised on the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously and where the Group intends to net settle.

Financial assets

Trade receivables

Trade receivables do not carry interest and are recognised initially at the value of the invoice sent to the customer i.e. amortised cost and subsequently reduced by allowances for estimated irrecoverable amounts.

Other receivables include loans which are held at the capital sum outstanding plus unpaid interest.

Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. In the current period the Group applies the simplified approach permitted by IFRS 9, which requires the use of the lifetime expected loss provision for all receivables, including contract assets. These estimates are based on historic credit losses, macro-economic and specific country-risk considerations with higher default rates applied to older balances.

In addition if specific circumstances exist which would indicate that the receivable is irrecoverable a specific provision is made. A provision is made against trade receivables and contract assets until such time as the Group believes there to be no reasonable expectation of recovery, after which the trade receivable or contract asset balance is written off.

In the prior period, under IAS 39, impairment losses relating to trade receivables were recorded when a loss event occurred.

Financial assets at fair value through other comprehensive income

Financial assets are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

In the current period, as permitted by IFRS 9, the Group classifies its equity investments at Fair Value through Other Comprehensive Income. All fair value movements are recorded in Other Comprehensive Income and gains and losses are not recycled to the Consolidated Income Statement on disposal.

Dividend income from Financial assets held at fair value through Other Comprehensive Income is recorded in the Consolidated Income Statement.

Unlisted equity investments are valued using a variety of approaches including comparable company valuation multiples and discounted cash flow techniques. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

The fair value of listed equity investments is determined based on quoted market prices.

Available for sale investments

In the prior period available for sale investments were classified as either fair value through profit or loss or available for sale. Where investments were held-for-trading purposes, gains and losses arising from changes in fair value were included in net profit or loss for the period. For available for sale investments, gains and losses arising from changes in fair value were recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

The fair value of listed investments was determined based on quoted market prices. Unlisted investments were recorded at cost less provision for impairment with their recoverable amount determined by discounting future cash flows to present value using market interest rates.

Financial Statements

Notes to the accounts

2 Significant accounting policies continued

Financial liabilities and equity instruments

Trade payables

Trade payables are non-interest bearing and are stated at their nominal value.

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Capital market and bank borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Group's bonds are subject to fair value hedge accounting as explained below and this portion is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs.

Derecognition

The Group derecognises a financial asset, or a portion of a financial asset, from the Consolidated Statement of Financial Position where the contractual rights to cash flows from the asset have expired, or have been transferred, usually by sale, and with them either substantially all the risks and rewards of the asset or significant risks and rewards, along with the unconditional ability to sell or pledge the asset.

Financial liabilities are derecognised when the liability has been settled, has expired or has been extinguished.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to market risks. The principal derivative instruments used by the Group are foreign currency swaps, interest rate swaps, foreign exchange forward contracts and options. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

Changes in the fair value of derivative instruments which do not qualify for hedge accounting are recognised immediately in the Consolidated Income Statement.

Where the derivative instruments do qualify for hedge accounting, the following treatments are applied:

Fair value hedges

Changes in the fair value of the hedging instrument are recognised in the Consolidated Income Statement for the year together with the changes in the fair value of the hedged item due to the hedged risk, to the extent the hedge is effective. When the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, hedge accounting is discontinued.

Cash flow hedges

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the Consolidated Income Statement.

If a hedged firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time that the asset or liability is recognised, the associated gains and losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the Consolidated Income Statement in the same period in which the hedged item affects the Consolidated Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, revoked, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in equity is included in the Consolidated Income Statement for the period.

Net investment hedges

Exchange differences arising from the translation of the net investment in foreign operations are recognised in the translation reserve. Gains and losses arising from changes in the fair value of the hedging instruments are recognised in equity to the extent that the hedging relationship is effective. Any ineffectiveness is recognised immediately in the Consolidated Income Statement for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Gains and losses accumulated in the translation reserve are included in the Consolidated Income Statement on disposal of the foreign operation.

Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the period end date, and are discounted to present value where the effect is material.

Onerous contract provisions are recognised for losses on contracts where the forecast costs of fulfilling the contract throughout the contract period exceed the forecast income receivable. The provision is calculated based on cash flows to the end of the contract. Vacant property provisions are recognised when the Group has committed to a course of action that will result in the property becoming vacant.

Share-based payments

The Group issues equity-settled and cash-settled share-based payments to certain Directors and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using a binomial pricing model which is calibrated using a Black-Scholes framework. The expected life used in the models has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each period end date for cash-settled share-based payments.

Investment in own shares

Treasury shares

Where the Company purchases its equity share capital as Treasury Shares, the consideration paid, including any directly attributable incremental costs (net of income taxes) is recorded as a deduction from shareholders' equity until such shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

Employee Benefit Trust

The Company has established an Employee Benefit Trust (EBT) for the purpose of purchasing shares in order to satisfy outstanding share options and potential awards under long-term incentive plans. The assets of the EBT comprise shares in DMGT plc and cash balances. The EBT is administered by independent trustees and its assets are held separately from those of the Group. The Group bears the major risks and rewards of the assets held by the EBT until the shares vest unconditionally with employees. The Group recognises the assets and liabilities of the EBT in the consolidated financial statements and shares held by the EBT are recorded at cost as a deduction from shareholders' equity. Consideration received for the sale of shares held by the EBT is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

Critical accounting judgements and key sources of estimation uncertainty

In addition to the judgement taken by management in selecting and applying the accounting policies set out above, management has made the following judgements concerning the amounts recognised in the Consolidated Financial Statements:

Adjusted measures

Management believes that the adjusted profit and adjusted earnings per share measures provide additional useful information to users of the Report and Accounts on the performance of the business. Accordingly the Group presents adjusted operating profit and adjusted profit before tax by adjusting for costs and profits which management judge to be significant by virtue of their size, nature or incidence or which have a distortive effect on current year earnings.

In management's judgement such items would include, but are not limited to, costs associated with business combinations, gains and losses on the disposal of businesses and subsidiary undertakings, finance costs relating to premium on bond buy backs, fair value movements, exceptional operating costs, impairment of goodwill and amortisation and impairment of intangible assets arising on business combinations.

Exceptional operating costs include reorganisation costs and similar items of a significant and a non-recurring nature. In addition, the Group presents an adjusted profit after tax measure by making adjustments for certain tax charges and credits which management judge to be significant by virtue of their size, nature or incidence or which have a distortive effect. The Group uses these adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting.

See Note 13 for a reconciliation of profit before tax to adjusted profit before and after tax.

The Group also presents a measure of net debt. In the judgement of management this measure should include the currency gain on loss on derivatives entered into with the intention of economically converting the currency borrowings into an alternative currency. See Note 16 for further detail.

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2 Significant accounting policies continued

Critical accounting judgements and key sources of estimation uncertainty continued

Investment in Euromoney

The Directors have considered factors which may indicate de facto control following the reduction in its shareholding to below 50.0% in a prior period.

The Directors have judged that it does not have de facto control over Euromoney since it cannot block any ordinary resolutions, which comprise the majority of corporate actions, has no control over the remuneration of Euromoney's directors and has no control over Euromoney's day-to-day operations nor budgets. In addition, the Group has no material trading activities or relationships which are critical for Euromoney to carry out its business. Accordingly, the Group has equity accounted for Euromoney during the year.

The Group's investment in Euromoney was distributed to shareholders by way of a dividend in specie on 2 April 2019, see Note 12 for further detail.

Retirement benefits

When a surplus on a defined benefit pension scheme arises, management are required to consider the rights of the Trustees in preventing the Group from obtaining a refund of that surplus in the future. Where the Trustees are able to exercise this right the Group would be required to restrict the amount of surplus recognised.

After considering the principles set out in IFRIC 14, the Directors have judged it appropriate to recognise a surplus of £225.7 million (2018 £249.1 million) and report a net surplus on its pension schemes amounting to £215.0 million (2018 £243.5 million).

The following represent key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements:

Forecasting

The Group prepares medium-term forecasts based on Board-approved budgets and two-year outlooks. These are used to support estimates made in the preparation of the Group's financial statements including the recognition of deferred tax assets in different jurisdictions, the Group's going concern assessment and for the purposes of impairment reviews. Longer-term forecasts use long-term growth rates applicable to the relevant businesses. See Note 21 for a sensitivity assessment of these long-term growth rates on the carrying values of certain of the Group's goodwill and intangible assets.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangible or other assets are impaired or whether a reversal of an impairment should be recorded requires a comparison of the balance sheet carrying value with the recoverable amount of the asset or CGU. The recoverable amount is the higher of the value in use and fair value less costs to sell.

The value in use calculation requires management to estimate the future cash flows expected to arise from the asset or CGU and calculate the net present value of these cash flows using a suitable discount rate. A key area of estimation is deciding the long-term growth rate and the operating cash flows of the applicable businesses and the discount rate applied to those cash flows (Note 21). The key assumptions used and associated sensitivity analysis in relation to Group's EdTech segment is shown in Note 21. The carrying amount of goodwill and intangible assets within this segment at the year end amounted to £96.9 million (2018 £97.3 million)

Acquisitions and intangible assets

The Group's accounting policy on the acquisition of subsidiaries is to allocate purchase consideration to the fair value of identifiable assets, liabilities and contingent liabilities acquired with any excess consideration representing goodwill. Determining the fair value of assets, liabilities and contingent liabilities acquired requires significant estimates and assumptions, including assumptions with respect to cash flows and unprovided liabilities and commitments, including in respect to tax, to be used. The Group recognises intangible assets acquired as part of a business combination at fair value at the date of acquisition. The determination of these fair values is based upon management's estimate and includes assumptions on the timing and amount of future cash flows generated by the assets and the selection of an appropriate discount rate. Additionally, management must estimate the expected useful economic lives of intangible assets and charge amortisation on these assets accordingly.

Taxation
Being a multinational Group with tax affairs in many geographic locations inherently leads to a highly complex tax structure which makes the degree of estimation more challenging. The resolution of issues is not always within the control of the Group and actual tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. Such issues can take several years to resolve.

The Group accounts for unresolved issues based on its best estimate of the final outcome, however the inherent uncertainty regarding these items means that the eventual resolution could differ significantly from the accounting estimates and, therefore, impact the Group's results and future cash flows. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets when it is more likely than not that there will be a cash impact. These provisions are made for each uncertainty individually based on management's estimates following consideration of the available relevant information. The measurement basis adopted represents the best predictor of the resolution of the uncertainty which is usually based on the most likely cash outflow. The Company reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances.

In addition, the Group makes estimates regarding the recoverability of deferred tax assets relating to losses based on forecasts of future taxable profits which are, by their nature, uncertain. See Note 37 for further information concerning recognised and unrecognised deferred tax assets.

Retirement benefits
The cost of defined benefit pension plans is determined using actuarial valuations prepared by the Group's actuaries. This involves making certain assumptions concerning discount rates, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumptions and the resulting estimates are reviewed annually and, when appropriate, changes are made which affect the actuarial valuations and, hence, the amount of retirement benefit expense recognised in the Consolidated Income Statement and the amounts of actuarial gains and losses recognised in the Consolidated Statement of Changes in Equity.

The fair value of the Group's pension scheme assets include quoted and unquoted investments. The value of unquoted investments are estimated as their values are not directly observable. Accordingly the assumptions used in valuing unquoted investments are affected by current market conditions and trends which could result in changes in their fair value after the measurement date. A 1.0% movement in the value of unquoted pension scheme assets is estimated to change the value of the Group's pension scheme assets by £23.4 million.

The carrying amount of the retirement benefit obligation at 30 September 2019 was a surplus of £215.0 million (2018 £243.5 million). The assumptions used and the associated sensitivity analysis can be found in Note 35.

Legal claim provision
DMGT and certain of its subsidiaries are involved in various lawsuits and claims which arise in the course of business. The Group records a provision for these matters when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated.

The amounts accrued for legal contingencies often result from complex judgments about future events and uncertainties that rely heavily on estimates and assumptions.

As disclosed in Note 19, Genscape has been involved in a dispute with the US Environmental Protection Agency (EPA) since 2016. In 2017 Genscape voluntarily paid a 2.0% liability cap associated with invalid Renewable Identification Numbers (RINs) at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. However, during 2019 the EPA ordered Genscape to replace 69.2 million RINs it had validated. By way of settlement Genscape has made an offer to replace 4.6 million RINs at a cost of approximately US$2.5 million but the EPA have not responded to this offer. Discussions with the EPA are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, has made a provision for the potential maximum replacement RINs cost of US$40.0 million, including directly attributable costs. This estimate was based on the average two-year RIN price due to the liquidity and volatility of the market price of RINs. If the provision was made using the year end price of 41 cents, the potential maximum claim would be US$29.7 million, including directly attributable costs. This provision could change substantially over time as the dispute progresses and new facts emerge.

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3 Segment analysis

The Group's business activities are split into six operating divisions: Insurance Risk, Property Information, EdTech, Events and Exhibitions, Energy and Consumer Media. These divisions are the basis on which information is reported to the Group's Chief Operating Decision Maker, which has been determined to be the Group Board. The segment result is the measure used for the purposes of resource allocation and assessment and represents profit earned by each segment, including share of results from joint ventures and associates but before exceptional operating costs, amortisation of acquired intangible assets arising on business combinations, impairment charges, other gains and losses, net finance costs and taxation.

The accounting policies applied in preparing the management information for each of the reportable segments are the same as the Group's accounting policies described in Note 2.

The Group's revenues are disaggregated by major product line as follows:

Year ended 30 September 2019	Note	Total and external revenue £m	Segment operating profit/(loss) £m	Less operating profit/(loss) of joint ventures and associates £m	Adjusted operating profit/(loss) £m
Insurance Risk		**244.3**	**39.7**	**(0.7)**	**40.4**
Property Information		**222.1**	**41.9**	**0.5**	**41.4**
EdTech		**79.7**	**4.4**	**–**	**4.4**
Events and Exhibitions		**118.7**	**22.3**	**–**	**22.3**
Energy Information		**73.6**	**8.4**	**–**	**8.4**
Consumer Media		**672.2**	**67.9**	**0.8**	**67.1**
		1,410.6	**184.6**	**0.6**	**184.0**
Corporate costs		**–**	**(27.8)**	**12.0**	**(39.8)**
Discontinued operations	19	**(73.6)**	**(8.4)**	**–**	**(8.4)**
		1,337.0			
Adjusted operating profit					**135.8**
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment					**(11.9)**
Impairment of goodwill and acquired intangible assets arising on business combinations	21				**(19.1)**
Amortisation of acquired intangible assets arising on business combinations	22				**(10.2)**
Operating profit before share of results of joint ventures and associates					**94.6**
Share of results of joint ventures and associates					**(28.1)**
Total operating profit					**66.5**
Other gains and losses					**73.7**
Profit before investment revenue, net finance costs and tax					**140.2**
Investment revenue					**11.5**
Finance expense					**(24.5)**
Finance income					**7.1**
Profit before tax					**134.3**
Tax					**(20.4)**
Loss from discontinued operations	19				**(22.6)**
Profit for the year					**91.3**

An analysis of the amortisation and impairment of goodwill and intangible assets, exceptional operating costs by segment is as follows:

Year ended 30 September 2019	Note	Amortisation of intangible assets not arising on business combinations (Note 22) £m	Amortisation of intangible assets arising on business combinations (Note 22) £m	Impairment of goodwill and intangible assets arising on business combinations (Note 21) £m	Exceptional operating costs £m
Insurance Risk		(0.1)	–	–	–
Property Information		(6.3)	(7.1)	(19.1)	–
EdTech		(7.7)	(1.6)	–	0.1
Events and Exhibitions		–	(1.4)	–	–
Energy Information		(4.1)	(3.2)	–	(31.3)
Consumer Media		(3.0)	(0.1)	–	(2.0)
		(21.2)	(13.4)	(19.1)	(33.2)
Corporate costs		(0.8)	–	–	(10.0)
		(22.0)	(13.4)	(19.1)	(43.2)
Relating to discontinued operations	19	4.1	3.2	–	31.3
Continuing operations		(17.9)	(10.2)	(19.1)	(11.9)

The Group's exceptional operating costs are analysed as follows:

Year ended 30 September 2019	Note	LTIP (i) £m	Pension past service cost (Note 35) (ii) £m	Property £m	Legal fees and claims £m	Others £m	Total £m
EdTech		–	–	0.1	–	–	0.1
Energy Information		–	–	–	(31.3)	–	(31.3)
Consumer Media		(1.5)	(1.9)	2.4	–	(1.0)	(2.0)
		(1.5)	(1.9)	2.5	(31.3)	(1.0)	(33.2)
Corporate costs		(8.1)	(1.2)	–	–	(0.7)	(10.0)
		(9.6)	(3.1)	2.5	(31.3)	(1.7)	(43.2)
Relating to discontinued operations	19	–	–	–	31.3	–	31.3
Continuing operations		(9.6)	(3.1)	2.5	–	(1.7)	(11.9)

The Group's tax charge includes a related credit of £9.1 million in relation to these exceptional operating costs of which £6.6 million relates to discontinued operations.

(i) During the prior period, the Group sold its investment in ZPG resulting in a profit on sale of £508.4 million and in the current period, the Group disposed of its investment in Euromoney. As a direct consequence of these disposals the value of the DMGT Long Term Incentive Plans (LTIPs) are estimated to have increased by £21.9 million. As the LTIPs include a service period condition, IFRS 2 Share Options requires the LTIP charge to be spread over the service period until the awards vest. The LTIP charge recognised in the period, which relates to the disposals of ZPG and Euromoney, amounts to £9.6 million. Since the profit on the sale of ZPG and the capital benefit of the Euromoney disposal are excluded from our adjusted profit measure we have treated the incremental increase in the LTIP charge as an adjusting item and will continue to do so until the awards vest.

(ii) The pension past service cost represents a non-cash charge. This follows a High Court ruling in the Lloyds Banking Group case to equalise benefits for the effect of unequal Guaranteed Minimum Pensions (GMP) between men and women for UK pension schemes which had contracted out of the State Earnings Related Pension Scheme.

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3 Segment analysis continued

An analysis of the depreciation of property, plant and equipment, research costs, investment revenue, and finance income and expense by segment is as follows:

Year ended 30 September 2019	Note	Depreciation of property, plant and equipment (Note 23) £m	Research costs £m	Investment revenue (Note 9) £m	Finance income (Note 10) £m	Finance expense (Note 10) £m
Insurance Risk		**(5.3)**	**(39.7)**	**0.4**	**–**	**–**
Property Information		**(2.3)**	**(0.1)**	**–**	**–**	**(0.1)**
EdTech		**(0.3)**	**–**	**1.4**	**–**	**(0.1)**
Events and Exhibitions		**(0.3)**	**–**	**–**	**–**	**–**
Energy Information		**(2.6)**	**(5.2)**	**–**	**–**	**(0.1)**
Consumer Media		**(14.0)**	**(0.5)**	**–**	**7.1**	**(0.3)**
		(24.8)	**(45.5)**	**1.8**	**7.1**	**(0.6)**
Corporate costs		**(0.5)**	**–**	**9.7**	**–**	**(24.0)**
		(25.3)	**(45.5)**	**11.5**	**7.1**	**(24.6)**
Relating to discontinued operations	19	**2.6**	**5.2**	**–**	**–**	**0.1**
Continuing operations		**(22.7)**	**(40.3)**	**11.5**	**7.1**	**(24.5)**

Year ended 30 September 2018	Note	Total and external revenue £m	Segment operating profit/(loss) £m	Less operating profit/(loss) of joint ventures and associates £m	Adjusted operating profit/(loss) £m
Insurance Risk		229.4	33.8	(0.8)	34.6
Property Information		271.6	58.0	–	58.0
EdTech		68.3	7.4	–	7.4
Events and Exhibitions		117.8	27.7	–	27.7
Energy Information		85.5	0.3	–	0.3
Consumer Media		653.8	83.6	19.3	64.3
		1,426.4	210.8	18.5	192.3
Corporate costs		–	12.0	59.4	(47.4)
Discontinued operations	19	(85.5)	(0.3)	–	(0.3)
		1,340.9			
Adjusted operating profit					**144.6**
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment					(82.6)
Impairment of goodwill and acquired intangible assets arising on business combinations	21, 22				–
Amortisation of acquired intangible assets arising on business combinations	22				(12.2)
Operating profit before share of results of joint ventures and associates					**49.8**
Share of results of joint ventures and associates					118.4
Total operating profit					**168.2**
Other gains and losses					565.5
Profit before investment revenue, net finance costs and tax					**733.7**
Investment revenue					4.8
Finance expense					(37.5)
Finance income					5.5
Profit before tax					**706.5**
Tax					(7.6)
Loss from discontinued operations	19				(10.7)
Profit for the year					**688.2**

(i) Revenue and adjusted operating profit relating to the discontinued operations of Energy Information have been deducted in order to reconcile total segment result to Group profit before tax from continuing operations.

An analysis of the amortisation and impairment of goodwill and intangible assets, exceptional operating costs by segment is as follows:

Year ended 30 September 2018	Note	Amortisation of intangible assets not arising on business combinations (Note 22) £m	Amortisation of intangible assets arising on business combinations (Note 22) £m	Impairment of goodwill and intangible assets arising on business combinations (Notes 21, 22) £m	Impairment of internally generated and acquired computer software (Note 22) £m	Exceptional operating costs £m
Insurance Risk		(15.0)	–	–	(58.3)	–
Property Information		(3.9)	(8.7)	–	–	(1.5)
EdTech		(5.2)	(2.8)	–	–	–
Events and Exhibitions		(0.1)	(0.6)	–	–	–
Energy Information		(3.4)	(3.3)	(0.3)	(0.1)	3.8
Consumer Media		(5.2)	(0.1)	–	–	(18.2)
		(32.8)	(15.5)	(0.3)	(58.4)	(15.9)
Corporate costs		–	–	–	–	(4.6)
		(32.8)	(15.5)	(0.3)	(58.4)	(20.5)
Relating to discontinued operations	19	3.4	3.3	0.3	0.1	(3.8)
Continuing operations		(29.4)	(12.2)	–	(58.3)	(24.3)

The Group's exceptional operating costs are analysed as follows:

Year ended 30 September 2018	Note	Severance costs £m	LTIP (i) £m	Pension past service cost (Note 35) (ii) £m	Property £m	Legal fees (iii) £m	Total £m
Property Information		0.1	–	–	–	(1.6)	(1.5)
EdTech		0.2	–	–	(0.2)	–	–
Energy Information		–	–	–	–	3.8	3.8
Consumer Media		(0.1)	(0.8)	(17.3)	–	–	(18.2)
		0.2	(0.8)	(17.3)	(0.2)	2.2	(15.9)
Corporate costs		–	(4.7)	–	–	0.1	(4.6)
		0.2	(5.5)	(17.3)	(0.2)	2.3	(20.5)
Relating to discontinued operations	19	–	–	–	–	(3.8)	(3.8)
Continuing operations		0.2	(5.5)	(17.3)	(0.2)	(1.5)	(24.3)

The Group's tax charge includes a related credit of £4.3 million in relation to these exceptional operating costs.

(i) During the prior period, the Group sold its investment in ZPG resulting in a profit on sale of £508.4 million. As a direct consequence of this disposal, the value of the DMGT 2017 Long Term Incentive Plan (the LTIP) is estimated to have increased by £16.5 million. As the LTIP includes a service period condition, IFRS 2, Share Options requires the LTIP charge to be spread over the service period until the award vests. The LTIP charge recognised in the period which relates to the disposal of ZPG amounts to £5.5 million which is anticipated to be repeated for the following two years. Since the profit on sale of ZPG is excluded from our adjusted profit measure we have treated the incremental increase in the LTIP charge as an adjusting item and will continue to do so until the award vests.

(ii) The pension past service cost represents a non-cash charge. This follows a change to the scheme rules in one of the Group's defined benefit (DB) pension plans capping future pension increases at 5.0%. This aligns the pension increases of this scheme with all other Group DB pension plans.

(iii) Exceptional charges in the Property Information segment relate to fees paid to the Group's lawyers in defence of various claims brought against businesses in this segment. The exceptional credit in the Energy Information segment relates to a release of provisions no longer required.

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3 Segment analysis continued

An analysis of the depreciation of property, plant and equipment, research costs, investment revenue, and finance income and expense by segment is as follows:

Year ended 30 September 2018	Note	Depreciation of property, plant and equipment (Note 23) £m	Research costs £m	Investment revenue (Note 9) £m	Finance income (Note 10) £m	Finance expense (Note 10) £m
Insurance Risk		(4.9)	(37.2)	0.3	–	–
Property Information		(2.8)	(0.1)	–	–	–
EdTech		(0.6)	–	1.4	–	–
Events and Exhibitions		(0.5)	–	–	–	–
Energy Information		(3.3)	(4.0)	–	–	(2.5)
Consumer Media		(14.9)	(0.5)	–	2.0	(1.1)
		(27.0)	(41.8)	1.7	2.0	(3.6)
Corporate costs		(0.2)	–	3.1	3.5	(36.4)
		(27.2)	(41.8)	4.8	5.5	(40.0)
Relating to discontinued operations	19	3.3	4.0	–	–	2.5
Continuing operations		(23.9)	(37.8)	4.8	5.5	(37.5)

The Group's revenue comprises sales excluding value added tax, less discounts and commission where applicable and is analysed as follows:

	Year ended 30 September 2019 Total Under IFRS 15 £m	Year ended 30 September 2019 Total Point in time Under IFRS 15 £m	Year ended 30 September 2019 Total Over time Under IFRS 15 £m	Year ended 30 September 2019 Discontinued operations Total Under IFRS 15 (Note 19) £m	Year ended 30 September 2019 Discontinued operations Point in time Under IFRS 15 (Note 19) £m	Year ended 30 September 2019 Discontinued operations Over time Under IFRS 15 (Note 19) £m	Year ended 30 September 2019 Continuing operations Total Under IFRS 15 £m	Year ended 30 September 2019 Continuing operations Point in time Under IFRS 15 £m	Year ended 30 September 2019 Continuing operations Over time Under IFRS 15 £m
Print advertising	**184.5**	**184.5**	**–**	**–**	**–**	**–**	**184.5**	**184.5**	**–**
Digital advertising	**145.1**	**0.8**	**144.3**	**–**	**–**	**–**	**145.1**	**0.8**	**144.3**
Circulation	**284.1**	**284.1**	**–**	**–**	**–**	**–**	**284.1**	**284.1**	**–**
Subscriptions and recurring licenses	**428.8**	**7.7**	**421.1**	**72.6**	**6.5**	**66.1**	**356.2**	**1.2**	**355.0**
Events, conferences and training	**118.0**	**118.0**	**–**	**–**	**–**	**–**	**118.0**	**118.0**	**–**
Transactions and other	**250.1**	**225.8**	**24.3**	**1.0**	**1.0**	**–**	**249.1**	**224.8**	**24.3**
	1,410.6	**820.9**	**589.7**	**73.6**	**7.5**	**66.1**	**1,337.0**	**813.4**	**523.6**

	Year ended 30 September 2018 Total £m	Year ended 30 September 2018 Total Point in time £m	Year ended 30 September 2018 Total Over time £m	Year ended 30 September 2018 Discontinued operations Total (Note 19) £m	Year ended 30 September 2018 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2018 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2018 Continuing operations Total £m	Year ended 30 September 2018 Continuing operations Point in time £m	Year ended 30 September 2018 Continuing operations Over time £m
Print advertising	187.0	187.0	–	–	–	–	187.0	187.0	–
Digital advertising	135.9	1.3	134.6	1.2	1.2	–	134.7	0.1	134.6
Circulation	291.4	291.4	–	–	–	–	291.4	291.4	–
Subscriptions	399.1	9.6	389.5	73.2	0.5	72.7	325.9	9.1	316.8
Events, conferences and training	116.2	116.2	–	–	–	–	116.2	116.2	–
Transactions and other	296.8	263.8	33.0	11.1	8.0	3.1	285.7	255.8	29.9
	1,426.4	869.3	557.1	85.5	9.7	75.8	1,340.9	859.6	481.3

By geographic area

The majority of the Group's operations are located in the United Kingdom and North America. The analysis of Group revenue below is based on the location of Group companies in these regions.

	Year ended 30 September 2019 Total Under IFRS 15 £m	Year ended 30 September 2019 Total Point in time Under IFRS 15 £m	Year ended 30 September 2019 Total Over time Under IFRS 15 £m	Year ended 30 September 2019 Discontinued operations Total Under IFRS 15 (Note 19) £m	Year ended 30 September 2019 Discontinued operations Point in time Under IFRS 15 (Note 19) £m	Year ended 30 September 2019 Discontinued operations Over time Under IFRS 15 (Note 19) £m	Year ended 30 September 2019 Continuing operations Total Under IFRS 15 £m	Year ended 30 September 2019 Continuing operations Point in time Under IFRS 15 £m	Year ended 30 September 2019 Continuing operations Over time Under IFRS 15 £m
UK	**814.5**	**674.2**	**140.3**	**–**	**–**	**–**	**814.5**	**674.2**	**140.3**
North America	**467.6**	**38.3**	**429.3**	**68.0**	**7.2**	**60.8**	**399.6**	**31.1**	**368.5**
Rest of the World	**128.5**	**108.4**	**20.1**	**5.6**	**0.3**	**5.3**	**122.9**	**108.1**	**14.8**
	1,410.6	**820.9**	**589.7**	**73.6**	**7.5**	**66.1**	**1,337.0**	**813.4**	**523.6**

	Year ended 30 September 2018 Total £m	Year ended 30 September 2018 Total Point in time £m	Year ended 30 September 2018 Total Over time £m	Year ended 30 September 2018 Discontinued operations Total (Note 19) £m	Year ended 30 September 2018 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2018 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2018 Continuing operations Total £m	Year ended 30 September 2018 Continuing operations Point in time £m	Year ended 30 September 2018 Continuing operations Over time £m
UK	812.0	687.4	124.6	–	–	–	812.0	687.4	124.6
North America	475.4	66.0	409.4	78.9	9.4	69.5	396.5	56.6	339.9
Rest of the World	139.0	115.9	23.1	6.6	0.3	6.3	132.4	115.6	16.8
	1,426.4	869.3	557.1	85.5	9.7	75.8	1,340.9	859.6	481.3

The analysis of Group revenue below is based on the geographic location of customers in these regions.

