Euromoney Institutional Investor PLC

Annual Report & Accounts
2016

Euromoney Institutional Investor PLC

Euromoney Institutional Investor PLC is listed on the London Stock Exchange and is a member of the FTSE 250 share index. It is an international business-to-business media group focused primarily on the asset management, banking and commodities sectors under brands including Euromoney, Institutional Investor and Metal Bulletin. It is a leading provider of economic and investment research and data under brands including BCA Research, Ned Davis Research and the emerging market information providers, EMIS and CEIC. The group also runs an extensive portfolio of events for the financial and commodities markets.

Year in Brief

NOVEMBER
New board structure implemented to enhance corporate governance practices

MARCH
Investor Day held to present new strategy

APRIL
Disposal of Gulf Publishing and Petroleum Economist

JULY
Announcement of non-executive chairman John Botts, appointed on a permanent basis

AUGUST
Acquisition of Reinsurance Securities, extending its insurance portfolio into the high-value counterparty risk market

SEPTEMBER
Acquisition of FastMarkets, a leading provider of real-time metal markets information

Highlights

REVENUE
£403.1m

2016	403.1
2015	403.4
2014	406.6

ADJUSTED OPERATING PROFIT
£101.4m

2016	101.4
2015	104.2
2014	119.8

OPERATING PROFIT
£47.4m

2016	47.4
2015	123.1
2014	103.3

ADJUSTED PROFIT BEFORE TAX
£102.5m

2016	102.5
2015	107.8
2014	116.2

PROFIT BEFORE TAX
£43.9m

2016	43.9
2015	123.3
2014	101.5

ADJUSTED DILUTED EARNINGS PER SHARE
66.5p

2016	66.5
2015	70.1
2014	70.6

DILUTED EARNINGS PER SHARE
24.3p

2016	24.3
2015	83.4
2014	59.2

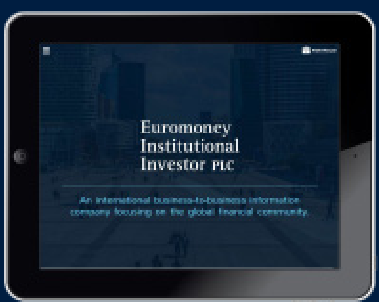
DIVIDEND
23.4p

2016	23.4
2015	23.4
2014	23.0

NET CASH/(DEBT)
£83.8m

2016	83.8
2015	17.7
2014	(37.6)

A detailed reconciliation of the group's adjusted and underlying results is set out in the appendix to the Chief Executive's Statement.



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Euromoney at a Glance

Our segments

Asset Management	Pricing, Data and Market Intelligence	Banking and Finance	Commodity Events
includes the brands and businesses that serve the global asset management industry.	provides prices, data and analysis that are critical for our clients' business processes and workflow across a number of industries.	provides market intelligence, news, training and conferences to the global finance industry.	consists of the leading conferences in the metals, agriculture, energy and wine sectors.
REVENUE £164m	**REVENUE** £135m	**REVENUE** £75m	**REVENUE** £29m
See page 21	See page 22	See page 23	See page 24

Our key brands

BCA RESEARCH
CEIC A Euromoney Institutional Investor Company
MetalBulletin
EUROMONEY
Institutional Investor
GlobalCapital Incorporating EUROWEEK www.globalcapital.com
Ned Davis Research Group
capacity
INVESTING IN AFRICAN MINING INDABA

Our people and locations

2,244
EMPLOYEES

Main offices
LONDON, NEW YORK, MONTREAL, HONG KONG AND SOFIA

Letter from the Chairman

Dear Shareholder

Our 2016 Annual Report reflects the successful and substantial start to our new transformation programme.

For 2016, the board's priority has been to oversee the development and implementation of the new medium-term strategy generated by Andrew Rashbass, our new CEO. He presented our strategy at the March 2016 Investor Day and it is outlined in his Strategic Report.

Our strategy is to invest around major sector themes, transform the operating model and actively optimise the business portfolio. The early signs of achievement provide confidence in Euromoney's ability to harness organic and acquired growth from the longer-term trends in asset management, price discovery, data analytics, capital markets and the broadly defined financial services industry.

In line with Andrew's strategic review, the board has moved to a more traditional structure, including the creation of the CEO role and my appointment as non-executive chairman. This sharpens the board's focus and governance and improves the company's management structure. To that end, Christopher Fordham, Diane Alfano, Bashar Al-Rehany, Neil Osborn and Jane Wilkinson, all previously executive directors of the company, did not seek re-election at the AGM, but they have continued to play the same vital role in the development of the company and execution of our new strategy.

The company's dividend policy is to distribute a third of its after-tax earnings. Although adjusted diluted earnings a share have decreased by 5% to 66.5p, in view of our strong balance sheet and operating cash flows the board has approved an unchanged final dividend of 16.4p a share to be paid on February 9 2017, giving a total dividend for the year of 23.4p.

2017 will continue to be a year of transition in our three-year programme, with a clear focus on delivering the new business priorities. Encouraging progress has been achieved and the group will look to build on this momentum in spite of expected, demanding business and market conditions. Both our industry and customer base will be adjusting to the implications of Brexit, the new administration in the USA and the change in dynamics inherent in the underlying digitalisation process.

Our board is fully focused on delivering sustainable medium-term value by supporting the management team in the execution of our new strategy. We believe that Euromoney is becoming well positioned for this economic environment.

JOHN BOTTS
Chairman
November 24 2016

Chief Executive's Statement

The strategy we unveiled in March is working. It's a tough environment for our customers, and therefore for us, but we are beginning to see the results of the strategy, for instance in the acceleration in subscription growth, which constituted a record 58% of our business in 2016, and in the flow of successful product launches. Focusing the company on delivering growth through investing in areas of opportunity and disinvesting from areas that are structurally and cyclically challenged remains my priority. Our return to acquiring excellent businesses, like FastMarkets, after a break from acquisitions in 2015, also increases my optimism about the future. Despite lower year-on-year profits, our strong balance sheet means that we are recommending to shareholders that we maintain the dividend at 2015 levels. This is a mark of our measured confidence about the future.

STRATEGY

At the Investor Day in March 2016, we presented the new strategy for Euromoney. We categorise our businesses into four quadrants depending on the position in the business cycle of their customers and the strength of their business model and take necessary actions in each quadrant. See page 10.

This leads to three pillars of strategic activity:

1. Investing around big themes such as the information and services to support the asset management industry, price discovery and others.
2. Ensuring an effective operating model that marries the best of the company's entrepreneurial culture (closeness to customers, passion for brands, knowledge of products and accountability for revenue and profit) with, for example, modern marketing techniques, group-wide talent management, seeking economies of, and opportunities from, scale and adopting a strategic approach to developing each business.
3. Actively managing the portfolio, disinvesting in businesses where the market is weak and the business model structurally challenged and investing where the businesses are structurally strong and there are market tailwinds.

Progress with implementing the strategy has been good, partly because the organisation has adopted the strategy more effectively and more quickly than we had assumed and partly because we have been able to use the benefits of the strong dollar compared with sterling to accelerate investment while still delivering results in line with board's expectations. This is despite tougher trading conditions than we had expected during the year and our bottom-left businesses performing worse than we had forecast 12 months ago.

Our three-pillar and four-quadrant strategy helped to identify the businesses that were dragging us backwards and the businesses where we have the greatest opportunities. We began to deal with the former and invest in the latter. We have removed the bottom-left profit drag from Gulf Publishing and Petroleum Economist (which we sold) and from Euromoney Learning Solutions (which we restructured). In addition, we began to reduce any operational deficit (as we call it) to get as many of our businesses as possible performing better (introducing, for example, sophisticated pricing policies and market-led product development techniques).

With this new focus on market-led product development, we launched numerous new products. Some examples:

- **BCA** research reports and analysis on US equities, US Equity Trading strategy and US Technology sector strategy;
- **Institutional Investor** RIA and European Alternative Investment Institutes created;
- **Institutional Investor Research** All-America Trading Team survey and rankings;
- **Ned Davis Research** research data solutions with access to all NDR's data and charts and Explorer which provides interactive content distribution; and
- **Airfinance** database and fleet analysis tools for Airfinance Fleet Analyst.

As well as disposals, we have become more active once again in our search for excellent businesses to add to our existing ones but with a greater focus on their strategic fit than before. During the year, we acquired FastMarkets, a metals news and prices platform which becomes part of the Metal Bulletin Group and accelerates its strategy of becoming the leading metals price reporting agency. We also bought Reinsurance Security, which rates reinsurance companies, and which now sits alongside, and complements, Insurance Insider. We also acquired a fleet database which now sits at the heart of our fleet-valuation toolset.

The continuing strong cash generation – conversion of adjusted operating profit to cash in the year at 105% continues our decades-long record – shows that, in the face of tough market conditions, the business can be both strategic and tightly and effectively managed.

PERFORMANCE FOR THE YEAR

Despite tougher than expected trading conditions, the group's performance was at the top end of the board's expectations. The drag from bottom-left businesses was worse than expected; however, favourable currency movements, in particular following the UK's referendum decision on EU membership enabled accelerated investment in the strategy. It is also encouraging that the benefits from the strategy are coming through earlier than anticipated.

Euromoney's performance reflects the continuing headwinds experienced by its customers, particularly within the investment banking sector. Revenues were down by 4% on an underlying[1] basis, with reported revenues flat reflecting the benefit of a stronger US dollar relative to the British pound.

The pressures on banking and finance and on commodity events, which together constituted 26% of revenue continued to offset the improving performance in its operating companies focused on price discovery, data and market intelligence and those serving the asset management sector.

Subscription revenues continued to grow, supported by a strong asset management market, and were up an underlying[1] 1%. Advertising revenues deteriorated through the year and declined at a faster rate than in 2015, reflecting continued budgetary pressures in global financial institutions and were down an underlying[1] 11%. Large events, particularly in the finance sector run by the IMN business and those in the telecoms sectors, performed well but smaller events fared less well. Overall event sponsorship was down by an underlying[1] 2%. Revenue from non-training event delegates was down 8%.

Adjusted operating profit fell by 3%. As expected, the adjusted operating margin fell from 26% to 25%, reflecting the impact of higher property and investment costs as well as the impact of the loss of contribution from the sale of the Capital DATA joint venture which formed part of the Dealogic transaction.

During the year, Euromoney increased its investment in developing and launching new products to enhance organic revenue growth. M&A activity remains an important feature of the group's strategy to supplement organic growth and to manage the portfolio more actively. As part of that, Euromoney disposed of Gulf Publishing during the year to reduce exposure to the energy market and to advertising, and acquired FastMarkets to become part of the Metal Bulletin Group and Reinsurance Security to add to its portfolio of services aimed at the reinsurance market.

PRIORITIES FOR 2017

In the year ahead we expect to continue to implement the strategy, investing in our big themes, making sure we have an effective operating model which combines Euromoney's entrepreneurial culture with a more strategic approach, sharing best practice and achieving economies of scale. We will continue to manage the portfolio actively, buying where we see value-creating and strategically sensible opportunities to do so and selling when we believe a business is more valuable to someone else than to us.

OUTLOOK

We do not expect markets to improve in the year ahead and our plans are built around them not doing so. We said at the Investor Day that our strategy would not change the trajectory in 2016; that we expected, subject to the usual caveats, to return to growth in 2018; and that 2017 would be a year of transition. This remains our view.

ANDREW RASHBASS
Chief Executive
November 24 2016

[1] Underlying revenues exclude the impact of acquisitions, disposals, event timing differences and currency movements. A detailed reconciliation of the group's adjusted and underlying results is set out in the appendix to this statement.

Appendix to the Chief Executive's Statement

RECONCILIATION OF CONSOLIDATED INCOME STATEMENT TO ADJUSTED RESULTS FOR THE YEAR ENDED SEPTEMBER 30 2016

The directors believe that the adjusted profit and earnings per share measures provide additional useful information for shareholders to evaluate the performance of the business. The group's non-IFRS measures are intended to remove from reported earnings volatility associated with the following types of one-off income and charges:

Adjusted figures are presented before the impact of amortisation of acquired intangible assets (comprising trademarks and brands, databases and customer relationships), exceptional items, share of associates and joint ventures' acquired intangibles amortisation, exceptional items and tax, and net movements in deferred consideration and acquisition commitments. In respect of earnings, adjusted amounts reflect a tax rate that includes the current tax effect of the goodwill and intangible assets. Many of the group's acquisitions, particularly in the US, give rise to significant tax savings as the amortisation of goodwill and intangible assets on acquisition is deductible for tax purposes. The group considers that the resulting adjusted effective tax rate is therefore more representative of its tax payable position. Further analysis of the adjusting items is presented in notes 5, 7, 8, 10, 12 and 14 to the group financial statements.

The group has consistently applied this definition of adjusted measures as it has reported on its financial performance in the past and it is the group's intention to continue to consistently apply this definition in the future.

UNDERLYING RESULTS

When assessing the performance of the group's 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 2016 benefited from the strengthening of the US dollar relative to sterling. To calculate underlying growth, the comparatives are restated using 2016 exchange rates. Similarly, adjustments are made to exclude acquisitions and disposals from both years. The timing of events can also be a distortion. To give a fair like-for-like comparison when calculating underlying growth, biennial events are excluded from the year in which they were held.

The reconciliation below sets out the adjusted and underlying results of the group and the related adjustments to the statutory Income Statement that the directors consider necessary to provide useful information about the group's trading performance.

		Statutory	Adjusted			Underlying			
2016	Notes	**£m**	**Adjustments £m**	**Adjusted £m**	**Year-on-year %**	**M&A £m**	**Timing differences £m**	**Underlying £m**	**Year-on-year %**
Total revenue	3	**403.1**	**–**	**403.1**	**–**	**(5.5)**	**(4.5)**	**393.1**	**(4%)**
Adjusted operating profit	3	**101.4**	**–**	**101.4**	**(3%)**	**(0.2)**	**(2.2)**	**99.0**	**(11%)**
Acquired intangible amortisation	12	**(16.7)**	**16.7**	**–**		**–**	**–**	**–**	
Long-term incentive credit		**–**	**–**	**–**		**–**	**–**	**–**	
Exceptional items	5	**(37.3)**	**37.3**	**–**		**–**	**–**	**–**	
Operating profit		**47.4**	**54.0**	**101.4**	**(5%)**	**(0.2)**	**(2.2)**	**99.0**	**(13%)**
Share of results in associates and joint ventures	14	**(1.8)**	**4.0**	**2.2**		**–**	**–**	**2.2**	
Finance income	7	**0.7**	**–**	**0.7**		**–**	**–**	**0.7**	
Finance expense	7	**(2.4)**	**0.6**	**(1.8)**		**–**	**–**	**(1.8)**	
Net finance (costs)/income	7	**(1.7)**	**0.6**	**(1.1)**		**–**	**–**	**(1.1)**	
Profit before tax		**43.9**	**58.6**	**102.5**	**(5%)**	**(0.2)**	**(2.2)**	**100.1**	**(13%)**
Tax expense on profit	8	**(12.9)**	**(5.2)**	**(18.1)**					
Profit for the year		**31.0**	**53.4**	**84.4**					
Attributable to:									
Equity holders of the parent		**30.7**	**53.4**	**84.1**					
Equity non-controlling interests		**0.3**	**–**	**0.3**					
		31.0	**53.4**	**84.4**					
Diluted earnings per share	10	**24.29p**	**42.22p**	**66.51p**					

2015	Notes	Statutory £m	Adjusted: Adjustments £m	Adjusted £m	Underlying: M&A £m	Foreign exchange £m	Underlying £m
Total revenue	3	403.4	–	403.4	(13.7)	18.1	407.8
Adjusted operating profit	3	104.2	–	104.2	(4.4)	11.1	110.9
Acquired intangible amortisation	12	(17.0)	17.0	–	–	–	–
Long-term incentive credit		2.5	–	2.5	–	–	2.5
Exceptional items	5	33.4	(33.4)	–	–	–	–
Operating profit		123.1	(16.4)	106.7	(4.4)	11.1	113.4
Share of results in associates and joint ventures	14	(0.3)	2.7	2.4	–	–	2.4
Finance income	7	5.1	(4.7)	0.4	–	–	0.4
Finance expense	7	(4.6)	2.9	(1.7)	–	–	(1.7)
Net finance income/(costs)	7	0.5	(1.8)	(1.3)	–	–	(1.3)
Profit before tax		123.3	(15.5)	107.8	(4.4)	11.1	114.5
Tax expense on profit	8	(17.6)	(1.3)	(18.9)			
Profit for the year		105.7	(16.8)	88.9			
Attributable to:							
Equity holders of the parent		105.5	(16.8)	88.7			
Equity non-controlling interests		0.2	–	0.2			
		105.7	(16.8)	88.9			
Diluted earnings per share	10	83.38	(13.26)	70.12			

CASH CONVERSION

	2016 £000	2015 £000
Adjusted operating profit	**101.4**	104.2
Cash generated from operations	**103.8**	109.5
Exceptional items	**3.7**	3.2
Other working capital movements	**(1.4)**	(4.3)
Underlying cash generated from operations	**106.1**	108.4
Cash conversion %	**102%**	105%
Underlying cash conversion %	**105%**	104%

Cash conversion measures the percentage by which cash generated from operations covers adjusted operating profit. The underlying basis is after adjusting for significant timing differences affecting the movement in working capital and exceptional items. Exceptional items are the payments relating to the strategic review including one-off acquisition and integration costs, the major reorganisation of certain businesses and other professional fees relating to development of the group's new strategy. The other working capital movements relate to the favourable effect of the rent-free period in the London offices. The 2015 underlying cash conversion has been restated for the impact of exceptional items.

Business Model

The group actively manages a portfolio of B2B businesses in asset management, price discovery and other sectors where information, data and convening market participants are valued, delivering products and services that support the group's clients' critical activities.

Through more than 20 flagship brands, the group serves customers with information, insight and marketing services. We provide world-leading investment research and data and run an extensive portfolio of dynamic and vibrant events, enriched with content that enables our customers to make more informed decisions, get better results and be more productive. The culture of the group is entrepreneurial, with heads of businesses given significant autonomy to develop their businesses to capture market opportunities. At the same time, small but increasingly strong central functions make sure best practice is shared, economies of scale are achieved and appropriate governance and controls are in place.

Customers

- Larger wallet than retail customers
- Relatively price inelastic
- Sophisticated and knowledgeable
  - Understand the value of the service in order to remain competitive or compliant
- Repeat customers
  - Depend on product or service
- Often similar across geographies
  - Information needs not dissimilar

Barriers to entry

- Strong brands
- Long-standing relationships between buyers and sellers
- Network effects
- Developed infrastructure, difficult to replicate

Business Model
Scalable and cash generative

Create once, sell many	Recurring revenues
Pricing power	Low capital intensity

High operating leverage	High margin

Strong, sustained earnings and cash generation

HOW WE MONETISE OUR ACTIVITIES

Subscription/Content	*Sponsorship*	*Delegates*	*Advertising*
revenues are the fees that customers pay to receive access to the group's information, through online access to various databases, through regular delivery of soft copy research, publications and newsletters or hard copy magazines. Subscriptions are also received from customers who belong to Institutional Investor's exclusive membership groups.	revenues represent fees paid by customers to sponsor an event. A payment of sponsorship can entitle the sponsor to high-profile speaking opportunities at the conference, unique branding before, during and after the event and an unparalleled networking opportunity to invite the sponsor's clients and representatives.	revenues represent fees paid by customers to attend a conference, training course or seminar.	revenues represent the fees that customers pay to place an advertisement in one or more of the group's publications, either in print or online.

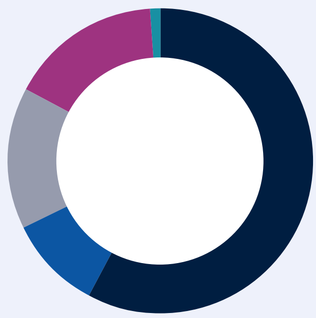
The group's costs are tightly managed and the group benefits from having a flexible cost base, hiring external venues for events and using freelancers, contributors, external trainers and speakers to help deliver its products. Other than its main offices, the group does not incur fixed costs of offices in most of the markets in which it operates; this allows the group to scale up or reduce overheads as the economic environment in which it operates demands.

Marketplace

Euromoney has a global customer base with revenue derived from almost 200 countries. Approximately 60% of total revenue is derived from subscriptions and other recurring sources. Around a third of revenue comes from emerging markets and over 85% of revenue is generated outside the UK. Our customer base predominantly consists of global financial institutions, investment banks, commodity traders, miners and asset managers; governments, agencies and corporates; and service providers including lawyers, consultants and technology providers.

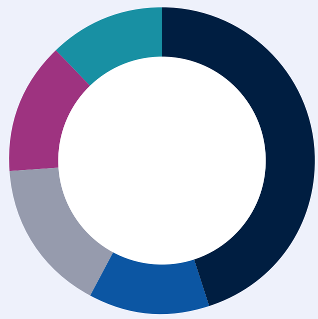
The group's total addressable market is driven by customers' capital and trading activities. The group's EDEN marketing database holds two million active names of which more than 600,000 have bought Euromoney's products in the past three years. However, more important than the size of the market is its propensity to spend, which is driven by the profitability of our clients, their expectations of market developments and, increasingly, the regulatory environment. They spend more willingly where there is market share to be won than they do in a market in structural decline. Although total headcount in financial markets has been on a downward trend for the past five years, the group's strategy is driven by growing revenue per customer.

GROUP REVENUE SPLIT



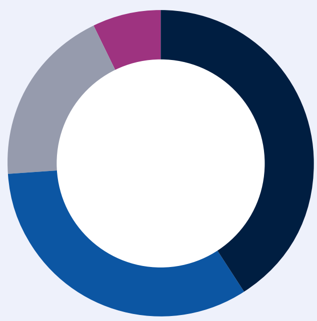
Subscriptions and content	58%
Advertising	10%
Sponsorship	15%
Delegates	16%
Other	1%

REVENUE BY CUSTOMER LOCATION



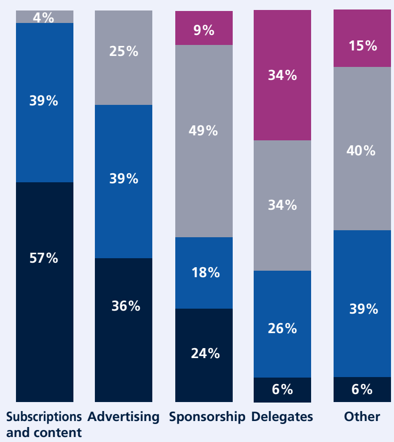
US	45%
UK	13%
Western Europe	16%
Other	14%
Asia	12%

REVENUE BY SEGMENT



Asset management	41%
Pricing, data and market intelligence	33%
Banking and finance	19%
Commodity events	7%

REVENUE BY TYPE AND SEGMENT



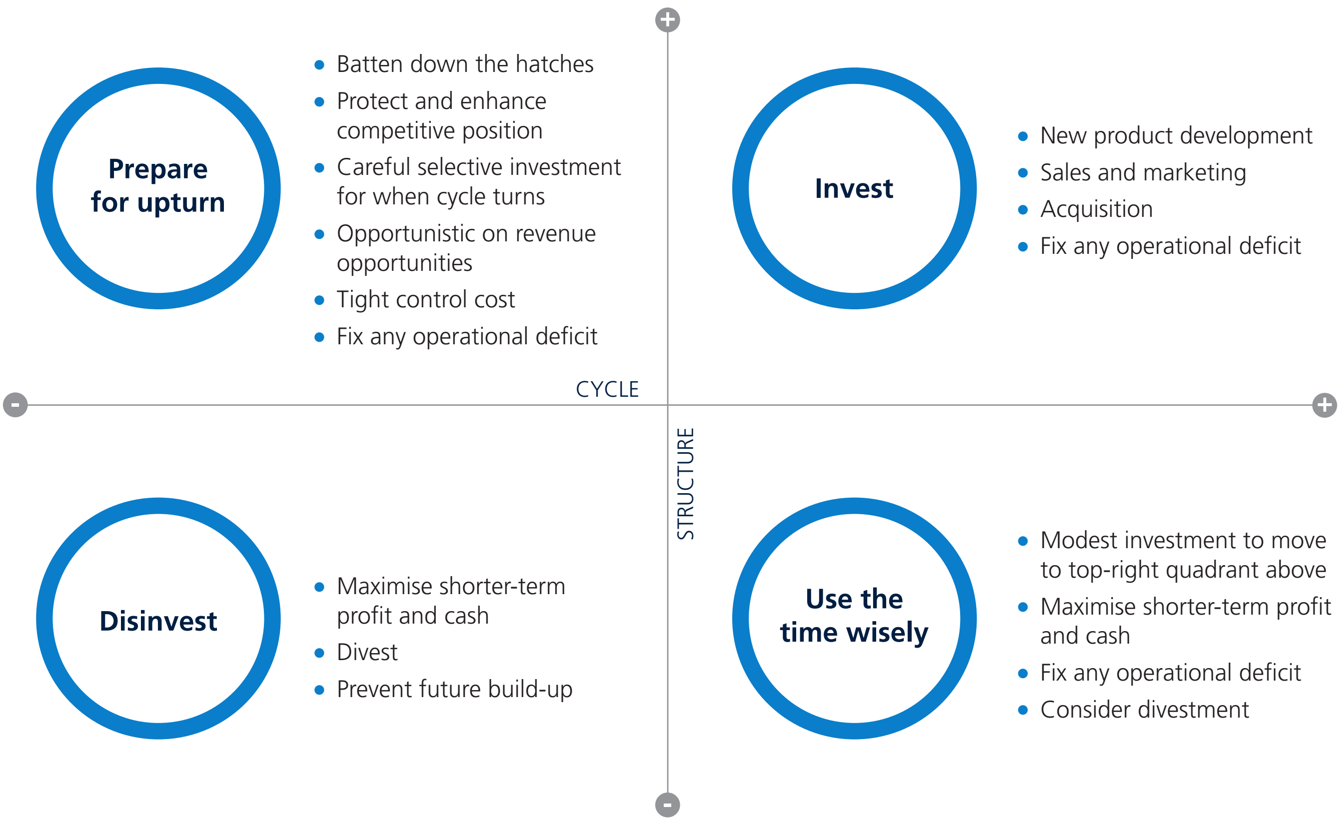
- Asset management
- Pricing, data and market intelligence
- Banking and finance
- Commodity events

Strategy

2016 NO CHANGE	*2017* TRANSITION	*2018 onwards* GROWTH

Euromoney needed to revise its strategy because of challenges to the business model facing some of its businesses and changing dynamics within its markets. The performance over the year, especially in the first half, reflects these challenges. The group's new strategy is to actively manage a portfolio of businesses in asset management, price discovery and other sectors where information, data and convening market participants are valued. We deliver products and services that are critical to our customers' businesses.

The group has always had a structured approach to capital allocation, but financial performance in future will come from a more rigorous allocation of capital, in line with the following quadrants:



All businesses within the Euromoney portfolio have been assessed and classified according to this framework and strategic activity for each quadrant prioritised.

The 'invest' quadrant is where new product development, sales and marketing initiatives and acquisitions will be prioritised. In contrast, in the 'use the time wisely' quadrant investment will be directed towards areas which are most likely to move businesses to the top quadrant, with a clear focus on shorter-term profit and cash generation. In some cases as represented by the 'disinvest' quadrant, the group will consider restructuring or divestment of part of or whole individual businesses and minimal capital will be allocated to these areas. The 'prepare for upturn' quadrant is populated by strong businesses in cyclically challenged areas. Here, capital allocation will be focused on protecting and enhancing the group's competitive position with careful, selective investment, tight cost control and, where possible, exploiting revenue opportunities.

This assessment leads to our three pillars of strategic activity – see page 11:

STRATEGIC PILLARS

1 INVEST AROUND BIG THEMES	2 TRANSFORM THE OPERATING MODEL	3 ACTIVELY MANAGE THE PORTFOLIO
Investing around big themes such as the information and services to support the asset management industry, price discovery and others.	Introducing an effective operating model that marries the best of the group entrepreneurial culture (closeness to customers, passion for brands, knowledge of products and accountability for revenue and profit) with a new emphasis on modern marketing techniques, group-wide talent management, seeking economies of, and opportunities from, scale and adopting a more strategic approach to developing each business.	Actively managing the portfolio, disinvesting in businesses where the market is weak and the business model structurally challenged and investing where the businesses are structurally strong and there are market tailwinds.

During 2016, encouraging progress has been made around each area, as can be seen below:

INVEST AROUND BIG THEMES

The big themes such as the information and services to support the asset management industry, price discovery and other areas will drive investment decisions. Existing asset management-related brands, Institutional Investor, BCA and Ned Davis Research all provide an excellent platform for investment to drive growth. The group's asset management product development and investments are aligned with the key market trends such as the shift from traditional active towards passive fund management, specialist/alternative asset management and the unbundling of sell-side research. Euromoney's businesses operating in sectors such as air finance, telecoms and insurance, together with price discovery businesses such as Metal Bulletin, are among the group's other key areas of investment.

TRANSFORM THE OPERATING MODEL

To ensure that the best of the group's entrepreneurial culture is aligned with a strong operating model, various initiatives have been instigated in 2016 to form a firm foundation for future growth, including a new emphasis on modern marketing techniques, group-wide talent management, seeking economies of, and opportunities from, scale and adopting a more strategic approach to developing each business. Each of these strategic development areas are explained in more detail:

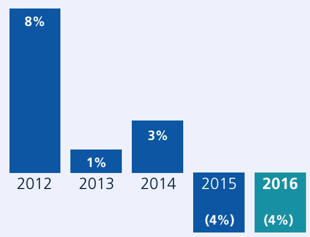
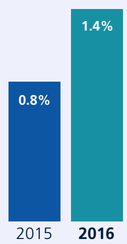
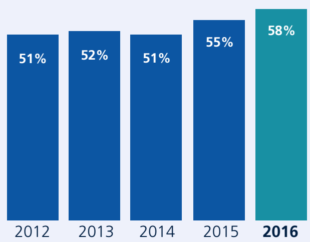
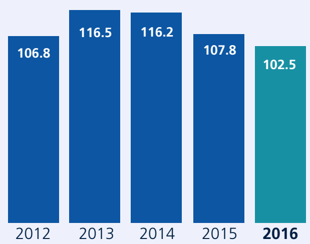
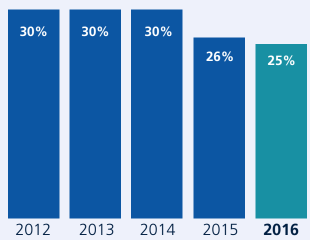
- **Modern marketing techniques**: a central marketing team has been established as a resource for all our businesses. Their specialist marketing skills and capabilities are already being used in areas ranging from creating pricing structures for new products through to developing YouTube and other video content to promote new services. The YouTube Rival Advocates advertisement is a good example of the effective, specialist support provided to the Euromoney businesses.
- **Group-wide talent management**: in order to develop the strong entrepreneurial culture throughout Euromoney, a structured talent development programme needs to be more effectively established. Co-ordinated by the recently appointed group-wide HR director, Euromoney will develop a range of talent initiatives including leadership coaching and management training to ensure the group has the right specialist skill set to harness the opportunities in our current marketplaces.
- **Seeking economies of scale** through sharing best practice around the business: the new approach to product development, pricing structures and marketing skills are examples of this which are now prevalent across the group.
- **Adopting a more strategic approach** to developing each business: each Euromoney business has now adopted the new quadrant capital allocation framework and prioritises monitoring progress to achieving its strategic goals.

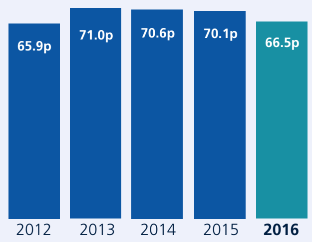
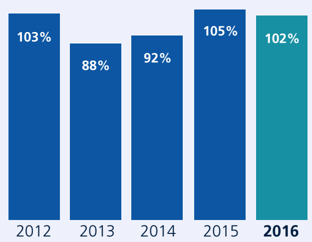
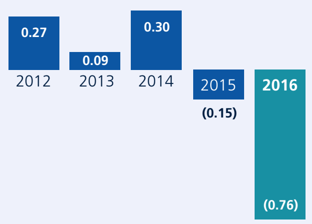
ACTIVELY MANAGE THE PORTFOLIO

The group's portfolio management focus is now centred on investing where businesses are structurally strong and there are market tailwinds. It will consider disinvesting businesses where the market is weak and the business model is structurally challenged. In April, the group completed the sale of Gulf Publishing and Petroleum Economist for US$18m. In August and September, the group completed two acquisitions in the strategically important areas of price discovery and insurance. The acquisition of Reinsurance Security has extended the insurance and reinsurance information portfolio into the high-value counterparty risk market. The acquisition of FastMarkets for £13.3m will extend Metal Bulletin's capabilities into real-time data delivery and will be an integral part of its extensive portfolio of digital pricing products.

Key Performance Indicators

The group monitors its performance against its strategy using the following key performance indicators:

KPI	Relevance	Performance	Narrative
UNDERLYING REVENUE GROWTH Link to strategic pillars: 1 2 3	Underlying revenue growth compares revenues on a like-for-like basis and is an important indicator of the health and trajectory of the individual segments and the group as a whole.		Underlying revenues fell by 4% as trading remained challenging, particularly in the banking and commodities sector.
SUBSCRIPTION BOOK OF BUSINESS Link to strategic pillars: 1	Book of Business (BoB) represents the annual contracted values for subscriptions across the group and reflects the impact of new sales, price increases, upgrades, downgrades and full cancellations. It is a key indicator of the group's subscriptions growth.		The subscription BoB increased by an underlying 1.4%, reflecting the slow improvement achieved across the year as the group's new strategy starts to take effect.
SUBSCRIPTION SHARE OF TOTAL REVENUES Link to strategic pillars: 1	Subscription-based products usually have the advantage of premium prices, high renewal rates and high margins.		The group has increased the proportion of revenues derived from subscription and content-related products to almost 60% of its total revenues.
ADJUSTED PROFIT BEFORE TAX (£m) Link to strategic pillars: 1 2 3	Euromoney actively manages its portfolio and allocates capital to increase adjusted profit before tax over the long term. The definition of adjusted profit before tax is included in the appendix to the Chief Executive's Statement.		Adjusted profit before tax decreased by 5% to £102.5m consistent with the fall in adjusted operating profit reflecting the challenging market conditions in 2016, and the increased investment from the group's new strategic initiatives offset by favourable exchange movements.
ADJUSTED OPERATING MARGIN Link to strategic pillars: 1 2	The movement in adjusted operating margin measures the efficiency of the group. Consistent operating margin improvement is a business imperative, driven by investment choices, our focus on driving out costs and improving mix.		The adjusted operating margin fell from 26% to 25% in 2016 as a result of a number of factors, including higher property costs from the full year impact of the London office move, the loss of high margin flow-through advertising and delegate revenues, the drag from the bottom-left-quadrant businesses and investment in new products, pricing and sales to drive the strategic initiatives. These factors were partially offset by one-off favourable exchange gains.

KPI	Relevance	Performance	Narrative
ADJUSTED DILUTED EARNINGS PER SHARE Link to strategic pillars: 1	Management seeks sustained long-term growth in adjusted diluted earnings per share to maximise overall returns to our shareholders.		The 5% decrease in adjusted diluted earnings per share reflects the fall in adjusted operating profit and an underlying tax rate of 18%, consistent with 2015.
CASH CONVERSION RATE Link to strategic pillars: 1 2 3	Cash conversion is a measure of the quality of Euromoney's earnings. The objective is to achieve consistently a high conversion of earnings into cash in excess of 100%. This KPI measures the percentage by which cash generated from operations covers adjusted operating profit.		The operating cash conversion rate was 102% (2015: 105%). The rate in prior year was more favourably impacted by the rent-free period on the new London offices. After adjusting for this timing difference and exceptional items, the underlying operating cash conversion rate was 105% (2015: 104%).
NET (CASH)/ DEBT TO ADJUSTED EBITDA Link to strategic pillars: 1 2 3	The group's strategic priority is to keep net debt below three times EBITDA. The amount of the group's net debt to adjusted operating profit and share of results in associates and joint ventures before depreciation and amortisation of licences and software, is adjusted for the timing of acquisitions and disposals.		The group has net cash of £83.8m at September 30 (2015: £17.7m).

The key performance indicators are all within the board's expectations adjusted throughout the year to take into account the challenging market conditions and these indicators are discussed in detail in the Chief Executive's Statement on pages 4 and 5, and in the operating and financial review from page 25.

A detailed reconciliation of the group's adjusted and underlying results is set out in the appendix to the Chief Executive's Statement on pages 6 and 7.

STRATEGIC PILLARS

1 Invest around big themes *2 Transform the operating model* *3 Actively manage the portfolio*

Principal Risks

The principal risks and uncertainties the group faces vary across the different businesses and are identified in the group's risk register. Management of significant risk is the responsibility of the board and is overseen by the risk committee.