	Year ended 30 September 2019 Total Under IFRS 15 £m	Year ended 30 September 2019 Total Point in time Under IFRS 15 £m	Year ended 30 September 2019 Total Over time Under IFRS 15 £m	Year ended 30 September 2019 Discontinued operations Total Under IFRS 15 (Note 19) £m	Year ended 30 September 2019 Discontinued operations Point in time Under IFRS 15 (Note 19) £m	Year ended 30 September 2019 Discontinued operations Over time Under IFRS 15 (Note 19) £m	Year ended 30 September 2019 Continuing operations Total Under IFRS 15 £m	Year ended 30 September 2019 Continuing operations Point in time Under IFRS 15 £m	Year ended 30 September 2019 Continuing operations Over time Under IFRS 15 £m
UK	**748.0**	**640.1**	**107.9**	**4.3**	**–**	**4.3**	**743.7**	**640.1**	**103.6**
North America	**421.6**	**48.1**	**373.5**	**58.1**	**7.3**	**50.8**	**363.5**	**40.8**	**322.7**
Rest of the World	**241.0**	**132.7**	**108.3**	**11.2**	**0.2**	**11.0**	**229.8**	**132.5**	**97.3**
	1,410.6	**820.9**	**589.7**	**73.6**	**7.5**	**66.1**	**1,337.0**	**813.4**	**523.6**

	Year ended 30 September 2018 Total £m	Year ended 30 September 2018 Total Point in time £m	Year ended 30 September 2018 Total Over time £m	Year ended 30 September 2018 Discontinued operations Total (Note 19) £m	Year ended 30 September 2018 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2018 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2018 Continuing operations Total £m	Year ended 30 September 2018 Continuing operations Point in time £m	Year ended 30 September 2018 Continuing operations Over time £m
UK	772.4	662.6	109.8	4.2	–	4.2	768.2	662.6	105.6
North America	410.8	63.3	347.5	71.3	9.3	62.0	339.5	54.0	285.5
Rest of the World	243.2	143.4	99.8	10.0	0.4	9.6	233.2	143.0	90.2
	1,426.4	869.3	557.1	85.5	9.7	75.8	1,340.9	859.6	481.3

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3 Segment analysis continued

The closing net book value of goodwill, intangible assets, property, plant and equipment is analysed by geographic area as follows:

	At 30 September 2019 Closing net book value of property, plant and equipment (Note 23) £m	At 30 September 2018 Closing net book value of property, plant and equipment (Note 23) £m	At 30 September 2019 Closing net book value of goodwill (Note 21) £m	At 30 September 2018 Closing net book value of goodwill (Note 21) £m	At 30 September 2019 Closing net book value of intangible assets (Note 22) £m	At 30 September 2018 Closing net book value of intangible assets (Note 22) £m
UK	**59.7**	76.1	**101.6**	94.1	**39.3**	44.6
North America	**13.3**	20.3	**132.9**	204.2	**25.9**	72.0
Rest of the World	**1.4**	3.3	**16.7**	34.9	**4.7**	14.6
	74.4	99.7	**251.2**	333.2	**69.9**	131.2

The additions to non-current assets are analysed as follows:

	Year ended 30 September 2019 Property, plant and equipment (Note 23) £m	Year ended 30 September 2018 Property, plant and equipment (Note 23) £m	Year ended 30 September 2019 Goodwill (Note 21) £m	Year ended 30 September 2018 Goodwill (Note 21) £m	Year ended 30 September 2019 Intangible assets (Note 22) £m	Year ended 30 September 2018 Intangible assets (Note 22) £m
Insurance Risk	**5.1**	4.7	**–**	–	**–**	0.1
Property Information	**1.9**	9.8	**17.5**	–	**6.0**	7.4
EdTech	**0.4**	0.2	**–**	–	**3.8**	10.9
Events and Exhibitions	**0.5**	0.2	**1.2**	3.0	**2.3**	2.6
Energy Information	**1.7**	2.0	**–**	0.2	**1.8**	1.3
Consumer Media	**6.1**	7.9	**3.3**	–	**–**	–
	15.7	24.8	**22.0**	3.2	**13.9**	22.3
Corporate costs	**0.2**	5.6	**–**	–	**4.0**	–
	15.9	30.4	**22.0**	3.2	**17.9**	22.3

4 Operating profit/(loss) analysis

Operating profit/(loss) before the share of results of joint ventures and associates is further analysed as follows:

	Note	Year ended 30 September 2019 Total £m	Year ended 30 September 2019 Discontinued operations (Note 19) £m	Year ended 30 September 2019 Continuing operations £m	Year ended 30 September 2018 Total £m	Year ended 30 September 2018 Discontinued operations (Note 19) £m	Year ended 30 September 2018 Continuing operations £m
Revenue		**1,410.6**	**73.6**	**1,337.0**	1,426.4	85.5	1,340.9
Decrease in stocks of finished goods and work in progress		**(4.9)**	**–**	**(4.9)**	(3.6)	–	(3.6)
Raw materials, consumables and direct staff costs		**(221.8)**	**–**	**(221.8)**	(230.7)	(5.5)	(225.2)
Inventories recognised as an expense in the year		**(226.7)**	**–**	**(226.7)**	(234.3)	(5.5)	(228.8)
Staff costs		**(527.2)**	**(34.7)**	**(492.5)**	(495.4)	(44.7)	(450.7)
Impairment of goodwill and intangible assets	21, 22	**(19.1)**	**–**	**(19.1)**	(58.7)	(0.4)	(58.3)
Amortisation of intangible assets arising on business combinations	22	**(13.4)**	**(3.2)**	**(10.2)**	(15.5)	(3.3)	(12.2)
Amortisation of internally generated and acquired computer software not arising on business combinations	22	**(22.0)**	**(4.1)**	**(17.9)**	(32.8)	(3.4)	(29.4)
Promotion and marketing costs		**(30.4)**	**–**	**(30.4)**	(33.5)	–	(33.5)
Venue and delegate costs		**(38.8)**	**–**	**(38.8)**	(35.5)	–	(35.5)
Editorial and production costs		**(105.7)**	**–**	**(105.7)**	(109.3)	–	(109.3)
Distribution and transportation costs		**(40.5)**	**–**	**(40.5)**	(40.5)	–	(40.5)
Royalties and similar charges		**(33.4)**	**(4.7)**	**(28.7)**	(39.1)	(6.5)	(32.6)
Depreciation of property, plant and equipment	23	**(25.3)**	**(2.6)**	**(22.7)**	(27.2)	(3.3)	(23.9)
Rental of property		**(25.6)**	**(1.7)**	**(23.9)**	(25.9)	(1.8)	(24.1)
Other property costs		**(22.3)**	**–**	**(22.3)**	(22.0)	–	(22.0)
Rental of plant and equipment		**(18.1)**	**–**	**(18.1)**	(19.2)	–	(19.2)
Foreign exchange translation differences		**(0.2)**	**0.1**	**(0.3)**	1.3	0.1	1.2
Net credit losses on financial assets		**(0.8)**	**(0.5)**	**(0.3)**	(4.1)	(0.8)	(3.3)
Other expenses		**(192.6)**	**(48.3)**	**(144.3)**	(184.5)	(15.5)	(169.0)
Operating profit/(loss) before share of results of joint ventures and associates		**68.5**	**(26.1)**	**94.6**	50.2	0.4	49.8

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5 Auditor's remuneration

	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	**0.5**	0.3
Fees payable to the Company's Auditor and its associates pursuant to legislation		
for the audit of the Company's subsidiaries	**1.4**	1.5
for the audit of the Company's associates	**0.8**	1.2
Audit services provided to all Group companies	**2.7**	3.0
Audit-related assurance services	**0.2**	0.2
Assurance services	**0.6**	0.3
Total non-audit services	**0.8**	0.5
Total remuneration	**3.5**	3.5

Included within non-audit services in the table above are audit-related assurance services of £0.1 million and assurance services of £0.1 million provided to Euromoney prior to its disposal.

6 Employees

The average monthly number of persons employed by the Group including Directors is analysed as follows:

	Note	Year ended 30 September 2019 Number	Year ended 30 September 2018 Number
Insurance Risk		**1,483**	1,348
Property Information	(i)	**1,124**	2,320
EdTech		**386**	382
Events and Exhibitions		**393**	340
Energy Information		**350**	467
Consumer Media		**2,292**	2,249
Corporate costs		**73**	87
		6,101	7,193

(i) Includes the average monthly number of persons employed by On-geo for the period ended 12 June 2019 when the business ceased to be a subsidiary undertaking.

The prior year includes the average monthly number of persons employed by Xceligent for the period ended 30 November 2017 and EDR and SiteCompli for the period ended 31 March 2018 when these businesses ceased to be subsidiary undertakings.

The total average number of persons employed by the Group in the year, for the purposes of calculating an average cost per employee, is 6,049 (2018 6,267).

Total staff costs comprised:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Wages and salaries		**455.1**	448.6
Share-based payments	42	**21.1**	10.1
Social security costs		**42.0**	40.4
Pension costs		**14.4**	28.5
		532.6	527.6

7 Share of results of joint ventures and associates

	Note		Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Share of adjusted operating profits/(losses) from operations of joint ventures			**1.7**	(3.2)
Share of adjusted operating profits from operations of associates	(i)		**10.9**	77.2
Share of profits before exceptional operating costs, amortisation, impairment of goodwill, interest and tax			**12.6**	74.0
Share of associates' other gains and losses	13		**–**	102.9
Share of exceptional operating income/(costs) of associates	13		**7.0**	(4.9)
Share of amortisation of intangibles arising on business combinations of associates	13		**(6.5)**	(16.7)
Share of associates' interest payable			**(0.1)**	(4.0)
Share of joint ventures' tax	11, 13		**(0.2)**	(0.1)
Share of associates' tax	11, 13		**(7.1)**	(31.2)
Share of impairment of goodwill in associates	13		**–**	(1.5)
Share of fair value movement of contingent consideration payable of associates	13		**–**	0.7
Impairment of carrying value of Euromoney	13, 24, (ii)		**(27.7)**	–
Share of Euromoney prior year tax exposures	13, 24, (iii)	**(5.3)**		–
Share of Euromoney tax on prior year tax exposures	11, 13, 24, (iii)	**1.1**		–
Adjustment to impairment of carrying value of Euromoney following Euromoney prior year tax exposures	13, 24, (iii)	**4.2**	**–**	–
Impairment of carrying value of other associates	13, 24, (iv)		**(6.1)**	(0.8)
			(28.1)	118.4
Share of associates' items of other comprehensive income			**(0.7)**	14.7
Share of results of joint ventures and associates			**(28.8)**	133.1

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Share of results from operations of joint ventures	24	**1.5**	(3.3)
Share of results from operations of associates	24	**–**	122.5
Impairment of carrying value of associates	24	**(29.6)**	(0.8)
		(28.1)	118.4
Share of associates' items of other comprehensive income	24	**(0.7)**	14.7
Share of results of joint ventures and associates		**(28.8)**	133.1

(i) Share of adjusted operating profits from associates includes £23.0 million (2018 £55.9 million) from the Group's interest in Euromoney held centrally for the period to 2 April 2019.

(ii) At 31 March 2019 the Group's investment in Euromoney was transferred to Assets Held for Sale at the lower of carrying value and fair value less costs to sell. This resulted in an impairment charge of £27.7 million for the period to 31 March 2019 which was taken to the Consolidated Income Statement in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

(iii) During the period Euromoney engaged external advisors to undertake an audit of their compliance with the off-payroll working rules. As a result of the review Euromoney identified an underpayment of payroll taxes to HMRC for the six years to 30 September 2019 amounting to £8.2 million including interest and penalties.

During the period Euromoney also discovered a VAT exposure in the UK relating to the understatement of VAT on supplies made between entities within the Euromoney Group in respect of the four years ended 30 September 2018. Based on their current assessment Euromoney's exposure as at 30 September 2019 is £11.3 million including interest.

The total impact on Euromoney as at 30 September 2019 amounts to an understatement of taxes, penalties and interest of £17.0 million net of deferred and corporation taxes. Euromoney consider this to be material and have corrected these understatements of their prior period accounts in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The DMGT Group disposed of its 49.9% interest in Euromoney on 2 April 2019 and the post-tax impact of these adjustments on DMGT at that date amounts to a charge of £4.2 million. This has been corrected in the current period since the Directors do not consider this to be material for DMGT. The charge against profits has been treated as an adjusting item due to its significance and non-recurring nature.

This adjustment has reduced the impairment charge booked in the first half in relation to the Group's investment in Euromoney from £27.7 million to £23.5 million.

(iv) Represents a £1.3 million write-down in the carrying value of Skymet Weather Services Pvt (Skymet), a £0.9 million write-down in the carrying value of Liases Foras, a £3.0 million write-down in the carrying value of Funcent, and a £0.9 million write-down in the carrying value of Propstack all held centrally. In the prior period, represents a £0.5 million write-down in the carrying value of Eatfirst UK Ltd held centrally and £0.3 million write-down in the carrying value of RLTO in the Property Information segment.

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8 Other gains and losses

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Profit on disposal of available for sale investments	13, 25	–	1.0
Impairment of available for sale assets	13, 25	–	(1.8)
Profit on disposal of property, plant and equipment	13	**1.1**	–
(Loss)/profit on disposal and closure of businesses	13, 18, (i)	**(1.8)**	51.3
Recycled cumulative translation differences	13, 18, 39, (ii)	**(3.6)**	8.7
(Loss)/gain on dilution of stake in associate	13, 24, (iii)	**(0.7)**	0.7
Loss on change in control	13, (iv)	**(0.8)**	(3.5)
Profit on disposal of joint ventures and associates	13, (v)	**79.5**	509.1
		73.7	565.5

There is a tax charge of £15.0 million in relation to these other gains and losses (2018 £17.6 million).

(i) In the current period this principally relates to a loss of £2.3 million relating to the disposal of On-geo in the Property Information Segment.

In the prior period this principally relates to a £51.7 million profit on the sale of EDR in the Property Information segment, £6.3 million loss on the sale of Locus Energy, a £0.9 million profit on disposal of assets in acquiring an interest in Linevision and a £7.2 million loss on the disposal Digital H2O in the Energy segment, a £4.8 million loss on Hobsons Solutions and additional costs of £3.5 million on the sale of Hobsons Admissions and Edumate on in the EdTech segment. Additionally, a loss of £4.8 million was recognised on the closure of Xceligent, gains on various disposals amounting to £0.4 million recognised in the Consumer Media segment and £0.1 million in the Events segment.

(ii) Represents cumulative translation differences required to be recycled through the Consolidated Income Statement on disposals.

(iii) In the current period this represents a loss on dilution of the Group’s stakes in Skymet and Laundrapp Ltd (formerly known as Zipjet Ltd). In accordance with IAS 28, Investments in Associates and Joint Ventures, this dilution has been treated as a deemed disposal. The carrying value of these investments has decreased resulting in a loss on dilution of £0.7 million.

In the prior period this represents a gain on dilution of the Group’s stakes in Praedicat and Skymet. In accordance with IAS 28, Investments in Associates and Joint Ventures, this dilution has been treated as a deemed disposal. The carrying value of these investments has increased resulting in a gain on dilution of £0.7 million.

(iv) In the current period the Group reduced its interest in Trepp Port, LLC (TreppPort) in the Property Information segment. The remaining shareholding in TreppPort has been treated as a joint venture. In accordance with IFRS 3, Business Combinations, the difference between the fair value of the investment retained and the carrying value of £0.7 million is treated as a gain on change in control.

Additionally, in the current period the Group purchased the remaining 50.0% of Daily Mail On-Air LLC (DailyMailTV) in the Consumer Media segment, a joint venture in the prior period, increasing its existing shareholding from 50.0% to 100% and became a wholly owned subsidiary. The difference between the fair value of the joint venture and the net assets acquired of £1.5 million is treated as a loss on change in control.

In the prior period the Group reduced its interest in SiteCompli in the Property Information Segment and SiteCompli became an associate. In accordance with IFRS3, Business Combinations, the difference between the fair value of the investment retained less a capital contribution and the carrying value is treated as a loss on change in control.

(v) In the current period this principally represents a profit of £59.7 million on the sale of Real Capital Analytics, Inc. in the Corporate costs segment and profit of £27.2 million on disposal of SiteCompli in the Property information segment, offset by costs of £7.9 million incurred in relation to the Group’s distribution of Euromoney to shareholders.

In the prior period this principally relates to the disposal of ZPG for gross proceeds of £641.7 million, resulting in a profit on disposal of £508.4 million.

9 Investment revenue

	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Dividend income	–	0.1
Interest receivable from short-term deposits	**7.6**	1.7
Interest receivable on loan notes	**3.9**	3.0
	11.5	4.8

10 Net finance costs

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		**(19.0)**	(35.8)
Premium on bond redemption	(i)	**(0.9)**	–
Loss on derivatives, or portions thereof, not designated for hedge accounting		**(3.5)**	(1.7)
Change in fair value of derivative hedge of bond	16, 34	**2.8**	(2.3)
Change in fair value of hedged portion of bond	16, 34	**(2.8)**	2.3
Finance charge on discounting of contingent consideration payable	36, (ii)	–	(0.1)
Change in fair value of undesignated financial instruments	13	**(0.9)**	–
Change in fair value of contingent consideration payable	13, 36, (iii)	**(0.2)**	0.1
Finance expense		**(24.5)**	(37.5)
Profit on derivatives, or portions thereof, not designated for hedge accounting		–	0.4
Finance income on defined benefit pension schemes	13, 35	**7.1**	2.0
Change in fair value of undesignated financial instruments	13	–	3.1
Finance income		**7.1**	5.5
Net finance expense		**(17.4)**	(32.0)

(i) During the period the Company bought back £6.4 million nominal of its outstanding 2021 bonds incurring a premium of £0.9 million.

(ii) The finance charge on the discounting of contingent consideration arises from the unwinding of the discount following the requirement under IFRS 3, Business Combinations, to record contingent consideration at fair value using a discounted cash flow approach.

(iii) The fair value movement of contingent consideration arises from the requirement of IFRS 3, Business Combinations, to measure such consideration at fair value with changes in fair value taken to the Income Statement.

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11 Tax

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
The charge on the profit for the period consists of:			
UK tax			
Corporation tax at 19.0% (2018 19.0%)		–	(0.7)
Adjustments in respect of prior years		**0.3**	(0.2)
		0.3	(0.9)
Overseas tax			
Corporation tax		**(17.7)**	(24.3)
Adjustments in respect of prior years		**7.1**	(0.6)
		(10.6)	(24.9)
Total current tax		**(10.3)**	(25.8)
Deferred tax	37		
Origination and reversals of temporary differences		**0.3**	22.1
Adjustments in respect of prior years		**(0.4)**	–
Total deferred tax		**(0.1)**	22.1
Total tax charge		**(10.4)**	(3.7)
Relating to discontinued operations	19	**(10.0)**	(3.9)
		(20.4)	(7.6)

In December 2017 the Tax Cuts and Jobs Act was enacted in the US which included a broad range of tax changes. One key provision was a reduction in the corporate tax rate from 35.0% to 21.0% from 1 January 2018. US deferred tax balances were re-measured in the prior period to reflect this reduced rate as this is the rate that will apply on reversal. The other key provision impacting the Group in the prior period was a one-off toll charge arising from the deemed mandatory repatriation of previously undistributed earnings and profits of non-US corporations owned by the Group's US subsidiaries.

The current and deferred tax implications of Brexit on the Group have been considered by management and are not expected to have any material impact.

In April 2019 the EU Commission released its final decision on the State Aid investigation into the Group Financing Exemption (GFE) included within the UK's controlled foreign company (CFC) rules. The Commission ruled that the GFE constituted State Aid to the extent that non-trade finance profits of a CFC arose as a result of Significant People Functions (SPFs) in the UK. Up until 2018 the Group financed its US operations through a Luxembourg resident finance company which had received clearance from HM Revenue & Customs (HMRC) that it benefitted from the GFE. If the State Aid investigation ultimately leads to a reversal of the benefits that the Group has accrued through the GFE, the cost to the Group would be in the range from £nil to £7.5 million tax and interest. It is not currently possible to quantify the exposure of the Group as HMRC have not yet released guidance on how UK SPFs should be calculated. In October 2019 the Group lodged its appeal to the General Court of the EU against the Commission's decision. The Directors consider that the Group's appeal is more than likely to be successful, and accordingly have made no provision in these financial statements.

A deferred tax credit of £7.7 million (2018 charge of £31.2 million) relating to the actuarial movement on defined benefit pension schemes was recognised directly in the Consolidated Statement of Comprehensive Income. A deferred tax credit of £0.6 million (2018 charge of £6.8 million) and a current tax charge of £nil (2018 credit of £2.3 million) were recognised directly in equity.

Legislation was enacted in September 2016 to reduce the UK corporation tax rate to 17.0% from 1 April 2020. UK deferred tax balances therefore have been measured at 17.0% as this is the tax rate that will apply on reversal unless the timing difference is expected to reverse before April 2020, in which case the appropriate tax rate has been used.

The tax charge for the year is lower than the standard rate of corporation tax in the UK of 19.0% (2018 19.0%) representing the weighted average annual corporate tax rate for the full financial year. The differences are explained below:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Profit on ordinary activities before tax – continuing operations		**134.3**	706.5
Loss before tax – discontinued operations	19	**(32.6)**	(14.6)
Total profit before tax		**101.7**	691.9
Tax on profit on ordinary activities at the standard rate		**(19.3)**	(131.5)
Effect of:			
Amortisation and impairment of goodwill and intangible assets		**(4.0)**	(2.2)
Other expenses not deductible for tax purposes		**(1.1)**	(1.0)
Additional items deductible for tax purposes	(i)	**2.5**	4.3
Recognition of previously unrecognised deferred tax assets	(ii)	**11.5**	0.3
Effect of overseas tax rates		**(1.8)**	(5.2)
Effect of associates tax		**0.3**	22.6
Unrecognised tax losses utilised		**2.3**	1.9
Write off/disposal of subsidiaries and associates	(iii)	**(7.5)**	97.2
Effect of change in tax rate		**(0.9)**	10.7
Adjustment in respect of prior years	(iv)	**7.0**	(0.8)
Other		**0.6**	–
Total tax charge on the profit for the year – continuing and discontinued operations	13	**(10.4)**	(3.7)

(i) Additional items deductible for tax purposes amounting to £2.5 million (2018 £4.3 million) primarily relates to Research and Development tax credits and in the prior year also included financing arrangements that result in asymmetrical tax treatments in the territories involved. Some of these are expected to recur in the short term.

(ii) Recognition of previously unrecognised deferred tax assets of £11.5 million relates to tax losses agreed with HM Revenue & Customs following the settlement of a prior year enquiry.

(iii) In the prior period includes £96.6 million relating to the profit on sale of ZPG which was non-taxable by virtue of the Substantial Shareholding Exemption.

(iv) The adjustment in respect of prior years credit of £7.0 million (2018 charge of £0.8 million) arose largely from a reassessment of temporary differences.

Adjusted tax on profits before amortisation and impairment of intangible assets, restructuring costs and non-recurring items (adjusted tax charge) amounted to a charge of £29.4 million (2018 £33.2 million) and the resulting rate is 20.3% (2018 18.2%). The differences between the tax charge and the adjusted tax charge are shown in the reconciliation below:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Total tax charge on the profit for the year		**(10.4)**	(3.7)
Share of tax in joint ventures and associates	7, 19	**(6.2)**	(31.3)
Deferred tax on intangible assets		**(3.8)**	(22.6)
Reassessment of temporary differences		**(13.5)**	–
Tax on other gains and losses		**15.0**	17.6
Tax on exceptional operating costs		**(9.1)**	(4.3)
Tax on other adjusting items		**(2.7)**	11.1
Share of tax on associates other adjusting items		**1.3**	–
Adjusted tax charge on the profit for the year	13	**(29.4)**	(33.2)

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11 Tax continued

In calculating the adjusted tax rate, the Group excludes the potential future impact of the deferred tax effects of intangible assets (other than internally generated and acquired computer software), as the Group prefers to give users of its accounts a view of the tax charge based on the current status of such items. Deferred tax would only crystallise on a sale of the relevant businesses, which is not anticipated at the current time, and such a sale, being an exceptional item, would result in an exceptional tax impact.

Reassessment of temporary differences of £13.5 million mainly relates to recognition of tax losses agreed with HM Revenue & Customs.

Included in tax on other adjusting items are items arising from tax reform in the US comprising a deferred tax credit of £nil (2018 £12.5 million) relating to the re-measurement of US deferred tax balances following the reduction in the US corporate tax rate, a current tax charge of £nil (2018 £6.1 million) in respect of the transitional toll charge and a deferred tax charge of £nil (2018 £4.0 million) relating to the impact of the internal refinancing of the US group.

12 Dividends paid

	Note	Year ended 30 September 2019 Pence per share	Year ended 30 September 2019 £m	Year ended 30 September 2018 Pence per share	Year ended 30 September 2018 £m
Amounts recognisable as distributions to equity holders in the year					
Ordinary Shares – final dividend for the year ended 30 September 2018		**16.2**	**3.2**	–	–
A Ordinary Non-Voting Shares – final dividend for the year ended 30 September 2018		**16.2**	**54.2**	–	–
Ordinary Shares – final dividend for the year ended 30 September 2017		**–**	**–**	15.8	3.1
A Ordinary Non-Voting Shares – final dividend for the year ended 30 September 2017		**–**	**–**	15.8	52.8
		–	**57.4**	–	55.9
Ordinary Shares – interim dividend for the year ended 30 September 2019		**7.3**	**1.5**	–	–
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2019		**7.3**	**15.2**	–	–
Ordinary Shares – interim dividend for the year ended 30 September 2018		**–**	**–**	7.1	1.4
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2018		**–**	**–**	7.1	23.7
Euromoney cash distribution – B shares	(i)	**146.8**	**183.0**	–	–
Euromoney cash distribution – C shares	(i)	**647.0**	**17.0**	–	–
Euromoney dividend in specie	(i)	**691.3**	**661.8**	–	–
		–	**878.5**	–	25.1
		–	**935.9**	–	81.0

(i) During the period the Group disposed of its remaining stake in Euromoney by way of a dividend in specie together with a cash distribution to shareholders. The dividend in specie was distributed on 2 April 2019 and the cash distribution on 15 April 2019.

Before these distributions were made c46.4% of the A shares held by Fully Participating Shareholders were converted into a new class of B Shares and c4.0% of the A Shares held by Rothermere Affiliated Shareholders converted into a new class of C Shares.

The dividend in specie was paid to Fully Participating Shareholders and amounted to £661.8 million. This was based on the Euromoney share price of £12.38 at 8am on 2 April 2019.

The cash distribution of £183.0 million in cash was paid to Fully Participating Shareholders in respect of the B Shares and a restricted special dividend of £17.0 million in cash was paid to the Rothermere Affiliated Shareholders in respect of C Shares. Once these distributions were made the B Shares and the C Shares were converted into Deferred B Shares and Deferred C Shares respectively before being transferred to the Company for no valuable consideration and cancelled shortly thereafter.

The Board has declared a final dividend of 16.6 pence per Ordinary/A Ordinary Non-Voting Share (2018 16.2 pence) which will absorb an estimated £37.8 million (2018 £57.4 million) of shareholders' equity for which no liability has been recognised in these financial statements. It will be paid on 7 February 2020 to shareholders on the register at the close of business on 13 December 2019.

13 Adjusted profit

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Profit before tax – continuing operations	3	**134.3**	706.5
Loss before tax – discontinued operations	19	**(32.6)**	(14.6)
Adjust for:			
Amortisation of intangible assets in Group profit, including joint ventures and associates, arising on business combinations	3, 7, 19	**19.9**	32.2
Impairment of goodwill and intangible assets arising on business combinations	3, 19	**19.1**	0.3
Impairment of goodwill and intangible assets arising on business combinations of joint ventures and associates	7	**–**	1.5
Exceptional operating costs, impairment of internally generated and acquired computer software and property, plant and equipment	3, 19	**43.2**	78.9
Share of exceptional operating costs and prior year tax exposures of joint ventures and associates	7	**(1.7)**	4.9
Share of joint ventures' and associates' other gains and losses	7	**–**	(102.9)
Impairment of carrying value of joint ventures and associates	7	**29.6**	0.8
Other gains and losses:			
Impairment of available for sale assets	8	**–**	1.8
Profit on disposal of available for sale investments	8	**–**	(1.0)
Profit on disposal of property, plant and equipment	8	**(1.1)**	–
Profit on disposal of businesses, joint ventures, associates, change of control and recycled cumulative translation differences	8, 19	**(66.2)**	(553.8)
Finance costs:			
Finance income on defined benefit pension schemes	10	**(7.1)**	(2.0)
Fair value movements including share of joint ventures and associates	7, 10, 19, (i)	**1.1**	(1.6)
Tax:			
Share of tax in joint ventures and associates	7, 11	**6.2**	31.3
Adjusted profit before tax and non-controlling interests		**144.7**	182.3
Total tax charge on the profit for the year	11	**(10.4)**	(3.7)
Adjust for:			
Share of tax in joint ventures and associates	7, 11	**(6.2)**	(31.3)
Deferred tax on intangible assets	11	**(3.8)**	(22.6)
Reassessment of temporary differences	11	**(13.5)**	–
Tax on other gains and losses	11	**15.0**	17.6
Tax on exceptional operating costs	11	**(9.1)**	(4.3)
Tax on other adjusting items	11	**(2.7)**	11.1
Share of tax on associates other adjusting items	11	**1.3**	–
Non-controlling interests	(ii)	**(0.8)**	0.2
Adjusted profit after taxation and non-controlling interests		**114.5**	149.3

(i) Fair value movements include movements on undesignated financial instruments, contingent consideration payable and receivable and change in value of acquisition put options.

(ii) The adjusted non-controlling interests' share of profits for the year of £0.8 million (2018 losses of £0.2 million) is stated after eliminating a credit of £0.4 million (2018 £1.0 million), being the non-controlling interests' share of adjusting items.

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14 Earnings per share

Basic earnings per share of 30.7 pence (2018 194.7 pence) and diluted earnings per share of 30.3 pence (2018 192.4 pence) are calculated, in accordance with IAS 33, Earnings per share, on Group profit for the financial year of £90.9 million (2018 £689.4 million) as adjusted for the effect of dilutive Ordinary Shares of £nil (2018 £nil) and losses from discontinued operations of £22.6 million (2018 £10.7 million) and on the weighted average number of Ordinary Shares in issue during the year, as set out below.

As in previous years, adjusted earnings per share have also been disclosed since the Directors consider that this alternative measure gives a more comparable indication of the Group's underlying trading performance. Adjusted earnings per share of 38.6 pence (2018 42.2 pence) are calculated on profit for continuing and discontinued operations before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, other gains and losses and exceptional financing costs after taxation and non-controlling interests associated with those profits, of £114.5 million (2018 £149.3 million), as set out in Note 13 and on the basic weighted average number of Ordinary Shares in issue during the year.

Basic and diluted earnings per share:

	Year ended 30 September 2019 Diluted earnings £m	Year ended 30 September 2018 Diluted earnings £m	Year ended 30 September 2019 Basic earnings £m	Year ended 30 September 2018 Basic earnings £m
Earnings from continuing operations	**113.5**	700.1	**113.5**	700.1
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
Losses from discontinued operations	**(22.6)**	(10.7)	**(22.6)**	(10.7)
	90.9	689.4	**90.9**	689.4
Adjusted earnings from continuing and discontinued operations	**114.5**	149.3	**114.5**	149.3
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
	114.5	149.3	**114.5**	149.3

	Year ended 30 September 2019 Diluted pence per share	Year ended 30 September 2018 Diluted pence per share	Year ended 30 September 2019 Basic pence per share	Year ended 30 September 2018 Basic pence per share
Earnings per share from continuing operations	**37.8**	196.0	**38.3**	197.7
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
Earnings per share from discontinued operations	**(7.5)**	(3.6)	**(7.6)**	(3.0)
Earnings per share from continuing and discontinued operations	**30.3**	192.4	**30.7**	194.7
Adjusted earnings per share from continuing and discontinued operations	**38.1**	41.7	**38.6**	42.2
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
Adjusted earnings per share from continuing and discontinued operations	**38.1**	41.7	**38.6**	42.2

The weighted average number of Ordinary Shares in issue during the year for the purpose of these calculations is as follows:

	Year ended 30 September 2019 Number m	Year ended 30 September 2018 Number m
Number of Ordinary Shares in issue	**303.5**	362.1
Own shares held	**(7.1)**	(8.0)
Basic earnings per share denominator	**296.4**	354.1
Effect of dilutive share options	**3.8**	4.3
Dilutive earnings per share denominator	**300.2**	358.4

15 EBITDA and cash generated by operations

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Continuing operations			
Adjusted operating profit	3	**135.8**	144.6
Non-exceptional depreciation charge	3, 23	**22.7**	23.9
Amortisation of internally generated and acquired computer software not arising on business combinations	3, 22	**17.9**	29.4
Operating profits from joint ventures and associates	7	**12.6**	74.0
Share of charge of depreciation and amortisation of internally generated and acquired computer software not arising on business combinations of joint ventures and associates		**1.5**	8.7
Dividend income	9	**–**	0.1
Discontinued operations			
Adjusted operating profit	19	**8.4**	0.3
Non-exceptional depreciation charge	19, 23	**2.6**	3.3
Amortisation of internally generated and acquired computer software not arising on business combinations	3, 19, 22	**4.1**	3.4
EBITDA		**205.6**	287.7
Adjustments for:			
Share-based payments	39	**21.1**	10.8
Loss on disposal of property, plant and equipment		**0.6**	1.4
Share of profits from joint ventures and associates	7	**(12.6)**	(74.0)
Exceptional operating costs	3	**(43.2)**	(20.5)
Non-cash pension past service cost	3, 35	**3.1**	17.3
Dividend income	9	**–**	(0.1)
Share of depreciation charge of joint ventures and associates		**(1.5)**	(8.7)
Decrease/(increase) in inventories		**5.9**	(5.7)
Increase in trade and other receivables		**(40.9)**	(46.5)
Increase/(decrease) in trade and other payables		**0.9**	(10.5)
Increase/(decrease) in provisions		**38.8**	(1.1)
Additional payments into pension schemes	35	**(12.8)**	(12.8)
Cash generated by operations		**165.0**	137.3

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16 Analysis of net debt

	Note	At 30 September 2018 £m	Cash flow £m	Fair value hedging adjustments £m	Foreign exchange movements £m	Other non-cash movements (i) £m	At 30 September 2019 £m
Cash and cash equivalents	29	437.8	(147.5)	–	10.8	–	**301.1**
Bank overdrafts	29, 33	(1.9)	(9.9)	–	(0.1)	–	**(11.9)**
Net cash and cash equivalents		435.9	(157.4)	–	10.7	–	**289.2**
Debt due within one year							
Bonds	33	(218.7)	218.5	0.7	–	(0.5)	**–**
Loan notes	33	(1.7)	0.1	–	–	–	**(1.6)**
Debt due after one year							
Bonds	33	(205.7)	6.7	(3.4)	–	(0.4)	**(202.8)**
Net cash before effect of derivatives		9.8	67.9	(2.7)	10.7	(0.9)	**84.8**
Effect of derivatives on debt	(ii)	(22.4)	7.1	2.7	(5.8)	0.1	**(18.3)**
Collateral deposits	28	8.0	7.4	–	–	–	**15.4**
Other financial assets	28	237.3	(237.3)	–	–	–	**–**
Net cash at closing exchange rate		232.7	(154.9)	–	4.9	(0.8)	**81.9**
Net cash at average exchange rate		234.3					**76.2**

The net cash outflow of £157.4 million (2018 inflow of £426.9 million) includes a cash inflow of £0.1 million (2018 outflow of £9.7 million) in respect of operating exceptional items.

(i) Other non-cash movements comprise the unwinding of bond issue discount amounting to £0.7 million (2018 £2.9 million) and amortisation of bond issue costs of £0.1 million (2018 £0.3 million).

(ii) The effect of derivatives on debt is the net currency gain or loss on derivatives entered into with the intention of economically converting the currency borrowings into an alternative currency.