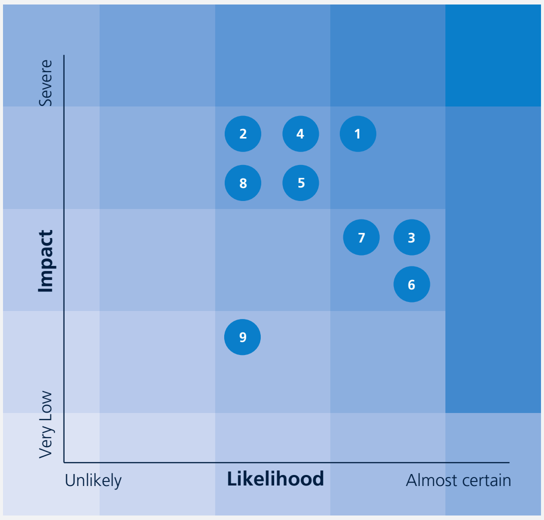
The group's risk register identifies the principal risks facing the business. The register is put together following a group-wide assessment of risks reported in its business risk registers. Each business risk register considers the likelihood of a risk occurring and both the monetary and reputational impact of the risk crystallising. The risk assessment process also considers risk velocity, the speed with which a risk manifests itself, and the group's appetite for the risk.

Following the risk assessment process this year, the risk committee agreed to include an explicit risk for 'exposure to US dollar exchange rate' which was previously included under risks from treasury operations, and a small number of other changes to risk descriptions.

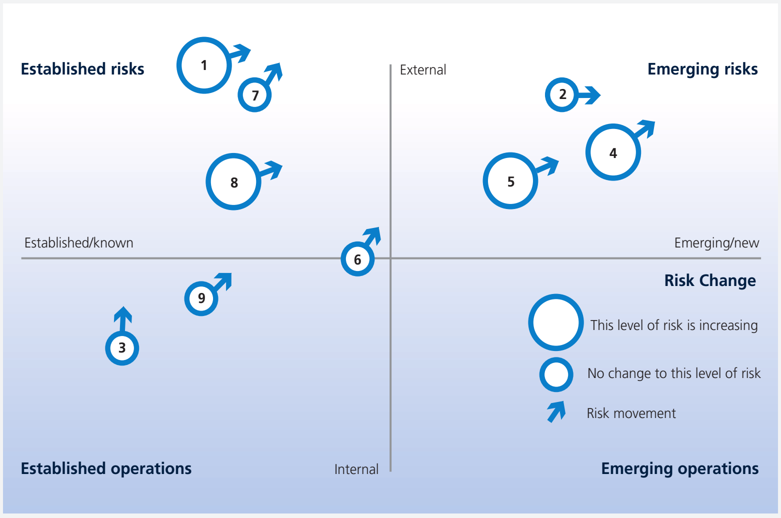
The risk committee has completed a robust and detailed assessment of both the group's risk management processes and the group risk register and has considered the impact of significant risks to the group in the context of providing the company's viability statement. Further details of the group's risk management processes, the governance structure for risk and the risk committee can be found in the Corporate Governance Report. The geographical spread and diverse portfolio of businesses within the group help to dilute the impact of some of the group's key risks.

The group uses a number of tools to analyse its risks and facilitate discussions at the board, executive committee and risk committee. The risk matrix below shows the relative impact and likelihood of the group's principal risks. The group also considers the extent to which each risk arises from external or internal factors, and whether each risk is established and understood or is an emerging risk and therefore less understood. The risk radar below maps the group's principal risks using this criteria, with increasing risk indicated by the larger data points. Arrows are used to indicate directional movement.

RISK MATRIX



RISK RADAR



Euromoney registers its risks based on a residual risk rating after taking account of mitigating controls.

1. Downturn in key geographic region or market sector (cyclical downturn)
2. Product and market transformation/ disruption (structural change)
3. Exposure to US dollar exchange rate
4. Information security breach resulting in challenge to data integrity
5. Reputational damage or legal/regulatory challenge arising from price, benchmark and index reporting activities
6. Disruption to operations from a business continuity failure
7. Catastrophic or high impact risk affecting key events or wider business
8. Acquisition or disposal fails to generate expected returns
9. Unforeseen tax liabilities or losses from treasury operations

The group's principal risks and uncertainties are summarised below. The arrows provide a pictorial indication of the change in level of perceived risk compared to last year.

RISK	KEY FACTORS	MITIGATION	RISK APPETITE
DOWNTURN IN KEY GEOGRAPHIC REGION OR MARKET SECTOR (CYCLICAL DOWNTURN) **Board's view:** There are limited options to mitigate impact in the short and medium term from a significant cyclical downturn. The residual risk will remain high. **Link to strategic pillars:** *3*	• Third of revenue exposed to emerging markets • Concentration of customers in financial services sector makes this exposure acute • Economic or geopolitical uncertainty increases this risk • Brexit risk is creating some uncertainty though impact limited so far • Events like 9/11 or the 2008–9 financial crisis may trigger or accelerate cyclical downturns	• Active portfolio management with a clear framework and operating in line with agreed strategy • Group operates in many geographical markets • Some diversity in product mix • Ability to cut some costs temporarily and quickly • Events can be switched to better performing regions	RISK TOLERANT **Prior years** (relative position) 2015: Risk tolerant 2014: Risk tolerant **Risk trend** **Description of risk change** Global economic and geopolitical uncertainty is increasing following Brexit and the US election with upcoming national elections in Europe during 2017 further increasing this risk.
PRODUCT AND MARKET TRANSFORMATION/ DISRUPTION (STRUCTURAL CHANGE) **Board's view:** High-quality controls are in place but exposure to this risk cannot be entirely mitigated. **Link to strategic pillars:** *1* *2* *3*	• Competition from existing competitors, new disruptive players and new entrants • New technologies change how customers access and use the types of products the group provides • Changing demographics can affect customer needs and opportunities • Structural pressure on customer business models will affect demand for group's products and services particularly, for us, in financial services • Free content available via the Internet increases the threat to paid subscription model • Lower barriers to entry for new entrants	• Strategy designed to understand these risks and respond to them, and take advantage of the opportunities they also present • Regular CEO-led reviews across all divisions • Entrepreneurial approach • Effective management reporting with regular budget reviews • Active investment programme in technology • Engagement of external expert consultancy • Portfolio spreads risk to some degree • Third of group's profits remain event-based • Portfolio management allows the group to divest structurally challenged businesses and to buy structurally strong ones	RISK TOLERANT **Prior years** (relative position) 2015: Risk tolerant 2014: Risk tolerant **Risk trend** **Description of risk change** As an entrepreneurial business, the group is experienced at managing this risk.

STRATEGIC PILLARS

1 Invest around big themes   *2 Transform the operating model*   *3 Actively manage the portfolio*

Principal Risks

CONTINUED

RISK	KEY FACTORS	MITIGATION	RISK APPETITE
EXPOSURE TO US DOLLAR EXCHANGE RATE **Board's view:** The risk to revenue resulting from a depreciation of the US dollar against sterling has previously been reported within risks from treasury operations. Although the group considers this risk unchanged, following the increased volatility and uncertainty of sterling both before and after Brexit, which is likely to continue for some time, it is now being tracked separately. **Link to strategic pillars:** 3	• Approximately two-thirds of revenues and profits are generated in US dollars, including approximately 30% of the revenues in its UK-based businesses • Includes Canadian operations which are reported in US dollars • Significant reliance on strength of US dollar for both UK revenues and translation of results of foreign subsidiaries • Strengthening of sterling against US dollar will reduce revenues and profit, and consequently dividend • Weakening of sterling following Brexit has had a favourable impact on translation of overseas results	• US dollar forward contracts in place to hedge 80% of UK-based US dollar revenues for coming 12 months and 50% of UK-based US dollar revenues for further six months • Sensitivity analysis performed regularly to assess impact on results if sterling strengthens against US dollar • Exposure from the translation of US dollar-denominated businesses is in part offset by local US dollar costs. However, a significant weakening of the US dollar could materially affect the translation of these results in the consolidated financial statements	RISK TOLERANT **Prior years** (relative position) 2015: Risk tolerant 2014: Risk tolerant **Risk trend** **Description of risk change** The group is experienced at managing risks related to its exposure to US dollar exchange rate.

RISK	KEY FACTORS	MITIGATION	RISK APPETITE
INFORMATION SECURITY BREACH RESULTING IN CHALLENGE TO DATA INTEGRITY **Board's view:** Controls to prevent an information security breach or cyber-attack are regularly enhanced however the rising number of cyber-attacks affecting organisations globally, the group's greater dependency on technology and the growing threat from cybercrime are increasing this risk. **Link to strategic pillars:** 2	• Integrity of data products is fundamental to the success of the business • The group relies on large quantities of data including customer, employee and commercial data • Increasing number of cyber-attacks affecting organisations globally • The group has many websites and is reliant on distributed technology increasing exposure to threats from cybercriminals • A successful cyber-attack could cause considerable disruption to business operations, lost revenue, regulatory fines and reputational damage • Impact of new EU General Data Protection Regulation will increase regulatory scrutiny and penalties • Technological innovations in mobile working, cloud-based technologies and social media introduce new information security risks	• Governance provided by risk committee and information security group • Comprehensive information security standards and policies which are reviewed on a regular basis • Active information security programme to align all parts of the group with its information security standards • Crisis management and business continuity framework covers all businesses including disaster recovery planning for IT systems • IT controls including firewalls and intrusion detection software • Access to key systems and data is restricted, monitored and logged with auditable data trails in place • Comprehensive backups for IT infrastructure, systems and business data • Professional indemnity insurance provides cover for cyber risks including cyber-attack and data breach incidents • Information security reviewed as part of every internal audit • Mandatory annual information security training for all employees and freelancers	RISK AVERSE becoming more averse **Prior years** (relative position) 2015: Risk averse 2014: Risk neutral **Risk trend** **Description of risk change** Most industry information security analysts report that this risk is increasing and warn that companies will continue to face more regular and sophisticated cyber-attacks.

STRATEGIC PILLARS

1 Invest around big themes 2 Transform the operating model 3 Actively manage the portfolio

Principal Risks

CONTINUED

RISK	KEY FACTORS	MITIGATION	RISK APPETITE
REPUTATIONAL DAMAGE OR LEGAL/REGULATORY CHALLENGE ARISING FROM PRICE, BENCHMARK AND INDEX REPORTING ACTIVITIES **Board's view:** New financial regulation, including MiFID II, being introduced to improve market transparency under which prices, benchmarks and indices are provided, is likely to affect a number of the group's research and commodity pricing businesses. Legal and regulatory compliance risk for the group is therefore increasing. **Link to strategic pillars:** 2	• Price discovery is an investment theme • Success of pricing, benchmark and index businesses is dependent on client confidence in integrity of products and brands • Journalists, researchers and analysts within commodity pricing and asset management divisions produce market sensitive data • Compliance risk increasing for information providers as price, benchmark and index reporting activities are coming into scope of new regulations being introduced as a result of the financial crisis of 2008 and LIBOR scandal • Risk of reputational damage as a result of errors in data collection or incorrect price assessments or benchmark and index calculation • Risk of reputational damage as a result of misconduct in relation to price discovery or benchmark and index calculation activities	• Processes and methodologies for assessing commodity prices and calculating benchmarks and indices are clearly defined and documented • Compliance staff appointed in key positions • Code of conduct and other key policies in place for price assessment, benchmark and index reporting activities • Specialist training provided to relevant staff • New technology being introduced to provide enhanced monitoring and better exception reporting • External ethics and assurance reviews conducted • Company-wide speak up policy • Comprehensive legal disclaimers in place • External PR consultancy retained • Professional indemnity insurance	RISK AVERSE becoming more averse **Prior years** (relative position) 2015: Risk averse 2014: Risk averse **Risk trend** **Description of risk change** Information providers face increased compliance risks as a result of new financial laws and regulations being introduced worldwide.
DISRUPTION TO OPERATIONS FROM A BUSINESS CONTINUITY FAILURE **Board's view:** The group's controls are regularly exposed to business continuity challenges. During 2016, group businesses were faced with terrorist incidents in Jakarta, extreme weather disruption in Asia and the US, and a system failure, with all businesses maintaining operations successfully throughout. A new business continuity testing programme is being rolled out across the group during 2017. **Link to strategic pillars:** 2	• Significant reliance on third-party technology hosting services • Many products are dependent on specialist, technical and editorial expertise • A significant incident affecting one or more of the company's key offices (London, New York, Montreal, Hong Kong or Sofia) could lead to disruption to group operations and reputational damage • Divisional group structure with 40+ international offices makes regular testing of plans across the group challenging	• Crisis management and business continuity framework covers all businesses including disaster recovery planning for IT systems • Clear responsibilities for business continuity planning established across divisions • Substantial central investment in leading third-party specialist hosting services provider with multi-site failover • Risk assessments for new suppliers and technologies consider operational and financial resilience • External reviews of key dependencies	RISK AVERSE becoming more averse **Prior years** (relative position) 2015: Risk averse 2014: Risk averse **Risk trend** **Description of risk change** The group recognises that business continuity events will arise from time to time and remains committed to active management of this risk.

RISK	KEY FACTORS	MITIGATION	RISK APPETITE
CATASTROPHIC OR HIGH IMPACT RISK AFFECTING KEY EVENTS OR WIDER BUSINESS **Board's view:** The group is investing in training and resources to keep staff safe when travelling and to improve event/conference resilience. **Link to strategic pillars:** 2	• The group has a number of large events which are subject to one-off risks including natural hazard and geopolitical risks • Risk affects customers as well as staff and revenue • Prolonged interruption to business travel will harm event revenues and disrupt management and sales operations • Past incidents such as extreme weather including hurricanes, terrorist attacks, fears over SARS, Ebola and Zika virus, and natural disasters such as the disruption to airline schedules from volcanic ash in Europe, have all had a negative impact on the group's results, although none materially • Increased risk for events held in emerging markets	• Crisis management and business continuity framework requires all businesses to plan for high impact events • Specialist security and medical assistance services engaged to support all staff working away from the office • New venue risk assessment process being introduced in 2017 • Mandatory security and risk management training programme for events staff • With sufficient notice, events can be moved to non-affected regions • Cancellation insurance for group's largest events	RISK AVERSE becoming more averse **Prior years** (relative position) 2015: Risk averse 2014: Risk neutral **Risk trend** **Description of risk change** The group recognises that international events businesses are exposed to this risk.
ACQUISITION OR DISPOSAL FAILS TO GENERATE EXPECTED RETURNS **Board's view:** More M&A activity is expected as a result of the new strategy and therefore the group considers this risk as increasing. **Link to strategic pillars:** 1 3	• Active portfolio management means the group continues to make strategic acquisitions and disposals • 75% of growth is M&A related split between acquired profit and growth in acquired businesses • Failure to integrate may mean acquired business does not generate the expected returns • Risk of impairment loss if an acquired business does not generate the expected returns • Disposal risks arise from failing to identify the time at which businesses should be sold or failing to achieve optimal price	• Active portfolio management with a clear framework and operating in line with agreed strategy • Board and CEO focus on investment and divestment plans. Formal reviews and approvals in place • Senior head of M&A in place • Detailed in-house due diligence undertaken on all potential acquisitions • Acquisition agreements are usually structured to retain key employees • Close monitoring of post-acquisition integration and performance • Expert external advice sought for acquisitions	RISK NEUTRAL becoming more tolerant **Prior years** (relative position) 2015: Risk neutral 2014: Risk neutral **Risk trend** **Description of risk change** See Board's view.

STRATEGIC PILLARS

1 Invest around big themes 2 Transform the operating model 3 Actively manage the portfolio

Principal Risks

CONTINUED

RISK	KEY FACTORS	MITIGATION	RISK APPETITE
UNFORESEEN TAX LIABILITIES OR LOSSES FROM TREASURY OPERATIONS **Board's view:** Effective controls are in place but the group cannot eliminate this risk entirely due to the complexity of the group's structure and the number of jurisdictions in which it operates. **Link to strategic pillars:** 2	• The group operates within many tax jurisdictions • Increasingly complex international tax environment • Counterparty risk if bank fails • Foreign exchange rate exposure from international business portfolio	• Audit committee and tax and treasury committee oversight • Derivatives used to hedge market risks including exchange rate movements and when required, interest rate fluctuations • Appropriate policies define segregation of duties and strict authorisation limits • Tax and treasury advice provided by a mix of external tax experts and in-house specialists • Internal audit reviews	RISK AVERSE **Prior years** (relative position) 2015: Risk averse 2014: Risk averse **Risk trend** **Description of risk change** The group is experienced at managing tax and treasury risks arising from its international business portfolio.

VIABILITY STATEMENT

In accordance with provision C.2.2 of the 2014 revision of the Corporate Governance Code, the directors have assessed the viability of the group and have selected a period of three years for the assessment.

The group operates in volatile sectors and geographical markets but has more than half of its revenues based on annual subscriptions with strong renewal rates, has no outstanding debt and few long-term financial obligations. The group uses a three-year strategic planning cycle and the directors have determined that three years is also an appropriate period over which to provide its viability statement.

The assessment conducted considered the group's operating profit, revenue, adjusted EBITDA, cash flows, dividend cover and other key financial ratios over the three-year period. These metrics were subject to severe downside stress and sensitivity analysis over the assessment period, taking account of the group's current position, the group's experience of managing adverse conditions in the past and the impact of a number of severe yet plausible scenarios, based on the principal risks set out in the Strategic Report. The stress testing considered the principal risks assessed to have the highest probability of occurrence or the severest impact, crystallising both individually and in combination. The assessment modelled a significant downturn in the world economy affecting all three years of the assessment period and a number of successive product and business failures, including the failure of a new acquisition.

In making the assessment, the directors have considered the group's robust capital position, the cash-generative nature of the business, the ability of the group to cut costs quickly, the access to available credit, the absence of significant pension and M&A liabilities and the group's ability to restrict dividends. Based on the results of this analysis, the directors confirm that they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the next three years.

Segment Review

ASSET MANAGEMENT

The asset management segment includes the brands and businesses that serve the global asset management industry. It provides independent research that enables our clients to make informed investment decisions; it runs networks and conferences that bring asset allocators and asset managers together in an effective and efficient way; and it provides news and data that are critical for the industry to stay informed and visible in an increasingly complex world. Its main brands include BCA, Ned Davis Research (NDR) and the Institutional Investor family of businesses. Approximately 80% of the segment revenues are derived from subscriptions to its research and data products and annual membership fees.

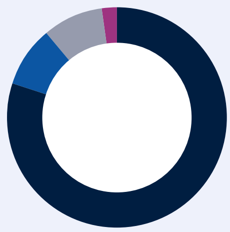
Asset management is a key strategic focus and significant investment was made during 2016 to grow the product portfolio, especially at BCA and Institutional Investor Research (II Research), and we continued to launch new Institutional Investor forums and memberships.

	2016 £m	2015 £m	Movement %	Underlying %
Revenue	**164.5**	150.8	9%	1%
Adjusted operating profit	**55.9**	51.9	8%	(3%)
Adjusted operating margin	**34%**	34%		

Total asset management revenues increased by 9% to £164.5m, with underlying revenues up by 1%. With 80% of revenues in subscriptions and content, the year-on-year underlying performance reflects the tightening of budgets across the sector during 2016. Underlying revenues were flat in the first half, followed by a more encouraging 1% increase in the second, largely from the strategic initiatives undertaken for new products, pricing and sales. Institutional Investor's subscription-based memberships performed strongly throughout 2016, while BCA and NDR ended the year on a positive note with Q4 performance showing encouraging signs of returning to growth.

The adjusted operating margin remained at 34%, reflecting headcount investment in BCA and Institutional Investor's memberships to drive new product and sales initiatives offset by cost reductions in the more challenged parts of the group's portfolio. Adjusted operating profit fell by an underlying 3%, largely due to the headcount and new product investment.

REVENUE SPLIT



BCA Equity Trading Strategy

BCA Research has been the leading provider of independent macroeconomic investment research for nearly 70 years.

As BCA conducted extensive market research to support its future product strategy, it became evident that investors required a way to link macro investment strategies with individual investment decisions, and that the more specific the investment recommendation is to individual instruments, the more valuable it is for investors.

Working with clients, BCA developed Equity Trading Strategy (ETS), a product for investors that combines BCA's top-down macro research with company fundamental and quantitative analysis to deliver a 360-degree view of stocks.

Launched in December 2015 covering US equities only, ETS has been a huge success with clients and is becoming one of BCA's best-selling products. Following this success, ETS was further extended in October 2016 with the launch of European and Asian market coverage.

The launch of ETS illustrates Euromoney's strategy of responding to a market need and bringing new and exciting products to market efficiently and effectively.

Trading Survey in II Research

The development of a research ballot platform and the launch of the new All-American Trading Team Survey this year demonstrated Euromoney's strategy of investing around big themes and effective, efficient product development.

Driven by MiFID II and the unbundling of sell-side services, the II Research team identified that it could provide more targeted, actionable insight to its customers without asking for materially more time from its voters.

The approach adopted was also highly cost effective, agile and licensed best-in-class technology in preference to building in-house.

Segment Review

CONTINUED

PRICING, DATA AND MARKET INTELLIGENCE

The pricing, data and market intelligence segment houses businesses spanning many industries that provide information and analysis critical for our clients' business processes and workflows. The segment's largest business is Metal Bulletin, a leading price reporting agency for the metals and mining industries, but also includes our businesses active in the telecoms, insurance, airline and banking industries. Two-thirds of the segment's revenues are derived from subscriptions.

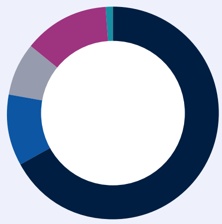
Price discovery is a key strategic theme for Euromoney and it is expected to grow significantly as most industries are seeking more transparency around prices and risks they face in their traditionally opaque markets. During 2016 we significantly enhanced our capabilities through the acquisitions of FastMarkets, a pricing platform in the metals industry, and Reinsurance Security, a provider of risk ratings for the reinsurance sector.

	2016 £m	2015 £m	Movement %	Underlying %
Revenue	**134.9**	129.0	5%	0%
Adjusted operating profit	**44.3**	41.2	8%	(1%)
Adjusted operating margin	**33%**	32%		

Reported revenues increased by 5% to £134.9m reflecting strong performances from the group's wholesale telecoms business, TelCap, and the group's emerging market information and data products provider, CEIC. Weakness in other parts of the portfolio resulted in underlying revenues being flat year-on-year.

The segment's adjusted operating margin increased by one percentage point to 33% reflecting an improvement in the mix driven by the strong performances of TelCap and CEIC, and cost savings from streamlining marketing and event logistics teams. Adjusted operating profit fell by an underlying 1% largely due to additional investment associated with the bolt-on-acquisitions.

REVENUE SPLIT



Subscriptions and content	67%	Advertising	11%
		Sponsorship	8%
Delegates	13%	Other	1%

Metal Bulletin

INVESTING TO TRANSFORM A TRADITIONAL NEWS AND INFORMATION PROVIDER INTO A DATA-DRIVEN PRICE REPORTING AGENCY

The Metal Bulletin business is today defined by the integral position of its data within the markets it serves. Over time, the prices assessed and published by Metal Bulletin have become established benchmarks used by the industry as reference pricing in contracts and enabling trading in many markets to function effectively.

The market shift towards benchmark pricing has also brought greater scrutiny to the processes in terms of compliance. Metal Bulletin has applied industry-wide principles that have been laid down principally for the oil and energy markets and now is able to use that as an additional competitive advantage underlining the credibility and integrity of the business and the data it provides.

The proliferation of the use of its data as benchmarks has allowed Metal Bulletin to go through a rapid business change across the organisation that puts the emphasis on being a Price Reporting Agency (PRA). This has led to a shift in the way our data and content is monetised and has allowed us to adopt a new data licensing strategy alongside the traditional subscriptions model.

To augment the high-quality data produced, the acquisition of FastMarkets allows Metal Bulletin to provide key exchange data to complement the physical price assessments it provides through a highly versatile and configurable desktop application that can be scaled into the vertical sectors of the markets it serves.

The investment and changes that the group is making in Metal Bulletin are examples of the strategy of investing in big themes, such as price discovery, to position the group for future growth.

BANKING AND FINANCE

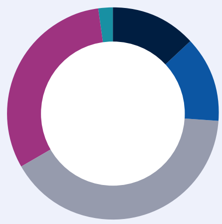
Banking and finance provides market intelligence, news, training and conferences to the global finance industry. It includes the flagship Euromoney magazine, a leading publication for the global banking sector, which – through its awards for excellence – has been the arbiter of status for banks for over 45 years. Its conferences across the Euromoney and IMN brands are the pre-eminent events for their specific industry sectors. The segment derived over 70% of its revenues from delegates and sponsorships for its events.

	2016 £m	2015 £m	Movement %	Underlying %
Revenue	**74.6**	80.5	(7%)	(13%)
Adjusted operating profit	**10.9**	17.3	(37%)	(46%)
Adjusted operating margin	**15%**	22%		

Reported revenues decreased by 7% to £74.6m, with underlying revenues down 13% largely reflecting the group's decision to reduce the number of conferences held due to continued weakness in banking and capital markets, and the strategic decision to focus on in-house training while significantly reducing the number of public training courses held. Weakness in the group's financial publishing titles was an additional drag on the segment's performance given their dependence on bank advertising. In contrast, large events, particularly, in structured finance performed well.

The adjusted operating margin fell seven percentage points to 15% due to the drag from the poor performance of the training business and the reduction in event volumes. As a result, adjusted operating profit fell by an underlying 46%.

REVENUE SPLIT



- Sponsorship 40%
- Delegates 31%
- Subscriptions and content 14%
- Advertising 13%
- Other 2%

Euromoney's Rival Advocacy™

TRANSFORMING RIVALS INTO ADVOCATES

Some careful research this year led us to a ground-breaking discovery: a bank's immediate rivals are unintentionally a key determinant of that bank's credibility among clients, via a process we called Rival Advocacy™. The concept is simple: the process of describing yourself by comparison to peers validates the peer in the listener's mind.

Euromoney magazine is now pivoting its business model by creating multi-platform thought leadership packages around the Rival Advocacy™ concept that will enable it to reduce its reliance on conventional advertising spend and create a content marketing platform for its clients.

Through its leading, high-quality journalism and awards, which are widely recognised as the key benchmarks of excellence in the global banking industry, Euromoney is perfectly placed to provide this valuable process of peer-to-peer reputation management.

The launch of the Rival Advocacy™ concept at Euromoney magazine is in line with our strategy of moving businesses in our four-quadrant model by investment in product development and implementing a more effective operating model.

Segment Review

CONTINUED

COMMODITY EVENTS

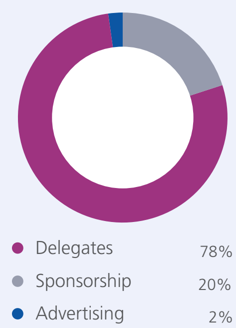
Commodity events consists of the leading conferences in the metals, agriculture, energy and wine sectors. Most of the conferences are large scale trading events, bringing the whole industry together to conduct business and exchange market intelligence.

	2016 £m	2015 £m	Movement %	Underlying %
Revenue	**29.2**	29.6	(1%)	(18%)
Adjusted operating profit	**8.0**	9.0	(10%)	(40%)
Adjusted operating margin	**27%**	30%		

Reported revenues were down 1% to £29.2m, and down 18% on an underlying basis. This performance reflects the continued challenging market conditions faced by the group's commodities-related events, especially for the coal and mining industries, following the collapse in commodity prices in 2015. These declines more than offset the double digit growth of Global Grain events in 2016.

The adjusted operating margin dropped three percentage points to 27% reflecting the loss of high-margin flow through delegate revenues in 2016. As a result adjusted operating profit fell by an underlying 40%.

REVENUE SPLIT



Global Grain Events

TRADING EVENTS STRATEGY

Global Grain Events organises a series of world-leading events for the global grain trading industry. The business has delivered strong growth since acquisition, driven by its high quality content and extensive networking opportunities for delegates.

The challenge for Global Grain is how to continue to grow as it already attracts most of the key players in the industry to its events.

Global Grain's response is to promote more trading activity at its events and move from a content-led model to a trading event strategy. This will be achieved through new pricing structures to enable customers to send their whole deal teams; facilitating trading activity by providing better meeting rooms and price discovery; and improving the customer experience throughout the event.

These changes are in line with Euromoney's strategy of investing in growth areas and implementing changes to the operating model to build stronger businesses.

Operating & Financial Review

Total revenue for the year of £403.1m was in line with 2015. The pressures on banking and finance and on commodity events, which together constituted 26% of revenue, continued to offset the improving performance in the group's businesses focused on price discovery, data and market intelligence and those serving the asset management sector. Trading conditions have remained challenging throughout the year, but the group is starting to reap the benefits from strategic initiatives focused on new products, pricing and sales. On a reported basis, the drag from businesses in the disinvest quadrant has been offset by favourable exchange rates. Underlying revenue decreased by 4%.

Revenue (£m)*	Subscriptions and content		Advertising		Sponsorship		Delegates		Other		**Total**	
Asset management	132.0	2%	14.3	(7%)	14.3	1%	3.7	6%	0.2	(25%)	**164.5**	**1%**
Pricing, data and market intelligence	89.9	2%	15.2	(10%)	11.1	(6%)	17.3	1%	1.4	0%	**134.9**	**0%**
Banking and finance	10.5	(6%)	9.8	(17%)	29.9	(0%)	22.9	(22%)	1.5	(50%)	**74.6**	**(13%)**
Commodity events	–		–		5.7	(12%)	22.9	(19%)	0.6	(19%)	**29.2**	**(18%)**
	232.4	**1%**	**39.3**	**(11%)**	**61.0**	**(2%)**	**66.8**	**(14%)**	**3.7**	**(32%)**	**403.2**	**(4%)**
Sold/closed businesses											**5.1**	**–**
Foreign exchange losses on forward contracts											**(5.2)**	**–**
Total revenue											**403.1**	**(4%)**

* Figures are 2016 reported revenues and percentages are underlying growth rates.

Underlying subscriptions and content revenues increased by 1%. Asset management subscription revenues were up an underlying 2% largely from the strategic initiatives undertaken for new products, pricing and sales. Institutional Investor's subscription-based memberships performed strongly throughout 2016, while BCA and NDR ended the year on a positive note with Q4 performance showing encouraging signs of returning to growth. Pricing, data and market intelligence subscription revenues were up an underlying 2% reflecting strong performances from the group's insurance and financial data businesses together with the emerging market information and data provider, CEIC.

Underlying advertising revenues remained weak and declined by 11%. The largest decline was felt by the group's banking and finance businesses, reflecting the cost pressures on global investment banks.

Underlying event revenues fell by 9%, with the banking and finance and commodity events segments creating a significant drag on revenue growth due to the structural and cyclical headwinds in those markets. The steep first half decline of 13% was followed by a lower rate of decline of 4% in the second, reflecting easier comparatives after the commodities crisis in the first half of 2015. Underlying event sponsorship was down 2%. Large events, particularly in the structured finance and telecoms sectors, remained robust but smaller events fared less well. Underlying delegate revenues fell by 14%, largely due to weakness in the financial training business. Following a strategic review the decision was taken to focus on in-house training and reduce significantly the number of public training courses held. Revenue from event delegates (excluding the drag from training) fell by an underlying 2% in the second half after a 13% decline in the first.

The adjusted operating margin fell from 25.8% to 25.2% due to the accelerated investment in the strategy. The drag from the bottom-left-quadrant businesses was offset by the favourable currency mix. Adjusted operating profit fell by £2.8m to £101.4m.

ADJUSTED AND STATUTORY RESULTS

Adjusted profit before tax decreased by 5% to £102.5m, consistent with the fall in adjusted operating profit and adjusted diluted earnings per share.

The statutory profit before tax of £43.9m is lower than the adjusted profit before tax due to exceptional items of £37.3m and acquired intangible amortisation of £16.7m. A detailed reconciliation of the group's adjusted and statutory results is set out in the appendix to the Chief Executive's Statement.

EXCEPTIONAL ITEMS

	2016 £m	2015 £m
Profit on disposal of associate	**–**	2.9
Profit on disposal of available-for-sale investment	**–**	45.5
Profit on disposal of business and recycled cumulative translation differences	**7.1**	2.5
Profit on disposal of property, plant and equipment	**–**	4.2
	7.1	55.1
Goodwill impairment	**(27.0)**	(18.5)
Intangibles impairment	**(1.7)**	–
Investment in associate impairment	**(0.1)**	–
Provision for overseas sales tax	**(7.9)**	–
Recognition of deficit on defined benefit scheme	**(1.2)**	–
Restructuring and other exceptional costs	**(6.5)**	(3.2)
	(37.3)	33.4

Operating & Financial Review

CONTINUED

During the period, the group recognised £28.7m of goodwill and intangibles impairment charges relating to Mining Indaba (recorded in the first half) (£12.9m), HedgeFund Intelligence (£5.9m), Total Derivatives (£8.2m) and Euromoney Indices (£1.7m) to reflect the challenging market conditions in the energy and financial sectors and the overall weakness in commodity markets. The performance of these businesses has been disappointing since last year-end and the group's level of investment reflects that they do not form a core part of the new strategy.

In April 2016, the group sold 100% of the equity share capital of Gulf Publishing Company, Inc. (Gulf) and The Petroleum Economist Limited (PE) for $18m (£12.5m) giving rise to a profit on disposal of £7.1m.

The provision for overseas sales tax of £7.9m reflects the group's best estimate of the additional provision required for a potential sales tax exposure (including interest) relating to prior periods following an adverse tax ruling in June 2016. The group is in the process of challenging this judgement.

At September 30 2016, the group recognised its share of deficit in the Harmsworth Pension Scheme (HPS), a defined benefit scheme. This is the result of the change in accounting policy by the group's parent company, Daily Mail and General Trust plc (DMGT), to allocate the assets and liabilities of the DMGT group's defined benefit plan on a buy-out basis (note 27).

Restructuring and other exceptional costs mostly comprise one-off costs incurred as a result of the strategic review undertaken during the year and professional fees from the legal dispute with the previous owners of Centre for Investor Education (CIE). The costs relating to the strategic review include one-off acquisition and integration costs, the major reorganisation of certain businesses and other professional fees relating to development of the group's new strategy.

BALANCE SHEET

The main movements in the balance sheet were as follows:

	2016 £m	2015 £m	Change £m
Goodwill and other intangible assets	**551.1**	531.4	19.7
Property, plant and equipment	**10.5**	9.2	1.3
Investments	**35.9**	38.3	(2.4)
Acquisition commitments and deferred consideration	**(11.7)**	(8.6)	(3.1)
Deferred income	**(118.8)**	(112.1)	(6.7)
Other non-current assets and liabilities	**(24.7)**	(24.0)	(0.7)
Other current assets and liabilities	**(48.6)**	(7.0)	(41.6)
Net assets before net cash	**393.7**	427.2	(33.5)
Net cash	**83.8**	17.7	66.1
Net assets	**477.5**	444.9	32.6

- **Goodwill and other intangible assets** – the movement reflects £22.9m mainly due to acquisitions of FastMarkets and Reinsurance Security and the favourable exchange movement of £55.5m from the predominantly US dollar denominated balance, partially offset by impairment of £28.7m for Mining Indaba, HedgeFund Intelligence, Total Derivatives and Euromoney Indices, together with the disposal of goodwill for Gulf Publishing and Petroleum Economist of £5.3m and amortisation of £20.4m.
- **Property, plant and equipment** – includes the fit-out of BCA and other recurring expenditure of £3.8m offset by depreciation of £2.8m.
- **Investments** – includes £1.7m share of loss in Dealogic during 2016 and £0.6m reduction from the transfer of the World Bulk Wine associate to a subsidiary.
- **Acquisition commitments and deferred consideration** – the increase is mainly due to a £2.4m exchange and interest movement on the NDR commitment, together with the recognition of £1.2m relating to FastMarkets and World Bulk Wine's acquisition offset by a £0.3m fair value adjustment on the NDR commitment and an asset of £0.5m from the disposal of Gulf Publishing and Petroleum Economist.
- **Deferred income** – the movement excluding exchange differences, acquisitions and disposals fell by £1.0m mainly due to the continued pressure on event revenues.
- **Other non-current assets and liabilities** – includes the increase of £8.0m in the pension deficit from the change in discount rate and recognition of the group's share of the deficit of the Harmsworth Pension Scheme offset by a reduction in net deferred tax liabilities.
- **Other current assets and liabilities** – the increase is largely from the redemption of £14.4m of preference shares held in Dealogic, the recognition of an overseas sales tax provision of £7.9m and a movement of £7.2m on the marked to market valuation of short-term derivative contracts.

NET CASH

The main movements in the cash flow were as follows:

	2016 £m	2015 £m	Change £m
Cash generated by operations	**103.8**	109.5	(5.7)
London property move	**–**	10.6	(10.6)
Capex and other movements	**(5.8)**	(3.0)	(2.8)
Taxation	**(16.7)**	(14.8)	(1.9)
Free cash flow	**81.3**	102.3	(21.0)
Dividends paid	**(29.9)**	(29.4)	(0.5)
Net M&A	**11.2**	(15.6)	26.8
	62.6	57.3	5.3
Opening net cash/(debt)	**17.7**	(37.6)	55.3
Effect of foreign exchange rate movements	**3.5**	(2.0)	5.5
Closing net cash	**83.8**	17.7	66.1

Net cash at September 30 2016 was £83.8m compared with £55.9m at March 31 and £17.7m at last year-end. This balance sheet position reflects the group's strong operating cash flows, as well as the £14.4m proceeds from the redemption of preference shares as part of the Dealogic transaction and the £10.8m cash consideration from the disposal of Gulf Publishing and Petroleum Economist. This was offset by acquisition spend of £14.3m for FastMarkets and Reinsurance Security. The underlying operating cash conversion rate was 105% (2015: 104%).

In April 2016, the group extended its $160m multi-currency borrowing facility from DMGT, the group's parent, to November 2018 (see note 20). The group has no significant outstanding acquisition commitments payable in 2017.