17 Summary of the effects of acquisitions

On 1 October 2018, the Consumer Media segment acquired a further 50.0% of Daily Mail-On-Air LLC (DailyMailTV), increasing its existing shareholding from 50.0% to 100%, for total consideration of £4.8 million. DailyMailTV produces a US TV entertainment news programme which airs for one hour every weekday across the US on various channels.

DailyMailTV contributed £13.1 million to the Group’s revenue, reduced the Group’s operating profit by £2.5 million and reduced the Group’s profit after tax by £2.0 million for the period between the date of acquisition and 30 September 2019.

On 31 January 2018, the Consumer Media segment acquired 100% of the assets of Rcoaster.ie (RollerCoaster) for total consideration of £0.7 million. RollerCoaster is an Irish website providing information about pregnancy and parenting.

RollerCoaster contributed £0.1 million to the Group’s revenue, £0.1 million to the Group’s operating profit and £0.1 million to the Group’s profit after tax for the period between the date of acquisition and 30 September 2019.

If the acquisition had been completed on the first day of the financial period, RollerCoaster would have contributed £0.1 million to the Group’s revenue, £0.1 million to the Group’s operating profit and £0.1 million to the Group’s adjusted profit after tax.

On 24 July 2019, the Property Information segment acquired the entire share capital of Aventria Limited for total consideration of £19.0 million. Aventria Limited was subsequently renamed Landmark Optimus Limited (Optimus). Optimus is a conveyancing panel management business.

Optimus contributed £0.2 million to the Group’s revenue, reduced the Group’s operating profit by £0.2 million and reduced the Group’s profit after tax by £0.1 million for the period between the date of acquisition and 30 September 2019.

If the acquisition had been completed on the first day of the financial period, Optimus would have contributed £0.8 million to the Group’s revenue, reduced the Group’s operating profit by £0.2 million and reduced the Group’s adjusted profit after tax by £0.1 million.

On 20 February 2019, the Events and Exhibitions segment acquired EGYPS for total consideration of £3.5 million. EGYPS is the largest oil and gas show in North Africa.

EGYPS contributed £nil to the Group’s revenue, £nil to the Group’s operating profit and £nil to the Group’s profit after tax for the period between the date of acquisition and 30 September 2019.

If the acquisition had been completed on the first day of the financial period, EGYPS would have contributed £nil to the Group’s revenue, £nil to the Group’s operating profit and £nil to the Group’s adjusted profit after tax.

Provisional fair value of net assets acquired with all acquisitions:

	Note	DailyMailTV £m	RollerCoaster £m	Optimus £m	EGYPS £m	Total £m
Goodwill	21, (i)	3.0	0.4	17.4	1.2	22.0
Intangible assets	22	–	–	1.7	2.3	4.0
Property, plant and equipment	23	–	–	0.1	–	0.1
Trade and other receivables		2.5	0.1	0.6	–	3.2
Cash and cash equivalents		2.2	0.2	–	–	2.4
Trade and other payables		(2.9)	–	(0.5)	–	(3.4)
Deferred tax	37	–	–	(0.3)	–	(0.3)
Group share of net assets acquired		**4.8**	**0.7**	**19.0**	**3.5**	**28.0**

Cost of acquisitions:

	Note	DailyMailTV £m	RollerCoaster £m	Optimus £m	EGYPS £m	Total £m
Cash paid in current year		4.8	0.7	15.7	3.5	24.7
Contingent consideration	36, (ii)	–	–	1.6	–	1.6
Cash consideration payable		–	–	1.7	–	1.7
Total consideration at fair value		**4.8**	**0.7**	**19.0**	**3.5**	**28.0**

(i) The amount of goodwill which is deductible for the purposes of calculating the Group's tax charge is £nil.

Goodwill arising on these acquisitions is principally attributable to the anticipated profitability relating to the distribution of the Group's products in new and existing markets and anticipated operating synergies from the business combinations.

(ii) The estimated range of undiscounted outcomes for contingent consideration relating to acquisitions in the year is £nil to £1.6 million.

The contingent consideration has been discounted back to current values in accordance with IFRS 3, Business Combinations. In each case the Group has used acquisition accounting to account for the purchase.

All of the companies acquired during the period contributed £13.4 million to the Group's revenue and reduced the Group's profit after tax by £2.0 million for the period between the date of acquisition and 30 September 2019.

Acquisition-related costs, amounting to £0.4 million, have been charged against profits for the period in the Consolidated Income Statement.

If all acquisitions had been completed on the first day of the period, Group revenues for the period would have been £1,337.6 million and Group profit attributable to equity holders of the parent would have been a profit of £90.9 million. This information takes into account the amortisation of acquired intangible assets together with related income tax effects but excludes any pre-acquisition finance costs and should not be viewed as indicative of the results of operations that would have occurred if the acquisitions had actually been completed on the first day of the period.

Reconciliation to purchase of businesses and subsidiary undertakings as shown in the Consolidated Cash Flow Statement:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Cash consideration		**24.7**	5.0
Cash paid to settle contingent consideration in respect of acquisitions	36, (i)	**4.7**	14.4
Cash paid to settle acquisition put options	32	**0.6**	–
Cash and cash equivalents acquired with subsidiaries		**(2.4)**	(0.3)
Purchase of businesses and subsidiary undertakings		**27.6**	19.1

(i) Cash paid to settle contingent consideration in respect of acquisitions includes £0.2 million (2018 £1.5 million) within the Property Information segment, £0.4 million (2018 £0.2 million) within the EdTech segment, £4.1 million (2018 £12.5 million) in the Energy Information segment and £nil (2018 £0.2 million) within the Events and Exhibitions segment.

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18 Summary of the effects of disposals

On 1 October 2018 the Property Information segment reduced its shareholding in Trepp Port, LLC (TreppPort) from 51.0% to 50.0% for cash consideration of £0.2 million before directly attributable costs of £0.3 million. Since the Group now has joint control of TreppPort the remaining shareholding has been treated as a joint venture.

On 12 June 2019 the Property Information segment disposed of the On-geo business for consideration of £6.9 million.

The impact of the disposal of businesses and subsidiary undertakings completed during the period on net assets is as follows:

	Note	TreppPort £m	On-geo £m	Other £m	Total £m
Goodwill	21	5.3	3.3	–	8.6
Intangible assets	22	3.7	11.3	–	15.0
Property, plant and equipment	23	–	0.9	–	0.9
Investments in joint ventures	24	–	0.5	–	0.5
Trade and other receivables		2.0	11.0	0.5	13.5
Cash and cash equivalents		4.4	3.9	–	8.3
Trade and other payables		(2.8)	(4.3)	(0.2)	(7.3)
Current tax payable		–	0.2	–	0.2
Deferred tax liabilities	37	(1.0)	(3.2)	–	(4.2)
Net assets disposed		**11.6**	**23.6**	**0.3**	**35.5**
Non-controlling interest share of net assets disposed	40	(3.3)	(9.5)	–	(12.8)
(Loss)/profit on sale of businesses including recycled cumulative exchange differences		(0.5)	(4.7)	0.5	(4.7)
		7.8	**9.4**	**0.8**	**18.0**

Satisfied by:					
Cash received		0.2	5.1	0.9	6.2
Directly attributable costs paid		(0.3)	(3.0)	(0.1)	(3.4)
Deferred consideration		–	4.8	–	4.8
Fair value of investment in joint venture	24, (i)	6.8	–	–	6.8
Recycled cumulative translation differences	39	1.1	2.5	–	3.6
		7.8	**9.4**	**0.8**	**18.0**

(i) The investment in the TreppPort joint venture involves an estimation of the fair value of the Group's equity holding in TreppPort. A 10.0% increase/(decrease) in the fair value of the Group's stake would decrease/(increase) the loss on change in control of TreppPort by £0.7 million.

Reconciliation to disposal of businesses and subsidiary undertakings as shown in the Consolidated Cash Flow Statement:

	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Cash consideration net of disposal costs	**2.8**	143.8
Impact of cashflow hedges	**–**	4.9
Cash consideration net of disposal costs – discontinued operations	**(5.2)**	–
Working capital adjustment cash paid – discontinued operations	**(0.9)**	(3.7)
Cash consideration received in the current year relating to businesses sold in the prior year	**–**	0.7
Cash and cash equivalents disposed with subsidiaries	**(8.3)**	0.6
(Costs)/proceeds on disposal of businesses and subsidiary undertakings	**(11.6)**	146.3

All of the businesses and subsidiary undertakings disposed of during the period absorbed £15.0 million of the Group's net operating cash flows, paid £1.8 million in respect of investing activities and paid £nil in respect of financing activities.

The Group's tax charge includes £11.2 million in relation to these disposals.

19 Discontinued operations

On 26 August 2019, the Group announced that it had agreed the sale of its Energy Information segment to Verisk. The sale completed on 5 November 2019 following the completion of customary closing conditions. The results of the Energy Information segment for the full year are included in discontinued operations for the current and prior period.

The Group's Consolidated Income Statement includes the following results from discontinued operations:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Revenue	3	**73.6**	85.5
Expenses		**(58.5)**	(78.5)
Depreciation	3	**(2.6)**	(3.3)
Amortisation of intangible assets not arising on business combinations	3	**(4.1)**	(3.4)
Adjusted operating profit	3	**8.4**	0.3
Exceptional operating costs	3, 13, (i)	**(31.3)**	3.8
Impairment of goodwill and intangible assets	3	**–**	(0.4)
Amortisation of intangible assets arising on business combinations	3, 13	**(3.2)**	(3.3)
Operating (loss)/profit	4	**(26.1)**	0.4
Other gains and losses	13	**(6.4)**	(12.5)
Loss before net finance costs and tax		**(32.5)**	(12.1)
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		**(0.1)**	(0.1)
Finance charge on discounting of contingent consideration payable		**–**	(0.1)
Change in fair value of contingent consideration payable	13	**–**	(2.3)
Finance costs	3	**(0.1)**	(2.5)
Loss before tax		**(32.6)**	(14.6)
Tax credit	11	**10.0**	3.9
Loss after tax attributable to discontinued operations		**(22.6)**	(10.7)

(i) The Group's Energy Information business (Genscape) provided a third-party auditor service verifying Renewable Identification Numbers (RINs) for renewable fuel production activities in the US, as part of the Renewable Fuel Standard Quality Assurance Program (Program), a regulatory program administered by the US Environmental Protection Agency (EPA).

Following discovery and self-reporting to the EPA by Genscape of potential fraudulent RINs generated by two companies but verified by Genscape in 2014 under the Program, the EPA issued a notice of intent to revoke the ability of Genscape to verify RINs as a third-party auditor on 4 January 2017. Following the EPA investigation of the two companies in April 2016, the two companies pleaded guilty of fraud in connection with generating the RINs.

EPA regulations for the audit Program set a liability cap on replacement of invalid RINs of 2.0% of the RINs. In April 2017 Genscape voluntarily paid the 2.0% liability cap associated with the invalid RINs at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. The EPA regulations allow for situations where the cap does not apply – including fraud, auditor error and negligence.

The EPA has not formally alleged any fraud or intentional wrongdoing by Genscape, but in its May 2019 final determination letter, EPA did find grounds for auditor error and negligence by Genscape and ordered Genscape to replace 69.2 million RINs it had verified.

In July 2019, Genscape filed a petition for review with the Sixth Circuit Court of Appeals and a motion to stay the EPA's order to replace the 69.2 million RINs which was accepted for the duration of Genscape's petition for review.

Since RINs trade in a volatile range, averaging approximately 56 cents over the previous 24 months, this equates to a potential maximum claim of approximately US$38.4 million. Using the year end price of 41 cents the potential maximum claim would be US$28.1 million. Genscape continues to co-operate with EPA and in October 2019 Genscape made an offer to replace 4.6 million RINs at a cost of approximately US$2.5 million but the EPA have not responded to this offer. Discussions with the EPA are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, has made a provision for the potential maximum replacement RINs cost of US$40.0 million (£31.3 million), including directly attributable costs. This estimate was based on the average two-year RIN price due to the liquidity and volatility of the market price of RINs. This provision could change substantially over time as the dispute progresses and new facts emerge.

A deferred tax credit of US$8.4 million arises on this provision.

In future periods, as new facts emerge and circumstances change in relation to this provision, any adjustment will be disclosed as an exceptional operating item within discontinued operations.

Cash flows associated with discontinued operations comprise operating cash flows of £11.9 million (2018 £3.5 million), investing cash flows of £13.3 million (2018 £12.4 million) and financing cash flows of £0.2 million (2018 £0.7 million).

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20 Total assets and liabilities of businesses held for sale

At 30 September 2019, the assets and liabilities held for sale relate to the Group's Energy Information segment, together with BuildFax, Inc. and Inframation AG which are included in the Property segment. The main classes of assets and liabilities comprising the operations classified as held for sale are set out in the table below. The proceeds of disposal less costs to sell exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale.

At 30 September 2018 there were no assets and liabilities of businesses held for sale.

	Note	At 30 September 2019 £m	At 30 September 2018 £m
Goodwill	21	**83.3**	–
Intangible assets	22	**32.0**	–
Deferred tax	37	**5.9**	–
Property, plant and equipment	23	**7.1**	–
Trade and other receivables:			
Trade receivables	27	**10.0**	–
Expected credit losses	27	**(0.4)**	–
Prepayments	27	**3.3**	–
Contract acquisition costs	27	**3.1**	–
Contract assets	27	**0.3**	–
Other receivables	27	**6.3**	–
Cash and cash equivalents	29	**2.0**	–
Current tax receivable	31	**0.6**	–
Total assets associated with businesses held for sale		**153.5**	–
Trade and other payables	30	**(36.7)**	–
Bank overdrafts	33	**(0.1)**	–
Loan notes	33	**(1.6)**	–
Provisions	36	**(34.2)**	–
Total liabilities associated with businesses held for sale		**(72.6)**	–
Net assets of the disposal group		**80.9**	–

21 Goodwill

	Note	Goodwill £m
Cost		
At 30 September 2017		506.2
Additions		3.2
Disposals		(90.6)
Exchange adjustment		3.6
At 30 September 2018		**422.4**
Additions	17	22.0
Disposals	18	(27.7)
Classified as held for sale	20	(145.2)
Exchange adjustment		8.1
At 30 September 2019		**279.6**

	Note	Goodwill £m
Accumulated impairment losses		
At 30 September 2017		143.1
Impairment	3	0.3
Disposals		(54.8)
Exchange adjustment		0.6
At 30 September 2018		**89.2**
Impairment	3	19.1
Disposals	18	(19.1)
Classified as held for sale	20	(61.9)
Exchange adjustment		1.1
At 30 September 2019		**28.4**
Net book value – 2017		363.1
Net book value – 2018		333.2
Net book value – 2019		**251.2**

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. Intangible assets, all of which have finite lives, are tested separately from goodwill only where impairment indicators exist.

Goodwill impairment losses recognised in the period amounted to £19.1 million relating to On-geo in the Property Information segment. There is a tax credit of £nil associated with this impairment charge.

In the prior year ended 30 September 2018, the Group recorded a goodwill impairment charge of £0.3 million relating to Genscape in the Energy Information segment. There was a tax credit of £nil associated with this impairment charge.

The Group's policy on impairment of goodwill is set out in Note 2.

Further disclosures, in accordance with paragraph 134 of IAS 36, Impairment of assets, are provided where a reasonably possible change in key assumptions may result in an impairment.

Using this criteria the Group has provided a sensitivity analysis of the key assumptions used in the EdTech segment.

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21 Goodwill continued

The Group's EdTech segment holds goodwill with a carrying value of £75.0 million (2018 £71.2 million) together with intangible assets with a carrying value of £21.9 million (2018 £26.1 million). The carrying value of EdTech has been determined using a value in use calculation in line with IAS 36. The methodology applied to the value in use calculations reflects past experience and external sources of information including:

(i) cash flows for the business for the following year derived from budgets for 2020. The Directors believe these to be reasonably achievable;

(ii) subsequent cash flows for two additional years increased in line with growth expectations of the business;

(iii) cash flows beyond the three-year period extrapolated using a long-term nominal growth rate of 2.0%; and

(iv) a pre-tax discount rate of 15.28%.

Using the above methodology the recoverable amount exceeded the total carrying value by £35.0 million (2018 £9.9 million). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to be increased by 5.30% to 20.58% (2018 by 1.10% to 16.40%), the long-term growth rate would need to decline by 4.36% to -2.36% (2018 by 1.00% to 2.00%), or the CGU would need to miss budget by 44.9% (2018 50.2%).

The impairment charge is analysed by major CGU as follows:

CGU	Segment	Goodwill Impairment £m	Intangible asset Impairment £m	Recoverable amount £m	Reason for Impairment charge
On-geo	Property	19.1	–	–	Goodwill was impaired to fair value prior to the sale of On–geo
Total		**19.1**	**–**	**–**	

Recoverable amounts have been determined using value in use calculations for all of the above CGUs.

22 Other intangible assets

	Note	Publishing rights, mastheads and titles £m	Brands £m	Market- and customer-related databases and customer relationships £m	Computer software (i) £m	Other £m	Total £m
Cost							
At 30 September 2017		95.9	48.5	105.6	372.5	6.5	629.0
Additions from business combinations		–	0.8	1.8	–	–	2.6
Other additions		–	–	–	0.2	–	0.2
Internally generated		–	–	–	19.5	–	19.5
Disposals		(2.7)	(0.5)	(3.9)	(56.2)	–	(63.3)
Exchange adjustment		0.5	1.1	0.5	8.1	0.1	10.3
At 30 September 2018		**93.7**	**49.9**	**104.0**	**344.1**	**6.6**	**598.3**
Analysis reclassifications		(8.8)	8.8	–	–	–	–
Additions from business combinations	17	–	–	3.6	0.4	–	4.0
Internally generated		–	–	–	13.9	–	13.9
Disposals	18	–	(0.6)	(13.9)	(12.2)	–	(26.7)
Classified as held for sale	20	(14.7)	(25.3)	(10.8)	(49.6)	(6.8)	(107.2)
Exchange adjustment		0.9	2.5	0.9	16.3	0.4	21.0
At 30 September 2019		**71.1**	**35.3**	**83.8**	**312.9**	**0.2**	**503.3**

	Note	Publishing rights, mastheads and titles £m	Brands £m	Market- and customer-related databases and customer relationships £m	Computer software (i) £m	Other £m	Total £m
Accumulated amortisation							
At 30 September 2017		81.0	43.2	57.7	229.2	4.9	416.0
Charge for the year	3	1.3	3.1	7.4	36.4	0.1	48.3
Impairment	3	–	–	–	58.4	–	58.4
Disposals		(2.7)	(0.5)	(3.9)	(55.6)	–	(62.7)
Exchange adjustment		0.4	0.9	0.3	5.3	0.2	7.1
At 30 September 2018		**80.0**	**46.7**	**61.5**	**273.7**	**5.2**	**467.1**
Charge for the year	3	0.8	2.0	7.5	24.4	0.7	35.4
Disposals	18	–	(0.4)	(5.1)	(6.2)	–	(11.7)
Classified as held for sale	20	(10.6)	(17.1)	(8.4)	(33.0)	(6.1)	(75.2)
Exchange adjustment		0.7	1.9	0.7	14.2	0.3	17.8
At 30 September 2019		**70.9**	**33.1**	**56.2**	**273.1**	**0.1**	**433.4**
Net book value – 2017		14.9	5.3	47.9	143.3	1.6	213.0
Net book value – 2018		13.7	3.2	42.5	70.4	1.4	131.2
Net book value – 2019		**0.2**	**2.2**	**27.6**	**39.8**	**0.1**	**69.9**

(i) Computer software includes purchased and internally generated intangible assets, not arising on business combinations, as follows:

	Note	£m
Cost		
At 30 September 2017		330.0
Additions		19.7
Disposals		(48.0)
Exchange adjustment		7.6
At 30 September 2018		**309.3**
Additions		14.3
Disposals		(7.8)
Classified as held for sale		(36.0)
Exchange adjustment		15.3
At 30 September 2019		**295.1**
Accumulated amortisation		
At 30 September 2017		199.7
Charge for the year	3	32.8
Impairment		58.3
Disposals		(47.1)
Exchange adjustment		4.4
At 30 September 2018		**248.1**
Charge for the year	3	22.0
Disposals		(4.0)
Classified as held for sale		(23.5)
Exchange adjustment		13.4
At 30 September 2019		**256.0**
Net book value – 2017		130.3
Net book value – 2018		61.2
Net book value – 2019		**39.1**

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22 Other intangible assets continued

The following table analyses intangible assets in the course of construction included in the internally generated intangibles above, on which no amortisation has been charged in the year since they have not been brought into use.

	£m
Cost	
At 30 September 2017	19.5
Additions	10.3
Projects completed	(15.6)
Exchange adjustment	0.6
At 30 September 2018	**14.8**
Additions	5.1
Projects completed	(13.8)
Exchange adjustment	0.1
At 30 September 2019	**6.2**

The methodologies applied to the Group's CGUs when testing for impairment and details of the above impairment charge are set out in Note 2.

The carrying values of the Group's ten largest intangible assets are further analysed as follows:

	Segment	At 30 September 2019 Carrying Value £m	At 30 September 2018 Carrying Value £m	At 30 September 2019 Remaining amortisation period Years	At 30 September 2018 Remaining amortisation period Years
DIIG Customer relationships	Property	**15.3**	19.0	**5.0**	6.0
Landmark Valuation Hub	Property	**4.5**	4.7	**4.2**	–
Human Resources Central Information system	Central	**3.2**	–	**2.4**	–
Estate Technical Solutions Limited Customer relationships	Property	**3.1**	3.6	**5.4**	6.4
Starfish Customer relationships	EdTech	**2.9**	3.3	**6.0**	7.0
Naviance Modernisation	EdTech	**2.9**	3.5	**3.6**	4.6
TreppCLO Analytics	Property	**2.2**	2.0	**3.4**	4.0
Intersect Presence	EdTech	**1.7**	0.5	**1.8**	2.8
Millar & Bryce Modernisation*	Property	**1.6**	1.0	**–**	–
Naviance Institutional Student Success*	EdTech	**1.4**	–	**–**	–

* Not yet in use.

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23 Property, plant and equipment

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Cost						
At 30 September 2017		57.9	0.6	26.3	336.5	421.3
Additions	3	4.7	0.1	0.5	25.1	30.4
Disposals		(21.7)	–	(0.7)	(53.5)	(75.9)
Owned by subsidiaries disposed		–	(0.3)	(0.2)	(8.7)	(9.2)
Reclassifications		(0.1)	–	(5.6)	5.6	(0.1)
Exchange adjustment		(0.4)	(0.4)	0.4	2.1	1.7
At 30 September 2018		**40.4**	**–**	**20.7**	**307.1**	**368.2**
Owned by subsidiaries acquired	17	–	–	–	0.1	0.1
Additions	3	0.2	–	0.7	15.0	15.9
Disposals		(8.2)	–	(0.3)	(17.8)	(26.3)
Classified as held for sale	20	–	–	–	(23.4)	(23.4)
Owned by subsidiaries disposed	18	–	–	–	(5.1)	(5.1)
Exchange adjustment		–	–	1.0	3.7	4.7
At 30 September 2019		**32.4**	**–**	**22.1**	**279.6**	**334.1**

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Accumulated depreciation and impairment						
At 30 September 2017		38.6	–	17.7	261.7	318.0
Charge for the year	3	1.2	–	2.3	23.7	27.2
Disposals		(21.7)	–	(0.7)	(52.0)	(74.4)
Owned by subsidiaries disposed		–	–	(0.1)	(3.6)	(3.7)
Reclassifications		(1.3)	–	(5.3)	6.7	0.1
Exchange adjustment		–	–	0.4	0.9	1.3
At 30 September 2018		**16.8**	**–**	**14.3**	**237.4**	**268.5**
Charge for the year	3	1.3	–	2.7	21.3	25.3
Disposals		–	–	(0.3)	(17.2)	(17.5)
Classified as held for sale	20	–	–	–	(16.3)	(16.3)
Owned by subsidiaries disposed	18	–	–	–	(4.2)	(4.2)
Exchange adjustment		–	–	0.8	3.1	3.9
At 30 September 2019		**18.1**	**–**	**17.5**	**224.1**	**259.7**
Net book value – 2017		19.3	0.6	8.6	74.8	103.3
Net book value – 2018		23.6	–	6.4	69.7	99.7
Net book value – 2019		**14.3**	**–**	**4.6**	**55.5**	**74.4**

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24 Investments in joint ventures and associates

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Joint ventures				
At 30 September 2017		2.8	(2.6)	0.2
Disposals	(i)	(1.1)	0.7	(0.4)
Share of retained reserves	7	–	(3.3)	(3.3)
Dividends received	(ii)	–	(0.5)	(0.5)
Reclassification from other debtors		5.1	–	5.1
Exchange adjustment		0.1	(0.2)	(0.1)
At 30 September 2018		**6.9**	**(5.9)**	**1.0**
Additions – non cash	8, (iii)	6.8	–	6.8
Owned by subsidiaries disposed	18	–	(0.5)	(0.5)
Share of retained reserves	7	–	1.5	1.5
Dividends received	(iv)	–	(0.3)	(0.3)
Reclassification from other financial assets		0.1	–	0.1
Transfer to investment in subsidiaries	8	(5.2)	4.5	(0.7)
Exchange adjustment		0.4	(0.2)	0.2
At 30 September 2019		**9.0**	**(0.9)**	**8.1**

(i) During the prior period, the Group disposed of Artirix in the Consumer Media segment.

(ii) During the prior period, the Group received dividends from Decision First Ltd and from HypoPort On-Geo GmbH in the Property Information segment.

(iii) Non-cash additions during the year relate to a fair-value adjustment on the transfer of TreppPort from an investment in subsidiary to a joint venture.

(iv) During the period, the Group received dividends from PointX and TreppPort in the Property Information segment.

Summary aggregated financial information for the Group's joint ventures, extracted on a 100% basis from the joint ventures' own financial information, is set out below:

Year ended 30 September 2019	Revenue £m	Operating profit £m	Total expenses £m	Profit for the year £m	Total comprehensive income £m
Property Information	**8.3**	**1.0**	**(8.0)**	**0.3**	**0.3**
	8.3	**1.0**	**(8.0)**	**0.3**	**0.3**

At 30 September 2019	Current assets £m	Total assets £m	Current liabilities £m	Total liabilities £m	Net assets £m
Property Information	**4.6**	**4.6**	**(1.9)**	**(1.9)**	**2.7**
	4.6	**4.6**	**(1.9)**	**(1.9)**	**2.7**

Year ended 30 September 2018	Revenue £m	Operating (loss)/profit £m	Total expenses £m	(Loss)/profit or the year £m	Total comprehensive (expense)/income £m
Property Information	9.9	0.9	(9.2)	0.7	0.7
Consumer Media	9.8	(8.8)	(18.6)	(8.8)	(8.8)
	19.7	(7.9)	(27.8)	(8.1)	(8.1)

At 30 September 2018	Current assets £m	Total assets £m	Current liabilities £m	Total liabilities £m	Net assets £m
Property Information	4.8	4.8	(1.9)	(1.9)	2.9
Consumer Media	19.6	19.6	(6.1)	(6.1)	13.5
	24.4	24.4	(8.0)	(8.0)	16.4

At 30 September 2019 the Group's joint ventures had capital commitments amounting to £nil (2018 £nil). There were no material contingent liabilities (2018 none).

Information on principal joint ventures:

	Segment	Principal activity	Year ended	Description of holding	Group interest %
Unlisted					
The Sanborn Map Company, Inc. (incorporated and operating in the US)	Centrally held	Photogrammetric mapping and GIS data conversion	30 September 2019	Preferred stock	49.0
Knowlura, Inc. (incorporated and operating in the US)	EdTech	Provider of online educational services	30 September 2019	Common	50.0
PointX Ltd (incorporated and operating in the UK)	Property Information	Provider of a 'Points of Interest' database covering Great Britain	31 March 2019	Ordinary B	50.0
Trepp Port LLC, (incorporated and operating in the US)	Property Information	Provider of an end-to-end lending, surveillance and risk management web-based platform	30 September 2019	Membership interests	50.0

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Associates				
At 30 September 2017		771.3	(36.1)	735.2
Additions – cash		1.8	–	1.8
Additions – non cash	(i)	15.6	–	15.6
Share of retained reserves	7	–	137.2	137.2
Dividends received	(ii)	–	(22.6)	(22.6)
Impairment	7	(0.8)	–	(0.8)
Deemed disposal of investment in associates	8	0.7	–	0.7
Transfer from available for sale investments	25	29.4	–	29.4
Disposals	(iii)	(95.9)	(32.9)	(128.8)
Exchange adjustment		1.4	0.4	1.8
At 30 September 2018		**723.5**	**46.0**	**769.5**
Additions – cash	(iv)	39.4	–	39.4
Additions – non cash	(v)	7.8	–	7.8
Share of retained reserves	7	–	(0.7)	(0.7)
Dividends received	(ii)	–	(12.0)	(12.0)
Impairment of Euromoney	7	(27.7)	–	(27.7)
Adjustment to impairment of carrying value of Euromoney following correction of Euromoney prior year tax exposures	7	4.2	–	4.2
Impairment of other associates	7	(6.1)	–	(6.1)
Impairment of Euromoney following dividend in specie	39	(11.8)	–	(11.8)
Deemed disposal of investment in associates	8	(0.7)	–	(0.7)
Transfer to financial assets at fair value through Other Comprehensive Income	25	(2.9)	1.7	(1.2)
Disposal of other associates	(vi)	(20.8)	11.3	(9.5)
Disposal of Euromoney		(573.6)	(88.2)	(661.8)
Exchange adjustment		2.2	(0.7)	1.5
At 30 September 2019		**133.5**	**(42.6)**	**90.9**

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24 Investments in joint ventures and associates continued

The cumulative unrecognised share of losses of the Group's associates principally comprises £17.8 million (2018 £17.4 million) in relation to the Group's investment in ITN.

Joint ventures and associates have been accounted for under the equity method using unaudited financial information to 30 September 2019.

(i) During the prior period the Energy Information segment disposed of its investment in Locus Energy, Inc. in exchange for £3.0 million cash consideration together with a 17.9% ownership share of AlsoEnergy Holdings, Inc. (Also), representing 20.0% of Also voting rights. In addition the Group has representation on the Also Board. As a result the Group has significant influence over Also and has treated the stake in Also as an associated undertaking.

(ii) Dividends received in the current and prior period principally relate to the Group's investments in ZPG (2019 £nil, 2018 £5.0 million) in the Consumer Media segment and Euromoney (2019 £11.9 million, 2018 £17.1 million) held centrally.

(iii) During the prior period the Group disposed of its investment in Shopcreator, Social metrix, Carsping Ltd and ZPG plc in the Consumer Media segment and RGJ Destiny LLC held centrally.

(iv) Cash additions during the year relate to additions in Mercatus, Inc. in the Property Information segment, Praedicat in the Insurance Risk segment, and Also Energy Holdings, Yopa, Cazoo, Bricklane Technologies and Entale all held centrally.

(v) Non-cash additions during the year relate additions in Zipjet, Yopa, Cazoo and Bricklane Technologies all held centrally paid for with media credits.

(vi) During the period the Group disposed of its investment in Truffle Pig LLC, Real Capital Analytics, Inc. and Wellington Weekly held centrally.

Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial information is set out below:

Year ended 30 September 2019	Revenue £m	Operating loss £m	Total expenses £m	Loss for the year £m	Other comprehensive income £m	Total comprehensive expense £m
Insurance Risk	6.5	(1.9)	(8.4)	(1.9)	–	(1.9)
Property Information	3.4	(2.2)	(4.4)	(1.0)	–	(1.0)
Events and Exhibitions	1.3	–	(1.3)	–	–	–
Centrally held	159.1	(25.6)	(198.4)	(39.3)	–	(39.3)
	170.3	(29.7)	(212.5)	(42.2)	–	(42.2)

At 30 September 2019	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net (liabilities)/assets £m
Insurance Risk	3.0	7.9	10.9	(2.6)	(0.1)	(2.7)	8.2
Property Information	0.1	2.1	2.2	(1.8)	(0.5)	(2.3)	(0.1)
Events and Exhibitions	–	0.4	0.4	–	–	–	0.4
Centrally held	70.6	156.9	227.5	(116.5)	(154.9)	(271.4)	(43.9)
	73.7	167.3	241.0	(120.9)	(155.5)	(276.4)	(35.4)

Year ended 30 September 2018	Revenue £m	Operating profit/(loss) £m	Total expenses £m	Profit/(loss) for the year £m	Other comprehensive income £m	Total comprehensive income/(expense) £m
Insurance Risk	5.0	1.8	(7.1)	(2.1)	–	(2.1)
Property Information	1.8	(4.1)	(5.9)	(4.1)	–	(4.1)
Events and Exhibitions	1.0	(0.1)	(1.1)	(0.1)	–	(0.1)
Energy Information	1.4	(8.2)	(9.8)	(8.4)	–	(8.4)
Consumer Media	–	(3.2)	(3.2)	(3.2)	–	(3.2)
Centrally held	560.4	139.1	(389.1)	171.3	28.7	200.0
	569.6	125.3	(416.2)	153.4	28.7	182.1

At 30 September 2018	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net (liabilities)/assets £m
Insurance Risk	2.8	7.6	10.4	(1.1)	–	(1.1)	9.3
Property Information	0.1	2.8	2.9	(1.6)	–	(1.6)	1.3
Events and Exhibitions	–	0.3	0.3	(0.3)	–	(0.3)	–
Consumer Media	–	–	–	(3.2)	–	(3.2)	(3.2)
Centrally held	639.3	249.0	888.3	(304.5)	(151.6)	(456.1)	432.2
	642.2	259.7	901.9	(310.7)	(151.6)	(462.3)	439.6

At 30 September 2019 the Group's associates had capital commitments amounting to £nil (2018 £nil). There were no material contingent liabilities (2018 none).