CURRENCY

The group generates approximately two-thirds of both its revenues, including approximately a third of its UK revenues, and profit before tax in US dollars. The exposure to US dollar revenues in its UK businesses is hedged using forward contracts to sell US dollars, which delays the impact of movements in exchange rates for at least a year. However, the group does not hedge the foreign exchange risk on the translation of overseas profits.

The average sterling–US dollar rate for the year to September 30 was $1.41 (2015: $1.55). This improved headline revenue growth rates for the year by approximately five percentage points and adjusted profit before tax by £6.7m. Each one cent movement in the US dollar rate has an impact on profits on translation of approximately £0.6m on an annualised basis. The group also benefited from the revaluation of non-sterling denominated balance sheet items resulting in a gain of £1.9m (2015: £2.5m loss).

DIVIDENDS

The company's policy is to distribute a third of its adjusted after-tax earnings by way of dividends. Although adjusted earnings have declined, the company's strong balance sheet means the board is able to recommend an unchanged final dividend of 16.4p a share to be paid to shareholders on February 9 2017, giving a total dividend for the year of 23.4p per share (2015: 23.4p).

TREASURY

The treasury department does not act as a profit centre, nor does it undertake any speculative trading activity, and it operates within policies and procedures approved by the board.

In order to hedge its exposure to US dollar revenues in its UK businesses, a series of forward contracts are put in place to sell forward surplus US dollars. The group hedges 80% of forecast US dollar revenues for the coming 12 months and up to 50% for a further six months. As a result of this hedging strategy, any profit or loss from the strengthening or weakening of the US dollar will largely be delayed until the following financial year and beyond. The group does not hedge the foreign exchange risk on the translation of overseas profits. Details of the financial instruments used are set out in note 19 to the group financial statements.

TAX

The adjusted effective tax rate based on adjusted profit before tax and excluding deferred tax movements on intangible assets, prior year items and exceptional items is 18% (2015: 18%). The group continues to benefit from reductions in the UK corporate tax rate and the tax effects of acquisitions made prior to July 2015. The tax rate in each year depends mainly on the geographic mix of profits and applicable tax rates. The group's reported effective tax rate increased to 29% compared to 14% in 2015. A reconciliation is set out in note 8 to the group financial statements.

Significant reconciling items include: non-taxable income of £0.4m (2015: £6.4m) from a non-taxable gain on disposal of shares in a subsidiary; goodwill and intangibles of £2.6m (2015: £0.2m) from non-deductible goodwill impairment; and other items deductible for tax purposes of £5.3m (£5.5m) that results from financing arrangements that give rise to asymmetrical tax treatment in the territories involved.

The net deferred tax liability held is £10.3m (2015: £18.4m) and relates primarily to capitalised intangible assets and tax deductible goodwill, net of short-term temporary differences and tax losses. The reduction in the net deferred tax liability relates to increased tax losses arising from the impairment of tax deductible goodwill and increased assets on short-term temporary differences resulting from increased deferred interest and tax-deductible provisions in the US. These movements are partially offset by foreign exchange movements on capitalised intangible assets.

HEADCOUNT

The number of people employed is monitored monthly to ensure there are sufficient resources to meet the forthcoming demands of each business and to make sure that the businesses continue to deliver sustainable profits. During 2016, the directors have focused on maintaining headcount at a similar level to that in 2015, hiring new heads only where it was considered essential or for investment purposes. Headcount has fallen by 53 since September 2015 to 2,244 mainly attributable to the disposal of Gulf Publishing and Petroleum Economist in April 2016 and the cost reduction review undergone in the second quarter of 2015, offset by the increase in headcount investment in the group's asset management businesses and the acquisitions of FastMarkets and Reinsurance Security.

Corporate & Social Responsibility

The group is diverse and operates through a large number of businesses in many locations. Each business provides important channels of communication to different sections of society. The success of the group's businesses owes much to understanding and engaging with the communities they serve both locally and globally. Below are some explanations on key areas of corporate responsibility:

PEOPLE

People are a key part of our strategy. We couldn't do what we do without our people and we believe people capability is a key differentiator and growth driver for the group. The group has started to invest heavily in the people agenda this year and will continue to do so. Having created a new role, group-wide HR director, the focus will be on the global strategic talent agenda, ensuring that going forward we have the right people in the right jobs, doing the right things at the right time.

Work has commenced on remuneration and the group has started a global talent and succession management process this year. The key priority of remuneration (refer to the Directors' Remuneration Report on page 46) was to enable future incentives for executive directors and other members of executive management to be more closely aligned with the group's key strategic, financial and operational objectives. This includes transitioning away from the profit share scheme used widely across the group for many years and implementation of the Annual Bonus Plan, widening the adoption of the existing 2015 Performance Share Plan to replace the CAP 2014 scheme and introducing shareholding guidelines which will require executive management to build up and retain shares in the company.

We have created a people strategy for 2017 which includes:

- a robust succession planning and talent identification process globally;
- a global resourcing strategy including internal mobility; and
- a global talent development strategy.

In 2016 we continued to run various training and development interventions:

- Management Development Programme (MDP): this is a three-day intensive workshop focusing on innovation and launching new businesses, followed by three months of group work to develop new business ideas, which are then presented to a judging panel.
- Hackathon: the group ran its second hack event, TechSprint, in October last year in its search for the next generation of top tech talent. Thirty recent graduates from across the UK were placed in teams of five, and tasked to solve and build solutions to real-life business problems. Each team researched, designed, coded and then presented a variety of tech products to a panel of judges. The group sees this kind of event as evidence of its commitment to innovation and investment in technology, and also an invaluable source of graduate talent. The third event is expected to be run early in 2017.
- Graduate Programme: graduate trainee journalists join the group on a six-month training programme. The scheme combines on-the-job training with classroom-based learning to equip participants for a career in financial and business journalism. The technology graduate training programme recruits skilled graduates for roles including developer, business analyst and quality assurance tester. Graduates are supported by a team of mentors and gain hands-on experience working on projects across the group alongside divisional heads of technology and project managers.
- DMGT's Leadership Development Programme (LDP): this is a comprehensive programme developed and delivered in partnership with the University of Cambridge. It allows the sharing of insights in leadership areas such as markets and competitive landscapes and advances in technology.
- DMGT's Early Careers Leadership Programme: the group is committed to developing those at an early stage in their career. The aim is to identify and support future leaders within the operating companies. Through mentorship, structured career paths and challenging assignments we look to grow and develop our future leaders. Two pilot programmes took place this year in the US.
- DMGT's Finance Conference: this is an annual conference where financial professionals from each business come together to discuss industry updates, share expertise and network.

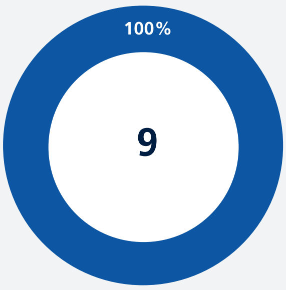
We want to retain and foster our entrepreneurial spirit while also bringing to fruition the benefits of some company-wide initiatives and ensuring we deliver the best of both worlds from a people perspective.

Diversity is a key focus through all our people-related activities and is instrumental for our business. The group is an equal opportunity employer. It seeks to employ a workforce which reflects the diverse community at large, because the contribution of the individual is valued, irrespective of sex, age, marital status, disability, sexual preference or orientation, race, colour, religion, ethnic or national origin. It does not discriminate in recruitment, promotion or other employee matters. The group endeavours to provide a working environment free from unlawful discrimination, victimisation or harassment.

The board believes that diversity is important for board effectiveness. However, diversity is much more than an issue of gender, and includes a diversity of skills, experience, nationality and background. Diversity will continue to be a key consideration when contemplating the composition and refreshing of the board as well as senior and wider management. The board recognises that while the overall balance of gender is good within the group, with 47% of employees being female (2015: 47%), there is still more work to be done to fulfil overall diversity ambitions and this will be a key focus for 2017.

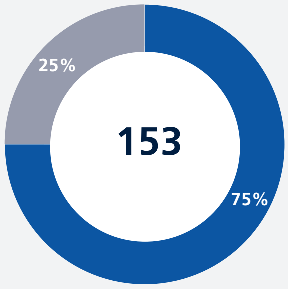
DIVERSITY PROFILE AT SEPTEMBER 30 2016

BOARD



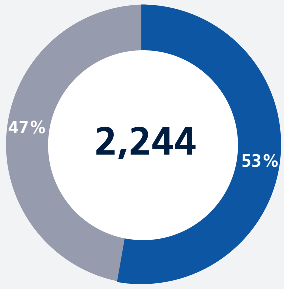
Male	9
Female	0

SENIOR MANAGERS



Male	114
Female	39

TOTAL EMPLOYEES



Male	1,193
Female	1,051

ENVIRONMENT

The group does not operate directly in industries where there is the potential for serious industrial pollution. It does not print products in-house or have any investments in printing works. It takes its environmental responsibility seriously and complies with all relevant environmental laws and regulations in each country in which it operates. Wherever economically feasible, account is taken of environmental issues when placing contracts with suppliers of goods and services and these suppliers are regularly reviewed and monitored. For instance, the group's two biggest print contracts are outsourced to companies which have environment management systems compliant with the ISO 14001 standard. The paper used for the group's publications is produced from pulp obtained from sustainable forests, manufactured under strict, monitored and accountable environmental standards.

The group is not a heavy user of energy; however, it does manage its energy requirements sensibly using low-energy office equipment where possible and uses a common sense approach to office energy management.

Each office within the group is encouraged to reduce waste, reuse paper and only print documents and emails where necessary. The main offices across the group also recycle waste where possible.

The directors are committed to reducing the group's absolute carbon emissions and managing its carbon footprint. Further details of the carbon footprint are set out in the Directors' Report.

SOCIAL INVESTMENT

The group continues to expand its charitable activities and raised over £0.3m for local and international charitable causes during the year. These contributions came from its own charitable budget, individual employee fundraising efforts and also from clients who generously made donations in support of the company's charitable projects. The group also continues to encourage employees to be involved actively in supporting charities by fundraising themselves which it then matches. Further details can be found on the company's website, www.euromoneyplc.com/corporate-social-responsibility.

The group works and partners with recognised charitable organisations that have expertise within certain sectors, thus ensuring that the implementation and management of a charitable project is carried out efficiently and that donated funds reach the communities at which the charitable cause is aimed. At the same time, the charity committee is careful to address the sustainability aspects of each charitable project to ensure a long-lasting beneficial impact.

The group also tries to adopt a company-wide charity and support it for a year or more. In 2015 the group went through a selection process and the decision was made to support both Afghan Connection, a charity with over ten years' experience successfully funding education and sports projects in Afghanistan, and Haven House, an independent charity supporting over 300 families in the UK with children who have life-limiting or life-threatening conditions.

This year's efforts included a company-wide challenge involving the UK and Hong Kong offices to raise funds for Afghan Connection and Haven House. The aim was to run, walk and cycle a total of 6,485km to the site in Afghanistan where Kezer Primary School will be built in 2017 through Euromoney's support of Afghan Connection. The challenge involved a mixture of a fun run, a virtual cycle competition and a dedicated core team of runners and cyclists, with the final distance reached at 11,211km, almost double the original target. Employees raised £6,735 which was split between the two charities.

Corporate & Social Responsibility

CONTINUED

A second initiative saw six Euromoney employees take part in the Royal Parks Half Marathon in support of Haven House with the aim to raise funds for their family counselling, toy loan and palliative social work services. Alongside generous donations from friends, family and colleagues, the team also hosted a bake sale and a charity breakfast, serving cooked breakfasts and bagels from the office kitchen, and as a result raised a total of £2,330 for the charity.

Euromoney has been supporting Little Rock since 2011 and has fundraised over £0.7m which was instrumental in building a new school in 2012 and enabling it to support children and their families to become a beacon of inclusion in Kenya.

On the outskirts of Nairobi, in Kibera slum, you will find Little Rock Inclusive Early Childhood Education Centre. Alongside are 2.5m people living in an informal settlement with limited access to water, healthcare and education; the majority of children in Kibera do not have the life opportunities to break the cycle of poverty.

Little Rock was founded in 2003 to give Kibera children a solid foundation for life, and takes a unique approach of providing an inclusive education, teaching disabled children alongside their non-disabled peers, which is changing community attitudes towards disability. Little Rock provides a unique opportunity for education for children from the Kibera community. Every day over 450 children aged six months to 11 years attend the kindergarten and learn together in an inclusive environment. As well as learning to read, write and communicate the kindergarten children receive a nutritious meal, on-site physio and occupational therapy and a very active programme of music, sport and play. Little Rock continues to supports children to transition to local primary and secondary schools, with over 200 children attending their after-school programme which provides a meal, tutoring and access to the library resources and therapy services.

Melody's Story

Melody, who was born with Cerebral Palsy, was brought to Little Rock when she was six years old. Despite her parents' doubts that she would ever learn to read and write, Melody excelled in her studies under the specialist teaching and occupational therapy provided at Little Rock. However, when Melody tried to enrol in local primary schools she was rejected. At 13 years old, Melody remained at Little Rock alongside other older disabled children who were also rejected from primary schools. Little Rock decided to change this, and began working with local primary schools to change the attitudes of teachers through training and mentoring. This year, Melody was enrolled in a mainstream government primary school and on seeing her ability, she was fast-tracked to a higher grade, next year she will start preparing for secondary school entrance exams.

FTSE4Good

FTSE Group confirms that Euromoney Institutional Investor PLC has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. FTSE4Good is an equity index series designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalise on the benefits of responsible business practice.

Certain statements made in this document are forward-looking. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standards, the directors do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. Nothing in this document shall be regarded as a profit forecast.

The Strategic Report has been prepared for the group as a whole and therefore focuses primarily on those matters which are significant to Euromoney Institutional Investor PLC and its subsidiary undertakings when viewed as a whole. It has been prepared solely to provide additional information to shareholders to assess the company's strategy and the potential for that strategy to succeed, and the Strategic Report should not be relied upon by any other party for any other purpose.

On behalf of the board

ANDREW RASHBASS
Chief Executive
November 24 2016

Board of Directors

JC BOTTS R N A
Non-executive chairman

Appointed to the board: 1992
Skills and experience: John Botts is senior adviser of Allen & Company in London and a director of several private companies. He was formerly non-executive chairman of United Business Media plc.

A RASHBASS N
Chief executive officer

Appointed to the board: 2015
Skills and experience: Andrew Rashbass has broad international experience and proven ability to manage top-quality editorial products while also growing digital revenues. Between 2013 and 2015 Andrew was the chief executive of Reuters, the news division of Thomson Reuters, the global business information group. Before joining Reuters, he spent 15 years at The Economist Group, where for the last five years he was chief executive and successfully led its transformation from a traditional print to leading digital business. Before that he was publisher of The Economist.

CR JONES
Finance director

Appointed to the board: 1996
Skills and experience: Colin Jones is a chartered accountant. He joined the company in 1996 from Price Waterhouse, and was appointed finance director in November 1996.

THE VISCOUNT ROTHERMERE N
Non-executive director

Appointed to the board: 1998
Skills and experience: The Viscount is chairman of Daily Mail and General Trust plc and he brings significant experience of media. 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.

SIR PATRICK SERGEANT N
Non-executive director and president

Appointed to the board: 1969
Skills and experience: Sir Patrick founded the company in 1969 and was managing director until 1985 when he became chairman. He retired as chairman in September 1992 when he was appointed as president and a non-executive director.

DP PRITCHARD R A
Independent non-executive director

Appointed to the board: 2008
Skills and experience: David Pritchard is a director of The Motability Tenth Anniversary Trust. David has over 30 years of experience in the banking industry. He was formerly chairman of AIB Group (UK) plc, deputy chairman of Lloyds TSB Group, chairman of Cheltenham & Gloucester plc and a director of Scottish Widows Group and LCH.Clearnet Group.

ART BALLINGAL
Independent non-executive director

Appointed to the board: 2012
Skills and experience: Andrew Ballingal is chief executive of Ballingal Investment Advisors, an independent investment firm based in Hong Kong. Andrew has over 20 years of experience as an advisor, investor, and partner in hedge funds, much of it in Asia. He has been a member of the Euromoney Institutional Investor PLC Asia Pacific Advisory Board since 2008.

TP HILLGARTH A
Independent non-executive director

Appointed to the board: 2012
Skills and experience: Tristan Hillgarth has over 30 years of experience in asset management and has held senior positions at Framlington, Invesco and Jupiter. He is a non-executive director of JPMorgan Growth and Income Trust PLC.

PA ZWILLENBERG R N
Non-executive director

Appointed to the board: 2016
Skills and experience: Paul Zwillenberg is chief executive of Daily Mail and General Trust plc. Paul has over 25 years' experience across the media sector. He has a breadth of experience across DMGT's portfolio and 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 Media Sector at The Boston Consulting Group, where he focused on digital media and content and before that founded an early interactive media company and launched a European technology services firm.

R Member of the remuneration committee
N Member of the nominations committee
A Member of the audit committee
Chairman of the committee

Corporate Governance

The Corporate Governance Report is designed to provide shareholders with an explanation of how the company has applied the main principles of the UK Corporate Governance Code (the 'Code'). We have used the key themes of the Code as the framework for articulating the board's activities during the year:

- Leadership and effectiveness are on page 33.
- Accountability: The reports on the audit and risk committee are set out on pages 37 to 41.
- Relations with shareholders on page 41.
- Remuneration is set within the Directors' Remuneration Report on pages 46 to 58.

STATEMENT OF COMPLIANCE

The company continues substantially to comply with the Code. However, since its formation in 1969, the company has had a majority shareholder, Daily Mail and General Trust plc (DMGT). As majority shareholder, DMGT retains two non-executive positions on the board. These non-executive directors are not regarded as independent under the Code. In addition, the company's founder, president and ex-chairman, Sir Patrick Sergeant, remains on the board but is not regarded as an independent director under the Code. As a result, the company failed to comply throughout the financial year ended September 30 2016 with certain provisions of the Code as set out below. The company has, however, made significant strides over the past few years to bring the board structure more in line with best practice. In particular, the number of executive directors reduced to two compared to eight in 2015, resulting in a position where the majority of the board comprises non-executive directors. The board believes this allows for clearer delineation of responsibilities between the board and the executive management team.

PROVISION	CODE PRINCIPLE	EXPLANATION OF NON-COMPLIANCE
A.3.1	Appointment of the chairman	The appointment of (i) A Rashbass on October 1 2015 as executive chairman and then (ii) JC Botts on November 18 2015 as interim non-executive chairman did not meet the Code's independence criteria. During the year the company undertook a search for an independent non-executive Chairman and concluded that the company would be best served by JC Botts continuing to act as the permanent non-executive chairman.
A.4.1	Composition of the board	The board has not identified a senior independent director but intends to do so in the near future to ensure compliance with the Code. DP Pritchard carries out a similar function to a senior independent director by acting as a sounding board for the non-executive chairman and an intermediary for the other directors.
B.1.2	Composition of the board	Less than half the board are independent non-executive directors. However, there are clear divisions of responsibility within the board such that no one individual has unfettered powers of decision. The company reduced the number of executive directors following the AGM and aims to be more in line with best practice in the near term in relation to the number of non-executive independent directors.
B.2.1	Composition of the nominations committee	The nominations committee does not comprise a majority of independent non-executive directors. The committee comprises three non-executive and one executive director, none of whom are considered independent under the Code, but all are considered by the board to be the most appropriate members.
B.3.2	Terms and conditions of appointment of non-executive directors	JC Botts, DP Pritchard, ART Ballingal and TP Hillgarth have terms and conditions of appointment. However, The Viscount Rothermere, PA Zwillenberg and Sir Patrick Sergeant operate under the terms of their employment contracts with DMGT and Euromoney respectively.
C.3.1	Composition of the audit committee	The audit committee does not comprise at least three independent non-executives directors. The committee comprises four members, only two of whom are considered independent under the Code. Of the others, one is the chairman of the company and the other is the finance director of DMGT. Both are considered by the board to be valuable and independently minded members of the committee.
C.3.2	Risk committee approach	The risk committee does not comprise of at least three independent non-executive directors. The committee comprises six members, only one of whom is considered independent under the Code. As explained on pages 40 and 41 the role and responsibilities of the risk committee, including its membership, are considered appropriate and well suited to reviewing the company's risk management approach. The risk committee and the audit committee work collaboratively and include members common to both committees, to ensure that the principles of the Code are achieved within this structure.
D.2.1	Composition and chairmanship of the remuneration committee	The remuneration committee does not comprise at least three independent non-executive directors. The committee comprises three non-executive directors, only one of whom is considered independent under the Code. JC Botts is the chairman of the remuneration committee and following the board changes on November 18 2015 is also the chairman of the company. The chairman of the committee will be reviewed in due course.

LEADERSHIP AND EFFECTIVENESS

ROLE OF THE BOARD AND ITS COMMITTEES

Board

MEETS EVERY TWO MONTHS

CHAIRED BY JC BOTTS

Sets and monitors strategy, identifies, evaluates and manages material risks, reviews trading performance, ensures adequate funding, examines major acquisition possibilities and approves reports to shareholders.

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MATTERS RESERVED TO THE BOARD AND DELEGATED AUTHORITIES

The board has delegated certain aspects of the group's affairs to standing committees, each of which operates within defined terms of reference available on the company's website. However, to ensure its overall control of the group's affairs, the board has reserved certain matters to itself for decision. Procedures are established to ensure that appropriate information is communicated to the board in a timely manner to enable it to fulfil its duties.

Board committees

NOMINATIONS COMMITTEE

MEETS AS REQUIRED

CHAIRED BY JC BOTTS

Reviews the structure, size and composition of the board and makes recommendations to the board accordingly.

page 37

REMUNERATION COMMITTEE

MEETS TWICE A YEAR

CHAIRED BY JC BOTTS

Responsible for determining the contract terms, remuneration and other benefits of executive directors, including performance-related incentives. This committee also recommends and monitors the overall level of remuneration and remuneration for senior management, including group-wide share option schemes.

page 57

AUDIT COMMITTEE

MEETS THREE TIMES A YEAR

CHAIRED BY DP PRITCHARD

Reviews and is responsible for oversight of the group's financial reporting processes and the integrity of the financial statements. It scrutinises the work of the external and internal auditors and any significant judgements made by management. The committee reports on its operations to the board to enable the directors to determine the overall effectiveness of the group's internal controls system.

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Management committees

EXECUTIVE COMMITTEE

MEETS EACH MONTH

An advisory committee that operates under the direction and authority of the CEO and comprises senior management across the business. It assists the CEO and finance director in implementing strategy, operating plans, budgets, policies and procedures, and managing the operational and financial performance of the group. It also addresses other key business and corporate-related matters including corporate and social responsibility, risk and reputation management, staff numbers, recruitment and training. Details and experience of each member can be found on the company's website.

TAX AND TREASURY COMMITTEE

MEETS TWICE A YEAR

Responsible for recommending policy to the board. The group's treasury policies are directed to giving greater certainty of future costs and revenues and ensuring that the group has adequate liquidity for working capital and debt capacity for funding acquisitions.

The members comprise CEO, finance director and DMGT's finance director and deputy finance director. The chairman of the audit committee also attends the meetings.

RISK COMMITTEE

MEETS FOUR TIMES A YEAR

CHAIRED BY A RASHBASS

Oversees the group's risk management processes. It reviews specific risks and monitors developments in relevant legislation and regulation, assessing the impact on the group. The committee reports on its operations to the board to enable the directors to determine the overall effectiveness of the group's risk management.

page 40

The discussions of the committees are summarised and reported to the next board meeting, together with recommendations on matters reserved for board decisions.

Corporate Governance

CONTINUED

BOARD COMPOSITION AND ROLES

The board comprises a non-executive chairman, two executive directors and six non-executive directors. There are clear divisions of responsibility within the board such that no one individual has unfettered powers of decision. There is a procedure for all directors in the furtherance of their duties to take independent professional advice, at the company's expense. They also have access to the advice and services of the company secretary. Their key responsibilities are set out in the table below:

<table>
<tr><td colspan="4">Executive directors</td></tr>
<tr><td>CEO</td><td>A Rashbass</td><td colspan="2">Strategy and group performance</td></tr>
<tr><td>Finance director</td><td>CR Jones</td><td colspan="2">Group financial and operational performance</td></tr>
<tr><td colspan="4">Non-executive directors</td></tr>
<tr><td>Chairman</td><td>JC Botts</td><td colspan="2">Board governance and performance and shareholder engagement</td></tr>
<tr><td>President</td><td>Sir Patrick Sergeant</td><td>As founder and president of the company, his insight and external contacts remain invaluable</td><td rowspan="3">Support and constructively challenge the executive directors using their broad range of experience and expertise. Monitor the delivery of the agreed strategy within the risk management framework set by the board</td></tr>
<tr><td>Independent non-executive directors</td><td>DP Pritchard, ART Ballingal and TP Hillgarth</td><td>Bring an external perspective, sound judgement and objectivity to the board's deliberations and decision-making</td></tr>
<tr><td>Non-executive directors, also directors of DMGT</td><td>The Viscount Rothermere,
MWH Morgan (retired May 31 2016)
PA Zwillenberg (appointed June 1 2016)</td><td>Bring the views of the company's major shareholder to the board</td></tr>
</table>

CHC Fordham, NF Osborn, DE Alfano, JL Wilkinson and B AL-Rehany did not seek re-election as executive directors of the company at the AGM on January 28 2016.

INDEPENDENCE

The board has determined that DP Pritchard, ART Ballingal and TP Hillgarth are independent within the meaning of the Code. JC Botts has been on the board for more than the recommended term of nine years under the Code and the board believes that his length of service enhances his role as a non-executive director and that he remains independently minded. However, due to his length of service, JC Botts is not considered to be independent. Sir Patrick Sergeant has served on the board in various roles since founding the company in 1969 and has been a non-executive director since 1992. However, due to his length of service, Sir Patrick Sergeant is not considered to be independent.

The Viscount Rothermere has a significant shareholding in the company through his beneficial holding in DMGT and because of this he is not considered independent. The Viscount Rothermere and PA Zwillenberg are also executive directors of DMGT, an intermediate parent company. However, the company is run as a separate, distinct and decentralised subsidiary of DMGT and these directors have no involvement in the day-to-day management of the company. They bring valuable experience and advice to the company and the board does not believe these non-executive directors are able to exert undue influence on decisions taken by the board, nor does it consider their independence to be impaired by their positions with DMGT. However, their relationship with DMGT means they are not considered to be independent.

EFFECTIVENESS

Each year, the performance of the board and its committees is evaluated. The Code requires an externally facilitated evaluation of the board to be concluded every three years. The last external evaluation was conducted by a company independent to the group in 2014. The evaluation indicated a highly cohesive board and there were no outlying scores to suggest any significant issues needed to be addressed.

As a result of the initial stage of the strategic review carried out by A Rashbass in 2015, it was concluded that the company would be better served through a more traditional board structure, including the appointment of a non-executive chairman and the creation of the new role of CEO. As this structure has only been in place for six months, the evaluation of the performance of the board was limited to informal interviews and meetings carried out by JC Botts, with the view that an external evaluation will be completed in 2017.

The nominations committee separately reviewed the performance of JC Botts as interim chairman of the company and recommended his permanent appointment in this role to the board.

During the year, each of the main committees completed a questionnaire encompassing key areas of their mandates. It was concluded that the board and its committees had been effective throughout the year.

BOARD MEETINGS AND ATTENDANCE

The board meets at least every two months and there is frequent contact between meetings. At least once a year, the company's chairman meets the non-executive directors without the other executive directors being present. The non-executive directors meet without the company's chairman present at least annually to appraise the chairman's performance and on other occasions as necessary.

The number of board and committee meetings and their attendance by each director during the year was as follows:

Director	Board	Nominations committee	Audit committee	Risk committee	Remuneration committee
Executive directors					
A Rashbass	5/5	3/3	–	4/4	–
CR Jones	5/5	–	–	4/4	–
CHC Fordham[1]	2/2	2/2	–	4/4	–
NF Osborn[2]	2/2	–	–	–	–
DE Alfano[2]	2/2	–	–	–	–
JL Wilkinson[2]	2/2	–	–	–	–
B AL-Rehany[2]	2/2	–	–	–	–
Non-executive directors					
JC Botts	5/5	3/3	3/3	–	4/4
The Viscount Rothermere	4/5	3/3	–	–	–
Sir Patrick Sergeant	4/5	3/3	–	–	–
MWH Morgan[3]	4/4	3/3	–	–	1/1
DP Pritchard	5/5	–	3/3	4/4	4/4
ART Ballingal	5/5	–	–	–	–
TP Hillgarth	5/5	–	3/3	–	–
PA Zwillenberg[4]	1/1	0/0	–	–	3/3

[1] Resigned as director of the company on January 28 2016 but continued to be a member of the risk committee
[2] Resigned as director of the company on January 28 2016
[3] Retired as director of the company on May 31 2016
[4] Appointed as director of the company on June 1 2016

BOARD ACTIVITIES

The key areas of board activity in 2016 were:

STRATEGY

- reviewed and approved the new strategy as presented by the CEO;
- the board received regular reports from the CEO which contained updates on the group's financial performance, discussion of any proposed corporate transactions, changes in senior management and progress against the group strategy;
- attended the group's Investor Day in March 2016;
- reviewed the group's performance against budget; and
- reviewed presentations by the group's key operations including: BCA, II Research, II Memberships and NDR.

GOVERNANCE

- approved the new board structure making the majority of the board comprise non-executive directors;
- approved the appointment of JC Botts as permanent chairman of the company; and
- received regular updates including changes to market abuse regulations and the impact on the group.

RISK MANAGEMENT AND INTERNAL CONTROL

- received reports from the chief risk officer on the group's significant and emerging risks; and
- with the support of the risk and audit committees, reviewed principal risks and the effectiveness of the systems of internal control and risk management and discussed the group's risk appetite for 2016.

FINANCIAL PERFORMANCE

- considered the financial performance of the business and approved the annual budget;
- reviewed the key financial judgements and all financial results announcements, and approved the Annual Report;
- considered and approved the group's going concern and viability statements, and dividend policy for 2016; and
- considered longer-term financial projections as part of its regular discussions on the group's strategy and funding requirements.

SIGNIFICANT TRANSACTIONS

- approved the extension of the group's debt facility of \$160m (£123m) with DMGT; and
- as part of the strategy, to review the group's portfolio, approved the disposal of Gulf Publishing and Petroleum Economist and the acquisitions of FastMarkets and ReSec.

LEADERSHIP AND PEOPLE

- discussed succession, talent development and diversity across management;
- discussed employee reward schemes; and
- approved the restructure programme affecting a number of businesses and central departments as part of the group's strategic review.

Corporate Governance

CONTINUED

MONITORING AND OVERSIGHT

FAIR, BALANCED AND UNDERSTANDABLE

The directors have responsibility for preparing the 2016 Annual Report and Accounts and for making certain confirmations concerning it. In accordance with the Code provision C.1.1 the board considers that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy. The board reached this conclusion after receiving advice from the audit committee.

INTERNAL CONTROL AND RISK MANAGEMENT

See pages 15 to 20 for the group's principal risks and mitigating actions

The board as a whole is responsible for the oversight of risk, the group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The board has implemented a continuing process for identifying, evaluating and managing the material risks faced by the group. The board has delegated the day-to-day responsibility for internal controls to the audit committee and for risk management to the risk committee.

The directors completed a review of the effectiveness of the group's system of risk management and internal controls covering all material controls, including financial, operational and compliance controls. The majority of controls operated throughout the year, though some additional controls were implemented during the year. The review did not identify any significant weaknesses in the system of internal control and risk management. Where weaknesses were identified, they were localised and specific to individual businesses and not considered generic or significant at an overall group level.

The controls to prevent an information security breach or cyber-attack are being regularly reviewed and where appropriate updated. Cyber and other information security risks are increasing and the mitigation of these risks continues to be a key focus for the risk committee and the board.

The diverse range of products and the many geographic markets that the group operates in makes regular testing of business continuity plans a challenge. The group is committed to improving its testing regime and is rolling out a new business continuity testing programme during 2017.

Key procedures which the directors have established with a view to providing effective internal control, and which have been in place throughout the year and up to the date of this report, are as follows:

THE BOARD OF DIRECTORS

- has overall responsibility for the group and there is a formal schedule of matters specifically reserved for decision by the board;
- reviews and assesses the group's principal risks and uncertainties at least annually and has performed a robust assessment of those principal risks;
- seeks assurance that effective control is being maintained through regular reports from business group management, the risk and audit committee and various independent monitoring functions;
- approves the annual budget after performing a review of key risk factors. Performance is monitored regularly by way of variances and key performance indicators to enable relevant action to be taken and forecasts are updated each quarter. The board considers longer-term financial projections as part of its regular discussions on the group's strategy and funding requirements; and
- proposals for investments and capital expenditure beyond specified limits are put to the board for approval.

RISK AND AUDIT COMMITTEE

The board has determined that having separate audit and risk committees, each with specific terms of reference, is required to provide the challenge and review necessary across the range of businesses the group operates. The audit and the risk committees collaborate with one another, as appropriate, with members possessing the requisite skills and experience to allow each committee to meet its obligation and to provide the relevant assurance to the board. This ensures that matters of mutual interest raised in either of the committees are discussed in the other committee and also cascaded down to the operating businesses.

ENTITY LEVEL CONTROLS

Each operating business is responsible for the identification and assessment of risks, understanding the risk return strategy and operating appropriate controls. A significant amount of work has been undertaken in the year to enhance and update the company's financial controls at business level. A set of new tools has also been designed to provide guidance on each control area to help businesses within the group align their processes within the group's financial control framework. To support these tools, a training schedule and programme is in development. Each operating business confirms the operation of key controls to central management 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. They are intended to provide standards against which the control environments of the group's business units can be monitored. An annual bribery and fraud risk assessment is completed at the same time, detailing risks and mitigating controls. In each case, the central management team follows-up these submissions as appropriate.

The executive committee meets monthly to discuss strategic, operational and financial issues. The group's tax, financing and foreign exchange positions are overseen by the tax and treasury committee. Controls and procedures over the security of data and disaster recovery are periodically reviewed and are subject to internal audit. Accounting controls and procedures are regularly reviewed and communicated throughout the group. Particular attention is paid to authorisation levels and segregation of duties.

INTERNAL AUDIT

The group's internal audit function described on page 40 is managed by DMGT's internal audit function, working closely with the company's finance director and the chairman of the audit committee. It undertakes internal control reviews across the group and reports its findings to the audit committee.

VIABILITY STATEMENT

See page 20 for the viability statement.

NOMINATIONS COMMITTEE

The nominations committee is responsible for proposing candidates for appointment to the board having regard to the balance of skills, structure and composition of the board and ensuring the appointees have sufficient time available to devote to the role.

COMMITTEE MEMBERS

JC Botts (chairman of the committee)
A Rashbass
Sir Patrick Sergeant
CHC Fordham[1]
MWH Morgan[2]
PA Zwillenberg[3]

1 Resigned as member of the committee on November 18 2015
2 Retired as director of the company and member of the committee on May 31 2016
3 Appointed as director of the company and member of the committee on June 1 2016

KEY ACTIVITIES

The committee meets when required and this year met three times, and informal discussions were held at other times during the year. The main focus for 2016 was the restructure of the board and the appointment of a new non-executive chairman.

The following changes were proposed by the committee and agreed by the board in November 2015:

- the chairman of the board be changed to a non-executive role and that JC Botts be appointed as the non-executive chairman in an interim capacity until such time as the company appoints a permanent independent non-executive chairman;
- A Rashbass's role as executive chairman be changed to the new role of CEO;
- A Rashbass to step down as chairman of the nominations committee and JC Botts to replace A Rashbass as chairman of the nominations committee until a permanent non-executive chairman has been appointed;
- CHC Fordham to step down from the nominations committee; and
- the number of executive directors on the board to reduce and accordingly CHC Fordham, NF Osborn, JL Wilkinson, B AL-Rehany and DE Alfano not to seek re-election at the company's next AGM in January 2016.

Following the changes agreed by the board in November 2015, a thorough search process was undertaken by the committee for the recruitment and appointment of a new independent non-executive chairman. The committee ensured that the appointed executive search agency was independent and had no other connections with the group. The committee concluded that although the objective was to find an independent non-executive chairman, the most suitable candidate was JC Botts due to his knowledge of the company and his skill and experience on the board and in many of the markets that the group serves. JC Botts was not involved in any decision regarding his own appointment.

FOCUS FOR 2017

The key activities for the year ahead will be:

- reviewing the composition of the board, including diversity, to ensure that the right skills and experience to support the group's strategy are represented;
- reviewing the balance of independent non-executive directors with the view that at least half of the board will be independent in the near term; and
- continuing to review succession planning.

DIVERSITY

The committee believes that diversity is important for board effectiveness. However, diversity is much more than an issue of gender and includes a diversity of skills, experience, nationality and background. Diversity will continue to be a key consideration when contemplating the composition and refreshing of the board as well as senior and wider management. Following the board restructure during the year, the number of female board members fell to nil from two at the start of the financial year. The committee remains supportive of the principles stated in the Davies Report and views the current status as temporary. As part of its review of the composition of the board in 2017, the diversity position will be reviewed in light of best practice. The group's gender diversity information is set out in the Strategic Report on pages 28 and 29.

AUDIT COMMITTEE

The audit committee is responsible for oversight of the group's financial reporting processes and the integrity of the financial statements. It scrutinises the work of the external auditor and any significant judgements made by management. The committee reports on its operations to the board to enable the directors to determine the overall effectiveness of the group's internal controls system.