Information on principal associates:

	Segment	Note	Principal activity	Year ended	Description of holding	Group interest %
Unlisted						
LineVision, Inc. (incorporated and operating in the US)	Centrally held	(i)	Provider of transmission line monitoring and asset management for utilities	31 December 2018	Series A	55.9
Excalibur Holdco Ltd (incorporated and operating in the UK)	Centrally held		Operator of online discount businesses	30 September 2019	B Ordinary	23.9
Entale Media Ltd (incorporated and operating in the UK)	Centrally held		Provider of a podcast platform	31 March 2019	Ordinary	36.8
Independent Television News Ltd (incorporated and operating in the UK)	Centrally held		Independent TV news provider	31 December 2018	Ordinary	20.0
Cazoo Ltd (incorporated and operating in the UK)	Centrally held		Provider of an online used car sales platform	31 December 2019	Series A	21.1
Praedicat, Inc. (incorporated and operating in the US)	Insurance Risk		Provision of catastrophe risk analytics	30 September 2019	Preferred stock	26.6
Propstack Services Private Ltd (incorporated and operating in India)	Centrally held		Provider of commercial real estate information	31 March 2019	Ordinary	22.7
Yopa Property Ltd (incorporated and operating in the UK)	Centrally held		Online property portal	31 December 2018	Ordinary D	45.3

(i) Since the Group's share of voting rights in the investment in LineVision, Inc. is 49.0%, the Group does not have control therefore the investment has been treated as an associated undertaking.

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25 Financial assets at fair value through Other Comprehensive Income

	Note	Unlisted £m
At 30 September 2017		30.6
Additions – cash		19.3
Additions – non cash, conversion of loan note		1.5
Transfer to investment in associates	24, (i)	(29.4)
Impairment charge	8	(1.8)
Exchange adjustment		0.2
At 30 September 2018 Available for sale investments		**20.4**
Adjustment for transition to IFRS 9	2	9.4
Restated at 1 October 2018		**29.8**
Additions – cash		6.1
Additions – non cash		0.8
Transfer from investment in associates	24, (ii)	1.2
Fair value movement in the period	39	(4.5)
Exchange adjustment		0.4
At 30 September 2019 Financial assets at fair value through Other Comprehensive Income		**33.8**

The financial assets above represent unlisted securities, which are recorded as non-current assets unless they are expected to be sold within one year, in which case they are recorded as current assets.

(i) In the prior period, the Group acquired an additional interest in Yopa Ltd, taking its overall holding to 25.8%. By virtue of the Group's board representation and shareholder rights the Group now has significant influence over Yopa Ltd and has treated this investment as an associate (see Note 24).

(ii) In the current period, the Group's investments in Skymet and Laundrapp Ltd (formerly Zipjet Ltd), previously associates, have been diluted and therefore these have been classified as financial assets above.

Financial assets at fair value through Other Comprehensive Income at 30 September 2019 and available for sale investments at 30 September 2018 are analysed as follows:

	Note	Class of Holding	Group interest %	At 30 September 2019 £m	At 30 September 2018 £m
Unlisted					
BDG Media, Inc. (incorporated and operating in the US)	(i)	Common Stock	3.2	**7.9**	4.9
PA Media Group Ltd (incorporated and operating in the UK)	(ii)	Ordinary	15.6	**6.9**	–
Kortext Ltd (incorporated and operating in the UK)	(iii)	Ordinary	11.3	**3.8**	0.7
Cue Ball Capital LP (incorporated and operating in the US)	(iv)	Limited Partner	2.5	**3.0**	1.5
Hambro Perks Ltd (incorporated and operating in the UK)	(v)	Ordinary	2.9	**2.3**	2.0
Taboola.com Ltd (incorporated and operating in Israel)	(vi)	Ordinary	0.4	**2.3**	2.0
Farewill Ltd (incorporated and operating in the UK)	(vii)	Ordinary	7.2	**1.2**	–
Air Mail, LLC (incorporated and operating in the US)	(viii)	Ordinary	5.0	**1.2**	–
Live Better With Ltd (incorporated and operating in the UK)	(ix)	Ordinary	4.6	**1.0**	0.5
CompStak, Inc. (incorporated and operating in the US)	(x)	Ordinary	2.0	**0.6**	0.5
Quick Move Ltd (incorporated and operating in the UK)	(xi)	Ordinary	5.7	**0.5**	–
Evening Standard Ltd (incorporated and operating in the UK)	(xii)	Ordinary	10.0	**0.4**	1.1
Brit Media, Inc. (incorporated and operating in the US)	(xiii)	Ordinary	8.9	**–**	6.2
Other				**2.7**	1.0
				33.8	20.4

(i) BDG Media, Inc. operates a website with news, entertainment, fashion and beauty, books and lifestyle content.

(ii) PA Media Group Ltd provides news, sport and entertainment information to the media and other customers.

(iii) Kortext Ltd provides a digital learning platform and supplies digital textbooks.

(iv) Cue Ball Capital LP is a venture capital and private equity firm specialising in start-ups, early-stage, mid-venture, growth equity scale-ups and buy-out investments.

(v) Hambro Perks Ltd is a growth investment firm.

(vi) Taboola.com Ltd provides a content marketing platform that provides a web widget to content creators on their website to show contents that include relevant links within the site and from other publishers.

(vii) Farewill Ltd provides online-based will-writing services.

(viii) Air Mail, LLC owns and operates an online media that provides weekly digital newsletter covering politics, business, the environment, the arts, literature, film and television, food, design, travel, architecture, society, fashion, and crime.

(ix) Live Better With Ltd provides a range of products to help improve the quality of day-to-day life for cancer patients.

(x) CompStak, Inc. provides commercial real estate information to brokers, appraisers, researchers, landlords, lenders and investors.

(xi) Quick Move Ltd is the serviced marketplace for the purchase and resale of second-hand luxury goods.

(xii) Evening Standard Ltd publishes a weekday newspaper, distributed for free throughout Greater London.

(xiii) Brit Media, Inc. owns and operates an online media and e-commerce platform that provides tools to teach, inspire, and enable creativity among women and girls.

Interest analysis of financial assets at fair value through Other Comprehensive Income at 30 September 2019 and of available for sale investments at 30 September 2018 is as follows:

	At 30 September 2019 £m	At 30 September 2018 £m
Non-interest bearing	**33.8**	20.4

26 Inventories

	At 30 September 2019 £m	At 30 September 2018 £m
Raw materials and consumables	**6.1**	6.9
Work in progress	**20.7**	24.6
	26.8	31.5

27 Trade and other receivables

	Note	At 30 September 2019 £m	At 30 September 2018 £m
Current assets			
Trade receivables		**231.5**	182.5
Impairment allowance		**(3.7)**	(5.1)
		227.8	177.4
Prepayments		**54.9**	69.7
Contract acquisition costs		**8.5**	–
Contract assets		**5.0**	–
Other receivables		**15.1**	17.2
		311.3	264.3
Classified as held for sale	20	**(22.6)**	–
		288.7	264.3
Non-current assets			
Trade receivables		**2.4**	3.0
Prepayments		**0.7**	2.6
Contract acquisition costs		**3.7**	–
Contract assets		**0.1**	–
Interest receivable		**2.9**	5.4
Other receivables		**17.1**	16.3
Impairment allowance		**(0.3)**	–
		26.6	27.3
		315.3	291.6

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27 Trade and other receivables continued

Movement in the impairment allowance is as follows:

	Note	At 30 September 2019 £m	At 30 September 2018 £m
At start of year – calculated under IAS 39		**(5.1)**	(5.1)
Adjustment for transition to IFRS 9	2	**(0.3)**	–
Restated at 1 October 2018		**(5.4)**	(5.1)
Impairment losses recognised		**(1.7)**	(4.3)
Amounts written off as uncollectable		**2.3**	1.8
Amounts recovered during the year		**0.9**	0.3
Owned by subsidiaries disposed		**–**	2.5
Exchange adjustment		**(0.1)**	(0.3)
		(4.0)	(5.1)
Classified as held for sale	20	**0.4**	–
At end of year		**(3.6)**	(5.1)

IFRS 9 introduced an expected credit loss (ECL) model which requires an impairment provision to be made on initial recognition of the receivable which in the prior year under IAS 39 was required only when a loss event occurred. Accordingly, the Group now recognises an ECL by reference to historical recovery rates and forward-looking indicators.

The Group applies the IFRS 9 simplified approach to measuring impairment allowances using a lifetime expected credit loss allowance for trade receivables, contract assets and other short-term receivables. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experience as adjusted for current and forward-looking information and macroeconomic factors in the countries where the debtor is located.

For trade receivables the expected credit loss allowance is calculated using a provision matrix, with higher default rates applied to older balances.

The provision rates are based on days past due for groupings of customers with similar loss patterns.

Trade receivables and contract assets with a contractual amount of £1.6 million written off during the period are still subject to enforcement activity.

The Group applies IFRS 9 in measuring impairment allowances using a 12-month expected credit loss allowance for long-term other receivables. To estimate a range of expected credit losses, the probability of default tables based on the debtor's proxy credit rating was estimated and applied to the carrying amount outstanding at 30 September 2019. The IFRS 9 ECL model has resulted in an ECL loss of £0.3 million on transition to IFRS 9 in relation to other long-term receivables.

At 30 September 2019 the lifetime expected loss provision for trade receivables, contract assets and other receivables is as follows:

At 30 September 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0.4%	0.2%	1.4%	5.2%	1.4%
Gross carrying amount (£m)	145.9	45.1	14.1	52.4	257.5
Loss allowance provision (£m)	0.6	0.1	0.2	2.7	3.6

Ageing of impaired trade receivables, contract assets and other receivables:

	At 30 September 2019 £m	At 30 September 2018 £m
0 – 30 days	**0.2**	0.6
31 – 60 days	**0.2**	0.2
61 – 90 days	**0.2**	0.5
91 – 120 days	**0.2**	0.4
121+ days	**2.8**	3.4
Total	**3.6**	5.1

Included in the Group's trade receivables are amounts owed with a carrying value of £53.8 million (2018 £70.8 million) which are past due at 30 September 2019 for which no allowance has been made. The Group is not aware of any deterioration in the credit quality of these customers and considers that the amounts are still recoverable.

Ageing of past due but not impaired trade receivables and contract assets is as follows:

	At 30 September 2019 £m	At 30 September 2018 £m
1 – 30 days overdue	**24.7**	28.5
31 – 60 days overdue	**6.1**	12.0
61 – 90 days overdue	**4.3**	9.1
91+ days overdue	**18.7**	21.2
Total	**53.8**	70.8

The carrying amount of trade and other receivables approximates to their fair value.

28 Other financial assets

	Note	At 30 September 2019 £m	At 30 September 2018 £m
Current assets			
Collateral	(i)	**15.4**	8.0
Cash deposits with original maturities of three months or more	(ii)	**–**	237.3
		15.4	245.3
Non-current assets			
Loans to associates and joint ventures		**12.0**	18.4
		12.0	18.4

(i) The Group deposits collateral with its bank counterparties with whom it has entered into a credit support annex to an ISDA (International Swaps and Derivatives Association) Master Agreement. This represents cash that cannot be readily used in operations.

(ii) Represents cash deposits held with the Group's bank counterparties with an original maturity date of three months or more. As required by IAS 7, Statement of Cash Flows, these have been classified within other financial assets.

Movement in the impairment allowance is as follows:

	Note	At 30 September 2019 £m	At 30 September 2018 £m
At start of year – calculated under IAS 39		**–**	–
Adjustment for transition to IFRS 9	2	**12.0**	–
Restated at 1 October 2018		**12.0**	–
Movement in the year		**–**	–
At end of year		**12.0**	–

IFRS 9 introduced an expected credit loss (ECL) model which requires an impairment provision to be made on initial recognition of the receivable which in the prior year under IAS 39 was required only when a loss event occurred. The Group applies the IFRS 9 simplified approach to measuring impairment allowances using a lifetime expected credit loss provision for long-term receivables from associates. To estimate a range of expected credit losses for long-term receivables from associates and joint ventures, the probability of default tables based on the associates' proxy credit rating were used together with EBITDA multiples of the associates based on the total projected amount outstanding at maturity date.

The IFRS 9 ECL model has resulted in an ECL loss of £12.0 million on transition to IFRS 9 in relation to long-term receivables from associates.

At 30 September 2019 the loan receivable net of expected credit loss provision is as follows:

	At 30 September 2019 £m
Total gross loans to associates and joint ventures	**24.0**
Loss allowance provision	**(12.0)**
Loan receivable net of expected credit loss provision	**12.0**

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29 Cash and cash equivalents

	Note	At 30 September 2019 £m	At 30 September 2018 £m
Cash and cash equivalents	(i)	**301.1**	437.8
Classified as held for sale	20	**(2.0)**	–
		299.1	437.8
Cash and cash equivalents	(i)	**301.1**	437.8
Unsecured bank overdrafts	33	**(11.9)**	(1.9)
Cash and cash equivalents in the cash flow statement	16	**289.2**	435.9
Analysis of cash and cash equivalents by currency:			
Sterling		**50.3**	333.9
US dollar		**236.0**	89.4
Australian dollar		**0.1**	0.2
Canadian dollar		**0.5**	0.8
Euro		**0.9**	5.4
Other		**11.3**	8.1
		299.1	437.8
Analysis of cash and cash equivalents by interest type:			
Floating rate interest		**90.8**	2.0
Fixed rate interest		**208.3**	435.8
		299.1	437.8

(i) Cash and cash equivalents include £117.0 million which the Company intends to make available for the benefit of the Group's defined benefit pension schemes following the distribution of its shareholding in Euromoney.

The carrying amount of cash and cash equivalents equates to their fair values.

30 Trade and other payables

	Note	At 30 September 2019 £m	At 30 September 2018 £m
Current liabilities			
Trade payables		**36.7**	39.9
Interest payable		**3.6**	14.2
Other taxation and social security		**11.7**	10.8
Other creditors		**12.9**	8.1
Accruals		**191.3**	185.5
Deferred revenue		**258.5**	234.4
		514.7	492.9
Classified as held for sale	20	**(36.7)**	–
		478.0	492.9
Non-current liabilities			
Other creditors		**2.3**	2.0
		480.3	494.9

The carrying amount of trade and other payables approximates to their fair value.

31 Current tax

	Note	At 30 September 2019 £m	At 30 September 2018 £m
Corporation tax payable		**3.5**	6.1
Corporation tax receivable		**(1.4)**	(5.4)
Classified as held for sale	20	**0.6**	–
		(0.8)	(5.4)
		2.7	0.7

32 Acquisition put option commitments

	At 30 September 2019 £m	At 30 September 2018 £m
Current	**–**	0.6
Non-current	**–**	7.6
	–	8.2

The carrying amount of put option commitments approximates to their fair value.

33 Borrowings

The Group's borrowings are unsecured and are analysed as follows:

	Note	Overdrafts £m	Bonds £m	Loan notes £m	Total £m
At 30 September 2019					
Within one year		**11.9**	**–**	**1.6**	**13.5**
Classified as held for sale	20	**(0.1)**	**–**	**(1.6)**	**(1.7)**
		11.8	**–**	**–**	**11.8**
Between one and two years		**–**	**0.8**	**–**	**0.8**
Over five years		**–**	**202.0**	**–**	**202.0**
		–	**202.8**	**–**	**202.8**
		11.8	**202.8**	**–**	**214.6**
At 30 September 2018					
Within one year		1.9	218.7	1.7	222.3
Between two and five years		–	9.1	–	9.1
Over five years		–	196.6	–	196.6
		–	205.7	–	205.7
		1.9	424.4	1.7	428.0

The Group's borrowings are analysed by currency and interest rate type as follows:

	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
At 30 September 2019					
Fixed rate interest	**202.8**	**–**	**–**	**–**	**202.8**
Floating rate interest	**10.5**	**1.2**	**–**	**0.1**	**11.8**
	213.3	**1.2**	**–**	**0.1**	**214.6**
At 30 September 2018					
Fixed rate interest	424.4	–	–	–	424.4
Floating rate interest	0.3	3.1	0.2	–	3.6
	424.7	3.1	0.2	–	428.0

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33 Borrowings continued

The Group's borrowings, analysed by currency and interest rate type, adjusting the principal borrowed and interest rate type by the notional amount of interest rate swaps, interest rate caps and currency derivatives, are as follows:

	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
At 30 September 2019					
Fixed rate interest	**141.2**	**170.7**	**–**	**–**	**311.9**
Floating rate interest	**(21.4)**	**(76.0)**	**–**	**0.1**	**(97.3)**
	119.8	**94.7**	**–**	**0.1**	**214.6**
At 30 September 2018					
Fixed rate interest	317.1	320.7	–	–	637.8
Floating rate interest	(11.6)	(198.3)	0.1	–	(209.8)
	305.5	122.4	0.1	–	428.0

Committed borrowing facilities

The Group's bank loans bear interest charged at LIBOR plus a margin. The margin varies by bank and is based on the Group's ratio of net debt to EBITDA or the Group's credit rating. EBITDA for these purposes is defined as the aggregate of the Group's consolidated operating profit including share of results of joint ventures and associates before deducting depreciation, amortisation and impairment of goodwill, intangible and tangible assets, before exceptional items and before interest and finance charges, and is shown in Note 34.

During the current period the Group cancelled committed bank facilities amounting to US$77.0 million (£62.6 million), after which the Group's total committed bank facilities amount to £381.4 million (2018 £431.2 million). Of these facilities £205.0 million (2018 £205.0 million) are denominated in sterling and £176.4 million (US$217.0 million) (2018 £226.2 million (US$294.0 million)) are denominated in US dollars. Drawings are permitted in all major currencies.

The Group's committed bank facilities analysed by maturity are as follows:

	At 30 September 2019 £m	At 30 September 2018 £m
Expiring in more than three years but not more than four years	**381.4**	–
Expiring in more than four years but not more than five years	**–**	431.2
Total bank facilities	**381.4**	431.2

The following undrawn committed borrowing facilities were available to the Group in respect of which all conditions precedent had been met:

	At 30 September 2019 £m	At 30 September 2018 £m
Expiring in more than three years but not more than four years	**381.4**	–
Expiring in more than four years but not more than five years	**–**	431.2
Total undrawn committed bank facilities	**381.4**	431.2

The Group has issued standby letters of credit amounting to £2.9 million (2018 £3.3 million).

Bonds

The nominal, carrying and fair values of the Group's bonds and the coupons payable are as follows:

Maturity	Annual coupon %	At 30 September 2019 Fair value £m	At 30 September 2018 Fair value £m	At 30 September 2019 Carrying value £m	At 30 September 2018 Carrying value £m	At 30 September 2019 Nominal value £m	At 30 September 2018 Nominal value £m
7 December 2018	5.75	–	220.2	–	218.7	–	218.5
9 April 2021	10.00	**0.8**	8.4	**0.8**	9.1	**0.8**	7.2
21 June 2027	6.375	**237.1**	228.8	**202.0**	196.6	**200.0**	200.0
		237.9	457.4	**202.8**	424.4	**200.8**	425.7

The Group's bonds have been adjusted from their nominal values to take account of direct issue costs, discounts and movements in hedged risks. The issue costs and discount are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £0.5 million (2018 £0.6 million) and the unamortised discount amounts to £0.7 million (2018 £1.2 million).

The fair value of the Group's bonds have been calculated on the basis of quoted market rates.

The Company's 2018 bonds matured during the period and were repaid in full. In addition the Company bought back £6.4 million nominal of its outstanding 2021 bonds incurring a premium of £0.9 million.

Loan notes

The Group has issued loan notes which attract interest at 3.0%. The loan notes are repayable at the option of the loan note holders with a six-month notice period and are treated as current liabilities. At 30 September 2019, all loan notes were classified as held for sale.

34 Financial instruments and risk management

The Group's financial instruments are classified into the following categories:

	Note	IFRS 9 measurement category	IAS 39 measurement category
Derivative instruments	(i)	FVTPL	FVTPL
Trade receivables, contract assets and other receivables		Amortised cost	Amortised cost
Trade payables		Amortised cost	Amortised cost
Overdrafts, loan notes, finance leases and bank loans		Amortised cost	Amortised cost
Bonds	(ii)	Amortised cost	Amortised cost
Equity investments		FVTOCI	Amortised cost
Acquisition put option commitments		FVTPL	FVTPL
Provision for contingent consideration payable		FVTPL	FVTPL
Loans to joint ventures and associates		Amortised cost	Amortised cost
Collateral		Amortised cost	Amortised cost
Cash and cash equivalents		Amortised cost	Amortised cost
Cash deposits with original maturities of three months or more		Amortised cost	Amortised cost
Provision for contingent consideration receivable		FVTPL	FVTPL

(i) To the extent that net investment hedges are effective, changes in fair value of the derivative are taken to the translation reserve through Other Comprehensive Income.

(ii) The Group's bonds are measured at amortised cost as adjusted for fair value hedging.

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34 Financial instruments and risk management continued

The carrying amounts and gains and losses on financial instruments are as follows:

	Note	At 30 September 2019 Carrying value £m	Year ended 30 September 2019 (Loss)/gain to income £m	Year ended 30 September 2019 Gain/(loss) to equity £m	At 30 September 2018 Carrying value £m	Year ended 30 September 2018 (Loss)/gain to income £m	Year ended 30 September 2018 Gain/(loss) to equity £m
Financial assets							
Fair value through profit and loss							
Derivative instruments in designated hedge accounting relationships							
Interest rate swaps		**3.2**	**4.3**	**–**	2.6	–	–
Forward foreign currency contracts		**–**	**–**	**–**	–	(1.7)	–
Derivative instruments not in designated hedge accounting relationships							
Interest rate swaps		**–**	**(1.2)**	**–**	3.2	3.4	–
Interest rate caps		**0.4**	**(3.5)**	**–**	3.9	0.4	–
Provision for contingent consideration receivable		**0.3**	**–**	**–**	0.1	–	–
Fair value through Other Comprehensive Income							
Financial assets		**33.8**	**–**	**(4.0)**	–	–	–
Amortised cost							
Available for sale investments		**–**	**–**	**–**	20.4	(1.7)	0.2
Trade receivables and contract assets		**225.4**	**(1.5)**	**6.6**	180.4	2.2	3.2
Other receivables	(i)	**25.3**	**–**	**3.0**	33.4	–	1.5
Collateral	(ii)	**15.4**	**–**	**–**	8.0	3.0	–
Cash deposits with original maturities of three months or more	(iii)	**–**	**–**	**–**	237.3	–	–
Loans to joint ventures and associates	(iv)	**12.0**	**3.9**	**–**	18.4	–	–
Cash and cash equivalents		**299.1**	**7.6**	**10.8**	437.8	1.7	1.6
		614.9	**9.6**	**16.4**	945.5	7.3	6.5
Financial liabilities							
Fair value through profit and loss							
Derivative instruments in designated hedge accounting relationships							
Interest rate swaps		**–**	**–**	**–**	(2.1)	(1.0)	–
Fixed-to-fixed cross-currency swaps		**(24.4)**	**(1.7)**	**(13.6)**	(18.0)	(1.4)	(0.5)
Forward foreign currency contracts		**–**	**–**	**–**	–	4.9	(1.6)
Provision for contingent consideration payable		**(2.1)**	**(0.2)**	**(0.2)**	(4.8)	–	(0.1)
Acquisition put option commitments		**–**	**–**	**(0.1)**	(8.2)	–	(0.2)
Amortised cost							
Trade payables		**(35.9)**	**–**	**(0.5)**	(39.9)	–	(0.1)
Bank overdrafts		**(11.8)**	**–**	**(0.1)**	(1.9)	–	–
Bonds		**(202.8)**	**(19.8)**	**–**	(424.4)	(26.8)	–
Bank loans		**–**	**(2.3)**	**–**	–	(6.8)	2.6
Loan notes		**–**	**(0.1)**	**–**	(1.7)	(5.0)	–
		(277.0)	**(24.1)**	**(14.5)**	(501.0)	(36.1)	0.1
Total for financial instruments		**337.9**	**(14.5)**	**1.9**	444.5	(28.8)	6.6

(i) Other receivables include a 9.0% fixed rate unsecured loan note, repayable on 27 September 2022 with a carrying value of £16.3 million (2018 £15.4 million).

(ii) The Group deposits collateral with counterparties with whom it has entered into a credit support annex to an ISDA (International Swaps and Derivatives Association) Master Agreement. These collateral deposits, which represents cash that cannot be readily used in the Group's operations, are disclosed within Other financial assets (Note 28).

(iii) As required by IAS 7, Statement of Cash Flows, cash deposits held with the Group's bank counterparties with an original maturity date of three months or more are classified within Other financial assets.

(iv) Loans to joint ventures and associates (included within other financial assets) include a 10.0% fixed rate unsecured loan note, repayable on 31 December 2025 with a carrying value of £12.0 million (30 September 2018 £17.3 million).

Reconciliation of net gain taken to equity is as follows:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Change in fair value of hedging derivatives	39	**(13.5)**	2.8
Costs of hedging	39	**(0.1)**	–
Fair value movement in financial assets at fair value through Other Comprehensive Income	25, 39	**(4.5)**	–
Translation of financial instruments of overseas operations		**20.0**	8.7
Transfer of gain on cash flow hedges from translation reserve to the Consolidated Income Statement	39	**–**	(4.9)
Total gain on financial instruments to equity		**1.9**	6.6

Reconciliation of loss taken through income to net finance costs is as follows:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Total loss on financial instruments to income		**(14.5)**	(28.8)
Add back:			
Impairment of trade receivables, contract assets and other receivables	27	**1.5**	(2.2)
Impairment of available for sale investments	8	**–**	1.8
Dividend income	9	**–**	(0.1)
Interest receivable	9	**(11.5)**	(4.7)
Interest on pension scheme liabilities less expected return on pension scheme assets	10	**7.1**	2.0
Net finance costs	10	**(17.4)**	(32.0)

Risk management

The Group is exposed to credit, interest rate and currency risks arising in the normal course of business. Derivative financial instruments are used to manage exposures to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes.

Capital risk management

The Group manages its capital, defined as equity shareholders' funds and net cash or borrowings, to ensure that entities in the Group are able to continue as going concerns for the foreseeable future.

Debt management

The Group borrows on an unsecured basis and arranges its debt to ensure an appropriate maturity profile. The Group's principal sources of funding are the long-term sterling bond market and committed bank facilities. The Group is mindful of its credit rating, currently BB+ with Standard & Poor's and BBB- with Fitch and ensures it has sufficient committed bank facilities in order to meet short-term business requirements, after taking into account the Group's holding of cash and cash equivalents together with any distribution restrictions which exist. The Group aims to maximise the term and flexibility of indebtedness and retain headroom in the form of undrawn committed bank facilities of approximately £100.0 million. Additionally, the Group arranges its currency borrowings in order that they are in proportion to the ratio of earnings in that particular currency to total Group earnings.

The Directors consider that the Group's bond issuances together with its bank facilities and cash balances are sufficient to cover the likely medium-term funding requirements of the Group.

Associates, joint ventures and other equity investments in general arrange and maintain their own financing and funding requirements. In all cases such financing is on a non-recourse basis to the Company.

Whilst the Group's internal target of a 12-month rolling net debt to EBITDA ratio is no greater than 2.0 times at any point, the limit imposed by its bank covenants is no greater than 3.50 times together with a minimum interest cover ratio of 3.0 times, measured in March and September. These covenants were met at the relevant testing dates during the year. The bank covenant ratio uses the average exchange rate in the calculation of net debt. Excluding cash deposits with an original maturity of three months or more amounting to £nil (2018 £237.3 million), the resultant net cash to EBITDA ratio is 0.37 times (2018 0.01 times net debt to EBITDA). Using a closing rate basis for the valuation of net cash, the net cash to EBITDA ratio is 0.40 times (2018 0.02 times net debt to EBITDA).

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34 Financial instruments and risk management continued

Cash and liquidity risk management

The Group monitors its cash balances to ensure that sufficient resources are available to meet operational requirements as they fall due. Short-term money market deposits are used to manage liquidity whilst maximising the rate of return on cash resources, giving due consideration to credit risk. A detailed maturity analysis of both derivative and non-derivative financial liabilities are analysed in the table on page 156 of this note.

Market risk management

The Group's primary market risks are interest rate fluctuations and exchange rate movements.

Interest rate risk management

The limit imposed by the Group's bank covenants is at least 3.0 times EBITDA to net interest. The actual ratio for the year was 24.2 times (2018 9.2 times).

Group debt is largely comprised of floating rate sterling (GBP) and US dollar (USD) bank borrowings and fixed GBP bond debt.

The Group's interest rate exposure management policy is aimed at reducing the exposure of the consolidated businesses to changes in interest rates. Group policy is to have 70.0% to 80.0% of interest rate exposures fixed with the balance floating.

This is achieved by issuing fixed rate GBP bond debt and entering into derivative contracts that economically swap fixed rate interest into floating rate. Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist.

To meet policy the Group:

- swaps a portion of its fixed GBP bond debt into GBP floating debt using interest rate swaps;
- swaps a portion of its fixed GBP bond debt into USD fixed bond debt by using fixed-to-fixed cross-currency swaps;
- buys caps to fix its debt; and
- enters forward contracts, selling USD and buying GBP to swap its GBP floating rate debt into USD floating rate debt.

The derivatives in place to meet Group policy are as follows:

(i) Fixed-to-floating interest rate swaps, designated as fair value hedges of a portion of the Group's bonds; changes in the fair value of the swaps are recognised in the Consolidated Income Statement and at the same time the carrying value of the hedged bonds are adjusted for movements in the hedged risk to the extent effective and those adjustments are also recognised in the Consolidated Income Statement. The notional value of these interest rate swaps amounts to £73.1 million (2018 £93.1 million) with the Group paying floating rates of between 0.77% and 0.96% (2018 0.33% and 0.94%). The average hedged interest rate for the period was 0.86% (2018 0.63%).

(ii) Floating-to-fixed interest rate swaps which are not designated as hedging instruments; changes in the fair value of the swaps are recognised in the Consolidated Income Statement. These swaps were closed out during the year. The notional value of these interest rate swaps amounts to US$nil (2018 US$67.0 million) with the Group receiving floating US dollar interest at a rate of 2.35% (2018 rates between 1.33% and 2.35%).

(iii) Fixed-to-fixed cross-currency swaps designated as hedges of the Group's net investments in foreign operations. The notional value of these cross-currency swaps amounts to £72.0 million/US$115.0 million (2018 £96.3 million/US$155.0 million) resulting in the Group paying fixed US dollar interest at rates of between 5.56% and 6.99% (2018 5.56% and 6.99%). The average hedged GBP/USD exchange rate for the period was 1.60 (2018 1.61).

(iv) The Group also had a number of outstanding interest rate caps. These amounted to US$95.0 million and £105.0 million notional (2018 US$195.0 million and £105.0 million) at rates of between 2.09% and 3.50% (2018 2.09% and 3.50%).

Derivative financial instruments are measured at fair value at the date the derivatives are entered into and are subsequently remeasured to fair value at each reporting date. The fair value is determined by using market rates of interest and exchange as at 30 September 2019 and the use of established estimation techniques such as discounted cash flow and option valuation models. The fair value of long-term borrowings has been calculated by discounting expected future cash flows at market rates.

Foreign exchange rate risk management

Translation exposures arise on the earnings and net assets of business operations in entities with functional currencies other than that of the parent company. The net asset exposures are economically hedged by a policy of denominating borrowings in currencies where significant translation exposures exist, most notably US dollars.

The Group also designates currency swaps, forward contracts and US dollar bank borrowings as net investment hedges, hedging the Group's overseas investments.

Credit risk management
The Group's principal credit risk relates to its trade and other receivables and non-performance by counterparties to financial instrument contracts.

Trade and other receivables
The Group's customer base is diversified geographically and by segment with customers generally of a good financial standing. Before accepting any new customers, the Group assesses the potential customers' credit quality and sets credit limits by customer. The average credit period is 48 days (2018 38 days). The Group considers the credit risk of trade receivables to be low, although the Group remains vigilant in the current economic climate. The Group reserves the right to charge interest on overdue receivables, although the Group does not hold collateral over any trade receivable balances. The Group makes an impairment allowance which is reviewed regularly in conjunction with an analysis of historical payment profiles, past default experience together with relevant forward looking information. Further information on impairment allowances relating to trade receivables, contract assets and other receivables can be found in Note 27.

The maximum exposure to credit risk from trade and other receivables at the reporting date is the amount of each class disclosed in the table on page 150.

Institutional counterparty risk
The Group seeks to limit interest rate and foreign exchange risks, described above, by the use of financial instruments. As a result, credit risk arises from the potential non-performance of the counterparties to those financial instruments, which are unsecured. The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged. The Group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents.

Credit risk is controlled by monitoring the credit quality of these counterparties, principally licensed commercial banks and investment banks with strong long-term credit ratings, and of the amounts outstanding with each of them.

The credit risk on cash deposits and derivative financial instruments is considered low since the counterparties are banks with high credit ratings. Group policy is to have no more than the higher of £20.0 million or 25.0% of surplus cash balances deposited (or at risk) with any 'AA' or UK ring-fenced banking counterparty and no more than the higher of £10.0 million or 10.0% of surplus cash balances with 'A' rated counterparties but with no more than the higher of £50.0 million or 50.0% of surplus cash balances in aggregate. The Group has no significant concentration of risk with exposure spread over a large number of counterparties and customers.

Expected credit losses on cash and cash equivalents (which includes cash deposits with an original maturity of less than three months) were reviewed at the reporting date and determined to be immaterial.

The maximum exposure to credit risk from derivative assets and cash and cash equivalents at the reporting date is the amount of each class disclosed in the table on page 150.

Derivative financial instruments and hedge accounting
The Group designates certain derivatives as:

(i) hedges of the change in fair value of recognised assets and liabilities (fair value hedges); or

(ii) hedges of highly probable forecast transactions (cash flow hedges); or

(iii) hedges of net investments in foreign operations (net investment hedges).

To qualify for hedge accounting, each individual hedging relationship must be expected to be effective, be designated and documented at its inception and throughout the life of the hedge relationship.

Fair value hedges
The Group's policy is to use interest rate swaps to convert a proportion of its fixed rate debt to floating rates. The swaps are designated as a hedge of the change in fair value of the Group's fixed rate debt.

The notional amount of the interest rate swaps is used to hedge an equivalent notional amount of fixed rate debt. Accordingly, the hedge ratio is deemed to be 100%.

Since the critical terms of the swaps match those of the fixed rate debt the Group expects a highly effective hedging relationship. The fair value of the designated fixed rate debt is expected to move in the opposite direction to the fair value of the interest rate swaps as a result of changes in external market interest rates.

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34 Financial instruments and risk management continued

The nominal and carrying amounts of hedged fixed rate debt are as follows:

	At 30 September 2019 £m	At 30 September 2018 £m
Nominal amount	**73.1**	93.1
Carrying amount	**75.8**	93.1

The carrying amount of debt in the table above is included within borrowings in the Consolidated Statement of Financial Position.

The Change in value of the hedged fixed rate debt is used as the basis for recognising hedge ineffectiveness for the period. The following table shows the fair value adjustment to sterling debt (which is included in the carrying amount above) and the fair value of related derivatives designated in fair value hedging relationships included in the Consolidated Statement of Financial Position, together with the fair value gains and losses thereon included in the Consolidated Income Statement for the current and prior periods:

	Fair value at 30 September 2017 £m	Year ended 30 September 2018 fair value (loss)/gain £m	Fair value at 30 September 2018 £m	Year ended 30 September 2019 fair value gain/(loss) £m	Fair value at 30 September 2019 £m
Sterling interest rate swaps	2.8	(2.3)	0.5	2.7	**3.2**
Sterling debt	(2.8)	2.3	(0.5)	(2.7)	**(3.2)**
Total	–	–	–	–	**–**

Cash flow hedges

The Group's policy is to use certain derivative financial instruments in order to hedge the foreign exchange risk arising from certain firm commitments or forecast highly probable transactions in currencies other than the functional currency of the relevant Group entity.

There were no cash flow hedging relationships during the year ended 30 September 2019. All cash flow hedges were effective throughout the prior year ended 30 September 2018.

Net investment hedges

The Group seeks to manage the foreign currency exposure arising on retranslation of the reporting entity's share of net assets of foreign operations at each reporting date by designating certain derivative financial instruments and foreign currency borrowings as net investment hedging instruments.

The carrying amount of the Group's net investments in foreign operations exceeds the amount of the hedging instruments, such that the amount of net investments designated in the hedge relationship is equal to the amount of the hedging instruments. Accordingly, the hedge ratio is deemed to be 100%.

Since the critical terms of the hedging instruments match those of the net investments in foreign operations the Group expects a highly effective hedging relationship. The carrying value of the designated net investments in foreign operations is expected to move in the opposite direction to the mark-to-market value of the hedging instruments as a result of changes in market exchange rates.

Hedge effectiveness

Since the Group expects the hedge relationships described above to be highly effective, a qualitative assessment of effectiveness is performed on inception, at each reporting date, and upon any material change in circumstances affecting the hedge effectiveness requirements.

The key sources of ineffectiveness for the designated relationships described above are:

(i) A reduction to the amount of the Group's hedged fixed rate debt to an amount that is less than the notional amount of the interest rate swaps.

(ii) An insufficient amount of net investments in foreign operations (i.e. less than the amount of the hedging instruments).

(iii) A material change in the Group's credit risk or that of its swap counterparties.

If changes in circumstances cause the critical terms of the hedging instrument to no longer match those of the hedged item, ineffectiveness is monitored using the hypothetical derivative method.

All designated hedge relationships were effective throughout the year ended 30 September 2019. There was no ineffectiveness recognised in the Consolidated Income Statement for the current or prior year.

The Group's derivative financial instruments, other than acquisition option commitments, and their maturity profiles are summarised as follows:

Derivative financial assets:

	Fair value hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial assets £m
At 30 September 2019			
Between one and two years	**1.3**	**–**	**1.3**
Between two and five years	**–**	**0.1**	**0.1**
Over five years	**1.9**	**0.3**	**2.2**
	3.2	**0.4**	**3.6**
	3.2	**0.4**	**3.6**
At 30 September 2018			
Within one year	0.7	–	0.7
Between two and five years	1.9	1.1	3.0
Over five years	–	6.0	6.0
	1.9	7.1	9.0
	2.6	7.1	9.7

Derivative financial liabilities:

	Fair value hedges £m	Net investment hedges £m	Derivative financial liabilities £m
At 30 September 2019			
Within one year	**–**	**(18.7)**	**(18.7)**
Over five years	**–**	**(5.7)**	**(5.7)**
	–	**(24.4)**	**(24.4)**
At 30 September 2018			
Within one year	–	(6.6)	(6.6)
Over five years	(2.1)	(11.4)	(13.5)
	(2.1)	(18.0)	(20.1)

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34 Financial instruments and risk management continued

Maturity profile of financial liabilities

The remaining undiscounted contractual liabilities and their maturities are as follows:

	Within one year £m	Between one and two years £m	Between two and five years £m	Between five and ten years £m	Total £m
At 30 September 2019					
Trade payables	**(35.9)**	**–**	**–**	**–**	**(35.9)**
Bank overdrafts	**(12.0)**	**–**	**–**	**–**	**(12.0)**
Bonds	**(12.8)**	**(13.5)**	**(38.3)**	**(234.7)**	**(299.3)**
Contingent consideration	**(0.6)**	**(1.5)**	**–**	**–**	**(2.1)**
Fixed-to-fixed cross-currency swaps	**(77.1)**	**(1.4)**	**(4.2)**	**(24.2)**	**(106.9)**
	(138.4)	**(16.4)**	**(42.5)**	**(258.9)**	**(456.2)**
At 30 September 2018					
Trade payables	(39.9)	–	–	–	(39.9)
Bank overdrafts	(1.9)	–	–	–	(1.9)
Bonds	(234.3)	(13.5)	(45.8)	(247.5)	(541.1)
Loan notes	(1.7)	–	–	–	(1.7)
Contingent consideration	(1.2)	–	(3.7)	–	(4.9)
Acquisition put option commitments	(0.6)	–	(7.7)	–	(8.3)
Interest rate swaps	0.4	0.4	1.1	1.3	3.2
Fixed-to-fixed cross-currency swaps	(36.7)	(5.7)	(17.1)	(109.8)	(169.3)
	(315.9)	(18.8)	(73.2)	(356.0)	(763.9)

Included in the maturity table above are interest rate swaps with a notional value of US$nil (2018 US$67.0 million) and currency swaps with a notional value of US$90.0 million (2018 US$90.0 million) with mutual break clauses at fair value every five years. At 30 September 2019 these break clauses are exercisable within less than one year from the balance sheet date, therefore the cash flows associated with these fixed-to-fixed cross-currency swaps have been included in within one year.

Reconciliation of undiscounted liabilities to amounts on the Consolidated Statement of Financial Position is as follows:

	Undiscounted value of financial liabilities £m	Interest £m	Unamortised issue costs £m	Unamortised premium on issue £m	Discounting and mark to market adjustments £m	Undiscounted value of financial asset £m	Total £m
At 30 September 2019							
Trade payables	**(35.9)**	**–**	**–**	**–**	**–**	**–**	**(35.9)**
Bank overdrafts	**(12.0)**	**0.2**	**–**	**–**	**–**	**–**	**(11.8)**
Bonds	**(299.3)**	**98.5**	**0.5**	**0.7**	**(3.2)**	**–**	**(202.8)**
Contingent consideration	**(2.1)**	**–**	**–**	**–**	**–**	**–**	**(2.1)**
Fixed-to-fixed cross-currency swaps	**(106.9)**	**3.6**	**–**	**–**	**(2.9)**	**81.8**	**(24.4)**
	(456.2)	**102.3**	**0.5**	**0.7**	**(6.1)**	**81.8**	**(277.0)**
At 30 September 2018							
Trade payables	(39.9)	–	–	–	–	–	(39.9)
Bank overdrafts	(1.9)	–	–	–	–	–	(1.9)
Bonds	(541.1)	115.4	0.6	1.2	(0.5)	–	(424.4)
Loan notes	(1.7)	–	–	–	–	–	(1.7)
Contingent consideration	(4.9)	–	–	–	0.1	–	(4.8)
Acquisition put option commitments	(8.3)	–	–	–	0.1	–	(8.2)
Interest rate swaps	3.2	(3.2)	–	–	(2.1)	–	(2.1)
Fixed-to-fixed cross-currency swaps	(169.3)	10.3	–	–	4.9	136.1	(18.0)
	(763.9)	122.5	0.6	1.2	2.5	136.1	(501.0)

At 30 September 2019, all interest rate swaps were in an asset position. Since interest rate swaps are settled on a net basis, no liability is included in the above maturity tables.

Sensitivity analysis

In managing the Group's interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations. However, changes in foreign exchange rates and interest rates may have an impact on the Group's statutory results.

At 30 September 2019 it is estimated that an increase of 1.0% in interest rates would have decreased the Group's finance costs by £1.2 million (2018 £8.1 million). There would have been no effect on amounts recognised directly in equity. A decrease of 1.0% in interest rates would have decreased the Group's finance costs by £0.4 million (2018 £5.8 million increase). There would have been no effect on amounts recognised directly in equity. This sensitivity has been calculated by applying the interest rate change to the Group's variable rate borrowings, net of any interest rate swaps, at the year end date.

At 30 September 2019 it is estimated that a 10.0% strengthening of sterling against the US dollar would have increased the net gain taken to equity by £11.9 million (2018 £13.3 million) and decreased the net loss taken to income by £1.6 million (2018 increased the net loss by £0.4 million). A 10.0% weakening of sterling against the US dollar would have decreased the net gain taken to equity by £14.5 million (2018 £16.3 million) and increased the net loss to income by £2.0 million (2018 decreased the net loss by £0.5 million). This sensitivity has been calculated by applying the foreign exchange change to the Group's financial instruments which are affected by changes in foreign exchange rates.

At 30 September 2019, there were no outstanding acquisition put option commitments. At 30 September 2018, it was estimated that an increase or decrease of 1.0% in the rate used to discount the expected gross value of payments would not lead any change to the present value of acquisition put option commitments.

Valuation techniques and assumptions applied for the purpose of measuring fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 September 2019 by valuation method under IFRS 9	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets					
Financial assets at fair value through Other Comprehensive Income	25, (i)	**–**	**25.7**	**8.1**	**33.8**
Fair value through profit and loss					
Derivative instruments not in designated hedge accounting relationships	(ii)	**–**	**0.4**	**–**	**0.4**
Provision for contingent consideration receivable	(iii)	**–**	**–**	**0.3**	**0.3**
Derivative instruments in designated hedge accounting relationships	(ii)	**–**	**3.2**	**–**	**3.2**
		–	**29.3**	**8.4**	**37.7**
Financial liabilities					
Fair value through profit and loss					
Provision for contingent consideration payable	36, (iii)	**–**	**–**	**(2.1)**	**(2.1)**
Derivative instruments in designated hedge accounting relationships	(ii)	**–**	**(24.4)**	**–**	**(24.4)**
		–	**(24.4)**	**(2.1)**	**(26.5)**

At 30 September 2018 by valuation method under IAS 39	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets					
Available for sale investments	25, (i)	–	–	20.4	20.4
Fair value through profit and loss					
Derivative instruments not in designated hedge accounting relationships	(ii)	–	7.1	–	7.1
Provision for contingent consideration receivable	(iii)	–	–	0.1	0.1
Derivative instruments in designated hedge accounting relationships	(ii)	–	2.6	–	2.6
		–	9.7	20.5	30.2
Financial liabilities					
Fair value through profit and loss					
Provision for contingent consideration payable	36, (iii)	–	–	(4.8)	(4.8)
Derivative instruments in designated hedge accounting relationships	(ii)	–	(20.1)	–	(20.1)
		–	(20.1)	(4.8)	(24.9)

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34 Financial instruments and risk management continued
Sensitivity analysis continued

Equity investments classified as available for sale in the prior year were considered level 3 fair value instruments in line with the requirements of IAS 39. These instruments have been classified as FVTOCI as of 30 September 2019 and transferred to level 2 category as the observable market data used in the valuation became available during this reporting period.

(i) Unlisted equity investments are valued using a variety of techniques including comparable company valuation multiples and discounted cashflows. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

Available for sale investments are recorded at cost less provision for impairment, as since there is no active market upon which they are traded their fair values cannot be reliably measured. The recoverable amount is determined by discounting future cash flows to present value using market interest rates.

(ii) The fair value of derivative instruments is determined using market rates of interest and exchange, and established estimation techniques such as discounted cash flow and option valuation models.

(iii) Contingent consideration is valued based on the future profitability of the businesses to which the contingent consideration relates, discounted at market rates of interest.

Reconciliation of level 3 fair value measurement of financial assets is as follows:

	Note	£m
At 30 September 2017		30.9
Additions		20.8
Contingent consideration received		(0.2)
Transfer to investment in associates		(29.4)
Impairment charge		(1.8)
Exchange adjustment		0.2
At 30 September 2018		**20.5**
Adjustment for transition to IFRS 9	2	9.4
Transfer from Level 3 to Level 2 on transition to IFRS 9		(21.9)
Restated at 1 October 2018		**8.0**
Transfer from investment in associates		0.3
Fair value movement in financial assets at fair value through Other Comprehensive Income		(0.1)
Exchange adjustment		0.2
At 30 September 2019		**8.4**

Reconciliation of level 3 fair value measurement of financial liabilities is as follows:

	Note	£m
At 30 September 2017		(17.0)
Cash paid to settle contingent consideration in respect of acquisitions	36	14.4
Change in fair value of contingent consideration	10, 19, 36	(2.2)
Finance charge on discounting of contingent consideration	10, 19, 36	(0.2)
Additions to contingent consideration	36	(0.2)
Contingent consideration owned by subsidiaries disposed	36	0.4
At 30 September 2018		**(4.8)**
Cash paid to settle contingent consideration in respect of acquisitions	36	4.7
Change in fair value of contingent consideration	10, 36	(0.2)
Additions to contingent consideration	36	(1.6)
Exchange adjustment	36	(0.2)
At 30 September 2019		**(2.1)**

The key inputs into the significant level 3 financial liabilities are the future profitability of the businesses to which the contingent consideration relate and the discount rate. The estimated range of possible outcomes for the fair value of these liabilities is £nil to £2.9 million (2018 £nil to £19.4 million).

The increase in fair value of contingent consideration of £0.2 million (2018 increase of £2.2 million) and finance charge on discounting of contingent consideration of £nil (2018 £0.2 million) were charged to the Consolidated Income Statement within net finance costs (Note 10).

A one percentage point increase or decrease in the growth rate used in estimating the expected profits, results in the contingent consideration liability at 30 September 2019 increasing or decreasing by £nil and £nil respectively (2018 £0.4 million and £0.4 million), with the corresponding change to the value at 30 September 2019 charged or credited to the Consolidated Income Statement in future periods.

The rates used to discount contingent consideration range from 0.0% to 1.0% (2018 0.8% to 1.1%). A one percentage point increase or decrease in the discount rate used to discount the expected gross value of payments, results in the liability at 30 September 2019 decreasing or increasing by £nil and £nil respectively (2018 £0.1 million and £0.1 million), with the corresponding change to the value at 30 September 2019 charged or credited to the Consolidated Income Statement in future periods.

35 Retirement benefit obligations

The Group operates a number of pension schemes under which contributions are paid by the employer and employees. The total net pension costs of the Group for the year ended 30 September 2019 were £7.3 million (2018 £9.3 million).

The schemes include a number of defined contribution pension arrangements, in addition to funded defined benefit pension arrangements which are closed to future accrual. The defined benefit schemes in the UK, together with some defined contribution plans, are administered by Trustees or Trustee Companies.

Defined benefit schemes

Background

The Company operates two main defined benefit schemes, the Harmsworth Pension Scheme (HPS) and the Senior Executive Pension Scheme (SEPF), both of which are closed to new entrants and to further accrual.

Full actuarial valuations of the defined benefit schemes are carried out triennially by the scheme actuary. Following the results of the latest triennial valuation as at 31 March 2016, the Company agreed a Recovery Plan involving a series of annual funding payments, of £13.0 million on 5 October 2016 to 2018, £16.3 million on 5 October 2019, £16.2 million on 5 October 2020 to 2025 and £76.2 million on 5 October 2026. The Company considers that these contribution rates are sufficient to eliminate any deficit over the agreed period. This Recovery Plan will be reviewed at the next triennial funding valuation of the main schemes which is due to be completed with an effective date of 31 March 2019.

In addition the Company has agreed with the Trustees that, should it make any permanent reductions in the Company's capital, including share buy-backs, it will make additional contributions to the schemes amounting to 20.0% of the capital reduction. Contributions of £nil (2018 £nil) relating to this agreement were made in the year to 30 September 2019.

The Company intends to make available £117.0 million from the Group's cash resources to the Group's defined benefit pension schemes following the disposal of Euromoney. In light of the forthcoming actuarial valuation as at 31 March 2019, the Group and the Trustees of the pension schemes are in discussions to finalise these arrangements.

Limited Partnership investment vehicle

HPS owns a beneficial interest in a Limited Partnership investment vehicle (LP). The LP has been designed to facilitate annual payments of £10.8 million as part of the deficit funding payments described above over the period to 2026. In addition, the LP is required to make a final payment to the scheme of £149.9 million, or the funding deficit within the scheme on an ongoing actuarial valuation basis, at the end of the period to 2026 if this is less. The Recovery Plan above assumes £60.0 million of the £149.9 million final payment is required. For funding purposes, the interest of HPS in the LP is treated as an asset of the scheme and reduces the actuarial deficit within the scheme. However, under IAS 19, Employee benefits, the LP is not included as an asset of the scheme and therefore is not included in the disclosures below.

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35 Retirement benefit obligations continued

Defined benefit schemes continued

Strategic Plan

The Trustee has developed a comprehensive approach to managing the schemes' investment strategy to ensure it is always aligned with the Strategic Plan. The schemes' financial performance has been sufficiently better than envisaged so the Trustee has reduced risk largely by decreasing the equity allocation and increasing its interest rate and inflation rate hedging which is reflected in the analysis of the schemes' assets. In addition the Strategic Plan has been amended to target an asset allocation that may enable all pension obligations to be under written with insurance policies by 2030.

The Strategic Plan may involve the Trustee reducing risk further.

This framework defines a series of triggers which present opportunities for the Trustee to reduce risk either by reducing the allocation to return seeking assets, such as equities and increasing the interest rate and inflation hedge or a combination of the two.

The figures in this note are based on calculations using membership data as at 30 September 2019 along with asset valuations and cash flow information from the schemes for the year to 30 September 2019.

A reconciliation of the net pension obligation reported in the Consolidated Statement of Financial Position is shown in the following table:

	At 30 September 2019 Schemes in surplus £m	At 30 September 2019 Schemes in deficit £m	At 30 September 2019 Total £m	At 30 September 2018 Schemes in surplus £m	At 30 September 2018 Schemes in deficit £m	At 30 September 2018 Total £m
Present value of defined benefit obligation	**(2,918.7)**	**(57.1)**	**(2,975.8)**	(2,541.5)	(53.4)	(2,594.9)
Assets at fair value	**3,144.4**	**46.4**	**3,190.8**	2,790.6	47.8	2,838.4
Surplus/(deficit) reported in the Consolidated Statement of Financial Position	**225.7**	**(10.7)**	**215.0**	249.1	(5.6)	243.5

The IAS 19 accounting surplus/(deficit) data above differs to the triennial actuarial surplus/(deficit) calculation used in the assessment of future funding obligations. There are a number of reasons for this – the actuarial valuation is as at the schemes' year end date of 31 March and is calculated triennially based on more prudent assumptions including those covering discount rates and mortality. IAS 19 requires the Company to use best estimate assumptions.

The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its Statement of Financial Position.

In relation to HPS and the SEPF, having taken account of the rules of the schemes, the Company has an unconditional right to a refund of any surplus under IFRIC 14 and considers that the recognition of surpluses in these schemes on its Statement of Financial Position is in accordance with the interpretations of IFRIC 14. In relation to the AVC, having taken account of the rules of the scheme, the Company does not have an unconditional right to a refund under IFRIC 14. However, at 30 September 2019 the AVC Plan showed a deficit and no contributions are payable into the AVC Plan. Therefore no asset ceiling needs to be applied to restrict surplus on the balance sheet and no additional minimum funding liability is needed under IFRIC 14.

IFRIC 14 is in the process of being revised which may lead to a reassessment of the Company's recognition of any pension surplus on its Statement of Financial Position.

The surplus/(deficit) for the year, set out above, excludes a related deferred tax liability of £39.9 million (2018 £41.0 million).

A reconciliation of the present value of the defined benefit obligation is shown in the following table:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Defined benefit obligation at start of year		**(2,594.9)**	(2,690.7)
Interest cost	10	**(71.0)**	(68.7)
Past service cost	3	**(3.1)**	(17.3)
Net benefit payments		**112.6**	99.2
Actuarial (loss)/gain as a result of:			
– changes in financial assumptions	39	**(411.6)**	58.7
– changes in demographic assumptions	39	**(7.1)**	15.8
– membership experience	39	**(0.7)**	8.1
Defined benefit obligation at end of year		**(2,975.8)**	(2,594.9)

A reconciliation of the fair value of assets is shown in the following table:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Fair value of assets at start of year		**2,838.4**	2,753.1
Interest income on scheme assets	10	**78.1**	70.7
Company contributions	15	**12.8**	12.8
Net benefit payments		**(112.6)**	(99.2)
Return on plan assets, excluding amounts included in interest income on scheme assets	39	**374.1**	101.0
Fair value of assets at end of year		**3,190.8**	2,838.4

The fair value of assets is categorised as follows:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2019 %	Year ended 30 September 2018 £m	Year ended 30 September 2018 %
Equity	(i)				
– Investment funds		**360.4**	**11**	464.6	16
– Private equity		**209.1**	**7**	212.0	7
Liability Driven Investments	(ii)	**831.8**	**26**	565.1	20
Bonds	(iii)	**1,008.8**	**32**	817.6	29
Property	(iv)	**488.4**	**15**	521.3	18
Infrastructure		**220.3**	**7**	215.3	8
Cash/Other		**72.0**	**2**	42.5	2
Total Assets		**3,190.8**	**100**	2,838.4	100

(i) Equities include hedge funds and infrastructure funds. Quoted securities in active markets are valued at the latest available bid price at the reporting date.

Private equity and infrastructure funds are valued by investment managers using appropriate valuation techniques. These are derived from market based multiples and discount rates of comparable quoted businesses or market transactions which have been determined by the Trustees' investment advisors to represent fair value.

(ii) Liability Driven Investment funds (LDI) are a collateralised portfolio of gilt repo and swap contracts designed to hedge approximately 65% (by value of assets) of the schemes' inflation and discount rate risks. These are independently valued using quoted prices and for OTC instruments by the investment manager using recognised discounting techniques.

(iii) Bonds and loans include corporate bonds, distressed credit and loans. Corporate bonds are held in unitised pooled investment vehicles and are valued at the latest available bid price provided by the pooled investment manager. Distressed credit and loans are valued by the investment managers using relevant valuation techniques.

(iv) The schemes' property portfolio represent a mixture of industrial, retail, office and leisure. These assets are independently valued at open market value at 31 March each year with subsequent changes in value based on changes in the Investment Property Databank Index (IPD) which tracks retail, office and industrial property transactions.

The value of employer-related assets held on behalf of the schemes at 30 September 2019 was £nil (0.0% of assets), (2018 £nil, 0.0% of assets).

The main financial assumptions are shown in the following table:

	Year ended 30 September 2019 %	Year ended 30 September 2018 %
Price inflation	**3.10**	3.25
Pension increases	**3.00**	3.10
Discount rate	**1.80**	2.80

The discount rate for both scheme liabilities and the fair value of scheme assets reflects yields at the year-end date on high-quality corporate bonds and are based on a cash flow-based yield curve, calculating a single equivalent discount rate reflecting the average duration of the schemes' liabilities, rounded to the nearest 0.05% p.a. This methodology incorporates bonds given an AA rating from at least two of the main four rating agencies (Standard & Poor's, Moody's, Fitch and DBRS).

RPI inflation is derived in a similar way to the discount rate but with reference to the Bank of England spot curve at the duration of the schemes' weighted averaged duration with an appropriate allowance for inflation risk premium (0.20% p.a.), rounded to the nearest 0.05% p.a.

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35 Retirement benefit obligations continued

Defined benefit schemes continued

Mortality assumptions take account of scheme experience, and also allow for further improvements in life expectancy based on the Continuous Mortality Investigation (CMI) projections but with a long-term rate of improvement in future mortality rates of 1.25% p.a.. Allowance is made for the extent to which employees have chosen to commute part of their pension for cash at retirement.

The average duration of the defined benefit obligation at the end of the year is approximately 18 years (2018 18 years).

The table below illustrates examples of the assumed average life expectancies from age 60 for the principal schemes:

	Year ended 30 September 2019 Future life expectancy from age 60 (years)	Year ended 30 September 2018 Future life expectancy from age 60 (years)
For a current 60-year-old male member of the scheme	**26.7**	26.2
For a current 60-year-old female member of the scheme	**28.3**	28.2
For a current 50-year-old male member of the scheme	**27.1**	26.7
For a current 50-year-old female member of the scheme	**29.0**	29.2

The amounts charged to the Consolidated Income Statement relating to the Group's defined benefit schemes, based on the above assumptions are shown in the following table:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Past service cost	3	**(3.1)**	(17.3)
Charge to operating profit		**(3.1)**	(17.3)
Finance income	10	**7.1**	2.0
Total credit/(charge) to the Consolidated Income Statement		**4.0**	(15.3)

The fair value of some of our pension assets are made up of quoted and unquoted investments. The latter require more judgement as their values are not directly observable. The assumptions used in valuing unquoted investments are affected by current market conditions and trends which could result in changes in fair value after the measurement date.

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted. The table below indicates the effect from changes in the principal assumptions used above:

		Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Mortality			
Increase in pension obligation at 30 September 2019 from a one-year increase in life expectancy		**115.0**	87.7
Change in projected pension cost for the year to 30 September 2020 from a one-year increase	+/-	**2.0**	2.4
Inflation rate			
Decrease in pension obligation at 30 September 2019 from a 0.1 % p.a. increase (excluding hedging)		**24.0**	44.2
Change in projected pension cost for the year to 30 September 2020 from a 0.1 % p.a. increase	+/-	**0.4**	1.1
Discount rate			
Decrease in pension obligation at 30 September 2019 from a 0.1 % p.a. decrease (excluding hedging)		**51.5**	50.0
Change in projected pension cost for the year to 30 September 2020 from a 0.1 % p.a. decrease	+/-	**1.0**	1.5

There are significant risks in connection with running defined benefit schemes, and the key risks are highlighted below:

Inflation rate risk

A significant proportion of the defined benefit obligation is linked to inflation, therefore increased inflation will result in a higher pension obligation. The Trustees have sought to acquire certain assets with exposure to inflationary uplifts in order to negate a proportion of this risk. Monetary assets such as bonds and loans hedge approximately 65% of the schemes' risk (by value of assets).

Life expectancy risk

The present value of the defined benefit obligation is calculated with reference to the best estimate of the mortality of scheme members. An increase in assumed life expectancy will result in an increase in the defined benefit obligation. Regular reviews of mortality experience are performed to ensure life expectancy assumptions remain appropriate.

Investment risk
This is a measure of the uncertainty that the return on the schemes' assets meet the return necessary to fund pension obligations. The schemes hold a significant proportion of equities, but during the period have been reallocating some of these investments into credit and property investments which exhibit lower volatility of return and the LDI investments.

Discount rate risk
The present value of the defined benefit obligation is calculated using a discount rate set with reference to high-quality corporate bond yields. A decrease in corporate bond yields will increase the present value of the defined benefit obligation, although this will be partially offset by bonds and the LDI investment funds which reduce the gilt rate risk by hedging approximately 65% of the schemes' risk (by value of assets).

Amounts recognised in the Consolidated Statement of Comprehensive Income (SOCI) are shown in the following table:

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Actuarial (loss)/gain recognised in SOCI	39	**(45.3)**	183.6
Cumulative actuarial gain recognised in SOCI at beginning of year		**331.3**	147.7
Cumulative actuarial gain recognised in SOCI at end of year		**286.0**	331.3

A history of experience gains and losses is shown in the following table:

	At 30 September 2019 £m	At 30 September 2018 £m	At 30 September 2017 £m	At 30 September 2016 £m	At 30 September 2015 £m
Present value of defined benefit obligation	**(2,975.8)**	(2,594.9)	(2,690.7)	(2,998.9)	(2,437.4)
Fair value of scheme assets	**3,190.8**	2,838.4	2,753.1	2,752.9	2,278.1
Combined surplus/(deficit) in schemes	**215.0**	243.5	62.4	(246.0)	(159.3)
Experience adjustments on defined benefit obligation	**(419.4)**	82.6	191.8	(574.9)	(47.0)
Experience adjustments on fair value of scheme assets	**374.1**	101.0	107.3	460.2	54.5

The Group expects to contribute approximately £16.3 million to the schemes during the year to 30 September 2019 relating to the deficit funding payments described above.

In addition, the Company intends to make available £117.0 million from the Group's cash resources to the Group's defined benefit pension schemes following the disposal of Euromoney. In light of the forthcoming actuarial valuation as at 31 March 2019, the Group and the Trustees of the pension schemes are in discussions to finalise these arrangements.

UK defined contribution plans
The Group has introduced a number of PensionSaver group personal pension plans that have replaced the trust-based defined contribution pension plans previously offered to employees. These plans create a consistent pensions savings vehicle across all Group segments. The benefits for all members of the trust-based plans have been transferred to individual policies held in the member's own name and the scheme is now wound up. Insured death benefits previously held under this trust have already been transferred to a new trust-based arrangement specifically for life assurance purposes.

The aggregate value of the Group personal pension plans was £159.2 million (2018 £140.1 million) at the year end. The pension cost attributable to these plans during the year amounted to £14.9 million (2018 £13.5 million).

Overseas pension plans
Overseas subsidiaries of certain Group segments operate defined contribution retirement benefit plans, primarily in North America. The pension cost attributable to these plans during the year amounts to £2.5 million (2018 £3.2 million).

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36 Provisions

	Note	Contract discounts and rebates £m	Coupon discount £m	Onerous leases £m	Reorganisation costs £m	Contingent consideration (ii) £m	Claims and legal £m	Other (i) £m	Total £m
Current liabilities									
At 30 September 2017		19.7	0.5	0.8	1.5	3.4	8.3	9.4	43.6
Additions		–	–	–	–	0.2	–	–	0.2
Charged during year		23.8	(0.3)	1.5	0.3	–	5.6	2.8	33.7
Utilised during year		(21.5)	–	(0.7)	(1.5)	–	(9.6)	(3.6)	(36.9)
Transfer from non-current liabilities		0.1	–	0.5	–	10.9	–	(0.1)	11.4
Contingent consideration paid	17	–	–	–	–	(14.4)	–	–	(14.4)
Notional interest on contingent consideration		–	–	–	–	0.2	–	–	0.2
Fair value adjustment to contingent consideration	10	–	–	–	–	0.9	–	–	0.9
Exchange adjustment		–	–	–	–	–	–	0.1	0.1
At 30 September 2018		**22.1**	**0.2**	**2.1**	**0.3**	**1.2**	**4.3**	**8.6**	**38.8**
Additions	17	–	–	–	–	0.3	–	–	0.3
Charged during year		24.1	–	(0.3)	–	–	36.6	1.5	61.9
Utilised during year		(17.1)	(0.1)	(0.3)	–	–	(5.1)	(0.1)	(22.7)
Reclassification between categories		–	–	–	(0.3)	–	–	0.3	–
Transfer from non-current liabilities		–	–	–	–	3.5	–	–	3.5
Contingent consideration paid	17	–	–	–	–	(4.7)	–	–	(4.7)
Fair value adjustment to contingent consideration	10	–	–	–	–	0.2	–	–	0.2
Classified as held for sale	20	–	–	–	–	–	(32.5)	(1.7)	(34.2)
Exchange adjustment		–	–	–	–	0.1	–	1.5	1.6
At 30 September 2019		**29.1**	**0.1**	**1.5**	**–**	**0.6**	**3.3**	**10.1**	**44.7**

	Note	Onerous leases £m	Contingent consideration (ii) £m	Other (i) £m	Total £m
Non-current liabilities					
At 30 September 2017		3.3	13.6	2.2	19.1
Charged during year		1.3	–	0.3	1.6
Utilised during year		–	–	(0.1)	(0.1)
Owned by subsidiaries disposed		–	(0.4)	–	(0.4)
Transfer to current liabilities		(0.5)	(10.9)	–	(11.4)
Fair value adjustment to contingent consideration	10	–	1.3	–	1.3
Exchange adjustment		0.1	–	(0.2)	(0.1)
At 30 September 2018		**4.2**	**3.6**	**2.2**	**10.0**
Additions	17	–	1.3	–	1.3
Charged during year		(0.6)	–	0.4	(0.2)
Utilised during year		–	–	(0.1)	(0.1)
Transfer to current liabilities		–	(3.5)	–	(3.5)
Exchange adjustment		0.1	0.1	0.1	0.3
At 30 September 2019		**3.7**	**1.5**	**2.6**	**7.8**

(i) Other current provisions principally comprise tax provisions of £1.7 million (2018 £nil), end of service provisions of £4.8 million (2018 £3.8 million), dilapidation provisions of £2.0 million (2018 £2.0 million) and provisions for national insurance contributions of £1.7 million (2018 £1.7 million).