COMMITTEE MEMBERS

DP Pritchard (chairman of the committee, independent)
JC Botts
SW Daintith (finance director of DMGT)
TP Hillgarth (independent)

Three of the four members are non-executive directors. All members of the committee have a high level of financial literacy, SW Daintith and TP Hillgarth are chartered accountants and members of the ICAEW, and DP Pritchard has considerable audit committee experience.

RESPONSIBILITIES

The committee meets at least three times each financial year and is responsible for:

- monitoring the integrity of the interim report, the Annual Report and Accounts and other related formal statements, reviewing accounting policies used and judgements applied;
- reviewing the content of the Annual Report and Accounts and advising the board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy;
- considering the effectiveness of the group's internal financial control systems;
- considering the appointment or reappointment of the external auditor and reviewing their remuneration, both for audit and non-audit;
- monitoring and reviewing the external auditor's independence and objectivity and the effectiveness of the audit process;
- monitoring and reviewing the resources and effectiveness of internal audit;

Corporate Governance

CONTINUED

- reviewing the internal audit programme and receiving periodic reports on its findings;
- reviewing the whistle-blowing arrangements available to staff;
- reviewing the group's policy on the employment of former audit staff; and
- reviewing the group's policy on non-audit fees.

KEY ACTIVITIES

The committee met three times and met privately with the representatives from internal and external audit after each meeting. The chairman of the committee also held separate private meetings during the year with the external auditor, representatives from internal audit and the finance director and his team. The key activities included:

- identifying and assessing the matters which required significant judgement in 2016, including discussion and review of the non-underlying items that may impact the performance of the business;
- advising the board on whether the Annual Report was fair, balanced and understandable;
- reviewing the group's system of internal control and financial risk, including management's project to improve and to document the processes and controls in the finance functions globally and implementation of Navision at Institutional Investor in New York;
- monitoring the resolution of issues raised during internal audits;
- jointly with DMGT, selecting a new head of internal audit and increasing the internal audit resource for 2017 to include a team member allocated exclusively to the group;
- a review of the provision of non-audit services in light of the revision of the FRC's Ethical Standard for Auditors; and
- assessing the external auditor's effectiveness, particularly as financial year 2015 was their first year-end following the formal tender process 2014.

The FRC's Conduct Committee selected the group's 2015 Annual Report and Accounts for review. Whilst there were no significant findings, some areas of disclosure around tax reporting were identified as requiring improvement, including an expansion to the accounting policy for uncertain tax provisions and a description of significant movements in the tax reconciliation. The audit committee has ensured that these matters have been adequately addressed in the 2016 Annual Report and Accounts, in particular, the Strategic Report, the group's key judgement areas in note 2 and the tax disclosures and explanations in note 8.

Looking ahead, the additional topics in 2017 will be to evaluate systems of internal control across the group, including system controls, in light of the organisational changes being made following the strategic review, and to increase the committee's direct interaction with finance staff from key businesses to widen and deepen its knowledge of people, processes and systems.

FINANCIAL REPORTING AND SIGNIFICANT FINANCIAL JUDGEMENTS

The committee, with input from the external auditor, assessed whether suitable accounting policies had been adopted, whether management had made appropriate estimates and judgements and whether disclosures were balanced and fair. For the year ended September 30 2016 the committee reviewed the following main issues:

ISSUE	REVIEW
Fair, balanced and understandable At the request of the board, the audit committee has considered whether, in its opinion, the 2016 Annual Report and Accounts is fair, balanced and understandable.	Following the committee's review of the accounts and after applying their knowledge of matters raised during the year, the committee is satisfied that, taken as a whole, the 2016 Annual Report and Accounts is fair, balanced and understandable
Presentation of adjusted performance Presentation of the adjusted performance and the adjusting items, including identification and treatment of exceptional items. Management considered the latest ESMA guidelines on alternative performance measures to ensure that the Annual Report and Accounts had been updated in line with best practice.	The committee reviewed the financial statements and discussed with management and the external auditor the appropriateness of the adjusted items including consideration of their consistency and the avoidance of any misleading effect on the financial statements. The committee challenged management to ensure that each item is appropriate to classify as an exceptional item. The committee concluded that the presentation of the adjusted performance is appropriate.

ISSUE	REVIEW
Impact of strategy on results presentation The group's new strategy has had the following impact on the presentation of the financial statements: • classification of reportable segments to reflect changes to the internal reporting to the board as prescribed by IFRS 8; and • presentation of planned disposals as held for sale.	The committee reviewed the disclosures of the new reportable segments in the pre-close trading statement and financial statements to ensure consistency with the budget presentation to the board and the management accounts pack. The committee discussed any planned disposals with management and satisfied itself that the disclosures in the financial statements were appropriate.
Goodwill and other intangibles The group has goodwill of £396.1m and other intangible assets of £155.0m. As a result of the impairment review at the half year and year end, the group recognised impairment charges for Mining Indaba of £12.9m, HedgeFund Intelligence (HFI) of £5.9m, Total Derivatives of £8.2m and Euromoney Indices of £1.7m. A sensitivity analysis for NDR has been included as further disclosures are required under IAS 36 if any reasonably possible change to a key assumption would cause the cash generating units carrying amount to exceed its recoverable amount.	The committee has considered the assessments made in relation to the impairment of goodwill. The committee discussed the methodology and assumptions used in the model supporting the carrying value. The committee reviewed those businesses where headroom has decreased or where management has identified impairments, including Mining Indaba, HFI, Total Derivatives and Euromoney Indices. NDR was also reviewed but the committee was satisfied no impairment was necessary for NDR. The committee has also understood the sensitivity analysis used by management in its review and disclosure of impairment.
Investments The group holds material balances relating to investments in associates and available-for-sale amounting to £35.9m.	The committee reviewed the assessments made in relation to Dealogic, Zanbato and Estimize for potential impairments at the half year and year-end. The committee is satisfied with the carrying value recognised for Dealogic and that no impairment is required. The Committee recognised that Zanbato and Estimize businesses are still in start-up phase but based on progress to date the committee concluded no impairment was required at year-end.
Accounting for acquisitions and disposals The group made a number of acquisitions and disposals during the year. There were a number of consequential accounting considerations, including identification and fair values of intangible assets, fair value of other assets, goodwill arising, step-up losses of prior interests held and gain on sale of disposal recognised. The group also has acquisition commitments on previous acquisitions.	The committee has reviewed the results of the work undertaken in this area, the disclosure in the financial statements and has sought further explanation where necessary. The committee reviewed the inputs and assumptions into the calculation of the acquisition commitments liability at year-end.
Taxation Taxation represents a significant cost to the group in both cash and accounting terms, and the group is exposed to differing tax regimes and risks which affect both the carrying values of tax balances (including deferred tax) and the resultant income statement charges. The group is also exposed to similar risks for indirect tax.	The committee reviewed the tax charge at the half year and full year, including the underlying tax effect, deferred tax balances and the provision for uncertain tax positions for direct and indirect tax. The chairman of the audit committee also attends the tax and treasury committee which provides valuable insight into the tax matters, related provisions and helps establish the appropriateness of the recognition of the deferred tax balances.

The committee is satisfied that all issues have been addressed appropriately and in accordance with the relevant accounting standards and principles.

Corporate Governance

CONTINUED

EFFECTIVENESS OF INTERNAL FINANCIAL CONTROL SYSTEMS

The committee has responsibility for reviewing the process for identifying and managing financial risk and for reviewing internal financial controls. It reviews reports on internal financial controls including reports by the chief risk officer, finance director and the results from the internal audits. In addition, the committee reviewed the external auditor's assessment of the group's minimum controls framework and the design of the financial and system controls for a new finance system implemented by the US group.

INTERNAL AUDIT

The group's internal audit function is managed by DMGT's internal audit department, working closely with the company's finance director and chairman of the audit committee. Internal audit draws on the services of the group's central finance teams to assist in completing the audit assignments. Internal audit aims to provide an independent assessment as to whether effective systems and controls are in place and being operated to manage significant operating and financial risks. It also aims to support management by providing cost effective recommendations to mitigate risk and control weaknesses identified during the audit process, as well as provide insight into where cost efficiencies and monetary gains might be made by improving the operations of the business. Businesses and central departments are selected for an internal audit on a risk-focused basis, after taking account of the risks identified as part of the risk management process, the risk and materiality of each of the group's businesses, the scope and findings of external audit work, the departments and businesses reviewed previously and the findings from these reviews. This approach ensures that internal audit focus is placed on the higher risk areas of the group, while ensuring an appropriate breadth of audit coverage.

The audit committee monitors the level and skill base available to the group from internal audit. Although internal audit areas are planned a year ahead, the amount of time available to the group from internal audit is not fixed. Internal audit is able to scale up resource as required and draws on finance people across the wider DMGT group as well as regularly supplementing its team through the use of specialists. In 2017, this resource will be increased to include a dedicated full-time member of the internal audit team allocated to the group.

The committee is able to monitor the effectiveness of internal audit through its involvement in their focus, planning, process and outcome. The committee approves the internal audit plan and any revision to it during the year. The chair of the committee is invited to attend the initial internal audit planning meeting with management. Internal audit presents, at each audit committee meeting, a summary of its work and findings, the results of the internal audit team's follow up of completed reviews and a summary of assurance work completed by other audit functions within the business. Internal audit are involved in other risk assurance projects including fraud investigation, the annual fraud and bribery risk assessment, information security and business continuity. Internal audit are also subject to an external review every five years, the results of which are fed back to the committee. This external review was last carried out in September 2013.

EXTERNAL AUDITOR

PricewaterhouseCoopers LLP (PwC) was appointed by shareholders as the group's statutory auditor in 2015 following a formal tender process. The external audit contract will be put out to tender at least every ten years. The company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

As part of its role in ensuring effectiveness, the committee reviewed PwC's audit plan to ensure its appropriateness for the group and has completed a review which focused on the effectiveness, independence and objectivity of the external audit. The assessment of the effectiveness is based on a framework setting out the key areas of the audit process for the committee to consider, as well as the role that management has contributed to an effective process. Results from tailored questionnaires sent to the chairman of the audit committee, finance director, deputy finance director, and divisional finance directors and PwC's client satisfaction survey were discussed by the audit committee and no significant issues were raised by the assessment. PwC confirmed to the committee that they maintained appropriate internal safeguards to ensure their independence and objectivity. The committee recommends the reappointment of PwC at the 2017 AGM.

NON-AUDIT WORK

The audit committee completes an annual assessment of the type of non-audit work permissible and a maximum level of non-audit fees acceptable. Any non-audit work performed outside this remit is assessed and where appropriate approved by the committee. Fees paid to PwC for audit services, audit-related services and other non-audit services are set out in note 4. During 2016, PwC did not provide significant non-audit services. The group's non-audit fee policy was updated for the revision of the FRC's Ethical Standard for Auditors and is available on the company's website.

RISK COMMITTEE

The risk committee oversees the group's risk management processes and considers the group risk register biannually. It reviews specific risks and monitors developments in relevant legislation and regulation, assessing the impact on the group. The committee reports on its operations to the board to enable the directors to determine the overall effectiveness of the group's risk management.

COMMITTEE MEMBERS

A Rashbass (CEO – chairman of the committee)
DP Pritchard (Independent non-executive director)
CR Jones (Finance director)
CHC Fordham (Corporate development director)
ST Hardie (Chief risk officer)
C Chapman (General counsel and company secretary to DMGT)

RESPONSIBILITIES

The committee is responsible for review and consideration of:

- the risks which the committee believes are those most pertinent to the group and its subsidiaries including emerging or potential future risks and their likely impact on the group;
- the impact of those risks and proposed remedial actions where appropriate;
- the group risk register and risk registers from each operating business including the applicable controls;
- reports on any material risk incidents and the adequacy of proposed action including management's responsiveness to the findings;
- the group's overall risk assessment approach and methodology, including:
  - the group's capability to identify and manage new risk types;
  - the group's procedures for detecting fraud and for the prevention of bribery; and
  - the adequacy and security of the group's speak-up arrangements;
- the principal risks and uncertainties disclosure and other relevant risk management disclosures for inclusion in the Annual Report and Accounts.

The committee also advises the board on current risk exposures of the group, future risk mitigation strategies and the overall risk appetite and tolerance.

KEY ACTIVITIES

The committee meets at least three times a year and this year met four times. The key activities during the year included:

- reviewing the group's risk management processes and the group risk register;
- reviewing group's principal risks to align with the new strategy;
- assessment of the group's cyber risk and information security governance;
- consideration of geopolitical risks that might affect the group, including Brexit; and
- overseeing the launch of a new worldwide employee travel safety programme.

Looking ahead, the risk committee will continue to monitor key risks affecting operating businesses and the group. Other key areas will include information security, data protection including the new EU General Data Protection Regulation, event security and business continuity.

RELATIONS WITH SHAREHOLDERS

The company's chairman, together with the board, encourages regular dialogue with shareholders. Meetings with shareholders are held, both in the UK and in the US, to discuss annual and interim results and highlight significant acquisitions or disposals, or at the request of institutional shareholders. Private shareholders are encouraged to participate in the AGM. In line with best practice, all shareholders have at least 20 working days' notice of the AGM at which the executive directors, non-executive directors and committee chairs are available for questioning. The company's chairman and finance director report to fellow board members matters raised by shareholders and analysts to ensure members of the board develop an understanding of the investors' and potential investors' views of the company.

Investor Day

Euromoney held an Investor Day in March 2016 to communicate its new strategy to its shareholders. The Investor Day was a key part in Euromoney's continuing effort to improve communication with its shareholders and to increase transparency of its operations, leadership and governance. The main theme of the Investor Day was the presentation of Euromoney's new strategy developed following the appointment of Andrew Rashbass as the CEO. It also allowed the investors and analysts to meet with members of the board, many of whom attended the event. The Investor Day included a number of presentations by the divisional leaders of Euromoney and demonstrations of their latest products. The investors and analysts also had opportunities to meet with the divisional leaders to discuss face to face the opportunities and challenges facing their businesses.

Directors' Report

Euromoney Institutional Investor PLC is a public limited company. It holds a premium listing on the London Stock Exchange main market for listed securities and is a member of the FTSE 250 share index.

The Directors' Report comprises pages 32 to 45 of this report (together with the sections of the Annual Report and Accounts incorporated by reference). Some of the matters required by legislation have been included in the Strategic Report (pages 4 to 30) as the board considers them to be of strategic importance. Specifically, these are future business developments and principal risks.

It is expected that the company, which has no branches, will continue to operate as the holding company of the group.

GROUP RESULTS AND DIVIDENDS

The group profit for the year attributable to equity holders of the parent amounted to £30.7m (2015: £105.4m). The company's policy is to distribute a third of its adjusted after-tax earnings by way of dividends each year. However, although adjusted earnings have declined, the company's strong balance sheet means the board is able to recommend an unchanged final dividend of 16.40p per ordinary share (2015: 16.40p), payable on Thursday February 9 2017 to shareholders on the register on Friday December 2 2016. This, together with the interim dividend of 7.00p per ordinary share (2015: 7.00p) which was declared on May 19 2016 and paid on June 23 2016, brings the total dividend for the year to 23.40p per ordinary share (2015: 23.40p).

SHARE CAPITAL

The company's share capital is divided into ordinary shares of 0.25p each. At September 30 2016 there were 128,313,356 ordinary shares in issue and fully paid. During the year, 64,462 ordinary shares of 0.25p each (2015: 115,477 ordinary shares) with an aggregate nominal value of £161 (2015: £289) were issued following the exercise of share options granted under the company's share option schemes for a cash consideration of £0.3m (2015: £0.5m). Details of the company's share capital are given in note 23 to the group financial statements. The company's ultimate controlling party is given in note 31.

EMPLOYEE SHARE TRUST

The executive directors of the company together with other employees of the group are potential beneficiaries of the Euromoney Employee Share Trust and as such, are deemed to be interested in any ordinary shares held by the trust. At September 30 2016, the trust's shareholding totalled 1,700,777 shares representing 1.3% of the company's called-up ordinary share capital. There have been no awards transferred between September 30 2016 and the date of this Annual Report and Accounts.

VOTING RIGHTS AND RESTRICTIONS ON TRANSFER OF SHARES

Each share entitles its holder to one vote at shareholders' meetings and the right to receive one share of the company's dividends. There are no special control rights attached to them. The company is not aware of any agreements or control rights between existing shareholders that may result in restrictions on the transfer of securities (shares or loan notes) or on voting rights.

CHANGE OF CONTROL

There are a number of agreements that take effect, alter or terminate upon a change of control of the company following a takeover bid. None of these agreements is deemed to be significant in terms of their potential impact on the business of the group as a whole. The company's share plans contain provisions that take effect in such an event but do not entitle participants to a greater interest in the shares of the company than created by the initial grant or award under the relevant plan. Details of the directors' entitlement to compensation for loss of office following a takeover or contract termination are given in the Directors' Remuneration Report.

AUTHORITY TO PURCHASE AND ALLOT OWN SHARES

At the 2016 AGM, the company was authorised by shareholders to purchase up to 10% of its own shares and to allot shares up to an aggregate nominal amount of £96,187. The resolutions to renew this authority for a further period will be put to shareholders at the 2017 AGM.

SIGNIFICANT SHAREHOLDINGS

As at November 24 2016, the company had been notified of the following significant interests:

Name of holder	Nature of holding	Number of shares	% of voting rights
DMG Charles Limited	Direct	85,838,458	66.90

RELATIONSHIP DEED

The company and Daily Mail and General Trust plc, the parent company of DMG Charles Limited, entered into a relationship deed on July 16 2014 in accordance with the Listing Rules and have acted in accordance with its terms since execution.

EMPLOYEES

QUALITY AND INTEGRITY OF EMPLOYEES

The competence of people is ensured through high recruitment standards and a commitment to management and business skills training. The group has the advantage of running external training businesses and uses this in-house resource to train cost-effectively its employees on a regular basis. Employees are also encouraged actively to seek external training as necessary.

High-quality and honest personnel are an essential part of the control environment. The high ethical standards expected are communicated by management and through the employee handbook which is provided to all employees. The employee handbook includes specific policies on matters such as the use of the group's information technology resources, data protection policy, the UK Bribery Act, and disciplinary and grievance procedures. The group operates an intranet which is used to communicate with employees and provide guidance and assistance on day-to-day matters facing employees. The group has a specific whistle-blowing policy that is supported by an externally managed whistle-blowing hotline. The whistle-blowing policy is updated regularly and is reviewed by the audit committee.

HUMAN RIGHTS AND HEALTH AND SAFETY REQUIREMENTS

The group is committed to the health and safety and the human rights of its employees and communities in which it operates. Health and safety issues are monitored to ensure compliance with all local health and safety regulations. External health and safety advisors are used where appropriate. The UK businesses benefit from a regular assessment of the working environment by experienced assessors and regular training of all existing and new UK employees in health and safety matters.

DISABLED EMPLOYEES

It is the group's policy to give full and fair consideration to applications for employment from people who are disabled; to continue, wherever possible, the employment of, and to arrange appropriate training for, employees who become disabled; and to provide opportunities for the career development, training and promotion of disabled employees.

POLITICAL DONATIONS

No political donations were made during the year (2015: £nil).

POST BALANCE SHEET EVENTS

Events arising after September 30 2016 are set out in note 30 to the group financial statements.

GOING CONCERN

Having assessed the principal risks and the other matters discussed in connection with the viability statement, the directors consider it appropriate to adopt the going concern basis of accounting in preparing this Annual Report and Accounts.

ADDITIONAL DISCLOSURES

Additional information that is relevant to this report, and which is incorporated by reference into this report, including information required in accordance with the UK Companies Act 2006 and Listing Rule 9.8.4R, can be located as follows:

- Financial instruments (note 19)
- Related party transactions (note 29)

GREENHOUSE GAS (GHG) REPORTING

The company, as part of the wider Daily Mail and General Trust plc group (DMGT), participates in a DMGT group-wide carbon footprint analysis completed by ICF International. This exercise has been undertaken every year since 2007 using the widely recognised GHG protocol methodology developed by the World Resource Institute and the World Business Council for Sustainable Development. The directors are committed to reducing the group's absolute carbon emissions and managing its carbon footprint.

Greenhouse emission statement

The following emissions have been calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition) methodology. Data was gathered to fulfil the requirements under the CRC Energy Efficiency scheme, and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2014. The carbon footprint is expressed in tonnes of carbon dioxide equivalent and includes all the Kyoto Protocol gases that are of relevance to the business. The company's footprint covers emissions from its global operations and the following emission sources: Scope 1 and 2 (as defined by the GHG Protocol), business travel and outsourced delivery activities.

Assessment parameters

Baseline year	2012
Consolidation approach	Operational control
Boundary summary	All entities and facilities either owned or under operational control
Consistency with the financial statements	The only variation is that leased properties, under operational control, are included in scope 1 and 2 data, all scope 3 emissions are off-balance sheet emissions
Assessment methodology	Greenhouse Gas Protocol and Defra environmental reporting guidelines
Intensity ratio	Emissions per £m of revenue

Greenhouse gas emission source	FY 2016		FY 2015	
	(tCO_2e)	(tCO_2e)/£m	(tCO_2e)	(tCO_2e)/£m
Scope 1: Combustion of fuel and operation of facilities	2,100	5.2	2,100	5.2
Scope 2: Electricity, heat, steam and cooling purchased for own use	2,200	5.4	2,400	6.0
Total scope 1 and 2*	**4,300**	**10.6**	**4,500**	**11.2**
Scope 3: Business travel and outsourced activities	6,200	15.4	6,900	17.1
Total emissions	**10,500**	**26.0**	**11,400**	**28.3**

* Statutory carbon reporting disclosures required by Companies Act 2006

Directors' Report

CONTINUED

AUDITOR

Each director confirms that, so far as he/she is aware, there is no relevant audit information of which the company's auditor is unaware; and that each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of the information.

A resolution to reappoint Pricewaterhouse Coopers LLP as the company's statutory auditor and to authorise the audit committee to determine their remuneration will be proposed at the 2017 AGM.

ANNUAL GENERAL MEETING

The company's next AGM will be held at Euromoney Institutional Investor PLC, 8 Bouverie Street, London EC4Y 8AX on January 26 2017 at 9.30 a.m. A separate circular comprising the Notice of Meeting, together with explanatory notes, accompanies this Annual Report.

DIRECTORS

DIRECTORS AND DIRECTORS' INTERESTS

The membership of the board and biographical details of the directors are given on page 31. Following the changes to the board announced on November 19 2015, CHC Fordham, NF Osborn, DE Alfano, JL Wilkinson and B AL-Rehany did not seek re-election as executive directors of the company at the AGM in January 2016. MWH Morgan retired as non-executive director on May 31 2016 and PA Zwillenberg was appointed as non-executive director on June 1 2016.

Details of the interests of the directors in the ordinary shares of the company and of options held by the directors to subscribe for ordinary shares in the company are set out in the Directors' Remuneration Report on pages 46 to 58.

APPOINTMENT AND REMOVAL OF DIRECTORS

The company's Articles of Association give power to the board to appoint directors from time to time. In addition to the statutory rights of shareholders to remove a director by ordinary resolution, the board may also remove a director where 75% of the board gives written notice to such director. The Articles of Association themselves may be amended by a special resolution of the shareholders.

Following best practice under the 2014 UK Corporate Governance Code (the 'Code') and in accordance with the company's Articles of Association, all directors submit themselves for re-election annually. Accordingly, all directors will retire at the forthcoming AGM and, being eligible, will offer themselves for re-election. In addition, in accordance with the Code, before the re-election of a non-executive director, the chairman is required to confirm to shareholders that, following formal performance evaluation, the non-executive directors' performance continues to be effective and demonstrates commitment to the role. Accordingly, the non-executive directors will retire at the forthcoming AGM and, being eligible following a formal performance evaluation by the chairman, offer themselves for re-election.

DIRECTORS' INDEMNITIES

A qualifying third-party indemnity (QTPI) as permitted by the Company's Articles of Association and Section 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 QTPI the company undertakes to indemnify each director against liability to third parties (excluding criminal and regulatory penalties) and to pay directors' 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, judgement is given against the director.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Accounts 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 are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts 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 the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the group and parent company financial statements respectively;
- state whether all accounting standards which are considered applicable have been followed in preparing the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 group and enable them to ensure that the financial statements and Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and 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.

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

Each of the directors, whose names and functions are listed on page 31 of the Annual Report confirms that to the best of their knowledge:

- the group financial statements, are prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the group taken as a whole; and
- the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the group taken as a whole, together with a description of the principal risks and uncertainties that it faces.

On behalf of the board

ANDREW RASHBASS
Director
November 24 2016

COLIN JONES
Director
November 24 2016

Directors' Remuneration Report

In this section:

This report has been prepared in accordance with the relevant requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2013 and of the Listing Rules of the Financial Conduct Authority.

* Information is subject to audit.

REPORT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholder, I am pleased to present the Directors' Remuneration Report for 2016 which has been prepared by the remuneration committee (Committee) on behalf of the board. The Committee continues to place great importance on ensuring there is a clear link between remuneration and delivery of the group's strategy. For 2016, the priority has been to develop and implement a new long-term strategy. Andrew Rashbass, the group's CEO, outlined the new three pillars of strategic activity at the March 2016 Investor Day, namely investing around big themes, transforming the operating model and actively managing the portfolio. A key component of introducing an effective operating model is group-wide talent management. The Committee seeks to ensure that the group is a competitive employer of talented people and a place where colleagues actively encourage other high-potential individuals to work. The group will use reward arrangements as a critical part of driving and rewarding earnings growth and shareholder value. The key remuneration outcomes for the year and plans for the coming year are as follows:

2016 REWARD OUTCOMES

The group is going through a period of transformation following the launch of its new strategy. Its performance was expected to deteriorate in 2016, as it did, before stabilising in 2017 and then returning to growth. The short-term objective for the board was to deliver the new strategy and to at least meet profit expectations in 2016. Reported revenues were £403.1m, flat year-on-year but 4% down on an underlying basis. Adjusted PBT fell by 5% to £102.5m but is marginally ahead of expectations. A key activity of the Committee at the start of the year was to link Mr Rashbass' annual incentive to these short-term strategic and financial objectives. In determining the final level of bonus payable, the Committee considered the wider performance of the group and agreed that Mr Rashbass was making significant progress in delivering the new strategy. On the basis of the above, the annual bonus will pay out at 127% of salary against a maximum of 150%. Any annual bonus earned in excess of 100% of salary will be paid via a nil cost option, the vesting of which will be deferred for two years. Colin Jones, the group's finance director, is on a profit share scheme linked to adjusted diluted EPS (before tax). Due to the decrease in adjusted profits, adjusted diluted EPS fell by 5% to 66.51p and Mr Jones' profit share fell by 4% to £0.5m.

REMUNERATION FRAMEWORK FOR 2017

The Committee reviews the remuneration and incentive plans of the executive, divisional directors and other key employees as well as looking at the remuneration costs and policies of the group as a whole. After the review of the reward arrangements of the new CEO in 2015, it was the intention that the new Annual Bonus Plan and PSP, initially applied to Mr Rashbass, would also enable future incentives for executive directors and divisional directors to be more closely aligned with the group's key strategic, financial and operational objectives. The Committee focused their efforts in 2016 on undertaking a detailed review and benchmarking exercise for the arrangements of divisional directors. We have completed this review and the Committee has recommended that senior management incentives be transitioned away from the profit share scheme used widely across the group for many years and the goal over time is to change the mix of the reward as follows:

- move all divisional directors to market-based pay, which for some will require a salary increase;
- lower the proportion of reward delivered through short-term incentives; and
- increase the proportion of reward delivered through long-term incentive plans.

This new approach requires benchmarking base pay, implementation of the Annual Bonus Plan, widening the adoption of the existing PSP to replace the CAP 2014 scheme and introducing shareholding guidelines which will require divisional directors to build up and retain shares in the company. These principles and arrangements will apply for new divisional directors while the Committee will put in place transition arrangements for existing divisional directors to migrate to the approach within two years.

SHAREHOLDER APPROVAL AT THE 2017 AGM

In line with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013, a summary of the remuneration policy has been included in this report given that the policy was approved by shareholders at the 2015 General Meeting on June 1 2015. No changes have been made to this policy this year.

The Annual Remuneration Report together with this letter is subject to an advisory shareholder vote and will be put to the 2017 AGM to be held on January 26 2017. The sections of this report that have been subject to audit are marked in the contents above. The Committee believes the 88.2% of the votes cast in favour of the Annual Remuneration Report at the 2016 AGM shows strong shareholder support for the company's remuneration arrangements.

The members of the Committee include a representative of its major shareholder, DMGT. Paul Zwillenberg replaced Martin Morgan as chief executive of DMGT on June 1 2016 and as a member of the Committee. The Committee consults with its shareholders prior to any major changes in its remuneration arrangements.

JOHN BOTTS

Chairman of the remuneration committee

SUMMARY OF REMUNERATION POLICY

The board believes in aligning the interests of management with those of shareholders. It is the group's policy to construct executive remuneration packages such that a significant part of a director's remuneration is linked to performance measures aligned with the group's key strategic, financial and operational objectives and with the creation of sustainable long-term shareholder value. Salaries and benefits are generally not intended to be the most significant part of a director's remuneration. The policy was approved by shareholders at the 2015 General Meeting on June 1 2015 and is available to view in full on the company's website at www.euromoneyplc.com/investors.

EXECUTIVE DIRECTORS

ELEMENT	KEY FEATURES OF POLICY	MAXIMUM OPPORTUNITY
Basic salary	Part of an overall market competitive pay package with salary generally not the most significant part of a director's overall package. Reflects the individual's experience, role and performance within the company.	Normally reviewed by the Committee in April each year. The Committee examines salary levels at FTSE 250 companies and other listed peer group companies to help determine executive director pay increases.
Pensions and benefits	Either a contribution to the Company's pension scheme or to a personal pension scheme; or cash allowance in lieu of benefits. Benefits provided include private healthcare and life insurance.	Maximum employers' contribution to a pension scheme is 15% of pensionable salary.
Annual incentive Annual Bonus Plan	The Annual Bonus Plan links reward to key business targets and an individual's contribution.	Up to 150% of salary.
Annual bonus deferral	The Annual Bonus Plan provides alignment with shareholders' interests through the operation of bonus deferral. Clawback arrangements are in place.	Deferred awards usually granted in the form of conditional share awards or nil-cost options and vest two years after the award.
Profit share	Profit share links the pay of those executive directors to whom it relates directly to the growth in profits of their businesses. It encourages each director to grow their profits, to invest in new products, to search for acquisitions, and to manage costs and risks tightly. Profit shares are designed to maximise sustainable profits with no guaranteed floor and no ceiling and are expected to make up much of a director's total pay and encourage long-term retention. Clawback arrangements are in place.	No maximum.
Long-term incentive	Share schemes are an important part of overall compensation and align the interests of directors and managers with shareholders. They encourage directors to deliver long-term, sustainable profit and share price growth. Clawback and malus arrangements are in place. The company operates the following long-term incentive plans (LTIP): 2014 Capital Appreciation Plan (CAP 2014), 2014 Company Share Option Plan (CSOP 2014), 2015 Performance Share Plan (PSP), Euromoney SAYE scheme and DMGT SIP.	The performance measures and maximum opportunity are detailed on pages 50 to 52. Further details of the schemes are set out in note 24.
Shareholding requirement	200% of salary for the CEO and 100% for other executive directors.	
External appointments	The company encourages its executive directors to take a limited number of outside directorships provided they are not expected to impinge on their principal employment. Subject to the approval of the company chairman, directors may retain the remuneration received from the first such appointment.	

NON-EXECUTIVE DIRECTORS

ELEMENT	KEY FEATURES OF POLICY	MAXIMUM OPPORTUNITY
Fees	Each non-executive director receives a base fee for services to the board with an additional fee payable for non-executive directors with selected, additional responsibilities (for example, the chairs of the remuneration and audit committees). The non-executive directors do not participate in any of the company's incentive schemes. The non-executive directors receive reimbursement for reasonable expenses incurred as part of their role as non-executive directors.	The remuneration of non-executive directors is determined by the board based on the time commitment required by the non-executive directors, their role and market conditions.

Directors' Remuneration Report

CONTINUED

ANNUAL REMUNERATION REPORT

EXECUTIVE DIRECTORS (AUDITED)

The key elements of remuneration for the CEO and finance director in financial year 2016 were as follows:

	Salary	Annual incentive	Bonus deferral	LTIP	Pension	Benefits
A Rashbass (CEO)	£750,000	Annual Bonus Plan 150% of salary maximum 100% of salary target The performance measures were: • 50% Adjusted PBT • 50% individual objectives	Any amount above target deferred into nil-cost options for two years	Annual award of 200% of salary vesting after five years	10% of salary per annum, payable in cash	Private healthcare Life insurance
CR Jones (Finance director)	£270,300, increased by 2% from £265,000 from April 1 2016.	Profit share scheme linked to the growth in adjusted pre-tax EPS of the group. A sum of £500 is payable for every percentage point that the adjusted pre-tax EPS is above 11 pence and an additional sum of £800 is payable for every percentage point that the adjusted pre-tax EPS is above 20 pence.	N/A	CAP 2014	15% of salary per annum, payable in cash	Private healthcare Life insurance

The table below sets out the breakdown of the single figure of remuneration for each executive director in financial years 2016 and 2015.

		Salary £	Benefits £	Profit share £	Annual bonus £	Pension £	Total before buy-out award £	Buy-out Award[5] £	Total £
A Rashbass[1]	**2016**	**750,000**	**1,192**	**–**	**953,955**	**75,000**	**1,780,147**	**980,400**	**2,760,547**
	2015	–	–	–	–	–	–	–	–
CR Jones[2]	**2016**	**267,650**	**1,281**	**534,922**	**–**	**40,148**	**844,001**	**–**	**844,001**
	2015	265,000	1,506	559,789	–	39,750	866,045	–	866,045
PR Ensor[3]	**2016**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2015	175,500	5,378	3,799,984	–	22,918	4,003,780	–	4,003,780
CHC Fordham[4]	**2016**	**125,000**	**427**	**–**	**74,617**	**12,500**	**212,544**	**–**	**212,544**
	2015	375,000	1,506	161,700	–	37,500	575,706	–	575,706
NF Osborn[4&6]	**2016**	**45,588**	**828**	**55,000**	**–**	**3,383**	**104,799**	**–**	**104,799**
	2015	130,863	1,581	154,026	–	9,399	295,869	–	295,869
DE Alfano[4&6]	**2016**	**51,897**	**2,270**	**304,667**	**–**	**1,557**	**360,391**	**–**	**360,391**
	2015	141,862	10,152	815,649	–	4,256	971,919	–	971,919
JL Wilkinson[4]	**2016**	**60,000**	**–**	**–**	**44,747**	**9,000**	**113,747**	**–**	**113,747**
	2015	180,000	–	83,536	–	18,000	281,536	–	281,536
B AL-Rehany[4&7]	**2016**	**74,038**	**305**	**39,865**	**–**	**1,680**	**115,888**	**–**	**115,888**
	2015	219,171	1,006	240,082	–	6,915	467,174	–	467,174
Total		**1,374,173**	**6,303**	**934,454**	**1,073,319**	**143,268**	**3,531,517**	**980,400**	**4,511,917**
		1,487,396	21,129	5,814,766	–	138,738	7,462,029	–	7,462,029

1 Appointed as a director of the company on October 1 2015.
2 The difference in CR Jones' salary includes pro rata 2% salary increase from April 1 2016.
3 Retired as a director of the company on September 30 2015.
4 Resigned as director of the company on January 28 2016. The remuneration in the above table is the full year remuneration earned pro-rated for the period as a director. Details of key elements for these directors is set out in the section 'Payments to past directors'.
5 The value of the buy-out award made to A Rashbass on October 1 2015 was calculated using the closing mid-market price at vesting on September 30 2016 of £11.09.
6 Rate used for conversion from USD to GBP is 1.43 (2015: 1.55).
7 Rate used for conversion from CAD to GBP is 1.89 (2015: 1.89).

ANNUAL BONUS PLAN

A Rashbass	**£000**
Actual bonus	954
Deferred into shares	204

Performance measures	Weighting	Minimum	On target	Maximum	Actual	Maximum opportunity (% of salary)	Pay-out (% of salary)
Financial: Adjusted PBT[1&2]	50%	£88.8m	£98.6m	£108.5m	£102.5m	75%	59.69%
Individual objectives	50%	–	–	–	–	75%	67.50%
Total pay-out (% of salary)	100%					150%	127.19%

1 A reconciliation of adjusted PBT is set out in the appendix to the Chairman's Statement.
2 The thresholds for the financial targets were adjusted for the disposal of Gulf Publishing and Petroleum Economist in the second half of the year.

The individual objectives for A Rashbass in 2016 were:

- development, communication and implementation of new long-term strategy;
- portfolio rationalisation, taking into account quality of earnings, capital structure and returns on investment;
- reorganisation of group around core divisions; and
- implementation of talent management initiatives including appropriate incentive schemes.

Directors' Remuneration Report

CONTINUED

These objectives were weighted equally and monitored by the Committee. In determining the final level of bonus payable, the Committee considered the wider performance of the group and agreed that A Rashbass had delivered a clear and comprehensive new strategy that had been received well by shareholders. In addition, the Committee noted that he had started to drive transformational change, encouraging focus on the simplification of the operating model and making divestments and investments that underpin the overall strategy of the group. On the basis of the above, the annual bonus will pay out at 127% of salary. Any annual bonus earned in excess of 100% of salary will be paid as a nil-cost option, the vesting of which will be deferred for two years.

PENSIONS

Pension amounts are those contributed by the company to pension schemes or cash amounts paid in lieu of pension contributions. Executive directors can participate in the Euromoney Pension Plan (a money purchase plan) or their own private pension scheme.

The Harmsworth Pension Scheme closed to future accrual of benefits on December 31 2015. Under the Harmsworth Pension Scheme, the following pension benefits were earned by the directors:

	Accrued annual benefit at September 30 2016 based on normal retirement age £	Normal retirement age of 65	Additional value of benefits if early retirement taken	Weighting of pension benefit value as shown in single figure table
CR Jones	47,300	Aug 15 2025	none	Cash allowance: 100%

BUY-OUT AWARD FOR A RASHBASS

A one-off award of shares in the company with a value of £2,250,000 was made in order to compensate A Rashbass for incentives foregone on leaving his previous employment. This was considered to be no more than the comparable commercial value of the incentives foregone by A Rashbass from his previous employment. Based on the company's average share price for the month of September 2015, 221,011 shares were awarded on October 1 2015. Subject to continued employment, 40% of this award vested on September 30 2016 and the remaining 60% will vest in three equal tranches on September 30 2017, 2018 and 2019 respectively.

Under the terms of this award, 88,404 options vested on September 30 2016. Following the exercise of these options, A Rashbass received 46,854 ordinary shares and a cash sum for the market value equivalent of 41,550 shares. The company will apply this cash equivalent payment on his behalf in satisfaction of the liability for taxes arising on the exercise. The market value of the shares awarded at the date of exercise was £11.09.

LONG-TERM INCENTIVES

No share plan awards under the PSP or CAP 2014 were due to vest in the year for the executive directors. There were 160,473 options granted to executive directors during the year. These included 159,269 under the PSP and 1,204 under the SAYE scheme. Details of the group's share option schemes are set in the remuneration policy that can be found on the website and note 24.

PSP

The table below sets out the details of the long-term incentive awards granted under the PSP where vesting will be determined according to the achievement of performance measures that will be tested in 2021. Awards under the PSP were granted to A Rashbass on December 18 2015. No other awards under the PSP have been granted during 2016.

	Type of option awarded	Basis of award	Face value of award made[1]	Number of shares[1]	End of performance period
A Rashbass	Nil-cost option	200% of salary	£1,500,000	159,269	Sep 2020

[1] Calculated as the maximum number of shares that would vest if all performance measures are met. The share price used to determine the number of shares awarded was the average of the middle market quotations of an Ordinary Share as derived from the Daily Official List for the preceding five dealing days of December 18 2015.

Details of performance measures for the 2016 awards are as follows:

	Maximum opportunity	Performance measure	Weighting	Performance target	Vesting level
A Rashbass	200% of salary	EPS[2] growth between financial years 2015 and 2020	50%	5% or more	Full vesting
				Between 1 and 5%	Between 12.5% and 50% on a sliding scale
				1%	12.5%
				Less than 1%	Nil
		Strategic objectives	50%		

[2] EPS will be the adjusted diluted figure disclosed in the appendix to the Chief Executive's Statement. There will be an additional one-off adjustment in 2015 base figure to exclude a £2.5m share option credit relating to the CAP.

The strategic measures will be assessed over a five-year period from October 1 2015 to September 30 2020. At the end of the five-year period, the Committee will assess the quality of the delivery of the pillars of strategy as outlined in the Strategic Report. In assessing the success of these strategic measures, the Committee will pay particular attention to the quality and sustainability of underlying revenue growth, as well as the absolute levels of revenue, for the performance period. As the assessment of these will be subjective, there will be no formal vesting schedule and the vesting of this portion of the PSP awards will be ultimately at the Committee's discretion. The remuneration report following the end of the performance period will provide a detailed explanation of how the Committee has reached its vesting determination.

OTHER OPTIONS

The table below sets out the details of other share awards held by executive directors as at September 30 2016 or past executive directors at date of resignation:

	CAP 2014[1]	**CSOP 2014**[2]	**CAP 2010**	**SAYE 14**	**SAYE 15**	**SAYE 17**	**Total**
Award date	Jun 20 2014	Jun 20 2014	Mar 30 2010	Dec 20 2012	Dec 22 2014	Jan 5 2016	
Date from which exercisable	Performance criteria not satisfied			Feb 1 2016	Feb 1 2018	Feb 1 2019	
Expiry date	Sep 30 2023	Sep 30 2023	Sep 30 2020	Aug 1 2016	Aug 1 2018	Aug 1 2019	
Exercise price	£0.0025	£11.16	£0.0025	£6.39	£8.15	£7.47	
Face value[3]	£11.16	£11.16	£5.01	£7.98	£10.19	£9.34	
Outstanding awards (number of options)							
CR Jones	14,457	2,688	–	–	–	–	17,145
NF Osborn[4]	–	1,340	–	–	1,104	1,204	3,648
DE Alfano[4]	28,020	–	–	–	–	–	28,020
CHC Fordham[4&5]	20,167	2,688	–	1,408	–	–	24,263
JL Wilkinson[4]	7,954	2,688	2,059	–	–	–	12,701
B AL-Rehany[4]	16,964	8,963	–	–	–	–	25,927
Total outstanding[5]	**87,562**	**18,367**	**2,059**	**1,408**	**1,104**	**1,204**	**111,704**

1 The number of options granted under CAP 2014 to each director is provisional and based on the performance of the respective directors' individual businesses up to the end of the performance period (September 2017). As such the actual number of options and amount of cash award issued is likely to be different to the amount disclosed.

2 The number of options granted under CSOP 2014 to each director will vest at the same time as the corresponding share award under CAP 2014 providing the CSOP 2014 is in the money at the time. If the option is not in the money at the time of vesting of the corresponding CAP 2014 award it continues to subsist and will vest at the same time as the second or third tranche of the CAP 2014 share award.

3 The face value is calculated as the average of the middle market quotations for the preceding three dealing days.

4 Number of options held as at January 28 2016, being the date the director resigned as executive director of the company. CHC Fordham exercised 1,408 SAYE options on July 25 2016.

5 There were no share awards in the above table exercised by executive directors during the year. CHC Fordham exercised and kept his 1,408 SAYE options on July 25 2016, which is after the date he ceased to be a director. None of the other share options in the above table are exercisable at September 30 2016.

Directors' Remuneration Report

CONTINUED

The table below sets out the details of the cash awards under the terms of CAP 2010 and CAP 2014 held by executive directors as at September 30 2016 or past executive directors at date of resignation:

	CAP 2014[1]	CAP 2010	Total
Award date	Jun 20 2014	Mar 30 2010	
Date from which exercisable	Performance criteria not satisfied		
Expiry date	Sep 30 2023	Sep 30 2020	
Outstanding awards	£	£	£
CR Jones	37,105	–	37,105
NF Osborn	2,900	–	2,900
DE Alfano	60,640	–	60,640
CHC Fordham	49,461	–	49,461
JL Wilkinson	23,031	8,824	31,855
B AL-Rehany	56,109	–	56,109
Total outstanding[2]	**229,246**	**8,824**	**238,070**

1 The number of options and amount of cash award granted under CAP 2014 to each director is provisional and based on the performance of the respective directors' individual businesses up to the end of the performance period (September 2017). As such the actual number of options and amount of cash award issued is likely to be different to the amount disclosed.
2 There were no cash awards exercised by executive directors during the year.

The performance conditions of other options held by directors are as follows:

Scheme	Maximum opportunity	Performance measure	Performance target
CAP 2014	No individual could receive an award over 5% of the award pool. Award pool comprises 3.5m ordinary shares and cash of £7.6m.	Adjusted pre-tax profits[1] growth of at least 10% a year (or RPI plus 5%, whichever is higher) between financial years 2013 and 2017.	**Primary performance condition** requires adjusted pre-tax profits[1] of £178.4m to be achieved by no later than financial year ending September 30 2017. **Secondary performance condition** – if the primary performance is not met the awards will lapse unless adjusted pre-tax profits are at least 84.9% of the primary target. The number of ordinary shares and cash in the award pool will be reduced in accordance with the scheme rules. The percentage of awards that would vest if the minimum performance test was satisfied is 33%.
CSOP 2014	Each CSOP 2014 option enables each UK participant to purchase up to 2,688 shares and each Canadian participant up to 8,963 shares.	The CSOP 2014 has the same performance criteria as CAP 2014. The number of CSOP options that vest proportionally reduce the number of shares that vest under the CAP 2014.	
CAP 2010	Awards allocated to each individual on vesting of first tranche in February 2013.	Adjusted pre-tax profits[1] growth.	The first and second tranches of CAP 2010 became exercisable in February 2013 and 2014 when the primary performance condition was satisfied in 2013 and again in 2014. The options which have not vested are subject to an additional performance condition which required the profits of each business in the subsequent vesting period to be at least 75% of that achieved in the year that the first tranche became exercisable. The options lapse to the extent unexercised by September 2020.
SAYE	Participants save a fixed monthly amount of up to £500 for three years and are then able to buy shares in the company set at a 20% discount to the market value at the start of the savings period.	No performance conditions attach to options granted under this plan.	

1 Adjusted pre-tax profits are presented before the impact of amortisation of acquired intangible amortisation of acquired intangible assets, exceptional items, and movements in deferred consideration and acquisition commitments, and the cost of the CAP itself.

DIRECTORS' INTERESTS

The following table sets out all interests in the equity of the company held by executive directors or past executive directors and a comparison to the shareholding guidelines for executive directors at September 30 2016:

Executive director	Shares required to be held % of salary	Number of shares required to be held[1]	Number of beneficially owned shares	Shareholding requirement met	Share options subject to performance conditions	Buy-out nil-cost options[3]	Total share awards
A Rashbass	200%	135,257	46,874	No[2]	159,269	132,607	291,876
CR Jones	100%	24,373	192,000	Yes	17,145	–	17,145
CHC Fordham[4]	–	–	179,971	–	24,263	–	24,263
NF Osborn[4]	–	–	31,354	–	3,648	–	3,648
DE Alfano[4]	–	–	68,006	–	28,020	–	28,020
JL Wilkinson[4]	–	–	37,922	–	12,701	–	12,701
B AL-Rehany[4]	–	–	31,844	–	25,927	–	25,927

1 The number of shares is calculated using the closing mid-market price on September 30 2016 of £11.09. The requirement is for the CEO to hold 200% of salary and other executive directors to hold 100% of salary within five years of appointment.
2 A Rashbass was appointed executive director on October 1 2015 and therefore not yet built up equivalent shares equal to his individual requirements.
3 Options subject to continued employment. See page 50 for further description and details of exercise during the year.
4 Number of shares/options held as at January 28 2016, being the date the director resigned as executive director of the company.

There are no share options in the above table that have vested but not been exercised. There have been no changes in the shareholdings of the executive directors between September 30 2016 and the date of this Annual Report and Accounts.

PAYMENTS TO PAST DIRECTORS

On January 28 2016 CHC Fordham, NF Osborn, DE Alfano, JL Wilkinson and B AL-Rehany stepped down from their positions as executive directors of the company and continued to be employed under their employment contracts after the date of resignation. The figures in the single remuneration table are based on the full year amounts earned pro-rated for the period they were directors. There were no other payments to past directors made in the year.

The following table sets out the key elements of each past director's remuneration package:

	Salary	Annual incentive	LTIP	Pension	Benefits
CHC Fordham[1]	£375,000	Annual Bonus Plan 75% of salary maximum 50% of salary target	CAP 2014	10% of salary per annum, payable to Euromoney Pension Plan	Private healthcare Life insurance
NF Osborn[2]	£136,764	Profit share scheme	CAP 2014	10% of salary per annum, payable in cash	Private healthcare Life insurance
DE Alfano[3&4]	US$224,400	Profit share scheme	CAP 2014	3% of salary per annum, payable private pension scheme	Private healthcare Life insurance
JL Wilkinson[1]	£180,000	Annual Bonus Plan 100% of salary maximum	CAP 2014	10% of salary per annum, payable to Euromoney Pension Plan	–
B AL-Rehany[3&5]	CA$423,300	Profit share scheme	CAP 2014	3% of salary per annum, payable private pension scheme	Private healthcare

1 CHC Fordham and JL Wilkinson changed from profit share scheme to the Annual Bonus Plan for 2016. CHC Fordham's performance measure was based on the group achieving the adjusted PBT target of £98.6m. JL Wilkinson's performance measures were 60% of the group achieving adjusted PBT target of £98.6m and the remainder on performance of her business.
2 NF Osborn receives a profit share linked to the operating profits of the businesses he manages at a rate of 2.5% on profits to £1m, 4% on the next £1m, 5.5% on the next £1m and 7% on profits in excess of £3m.
3 DE Alfano and B AL-Rehany received 2% salary increase as part of the annual salary review in April 2016.
4 DE Alfano receives a profit share linked to the operating profits of the businesses she manages at a rate of 1% on profits between US$402,116 and US$727,116, and a rate of 6.5% on profits above US$727,116. Her profit share on acquisitions she manages is at a rate of 5% of profits above a threshold.
5 B AL-Rehany receives a profit share linked to the operating profits of the businesses he manages at a rate of 5% of profits above a threshold. This threshold increases by 10% per annum.

Information relating to certain targets, performance of individual businesses and adjustments to profit is considered to be commercially sensitive and the group does not believe it to be appropriate to disclose now or in the future.

Directors' Remuneration Report

CONTINUED

PAYMENTS FOR LOSS OF OFFICE

There were no payments for loss of office made in the year.

NON-EXECUTIVE DIRECTORS (AUDITED)

Each non-executive director receives a base fee for services to the board of £30,000 (2015: £30,000), with an additional fee of £6,500 (2015: £6,500) payable to the chairs of the remuneration and audit committees. JC Botts was appointed as the non-executive chairman of the company on November 18 2015 and as a result his non-executive director fees have been increased from £36,500 to £175,000 per annum.

SINGLE FIGURE OF REMUNERATION

The table below sets out the breakdown of the single total figure of remuneration for each non-executive director in financial years 2016 and 2015.

	2016 £000	2015 £000
JC Botts (chairman)[1]	**156,863**	36,500
The Viscount Rothermere	**30,000**	30,000
Sir Patrick Sergeant	**30,000**	30,000
MWH Morgan (retired May 31 2016)	**20,000**	30,000
DP Pritchard	**36,500**	36,500
ART Ballingal	**30,000**	30,000
TP Hillgarth	**30,000**	30,000
PA Zwillenberg (appointed June 1 2016)	**10,000**	–
Total	**343,363**	223,000

1 The difference in JC Botts' fee includes pro rata fee increase from November 18 2015.

DIRECTORS' INTERESTS

There are no shareholding guidelines for the non-executive directors in 2016 but guidelines have been introduced from 2017 (see page 58). The interests of the non-executive directors in the ordinary shares of the company as at September 30 2016 were as follows:

Beneficial	**Number of ordinary shares**
JC Botts	15,503
The Viscount Rothermere	–
Sir Patrick Sergeant	165,304
MWH Morgan (retired May 31 2016)[1]	7,532
DP Pritchard	–
ART Ballingal	–
TP Hillgarth	–
PA Zwillenberg (appointed June 1 2016)	–

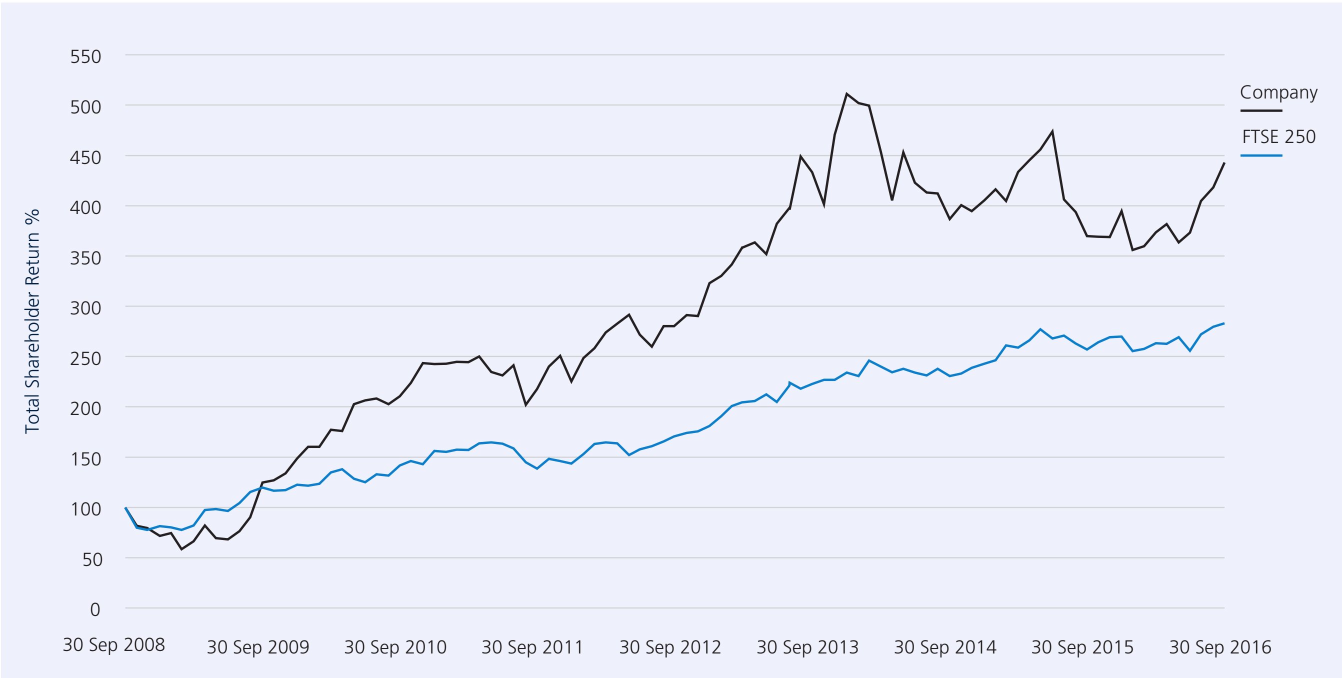
1 Number of shares held as at date of resignation/retirement.

There have been no changes in the shareholdings of the non-executive directors between September 30 2016 and the date of this Annual Report and Accounts.

OTHER PERFORMANCE MEASURES AND DISCLOSURES (UNAUDITED)

COMPARISON OF OVERALL PERFORMANCE AND REMUNERATION OF THE CEO

The chart below compares the company's total shareholder return with the FTSE 250 index over the past eight financial years. For these purposes shareholder return represents the theoretical growth in value of a shareholding over a specific period, assuming that dividends are reinvested to purchase additional shares. The company is a constituent of the FTSE 250 index and, accordingly, this is considered to be an appropriate benchmark.



The table below sets out the remuneration data for directors undertaking the role of CEO during each of the last eight years. The single figure of remuneration for the CEO set out below includes salary, benefits, company pension contributions and long-term incentives as set out on page 49 of this report.

	CEO	2009	2010	2011	2012	2013	2014	2015	**2016**
Single figure of remuneration (£000)	A Rashbass	–	–	–	–	–	–	–	**1,780**
	CHC Fordham	–	–	–	–	1,647	895	576	**–**
	PR Ensor	2,917	3,977	4,397	4,857	–	–	–	**–**
Annual incentive payment (% of maximum)	A Rashbass[1]	–	–	–	–	–	–	–	**85%**
	CHC Fordham[2]	–	–	–	–	58%	52%	17%	**–**
	PR Ensor[2]	81%	82%	82%	82%	–	–	–	**–**
Long term incentive vesting (% of maximum)	A Rashbass	–	–	–	–	–	–	–	**–**
	CHC Fordham	–	–	–	–	–	–	–	**–**
	PR Ensor	100%	–	–	100%	100%	–	–	**–**

[1] A Rashbass was awarded an annual bonus under the group's Annual Bonus Plan.

[2] CHC Fordham and PR Ensor were paid under the group's profit share scheme. The profit share scheme has no ceiling; the maximum annual variable element of remuneration was therefore calculated assuming that profits achieved had been 20% higher.

Directors' Remuneration Report

CONTINUED

PERCENTAGE CHANGE IN REMUNERATION OF THE CEO

The table below illustrates the change in remuneration for the CEO compared with the change in remuneration of the average employee across the group at constant currency. The directors feel that this group of people is the most appropriate as a comparator because employee pay is determined annually by the Committee at the same time as that of the CEO and under the same economic circumstances. The directors believe this demonstrates the best link between the changes in average remuneration compared to the CEO.

	% change 2015 to 2016		
	Salary	**Benefits**	**Incentives**
CEO remuneration	–	–	–
Average employee	2%	15%	4%

Remuneration in the above table excludes long-term incentive payments and pension benefits. There is no change from 2015 for the CEO remuneration as A Rashbass was appointed as executive director on October 1 2016 and he did not receive an increase in the April salary review.

RELATIVE IMPORTANCE OF SPEND ON PAY

The table below illustrates the company's spend on employee pay in comparison to profits and distributions to shareholders. These are deemed by the directors to be the significant distributions made during the year and will assist stakeholders in understanding the relative importance of spend on pay. For this purpose, total employee pay includes salaries, profit shares and bonuses.

	2016 £m	2015 £m	% increase/ (decrease)
Total employee pay	**148.9**	146.9	1%
Dividends	**29.6**	29.1	2%
Adjusted profit before tax	**102.5**	107.8	(5%)

DIRECTORS' INTERESTS IN DAILY MAIL AND GENERAL TRUST PLC

The interests of the directors in the shares of Daily Mail and General Trust plc as at September 30 2016 were as follows:

	Ordinary shares of 12.5p each	**'A' ordinary non-voting shares of 12.5p each**	**'A' ordinary non-voting nil-cost options**
The Viscount Rothermere[1&2]	**19,890,364**	**61,531,183**	**427,680**
CR Jones	**–**	**1,842**	**–**
Sir Patrick Sergeant	**–**	**36,000**	**–**
MWH Morgan (retired May 31 2016)[1&3]	**–**	**1,062,376**	**185,666**
PA Zwillenberg (appointed June 1 2016)	**–**	**5,000**	**–**

1 The figures in the table above include 'A' shares awarded to executives under the DMGT Executive Bonus Scheme.

2 Daily Mail and General Trust plc has been notified that, under sections 793 and 824 of the Companies Act 2006, The Viscount Rothermere was deemed to have been interested as a shareholder in 19,890,364 ordinary shares of 12.5 pence at September 30 2016.

3 Number of shares held at date of retirement.

At September 30 2016 The Viscount Rothermere was beneficially interested in 756,700 ordinary shares of Rothermere Continuation Limited, the company's ultimate parent company. Since September 30 2016, CR Jones and PA Zwillenberg purchased, through the DMGT SIP scheme, 40 and 39 additional 'A' ordinary non-voting shares in Daily Mail and General Trust plc respectively. There have been no other changes in the directors' interests since September 30 2016.

REMUNERATION COMMITTEE

The Committee meets twice a year and additionally as required. It is responsible for determining the contract terms, remuneration and other benefits of executive directors, including performance-related incentives. The Committee reviews the remuneration and incentive plans of the executive directors and other key employees as well as looking at the remuneration costs and policies of the group as a whole. The Committee's terms of reference are available on the company's website.

During 2016 the Committee met four times and informal discussions were held at other times during the year.

COMMITTEE MEMBERS

JC Botts (chairman of the committee)
MWH Morgan (retired May 31 2016)
DP Pritchard (independent)
PA Zwillenberg (appointed June 1 2016)

All members of the Committee are non-executive directors of the company. For the year under review, the Committee also sought advice and information from the company's CEO, finance director and the newly appointed director of human resources. The Committee's terms of reference permit its members to obtain professional advice on any matter. Guidance was sought from Deloitte on structuring A Rashbass' performance measures and objectives for the Annual Bonus Plan and PSP in line with best practice and on benchmarking against an appropriate peer group. They were paid £20,800 for this service. Deloitte is a founding member of the Remuneration Consultants Group and voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. External benchmarking was also undertaken for the remuneration of other executive directors and divisional directors.

The key activities of the Committee in the year included:

- approving grant of PSP options to A Rashbass;
- obtaining advice and setting suitable performance measures and objectives for the Annual Bonus Plan and PSP for A Rashbass for the 2016 award;
- approving the average annual pay increase for the group, effective from April 1 2016, of 2%;
- approving the salary increase of CR Jones and other divisional directors, which was no more than the average pay increase of 2%, effective from April 1 2016;
- recommending to the board the fee for JC Botts' appointment as permanent non-executive chairman of the board. JC Botts was not involved in any decision regarding his own fee;
- approving the annual profit shares and bonuses for executive directors and divisional directors of the group for financial year 2016; and
- reviewing and agreeing the design of the reward principles and arrangements for new divisional directors reporting directly to the CEO and transition arrangements to allow all existing divisional directors to migrate to the new approach within two years.

Directors' Remuneration Report

CONTINUED

IMPLEMENTATION OF THE REMUNERATION POLICY IN 2017

Basic salary	Directors' salaries from October 1 2016 are as set out on page 48. These salaries will be reviewed in April 2017.
Pensions and benefits	No change to prior year.
Annual incentive Annual Bonus Plan	The weightings for the individual and financial objectives for A Rashbass' Annual Bonus Plan in 2017 will remain the same as 2016. The committee considers that disclosing the precise targets, which are commercially sensitive of the Annual Bonus Plan would not be in shareholders' interests and awards made will be published at the end of the performance period where possible.
Annual bonus deferral	Any amount above target for A Rashbass will be deferred into nil-cost options for two years in line with 2016.
Profit share	CR Jones' profit share scheme is set out on page 48 and will remain the same for 2017.
Long-term incentive	The performance measures of awards to be made under the PSP to Andrew Rashbass will be in line with the awards granted in 2016. Directors employed in the UK are eligible to participate in the SAYE.
Non-executive directors fees	Non-executive directors' fees will be reviewed.
Shareholding requirement	Guidelines recommended by the Committee over and above the requirements of the remuneration policy are: Non-executive directors: 100% of annual fee CEO: 200% of salary Finance director: 100% of salary Divisional directors: 75% of salary

OTHER RELATED PARTY TRANSACTIONS

NF Osborn serves as an advisor to the boards of both DMG Events and dmgi, fellow group companies, for which he received a combined fee of US$23,250 (2015: US$18,600).

DIRECTORS' SERVICE CONTRACTS

The company's policy is to employ executive directors on service agreements which are terminable on 12 months' notice. The Committee seeks to minimise termination payments and believes these should be restricted to the value of remuneration for the notice period. The company's executive directors are employed for an indefinite term and the service agreements provide for a notice period of 12 months from the company and the executive.

With the exception of Sir Patrick Sergeant, none of the non-executive directors has a service contract, although JC Botts, DP Pritchard, TP Hillgarth and ART Ballingal serve under a letter of appointment. The service contract of Sir Patrick Sergeant provides for 12 months' expense allowance and an expense allowance up to the date of termination in the event of incapacity.

The directors' service contracts are available for shareholder inspection at the company's registered office.

GENERAL MEETINGS — SHAREHOLDER VOTE OUTCOME

The first table below shows the binding shareholder vote on the 2015 remuneration report at the January 2016 AGM. The second table shows the binding vote on the remuneration policy at the June 2015 general meeting.

The Committee believes the 88.2% votes in favour of the remuneration report shows strong shareholder support for the company's remuneration arrangements.

Votes for	%	Votes against	%	Abstentions
107,195,996	88.2%	14,329,273	11.8%	1,237,454

Votes for	%	Votes against	%	Abstentions
103,127,111	87.1%	15,212,519	12.9%	704,902

On behalf of the board

JOHN BOTTS
Chairman of the remuneration committee
November 24 2016

Independent Auditor's Report

to the members of Euromoney Institutional Investor PLC

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion:

- Euromoney Institutional Investor 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 September 30 2016 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; 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.

WHAT WE HAVE AUDITED

The financial statements, included within the Annual Report & Accounts (the 'Annual Report'), comprise:

- the Consolidated Statement of Financial Position as at September 30 2016;
- the Company Balance Sheet as at September 30 2016;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the group financial statements is IFRSs as adopted by the European Union and applicable law. The financial reporting framework that has been applied in the preparation of the company financial statements is United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and applicable law.

OUR AUDIT APPROACH

OVERVIEW

MATERIALITY

Overall group materiality: £4.1m which represents 5% of statutory profit before tax, adjusted for certain non-recurring items.

AUDIT SCOPE

We conducted work in four key territories, being the UK, US, Canada and India. This included full scope audits at five components with specified procedures performed at a further three components.

Taken together, the components at which audit work has been performed accounted for approximately 75% of the group's revenue, 76% of the group's statutory profit before tax and 91% of the group's statutory profit before tax, adjusted for certain non-recurring items.

AREAS OF FOCUS

- Carrying value of goodwill and acquired intangibles
- Carrying value of investments
- Uncertain tax positions
- Pensions
- Presentation of exceptional items

Independent Auditor's Report

to the members of Euromoney Institutional Investor PLC continued

THE SCOPE OF OUR AUDIT AND OUR AREAS OF FOCUS

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)).

We designed our audit by determining materiality and assessing 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. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud, and the risk of fraud in revenue recognition. Procedures designed to address these risks included testing of material journal entries and post-close adjustments, testing and evaluating management's key accounting estimates for reasonableness and consistency, understanding and testing management incentive plans, undertaking cut-off procedures to test proper cut-off of revenue and expenses and testing the existence and accuracy of revenue transactions.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Areas of focus	How our audit addressed the area of focus
CARRYING VALUE OF GOODWILL AND ACQUIRED INTANGIBLE ASSETS *Refer to the Audit Committee report on page 39 and to note 12 to the consolidated financial statements.* The group has £551.1m of goodwill and intangible assets, including £148.3m of acquired intangibles and £396.1m of goodwill as at September 30 2016. During the year, the group recognised a £27.0m impairment charge in relation to goodwill for Mining Indaba (£12.9m), HedgeFund Intelligence (HFI) (£5.9m) and Total Derivatives (£8.2m). The group also recognised a £1.7m impairment in relation to the acquired intangible assets for Euromoney Indices. The carrying values of goodwill and acquired intangible assets are contingent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant judgements and estimates including profit growth, cash conversion, terminal growth rate and discount rate. Where fair value less cost of disposal (rather than value in use) has been used to value CGUs, the related calculations are based on an estimate of disposal proceeds where businesses are held for sale. Changes in the key assumptions underpinning these calculations have a significant impact on the headroom available in the impairment calculations.	We obtained management's goodwill impairment model and tested the reasonableness of key assumptions, including revenue, profit and cash flow growth rates, cash conversion, terminal values and the selection of discount rates. We agreed the underlying cash flow projections to management approved budgets and forecasts and assessed how these projections are compiled. Deploying our valuations experts, we assessed the terminal growth rate and discount rate applied to each CGU compared with third party information, past performance, the group's cost of capital and relevant risk factors. We evaluated indicative offers from third parties where CGUs are held for sale and have therefore been valued on a fair value less cost of disposal basis. We performed our own risk assessment by considering historical performance and management's forecasting accuracy by applying any current year budget shortfalls to future forecasts to highlight the CGUs with either lower headroom or which are more sensitive to changes in key assumptions. We focussed our attention on those businesses where headroom has decreased or where management has identified impairments, namely Mining Indaba, HFI, Total Derivatives and Euromoney Indices. We performed our own sensitivity analysis to understand the impact of reasonable changes in management's assumptions on the available headroom. We challenged the significant assumptions, specifically relating to revenue and profit growth in light of the individual CGU's past performance to assess whether the forecasts are achievable. We focussed in particular on the goodwill relating to Ned Davis Research, Inc. (NDR) which is more sensitive to change than other CGUs. We considered the need for additional sensitivity disclosures for this CGU as required by IAS 36 and we agreed with management's decision to provide these additional disclosures for NDR given that reasonably possible changes in the assumptions would give rise to an impairment. We checked for any additional impairment triggers in other businesses through discussions with management, review of management accounts and board minutes and examining performance of recent acquisitions to identify under-performing businesses. As a result of our work, we determined that the impairment charge recognised in 2016 was appropriate. For those intangible assets, including goodwill, where management determined that no impairment was required and that no additional sensitivity disclosures should be given, we found that these judgements were supported by reasonable assumptions that would require significant downside changes before any additional material impairment was necessary.

Areas of focus	How our audit addressed the area of focus
CARRYING VALUE OF INVESTMENTS *Refer to the Audit Committee report on page 39 and to note 14 to the consolidated financial statements.* The group has £35.8m of investments including £29.8m of investment in associates, £0.2m of investment in joint ventures and £5.8m of available-for-sale investments. We focussed on the group's investment in Diamond TopCo Limited (Dealogic) and the key accounting judgements taken by management in relation to this investment, namely: • The assessment of the recoverability of the investment; and • Consideration of the ongoing judgement that the investment in Dealogic should be accounted for as an associate on the basis of the group having significant influence.	We obtained management's impairment model and tested the reasonableness of key assumptions, including revenue, profit and cash flow growth rates, terminal value and the selection of discount rate. We engaged directly with Dealogic management to understand key performance trends and the basis for future projections. We reviewed Dealogic's quarterly trading history in order to determine any impairment indicators and to evaluate historical accuracy of budgeting. We agreed Euromoney management's base case cash flow projections to Dealogic's board approved budgets. We assessed Euromoney management's downside case projections utilised for impairment review purposes. We deployed our valuations experts to assess the terminal growth rate and discount rate applied by Euromoney management compared with third party information, past performance, the group's cost of capital and relevant risk factors. Even based on Euromoney management's downwards adjusted cash flow projections, we noted that the carrying value of the investment was supportable. Management's assumptions would require significant downside changes before any material impairment was necessary. We assessed management's judgement regarding classification of Dealogic as an associate and the extent to which the group is able to exert significant influence. We agreed the key terms of Euromoney's relationship with Dealogic to the shareholders' agreement and articles of association, including shareholder voting rights of 20% and how these are enforceable, and we validated management's attendance and exercise of significant influence at Dealogic board meetings. We were satisfied that it remains appropriate to equity account for Dealogic as an associate given the group's ongoing exercise of significant influence.
UNCERTAIN TAX POSITIONS *Refer to the Audit Committee report on page 39 and to notes 8 and 22 to the consolidated financial statements.* The group operates in a complex multinational tax environment in relation to direct and indirect taxes and there are a number of open tax matters with tax authorities, especially in the UK, US and Canada. From time to time the group enters into transactions with complicated accounting and tax consequences and judgement is required in assessing the level of provisions needed in respect of uncertain tax positions. In addition, the group recorded an additional provision amounting to £7.9m relating to a potential US sales tax exposure based on an adverse court ruling in June 2016.	We evaluated management's judgements in respect of estimates of tax exposures and contingencies in order to assess the adequacy of the group's tax provisions. In understanding and evaluating management's judgements, we deployed our tax specialists and 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. We undertook an independent assessment of tax risks, including permanent establishment risks in the group's most material markets (UK, US and Canada) and we evaluated the appropriateness and completeness of related tax provisions. In particular, we focussed on management's assessment of the open US sales tax inquiry for which an additional provision of £7.9m has been recorded in 2016. We independently confirmed and discussed this matter directly with the group's external legal adviser and we are satisfied with the position taken. From the evidence obtained, we considered the level of provisioning for direct and indirect taxes to be acceptable in the context of the consolidated financial statements taken as a whole.

Independent Auditor's Report

to the members of Euromoney Institutional Investor PLC continued

Areas of focus	How our audit addressed the area of focus
PENSIONS *Refer to note 27 to the consolidated financial statements.* The company operates the Metal Bulletin Pension Scheme (MBPS) and participates in the Harmsworth Pension Scheme (HPS), which is a group scheme operated by Daily Mail and General Trust plc (DMGT), both of which are now closed to new participants. As at September 30 2016, the group recognised a net defined benefit liability of £10.0m (2015: £2.0m), which has increased mainly due to a decrease in discount rate along with the recognition of the group's share (£1.2m) of an additional pension scheme. Previously, HPS was accounted for in the consolidated financial statements as a defined contribution scheme as DMGT did not have a policy of allocating the net defined benefit scheme deficit to other DMGT group entities. However, due to a change in DMGT's policy at year-end, Euromoney's share of the underlying assets and liabilities has now been recognised. There is management judgement inherent in the assumptions selected to value the liabilities of both defined benefit schemes.	We considered management's IAS 19 assumptions used in determining the net defined benefit liability as at September 30 2016 by deploying our pension experts to test the reasonableness of key assumptions, including discount rate, RPI inflation rate and CPI inflation rate, by considering the methods and inputs used in determining the assumptions compared to market comparisons. We also tested the existence and valuation of the plan assets at year-end through direct confirmations with investment managers. We tested the underlying census data and validated that no new participants joined the HPS and MBPS schemes during the year and that any movements were verified to supporting documentation. As a result of our work, we concluded that the assumptions used in determining the net defined benefit liability were within our expected range. We evaluated management's accounting treatment for the recognition of the Harmsworth Pension Scheme in 2016 and we note that management has treated the recognition of Euromoney's share of the scheme as a past service cost which has been charged to the consolidated income statement. We considered this approach to be appropriate and supportable.