Other non-current provisions principally comprise dilapidation provisions of £1.1 million (2018 £1.0 million), end of service provisions amounting to £0.9 million (2018 £0.6 million) and a provision for amounts payable to the Newspaper Society following the cessation of membership on disposal of Northcliffe Newspapers Ltd in 2012 of £0.6 million (2018 £0.7 million).

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(ii) The maturity profile of the Group's contingent consideration provision is as follows:

	At 30 September 2019 £m	At 30 September 2018 £m
Expiring in one year or less	**0.6**	1.2
Expiring between one and two years	**1.5**	–
Expiring between two and five years	**–**	3.6
	2.1	4.8

The contingent consideration is based on future business valuations and profit multiples and has been estimated using available data forecasts. The estimated range of undiscounted outcomes for contingent consideration relating to acquisitions in the year is £nil to £1.6 million. Certain contingent consideration arrangements are not capped since they are based on future business performance.

37 Deferred taxation

	Note	Accelerated capital allowances £m	Goodwill and intangible assets £m	Share-based payments £m	Deferred interest £m	Trading losses and tax credits £m	Pension scheme deficit £m	Other £m	Total £m
At 30 September 2017		52.1	(68.7)	11.3	34.0	27.5	(6.6)	14.2	63.8
Disclosed within non-current liabilities		8.6	(61.9)	9.5	–	19.1	–	12.6	(12.1)
Disclosed within non-current assets		43.5	(6.8)	1.8	34.0	8.4	(6.6)	1.6	75.9
(Charge)/credit to income	11, (i)	(11.6)	17.0	0.3	(4.0)	(0.7)	0.3	8.3	9.6
(Charge)/credit to income due to change in tax rate	11	(2.4)	19.5	(0.9)	–	(0.1)	–	(3.6)	12.5
Charge to equity	39, 40	–	–	(3.9)	–	–	(31.2)	–	(35.1)
Charge to equity due to change in tax rate	41	–	–	(2.9)	–	–	–	–	(2.9)
Owned by subsidiaries acquired		–	(0.5)	–	–	–	–	–	(0.5)
Owned by subsidiaries disposed		(2.3)	0.7	–	–	(0.1)	–	(3.1)	(4.8)
Exchange adjustment		0.1	(2.8)	(0.1)	–	0.4	–	3.1	0.7
At 30 September 2018		**35.9**	**(34.8)**	**3.8**	**30.0**	**27.0**	**(37.5)**	**18.9**	**43.3**
Disclosed within non-current liabilities		–	(6.2)	–	–	–	–	–	(6.2)
Disclosed within non-current assets		35.9	(28.6)	3.8	30.0	27.0	(37.5)	18.9	49.5
Adjustment for transition to IFRS 15		–	–	–	–	–	–	1.1	1.1
Restated at 1 October 2018		**35.9**	**(34.8)**	**3.8**	**30.0**	**27.0**	**(37.5)**	**20.0**	**44.4**
(Charge)/credit to income	11, (i)	(3.2)	7.4	1.9	(5.6)	4.8	(4.0)	(1.4)	(0.1)
Charge to equity	39	–	–	0.6	–	–	7.7	–	8.3
Owned by subsidiaries acquired	17	–	(0.3)	–	–	–	–	–	(0.3)
Owned by subsidiaries disposed	18	–	4.2	–	–	–	–	–	4.2
Classified as held for sale	20	(1.2)	7.5	–	–	(2.6)	–	(9.6)	(5.9)
Exchange adjustment		0.3	(1.6)	–	–	2.3	–	0.8	1.8
At 30 September 2019		**31.8**	**(17.6)**	**6.3**	**24.4**	**31.5**	**(33.8)**	**9.8**	**52.4**
Disclosed within non-current liabilities		**–**	**(2.5)**	**–**	**–**	**–**	**–**	**–**	**(2.5)**
Disclosed within non-current assets		**31.8**	**(15.1)**	**6.3**	**24.4**	**31.5**	**(33.8)**	**9.8**	**54.9**
At 30 September 2019		**31.8**	**(17.6)**	**6.3**	**24.4**	**31.5**	**(33.8)**	**9.8**	**52.4**

(i) Includes £7.6 million credit attributable to discontinuing operations in the year ended 30 September 2019 (£nil year ended 30 September 2018).

The net deferred tax asset disclosed in the Consolidated Statement of Financial Position in respect of deferred interest, tax losses and tax credits is analysed as follows:

	At 30 September 2019 £m	At 30 September 2018 £m
UK	**45.8**	40.1
North America	**9.0**	15.7
Rest of the World	**1.1**	1.2
	55.9	57.0

These losses have been recognised on the basis that the Directors are of the opinion, based on recent and forecast trading, that sufficient suitable taxable profits will be generated in the relevant territories in future accounting periods, such that it is considered probable that these assets will be recovered.

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37 Deferred taxation continued

There is an unrecognised deferred tax asset of £56.0 million (2018 £49.7 million) which relates to revenue losses and £88.3 million (2018 £96.1 million) which relates to deferred interest where there is insufficient certainty that these losses will be utilised in the foreseeable future. There is an additional unprovided deferred tax asset relating to capital losses carried forward of £115.0 million (2018 £113.9 million).

No deferred tax liability is recognised on temporary differences of £278.5 million (2018 £74.6 million) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The temporary differences at 30 September 2019 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may still result in a tax liability, principally as a result of dividend withholding taxes levied by the overseas tax jurisdictions in which these subsidiaries operate.

38 Called-up share capital

	Note	Allotted, issued and fully paid At 30 September 2019 £m	Allotted, issued and fully paid At 30 September 2018 £m
Ordinary Shares of 12.5 pence each		**2.5**	2.5
A Ordinary Non-Voting Shares of 12.5 pence each	(i)	**26.8**	42.8
		29.3	45.3

	Note	Allotted, issued and fully paid At 30 September 2019 Number of shares	Allotted, issued and fully paid At 30 September 2018 Number of shares
Ordinary Shares		**19,890,364**	19,890,364
A Ordinary Non-Voting Shares	(i)	**214,913,327**	342,204,470
		234,803,691	362,094,834

The two classes of shares are equal in all respects, except that the A Ordinary Non-Voting Shares do not have voting rights and hence their holders are not entitled to vote at general meetings of the Company.

(i) On 3 March 2019, the Group announced its intention to distribute all of the Euromoney Institutional Investor PLC (Euromoney) shares owned by the Group to certain holders of DMGT's A Ordinary Non-Voting Shares (A Shares), by way of a dividend in specie (the Euromoney Distribution), as well as a £200.0 million cash distribution (the Cash Distribution).

The terms were such that Fully Participating Shareholders would participate in the Euromoney Distribution and Cash Distribution whilst Rothermere Affiliated Shareholders would only participate in the Cash Distribution and on a limited basis.

The proposal was approved at a Class Meeting of the Fully Participating Shareholders on 26 March 2019. The Euromoney Distribution occurred at 8am on 2 April 2019 and the Cash Distribution on 15 April 2019.

Before these distributions were made c.46.4% of the A Shares held by Fully Participating Shareholders were converted into a new class of B Shares and c.4.0% of the A Shares held by Rothermere Affiliated Shareholders converted into a new class of C Shares.

The Euromoney Distribution and a special dividend of £183.0 million in aggregate in cash was then paid to the Fully Participating Shareholders in respect of the B Shares and a restricted special dividend of £17.0 million in aggregate in cash was paid to the Rothermere Affiliated Shareholders in respect of the C Shares.

Once these distributions were made the B Shares and the C Shares were converted into Deferred B Shares and Deferred C Shares respectively before being transferred to the Company for no valuable consideration and cancelled shortly thereafter. Consequently, these distributions resulted in a reduction in the share capital of DMGT. The voting Ordinary Shares did not participate in the distributions.

For each A Share held at 6.00pm on 29 March 2019, the conversion record time, the Fully Participating Shareholders received c.0.19933 of a Euromoney Share and c.68.13p in cash, and there was a reduction in their holding of c.0.46409 of an A Share. For each A Share held by the Rothermere Affiliated Shareholders, they received c.25.53p in cash and there was a reduction in their holding of c.0.03946 of an A Share.

The Rothermere Affiliated Shareholders' proportionate interest in the total number of A Shares in issue increased from 20.0% of the issued A Shares before the distributions to 30.0% after and their combined shareholding of A Shares and Ordinary Shares increased from 24.0% of the issued A Shares and Ordinary Shares before the distributions to 36.0% after.

The Company intends to make available £117.0 million from the Group's cash resources to the Group's defined benefit pension schemes. In light of the forthcoming actuarial valuation as at 31 March 2019, the Group and the Trustees of the pension schemes are in discussions to finalise these arrangements.

39 Reserves

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Share premium account			
At start and end of year		**17.8**	17.8
Capital redemption reserve			
At start of year		**5.0**	5.0
On cancellation of A Ordinary Non-Voting Shares		**16.0**	–
At end of year		**21.0**	5.0
Own shares			
At start of year		**(57.2)**	(64.3)
Purchase of DMGT shares	(i)	**(2.5)**	(14.3)
Own shares released on vesting of share options	(ii)	**10.6**	21.4
At end of year		**(49.1)**	(57.2)

The Group's investment in its own shares represents shares held in treasury or shares held by an employee benefit trust to satisfy incentive schemes.

At 30 September 2019, this investment comprised 4,566,121 A Ordinary Non-Voting Shares (2018 4,812,419 shares) held in treasury and 2,157,613 A Ordinary Non-Voting Shares (2018 2,981,109 shares) held in the employee benefit trust. The market value of the Treasury Shares at 30 September 2019 was £38.9 million (2018 £33.8 million) and the market value of the shares held in the employee benefit trust at 30 September 2019 was £18.4 million (2018 £20.9 million).

The employee benefit trust is independently managed and purchases shares in order to satisfy outstanding share options and potential awards under long-term incentive plans.

(i) The Company purchased 0.4 million A Ordinary Non-Voting Shares having a nominal value of £0.1 million to match obligations under incentive plans. The consideration paid for these shares was £2.5 million.

(ii) During the period, the Company utilised 1.5 million A Ordinary Non-Voting Shares in order to satisfy incentive schemes. This represented 0.7% of the called-up A Ordinary Non-Voting Share capital at 30 September 2019. The carrying value of these shares was £10.6 million.

At 30 September 2019 options were outstanding under the terms of the Company's Executive Share Option Schemes, Long-Term Incentive Plans and nil-cost options, over a total of 2,728,139 A Ordinary Non-Voting Shares (2018 3,075,745 shares).

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Translation reserve			
At start of year		**53.5**	74.9
Foreign exchange differences on translation of foreign operations		**16.2**	(8.9)
Translation reserves recycled to Consolidated Income Statement on disposals	8, 18	**(3.6)**	(10.4)
Transfer of gain on cash flow hedges from translation reserve to Consolidated Income Statement		**–**	(4.9)
Change in fair value of cash flow hedges		**–**	4.9
Loss on hedges of net investments in foreign operations		**(13.5)**	(2.1)
Costs of hedging		**(0.1)**	–
At end of year		**52.5**	53.5

The translation reserve arises on the translation into sterling of the net assets of the Group's foreign operations, offset by changes in fair value of financial instruments used to hedge this exposure.

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39 Reserves continued

	Note		Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
Retained earnings				
At start of year			**1,597.5**	829.5
Adjustment for transition to IFRS 15	2		**(2.4)**	–
Adjustment for transition to IFRS 9	2		**(2.9)**	–
Restated at 1 October 2018			**1,592.2**	829.5
Profit for the period			**90.9**	689.4
Dividends paid	12		**(74.1)**	(81.0)
Euromoney dividend in specie	12, (i)	**(673.6)**		
Adjustment to Euromoney dividend in specie	12, (i)	**11.8**	**(661.8)**	–
Impairment of Euromoney following dividend in specie	12, (ii)		**(11.8)**	–
Euromoney cash distribution	12, (i)		**(200.0)**	–
Actuarial (loss)/gain on defined benefit pension schemes	35		**(45.3)**	183.6
Credit to equity for share-based payments	15		**21.1**	10.8
Settlement of exercised share options of subsidiaries			**(11.5)**	(13.8)
Fair value movement in financial assets at fair value through other comprehensive income	25		**(4.5)**	–
Corporation tax on share-based payments			**–**	2.3
Deferred tax on actuarial movement	37		**7.7**	(31.2)
Deferred tax on other items recognised directly in equity	37		**0.6**	(6.8)
Share of joint ventures' and associates' items of other comprehensive (expense)/income	7		**(0.7)**	14.7
At end of year			**702.8**	1,597.5
At end of year – total reserves			**745.0**	1,616.6

(i) At 31 March 2019, in relation to the disposal of Euromoney, the Group made provision for a cash dividend payable on 15 April 2019 of £200.0 million in accordance with IAS 32 Financial Instruments, and a dividend in specie of £673.6 million, based on the fair value of Euromoney at 31 March 2019, in accordance with IFRIC 17 Distributions of non-cash assets to owners.

The dividend in specie paid on 2 April 2019 amounted to £661.8 million and was calculated using a Euromoney share price of £12.36 at 8am on that date. This reduced the dividend provided at 31 March 2019 by £11.8 million, from £673.6 million to £661.8 million.

(ii) At 31 March 2019 the Group's investment in Euromoney was transferred to Assets Held for Sale at the lower of carrying value and fair value less costs to sell. This resulted in an impairment charge of £23.5 million for the period to 31 March 2019 which was taken to the Consolidated Income Statement in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Following the Group's half year end, the Euromoney share price fell from £12.58 on 31 March 2019 to £12.36 at 8am on 2 April 2019, the time and date of the distribution which reduced the dividend in specie provided at 31 March 2019 by £11.8 million. In addition, the fall in the Euromoney share price resulted in a further impairment charge of £11.8 million in the second half which, under the principles of IFRIC 17 was charged to retained earnings.

40 Non-controlling interests

	Note	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
At start of year		**13.5**	11.0
Share of profit/(loss) for the period		**0.4**	(1.2)
Dividends paid		**(1.0)**	(0.2)
Foreign exchange differences on translation of foreign operations		**(0.1)**	0.2
Recycled to Consolidated Income Statement on disposals	18	**(12.8)**	3.7
At end of year		**–**	13.5

41 Commitments and contingent liabilities

Commitments

At 30 September 2019, the Group had outstanding capital expenditure commitments as follows:

	At 30 September 2019 £m	At 30 September 2018 £m
Property, plant and equipment		
Contracted but not provided in the financial statements	**–**	–

At 30 September 2019, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	At 30 September 2019 Properties £m	At 30 September 2018 Properties £m	At 30 September 2019 Plant and equipment £m	At 30 September 2018 Plant and equipment £m
Within one year	**28.1**	26.9	**1.4**	1.3
Between one and two years	**23.4**	22.8	**0.8**	1.0
Between two and five years	**39.8**	45.8	**0.7**	0.7
After five years	**9.3**	11.4	**–**	–
	100.6	106.9	**2.9**	3.0

The Group's most significant leasing arrangements relate to rented properties. The Group negotiates lease contracts according to the Group's needs with a view to balancing stability, security of tenure and lease terms against the risk of entering into excessively long or onerous arrangements.

Of the Group's rented properties, the most significant operating lease commitments relate to the DMGT head office premises at 2 Derry Street, London W8 5TT, which expires in December 2022, and to the RMS head office premises at 7575 Gateway Blvd, Newark, California which expires in December 2020.

At 30 September 2019, the Group had outstanding commitments under non-cancellable agreements made to secure venues for future events and exhibitions which fall due as follows:

	At 30 September 2019 £m	At 30 September 2018 £m
Within one year	**16.8**	17.1
Between one and two years	**–**	6.2
	16.8	23.3

The Group has entered into arrangements with ink suppliers to obtain ink for the period to December 2020 at competitive prices and to secure supply. At 30 September 2019, the commitment to purchase ink over this period was £21.7 million (2018 £21.7 million).

The Group has entered into agreements with various printers for periods up to December 2022 at competitive prices and to secure supply. At 30 September 2019, the commitment to purchase printing capacity over this period was £40.0 million (2018 £29.1 million).

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41 Commitments and contingent liabilities continued

Contingent liabilities

The Group has issued standby letters of credit amounting to £2.9 million (2018 £3.3 million).

The Group is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The Group makes provision for the estimated costs to defend such claims and provides for any settlement costs when such an outcome is judged probable.

The Group's Energy Information business (Genscape) provided a third-party auditor service verifying Renewable Identification Numbers (RINs) for renewable fuel production activities in the US, as part of the Renewable Fuel Standard Quality Assurance Program (Program), a regulatory program administered by the US Environmental Protection Agency (EPA).

Following discovery and self-reporting to the EPA by Genscape of potential fraudulent RINs generated by two companies but verified by Genscape in 2014 under the Program, the EPA issued a notice of intent to revoke the ability of Genscape to verify RINs as a third-party auditor on 4 January 2017. Following the EPA investigation of the two companies in April 2016, the two companies pleaded guilty of fraud in connection with generating the RINs.

EPA regulations for the audit Program set a liability cap on replacement of invalid RINs of 2.0% of the RINs. In April 2017 Genscape voluntarily paid the 2.0% liability cap associated with the invalid RINs at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. The EPA regulations allow for situations where the cap does not apply – including fraud, auditor error and negligence.

The EPA has not formally alleged any fraud or intentional wrongdoing by Genscape, but in its May 2019 final determination letter, EPA did find grounds for auditor error and negligence by Genscape and ordered Genscape to replace 69.2 million RINs it had verified.

In July 2019, Genscape filed a petition for review with the Sixth Circuit Court of Appeals and a motion to stay the EPA's order to replace the 69.2 million RINs which was accepted for the duration of Genscape's petition for review.

Since RINs trade in a volatile range, averaging approximately 56 cents over the previous 24 months, this equates to a potential maximum claim of approximately US$38.4 million. Using the year end price of 41 cents the potential maximum claim would be US$28.1 million. Genscape continues to co-operate with EPA and in October 2019 Genscape made an offer to replace 4.6 million RINs at a cost of approximately US$2.5 million but the EPA have not responded to this offer. Discussions with the EPA are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, has made a provision for the potential maximum replacement RINs cost of US$40.0 million, including directly attributable costs. This estimate was based on the average two-year RIN price due to the liquidity and volatility of the market price of RINs. This provision could change substantially over time as the dispute progresses and new facts emerge.

42 Share-based payments

The Group offers a number of share-based remuneration schemes to Directors and certain employees. The principal schemes comprise share options under the DMGT, Insurance Risk, Property Information and Consumer Media segments. Share options are exercisable after three years, subject in some cases to the satisfaction of performance conditions, and up to 10 years from the date of grant at a price equivalent to the market value of the respective shares at the date of grant. Details of the performance conditions relating to the DMGT schemes are explained in the Remuneration Report.

The charge to the Consolidated Income Statement is as follows:

Segment	Scheme	Year ended 30 September 2019 £m	Year ended 30 September 2018 £m
DMGT Board and Corporate Costs	Equity-Settled Executive Bonuses	–	0.1
	Long-Term Incentive Plan	**13.9**	5.6
Insurance Risk	Option Plan	**1.6**	1.1
Energy Information	Option Plan	–	0.1
Property Information	Option Plan	**0.7**	0.3
Consumer Media	Long-Term Incentive Plan	**4.9**	2.9
Social security costs		**2.1**	1.4
		23.2	11.5

The fair value of share options for each of these schemes was determined using a Black-Scholes model. Full details of inputs to the models, particular to each scheme, are set out below. With respect to all schemes, expected volatility has been estimated, based upon relevant historic data in respect of the DMGT A Ordinary Non-Voting Share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability.

The Group did not reprice any of its outstanding options during the period.

Further details of the Group's significant schemes are set out below:

DMGT 2006 Executive Share Option Scheme

Under the DMGT 2006 Executive Share Option Scheme, each award of options has a maximum life of 10 years. The maximum award limit is 100.0% of salary in any year in normal circumstances and 200.0% of salary in exceptional circumstances. Awards will not normally vest until three years after the award and the performance conditions have been met. No options were outstanding to Directors during the year.

	Note	Year ended 30 September 2019 Number of share options	Year ended 30 September 2019 Weighted average exercise price £	Year ended 30 September 2018 Number of share options	Year ended 30 September 2018 Weighted average exercise price £
Outstanding at 1 October 2018		**413,314**	**6.21**	885,743	6.16
Granted during the period		**300,000**	**5.91**	100,000	6.40
Forfeited during the period		**–**	**–**	(8,000)	5.05
Exercised during the period		**(46,074)**	**5.16**	(242,626)	4.66
Expired during the period		**(30,000)**	**7.06**	(321,803)	7.50
Modified during the period	(i)	**23,865**	**4.08**	–	–
Outstanding at 30 September 2019		**661,105**	**5.87**	413,314	6.21
Exercisable at 30 September 2019		**168,903**	**5.23**	178,314	5.12
Exercisable at 1 October 2018		**178,314**	**5.12**	472,409	5.28

The aggregate of the estimated fair values of the options granted during the period is £0.6 million (2018 £0.1 million). The options outstanding at 30 September 2019 had a weighted average remaining contractual life of 6.9 years (2018 5.6 years).

The inputs into the Black-Scholes model are as follows:

Date of grant	5 December 2011	27 June 2012	17 December 2012	9 December 2013	10 December 2014
Market value of shares at date of grant (£)	3.81	3.74	5.07	8.81	7.98
Option price (£)	3.81	3.74	5.07	8.81	7.98
Number of share options outstanding	4,144	103,624	4,144	25,906	15,543
Term of option (years)	10.00	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	7.00	7.00	7.00	5.00	5.00
Exercise price (£)	3.81	3.74	5.07	8.81	7.98
Risk-free rate (%)	1.50	1.00	1.00	1.50	1.08
Expected dividend yield (%)	4.27	4.43	3.42	2.00	2.77
Volatility (%)	30.00	30.00	30.00	25.00	25.70
Fair value per option (£)	0.71	0.70	0.97	1.69	1.31

Date of grant	14 December 2015	6 December 2016	8 February 2018	25 January 2019
Market value of shares at date of grant (£)	6.81	7.59	6.18	5.69
Option price (£)	6.81	7.59	6.18	5.69
Number of share options outstanding	15,542	77,718	103,621	310,863
Term of option (years)	10.00	5.00	10.00	10.00
Assumed period of exercise after vesting (years)	7.00	2.00	7.00	7.00
Exercise price (£)	6.81	7.59	6.18	5.69
Risk-free rate (%)	1.19	1.25	0.82	0.81
Expected dividend yield (%)	3.26	3.02	3.24	3.59
Volatility (%)	25.10	26.00	27.88	27.95
Fair value per option (£)	0.93	1.13	0.94	0.84

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42 Share-based payments continued

Nil-cost options under the DMGT Executive Bonus Scheme

Since December 2009 a portion of the bonus earned by Executive Directors under the Executive Bonus Scheme has been deferred into shares in the form of nil-cost options. These options are to the value of the equity portion of the bonus and are fully expensed in the period in which they are earned. Further details are shown in the Remuneration Report.

	Note	Year ended 30 September 2019 Number of share options	Year ended 30 September 2019 Weighted average exercise price £	Year ended 30 September 2018 Number of share options	Year ended 30 September 2018 Weighted average exercise price £
Outstanding at 1 October 2018		**267,307**	**–**	263,796	–
Granted during the period		**100,538**	**–**	14,404	–
Exercised during the period		**(259,714)**	**–**	(10,893)	–
Modified during the period	(i)	**12,305**	**–**	–	–
Outstanding at 30 September 2019		**120,436**	**–**	267,307	–
Exercisable at 30 September 2019		**–**	**–**	252,903	–
Exercisable at 1 October 2018		**252,903**	**–**	250,992	–

The aggregate of the estimated fair values of the awards granted during the period is £nil (2018 £nil). The awards outstanding at 30 September 2019 had a weighted average remaining contractual life of 6.1 years (2018 1.2 years).

DMGT Long-Term Incentive Plan

Details of the terms and conditions relating to this scheme are set out in the Remuneration Report.

	Note	Year ended 30 September 2019 Number of share options	Year ended 30 September 2019 Weighted average exercise price £	Year ended 30 September 2018 Number of share options	Year ended 30 September 2018 Weighted average exercise price £
Outstanding at 1 October 2018		**2,395,124**	**–**	2,903,042	–
Granted during the period		**518,856**	**–**	372,598	–
Exercised during the period		**(796,460)**	**–**	(646,985)	–
Expired during the period		**(264,996)**	**–**	(233,531)	–
Modified during the period	(i)	**94,074**	**–**	–	–
Outstanding at 30 September 2019		**1,946,598**	**–**	2,395,124	–
Exercisable at 30 September 2019		**–**	**–**	–	–
Exercisable at 1 October 2018		**–**	**–**	–	–

The aggregate of the estimated fair values of the awards granted during the period is £13.6 million (2018 £2.2 million).

The awards outstanding at 30 September 2019 had a weighted average remaining contractual life of 1.2 years (2018 1.4 years).

(i) As part of the Euromoney disposal, the DMGT Remuneration Committee's approved principle was that participants in DMGT share awards should neither be advantaged nor disadvantaged as compared to participating shareholders. In order to meet this principle all unvested share awards prior to the Euromoney distribution on 2 April 2019, were uplifted by 4.8%. In the tables above this has been described as a modification.

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Options under the DMGT Long-Term Incentive Scheme

The inputs into the Black-Scholes model are as follows:

Date of grant	22 December 2014	14 December 2015	28 February 2017	30 May 2017	14 December 2017
Market value of shares at date of grant (£)	8.00	6.81	6.94	6.92	5.43
Option price (£)	Nil	Nil	Nil	Nil	Nil
Number of share options outstanding	305,261	362,772	201,266	143,217	60,359
Term of option (years)	5.00	5.00	3.00	2.00	3.00
Assumed period of exercise after vesting (years)	Nil	Nil	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	Nil	Nil	Nil	Nil	Nil
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Volatility (%)	Nil	Nil	Nil	Nil	Nil
Fair value per option (£)	8.00	6.81	6.94	6.92	5.43

Date of grant	16 January 2018	18 January 2018	18 January 2018	14 June 2018	13 August 2018
Market value of shares at date of grant (£)	5.85	5.43	5.43	5.43	7.24
Option price (£)	Nil	Nil	Nil	Nil	Nil
Number of share options outstanding	56,489	188,646	23,263	23,263	38,394
Term of option (years)	3.00	3.00	2.00	3.00	3.00
Assumed period of exercise after vesting (years)	Nil	Nil	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	Nil	Nil	Nil	Nil	Nil
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Volatility (%)	Nil	Nil	Nil	Nil	Nil
Fair value per option (£)	5.85	5.43	5.43	5.43	7.24

Date of grant	14 December 2018	14 December 2018
Market value of shares at date of grant (£)	6.29	6.29
Option price (£)	Nil	Nil
Number of share options outstanding	333,171	210,497
Term of option (years)	2.00	3.00
Assumed period of exercise after vesting (years)	Nil	Nil
Exercise price (£)	Nil	Nil
Risk-free rate (%)	Nil	Nil
Expected dividend yield (%)	Nil	Nil
Volatility (%)	Nil	Nil
Fair value per option (£)	6.29	6.29

DMGT Long-Term Executive Incentive Plan Award 2017, 2018 and 2019

These plans entitle certain executives to a percentage share of eligible profit growth over a three-year performance period.

The awards are settled in A Ordinary Non-Voting Shares based on the later of the average share price for the first three days following release of the current year financial results or the date of employment.

The charge for the period in the Consolidated Income Statement for these awards including social security costs amounts to £13.6 million (2018 £6.9 million) and is included in the Long-Term Incentive Plan charge.

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42 Share-based payments continued

Insurance Risk (RMS) option plans

RMS maintains the following equity award plans: 2014 Equity Award Plan ("2014 Plan") and the 2015 Equity Incentive Plan ("2015 Plan"). Awards from previous plans are no longer outstanding.

The 2014 Plan was introduced during the year ended 30 September 2014. Under the 2014 Plan options and Restricted Stock Units ("RSUs"), both time and performance based, are granted to employees, officers, directors and consultants, who are deemed to be in a position to contribute to the long-term success of RMS.

The 2015 Plan was introduced during the year ended 30 September 2016. Under the 2015 Plan, options are granted to employees, officers, directors and consultants of RMS. Options granted under this plan vest on satisfaction of two conditions – a service period and the occurrence of an initial public offering of RMS or an event in which the Group ceases to hold at least 50.0% of the voting rights of RMS.

RMS options under all plans were granted at market value. The options lapse 10 years from grant date.

RMS estimated the fair value of each option award on the date of grant using the Black-Scholes option pricing model. RMS assumptions about stock price volatility were based exclusively on the implied volatilities of publicly traded options to buy stock with contractual terms closest to the expected life of options granted to RMS employees. The risk-free interest rate for periods within the contractual life of the award were based on the U.S. Government securities constant maturities in effect. The RSU fair value is determined by the fair market value of RMS stock at the date of grant. The expense is amortised using the graded vesting method.

RMS share options

	Year ended 30 September 2019 Number of share options	Year ended 30 September 2019 Weighted average exercise price US$	Year ended 30 September 2018 Number of share options	Year ended 30 September 2018 Weighted average exercise price US$
Outstanding at 1 October 2018	**9,158,573**	**9.35**	15,031,520	9.31
Granted during the period	**3,309,136**	**9.63**	3,896,106	9.62
Forfeited during the period	**(1,980,245)**	**9.47**	(8,594,253)	9.27
Exercised during the period	**–**	**–**	(1,174,800)	10.00
Expired during the period	**–**	**–**	–	–
Outstanding at 30 September 2019	**10,487,464**	**9.46**	9,158,573	9.35
Exercisable at 30 September 2019	**417,448**	**10.18**	453,824	10.16
Exercisable at 1 October 2018	**453,824**	**10.16**	1,648,124	10.04

The weighted average share price at the date of exercise for share options exercised during the period was $nil (2018 $10.24 million).

The options outstanding at 30 September 2019 had a weighted average remaining contractual life of 7.4 years (2018 8.2 years).

The inputs into the Black-Scholes model are as follows:

Date of grant	During 2014	During 2015	During 2016	During 2017	During 2018	During 2019
Market value of shares at date of grant (US$)	14.59	10.00	9.04	10.11	10.24	10.24
Option price (US$)	14.59	10.00	9.04	9.52	9.63	9.63
Number of share options outstanding	16,000	401,448	3,105,270	1,897,314	2,182,400	2,885,032
Term of option (years)	7	7	10	10	10	10
Assumed period of exercise after vesting (years)	3-6	4-5	6	4	6	6
Exercise price (US$)	14.59	10.00	9.04	9.52	9.63	9.63
Risk-free rate (%)	1.25	1.25	1.10	1.00	1.71	1.71
Expected dividend yield (%)	2.91	3.63	Nil	Nil	Nil	Nil
Volatility (%)	28.81	25.63	25.60	35.00	25.60	25.60
Fair value per option (US$)	2.70	1.44	2.58	4.00	2.75	2.58

Expected volatility was determined by calculating the historical volatility of comparable companies.

RMS RSU awards

	Year ended 30 September 2019 Number of RSUs	Year ended 30 September 2019 Number of share options Weighted average exercise price US$	Year ended 30 September 2018 Number of RSUs	Year ended 30 September 2018 Weighted average exercise price $
Outstanding at 1 October 2018	**10,914**	**–**	269,781	–
Forfeited during the period	**–**	**–**	(14,332)	–
Vested during the period	**(10,914)**	**–**	(244,535)	–
Outstanding at 30 September 2019	**–**	**–**	10,914	–

43 Ultimate holding company

The Company's immediate parent Company is Rothermere Continuation Limited (RCL), a company incorporated in Bermuda. The Board anticipates that as of 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL will be acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey. RIL will then hold 100% of the issued Ordinary Shares of the Company (see Note 45 for further detail).