Areas of focus	How our audit addressed the area of focus
PRESENTATION OF EXCEPTIONAL ITEMS *Refer to the Audit Committee report on page 38 and to note 5 to the consolidated financial statements.* The group continues to present adjusted earnings by making adjustments for costs and profits which management believes to be exceptional by virtue of their size and incidence. During the year, the group presented £37.3m of net costs as exceptional items, comprising: goodwill and acquired intangible asset impairment charges (£28.6m); provision for US sales tax (£7.9m); restructuring and other exceptional costs (£6.5m); recognition of the Harmsworth defined benefit scheme (£1.2m); offset by profit on disposal of businesses (£7.1m). Given that the group presents adjusted earnings measures in addition to its statutory results, we focussed on the classification of these items as exceptional in the consolidated financial statements, particularly considering the nature of such items, whether they are non-recurring and whether they are significant in size.	We considered the appropriateness of the adjustments made to statutory profit measures to derive adjusted profit measures. We understood management's rationale for classifying items as exceptional and considered whether this is reasonable and appropriate in arriving at an adjusted profit measure for 2016. We considered the goodwill and acquired intangible asset impairment charges. Due to the size and nature of these impairments, we accepted management's presentation of these items as exceptional. We considered the provision for US sales taxes to be exceptional by nature of its size and recognising that the additional provision taken in 2016 all relates to prior periods. We considered the appropriateness of the restructuring costs determined to be exceptional and, on the basis that they all relate to a series of linked initiatives underpinning one-off strategic changes implemented by the group in 2016, we accepted management's presentation of these items as exceptional. We confirmed that restructuring costs not associated with this major restructuring programme have not been treated as exceptional and have continued to be charged within (rather than excluded from) the group's adjusted profit measures. Similarly, the recognition of the Harmsworth defined benefit pension scheme for the first time in 2016 was triggered by a one-off change in accounting policy and will not recur and was accepted as being exceptional on this basis. We were satisfied that excluding the one-off profit on disposal of businesses from adjusted profit was consistent with the group's historical practice and demonstrates an even handed approach to adjusting for credits as well as debits in arriving at an adjusted profit measure. We considered the appropriateness and transparency of the disclosures in the consolidated financial statements regarding the nature of the reconciling items between statutory and adjusted profit measures, especially in the context of the principle that financial reporting as a whole should be fair, balanced and understandable. As a result of our work, we determined that the classification of exceptional items was appropriate, that the group's policy in this area has been consistently applied and that the rationale for including or excluding items from adjusted profit has been consistently applied across gains and losses.

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 geographic structure of the group, the accounting processes and controls and the industry in which the group operates.

The consolidated financial statements are a consolidation of 183 reporting units, each of which is considered to be a component. We identified five components in the US, Canada and UK that required a full scope audit due to size. For a further three components in the US, UK and India, specific audit procedures over significant balances and transactions were performed to give appropriate audit coverage. None of the components not included in our group audit scope individually contributed more than 5% to consolidated revenue or 8% to statutory profit before tax, adjusted for certain non-recurring items.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at the components by us, as the group audit team, or by component auditors within PwC UK and from other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

We performed full scope audits in respect of Euromoney Trading Limited (UK), Euromoney Global Limited (UK), BCA Research, Inc. (Canada), Institutional Investor, Inc. (US) and Euromoney Institutional Investor PLC (UK) (the parent company) which, in our view, were financially significant and required a full scope audit due to their size.

Independent Auditor's Report

to the members of Euromoney Institutional Investor PLC continued

We performed specified procedures at Ned Davis Research, Inc. (US) over revenue and receivables (including accrued and deferred revenue), ISI India over cash and Tipall Limited (UK) over property, plant and equipment. This ensured that appropriate audit procedures were performed to achieve sufficient coverage over these financial statement line items.

In addition to instructing and reviewing the reporting from our component audit teams, we conducted visits to our full scope components in the US and Canada, which included file reviews and attendance at key audit meetings with local management. We also had regular dialogue with all component teams throughout the year.

The group consolidation, financial statement disclosures and corporate functions were audited by the group audit team. This included our work over goodwill and intangible assets, acquisitions and disposals, treasury, post-retirement benefits, share-based payments and tax.

Taken together, the components and corporate functions where we conducted audit procedures accounted for approximately 75% of the group's revenue, 76% of the group's statutory profit before tax and 91% of the group's statutory profit before tax, adjusted for certain non-recurring items. This provided the evidence we needed for our opinion on the consolidated financial statements taken as a whole. This was before considering the contribution to our audit evidence from performing audit work at the group level, including disaggregated analytical review procedures, which covers certain of the group's smaller and lower risk components that were not directly included in our group audit scope.

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

Overall group materiality	£4.1m (2015: £4.3m)
How we determined it	5% of statutory profit before tax of £43.9m, adjusted for certain non-recurring items comprising the exceptional items identified in note 5 to the consolidated financial statements and amounting to £37.3m.
Rationale for benchmark applied	The group's principal measure of earnings comprises adjusted operating profit, which adjusts statutory profit for a number of income and expenditure items. Management uses this measure as it believes that it eliminates the volatility inherent in non-recurring items. We have taken this measure into account in determining our materiality, except that we have not adjusted profit before tax to add back amortisation of acquired intangible assets, share of results in associates and joint ventures or net finance costs as in our view these are recurring items which do not introduce volatility to the group's earnings.
Component materiality	For each component in our audit scope, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £0.1m and £3.7m.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.2m (2015: £0.2m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

GOING CONCERN

Under the Listing Rules, we are required to review the directors' statement set out on page 43 in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland), we are required to report if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the group and the company have adequate resources to remain in operation, and that the directors intend them to remain in operation, for at least one year from the date the financial statements were signed. As part of our audit, we have concluded that the directors' use of the going concern basis is appropriate. 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.

OTHER REQUIRED REPORTING

CONSISTENCY OF OTHER INFORMATION

COMPANIES ACT 2006 OPINION

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ISAS (UK & IRELAND) REPORTING

Under ISAs (UK & Ireland), we are required to report to you if, in our opinion: • Information in the Annual Report is: – materially inconsistent with the information in the audited financial statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group and company acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report.
The statement given by the directors on page 45, in accordance with provision C.1.1 of the UK Corporate Governance Code (the 'Code'), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for 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 the company acquired in the course of performing our audit.	We have no exceptions to report.
The section of the Annual Report on pages 37 and 38, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report.

THE DIRECTORS' ASSESSMENT OF THE PROSPECTS OF THE GROUP AND OF THE PRINCIPAL RISKS THAT WOULD THREATEN THE SOLVENCY OR LIQUIDITY OF THE GROUP

Under ISAs (UK & Ireland), we are required to report to you if we have anything material to add or to draw attention to in relation to:

• the directors' confirmation on page 45 of the Annual Report, in accordance with provision C.2.1 of the Code, 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.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the directors' explanation on page 20 of the Annual Report, in accordance with provision C.2.2 of the Code, 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 material to add or to draw attention to.

Under the Listing Rules, we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the group and the directors' statement in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements, checking that the statements are in alignment with the relevant provisions of the Code and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Independent Auditor's Report

to the members of Euromoney Institutional Investor PLC continued

ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

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
- 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.

DIRECTORS' REMUNERATION

DIRECTORS' REMUNERATION REPORT — COMPANIES ACT 2006 OPINION

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

OTHER COMPANIES ACT 2006 REPORTING

Under the Companies Act 2006, we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

CORPORATE GOVERNANCE STATEMENT

Under the Listing Rules, we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the Code. We have nothing to report having performed our review.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on pages 44 and 45, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

GILES HANNAM
(Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
November 24 2016

Consolidated Income Statement

for the year ended September 30 2016

	Notes	**2016 £000**	2015 £000
Total revenue	3	**403,112**	403,412
Operating profit before acquired intangible amortisation, long-term incentive credit and exceptional items	3	**101,450**	104,234
Acquired intangible amortisation	12	**(16,733)**	(17,027)
Long-term incentive credit	24	**–**	2,490
Exceptional items	5	**(37,264)**	33,421
Operating profit	3, 4	**47,453**	123,118
Share of results in associates and joint ventures	14	**(1,823)**	(381)
Finance income	7	**694**	5,127
Finance expense	7	**(2,402)**	(4,579)
Net finance (costs)/income	7	**(1,708)**	548
Profit before tax	3	**43,922**	123,285
Tax expense on profit	8	**(12,909)**	(17,599)
Profit for the year	3	**31,013**	105,686
Attributable to:			
Equity holders of the parent		**30,744**	105,444
Equity non-controlling interests		**269**	242
		31,013	105,686
Basic earnings per share	10	**24.31p**	83.42p
Diluted earnings per share	10	**24.29p**	83.38p
Adjusted basic earnings per share	10	**66.57p**	70.16p
Adjusted diluted earnings per share	10	**66.51p**	70.12p
Dividend per share (including proposed dividends)	9	**23.40p**	23.40p

A detailed reconciliation of the group's statutory results to the adjusted results is set out in the appendix to the Chief Executive's Statement on pages 6 and 7.

Consolidated Statement of Comprehensive Income

for the year ended September 30 2016

	2016 £000	2015 £000
Profit for the year	**31,013**	105,686
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of cash flow hedges	**(5,202)**	(5,000)
Transfer of gains on cash flow hedges from fair value reserves to Income Statement:		
Foreign exchange (losses)/gains in total revenue	**(819)**	1,657
Foreign exchange losses in operating profit	**(1,214)**	(375)
Net exchange differences on translation of net investments in overseas subsidiary undertakings	**86,984**	24,305
Net exchange differences on foreign currency loans	**(43,401)**	(8,788)
Translation reserves recycled to Income Statement	**(636)**	–
Tax on items that may be reclassified	**1,437**	581
Items that will not be reclassified to profit or loss:		
Actuarial (losses)/gains on defined benefit pension schemes	**(7,215)**	2,421
Tax credit/(charge) on actuarial losses/gains on defined benefit pension schemes	**1,227**	(484)
Other comprehensive income for the year	**31,161**	14,317
Total comprehensive income for the year	**62,174**	120,003
Attributable to:		
Equity holders of the parent	**60,575**	119,429
Equity non-controlling interests	**1,599**	574
	62,174	120,003

Consolidated Statement of Financial Position

as at September 30 2016

	Notes	2016 £000	2015 £000
Non-current assets			
Intangible assets			
Goodwill	12	**396,105**	381,993
Other intangible assets	12	**155,034**	149,386
Property, plant and equipment	13	**10,472**	9,171
Investment in associates	14	**29,810**	32,437
Investment in joint ventures	14	**215**	30
Available-for-sale investments	14	**5,835**	5,835
Deferred consideration	25	**526**	258
Deferred tax assets	22	**3,886**	20
Derivative financial instruments	19	**9**	9
		601,892	579,139
Current assets			
Trade and other receivables	16	**73,491**	69,840
Preference shares		**–**	13,546
Deferred consideration	25	**–**	331
Current income tax assets		**7,112**	7,712
Group relief receivable		**121**	515
Cash deposit with DMGT group company		**73,639**	9,799
Cash and cash equivalents (excluding bank overdrafts)		**10,561**	8,889
Derivative financial instruments	19	**410**	1,313
Total assets of businesses held for sale	11	**5,013**	–
		170,347	111,945
Current liabilities			
Acquisition commitments	25	**(326)**	–
Deferred consideration	25	**(480)**	–
Trade and other payables	17	**(23,866)**	(24,011)
Current income tax liabilities		**(21,905)**	(15,843)
Accruals		**(73,375)**	(55,743)
Deferred income	18	**(113,446)**	(106,165)
Loan notes	20	**(185)**	(267)
Bank overdrafts		**(233)**	(741)
Derivative financial instruments	19	**(9,671)**	(3,346)
Provisions	21	**(353)**	(835)
Total liabilities of businesses held for sale	11	**(5,549)**	–
		(249,389)	(206,951)
Net current liabilities		**(79,042)**	(95,006)
Total assets less current liabilities		**522,850**	484,133

Consolidated Statement of Financial Position

as at September 30 2016 continued

	Notes	2016 £000	2015 £000
Non-current liabilities			
Acquisition commitments	25	**(11,445)**	(9,171)
Other non-current liabilities		**(486)**	(641)
Preference shares		**(10)**	(10)
Deferred income	18	**(5,340)**	(5,964)
Deferred tax liabilities	22	**(14,179)**	(18,424)
Net pension deficit	27	**(9,995)**	(1,973)
Derivative financial instruments	19	**(778)**	(661)
Provisions	21	**(3,116)**	(2,345)
		(45,349)	(39,189)
Net assets		**477,501**	444,944
Shareholders' equity			
Called up share capital	23	**321**	320
Share premium account		**102,835**	102,557
Other reserve		**64,981**	64,981
Capital redemption reserve		**8**	8
Own shares		**(21,005)**	(21,582)
Reserve for share-based payments		**37,334**	37,169
Fair value reserve		**(34,741)**	(27,506)
Translation reserve		**95,037**	53,420
Retained earnings		**224,218**	228,823
Equity shareholders' surplus		**468,988**	438,190
Equity non-controlling interests		**8,513**	6,754
Total equity		**477,501**	444,944

The financial statements on pages 67 to 129 were approved by the board of directors on November 24 2016 and signed on its behalf by:

ANDREW RASHBASS
COLIN JONES
Directors

Consolidated Statement of Changes in Equity

for the year ended September 30 2016

	Share capital £000	Share premium account £000	Other reserve £000	Capital redemption reserve £000	Own shares £000	Reserve for share-based payments £000	Fair value reserve £000	Translation reserve £000	Retained earnings £000	Total £000	Non-controlling interests £000	Total equity £000
At September 30 2014	320	102,011	64,981	8	(21,582)	39,158	(22,259)	36,706	149,564	348,907	7,616	356,523
Profit for the year	–	–	–	–	–	–	–	–	105,444	105,444	242	105,686
Other comprehensive (expense)/income for the year	–	–	–	–	–	–	(5,247)	16,714	2,518	13,985	332	14,317
Total comprehensive income for the year	–	–	–	–	–	–	(5,247)	16,714	107,962	119,429	574	120,003
Derecognition of non-controlling interest	–	–	–	–	–	–	–	–	1,079	1,079	(1,079)	–
Adjustment arising from change in non-controlling interest	–	–	–	–	–	–	–	–	(226)	(226)	82	(144)
Credit for share-based payments	–	–	–	–	–	(1,989)	–	–	–	(1,989)	–	(1,989)
Cash dividend paid	–	–	–	–	–	–	–	–	(29,064)	(29,064)	(439)	(29,503)
Exercise of share options	–	546	–	–	–	–	–	–	–	546	–	546
Tax relating to items taken directly to equity	–	–	–	–	–	–	–	–	(492)	(492)	–	(492)
At September 30 2015	320	102,557	64,981	8	(21,582)	37,169	(27,506)	53,420	228,823	438,190	6,754	444,944
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**30,744**	**30,744**	**269**	**31,013**
Other comprehensive (expense)/income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(7,235)**	**41,617**	**(4,551)**	**29,831**	**1,330**	**31,161**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(7,235)**	**41,617**	**26,193**	**60,575**	**1,599**	**62,174**
Recognition of acquisition commitments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(665)**	**(665)**	**–**	**(665)**
Non-controlling interest recognised on acquisition	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**363**	**363**
Exercise of acquisition option commitments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**40**	**40**	**(40)**	**–**
Adjustment arising from change in non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(356)**	**(356)**	**228**	**(128)**
Credit for share-based payments	**–**	**–**	**–**	**–**	**–**	**742**	**–**	**–**	**–**	**742**	**–**	**742**
Cash dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(29,592)**	**(29,592)**	**(391)**	**(29,983)**
Exercise of share options	**1**	**278**	**–**	**–**	**577**	**(577)**	**–**	**–**	**–**	**279**	**–**	**279**
Tax relating to items taken directly to equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(225)**	**(225)**	**–**	**(225)**
At September 30 2016	**321**	**102,835**	**64,981**	**8**	**(21,005)**	**37,334**	**(34,741)**	**95,037**	**224,218**	**468,988**	**8,513**	**477,501**

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT) and Euromoney Employee Share Trust (EEST). The trusts waived the rights to receive dividends. Interest and administrative costs are charged to the profit and loss account of the trusts as incurred.

	2016 Number	2015 Number
Euromoney Employees' Share Ownership Trust	**58,976**	58,976
Euromoney Employee Share Trust	**1,700,777**	1,747,631
Total	**1,759,753**	1,806,607
Nominal cost per share (p)	**0.25**	0.25
Historical cost per share (£)	**11.94**	11.95
Market value (£000)	**19,516**	17,163

The other reserve represents the share premium arising on the shares issued for the purchase of Metal Bulletin plc in October 2006.

Consolidated Statement of Cash Flows

for the year ended September 30 2016

	2016 £000	2015 £000
Cash flow from operating activities		
Operating profit	**47,453**	123,118
Long-term incentive expense/(credit)	**1,198**	(2,490)
Acquired intangible amortisation	**16,733**	17,027
Licences and software amortisation	**3,675**	2,680
Depreciation of property, plant and equipment	**2,806**	2,643
Profit on disposal of property, plant and equipment	**(4)**	(4,168)
Goodwill impairment	**26,987**	18,458
Intangibles impairment	**1,652**	–
Investment in associate impairment	**111**	–
Recognition of deficit on defined benefit scheme	**1,249**	–
Profit on disposal of associate	**–**	(2,921)
Profit on disposal of available-for-sale investment	**–**	(45,502)
Profit on disposal of business	**(7,094)**	(2,446)
Decrease in provisions	**(387)**	(1,757)
Operating cash flows before movements in working capital	**94,379**	104,642
Decrease in receivables	**1,719**	1,169
Increase in payables	**7,666**	3,641
Cash generated from operations	**103,764**	109,452
Income taxes paid	**(17,242)**	(13,670)
Group relief tax received/(paid)	**549**	(1,116)
Net cash generated from operating activities	**87,071**	94,666
Investing activities		
Dividends received from associate	**83**	123
Interest received	**699**	401
Purchase of intangible assets	**(2,402)**	(1,760)
Purchase of property, plant and equipment	**(3,231)**	(6,487)
Proceeds from disposal of property, plant and equipment	**20**	15,837
Purchase of available-for-sale investments	**–**	(5,835)
Purchase of subsidiary undertaking, net of cash acquired	**(14,092)**	–
Proceeds from disposal of business	**10,796**	40
Purchase of associates and joint venture	**(180)**	(934)
Proceeds from disposal of associate and joint venture	**–**	2,912
Proceeds from redemption of preference share capital in investment	**14,370**	–
Net cash from investing activities	**6,063**	4,297
Financing activities		
Dividends paid	**(29,592)**	(29,064)
Dividends paid to non-controlling interests	**(391)**	(439)
Interest paid	**(1,121)**	(904)
Issue of new share capital	**279**	546
Receipt/(payment) of deferred consideration	**662**	(11,558)
Purchase of additional interest in subsidiary undertakings	**(367)**	(252)
Redemption of loan notes	**(82)**	(223)
Deposit/loan repaid to DMGT group company	**(62,326)**	(56,735)
Net cash used in financing activities	**(92,938)**	(98,629)
Net increase in cash and cash equivalents	**196**	334
Cash and cash equivalents at beginning of year	**8,148**	8,571
Effect of foreign exchange rate movements	**1,984**	(757)
Cash and cash equivalents at end of year	**10,328**	8,148

Cash and cash equivalents include bank overdrafts.

Note to the Consolidated Statement of Cash Flows

as at September 30 2016

Net cash	2016 £000	2015 £000
At October 1	**17,680**	(37,596)
Net increase in cash and cash equivalents	**196**	334
Deposit/loan repaid to DMGT group company	**62,326**	56,735
Redemption of loan notes	**82**	223
Effect of foreign exchange rate movements	**3,498**	(2,016)
At September 30	**83,782**	17,680
Net cash comprises:		
Cash at bank and in hand	**10,561**	8,889
Bank overdrafts	**(233)**	(741)
Total cash and cash equivalents	**10,328**	8,148
Cash deposit with DMGT group company	**73,639**	9,799
Loan notes	**(185)**	(267)
Net cash	**83,782**	17,680

Notes to the Consolidated Financial Statements

1 ACCOUNTING POLICIES

GENERAL INFORMATION

Euromoney Institutional Investor PLC (the 'company') is a company incorporated in the United Kingdom (UK).

The group financial statements consolidate those of the company and its subsidiaries (together referred to as the 'group') and equity account the group's interest in associates and joint ventures. The parent company financial statements present information about the entity and not about its group.

The group financial statements have been prepared and approved by the directors in accordance with the International Financial Reporting Standards (IFRS) adopted for use in the European Union and, therefore, comply with Article 4 of the EU IAS Regulation. The company has elected to prepare its parent company financial statements in accordance with Financial Reporting Standard 102.

Judgements made by the directors in the application of those accounting policies that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year, are discussed in note 2.

Certain changes to IFRS will be applicable to the group financial statements in future years. Set out below are those which are considered to be most relevant to the group.

RELEVANT NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT EFFECTIVE SUBSEQUENT TO THE YEAR END:

- IFRS 9 'Financial Instruments' – subject to EU endorsement, the expected mandatory effective date of implementation is January 1 2018
- IFRS 15 'Revenue from Contracts with Customers' – subject to EU endorsement, the expected mandatory effective date of implementation is January 1 2018
- IFRS 16 'Leases' – subject to EU endorsement, the expected mandatory effective date of implementation is January 1 2019
- Amendments to IAS 38 on Intangible Assets
- Annual Improvements 2012–2014 Cycle

The directors are still assessing the impact of these standards but do not expect there to be a material impact on the financial statements of the group.

BASIS OF PREPARATION

The accounts have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. The accounting policies set out below have been applied consistently to all periods presented in these group financial statements. Having assessed the principal risks and the other matters discussed in connection with the viability statement, the directors consider it appropriate to adopt the going concern basis of accounting in preparing this Annual Report.

Current income tax balances for 2015 have been re-presented to reflect a reclassification from assets to liabilities amounting to £1.8m. These reclassifications have no impact on net assets.

Deferred income balances have been re-presented to reflect a reclassification of deferred income of £6m from current assets to non-current assets. These reclassifications have no impact on net assets.

(A) SUBSIDIARIES

The consolidated accounts incorporate the accounts of the company and entities controlled by the company (its 'subsidiaries'). The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

The group uses the acquisition method of accounting to account for business combinations. The amount recognised as consideration by the group equates to the fair value of the assets, liabilities and equity acquired by the group plus contingent consideration (should there be any such arrangement). Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition. The group recognises any non-controlling interest in the acquiree at fair value.

To the extent the consideration (including the assumed contingent consideration) provided by the acquirer is greater than the fair value of the assets and liabilities, this amount is recognised as goodwill. Goodwill also incorporates the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised as 'negative goodwill' directly in the Income Statement.

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 asset and liabilities are recognised to reflect new information obtained about facts and circumstances that existed as of the date of the acquisition that, if known, would have affected the amounts recognised as of 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 of the acquisition date and is a maximum of one year.

1 ACCOUNTING POLICIES *continued*

PARTIAL ACQUISITIONS – CONTROL UNAFFECTED

Where the group acquires an additional interest in an entity in which a controlling interest is already held, the consideration paid for the additional interest is reflected within movements in equity as a reduction in non-controlling interests. No goodwill is recognised.

STEP ACQUISITIONS – CONTROL PASSES TO THE GROUP

Where a business combination is achieved in stages, at the stage at which control passes to the group, the previously held interest is treated as if it had been disposed of, along with the consideration paid for the controlling interest in the subsidiary. The fair value of the previously held interest then forms one of the components that is used to calculate goodwill, along with the consideration and the non-controlling interest less the fair value of identifiable net assets. The consideration paid for the earlier stages of a step acquisition, before control passes to the group, is treated as an investment in an associate.

(B) TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Transactions with non-controlling interests in the net assets of consolidated subsidiaries are identified separately and included in the group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and its share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(C) 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 associates, less any impairment in the value of the investment. Losses of joint ventures and associates in excess 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.

Losses of joint ventures and associates in excess 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

FUNCTIONAL AND PRESENTATION CURRENCY

The functional and presentation currency of Euromoney Institutional Investor PLC and its UK subsidiaries, other than Fantfoot Limited, Centre for Investor Education (UK) Limited and Redquince Limited, is sterling. The functional currency of other subsidiaries, associates, joint ventures and available-for-sale investments is the currency of the primary economic environment in which they operate.

TRANSACTIONS AND BALANCES

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Gains and losses arising on foreign currency borrowings and derivative instruments, to the extent that they are used to provide a hedge against the group's equity investments in overseas undertakings, are taken to equity together with the exchange difference arising on the net investment in those undertakings. All other exchange differences are taken to the Income Statement.

On consolidation exchange differences arising from the translations of the net investment in foreign entities and borrowings and other currency instruments designated as hedges such as investments are taken to shareholders' equity. The group treats specific inter-company loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment.

GROUP COMPANIES

The Income Statements of overseas operations are translated into sterling at the weighted average exchange rates for the year and their balance sheets are translated into sterling at the exchange rates ruling at the balance sheet date. All exchange differences arising on consolidation are taken to equity. In the event of the disposal of an operation, the related cumulative translation differences are recognised in the Income Statement in the period of disposal.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation of property, plant and equipment is provided on a straight-line basis over their expected useful lives at the following rates per year:

Freehold land	do not depreciate
Freehold buildings	2%
Long-term leasehold premises	over term of lease
Short-term leasehold premises	over term of lease
Office equipment	11% – 33%

Notes to the Consolidated Financial Statements

CONTINUED

1 ACCOUNTING POLICIES *continued*

INTANGIBLE ASSETS

GOODWILL

Goodwill represents the excess of the fair value of purchase consideration over the net fair value of identifiable assets and liabilities acquired.

Goodwill is recognised as an asset at cost and subsequently measured at cost less accumulated impairment. For the purposes of impairment testing, goodwill is allocated to those cash generating units that have benefited from the acquisition. Assets are grouped at the lowest level for which there are separately identifiable cash flows. The carrying value of goodwill is reviewed for impairment at least annually or where there is an indication that goodwill may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, then the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis. Any impairment is recognised immediately in the Income Statement and may not subsequently be reversed. On disposal of a subsidiary undertaking, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Goodwill arising on foreign subsidiary investments held in the consolidated balance sheet are retranslated into sterling at the applicable period end exchange rates. Any exchange differences arising are taken directly to equity as part of the retranslation of the net assets of the subsidiary.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts having been tested for impairment at that date. Goodwill written off to reserves under UK GAAP before October 1 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

INTERNALLY GENERATED INTANGIBLE ASSETS

An internally generated intangible asset arising from the group's software and systems development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software or a website);
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are recognised at cost and amortised on a straight-line basis over the useful lives from the date the asset becomes usable. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

OTHER INTANGIBLE ASSETS

For all other intangible assets, the group initially makes an assessment of their fair value at acquisition. An intangible asset will be recognised as long as the asset is separable or arises from contractual or other legal rights, and its fair value can be measured reliably.

Subsequent to acquisition, amortisation is charged so as to write off the costs of other intangible assets over their estimated useful lives, using a straight-line or reducing balance method. These intangible assets are reviewed for impairment as described below.

These intangibles are stated at cost less accumulated amortisation and impairment losses.

AMORTISATION

Amortisation of intangible assets is provided on a reducing balance basis or straight-line basis as appropriate over their expected useful lives at the following rates per year:

Trademarks and brands	5 – 30 years
Customer relationships	1 – 16 years
Databases	1 – 22 years
Licences and software	3 – 5 years

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

TRADE AND OTHER RECEIVABLES

Trade receivables are recognised and carried at original invoice amount, less provision for impairment. A provision is made and charged to the Income Statement when there is objective evidence that the group will not be able to collect all amounts due in accordance to the original terms. More information on impairment is included in the impairment of financial assets section below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

1 ACCOUNTING POLICIES *continued*

FINANCIAL ASSETS

The group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its assets on initial recognition and re-evaluates this designation at every reporting date. Financial assets in the following categories are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

CLASSIFICATION

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Available-for-sale (AFS) financial assets

AFS financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

RECOGNITION AND MEASUREMENT

Regular purchases and sales of financial assets are recognised on the date on which the group commits to purchase or sell the asset. The group derecognises financial assets when it ceases to be a party to such arrangements. All financial assets, other than those carried at fair value through profit or loss, are initially recognised at fair value plus transaction costs.

Financial assets at fair value through profit and loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss component of the Statement of Comprehensive Income. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss category' are included in the profit and loss component of the Statement of Comprehensive Income in the period in which they arise. Dividend income from assets, categorised as financial assets at fair value through profit or loss, is recognised in the profit and loss component of the Statement of Comprehensive Income as part of other income when the group's right to receive payments is established.

Loans and receivables

Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale (AFS) financial assets

AFS financial assets are subsequently measured at fair value where it can be measured reliably. AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses.

OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

IMPAIRMENT OF FINANCIAL ASSETS

The group assesses at each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimate of future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  i. adverse changes in the payment status of borrowers in the portfolio; and
  ii. national or local economic conditions that correlate with defaults on the assets in the portfolio.

Notes to the Consolidated Financial Statements

CONTINUED

1 ACCOUNTING POLICIES *continued*

The group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in the profit and loss component of the Statement of Comprehensive Income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If the asset's carrying amount is reduced, the amount of the loss is recognised in the profit and loss component of the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit and loss component of the Statement of Comprehensive Income.

FINANCIAL LIABILITIES

RECOGNITION

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the relevant instrument. The group derecognises financial liabilities when it ceases to be a party to such provisions.

COMMITTED BORROWINGS AND BANK OVERDRAFTS

Interest-bearing loans and overdrafts are recorded at the amounts received, net of direct issue costs. Direct issue costs are amortised over the period of the loans and overdrafts to which they relate. Finance charges, including premiums payable on settlement or redemption are charged to the Income Statement as incurred using the effective interest rate method and are added to the carrying value of the borrowings or overdraft to the extent they are not settled in the period in which they arise.

TRADE PAYABLES AND ACCRUALS

Trade payables and accruals are not interest-bearing and are stated at their fair value.

DERIVATIVE FINANCIAL INSTRUMENTS

The group uses various derivative financial instruments to manage its exposure to foreign exchange and interest rate risks, including forward foreign currency contracts and interest rate swaps.

All derivative instruments are recorded in the Statement of Financial Position at fair value. The recognition of gains or losses on derivative instruments depends on whether the instrument is designated as a hedge and the type of exposure it is designed to hedge. The group designates certain derivatives as either:

a. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

b. hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

c. hedges of a net investment in a foreign operation (net investment hedge).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the derivative matures in more than 12 months, and as a current asset or liability when the derivative matures in less than 12 months. Trading derivatives are classified as a current asset or liability. Changes in the fair value of the derivative financial instruments that do not qualify for hedge accounting are recognised in the Income Statement as they arise.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Income Statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the Income Statement within 'operating profit'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the Income Statement within 'finance costs'.

Cash flow hedge

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income within the Statement of Comprehensive Income. The ineffective portion of such gains and losses is recognised in the Income Statement immediately.

Amounts accumulated in equity are reclassified to the Income Statement in the periods when the hedged item is recognised in the Income Statement (for example, when the forecast transaction that is hedged takes place).

The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the Income Statement accordingly, the gain or loss relating to the ineffective portion is recognised in the Income Statement immediately. However, whenever the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in depreciation in the case of fixed assets.

1 ACCOUNTING POLICIES *continued*

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Net investment hedge

Hedges of net investments in foreign operations are accounted for in the same way as cash flow hedges.

Gains or losses on the qualifying part of net investment hedges are recognised in other comprehensive income together with the gains and losses on the underlying net investment. The ineffective portion of such gains and losses is recognised in the Income Statement immediately.

The group does not hedge the translation of the results of foreign subsidiaries. Fluctuations in the value of sterling versus foreign currencies could materially affect the amount of these items in the consolidated financial statements, even if their values have not changed in their original currency. The group does endeavour to match foreign currency borrowings to investments in order to provide a natural hedge for the translation of the net assets of overseas subsidiaries.

Gains and losses accumulated in equity are transferred to the Income Statement when the foreign operation is partially disposed of or sold.

LIABILITIES IN RESPECT OF ACQUISITION COMMITMENTS AND DEFERRED CONSIDERATION

Liabilities for acquisition commitments over the remaining minority interests in subsidiaries and deferred consideration are recorded in the Statement of Financial Position at their estimated discounted present value. These discounts are unwound and charged to the Income Statement as notional interest over the period up to the date of the potential future payment.

TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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 balance sheet date.

Deferred taxation is calculated under the provisions of IAS 12 'Income Tax' and is recognised on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for 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. No provision is made for temporary differences on unremitted earnings of foreign subsidiaries or associates where the group has control and the reversal of the temporary difference is not foreseeable.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced 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. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to Consolidated Statement of Comprehensive Income and equity, in which case the deferred tax is also dealt with in Consolidated Statement of Comprehensive Income and equity.

Deferred tax assets and liabilities are offset 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.

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. The group does not consider detection risk when making its estimates.

PROVISIONS

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation. If material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

PENSIONS

Contributions to pension schemes in respect of current and past service, ex-gratia pensions, and cost of living adjustments to existing pensions are based on the advice of independent actuaries.

DEFINED CONTRIBUTION PLANS

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate non-group related entity. Payments to the Euromoney Pension Plan and the Metal Bulletin Group Personal Pension Plan, both defined contribution pension schemes, are charged as an expense as they fall due.

Notes to the Consolidated Financial Statements

CONTINUED

1 ACCOUNTING POLICIES *continued*

Multi-employer scheme

The group also participates in the Harmsworth Pension Scheme, a defined benefit pension scheme which is operated by Daily Mail and General Trust plc. Up to September 30 2016 there was no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to the individual entities, the group recognised an expense equal to its contributions payable in the period and did not recognise any unfunded liability of this pension scheme on its balance sheet. In other words, this scheme was treated as a defined contribution plan. However, due to a change in policy by DMGT the assets and liabilities of the DMGT group's defined benefit plan have been allocated on a buy-out basis at September 30 2016.

DEFINED BENEFIT PLANS

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Statement of Financial Position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the Statement of Comprehensive Income in the period in which they occur.

Past-service costs are recognised immediately in the Income Statement.

SHARE-BASED PAYMENTS

The group makes share-based payments to certain employees which are equity and cash-settled. These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest. At the end of each period the vesting assumptions are revisited and the charge associated with the fair value of these options updated. For cash-settled share-based payments a liability equal to the portion of the services received is recognised at the current fair value as determined at each balance sheet date.

REVENUE

Revenue represents income from advertising, subscriptions, sponsorship and delegate fees, net of value added tax.

- Advertising revenues are recognised in the Income Statement on the date of publication.
- Subscription revenues are recognised in the Income Statement on a straight-line basis over the period of the subscription. Subscription revenues contains certain items recognised on a cash basis including voting revenues where the amount paid by the customer is determined by a qualitative vote and paid in arrears for services rendered, and best efforts revenues where the payments for services rendered are uncertain until received.
- Sponsorship and delegate revenues are recognised in the Income Statement over the period the event is run.

Revenues invoiced but relating to future periods are deferred and treated as deferred income in the Statement of Financial Position.

LEASED ASSETS

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to the Income Statement on a straight-line basis as allowed by IAS 17 'Leases'.

DIVIDENDS

Dividends are recognised as a liability in the period in which they are approved by the company's shareholders. Interim dividends are recorded in the period in which they are paid.

OWN SHARES HELD BY EMPLOYEES' SHARE OWNERSHIP TRUST AND EMPLOYEES SHARE TRUST

Transactions of the group-sponsored trusts are included in the group financial statements. In particular, the trusts' holdings of shares in the company are debited direct to equity. The group provides finance to the trusts to purchase company shares to meet the obligation to provide shares when employees exercise their options or awards. Costs of running the trusts are charged to the Income Statement. Shares held by the trusts are deducted from other reserves.

EARNINGS PER SHARE

The earnings per share and diluted earnings per share calculations follow the provisions of IAS 33 'Earnings Per Share'. The diluted earnings per share figure is calculated by adjusting for the dilution effect of the exercise of all ordinary share options, SAYE options and the Capital Appreciation Plan options granted by the company, but excluding the ordinary shares held by the Euromoney Employees' Share Ownership Trust and Euromoney Employee Share Trust.

EXCEPTIONAL ITEMS

Exceptional items are items of income or expense considered by the directors, either individually or if of a similar type in aggregate, as being significant and which require additional disclosure in order to provide an indication of the underlying trading performance of the group. Such items could include, but may not be limited to, costs associated with business combinations, one-off gains and losses on the disposal of businesses and properties, one-off reorganisation or restructuring costs associated with major restructuring programmes, and impairment of goodwill and acquired intangible assets.

1 ACCOUNTING POLICIES *continued*

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the board and executive committee members who are responsible for strategic decisions, allocating resources and assessing performance of the operating segments.

2 KEY JUDGEMENTAL AREAS ADOPTED IN PREPARING THESE FINANCIAL STATEMENTS

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the group should it later be determined that a different choice would have been more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its key judgemental areas and accordingly provides an explanation of each below. Management has discussed its critical accounting estimates and associated disclosures with the group's audit committee. The discussion below should be read in conjunction with the group's disclosure of accounting policies in note 1.

ACQUISITIONS

The purchase consideration for the acquisition of a subsidiary or business is allocated over the net 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. The group recognises intangible assets acquired as part of a business at fair value at the date of acquisition. The determination of these fair values is based upon management's judgement 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 lives of intangibles assets and charge amortisation on the assets accordingly.