Daily Mail and General Trust plc is the only company in the Group to prepare consolidated financial statements.

44 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures and associates are disclosed below.

For the purposes of IAS 24, Related Party Disclosures, executives below the level of the Company's Board are not regarded as related parties.

The remuneration of the Directors at the year end, who are the key management personnel of the Group, is set out in aggregate in the audited part of the Directors' Remuneration Report.

Ultimate controlling party

Rothermere Continuation Limited (RCL) is a holding company incorporated in Bermuda. The main asset of RCL is its 100% holding of DMGT's issued Ordinary Shares. RCL has controlled the Company for many years and as such is its immediate parent Company. RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey, in the Channel Islands. RCL and its directors, and the Trust are related parties of the Company.

The Board anticipates that as of 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL will be acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey. RIL will then hold 100% of the Company's issued Ordinary Shares. The underlying control of DMGT will, however, remain unchanged and continue to lie with the Trust. RIL is administered in Jersey, and RIL and its directors are also related parties of the Company.

Transactions with Directors

During the period, Forsters LLP in which Mr A Lane, a Non-Executive Director of the Company, is a partner, provided legal services to the Company amounting to £nil (2018 £14,820).

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44 Related party transactions continued

Transactions with joint ventures and associates

Details of the Group's principal joint ventures and associates are set out in Note 24.

Associated Newspapers Ltd (ANL) has a 50.0% (2018 50.0%) shareholding in Northprint Manchester Ltd, a joint venture. The net amount due to ANL of £5.8 million (2018 £5.8 million) has been fully provided.

Mail Media, Inc. had a 50.0% (2018 50.0%) shareholding in Daily Mail On Air LLC (DailyMailTV), a joint venture in the prior period. In the prior period, Mail Media, Inc. provided funding amounting to £4.9 million. At 30 September 2019, £nil (2018 £5.9 million) was owed by DailyMailTV. During the period, Mail Media, Inc. acquired the remaining 50.0% shareholding in DailyMailTV and DailyMailTV became a wholly-owned subsidiary.

DMG US Investments, Inc. had a 45.0% (2018 45.0%) shareholding in Truffle Pig LLC, an associate, which was disposed of during the period. Funding of £nil (2018 £0.2 million) remained outstanding at 30 September 2019.

DMGV Ltd (DMGV) has a 23.9% (2018 23.9%) shareholding in Excalibur Holdco Ltd (Excalibur), an associate. During the period, services provided to Excalibur amounted to £0.5 million (2018 £0.6 million). At 30 September 2019, amounts due from Excalibur amounted to £0.1 million (2018 £0.1 million), together with loan notes of £17.3 million (2018 £17.3 million). The loan notes carry a coupon of 10.0% and £6.5 million (2018 £4.0 million) was outstanding in relation to this coupon at 30 September 2019. At 30 September 2019, the Group had made an expected lifetime impairment allowance of £12.0 million (2018 on transition to IFRS 9 £12.0 million) in relation to amounts due from Excalibur.

DMGV has a 45.3% (2018 25.8%) shareholding in Yopa Property Ltd (Yopa), an associate. During the period, the Consumer Media segment provided services to Yopa amounting to £0.6 million (2018 £0.5 million). At 30 September 2019, £0.1 million (2018 £0.1 million) was owed by Yopa to the Consumer Media segment. During the period, Yopa provided services to the Property Information segment amounting to £0.1 million (2018 £nil).

DMGV has a 16.5% shareholding in Bricklane Technologies Ltd (Bricklane), an associate acquired during the period. During the period, the Consumer Media segment provided services to Bricklane amounting to £0.4 million. DMGV provided funding amounting to £1.2 million cash and £0.8 million of media credits.

DMGV has a 21.1% shareholding in Cazoo Ltd, an associate acquired during the period. DMGV provided cash funding amounting to £22.5 million and £5.0 million of media credits during the period.

DMGV has a 36.8% shareholding in Entale Media Ltd, an associate acquired during the period. DMGV provided cash funding amounting to £2.0 million during the period.

Daily Mail and General Trust plc (DMGT) had a 49.8% (2018 49.8% owned by DMGZ Ltd (DMGZ)) shareholding in Euromoney Institutional Investor PLC (Euromoney). During the period, services were recharged to Euromoney amounting to £0.1 million (2018 £0.1 million) and consortium relief losses were surrendered under an agreement between Euromoney and the Group amounting to a rebate of £nil (2018 £0.1 million). During the period, all of the Euromoney shares were distributed to certain shareholders by way of dividend in specie.

During the period, DMGZ received dividends of £11.9 million from Euromoney (2018 £17.1 million received by DMGZ and DMG Charles Ltd), an associate, prior to the shareholding in Euromoney being transferred from DMGZ to DMGT.

During the period, DMG World Media (2006) Ltd recharged costs amounting to £nil (2018 £0.3 million) to BCA Research, Inc., a Euromoney subsidiary.

During the period, ANL recharged costs amounting to £0.8 million (2018 £1.4 million) to Euromoney. At 30 September 2019, £nil (2018 £0.3 million) was owed by Euromoney.

During the period, Euromoney provided services to Risk Management Solutions Ltd amounting to £0.1 million (2018 £0.1 million).

DMGI Land & Property Europe Ltd (DMGILP), of which Landmark Information Group Ltd (Landmark) is a subsidiary undertaking, has a 50.0% (2018 50.0%) shareholding in Point X Ltd (Point X), a joint venture. During the period, Landmark charged management fees of £0.3 million (2018 £0.3 million) and recharged costs of £0.1 million (2018 £0.1 million) to Point X. Point X received royalty income from Landmark of £0.1 million (2018 £0.1 million). DMGILP received dividends of £0.2 million (2018 £nil) from Point X.

Decision Insight Information Group (UK) Ltd (DIIG UK) has a 50.0% (2018 50.0%) shareholding in Decision First Ltd (DF), a joint venture. During the period, DIIG UK recharged costs to DF amounting to £0.2 million (2018 £0.2 million) and charged management fees amounting to £0.1 million (2018 £0.1 million) and received dividends from DF of £nil (2018 £0.4 million).

On-Geo GmbH (On-geo) has a 50.0% (2018 50.0%) shareholding in HypoPort On-Geo (HypoPort), a joint venture. During the period, HypoPort made purchases from On-geo amounting to £4.6 million (2018 £9.1 million). During the period, On-geo received dividends of £nil (2018 £0.1 million) from HypoPort. At 30 September 2019, £nil (2018 £1.5 million) was owed by HypoPort. The Group disposed of On-geo in the Property Information segment during the period, and therefore, its shareholding in HypoPort was also disposed.

RMSI Ltd (RMSI), a company which shares a common director with the Landmark Group, invoiced sales amounting to £1.7 million (2018 £2.7 million). Costs were recharged by Landmark to RMSI amounting to £0.7 million (2018 £0.7 million). At 30 September 2019, £0.4 million (2018 £0.4 million) was owed to RMSI by Landmark.

Hobsons, Inc. (Hobsons) has a 50.0% (2018 50.0%) shareholding in Knowlura, a joint venture. At 30 September 2019, £0.2 million (2018 £0.3 million) was owed by Knowlura.

Risk Management Solutions, Inc. (RMS, Inc.) has a 20.0% (2018 20.0%) shareholding in OYO RMS Corporation (OYO), an associate. During the period, RMS, Inc. received a dividend of £nil (2018 £0.4 million) from OYO.

RMS, Inc. has a 26.6% (2018 25.9%) shareholding in Praedicat, Inc. (Praedicat), an associate. During the period, RMS, Inc. provided funding of £0.5 million (2018 £1.5 million) to Praedicat.

The Group has a 55.9% shareholding in LineVision, Inc. (LineVision). Since the Group's share of voting rights in LineVision is 49.0%, the Group does not have control but has significant influence, therefore the investment is treated as an associate. In the prior period, Genscape sold assets with a net book value of US$0.1 million to LineVision for their fair value of US$2.1 million for US$nil cash proceeds.

The Group reduced its shareholding in Trepp Port, LLC (TreppPort) on 1 October 2018 from 51.0% to 50.0% and TreppPort became a joint venture. During the period, Trepp, LLC. received dividends of £0.2 million (2018 £nil) from TreppPort.

Other related party disclosures

Under an agreement to guarantee the income generated from certain property assets held by the Harmsworth Pension Scheme which were purchased from the Group during a prior period, the Group was charged for rent and service charges in relation to the current period amounting to £0.2 million (2018 £0.3 million). At 30 September 2019, £0.1 million (2018 £0.1 million) was owed to the Harmsworth Pension Scheme by the Group.

At 30 September 2019, the Group owed £0.9 million (2018 £0.8 million) to the pension schemes which it operates. This amount comprised employees' and employer's contributions in respect of September 2019 payrolls.

The Group recharges its principal pension schemes with costs of investment management fees. The total amount recharged during the period was £0.3 million (2018 £0.3 million).

Contributions made during the period to the Group's retirement benefit plans are set out in Note 35, along with details of the Group's future funding commitments.

In July 2012, the Group entered into a contingent asset partnership whereby a £150.0 million loan note, guaranteed by the Group, was used to commit £10.8 million funding p.a. to the Harmsworth Pension Scheme. Interest payable to DMG Pension Partnership LP in the period totalled £11.0 million (2018 £11.0 million).

ANL, which shares common control by Rothermere Continuation Limited, with DMGT Healthcare Trustees, paid contributions to the scheme totalling £0.8 million (2018 £0.7 million). At 30 September 2019, a total of £1.3 million (2018 £1.3 million) was owed to the scheme by ANL.

45 Post balance sheet events

It is anticipated that until 5 December 2019, Rothermere Continuation Limited (RCL) will hold 100% of DMGT's issued Ordinary Shares. The Board anticipates that as of 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL will be acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey, in the Channel Islands. RIL will then hold 100% of the Company's issued Ordinary Shares. The underlying control of DMGT will, however, remain unchanged and continue to lie with a discretionary trust (the Trust) that is held for the benefit of Lord Rothermere and his immediate family. Both RIL and the Trust are administered in Jersey. RIL and its directors, and the Trust are related parties of the Company.

Disposals

On 26 August 2019 the Group announced that it had agreed the sale of Genscape, its Energy Information business, to Verisk, a leading data analytics provider, for gross proceeds of US$364.0 million. Genscape will become part of Wood Mackenzie, a Verisk business, and will enhance Wood Mackenzie's existing and complementary sector intelligence business in short-term energy data and analytics. The sale completed on 5 November 2019 following the completion of customary closing conditions.

On 2 October 2019, the Group entered into a definitive agreement to dispose of Buildfax, a leading provider of property condition and history data, also to Verisk for gross proceeds of US$42.5 million. The sale completed on 11 October 2019 following completion of customary closing conditions.

On 29 November 2019 the Group's interest in Cazoo was diluted from 21.1% to 18.5%. The Group ceased to have significant influence over Cazoo and from that date will cease to equity account.

Acquisitions

On 29 November 2019 the Group acquired the entire share capital of the 'i', the UK national newspaper and website, from JPI Media Limited. Total cash consideration payable is £49.6 million.

The 'i' has an established reputation for quality journalism with retail sales of approximately 170,000 newspapers each weekday and over 190,000 copies of the iweekend each Saturday. The website, inews.co.uk, attracts approximately 300,000 daily unique browsers. The acquisition will be reviewed by the UK Competition and Markets Authority. The 'i' reported pro-forma revenues of £34.4 million and pro-forma operating profits of £10.6 million for the 12 months to 31 December 2018.

The Group has not presented a fair value table of the net assets acquired since, given the timing of the announcement, it is impractical to do so.

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46 Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ending 30 September 2019:

Subsidiary name	Company registration number
Daily Mail International Ltd	01966438
DMG Asset Finance Ltd	05528329
DMG Atlantic Ltd	04521108
DMG Business Media Ltd	02823743
DMG Charles Ltd	04211684
DMG Events International Ltd	04118004
DMG Information Ltd	03708142
DMG Investment Holdings Ltd	03263138
DMG Minor Investments Ltd	04228751
DMGRH Finance Ltd	03191181
DMGZ Ltd	00272225
Harmsworth Royalties Ltd	04219212
Kensington Finance Ltd	03960683
Northcliffe Media Ltd	03403993
Ralph US Holdings	06341444
Young Street Holdings Ltd	04485808

The Directors of Daily Mail and General Trust plc have confirmed that the Company will provide a guarantee under Section 479C in relation to the subsidiaries listed above.

No dormant subsidiaries have taken the exemption from preparing individual accounts by virtue of Section 394A of Companies Act 2006.

No dormant subsidiaries have taken the exemption from filing with the registrar individual accounts by virtue of Section 448A of Companies Act 2006.

The following UK subsidiaries will take advantage of the audit exemption set out within Section 480 of the Companies Act 2006, exemption from audit for dormant companies for the year ended 30 September 2019:

Subsidiary name	Company registration number
A&N International Media Ltd	04147978
Central Independent News and Media Ltd	03015855
Courier Media Group Ltd	00101944
Daily Mail Ltd	01160542
Derby Telegraph Media Group Ltd	00218661
DMG Media Ltd	05765286
Harmsworth Printing (Didcot) Ltd	05539456
Harmsworth Printing Ltd	02208579
Harmsworth Quays Printing Ltd	02208582
Justice for Sgt Blackman Ltd	09761390
Lincolnshire Media Ltd	00037928
MailLife Financial Services Ltd	01063950
Northcliffe Trustees Ltd	03394992
Pico Information Ltd	11149692
Richards Gray Ltd	03209331
South West Wales Media Ltd	00120013
The Mail on Sunday Ltd	01160545
The Western Gazette Co Ltd	00022796
Trepp Ltd	03087851
Watervale Ltd	05231066

47 Full list of Group undertakings

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
A&N International Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
A&N Media Finance Services Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
AN Mauritius Ltd	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebène, Republic Of Mauritius, Mauritius	Mauritius	Ordinary	100%
Argyll Environmental Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Asia Risk Centre Pte Ltd	3F, 19 Cecil Street, Singapore 049704	Singapore	Ordinary	100%
Associated Metro Holdings Ltd	15 Esplanade, St Helier, Jersey, JE1 1RB, Channel Islands	Jersey	Ordinary	100%
Associated Newspapers (Ireland) Ltd	Third Floor, Embassy House, Herbert Park Lane, Ballsbridge, Dublin 4 662817	Ireland	Ordinary	100%
Associated Newspapers Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Associated Newspapers North America, Inc.	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States	USA	Common, Series A	100%
Atticus Events Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Atticus Events MEA Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
BuildFax, Inc.	42 N French Broad Ave, Asheville NC 28801, United States	USA	Common, Series A, B, C, D, E, G Preferred Stock	90.0%
Central Independent News and Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Commodity Vectors (Ireland) Ltd	c/o Anne Brady McQuillans DFK, Iveagh Court, Harcourt Road, Dublin 2	Ireland	Ordinary	100%
Commodity Vectors Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Courier Media Group Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail and General Holdings Ltd*	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail and General Investments Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail and General Trust plc	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary and A ordinary non voting	N/A
Daily Mail International Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail On-Air, LLC	137 N Larchmont Blvd, #705, Los Angeles, California, 90004, United States	USA	Membership interests	100%
Dailymail.com Australia Pty Ltd	Level 12, 207 Kent Street, Sydney, NSW 2000	Australia	Ordinary	100%
Decision Insight Hub Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Decision Insight Information Group (Europe) Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Decision Insight Information Group (Ireland) Ltd	39/40 Upper Mount Street, Dublin 2, Ireland	Ireland	Ordinary	100%
Decision Insight Information Group (UK) Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Decision Insight Packco Ltd	Centenary House, Peninsula Park, Rydon Lane, Exeter, EX2 7XE	UK	Ordinary	100%
Derby Telegraph Media Group Ltd	PO Box 6795, St George Street, Leicester LE1 1ZP	UK	Ordinary	100%
DMG Angex Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Asset Finance Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Atlantic Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Business Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Charles Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Conference & Exhibition Services (Shanghai) Ltd	Room 428, Level 4, No 55 Xiya Road (Plot 5 Of Zone F), Shanghai, China	China	Ordinary	100%
DMG Consolidated Holdings Pty Ltd	Level 2, 452 Flinders Street, Melbourne VIC 3000, Australia	Australia	Ordinary	100%
DMG Development Co	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	100%
DMG Events (Canada), Inc.	302, 1333 8 St SW, Calgary, Alberta T2R 1M6, Canada	Canada	Ordinary	100%
DMG Events (Doha), LLC	Level 14/15 Commercial Bank Plaza, West Bay, Doha, Qatar	Qatar	Ordinary	100%
DMG Events (MEA) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events (UK) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events (USA), Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
DMG Events Asia Pacific Pte Ltd	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	Singapore	Ordinary	100%
DMG Events Egypt Ltd	Office 1, Mezzanine Floor, Hall 2, Egypt International Exhibition Centre, Elmoushir Tantawy Axis, New Cairo, Egypt	Egypt	Ordinary	100%
DMG Events Energy Japan KK (in liquidation)	Roppongi Hills Keyakizaka Terrace, 6151, Roppongi, Minatoku, Tokyo, Japan	Japan	Ordinary	100%

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47 Full list of Group undertakings continued

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
DMG Events India Private Ltd	Unit 1, Level 2, B Wing, Times Square, Andheri Kurla Road, Andheri, Mumbai, 400059, India	India	Ordinary	100%
DMG Events International Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events, LLC	Office 408, Salama Tower, Al Madinah, Al Munawarah Road, As Salamah District, PO Box 3650, Jeddah, Saudi Arabia	Saudi Arabia	Ordinary	100%
DMG Exhibition Management Services (PTY) Ltd	76 Eleventh Street, Parkmore, Johannesburg, 2196, South Africa	South Africa	Ordinary	100%
DMG Information Asia Pacific Pte Ltd	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	Singapore	Ordinary	100%
DMG Information Hong Kong Company Ltd	27/F 248 Queen's Road East, Wanchai, Hong Kong	Hong Kong	Ordinary	100%
DMG Information Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Investment Holdings Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Loanco Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Minor Investments Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Oceans Ltd	Scottish Daily Mail, 20 Waterloo Street, Glasgow, G2 6DB	UK	Ordinary	100%
DMG US Investments, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
DMG World Media Abu Dhabi Ltd (i)	15 Esplanade, St Helier, Jersey, JE1 1RB, Channel Islands	Jersey	Ordinary	100%
DMG World Media Dubai (2006) Ltd (i)	15 Esplanade, St Helier, Jersey, JE1 1RB, Channel Islands	Jersey	Ordinary	100%
DMGB Ltd*	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
dmgi Land & Property Europe Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
DMGRH Finance Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMGT US Employee Services, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
DMGT US, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common, Series A	100%
DMGV Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMGZ Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
EDR Landmark Management Services Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
El Cap II, LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Membership interests	100%
Energy Fundamentals GmbH	Technoparkstrasse 1, 8005, Zurich, Switzerland	Switzerland	Ordinary	100%
Energytics, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
EnvaPower, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Estate Technical Solutions Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary A, Ordinary B, Ordinary C, Ordinary D, Ordinary E	100%
Eve 4 Ltd*	15 Esplanade, St Helier, Jersey, JE1 1RB, Channel Islands	Jersey	Ordinary	100%
Genscape Asia, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Genscape Belgium SA	Pegasuslaan 5, 1831 Deigem, Belgium	Belgium	Ordinary	100%
Genscape Czech Republic s.r.o.	Empiria Na Strzi, 65/1702, 140 00, Prague 4, Prague, Czech Republic	Czech	Ordinary	100%
Genscape France	6 Place De La Madeleine, 75008, Paris, France	France	Ordinary	100%
Genscape Germany GmbH	Prinzenallee 7, 40549, Dusseldorf, Germany	Germany	Ordinary	100%
Genscape Iberia SL	C/Conde De Aranda, 1 2 DO Izquierda, 28001, Madrid, Spain	Spain	Ordinary	100%
Genscape, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Genscape Intangible Holding, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Genscape International, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Genscape Italy	Via Torino 2, 20123, Milan, Italy	Italy	Ordinary	100%
Genscape Japan, K.K.	Ark Hills Sengokuyama Mori Tower 28F, 1-9-10 Roppongi, Minato, Tokyo, Japan	Japan	Ordinary	100%
Genscape Mex, S. de R.L. de C.V.	1140 Garvin Place, Louisville, KY 40203, United States	Mexico	Common	100%
Genscape Natural Gas, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Genscape Netherlands	Damrak 20A, 1012 LH, Amsterdam, Netherlands	Netherlands	Ordinary	100%

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
Genscape Poland SA	Ul. Rzymowskiego, 02-697, Warsaw, Poland	Poland	Ordinary	100%
Genscape Slovakia s.r.o.	Kapitulska 18/A, Bratislava-Stare Mesto, 81101, Slovakia	Slovakia	Ordinary	100%
Genscape UK Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Gloucestershire Media Ltd (in liquidation)	Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
GP Energy Management, LLC	131 Varick Street, Suite 1006, New York 10013, United States	USA	Membership units	100%
Gridfit, LLC	3500 South Dupont Highway, c/o Interstate Agent Services, LLC, Dover 19901, United States	USA	Membership units	100%
Guildford Zoot, Inc.	251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	100%
Harmsworth Printing (Didcot) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Harmsworth Printing Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Harmsworth Quays Printing Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Harmsworth Royalties Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Hobsons, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Inframation GmbH	ParsevalstraBe 2, 99092, Erfurt, Germany	Germany	Ordinary, Preference	100%
Justice for Sgt Blackman Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Limited by Guarantee	100%
Kensington Finance Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Landmark Analytics Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Landmark FAS Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Landmark Information Group Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary, Ordinary A, Redeemable Preference	100%
Landmark International Holdings Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Landmark Optimus Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary A	100%
Lawlink (UK) Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Lincolnshire Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Mail Finance Services Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Mail Media, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	100%
MailLife Financial Services Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Millar & Bryce Ltd	10th Floor 133 Finnieston Street, Glasgow, G3 8HB Scotland	UK	Ordinary	100%
Naviance, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States	USA	Common	100%
Northcliffe Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Northcliffe Trustees Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary A, Ordinary B	100%
Ochresoft Technologies Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Deferred, Ordinary, Ordinary A, Preference	100%
Petrotranz, Inc.	855 – 2 Street SW, Suite 3500, Calgary AB T2P 4J8 Canada	Canada	Ordinary	100%
Pico Information Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Power Supply Services, LLC	131 Varick Street, Suite 1008-1009, New York 10013, United States	USA	Class A membership units	100%
Quest End Computer Services Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Ralph US Holdings	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
RCoaster.ie Ltd	Spinnaker House, Main Street, Kinvara, Co Galway, Ireland	Ireland	Ordinary	100%
Richards Gray Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Risk Management Solutions (Bermuda) Ltd	Milner House, 18 Parliament Street, Hamilton, HM 12 Bermuda	Bermuda	Ordinary	99.3%
Risk Management Solutions (Swiss)	Zweigniederlassung Zürich, Stampfenbachstrasse 85, CH-8006 Zurich, Switzerland	Switzerland	Ordinary	99.3%
Risk Management Solutions Holdings, Inc.	251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Risk Management Solutions Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	99.3%
Risk Management Solutions Ltd (China)	12th Floor, Office 1205F, Beijing Excel Centre, No.6 Wudinghou Street, Xicheng District Beijing , 100033, PR China	China	Common	99.3%
Risk Management Solutions, Inc.	7515 Gateway Blvd, Newark, CA 94560, United States	USA	Common	99.3%
RMS Japan KK	Akasaka Kikyo Building 4th Floor, 11-15 Akasaka 3-Chome, Minato-Ku, Tokyo, 107-0052 Japan	Japan	Ordinary	99.3%
RMS Risk Management Solutions India Pte Ltd	406-407, Pooja Complex 22, Veer Savarkar Block, Shakarpur, Delhi 110092 India	India	Ordinary Voting	100%
RMS Technologies Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
RMS UK Holdings, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%

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Notes to the accounts

47 Full list of Group undertakings continued

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
RMS Worldwide, Inc.	7515 Gateway Blvd, Newark, CA 94560, United States	USA	Common	99.3%
Rochford Brady Legal Services Ltd	39/40 Upper Mount Street, Dublin 2, Ireland	Ireland	Ordinary	100%
SearchFlow Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
South West Wales Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Springthorpe Drake, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	100%
Starfish Retention Solutions, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
The Mail on Sunday Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
The Petrochemical Standard, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	100%
The Western Gazette Co Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Trepp Holdings, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Trepp Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Trepp UK Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Trepp, LLC	477 Madison Avenue, New York, NY 10022, United States	USA	Membership Interests	100%
Vesseltracker.com GmbH	Mundsburger Damm 14, D-22087, Hamburg, Germany	Germany	Ordinary	100%
Watervale Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Young Street Holdings Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%

All subsidiaries are included in the consolidated financial statements of the Group.

* Direct investment held by the parent Company Daily Mail and General Trust plc (DMGT). All other subsidiaries are held indirectly through subsidiaries of DMGT.

(i) Principal place of business in the UAE.

Joint Venture name	Address of principal place of business	Classes of shares held	Financial year end	% capital included in consolidation
Decision First Ltd	Cardinal House, 9 Manor Road, Leeds, West Yorkshire, LS11 9AH	Ordinary	31 December	50.0%
Knowlura, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Common	30 September	50.0%
Northprint Manchester Ltd	PO Box 68164, Kings Place, 90 York Way, London N1P 2 AP	Ordinary	31 March	50.0%
PointX Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	Ordinary B	31 March	50.0%
The Sanborn Map Company, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Ordinary	31 December	49.0%
Trepp Port, LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Ordinary	30 September	50.0%

The Group has joint control over all of the joint ventures listed above, because key operating decisions require the unanimous consent of the Group and the other investor(s).

Associate name	Address of principal place of business	Country of incorporation or registration	Classes of shares held	% shareholding
AlsoEnergy Holdings, Inc.	Corporation Trust Centre, 1209 Orange Street, Wilmington, DE 19801, United States	USA	Series A, Common	17.9%
Bricklane Technologies Ltd	Floor 3, 26 Finsbury Square, London, EC2A 1DS	UK	Preference	16.5%
Cazoo Ltd	40 Churchway, London NW1 1LW	UK	Series A	21.1%
Entale Media Ltd	C/O Founders Factory Limited, Northcliffe House, Young Street, London United Kingdom, W8 5EH	UK	Preference	36.8%
ES London Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Excalibur Holdco Ltd	Wowcher Towers, 12-27 Swan Yard, Islington, London N1 1SD	UK	B Ordinary	23.9%
Funcent DMG Information Technology Hong Kong Company Ltd	27/F 248 Queen's Road East, Wanchai, Hong Kong	Hong Kong	Ordinary	23.6%
Global Event Partners Ltd	Suite 1, 3rd Floor, 11-12 St. James's Square, London SW1Y 4LB	UK	Ordinary	15.0%
Independent Television News Ltd	200 Grays Inn Road, London WC1X 8XZ	UK	Ordinary	20.0%
iProf Learning Solutions India Pte Ltd (in liquidation)	G-15 / G-3, Gf Dilshad Colony, New Delhi, 110095, India	India	Ordinary	10.8%
LineVision, Inc.	501 Boylston St, Suite 4102, Boston, MA 02116 USA	USA	Series A1	55.9%
Mercatus, Inc.	1735 Technology Dr, Suite 250, San Jose, California 95110, United States	USA	Ordinary	10.8%

Associate name	Address of principal place of business	Country of incorporation or registration	Classes of shares held	% shareholding
OYO RMS Corporation	Akasaka Kikyo Building 4th Floor, 11-15 Akasaka 3-Chome, Minato-Ku, Tokyo, 107-0052 Japan	Japan	Ordinary	20.0%
Praedicat, Inc.	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States	USA	Preference	26.6%
Propstack Services Private Ltd	1st & 2nd Floor, Nyay Sagar Bdlg, Kalanagar, Bandra (East), Mumbai – 400 051	India	Ordinary	22.7%
RLTO Ltd	Office 7 35-37 Ludgate Hill, London EC4M 7JN	UK	Ordinary	20.0%
Skymet Weather Services Private Ltd	109, Kushal Bazar, Nehru Place, New Delhi – 110019	India	Ordinary	14.7%
WellAware Holdings, Inc.	2330 N Loop 1604 W, Ste 110, San Antonio, TX 78248, United States	USA	Preference	8.2%
Whereoware, LLC	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States	USA	Membership Interests	19.5%
Yopa Property Ltd	22 Arlington Street, London, SW1A 1RD	UK	C-1 Preference, C-2 Preference, C-3 Preference	45.3%

Investment name	Address of principal place of business	Country of incorporation or registration	Classes of shares held	% shareholding
Air Mail, LLC	Registered Agent Solutions, 9.E Loockerman Street, Suite 311, Dover, Kent, Delaware 19901, United States	USA	Preference	5.0%
BDG Media, Inc.	559 Driggs Avenue, Suite 2, Brooklyn, NY 11211, United States	USA	Ordinary	3.2%
Brit Media, Inc.	556 Sutter Street, San Francisco, CA 94102, United States	USA	Ordinary	8.9%
Compstak, Inc.	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States	USA	Common	2.0%
Cue Ball Capital LP	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, United States	USA	Partnership Units	2.5%
Evening Standard Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary, Ordinary Non Voting	10.0%
Farewill Ltd	Unit 7 1a Arbutus Street, London,E8 4DT	UK	A Preference	7.2%
Financial Network Analytics Ltd	4 Crown Place, London EC2A 4BT	UK	Ordinary	10.0%
Hambro Perks Ltd	8 Greencoat Place, London SW1P 1PL	UK	C Ordinary	2.9%
IPSX Group Ltd	Cannon Place, 78 Cannon Street, London EC4N 6AF	UK	Ordinary	2.5%
Kortext Ltd	26-32 Oxford Road, Suite B, 6th Floor, Avalon House, Bournemouth, Dorset, BH8 8EZ	UK	Ordinary, Preference	11.3%
Laundrapp Ltd	62-70 Shorts Gardens, Covent Garden, London WC2H 9AH	UK	Ordinary, Preference	1.7%
LDR Realisations 2019 Ltd (previously Labrador Ltd)	8 Greencoat Place, London, SW1P 1PL	UK	Ordinary	8.6%
Lindentor 226. V V GmbH	Charlttenstr. 4, D-10969, Berlin, Germany	Germany	Common	0.1%
Live Better With Ltd	Rocketspace, 40 Islington High Street, London N1 8XB	UK	B Ordinary	4.6%
Media Investors 17, LLC	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, United States	USA	Membership interests	12.8%
Nazca IT Solutions BV	Standerdmolen 20, 3995 AA Houten, Netherlands	Netherlands	Ordinary	15.0%
PA Media Group Ltd	The Point 37 North Wharf Road, Paddington, London, W2 1AF	UK	Ordinary	15.6%
Pascal Metrics, Inc.	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States	USA	Ordinary	4.4%
Pembroke Holdings, LLC	46 Southfield Ave Ste 400, Stamford CT 06902, United States	USA	Membership Interests	10.0%
Plandek Ltd	Unit 10, 1 Luke Street, London, EC2A 4PX	UK	Ordinary B	2.5%
Quick Move Ltd	86-90 Paul Street, London EC2A 4NE	UK	Ordinary	5.7%
Taboola.com Ltd	7 Totseret Haaretz St., Tel-Aviv Israel	Israel	Ordinary	0.4%
Upstream Group, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	3.6%
Workana, LLC	13th Avenue, Suite 202 Brooklyn, New York, 11228, United States	Argentina	Membership interests	4.0%

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Five Year Financial Summary

Consolidated Income Statement

	52 weeks ended 30 September 2015 £m	Year ended 30 September 2016 £m	Year ended 30 September 2017 £m	Year ended 30 September 2018 £m	Year ended 30 September 2019 £m
Revenue	1,842.7	1,514.2	1,564.3	1,340.9	**1,337.0**
Adjusted operating profit	287.0	177.0	179.0	144.6	**135.8**
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property, amortisation and impairment of acquired intangible assets arising on business combinations and impairment of goodwill	(80.2)	(91.4)	(324.4)	(94.8)	**(41.2)**
Operating profit/(loss) before share of results from joint ventures and associates	206.8	85.6	(145.4)	49.8	**94.6**
Share of results of joint ventures and associates	11.3	4.9	16.9	118.4	**(28.1)**
Total operating profit/(loss)	218.1	90.5	(128.5)	168.2	**66.5**
Other gains and losses	82.4	130.8	14.0	565.5	**73.7**
Profit/(loss) before investment revenue, net finance costs and tax	300.5	221.3	(114.5)	733.7	**140.2**
Investment revenue	4.0	2.2	2.5	4.8	**11.5**
Net finance costs	(88.4)	(21.8)	(0.3)	(32.0)	**(17.4)**
Profit/(loss) before tax	216.1	201.7	(112.3)	706.5	**134.3**
Tax	(20.8)	(19.9)	(64.7)	(7.6)	**(20.4)**
Profit/(loss) for the year after tax	195.3	181.8	(177.0)	698.9	**113.9**
Discontinued operations	50.0	32.4	519.3	(10.7)	**(22.6)**
Equity interests of minority shareholders	(28.7)	(10.0)	3.0	1.2	**(0.4)**
Profit for the year	216.6	204.2	345.3	689.4	**90.9**
Adjusted profit before tax and non-controlling interests	280.5	259.6	226.1	182.3	**144.7**
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	376.8	363.7	350.4	287.7	**205.6**
Adjusted profit after taxation and non-controlling interests	215.5	197.8	196.3	149.3	**114.5**
Earnings/(loss) per share					
Number of shares for basic	360.8	353.4	353.1	354.1	**296.4**
Number of shares for diluted	366.5	360.6	358.6	358.4	**300.2**
Profit effect of dilutive shares	(0.3)	(0.9)	(0.1)	–	**–**
From continuing operations					
Basic	46.2p	48.6p	(49.3)p	197.7p	**38.3p**
Diluted	45.4p	47.4p	(48.5)p	196.0p	**37.8p**
From discontinued operations					
Basic	13.9p	9.2p	147.1p	(3.0)p	**(7.6)p**
Diluted	13.6p	9.0p	144.8p	(3.6)p	**(7.5)p**
From continuing and discontinued operations					
Basic	60.1p	57.8p	97.8p	194.7p	**30.7p**
Diluted	59.0p	56.4p	96.3p	192.4p	**30.3p**
Adjusted earnings per share					
Basic	59.7p	56.0p	55.6p	42.2p	**38.6p**
Diluted	58.7p	54.7p	54.7p	41.7p	**38.1p**

Consolidated Cash Flow Statement

	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m
Net cash inflow from operating activities	259.7	232.1	219.5	115.0	**154.8**
Investing activities	(44.2)	(35.8)	138.6	481.3	**221.1**
Financing activities	(212.2)	(214.6)	(368.4)	(169.4)	**(533.3)**
Net (decrease)/increase in cash and cash equivalents	3.3	(18.3)	(10.3)	426.9	**(157.4)**
Cash and cash equivalents at beginning of year	29.0	31.5	17.5	7.4	**435.9**
Exchange gain/(loss) on cash and cash equivalents	(0.8)	4.3	0.2	1.6	**10.7**
Cash and cash equivalents at end of year	31.5	17.5	7.4	435.9	**289.2**
Net (decrease)/increase in cash and cash equivalents	3.3	(18.3)	(10.3)	426.9	**(157.4)**
Cash inflow/(outflow) from change in debt and finance leases	(86.9)	101.5	217.0	268.4	**2.5**
Change in net debt from cash flows	(83.6)	83.2	206.7	695.3	**(154.9)**
Loan notes issued and loans arising from acquisitions	–	(0.2)	–	–	**–**
Other non-cash items	(15.1)	(60.2)	7.7	1.7	**4.1**
(Increase)/decrease in net debt in the year	(98.7)	22.8	214.4	697.0	**(150.8)**
Net cash/(debt) at start of year	(602.8)	(701.5)	(678.7)	(464.3)	**232.7**
Net cash/(debt) at end of year	(701.5)	(678.7)	(464.3)	232.7	**81.9**

Consolidated Statement of Financial Position

	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m
Goodwill and intangible assets	1,332.6	1,480.8	576.1	464.4	**321.1**
Property, plant and equipment	181.1	176.1	103.3	99.7	**74.4**
Other investments including joint ventures and associates	157.0	165.9	766.0	790.9	**132.8**
Other non-current assets	230.7	285.5	189.9	353.3	**322.8**
Non-current assets	1,901.4	2,108.3	1,635.3	1,708.3	**851.1**
Net current assets/(liabilities)	(363.2)	(443.3)	(174.5)	217.7	**155.0**
Non-current liabilities	(1,078.4)	(1,135.7)	(541.6)	(250.6)	**(231.8)**
Net assets	459.8	529.3	919.2	1,675.4	**774.3**
Shareholders' equity					
Called-up share capital	45.4	45.3	45.3	45.3	**29.3**
Share premium account	17.8	17.8	17.8	17.8	**17.8**
Other reserves	(97.3)	(71.8)	15.6	1.3	**24.4**
Minority interests	154.9	178.2	11.0	13.5	**–**
Retained earnings	339.0	359.8	829.5	1,597.5	**702.8**
Total equity	459.8	529.3	919.2	1,675.4	**774.3**

Shareholder information

	2015	2016	2017	2018	2019
Dividend per share *	21.40p	22.00p	22.70p	23.30p	**23.90p**
Price of A Ordinary Non-Voting Shares:					
Lowest	£6.99	£5.71	£6.06	£5.00	**£5.42**
Highest	£10.74	£7.90	£8.36	£7.81	**£8.54**

* Represents the dividends declared by the Directors in respect of the above years excluding the Euromoney cash distributions and Euromoney dividend in specie.