ACQUISITION COMMITMENTS

The group is party to put and call options over the remaining non-controlling interests in some of its subsidiaries. IAS 32 'Financial Instruments: Presentation' requires the discounted present value of these acquisition commitments to be recognised as a liability on the Statement of Financial Position with a corresponding decrease in reserves. Each period end management reassesses the amount expected to be paid and any changes to the initial amount are recognised as a finance income or expense in the Income Statement. The discounts are unwound as a notional interest charge to the Income Statement. Key areas of judgement in calculating the discounted present value of these commitments are the expected future cash flows and earnings of the business, the period remaining until the option is exercised and the discount rate. At September 30 2016, the discounted present value of these acquisition commitments was £11.8m (2015: £9.2m)

GOODWILL AND OTHER INTANGIBLES IMPAIRMENT

Goodwill is impaired where the carrying value of goodwill is higher than the net present value of future cash flows of those cash generating units to which it relates. Key areas of judgement in calculating the net present value are the forecast cash flows, the long-term growth rate of the applicable businesses and the discount rate applied to those cash flows. Goodwill held on the Statement of Financial Position at September 30 2016 was £396.1m (2015: £382.0m).

INVESTMENTS

Investments are impaired where the carrying value of an investment is higher than the net present value of the future cash flows. Key areas of judgement in calculating the net present value are the forecast cash flows, the long-term growth rate of the applicable businesses and the discount rate applied to those cash flows. Investments held on the Statement of Financial Position at September 30 2016 was £35.9m (2015: £38.3m).

TAXATION

The group's tax expense on profit is the sum of the total current and deferred tax expense. The calculation of the group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profit and loss and/or cash flow variances.

The group is a multinational with tax affairs in many geographical locations. This inherently leads to complexity in the group's tax structure and makes the degree of estimation and judgement challenging. The resolution of issues is not always within the control of the group and it is often dependent on the efficiency of the legislative processes in the relevant taxing jurisdictions in which the group operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period include payments on account and depend on the final resolution of open items. As a result, there can be substantial differences between the tax expense in the Income Statement and tax payments.

The group has significant open items in several tax jurisdictions and as a result the amounts recognised in the group financial statements in respect of these items are derived from the group's best estimation and judgement. However, the inherent uncertainty regarding the outcome of these items means eventual resolution could differ from the accounting estimates and therefore affect the group's results and cash flows.

The group considers each uncertain tax matter on the technical merits of the case in law, taking into account all relevant evidence, including the known attitude of tax authorities in making an assessment of the likelihood a matter will crystallise. The uncertain tax provisions are calculated by determining the single most likely cash flow for each issue rather than by applying a probability threshold and this methodology has been applied consistently year-on-year.

Notes to the Consolidated Financial Statements

CONTINUED

2 KEY JUDGEMENTAL AREAS ADOPTED IN PREPARING THESE FINANCIAL STATEMENTS *continued*

DIRECT TAX

There are two main areas of direct tax risk within the group as follows:

- Permanent establishment risk: the group operates in multiple jurisdictions and has internationally mobile employees. There is a risk that operating activities could inadvertently create a taxable presence in countries where the group does not have an entity. The group proactively manages this risk and has a transfer pricing policy in place for intercompany transactions. It held an uncertain tax provision at September 30 2016 of £2.6m (2015: £2.9m) in respect of this risk.
- Challenges by tax authorities: where arrangements that have been adopted on the basis of professional advice are challenged by tax authorities and there is an expectation that there is more likely than not to be a cash outflow, this risk is provided for. The group held a provision in respect of this risk at September 30 2016 of £9.9m (2015: £9.8m). The group had been challenged on: whether certain business disposals should give rise to capital gains; a number of internal financing arrangements between different jurisdictions that give rise to asymmetrical tax outcomes; and whether tax deductions taken for costs arising within the group's treasury function are permissible.

The maximum potential additional exposure for the group in relation to uncertain tax positions not provided for is approximately £22m if all cases were to be settled at the maximum potential liability. Given the number of discrete exposures this relates to and the nature of the uncertainties involved, the probability of this maximum outflow outcome arising is very remote.

INDIRECT TAX

At September 30 2016, an incremental provision of £7.9m (including interest) was recognised as an exceptional item (note 5) increasing the group's provisions, including interest, to £9.5m. These uncertain tax positions represent the maximum estimated liability in relation to a potential overseas sales tax exposure based on an adverse tax ruling.

In addition, the group has gone through a process of reviewing and assessing indirect tax exposure across the group in the year and a further £4.2m provision is the group's best estimate of the most probable outflow relating to these exposures.

RETIREMENT BENEFIT SCHEMES

The surplus or deficit in the defined benefit pension scheme that is recognised through the Statement of Comprehensive Income is subject to a number of assumptions and uncertainties. The calculated liabilities of the scheme are based on assumptions regarding salary increases, inflation rates, discount rates, the long-term expected return on the scheme's assets and member longevity. Details of the assumptions used are shown in note 27. Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes.

PRESENTATION OF ADJUSTED PERFORMANCE

The directors believe that the adjusted profit and earnings per share measures provide additional useful information for shareholders on evaluating the performance of the business. These measures are consistent with how business performance is measured internally. The adjusted profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies. Adjusted figures are presented before the impact of amortisation of acquired intangible assets (comprising trademarks and brands, databases and customer relationships), exceptional items, share of acquired intangibles amortisation and exceptional items, tax in associates and joint ventures, and net movements in deferred consideration and acquisition commitments. In respect of earnings, adjusted amounts reflect a tax rate that includes the current tax effect of the goodwill and intangible assets. Many of the group's acquisitions, particularly in the US, give rise to significant tax savings as the amortisation of goodwill and intangible assets on acquisition is deductible for tax purposes. The group considers that the resulting adjusted effective tax rate is therefore more representative of its tax payable position. The group has consistently applied this definition of adjusted measures as it has reported on its financial performance in the past and it is the group's intention to continue to consistently apply this definition in the future. A reconciliation is set out in the appendix to the Chief Executive's Statement on pages 6 and 7.

CENTRE FOR INVESTOR EDUCATION LIMITED (CIE)

In April 2013 the group acquired a 75% equity interest in CIE for a final consideration of £10.2m, with a commitment to acquire the remaining 25% by early 2016. As part of the local statutory audit of CIE for the year to September 30 2014, a number of governance and financial irregularities were identified which remain subject to legal resolution. As a result of these irregularities, the former owner-managers of CIE were replaced and a number of adjustments were made to the group's investment in CIE. In October 2015, the group filed a public statement of claim against the previous owners for breaches of warranties and other damages. The group in preparation of these financial statements at September 30 2016 has examined all evidence, including its own management investigation and Deloitte & Touche LLP Australia's findings, in reaching the conclusion that no further amounts are payable under the share purchase agreement for CIE.

3 SEGMENTAL ANALYSIS

Segmental information is presented in respect of the group's business divisions and reflects the group's management and internal reporting structure. The directors have restated the segmental information to reflect the changes in the group's operations following the implementation of the new group strategy. The group is organised into four business divisions: Asset management; Pricing, data and market intelligence; Banking and finance; and Commodity events.

Asset management and pricing, data and market intelligence consist primarily of subscription revenue. Banking and finance consists mainly of both sponsorship income and delegates revenue. Commodity events consists primarily of delegates revenue. A breakdown of the group's revenue by type is set out below.

In April 2016, the group disposed of 100% of the equity share capital of Gulf Publishing Company, Inc. (Gulf) and The Petroleum Economist Limited (PE). As a result segment information from the disposal of Gulf and PE has been reclassified as sold/closed businesses and the comparative split of divisional revenues, revenue by type and operating profits have been restated.

Analysis of the group's three main geographical areas is also set out to provide additional information on the trading performance of the businesses.

Inter-segment sales are charged at prevailing market rates and shown in the eliminations columns.

2016	**Subscriptions and content £000**	**Advertising £000**	**Sponsorship £000**	**Delegates £000**	**Other £000**	**Total revenue £000**
Revenue by division and type:						
Asset management	**131,991**	**14,285**	**14,282**	**3,745**	**232**	**164,535**
Pricing, data and market intelligence	**89,920**	**15,166**	**11,127**	**17,247**	**1,426**	**134,886**
Banking and finance	**10,456**	**9,833**	**29,895**	**22,879**	**1,500**	**74,563**
Commodity events	**45**	**10**	**5,739**	**22,902**	**565**	**29,261**
	232,412	**39,294**	**61,043**	**66,773**	**3,723**	**403,245**
Sold/closed businesses						**5,085**
Foreign exchange losses on forward contracts						**(5,218)**
Total revenue						**403,112**

2015	Subscriptions and content £000	Advertising £000	Sponsorship £000	Delegates £000	Other £000	Total revenue £000
Revenue by division and type:						
Asset management	119,905	14,159	13,183	3,266	303	150,816
Pricing, data and market intelligence	84,538	15,908	11,004	16,165	1,377	128,992
Banking and finance	10,372	11,153	27,945	28,213	2,820	80,503
Commodity events	–	–	6,363	22,453	733	29,549
	214,815	41,220	58,495	70,097	5,233	389,860
Sold/closed businesses						12,929
Foreign exchange gains on forward contracts						623
Total revenue						403,412

Notes to the Consolidated Financial Statements

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3 SEGMENTAL ANALYSIS *continued*

	United Kingdom		North America		Rest of World		Eliminations		Total	
	2016 £000	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000
Revenue by division and source:										
Asset management	**11,327**	12,598	**151,532**	136,571	**2,531**	2,767	**(855)**	(1,120)	**164,535**	150,816
Pricing, data and market intelligence	**92,529**	88,742	**21,477**	19,410	**26,286**	25,627	**(5,406)**	(4,787)	**134,886**	128,992
Banking and finance	**43,584**	49,523	**26,828**	25,369	**5,434**	6,886	**(1,283)**	(1,275)	**74,563**	80,503
Commodity events	**20,206**	24,525	**–**	–	**9,055**	5,024	**–**	–	**29,261**	29,549
Sold/closed businesses	**1,070**	3,561	**4,122**	9,700	**–**	–	**(107)**	(332)	**5,085**	12,929
Foreign exchange (losses)/gains on forward contracts	**(5,218)**	623	**–**	–	**–**	–	**–**	–	**(5,218)**	623
Total revenue	**163,498**	179,572	**203,959**	191,050	**43,306**	40,304	**(7,651)**	(7,514)	**403,112**	403,412
Revenue by destination	**50,893**	62,228	**183,587**	172,809	**168,632**	168,375	**–**	–	**403,112**	403,412

	United Kingdom		North America		Rest of World		Total	
	2016 £000	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000
Adjusted operating profit[1] by division and source:								
Asset management	**1,697**	1,055	**53,579**	50,298	**672**	611	**55,948**	51,964
Pricing, data and market intelligence	**29,835**	29,576	**9,170**	5,692	**5,292**	5,903	**44,297**	41,171
Banking and finance	**3,012**	8,432	**7,538**	7,830	**313**	1,065	**10,863**	17,327
Commodity events	**5,583**	8,938	**–**	(12)	**2,433**	40	**8,016**	8,966
Sold/closed businesses	**(85)**	1,536	**261**	2,692	**–**	(14)	**176**	4,214
Unallocated corporate costs	**(12,386)**	(15,138)	**(3,782)**	(2,535)	**(1,682)**	(1,735)	**(17,850)**	(19,408)
Operating profit before acquired intangible amortisation, long-term incentive credit and exceptional items	**27,656**	34,399	**66,766**	63,965	**7,028**	5,870	**101,450**	104,234
Acquired intangible amortisation[2] (note 12)	**(6,886)**	(6,822)	**(9,610)**	(9,645)	**(237)**	(560)	**(16,733)**	(17,027)
Long-term incentive credit (note 24)	**–**	1,269	**–**	757	**–**	464	**–**	2,490
Exceptional items (note 5)	**(31,297)**	36,781	**(4,409)**	1,752	**(1,558)**	(5,112)	**(37,264)**	33,421
Operating profit	**(10,527)**	65,627	**52,747**	56,829	**5,233**	662	**47,453**	123,118
Share of results in associates and joint ventures (note 14)							**(1,823)**	(381)
Finance income (note 7)							**694**	5,127
Finance expense (note 7)							**(2,402)**	(4,579)
Profit before tax							**43,922**	123,285
Tax expense (note 8)							**(12,909)**	(17,599)
Profit for the year							**31,013**	105,686

1 Operating profit before acquired intangible amortisation, long-term incentive credit and exceptional items (refer to the appendix to the Chief Executive's Statement).
2 Acquired intangible amortisation represents amortisation of acquisition-related non-goodwill assets such as trademarks and brands, customer relationships and databases (note 12).

3 SEGMENTAL ANALYSIS *continued*

	Acquired intangible amortisation		Long-term incentive credit		Exceptional items		Depreciation and amortisation	
	2016 £000	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000
Other segmental information by division:								
Asset management	**(10,189)**	(9,950)	**–**	324	**(10,810)**	(9,683)	**(1,458)**	(940)
Pricing, data and market intelligence	**(3,862)**	(4,470)	**–**	–	**(9,222)**	(989)	**(323)**	(275)
Banking and finance	**(209)**	(193)	**–**	–	**(280)**	(30)	**(7)**	(13)
Commodity events	**(2,186)**	(1,810)	**–**	–	**(13,056)**	(10,699)	**(65)**	(31)
Sold/closed businesses	**–**	–	**–**	–	**7,094**	2,429	**(13)**	(25)
Unallocated corporate (costs)/income	**(287)**	(604)	**–**	2,166	**(10,990)**	52,393	**(4,615)**	(4,039)
	(16,733)	(17,027)	**–**	2,490	**(37,264)**	33,421	**(6,481)**	(5,323)

	United Kingdom		North America		Rest of World		Total	
	2016 £000	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000
Non-current assets (excluding derivative financial instruments, deferred consideration and deferred tax assets) by location:								
Goodwill	**99,751**	122,037	**288,680**	253,560	**7,674**	6,396	**396,105**	381,993
Other intangible assets	**66,519**	64,773	**86,972**	83,913	**1,543**	700	**155,034**	149,386
Property, plant and equipment	**6,894**	7,274	**2,785**	1,340	**793**	557	**10,472**	9,171
Investments	**35,860**	38,302	**–**	–	**–**	–	**35,860**	38,302
Non-current assets	**209,024**	232,386	**378,437**	338,813	**10,010**	7,653	**597,471**	578,852
Additions to property, plant and equipment	**(993)**	(5,622)	**(2,275)**	(493)	**(494)**	(372)	**(3,762)**	(6,487)

The group has taken advantage of paragraph 23 of IFRS 8 'Operating Segments' and does not provide segmental analysis of net assets as this information is not used by the directors in operational decision making or monitoring of business performance.

Notes to the Consolidated Financial Statements

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4 OPERATING PROFIT

	2016 £000	2015 £000
Revenue	403,112	403,412
Cost of sales	(107,815)	(107,488)
Gross profit	295,297	295,924
Distribution costs	(2,768)	(3,278)
Administrative expenses	(245,076)	(169,528)
Operating profit	47,453	123,118

Administrative expenses include items separately disclosed in exceptional items of £37.3m (2015: credit of £33.4m) (note 5).

Operating profit is stated after charging/(crediting):	2016 £000	2015 £000
Staff costs (note 6)	164,814	158,381
Intangible amortisation:		
Acquired intangible amortisation	16,733	17,027
Licences and software	3,675	2,680
Depreciation of property, plant and equipment	2,806	2,643
Property operating lease rentals	10,111	8,961
(Profit)/loss on disposal of property, plant and equipment	(4)	13
Exceptional items (note 5):		
Profit on disposal of associate	–	(2,921)
Profit on disposal of available-for-sale investment	–	(45,502)
Profit on disposal of business	(7,094)	(2,446)
Profit on disposal of property, plant and equipment	–	(4,181)
Goodwill impairment	26,987	18,458
Intangibles impairment	1,652	–
Investment in associate impairment	111	–
Provision for sales tax	7,851	–
Recognition of defined benefit scheme	1,249	–
Restructuring and other exceptional costs	6,508	3,171
Foreign exchange (gain)/loss	(1,921)	2,449

Audit and non-audit services relate to:	2016 £000	2015 £000
Group audit:		
Fees payable for the audit of the group's annual accounts	714	509
Fees payable for other services to the group:		
Audit of subsidiaries pursuant to local legislation	334	250
	1,048	759
Assurance services:		
Audit related assurance services	128	119
Non-audit services:		
Taxation compliance services	33	16
Other taxation advisory services	67	63
Other services	92	34
	192	113
Total group auditor's remuneration	1,368	991

5 EXCEPTIONAL ITEMS

Exceptional items are items of income or expense considered by the directors, either individually or if of a similar type in aggregate, as being significant and which require additional disclosure in order to provide an indication of the underlying trading performance of the group.

	2016 £000	2015 £000
Profit on disposal of associate	**–**	2,921
Profit on disposal of available-for-sale investment	**–**	45,502
Profit on disposal of business and recycled cumulative translation differences	**7,094**	2,446
Profit on disposal of property, plant and equipment	**–**	4,181
	7,094	55,050
Goodwill impairment	**(26,987)**	(18,458)
Intangibles impairment	**(1,652)**	–
Investment in associate impairment	**(111)**	–
Provision for overseas sales tax	**(7,851)**	–
Recognition of deficit on defined benefit scheme	**(1,249)**	–
Restructuring and other exceptional costs	**(6,508)**	(3,171)
	(37,264)	33,421

For the year ended September 30 2016 the group recognised an exceptional charge of £37.3m.

In April 2016, the group sold 100% of the equity share capital of Gulf Publishing Company, Inc. (Gulf) and The Petroleum Economist Limited (PE) which gave rise to a profit on disposal of £7.1m (note 15).

The group recognised a goodwill impairment charge of £12.9m (2015: £10.7m) relating to Mining Indaba in the half year results. This was due to the continued challenging market conditions and the depreciation of the South African Rand, having a significant impact on the long-term outlook for this business. A goodwill impairment charge of £5.9m relates to HedgeFund Intelligence (HFI), the group's information and events business serving the hedge fund industry. The intangibles impairment charge of £1.7m relates to Euromoney Indices. HFI and Euromoney Indices have been classified as assets held for sale (note 11). The goodwill and intangibles have been valued at fair value less cost to sell resulting in the impairment. The remaining £8.2m charge for goodwill impairment relates to Total Derivatives, the prime source of real-time news and analysis of the global fixed income derivatives markets. The continued challenging market conditions for this sector has had a significant impact on the long-term outlook for this business.

During the year, the group acquired a further 17% of the equity share capital of World Bulk Wine increasing the group's equity shareholding to 57%. The transfer from associate to a subsidiary resulted in an impairment of associate of £0.1m (note 15).

The provision for overseas sales tax of £7.9m reflects the group's best estimate of the additional provision required for a potential sales tax exposure (including interest) relating to prior periods following an adverse tax ruling in June 2016. The group is in the process of challenging this judgement.

At September 30 2016, the group recognised its share of the deficit in the Harmsworth Pension Scheme (HPS), a defined benefit scheme. This is the result of the change in accounting policy by the group's parent company, Daily Mail and General Trust plc (DMGT), to allocate the assets and liabilities of the DMGT group's defined benefit plan on a buy-out basis (note 27).

Restructuring and other exceptional costs mostly comprise one-off costs incurred as a result of the strategic review undertaken during the year and professional fees from the legal dispute with the previous owners of Centre for Investor Education (CIE). The costs relating to the strategic review include one-off acquisition and integration costs (note 15), the major reorganisation of certain businesses and other professional fees relating to development of the group's new strategy.

The group's tax charge includes a related tax credit on these exceptional items of £5.3m (note 8).

For the year ended September 30 2015 the group recognised an exceptional credit of £33.4m.

The group disposed of its interests in a number of assets generating a gain on sale of £55.1m. Most of this relates to the sale of group's interests in Capital DATA and Capital NET as part of the Dealogic transaction.

The goodwill impairment charge consists of HFI (£4.8m), CIE (£3.0m) and Mining Indaba (£10.7m).

Restructuring and other exceptional costs cover the major reorganisation of certain businesses, costs relating to the relocation of the group's London headquarters, and professional fees resulting from the CIE dispute.

The group's tax charge includes a related tax charge on these exceptional items of £1.0m (note 8).

Notes to the Consolidated Financial Statements

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6 STAFF COSTS

(i) Number of staff (including directors and temporary staff)

	2016 Monthly average	2015 Monthly average
By business segment:		
Asset management	**631**	595
Pricing, data and market intelligence	**902**	893
Banking and finance	**293**	314
Commodity events	**87**	83
Central	**349**	435
	2,262	2,320

	2016 Monthly average	2015 Monthly average
By geographical location:		
United Kingdom	**890**	923
North America	**731**	741
Rest of World	**641**	656
	2,262	2,320

(ii) Staff costs (including directors and temporary staff)

	2016 £000	2015 £000
Wages and salaries	**148,869**	146,944
Social security costs	**11,424**	10,754
Other pension costs	**3,323**	3,173
Long-term incentive expense/(credit)	**1,198**	(2,490)
	164,814	158,381

Details of directors' remuneration have been disclosed in the Directors' Remuneration Report on pages 46 to 58.

7 FINANCE INCOME AND EXPENSE

	2016 £000	2015 £000
Finance income		
Interest on cash deposit with DMGT group company	**391**	–
Interest receivable from short-term investments	**303**	379
Movements in acquisition commitments (note 25)	**–**	4,748
	694	5,127
Finance expense		
Interest payable on committed borrowings with DMGT group company	**(1,346)**	(1,120)
Net interest expense on defined benefit liability (note 27)	**(66)**	(170)
Movements in acquisition commitments (note 25)	**(601)**	–
Movements in deferred consideration (note 25)	**–**	(2,851)
Interest on tax	**(389)**	(438)
	(2,402)	(4,579)
Net finance (costs)/income	**(1,708)**	548

7 FINANCE INCOME AND EXPENSE *continued*

	2016 £000	2015 £000
Reconciliation of net finance (costs)/income in Income Statement to adjusted net finance costs		
Total net finance (costs)/income in Income Statement	**(1,708)**	548
Add back:		
Movements in acquisition commitments	**601**	(4,748)
Movements in deferred consideration	**–**	2,851
	601	(1,897)
Adjusted net finance costs	**(1,107)**	(1,349)

The reconciliation of net finance (costs)/income in the Income Statement has been provided since the directors consider it necessary in order to provide an indication of the adjusted net finance costs.

8 TAX EXPENSE ON PROFIT

	2016 £000	2015 £000
Current tax expense		
UK corporation tax expense	**2,350**	7,989
Foreign tax expense	**20,682**	12,949
Adjustments in respect of prior years	**(14)**	(1,083)
	23,018	19,855
Deferred tax expense		
Current year	**(11,076)**	(1,764)
Adjustments in respect of prior years	**967**	(492)
	(10,109)	(2,256)
Total tax expense in Income Statement	**12,909**	17,599
Effective tax rate	**29%**	14%

The adjusted effective tax rate for the year is set out below:

	2016 £000	2015 £000
Reconciliation of tax expense in Income Statement to adjusted tax expense		
Total tax expense in Income Statement	**12,909**	17,599
Add back:		
Tax on acquired intangible amortisation	**4,397**	4,096
Tax on exceptional items	**5,267**	(983)
	9,664	3,113
Tax on goodwill and intangible amortisation	**(4,210)**	(4,113)
Share of tax on profits of associates and joint ventures	**656**	716
Adjustments in respect of prior years	**(953)**	1,575
	5,157	1,291
Adjusted tax expense	**18,066**	18,890
Adjusted profit before tax (refer to the appendix to the Chief Executive's Statement)	**102,529**	107,810
Adjusted effective tax rate	**18%**	18%

The group presents the above adjusted effective tax rate to help users of this report better understand its tax charge. In arriving at this rate, the group removes the tax effect of items which are adjusted for in arriving at the adjusted profit disclosed in the appendix to the Chief Executive's Statement. However, the current tax effect of goodwill and intangible items is not removed. The current tax benefit of tax deductible goodwill and intangibles is recognised in the adjusted effective tax rate as the group considers that this more accurately reflects its expected cash tax payable position as the deferred tax effect on the goodwill and intangible items is not expected to crystallise. The deferred tax effect on goodwill and intangible items would only crystallise in the event of a disposal and that is not expected.

Notes to the Consolidated Financial Statements

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8 TAX EXPENSE ON PROFIT *continued*

The actual tax expense for the year is different from 20% of profit before tax for the reasons set out in the following reconciliation:

	2016 £000	2015 £000
Profit before tax	**43,922**	123,285
Tax at 20% (2015: 20.5%)	**8,784**	25,273
Factors affecting tax charge:		
Different tax rates of subsidiaries operating in overseas jurisdictions	**4,386**	4,521
Share of tax on associates and joint ventures	**365**	(84)
Non-taxable income	**(400)**	(6,356)
Goodwill and intangibles	**2,591**	197
Disallowable expenditure	**1,964**	1,734
Other items deductible for tax purposes	**(5,340)**	(5,515)
Tax impact of consortium relief	**(544)**	(596)
Impact of change in rate	**150**	–
Adjustments in respect of prior years	**953**	(1,575)
Total tax expense for the year	**12,909**	17,599

The non-taxable income of £0.4m (2015: £6.4m) consists of a non-taxable gain on disposal of shares in a subsidiary. This is a non-recurring item. The prior year non-taxable income of £6.4m mainly consisted of a non-taxable gain on disposal of shares and gains on disposals of fixed assets covered by unrecognised capital losses brought forward partially offset by non-deductible goodwill impairment. These were non-recurring items.

The goodwill and intangibles of £2.6m (2015: £0.2m) arises as a result of non-deductible goodwill impairment. This is a non-recurring item.

The other items deductible for tax purposes of £5.3m (2015: £5.5m) arise as a result of financing arrangements that result in asymmetrical tax treatment in the territories involved. It arises primarily as a result of debt financing provided to US affiliates. These items are expected to recur in the short to medium term. The other items deductible for tax purposes in the prior year of £5.5m arise from the same financing arrangements.

Adjustments in respect of prior years of £1.0m (2015: £1.6m) reflect several small items across numerous jurisdictions that mainly relate to changes in estimates.

In addition to the amount charged to the Income Statement, the following amounts relating to tax have been directly recognised in other comprehensive income and equity:

	Other comprehensive income		**Equity**	
	2016 £000	2015 £000	**2016 £000**	2015 £000
Deferred tax (note 22)	**(2,664)**	(97)	**225**	492

9 DIVIDENDS

	2016 £000	2015 £000
Amounts recognisable as distributable to equity holders in year		
Final dividend for the year ended September 30 2015 of 16.40p (2014: 16.00p)	**21,033**	20,501
Interim dividend for year ended September 30 2016 of 7.00p (2015: 7.00p)	**8,981**	8,977
	30,014	29,478
Employee share trusts dividend	**(422)**	(414)
	29,592	29,064
Proposed final dividend for the year ended September 30	**21,043**	21,033
Employee share trusts dividend	**(289)**	(296)
	20,754	20,737

The proposed final dividend of 16.40p (2015: 16.40p) is subject to approval at the AGM on January 26 2017 and has not been included as a liability in these financial statements in accordance with IAS 10 'Events after the Reporting Period'.

10 EARNINGS PER SHARE

	2016 £000	2015 £000
Basic earnings attributable to equity holders of the parent	**30,744**	105,444
Adjustments (refer to the appendix to the Chief Executive's Statement)	**53,450**	(16,766)
Adjusted earnings	**84,194**	88,678

	2016 Number 000	2015 Number 000
Weighted average number of shares	**128,280**	128,202
Shares held by the employee share trusts	**(1,807)**	(1,807)
Weighted average number of shares	**126,473**	126,395
Effect of dilutive share options	**111**	65
Diluted weighted average number of shares	**126,584**	126,460

	Pence	Pence
Basic earnings per share	**24.31**	83.42
Adjustments per share	**42.26**	(13.26)
Adjusted basic earnings per share	**66.57**	70.16
Diluted earnings per share	**24.29**	83.38
Adjustments per share	**42.22**	(13.26)
Adjusted diluted earnings per share	**66.51**	70.12

The adjusted diluted earnings per share figure has been disclosed since the directors consider it provides additional useful information on evaluating the performance of the group.

Notes to the Consolidated Financial Statements

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11 TOTAL ASSETS AND LIABILITIES OF BUSINESSES HELD FOR SALE

Following the strategic review, a number of businesses met the IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' criteria to be classified as held for sale at September 30 2016. These businesses are Institutional Investor Intelligence (II Intelligence), Euromoney Indices and HedgeFund Intelligence (HFI). The assets and liabilities of these businesses have been disclosed separately on the face of the Consolidated Statement of Financial Position. The assets and liabilities held for sale were written down to their fair value less costs to sell. This is a non-recurring fair value which has been measured using indicative prices of other similar businesses, and is therefore within level 2 of the fair value hierarchy. None of these businesses met the IFRS 5 criteria to be treated as discontinued operations due to their size and the fact that they do not constitute major lines of the group's business.

On October 31 2016, the group entered into an asset purchase agreement between Institutional Investor LLC and Pageant Media Limited for the sale of assets of II Intelligence for an initial cash consideration of US$0.7m, royalty consideration receivable of up to US$0.3m over a 24 month period from the completion date and will assume the expected deferred income on completion. The deal is set for completion by the end of November 2016. This has been disclosed as an event after the balance sheet date (note 30).

An intangibles impairment for Euromoney Indices of £1.7m is recognised as an exceptional item in the Income Statement for the year ended September 30 2016 (note 5).

For HFI, the group's information and events business serving the hedge fund industry, a goodwill impairment charge of £5.9m has been recognised as an exceptional item (note 5).

The main classes of assets and liabilities comprising the businesses classified as held for sale are set out in the table below. These assets and liabilities are recorded at their fair values.

	II Intelligence £000	Euromoney Indices £000	HFI £000	Total £000
Book value				
Goodwill	–	–	4,020	4,020
Intangible assets	–	313	–	313
Trade and other receivables	–	486	194	680
Total assets of businesses held for sale	–	799	4,214	5,013
Trade and other payables	–	–	(263)	(263)
Accruals	(31)	(533)	(173)	(737)
Deferred income	(1,751)	(601)	(2,197)	(4,549)
Total liabilities of businesses held for sale	(1,782)	(1,134)	(2,633)	(5,549)
Net (liabilities)/assets (100%)	(1,782)	(335)	1,581	(536)

12 GOODWILL AND OTHER INTANGIBLES

	Acquired intangible assets							
2016	**Trademarks & brands £000**	**Customer relationships £000**	**Databases £000**	**Total £000**	**Licences & software £000**	**Intangible assets in development £000**	**Goodwill £000**	**Total £000**
Cost/carrying amount								
At October 1 2015	**171,861**	**102,777**	**12,616**	**287,254**	**15,165**	**–**	**429,272**	**731,691**
Additions	**3,834**	**6,874**	**886**	**11,594**	**1,445**	**957**	**8,919**	**22,915**
Disposals	**–**	**–**	**–**	**–**	**(69)**	**–**	**–**	**(69)**
Balance at disposal of company	**–**	**–**	**–**	**–**	**(33)**	**–**	**(7,217)**	**(7,250)**
Exchange differences	**19,387**	**10,477**	**1,271**	**31,135**	**1,207**	**23**	**45,155**	**77,520**
Classified as held for sale	**(1,203)**	**(3,369)**	**–**	**(4,572)**	**–**	**–**	**(11,816)**	**(16,388)**
At September 30 2016	**193,879**	**116,759**	**14,773**	**325,411**	**17,715**	**980**	**464,313**	**808,419**
Amortisation and impairment								
At October 1 2015	**73,510**	**63,147**	**8,769**	**145,426**	**7,607**	**–**	**47,279**	**200,312**
Amortisation charge	**7,956**	**7,764**	**1,013**	**16,733**	**3,675**	**–**	**–**	**20,408**
Impairment	**1,022**	**630**	**–**	**1,652**	**–**	**–**	**26,987**	**28,639**
Disposals	**–**	**–**	**–**	**–**	**(62)**	**–**	**–**	**(62)**
Balance at disposal of company	**–**	**–**	**–**	**–**	**(33)**	**–**	**(1,935)**	**(1,968)**
Exchange differences	**9,649**	**6,700**	**1,248**	**17,597**	**736**	**–**	**3,673**	**22,006**
Classified as held for sale	**(1,203)**	**(3,056)**	**–**	**(4,259)**	**–**	**–**	**(7,796)**	**(12,055)**
At September 30 2016	**90,934**	**75,185**	**11,030**	**177,149**	**11,923**	**–**	**68,208**	**257,280**
Net book value/carrying amount at September 30 2016	**102,945**	**41,574**	**3,743**	**148,262**	**5,792**	**980**	**396,105**	**551,139**

2015								
Cost/carrying amount								
At October 1 2014	164,843	98,713	12,083	275,639	12,923	62	411,815	700,439
Additions	–	–	–	–	1,324	436	–	1,760
Transfer	–	–	–	–	498	(498)	–	–
Exchange differences	7,018	4,064	533	11,615	420	–	17,457	29,492
At September 30 2015	171,861	102,777	12,616	287,254	15,165	–	429,272	731,691
Amortisation and impairment								
At October 1 2014	62,144	53,059	7,225	122,428	4,687	–	27,881	154,996
Amortisation charge	8,209	7,737	1,081	17,027	2,680	–	–	19,707
Impairment	–	–	–	–	–	–	18,458	18,458
Exchange differences	3,157	2,351	463	5,971	240	–	940	7,151
At September 30 2015	73,510	63,147	8,769	145,426	7,607	–	47,279	200,312
Net book value/carrying amount at September 30 2015	98,351	39,630	3,847	141,828	7,558	–	381,993	531,379

Intangible assets, other than goodwill, have a finite life and are amortised over their expected useful lives at the rates set out in the accounting policies in note 1 of this report.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGU) that are expected to benefit from that business combination.

Notes to the Consolidated Financial Statements

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12 GOODWILL AND OTHER INTANGIBLES *continued*

The carrying amounts of acquired intangible assets and goodwill by CGU are as follows:

	Acquired intangible assets		Goodwill	
	2016 £000	2015 £000	**2016 £000**	2015 £000
CEIC	**2,217**	1,799	**16,163**	13,916
EMIS	**187**	175	**10,998**	9,469
Petroleum Economist	**–**	–	**–**	236
Gulf Publishing	**–**	–	**–**	5,046
HedgeFund Intelligence (HFI)	**–**	–	**–**	9,886
Information Management Network	**2,830**	2,656	**36,518**	31,441
BCA	**50,618**	48,875	**177,681**	152,982
Metal Bulletin publishing businesses	**16,533**	17,992	**52,710**	52,710
FOW	**–**	–	**196**	196
Total Derivatives	**608**	1,044	**–**	8,180
TelCap	**1,747**	1,916	**10,448**	10,448
Structured Retail Products	**1,714**	1,908	**4,794**	4,794
Ned Davis Research (NDR)	**25,480**	25,273	**44,611**	38,410
Global Grain	**577**	525	**4,546**	3,889
TTI/Vanguard	**2,360**	2,190	**3,540**	3,048
Insider Publishing	**6,081**	6,775	**15,280**	15,280
Centre for Investor Education	**3,264**	2,838	**2,562**	2,021
Euromoney Indices	**–**	2,728	**–**	–
IJ Global	**4,613**	5,118	**7,091**	7,091
Mining Indaba	**17,877**	20,016	**–**	12,941
Fastmarkets	**10,020**	–	**7,194**	–
Reinsurance Security	**757**	–	**1,310**	–
World Bulk Wine	**779**	–	**454**	–
Other	**–**	–	**9**	9
	148,262	141,828	**396,105**	381,993
Classified as held for sale				
Euromoney Indices	**313**	–	**–**	–
HedgeFund Intelligence	**–**	–	**4,020**	–
Total	**148,575**	141,828	**400,125**	381,993

GOODWILL AND ACQUIRED INTANGIBLES ASSETS IMPAIRMENT TESTING

During the year the goodwill and acquired intangibles assets in respect of each of the above businesses was tested for impairment in accordance with IAS 36 ‘Impairment of Assets’. The methodology applied to most CGUs’ value in use calculations, reflecting past experience and external sources of information, included:

- budgets by business based on pre-tax cash flows with a CAGR of 2% to 17% for the next four years derived from approved 2016 budgets. Management believes these budgets to be reasonably achievable;
- pre-tax discount rates between 12% and 17%, derived from the company’s benchmarked weighted average cost of capital (WACC) of 10.3% adjusted for risks specific to the nature of CGUs and risks included within the cash flows themselves; and
- long-term nominal growth rate of between 1% and 5%.

12 GOODWILL AND OTHER INTANGIBLES *continued*

The recoverable amounts for HFI and Euromoney Indices were assessed using a fair value less costs of disposal model. This is a non-recurring fair value which has been measured using indicative prices of other similar businesses. These assets held for sale are classified as level 2 in the fair value hierarchy.

Following the impairment review, the impairment losses recognised in exceptional items (note 5) in respect of goodwill and intangibles are as follows:

CGU	Reportable segment	Goodwill impairment 2016 £000	Intangibles impairment 2016 £000	Recoverable amount 2016 £000	Discount rate 2016 %	Discount rate 2015 %
Mining Indaba	Commodity events	**12,941**	**–**	**17,877**	**15.4%**	12.3%
HedgeFund Intelligence	Asset management	**5,866**	**–**	**4,020**	**12.0%**	12.9%
Total Derivatives	Pricing, data and market intelligence	**8,180**	**–**	**608**	**12.0%**	12.9%
Euromoney Indices	Asset management	**–**	**1,652**	**313**	**12.0%**	12.9%
Total		**26,987**	**1,652**	**22,818**		

The impairment charges have arisen as a result of a deterioration of trading conditions.