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Company Statement of Financial Position

At 30 September 2019

	Note	At 30 September 2019 £m	At 30 September 2018 £m
ASSETS			
Fixed assets			
Property, plant and equipment	5	**0.6**	0.9
Shares in Group undertakings	8	**3,237.6**	3,033.6
Financial assets at fair value through other comprehensive income	9	**1.0**	–
Other investments	9	**–**	6.5
Trade and other receivables	10	**3.6**	167.7
		3,242.8	3,208.7
Current assets			
Trade and other receivables	10	**40.3**	59.3
Other financial assets	11	**–**	237.3
Cash at bank and in hand	12	**40.1**	363.8
Deferred tax	15	**5.6**	3.8
		86.0	664.2
Total assets		**3,328.8**	3,872.9
LIABILITIES			
Creditors: amounts falling due within one year			
Trade and other payables	13	**(264.5)**	(102.7)
Borrowings	13	**(0.8)**	(218.7)
		(265.3)	(321.4)
Creditors: amounts falling due after more than one year			
Borrowings	14	**(202.8)**	(205.7)
Derivative financial liabilities	14	**(24.4)**	(20.1)
		(227.2)	(225.8)
Total liabilities		**(492.5)**	(547.2)
Net assets		**2,836.3**	3,325.7
CAPITAL AND RESERVES			
Called-up share capital		**29.3**	45.3
Share premium account	16	**17.8**	17.8
Share capital		**47.1**	63.1
Reserve for own shares	16	**(49.1)**	(57.2)
Capital redemption reserve	17	**21.2**	5.2
Profit and loss account	18	**2,817.1**	3,314.6
Equity shareholders' funds		**2,836.3**	3,325.7

The financial statements on pages 186 to 196 were approved by the Directors and authorised for issue on 4 December 2019. They were signed on their behalf by:

The Viscount Rothermere
P Zwillenberg

Directors

Company Statement of Changes in Equity

For the year ended 30 September 2019

	Note	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Reserve for own shares £m	Profit and loss account £m	Total £m
At 30 September 2017		**45.3**	**17.8**	**5.2**	**(64.3)**	**2,972.3**	**2,976.3**
Profit for the year		–	–	–	–	417.9	417.9
Total comprehensive income for the year		–	–	–	–	417.9	417.9
Dividends paid		–	–	–	–	(81.0)	(81.0)
Credit to equity for share-based payments		–	–	–	–	7.6	7.6
Deferred tax on share-based payments		–	–	–	–	(1.5)	(1.5)
Own shares acquired in the year		–	–	–	(14.3)	–	(14.3)
Own shares released on vesting of share options		–	–	–	21.4	(0.7)	20.7
At 30 September 2018		**45.3**	**17.8**	**5.2**	**(57.2)**	**3,314.6**	**3,325.7**
Adjustment for transition to IFRS 9		–	–	–	–	0.7	0.7
Restated at 1 October 2018		**45.3**	**17.8**	**5.2**	**(57.2)**	**3,315.3**	**3,326.4**
Profit for the year		–	–	–	–	429.0	429.0
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**429.0**	**429.0**
Cancellation of A Ordinary Non-Voting shares	(i)	(16.0)	–	16.0	–	–	–
Dividends paid		–	–	–	–	(74.1)	(74.1)
Euromoney dividend in specie	(i)	–	–	–	–	(661.8)	(661.8)
Euromoney cash distribution	(i)	–	–	–	–	(200.0)	(200.0)
Credit to equity for share-based payments		–	–	–	–	10.2	10.2
Deferred tax on share-based payments		–	–	–	–	0.6	0.6
Own shares acquired in the year		–	–	–	(2.5)	–	(2.5)
Settlement of exercised share options		–	–	–	–	(0.7)	(0.7)
Own shares released on vesting of share options		–	–	–	10.6	(1.4)	9.2
At 30 September 2019		**29.3**	**17.8**	**21.2**	**(49.1)**	**2,817.1**	**2,836.3**

(i) On 3 March 2019, the Group announced its intention to distribute all of the Euromoney Institutional Investor PLC (Euromoney) shares owned by the Group to certain holders of DMGT's A Ordinary Non-Voting Shares (A Shares), by way of a dividend in specie (the Euromoney Distribution), as well as a £200.0 million cash distribution (the Cash Distribution). The terms were such that Fully Participating Shareholders would participate in the Euromoney Distribution and Cash Distribution whilst Rothermere Affiliated Shareholders would only participate in the Cash Distribution and on a limited basis.

The proposal was approved at a Class Meeting of the Fully Participating Shareholders on 26 March 2019. The Euromoney Distribution occurred at 8am on 2 April 2019 and the Cash Distribution on 15 April 2019.

Before these distributions were made c.46.4% of the A Shares held by Fully Participating Shareholders were converted into a new class of B Shares and c.4.0% of the A Shares held by Rothermere Affiliated Shareholders converted into a new class of C Shares. The Euromoney Distribution and a special dividend of £183.0 million in aggregate in cash was then paid to the Fully Participating Shareholders in respect of the B Shares and a restricted special dividend of £17.0 million in aggregate in cash was paid to the Rothermere Affiliated Shareholders in respect of the C Shares. Once these distributions were made the B Shares and the C Shares were converted into Deferred B Shares and Deferred C Shares respectively before being transferred to the Company for no valuable consideration and cancelled shortly thereafter. Consequently, these distributions resulted in a reduction in the share capital of DMGT. The voting Ordinary Shares did not participate in the distributions.

For each A Share held at 6.00pm on 29 March 2019, the conversion record time, the Fully Participating Shareholders received c.0.19933 of a Euromoney Share and c.68.13p in cash, and there was a reduction in their holding of c.0.46409 of an A Share. For each A Share held by the Rothermere Affiliated Shareholders, they received c.25.53p in cash and there was a reduction in their holding of c.0.03946 of an A Share.

The Rothermere Affiliated Shareholders' proportionate interest in the total number of A Shares in issue increased from 20.0% of the issued A Shares before the distributions to 30.0% after and their combined shareholding of A Shares and Ordinary Shares increased from 24.0% of the issued A Shares and Ordinary Shares before the distributions to 36.0% after.

The Company intends to make available £117.0 million from the Group's cash resources to the Group's defined benefit pension schemes. In light of the forthcoming actuarial valuation as at 31 March 2019, the Group and the Trustees of the pension schemes are in discussions to finalise these arrangements.

Notes to the Company Statement of Financial Performance

1 Basis of preparation

Daily Mail and General Trust plc (DMGT) is a company incorporated and domiciled in the United Kingdom. The address of the registered office is Northcliffe House, 2 Derry Street, London, W8 5TT.

The financial statements of DMGT have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. See Note 2 for further detail.

All amounts presented have been rounded to the nearest £0.1 million.

Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account for the Company has not been included in these accounts. The Company's profit after tax for the year was £429.0 million (2018 £417.9 million). This includes dividends receivable from subsidiary undertakings amounting to £537.8 million (2018 £781.8 million).

Impact of amendments to accounting standards

The Company has applied the exemption available under FRS 101 in relation to paragraphs 30 and 31 of IAS 8, Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued and is not yet effective).

The following new and amended IFRS has been adopted during the period:

- IFRS 9, Financial Instruments (effective 1 January 2018)

IFRS 9, Financial Instruments replaced IAS 39, Financial Instruments: Recognition and Measurement. The key areas of IFRS 9 which affect the Company are those which relate to the treatment of available-for-sale investments.

In accordance with the transitional provisions of IFRS 9 the Company has adopted IFRS 9 on a modified retrospective basis such that comparative figures have not been restated and remain in line with the requirements of IAS 39.

IFRS 9 contains three principal classification categories for financial assets – Measured at Amortised Cost, Fair Value through Other Comprehensive Income (FVTOCI) and Fair Value through Profit and Loss (FVTPL) and eliminates the IAS 39 categories of held to maturity, loans and receivables and held for sale. The main effect resulting from this reclassification relates to the Company's equity investments which under IAS 39 were classified as available for sale whilst under IFRS 9 are now classified as Fair Value through Other Comprehensive Income. As a result, all fair value movements are now recorded in Other Comprehensive Income and gains and losses will not be recycled to the Profit and loss account on disposal although dividend income will continue to be recorded in the Income Statement. A fair value gain of £0.7 million on transition has been recorded on transition to IFRS 9.

A summary of the transition impact of IFRS 9 is shown below:

	Previously reported £m	As at 1 October 2018 IFRS 9 transition adjustment £m	Restated £m
Financial assets at FVTOCI	0.3	0.7	1.0
	0.3	**0.7**	**1.0**

2 Significant accounting policies

Foreign exchange

Transactions in currencies other than the Company's reporting currency are recorded at the exchange rate prevailing on the date of the transaction. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit and loss account for the year.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less any provision for impairment.

Financial assets at fair value through Other Comprehensive Income

Financial assets are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

In the current period, as permitted by IFRS 9, the Group classifies its equity investments at Fair Value through Other Comprehensive Income. All fair value movements are recorded in Other Comprehensive Income and gains and losses are not recycled to the Income Statement on disposal.

Dividend income from Financial assets held at fair value through other comprehensive income is recorded in the Income Statement.

Unlisted equity investments are valued using a variety of approaches including comparable company valuation multiples and discounted cashflow techniques. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

The fair value of listed equity investments is determined based on quoted market prices.

Available for sale investments

In the prior period available for sale investments were classified as either fair value through profit or loss or available for sale. Where investments were held-for-trading purposes, gains and losses arising from changes in fair value were included in net profit or loss for the period. For available for sale investments, gains and losses arising from changes in fair value were recognised directly in equity, until the investments is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

The fair value of listed investments was determined based on quoted market prices. Unlisted investments were recorded at cost less provision for impairment with their recoverable amount determined by discounting future cash flows to present value using market interest rates.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is provided in full on timing differences that result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not discounted.

Financial instruments disclosures

Financial assets

Trade and other receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The majority of other receivables relate to amounts owed by subsidiary undertakings. Further information concerning interest charged on these receivables is set out in Note 10.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade and other payables

Trade payables are non-interest bearing and are stated at their nominal value.

Capital market and bank borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Company's bonds are subject to fair value hedge accounting and this portion of the carrying value is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Notes to the Company Statement of Financial Performance

2 Significant accounting policies continued

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously.

Derivative financial instruments and hedge accounting

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses various derivative financial instruments to manage its exposure to these risks.

The use of financial derivatives is set out in Note 34 of the Group's Annual Report. The Company does not use derivative financial instruments for speculative purposes.

The Company does not apply hedge accounting except for fair value hedges. Gains and losses arising on derivatives that form part of net investment hedge or cash flow hedge relationships in the consolidated financial statements are recorded in the profit and loss account in the Company.

Financial instruments – disclosures

The Company has taken advantage of the exemption provided in IFRS 7, Financial Instruments: Disclosures and included disclosures relating to financial instruments in Note 34 of the Group's Annual Report.

Cash flow statement

The Company has utilised the exemptions provided under IAS 7, Statement of Cash Flows and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group's Annual Report.

Related party transactions

The Company has taken advantage of the exemptions of IAS 24, Related Party Disclosures and included disclosures relating to related parties in Note 44 of the Group's Annual Report.

Share-based payments

The Company operates the Group's LTIP and other Group share-based payment schemes, details of which can be found in Note 42 of the Group's Annual Report.

Retirement benefits

The defined benefit pension schemes' surpluses/deficits have been allocated to Group companies on a buy-out basis – that is of an estimate of the liabilities and assets of the defined benefit schemes as at 30 September 2019. Accordingly the Company has not recorded an asset or liability in relation to the Group's defined benefit scheme.

Further information can be found in Note 35 of the Group's Annual Report.

Critical accounting judgements and key sources of estimation uncertainty

The following represents the key source of estimation uncertainty that has the most significant effect on the amounts recognised in the financial statements:

Impairment reviews are performed when there is an indicator that the carrying value of the shares in Group undertakings could exceed their recoverable values based on their value in use or fair value less costs to sell. Value in use is calculated by discounting future expected cash flows. These calculations use cash flow projections based on Board-approved budgets and projections which reflect management's current experience and future expectations of the markets in which the Group undertaking operates.

Risk adjusted pre-tax discount rates used by the Company in its impairment tests range from 9.6% to 16.0%, the choice of rates depending on the risks specific to that cash generating unit (CGU). The cash flow projections consist of Board-approved budgets for the following three years, together with forecasts for up to two additional years and nominal long-term growth rates beyond these periods. The nominal long-term (decline)/growth rates range from (3.0%) and 7.0% and vary with management's view of the CGU's market position, maturity of the relevant market and do not exceed the long-term average growth rate for the market in which the CGU operates.

The carrying value of the investment in Group undertakings is £3,237.6 million (2018 £3,033.6 million).

Using the criteria above the Company has provided a sensitivity analysis of the key assumptions used to support the carrying value of its investments in Group undertakings.

If the growth rate assumptions above were reduced by 1.0% this would reduce the headroom by £289.4 million resulting in an impairment charge of £137.7 million. If the growth rate assumptions above were increased by 1.0% this would increase the headroom by £443.1 million.

If the discount rate assumptions above were reduced by 1.0% this would increase the headroom by £381.0 million. If the discount rate assumptions above were increased by 1.0% this would reduce the headroom by £278.2 million resulting in an impairment charge of £126.5 million.

3 Auditor's remuneration

Statutory audit fees relating to the Company amounted to £0.5 million (2018 £0.3 million).

4 Employees

	2019 Number	2018 Number
Average number of persons employed by the Company including Directors :	**19**	18

	2019 £m	2018 £m
Total staff costs comprised:		
Wages and salaries	**9.5**	4.2
Share-based payments	**9.0**	5.6
Social security costs	**1.7**	2.1
Pension costs	**0.1**	0.1
	20.3	12.0

The remuneration of the Directors of the Company during the period are disclosed in the Remuneration Report of the Group's Annual Report.

5 Property, plant and equipment

	Fixtures, fittings and artwork £m
Cost	
At 30 September 2017	–
Additions	0.9
At 30 September 2018 and 2019	**0.9**
Accumulated depreciation	
At 30 September 2017 and 2018	–
Depreciation	(0.3)
At 30 September 2019	(0.3)
Net book value – 2018	0.9
Net book value – 2019	**0.6**

6 Tax

There was a current tax credit for the year of £8.1 million (2018 £8.7 million).

7 Dividends

During the period, the Company paid a final dividend for the year ended 30 September 2018 of 16.2 pence per share and an interim dividend for the year ended 30 September 2019 of 7.3 pence to Ordinary and A Ordinary shareholders amounting to £74.1 million (2018 £81.0 million).

The Board has declared a final dividend for the year ended 30 September 2019 of 16.6 pence per Ordinary/A Ordinary Non-Voting Share (2018 16.2 pence) which will absorb an estimated £37.8 million (2018 £57.3 million) of shareholders' equity for which no liability has been recognised in these financial statements. It will be paid on 7 February 2020 to shareholders on the register at the close of business on 13 December 2019.

In addition, on 2 April 2019 the Group made a distribution to certain shareholders of its investment in Euromoney. Using the Euromoney share price at 2 April 2019, the dividend in specie amounted to £661.8 million. On 15 April 2019 the Group also made a cash distribution of £200.0 million as part of the distribution to shareholders.

Further detail can be found in Note 12 of the Group's Annual Report.

Notes to the Company Statement of Financial Performance

8 Shares in Group undertakings (listed on pages 179 to 182)

	Cost £m	Provision £m	Net book value £m
At 30 September 2018	3,353.6	(320.0)	3,033.6
Additions	219.1	–	219.1
Impairment charge	–	(15.1)	(15.1)
At 30 September 2019	**3,572.7**	**(335.1)**	**3,237.6**

	Cost £m	Provision £m	Net book value £m
Analysis of movements in the period:			
Daily Mail and General Holdings Ltd	5.6	(14.2)	(8.6)
DMGB Ltd	213.5	–	213.5
Eve 4 Ltd	–	(0.9)	(0.9)
	219.1	**(15.1)**	**204.0**

9 Financial assets at fair value through Other Comprehensive Income

	Cost and net book value £m
At 30 September 2018 Available for sale investments	6.5
Adjustment for transition to IFRS 9	0.7
Restated at 1 October 2018	7.2
Disposals	(6.2)
At 30 September 2019 Financial assets at Fair value through Other Comprehensive Income	**1.0**

10 Trade and other receivables

	Note	2019 £m	2018 £m
Amounts falling due after more than one year			
Amounts owed by Group undertakings	(i)	**–**	150.0
Other financial assets		**–**	8.0
Derivative financial assets	(ii)	**3.6**	9.7
		3.6	167.7

(i) Included within amounts owed by Group undertakings is an amount owed by a subsidiary company, DMGZ Ltd, of £nil (2018 £150.0 million). The loan bore interest of 6.3% p.a. and was repaid during the period.

(ii) Details of the Company's derivative financial assets are set out in Note 34 of the Group's Annual Report.

	Note	2019 £m	2018 £m
Amounts falling due within one year			
Amounts owed by Group undertakings		**16.6**	48.7
Other financial assets	(i)	**15.4**	–
Prepayments and accrued income		**0.2**	0.9
Other receivables		**0.2**	0.2
Corporation tax		**7.9**	9.5
		40.3	59.3

(i) The Company deposits collateral with its bank counterparties with whom it has entered into a credit support annex to an ISDA (International Swaps and Derivatives Association) Master Agreement. This represents cash that cannot be readily used in operations.

11 Other financial assets

	Note	2019 £m	2018 £m
Cash deposits	(i)	–	237.3

(i) Represents cash deposits held with the Group's bank counterparties with an original maturity date of three months or more. As required by IAS 7, Statement of Cash Flows, these have been classified within other financial assets.

12 Cash at bank and in hand

	2019 £m	2018 £m
Cash at bank and in hand	**40.1**	363.8

13 Trade and other payables falling due within one year

	Note	2019 £m	2018 £m
5.75 % Bonds 2018		–	218.7
Bank overdrafts		**0.8**	–
Interest payable		**3.6**	14.2
Amounts owing to Group undertakings	(i)	**251.8**	79.5
Accruals and deferred income		**8.9**	8.8
Other payables		**0.2**	0.2
		265.3	321.4

(i) Amounts owing to Group undertakings are repayable on demand and bear interest of UK bank base rate plus 0.5%.

14 Trade and other payables falling due after more than one year

	Note	2019 £m	2018 £m
10.00 % Bonds 2021		**0.8**	9.1
6.375 % Bonds 2027		**202.0**	196.6
Derivative financial liabilities	(i)	**24.4**	20.1
		227.2	225.8

The nominal values of the bonds are as follows:

	2019 £m	2018 £m
5.75 % Bonds 2018	–	218.5
10.00 % Bonds 2021	**0.8**	7.2
6.375 % Bonds 2027	**200.0**	200.0
	200.8	425.7

(i) Details of the Company's derivative financial liabilities are set out in Note 34 of the Group's Annual Report.

The Company's bonds have been adjusted from their nominal values to take account of direct issue costs, discounts and movements in hedged risks. The issue costs and discount are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £0.5 million (2018 £0.6 million) and the unamortised discount amounts to £0.7 million (2018 £1.2 million).

Details of the fair value of the Company's bonds are set out in Note 33 of the Group's Annual Report.

The bonds are subject to fair value hedging using derivatives as set out in Note 34 of the Group's Annual Report. Consequently, their carrying value is also adjusted to take into account the effects of this hedging activity.

During the period the Company bought back £6.4 million nominal of its outstanding 2021 bonds incurring a premium of £0.9 million.

The Company's 2018 bonds matured during the period and were repaid in full.

The book value of the Company's other borrowings equates to fair value.

Notes to the Company Statement of Financial Performance

14 Trade and other payables falling due after more than one year continued

The interest rate charged on the Company's bank loans during the period ranged as follows:

	2019 High	2019 Low	2018 High	2018 Low
Sterling	**1.70%**	**1.70%**	1.99%	0.98%
US dollar	**–**	**–**	2.96%	2.30%

The maturity profile of the Company's borrowings is as follows:

	Overdrafts £m	Bonds £m	Owed to group undertakings £m	Total £m
2019				
Within one year	**0.8**	**–**	**251.8**	**252.6**
Between one and two years	**–**	**0.8**	**–**	**0.8**
Over five years	**–**	**202.0**	**–**	**202.0**
	–	**202.8**	**–**	**202.8**
	0.8	**202.8**	**251.8**	**455.4**
2018				
Within one year	–	218.7	79.5	298.2
Between two and five years	–	9.1	–	9.1
Over five years	–	196.6	–	196.6
	–	205.7	–	205.7
	–	424.4	79.5	503.9

15 Deferred tax

Movements on the deferred tax asset were as follows:

	2019 £m	2018 £m
At start of year	**3.8**	2.5
Share-based payments	**0.6**	0.3
Tax charge for the year	**1.2**	1.0
At end of year	**5.6**	3.8

In the opinion of the Directors, it is more likely than not that the Company will be able to recover the deferred tax asset against suitable future taxable profits generated by its subsidiary undertakings.

Strategic Report

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Shareholder Information

16 Capital and Reserves

Share premium account:

	2019 £m	2018 £m
At start and end of year	**17.8**	17.8

Own shares:

	2019 £m	2018 £m
At start of year	**(57.2)**	(64.3)
Additions	**(2.5)**	(14.3)
Own shares released on vesting of share options	**10.6**	21.4
At end of year	**(49.1)**	(57.2)

The Company's investment in its own shares represents shares held in treasury or shares held by an employee benefit trust to satisfy incentive schemes. At 30 September 2019, this investment comprised the cost of 4,566,121 A Ordinary Non-Voting Shares (2018 4,812,419 shares) held in treasury and 2,157,613 A Ordinary Non-Voting Shares (2018 2,981,109 shares) held in the employee benefit trust. The market value of the Treasury Shares at 30 September 2019 was £38.9 million (2018 £33.8 million) and the market value of the shares held in the employee benefit trust at 30 September 2019 was £18.4 million (2018 £20.9 million).

The employee benefit trust is independently managed and has purchased shares in order to satisfy outstanding share options and potential awards under the long-term incentive plan.

The Treasury Shares are considered to be a realised loss for the purposes of calculating distributable reserves.

17 Capital redemption reserve

	£m
At start of year	5.2
On cancellation of A Ordinary Non-Voting Shares	16.0
At end of year	**21.2**

18 Profit and loss account

	2019 £m	2018 £m
At start of year	**3,314.6**	2,972.3
Adjustment for transition to IFRS 9	**0.7**	–
Restated at 1 October 2018	**3,315.3**	2,972.3
Net profit for the year	**429.0**	417.9
Dividends paid	**(74.1)**	(81.0)
Euromoney dividend in specie	**(661.8)**	–
Euromoney cash distribution	**(200.0)**	–
Other movements on share option schemes	**8.7**	5.4
At end of year	**2,817.1**	3,314.6
Total reserves	**2,807.0**	3,280.4

The Directors estimate that £1,532.9 million of the Company's profit and loss account reserve is not distributable (2018 £1,511.9 million).

Notes to the Company Statement of Financial Performance

19 Contingent liabilities and guarantees

At 30 September 2019 the Company had guaranteed subsidiaries' outstanding derivatives which had a mark to market liability valuation of £nil (2018 £nil) and letters of credit with a principal value of £2.9 million (2018 £3.3 million). The Company is the guarantor of a loan note amounting to £150.0 million (2018 £150.0 million) in respect of the contingent asset partnership referred to in Note 44 of the Group's Annual Report.

20 Ultimate holding company

The Company's immediate parent company is Rothermere Continuation Limited (RCL), a company incorporated in Bermuda. The Board anticipates that as of 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL will be acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey. RIL will then hold 100% of the issued Ordinary Shares of the Company (see Note 45 of the Group's Annual Report for further detail).

Ultimate controlling party

Rothermere Continuation Limited (RCL) is a holding company incorporated in Bermuda. The main asset of RCL is its 100% holding of DMGT's issued Ordinary Shares. RCL has controlled the Company for many years and as such is its immediate parent Company. RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey, in the Channel Islands. RCL and its directors, and the Trust are related parties of the Company.

The Board anticipates that as of 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL will be acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey. RIL will then hold 100% of the Company's issued Ordinary Shares. The underlying control of DMGT will, however, remain unchanged and continue to lie with the Trust. RIL is administered in Jersey, and RIL and its directors are also related parties of the Company.

21 Post balance sheet events

Details of the Company's post balance sheet events can be found within Note 45 of the Group's Annual Report.

Shareholder Information

Company Secretary and Registered Office

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E-mail: enquiries@dmgt.com
England Registered Number: 184594

Website

The Group's website (www.dmgt.com) gives information on the Company and its operating companies and includes details of significant Group announcements.

Financial calendar 2020

23 January	Trading update
5 February	Annual General Meeting
7 February	Payment of final dividend
31 March	Half year end
9 April	Payment of interest on bonds
28 May	Half yearly financial report released
4 June	Interim ex-dividend date
5 June	Interim record date
22 June	Payment of interest on bonds
26 June	Payment of interim dividend
23 July	Trading update
30 September	Year end
23 November	Announcement of annual results
3 December	Ex-dividend date
4 December	Record date

Capital gains tax

The market value of the A Ordinary Non-Voting Shares (A Shares) in the Company on 31 March 1982 (adjusted for the 1994 bonus issue of A Shares and for the four-for-one share split in 2000) was 9.75 pence.

Distribution of Euromoney shares

The distribution to DMGT's shareholders of shares in Euromoney Institutional Investor PLC (Euromoney) on 2 April 2019 was treated as income for UK tax purposes, in the same way as DMGT's usual dividend payments. For the purposes of UK individual shareholders calculating dividend income and the base cost of Euromoney shares for capital gains tax purposes, the value per Euromoney share was £13.00. The 'Retail Investor Tax FAQs' document in the 'Shareholders' section of www.dmgt.com contains further information about the tax implications for UK individual shareholders, including the base cost for capital gains tax purposes of their remaining shares in DMGT.

Registrars

All enquiries regarding shareholdings, dividends, lost share certificates, or changes of address should be directed to Equiniti, the Company's Registrars, at the address set out on the following page.

Electronic communications

Equiniti operates Shareview, a free online service which enables shareholders to check their shareholdings and other related information and to register to receive notification by email of the release of the Annual Report. It also offers practical help on matters such as transferring shares or updating contact details. Shareholders may register for the service at www.shareview.co.uk.

This Annual Report is available electronically on the Company's website which contains a link to Shareview to enable shareholders to register for electronic mailings. Notification by email has been given of the availability of this Annual Report on the Company's website to those shareholders who have registered.

Shareholder Information

Low-cost share dealing service
Equiniti provides a simple low-cost dealing service for the Company's A Shares, details of which are available at www.shareview.co.uk/dealing or by calling +44 (0)3456 037 037. Details of this and other low-cost dealing services can be found on the Company's website at www.dmgt.com.

Share price information
The current price of the Company's A Shares can be found on the home page of the Company's website at www.dmgt.com.

Eurobond paying agent
The paying agent for the Company's 10% Bonds due 2021 and the 6.375% Bonds due 2027 is Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB. Enquiries should be directed to John Donegan, Group Financial Controller, whose email address is john.donegan@dmgt.com.

CREST
Shareholders have the choice of either holding their shares in electronic form in an account on the CREST system or in the physical form of share certificates.

Investor relations
Investor relations are the responsibility of Adam Webster, whose email address is adam.webster@dmgt.com.

ShareGift
In the UK, DMGT supports ShareGift, which is administered by the Orr Mackintosh Foundation (registered charity number 1052686) and which operates a charity share donation scheme for shareholders wishing to give small holdings of shares to benefit charitable causes. It may be especially useful for those who wish to dispose of a small parcel of shares which would cost more to sell than they are worth. There are no capital gains tax implications (i.e. no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. If you would like to use ShareGift or receive more information about the scheme, ShareGift can be contacted by visiting its website at www.sharegift.org or by writing to ShareGift, 4th Floor Rear, 67/68 Jermyn Street, London SW1Y 6NY.

Shareholdings at 30 September 2019

Ordinary Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–500,000	0	0.00	0	0.00
500,001 and over	3	100.00	19,890,364	100.00
Totals	**3**	**100.00**	**19,890,364**	**100.00**

A Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–1,000	879	55.39	241,470	0.11
1,001–5,000	389	24.51	931,150	0.43
5,001–10,000	110	6.93	764,997	0.36
10,001–20,000	45	2.84	640,162	0.30
20,001–50,000	56	3.53	1,867,681	0.87
50,001–100,000	29	1.83	1,990,497	0.93
100,001–500,000	47	2.96	11,432,633	5.32
500,001 and over	32	2.02	197,044,737	91.69
Totals	1,587	**100.00**	214,913,327	**100.00**

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Visit www.dmgt.com to see what is happening across our business and the marketplaces in which we operate.

Contact Details

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