GOODWILL SENSITIVITY ANALYSIS

Further disclosures in accordance with IAS 36 are provided where the group holds an individual goodwill item relating to a CGU that is significant, which the group considers to be 15% of the total net book value, in comparison with the group's total carrying value of goodwill. The only significant item of goodwill included in the net book value above relate to BCA.

Using the above methodology, a pre-tax discount rate of 13.7% (2015: 12.5%) and long-term nominal growth rate of 2% (2015: 2%), the recoverable amount exceeded the total carrying value by £175.8m (2015: £150.4m). The directors performed a sensitivity analysis on the total carrying value of this CGU. For the recoverable amount to fall to the carrying value, the discount rate would need to be increased by 10% (2015: 10.2%) or the long-term growth rate reduced by 16% (2015: 29%).

For the other CGUs, IAS 36 provides that, if there is any reasonably possible change to a key assumption that would cause the CGU's carrying amount to exceed its recoverable amount, further disclosures are required. For NDR when using the above methodology and a pre-tax discount rate of 14.4% (2015: 13.0%) and long-term nominal growth rate of 2% (2015: 2%) the recoverable amount exceeded the total carrying value by £15.7m (2015: £9.5m).

Sensitivity analysis performed around the base case assumptions has indicated that for NDR, the following changes in assumptions (in isolation), would cause the value in use to fall below the carrying value:

- the four year pre-tax cash flows decreased by 16% (2015: 12%);
- the discount rate increased by 3% (2015: 2%);
- the long-term growth rate reduced by 5% (2015: 4%).

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13 PROPERTY, PLANT AND EQUIPMENT

2016	Long-term leasehold premises £000	Short-term leasehold premises £000	Office equipment £000	Total £000
Cost				
At October 1 2015	**585**	**12,177**	**19,412**	**32,174**
Additions	**719**	**1,065**	**1,978**	**3,762**
Disposals	**(42)**	**(26)**	**(678)**	**(746)**
Balance at acquisition of new company	**–**	**–**	**6**	**6**
Balance at disposal of company	**–**	**(27)**	**(269)**	**(296)**
Exchange differences	**194**	**1,116**	**2,704**	**4,014**
At September 30 2016	**1,456**	**14,305**	**23,153**	**38,914**
Depreciation				
At October 1 2015	**557**	**6,630**	**15,816**	**23,003**
Charge for the year	**57**	**941**	**1,808**	**2,806**
Disposals	**(42)**	**(17)**	**(671)**	**(730)**
Balance at disposal of company	**–**	**(27)**	**(241)**	**(268)**
Exchange differences	**146**	**1,035**	**2,450**	**3,631**
At September 30 2016	**718**	**8,562**	**19,162**	**28,442**
Net book value at September 30 2016	**738**	**5,743**	**3,991**	**10,472**

2015	Freehold land and buildings £000	Long-term leasehold premises £000	Short-term leasehold premises £000	Office equipment £000	Total £000
Cost					
At October 1 2014	6,447	3,081	18,373	21,317	49,218
Additions	–	19	3,142	3,326	6,487
Disposals	(6,447)	(2,575)	(9,789)	(5,779)	(24,590)
Exchange differences	–	60	451	548	1,059
At September 30 2015	–	585	12,177	19,412	32,174
Depreciation					
At October 1 2014	532	930	11,877	18,955	32,294
Charge for the year	21	82	792	1,748	2,643
Disposals	(553)	(511)	(6,435)	(5,422)	(12,921)
Exchange differences	–	56	396	535	987
At September 30 2015	–	557	6,630	15,816	23,003
Net book value at September 30 2015	–	28	5,547	3,596	9,171
Net book value at September 30 2014	5,915	2,151	6,496	2,362	16,924

There is no material difference between the property, plant and equipment's historical cost values as stated above and their fair value equivalents.

14 INVESTMENTS

	Investment in associates £000	Investment in joint ventures £000	Available-for-sale investments £000	Total £000
At October 1 2014	72	–	–	72
Additions	32,855	34	5,835	38,724
Disposals	10	–	–	10
Share of loss after tax retained	(377)	(4)	–	(381)
Dividends	(123)	–	–	(123)
At September 30 2015	32,437	30	5,835	38,302
Repayment/additions	**(52)**	**180**	**–**	**128**
Impairment (note 5)	**(111)**	**–**	**–**	**(111)**
Transfer to subsidiary (note 15)	**(629)**	**–**	**–**	**(629)**
Revaluation	**–**	**12**	**–**	**12**
Provision against investment losses	**–**	**64**	**–**	**64**
Share of loss after tax retained	**(1,752)**	**(71)**	**–**	**(1,823)**
Dividends	**(83)**	**–**	**–**	**(83)**
At September 30 2016	**29,810**	**215**	**5,835**	**35,860**

All of the above investments in associates and joint ventures are accounted for using the equity method in these consolidated financial statements as set out in group's accounting policies in note 1.

	2016 £000	2015 £000
Reconciliation of share of results in associates and joint ventures in Income Statement to adjusted share of results in associates and joint ventures		
Total share of results in associates and joint ventures in Income Statement	**(1,823)**	(381)
Add back:		
Share of tax on profits	**656**	716
Share of tax on acquired intangible amortisation and exceptional items	**(1,437)**	(632)
Share of acquired intangible amortisation	**4,427**	2,732
Share of exceptional items[1]	**363**	–
	4,009	2,816
Adjusted share of results in associates and joint ventures	**2,186**	2,435

[1] The share of exceptional items relates to one-off restructuring and earn-out costs in Dealogic. As required by IFRS, it is group policy to treat exceptional earn-out payments as a compensation cost. These payments are in substance part of the cost of an investment and are thus excluded from the share of adjusted profit.

The reconciliation of share of results in associates and joint ventures in the Income Statement has been provided since the directors consider it necessary in order to provide an indication of the adjusted share of results in associates and joint ventures.

Information on investment in associates, investment in joint ventures and available-for-sale investments:

	Principal activity	Year ended	Date of acquisition	Type of holding	Group interest	Country of incorporation
Investment in associates						
Diamond TopCo Limited (Dealogic)	Capital market software solutions	Dec 31	Dec 2014	Ordinary	15.5%	UK
Investment in joint ventures						
Institutional Investor Zanbato Limited (II Zanbato)	Hedge fund manager trading signals	Sept 30	Nov 2014	Ordinary	50.0%	UK
Sanostro Institutional AG (Sanostro)	Hedge fund manager trading signals	Dec 31	Dec 2014	Ordinary	50.0%	Switzerland
EIIZ Discovery LLC[2]	Private capital placement and workflow	Sept 30	Nov 2015	Ordinary	50.0%	Delaware, US
Available-for-sale investments						
Estimize, Inc (Estimize)	Financial estimates platform	Dec 31	July 2015	Ordinary	10.0%	Delaware, US
Zanbato, Inc (Zanbato)	Private capital placement and workflow	Dec 31	Sept 2015	Ordinary	9.9%	California, US

[2] In November 2015 the group acquired 50% of the equity share capital of EIIZ Discovery LLC for a cash consideration of $0.3m (£0.2m). The group has joint control over the company.

The group interests in the investments remained unchanged since their respective dates of acquisition.

Notes to the Consolidated Financial Statements

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14 INVESTMENTS *continued*

In June 2016, the group acquired an additional 17% of the equity share capital of World Bulk Wine (note 15). The group previously held an associate interest of 40% of the equity share capital. The group disposed of its initial associate investment in World Bulk Wine of 40% and has disclosed its increased equity shareholding in World Bulk Wine of 57% as a subsidiary. Prior to the transfer to subsidiary, a dividend of £83,000 was received from World Bulk Wine.

Set out below is the summarised financial information for Dealogic as at September 30 2016 which in the opinion of the directors is material to the group:

	2016 £000	2015 £000
Summarised balance sheet:		
Current assets	**58,561**	26,271
Non-current assets	**505,380**	494,725
Current liabilities	**(280,110)**	(263,855)
Non-current liabilities	**(5,286)**	(7,622)
Net assets	**278,545**	249,519
Summarised Statement of Comprehensive Income:		
Revenue	**106,193**	75,187
(Loss)/profit from continuing operations	**(12,960)**	5,184
Post-tax loss from continuing operations	**(9,472)**	(2,745)
Other comprehensive income/(expense)	**294**	(2,085)
Total comprehensive expense	**(9,178)**	(4,830)
Group share of loss after tax	**(1,726)**	(418)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Dealogic recognised in the Consolidated Financial Statements:

	2016 £000	2015 £000
Closing net assets	**278,545**	249,519
Proportion of the group's ownership interest in the associate	**43,144**	38,675
Restriction of profit applied on acquisition	**(5,862)**	(5,862)
Goodwill	**(63)**	(128)
Exchange differences	**(7,409)**	(1,148)
Carrying amount of the group's interest in the associate	**29,810**	31,537

Aggregate information of associates that are not individually material:

	2016 £000	2015 £000
Group share of (loss)/profit from continuing operations	**(25)**	41
Aggregate carrying amount of the group's interests in these associates	**–**	900

15 ACQUISITIONS AND DISPOSALS

PURCHASE OF NEW BUSINESSES

Reinsurance Security (Consultancy).Co.UK Limited (ReSec)

On August 1 2016, the group acquired 100% of the equity share capital of ReSec and extended its insurance portfolio into the high-value counterparty risk market, for a cash consideration of £1.7m. ReSec is a provider of risks ratings for the reinsurance sector. The acquisition of ReSec is consistent with the group's strategy of expanding its presence and analytics in the global insurance and reinsurance sectors.

The acquisition accounting is set out below and is provisional pending final determination of the fair value of the assets and liabilities acquired:

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Net assets:			
Intangible assets	–	770	770
Trade and other payables	(209)	(131)	(340)
	(209)	639	430
Net assets acquired (100%)			430
Goodwill			1,310
Total consideration			1,740
Consideration satisfied by:			
Cash			1,740
Net cash outflow arising on acquisition:			
Cash consideration			1,740

Intangible assets represent customer relationships of £0.8m, for which amortisation of £13,000 has been charged for the year. The customer relationships will be amortised over their useful economic lives of ten years.

Goodwill arises from the anticipated profitability and future operating synergies from integrating the acquired operations within the group. All of the goodwill recognised is expected to be deductible for income tax purposes.

ReSec contributed £74,000 to the group's revenue, £40,000 to the group's operating profit and £32,000 to the group's profit after tax for the period between the date of acquisition and September 30 2016. In addition, acquisition related costs of £67,000 were incurred and recognised as an exceptional item in the Income Statement for the year ended September 30 2016 (note 5). If the acquisition had been completed on the first day of the financial year, ReSec would have contributed £0.5m to the group's revenue and £0.2m to the group's operating profit (excluding exceptional costs above).

Notes to the Consolidated Financial Statements

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15 ACQUISITIONS AND DISPOSALS *continued*

FastMarkets Limited (FastMarkets)

On September 2 2016, the group acquired 100% of the shares of FastMarkets, a leading provider of real-time metals market information, for a cash consideration of £13.3m and a deferred consideration of £0.5m (note 25). The acquisition of FastMarkets is consistent with the group's strategy and it enhances the depth of information that Metal Bulletin can provide its clients across the metals and mining markets supply chain.

The acquisition accounting is set out below and is provisional pending final determination of the fair value of the assets and liabilities acquired:

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Net assets:			
Intangible assets	–	10,097	10,097
Property, plant and equipment	91	(91)	–
Trade and other receivables	680	(12)	668
Trade and other payables	(3,106)	(1,765)	(4,871)
Cash and cash equivalents	710	–	710
	(1,625)	8,229	6,604
Net assets acquired (100%)			6,604
Goodwill			7,194
Total consideration			13,798
Consideration satisfied by:			
Cash			13,318
Deferred consideration			480
			13,798
Net cash outflow arising on acquisition:			
Cash consideration			13,318
Less: cash and cash equivalent balances acquired			(710)
			12,608

Intangible assets represent a brand of £3.7m, customer relationships of £5.5m and technology of £0.9m, for which amortisation of £77,000 has been charged for the year. The brand will be amortised over its useful life of 20 years. The customer relationships will be amortised over their useful economic lives of ten years. The technology will be amortised over its useful life of five years.

Goodwill arises from the anticipated profitability and future operating synergies from integrating the acquired operations within the group. All of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of the assets acquired includes net trade receivables of £0.5m, all of which are contracted and are expected to be collectable.

FastMarkets contributed £0.4m to the group's revenue, £24,000 to the group's operating profit and £19,000 to the group's profit after tax for the period between the date of acquisition and September 30 2016. In addition, acquisition related costs of £0.7m were incurred and recognised as an exceptional item in the Income Statement for the year ended September 30 2016 (note 5). If the acquisition had been completed on the first day of the financial year, FastMarkets would have contributed £4.5m to the group's revenue and £0.1m to the group's operating profit (excluding exceptional costs above).

TRANSFER TO SUBSIDIARY

World Bulk Wine Exhibition, S.L (World Bulk Wine)

In June 2016, the group acquired an additional 17% of the equity share capital of World Bulk Wine, an event for the commercialisation of bulk wine, for a cash consideration of €0.3m (£0.3m). The group previously held an associate interest of 40% of the equity share capital. The group disposed of its initial associate investment in World Bulk Wine of 40% and has disclosed its increased equity shareholding in World Bulk Wine of 57% as a subsidiary. At the acquisition date, the non-controlling interest of 43% is measured using the proportion of net assets method.

The disposal resulted in an impairment of associate of £0.1m which is recognised as an exceptional item in the Income Statement for the year ended September 30 2016 (note 5). The fair value of the associate when disposed of was £0.6m.

15 ACQUISITIONS AND DISPOSALS *continued*

The acquisition accounting is set out below and is provisional pending final determination of the fair value of the assets and liabilities acquired:

	Book value £000	Fair value adjustments £000	Provisional fair value £000
Net assets:			
Intangible assets	**1,884**	**(1,157)**	**727**
Property, plant and equipment	**6**	**–**	**6**
Trade and other receivables	**89**	**–**	**89**
Trade and other payables	**(320)**	**(181)**	**(501)**
Cash and cash equivalents	**523**	**–**	**523**
	2,182	**(1,338)**	**844**
Net assets acquired (57%)			**481**
Goodwill			**415**
Total consideration			**896**
Consideration satisfied by:			
Cash			**267**
Fair value of associate			**629**
			896
Net cash inflow arising on acquisition:			
Cash consideration			**267**
Less: cash and cash equivalent balances acquired			**(523)**
			(256)

Intangible assets represent a brand of £0.3m and customer relationships of £0.4m, for which amortisation of £13,000 has been charged for the year. The brand will be amortised over its useful life of 20 years. The customer relationships will be amortised over their useful economic lives of ten years.

Goodwill arises from the anticipated profitability and future operating synergies from integrating the acquired operations within the group. All of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of the assets acquired includes trade receivables of £48,000, all of which are contracted and are expected to be collectable.

World Bulk Wine contributed £nil to the group's revenue, £2,000 loss to the group's operating profit and £1,000 loss to the group's profit after tax for the period between the date of acquisition and September 30 2016. The event takes place annually in November. In addition, the World Bulk Wine impairment of associate of £0.1m and acquisition related costs of £4,000 were incurred and recognised as an exceptional item in the Income Statement for the year ended September 30 2016 (note 5). If the acquisition had been completed on the first day of the financial year, World Bulk Wine would have contributed £0.9m to the group's revenue and £0.3m to the group's operating profit (excluding exceptional costs above).

INCREASE IN EQUITY HOLDINGS

Ned Davis Research (NDR)

In November 2015, the group acquired 0.47% of the equity of NDR for a cash consideration of $0.4m (£0.2m). The group's equity shareholding in NDR increased to 85.01%.

Euromoney Consortium 2 Limited

In May 2016, the group acquired 0.3% of the equity of Euromoney Consortium 2 Limited for a cash consideration of £0.1m. This transaction was enacted by purchasing 49,900 B ordinary shares of £1 each from DMG Charles Limited. The group's equity shareholding in Euromoney Consortium 2 Limited increased to 100%.

Notes to the Consolidated Financial Statements

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15 ACQUISITIONS AND DISPOSALS *continued*

SALE OF BUSINESSES

Gulf Publishing Company, Inc. (Gulf) and The Petroleum Economist Limited (PE)

On April 19 2016, the group sold 100% of the equity share capital of Gulf and PE, part of the business publishing division, for a consideration of US$17.2m (£12.0m), offset by a working capital adjustment of US$1.3m (£1.0m). At the date of disposal deferred consideration of US$0.8m (£0.5m) was recognised (note 25). In September 2016 deferred consideration of US$0.3m (£0.2m) was paid in addition to an amount of US$0.3m (£0.2m) which was paid to adjust for the original working capital adjustment. The disposal of Gulf and PE gave rise to a profit on disposal of US$10.2m (£7.1m), after deducting disposal costs incurred, which was recognised as an exceptional item (note 5) in the Income Statement.

The net assets of Gulf and PE at the date of disposal were as follows:

	Gulf £000	PE £000	Final fair value £000
Net assets:			
Goodwill	5,046	236	5,282
Property, plant and equipment	27	–	27
Trade and other receivables	1,011	252	1,263
Bank overdraft	(21)	–	(21)
Trade and other payables	(252)	(126)	(378)
Deferred income	(646)	(760)	(1,406)
	5,165	(398)	4,767
Net assets disposed (100%)	5,165	(398)	4,767
Directly attributable costs	268	77	345
Recycled cumulative translation differences	(636)	–	(636)
Profit on disposal (note 5)	5,360	1,734	7,094
Total consideration	10,157	1,413	11,570
Consideration satisfied by:			
Cash	9,832	2,258	12,090
Working capital adjustments	(17)	(953)	(970)
Deferred consideration	342	108	450
	10,157	1,413	11,570
Net cash inflow arising on disposal:			
Cash consideration (net of working capital adjustments and directly attributable costs)	9,547	1,228	10,775
Cash and cash equivalent balances disposed	21	–	21
	9,568	1,228	10,796

16 TRADE AND OTHER RECEIVABLES

	2016 £000	2015 £000
Amounts falling due within one year		
Trade receivables	**58,501**	59,084
Less: provision for impairment of trade receivables	**(5,270)**	(5,441)
Trade receivables - net of provision	**53,231**	53,643
Amounts owed by DMGT group undertakings	**–**	192
Other debtors	**7,585**	6,801
Prepayments	**10,213**	7,451
Accrued income	**2,462**	1,753
	73,491	69,840

16 TRADE AND OTHER RECEIVABLES *continued*

The comparative other debtors balance has been restated as preference shares debtors of £13.5m has been presented separately in the group's Statement of Financial Position. This reclassification has no impact on net assets.

The average credit period on sales of goods and services is 30 days. Trade receivables beyond 60 days overdue are provided for based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience.

Credit terms for customers are determined in individual territories. There are no customers who represent more than 5% of the total balance of trade receivables.

As at September 30 2016, trade receivables of £28.0m (2015: £21.9m) were not yet due.

Ageing of past due but not impaired trade receivables:

	2016 £000	2015 £000
Past due less than a month	**12,265**	14,496
Past due more than a month but less than two months	**4,608**	3,760
Past due more than two months but less than three months	**2,981**	2,990
Past due more than three months	**3,998**	2,649
	23,852	23,895

The group has not provided for these trade receivables as there has been no significant change in their credit quality and the amounts are still considered recoverable. These relate to a number of independent customers for whom there is no recent history of default. The average age of these receivables is 73 days (2015: 67 days). The group does not hold any collateral over these balances.

Ageing of trade receivables impaired and partially provided for:

	2016 £000	2015 £000
Past due less than a month	**998**	6,444
Past due more than a month but less than two months	**917**	2,195
Past due more than two months but less than three months	**883**	462
Past due more than three months	**3,882**	4,203
	6,680	13,304

The amount of the provision for impaired trade receivables was £5.3m (2015: £5.4m). It was assessed that a portion of the receivables is expected to be recovered.

Movements on the group provision for impairment of trade receivables are as follows:

	2016 £000	2015 £000
At October 1	**(5,441)**	(5,226)
Impairment losses recognised	**(4,089)**	(4,835)
Impairment losses reversed	**3,493**	3,007
Amounts written off as uncollectible	**1,047**	1,696
Disposals	**99**	–
Exchange differences	**(377)**	(83)
Classified as held for sale	**(2)**	–
At September 30	**(5,270)**	(5,441)

Notes to the Consolidated Financial Statements

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16 TRADE AND OTHER RECEIVABLES *continued*

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit risk provision required in excess of the allowance for doubtful debts.

The allowance for doubtful debts does not include individually impaired trade receivables which have been placed under liquidation as these trade receivables are written off directly to the Income Statement.

17 TRADE AND OTHER PAYABLES

	2016 £000	2015 £000
Trade creditors	**4,834**	2,490
Amounts owed to DMGT group undertakings	**3**	534
Liability for cash-settled options	**527**	71
Other creditors	**18,502**	20,916
	23,866	24,011

The directors consider the carrying amounts of trade and other payables approximate their fair values.

18 DEFERRED INCOME

	2016 £000	2015 £000
Deferred subscription income	**93,518**	86,198
Other deferred income	**25,268**	25,931
	118,786	112,129
Within one year	**113,446**	106,165
In more than one year	**5,340**	5,964
	118,786	112,129

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	2016		2015	
	Assets £000	**Liabilities £000**	Assets £000	Liabilities £000
Forward foreign exchange contracts – cash flow hedge:				
Current	**410**	**(9,671)**	1,313	(3,346)
Non-current	**9**	**(778)**	9	(661)
	419	**(10,449)**	1,322	(4,007)

FINANCIAL RISK MANAGEMENT OBJECTIVES

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk 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.

Full details of the objectives, policies and strategies pursued by the group in relation to financial risk management are set out in this note and on pages 78 and 79 of the accounting policies. In summary, the group's tax and treasury committee normally meets twice a year and is responsible for recommending policy to the board. The group's treasury policies are directed to giving greater certainty of future costs and revenues and ensuring that the group has adequate liquidity for working capital and debt capacity for funding acquisitions.

The treasury department does not act as a profit centre, nor does it undertake any speculative trading activity and it operates within policies and procedures approved by the board.

Forward contracts are used to manage the group's exposure to fluctuations in exchange rate movements. Further details are set out in the foreign exchange rate risk section (page 106).

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *continued*

CAPITAL RISK MANAGEMENT

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders. The group's overall strategy remains unchanged from 2015.

The capital structure of the group consists of debt, which includes the borrowings disclosed in note 20, cash deposits with Daily Mail and General Trust plc (DMGT) group disclosed in note 29, cash and cash equivalents and equity attributable to equity holders of the parent, comprising share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

NET CASH/DEBT TO ADJUSTED EBITDA RATIO*

The group's tax and treasury committee reviews the group's capital structure at least twice a year. A US$160m multi-currency revolving credit facility, provided by DMGT, was extended during the financial year until November 28 2018 on similar terms. The facility requires the group's net debt to rolling 12 month adjusted EBITDA to be no more than three times. During the financial year ended September 30 2016 the net debt to rolling 12 month adjusted EBITDA did not breach the DMGT debt covenant. As at September 30 2016 the facility was undrawn. The group expects to be able to remain within these limits during the life of the facility. The net cash/debt to adjusted EBITDA covenant is defined to allow the rate used in the translation of US dollar adjusted EBITDA, including hedging contracts, to be used also in the calculation of net debt, thereby removing any distortion to the covenant from increases in net debt due to short-term movements in the US dollar.

The group has a deposit agreement with DMGT to place excess operating funds on deposit with DMGT at a LIBOR plus 0.5%. The total cash deposit held with DMGT is disclosed in note 29.

The net cash to adjusted EBITDA* ratio at September 30 is as follows:

	2016 £000	2015 £000
Loan notes	**(185)**	(267)
Cash deposit with DMGT group company	**73,639**	9,799
Cash and cash equivalents, net of overdraft	**10,328**	8,148
Net cash	**83,782**	17,680
Adjusted EBITDA	**110,117**	114,482
Net cash to adjusted EBITDA ratio	**(0.76)**	(0.15)

* Adjusted EBITDA (Earnings before interest, tax, depreciation, amortisation) = adjusted operating profit before depreciation and amortisation of licences and software, and share of results in associates and joint ventures, adjusted for the timing impact of acquisitions and disposals.

CATEGORIES OF FINANCIAL INSTRUMENTS

The group's financial assets and liabilities at September 30 are as follows:

	2016 £000	2015 £000
Financial assets		
Derivative instruments in designated hedge accounting relationships	**419**	1,322
Available-for-sale investments (note 14)	**5,835**	5,835
Deferred consideration (note 25)	**526**	589
Loans and receivables (including cash at bank and short-term deposits)	**147,478**	94,623
	154,258	102,369
Financial liabilities		
Derivative instruments in designated hedge accounting relationships	**(10,449)**	(4,007)
Deferred consideration (note 25)	**(480)**	–
Acquisition commitments (note 25)	**(11,771)**	(9,171)
Loans and payables (including bank overdrafts)	**(97,659)**	(80,762)
	(120,359)	(93,940)

Notes to the Consolidated Financial Statements

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19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *continued*

The fair value of the financial assets and liabilities above are classified as level 2 in the fair value hierarchy other than available-for-sale investments, deferred consideration and acquisition commitments which are classified as level 3 (page 111). The directors consider that the carrying value amounts of financial assets and liabilities are equal to their fair value.

The group has derivative assets of £0.4m (2015: £1.3m) and derivative liabilities of £10.4m (2015: £4.0m) with a number of banks that do not meet the offsetting criteria of IAS 32, but which the group has the right to setoff same currency cash flows settled on the same date. Consequently, the gross amount of the derivative assets and the gross amount of the derivative liabilities are presented separately in the group's Statement of Financial Position.

The group has entered into an omnibus guarantee and setoff agreement with Lloyds Banking Group plc with a right to setoff outstanding credit balances against cash balances. Cash and cash equivalents included a net overdraft of £0.2m (2015: £0.7m) after applying this setoff. Bank overdrafts included gross cash balances of £0.4m (2015: £20.7m) which are offset under the cash pooling arrangements. This agreement meets the offsetting criteria of IAS 32.

i) MARKET PRICE RISK

Market price risk is the possibility that changes in currency exchange rates, interest rates or commodity prices will adversely affect the value of the group's financial assets, liabilities or expected future cash flows. The group's primary market risks are interest rate fluctuations and exchange rate movements. 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. Derivatives used by the group for hedging a particular risk are not specialised and are generally available from numerous sources. The fair values of forward exchange contracts are set out in this note and represent the value for which an asset could be sold or liability settled between knowledgeable willing parties in an arm's length transaction calculated using the market rates of interest and exchange at September 30 2016. The group has no other material market price risks. Market risk exposures are measured using sensitivity analysis.

There has been no change to the group's exposure to market risks or the manner in which it manages and measures the risks during the year.

ii) FOREIGN EXCHANGE RATE RISK

The group's principal foreign exchange exposure is to US dollar. The group generates approximately two-thirds of its revenues in US dollars, including approximately 35% of the revenues in its UK-based businesses, and approximately 60% of its operating profits are US dollar-denominated. The group is therefore exposed to foreign exchange risk on the US dollar revenues in its UK businesses, the translation of results of foreign subsidiaries and external loans as well as loans to foreign operations within the group where the denomination of the loan is not in the functional currency of the lender/borrower.

The carrying amounts of the group's US dollar-denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2016 £000	2015 £000	**2016 £000**	2015 £000
US dollar	**55,910**	78,404	**(347,444)**	(158,319)

Subsidiaries normally do not hedge transactions in foreign currencies into the functional currency of their own operations. However, at a group level, a series of US dollar and euro forward contracts are put in place to sell forward surplus US dollars and euros so as to hedge 80% of the group's UK based US dollar and euro revenues for the coming 12 months and 50% of the group's UK based US dollar and euro revenues for the subsequent six months. The timing and value of these forward contracts is based on management's estimate of its future US dollar and euro revenues over an 18 month period and is regularly reviewed and revised with any changes in estimates resulting in either additional forward contracts being taken out or existing contracts' maturity dates being moved forward or back. If management materially underestimate the group's future US dollar and euro denominated revenues, this would lead to too few forward contracts being in place and the group being more exposed to swings in US dollar and euro to sterling exchange rates. An overestimate of the group's US dollar and euro denominated revenues would lead to associated costs in unwinding the excess forward contracts. The group also has a significant operation in Canada whose revenues are mainly in US dollars. At a group level a series of US dollar forward contracts is put in place up to 18 months forward to hedge the operation's Canadian cost base. In addition, each subsidiary is encouraged to invoice sales in its local functional currency where possible. Forward exchange contracts are gross settled at maturity.

IMPACT OF 10% STRENGTHENING OF STERLING AGAINST US DOLLAR

The following table details the group's sensitivity to a 10% increase and decrease in sterling against US dollar. A 10% sensitivity has been determined by the board as the sensitivity rate appropriate when reporting an estimated foreign currency risk internally and represents management's assessment of a reasonably possible change in foreign exchange rates at the reporting date.

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *continued*

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is not in the functional currency of the lender/borrower. Where sterling strengthens 10% against the relevant currency a negative number below indicates a decrease in profit and equity. For a 10% weakening of sterling against the relevant currency, there would be an equal and opposite impact on the profit and other comprehensive income, and the balances below would be positive.

	2016 £000	2015 £000
Change in profit for the year in Income Statement (US$ net assets in UK companies)	**(79)**	(892)
Change in other comprehensive income (derivative financial instruments)	**6,811**	8,184
Change in other comprehensive income (loans to foreign operations)	**29,139**	12,466

The decrease in the loss from the sensitivity analysis is due to a decrease in the working capital assets. The decrease in other comprehensive income from £8.2m to £6.8m from the sensitivity analysis is due to the decrease in the notional value of the derivative financial instruments.

The group is also exposed to the translation of the results of its US dollar-denominated businesses, although the group does not hedge the translation of these results. Consequently, fluctuations in the value of sterling versus other currencies could materially affect the translation of these results in the consolidated financial statements.

The change in other comprehensive income from a 10% change in sterling against US dollars in relation to the translation of loans to foreign operations within the group where the denomination of the loan is not in the functional currency of the lender/borrower would result in a change of £29.1m (2015: £12.5m). However, the change in other comprehensive income is completely offset by the change in value of the foreign operation's net assets from their translation into sterling.

FORWARD FOREIGN EXCHANGE CONTRACTS

It is the policy of the group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. A series of US dollar and euro forward contracts are put in place to sell forward surplus US dollars and euros so as to hedge 80% of the group's UK based US dollar and euro revenues for the coming 12 months and 50% of the group's UK based US dollar and euro revenues for the subsequent six months. In addition, at a group level a series of US dollar forward contracts is put in place up to 18 months forward to hedge the subsidiary's Canadian cost base. The group has also entered into a number of short dated South African Rand forward contracts to hedge future UK based ZAR payments.

	Average exchange rate		**Foreign currency**		**Contract value**		**Fair value**	
	2016	2015	**2016 US$000**	2015 US$000	**2016 £000**	2015 £000	**2016 £000**	2015 £000
Cash Flow Hedges								
Sell USD buy GBP								
Less than a year	**1.499**	1.564	**63,850**	86,574	**42,602**	55,362	**(6,425)**	(1,829)
More than a year but less than two years	**1.363**	1.543	**16,700**	28,800	**12,254**	18,671	**(466)**	(359)
Sell USD buy CAD[†]								
Less than a year	**1.320**	1.181	**12,743**	15,793	**9,853**	9,215	**72**	(1,214)
More than a year but less than two years	**1.299**	1.303	**4,200**	4,900	**3,195**	3,154	**(20)**	(84)
			€000	€000	**£000**	£000	**£000**	£000
Sell EUR buy GBP								
Less than a year	**1.334**	1.296	**24,650**	34,800	**18,478**	26,858	**(2,926)**	1,009
More than a year but less than two years	**1.200**	1.370	**7,200**	12,300	**6,002**	8,979	**(283)**	(208)
Sell GBP buy ZAR			**R000**	R000	**£000**	£000	**£000**	£000
Less than a year	**18.962**	–	**6,447**	–	**340**	–	**18**	–

[†] Rate used for conversion from CAD to GBP is 1.7072 (2015: 2.0239).

Notes to the Consolidated Financial Statements

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19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *continued*

As at September 30 2016, the aggregate amount of unrealised losses under forward foreign exchange contracts deferred in the fair value reserve relating to future revenue transactions is £10.0m (2015: £2.7m). It is anticipated that the transactions will take place over the next 18 months at which stage the amount deferred in equity will be released to the Income Statement. As at September 30 2016, there were no ineffective cash flow hedges in place at the year end (2015: £nil).

iii) INTEREST RATE RISK

The group's committed facility is in both sterling and US dollars with the related interest tied to LIBOR. If the group drew down on this facility then this would result in the group's interest charge being at risk to fluctuations in interest rates. It is the group's policy to hedge approximately 80% of its interest exposure, converting its floating rate debt into fixed debt by means of interest rate swaps. The maturity dates are spread in order to reduce interest rate basis risk and also to negate short-term changes in interest rates. The predictability of interest costs is deemed to be more important than the possible opportunity cost foregone of achieving lower interest rates and this hedging strategy has the effect of spreading the group's exposure to fluctuations arising from changes in interest rates and hence protects the group's interest charge against sudden increases in rates but also prevents the group from benefiting immediately from falls in rates.

As at September 30 2016, there were no interest rate swaps outstanding as the group had repaid its debt in full (2015: £nil).

The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section on page 109.

INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date. For floating rate instruments, the analysis is prepared assuming the amount outstanding at the balance sheet date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the directors' assessment of a reasonably possible change in interest rates at the reporting date.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the group's profit for the year ended September 30 2016 would decrease or increase by £0.8m (2015: £0.1m). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings and cash deposits.

iv) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group seeks to limit interest rate and foreign currency risks described above by the use of financial instruments and as a result have a credit risk from the potential non-performance by the counterparties to these 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 and cash on deposit with DMGT. Credit risks are controlled by monitoring the amounts outstanding with, and the credit quality of, these counterparties. For the group's cash and cash equivalents these are principally licensed commercial banks and investment banks with strong long-term credit ratings, and for cash on deposit and derivative financial instruments with DMGT who have treasury policies in place which do not allow concentrations of risk with individual counterparties and do not allow significant treasury exposures with counterparties which are rated lower than AA.

The group also has credit risk with respect to trade and other receivables, prepayments and accrued income. The concentration of credit risk from trade receivables is limited due to the group's large and broad customer base. Trade receivable exposures are managed locally in the business units where they arise. Allowance is made for bad and doubtful debts based on management's assessment of the risk of non-payment taking into account the ageing profile, experience and circumstance.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, recorded in the Statement of Financial Position. The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year.

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *continued*

v) LIQUIDITY RISK

The group is an approved borrower under a DMGT US$160m committed multi-currency revolving credit facility which expires on November 28 2018.

The DMGT facility requires the group to meet certain covenants based on net debt and profits adjusted for certain non-cash items and the impact of foreign exchange. Exceeding the covenant would result in the group being in breach of the facility potentially resulting in the facility being withdrawn or impediment of management decision making by the lender. Management regularly monitors the covenants and prepares detailed cash flow forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach. At September 30 2016, the group's net cash to adjusted EBITDA was (0.76) times (2015: (0.15) times).

The group has a deposit agreement with DMGT to place any excess operating funds on deposit with DMGT at LIBOR plus 0.5%.

The group's strategy is to use excess operating cash on deposit with DMGT or pay down its debt. As at September 30 2016 the facility was undrawn and has not been utilised during the financial year (2015: £nil). The group generally has an annual cash conversion rate (the percentage by which cash generated from operations covers operating profit before acquired intangible amortisation and exceptional items) of 100% or more due to much of its subscription, sponsorship and delegate revenue being paid in advance. The group's operating cash conversion rate was 102%. The underlying operating cash conversion rate is 105% compared to 104% in 2015.

There is a risk that the undrawn portion of the facility, may be unavailable or withdrawn if DMGT experience funding difficulties themselves. However, if DMGT were unable to fulfil its funding commitment to the group, the directors are confident that the group would be in a position to secure adequate external facilities, although at a higher cost of funding.

The group's forecasts and projections, looking out to September 2019 and taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level and covenants of its current and available borrowing facilities.

This table has been drawn up based on the undiscounted contractual cash flows of the financial liabilities including both interest and principal cash flows. To the extent that the interest rates are floating, the undiscounted amount is derived from interest rate curves at September 30 2016. The contractual maturity is based on the earliest date on which the group may be required to settle.

2016	**Weighted average effective interest rate %**	**Less than 1 year £000**	**1–3 years £000**	**Total £000**
Variable rate borrowings	**–**	**185**	**–**	**185**
Deferred consideration	**–**	**480**	**–**	**480**
Acquisition commitments	**–**	**326**	**11,445**	**11,771**
Non-interest bearing liabilities (trade and other payables, and accruals)	**–**	**97,474**	**–**	**97,474**
		98,465	**11,445**	**109,910**

2015	Weighted average effective interest rate %	Less than 1 year £000	1–3 years £000	Total £000
Variable rate borrowings	3.08	267	–	267
Acquisition commitments	–	–	9,171	9,171
Non-interest bearing liabilities (trade and other payables, and accruals)	–	80,495	–	80,495
		80,762	9,171	89,933

Notes to the Consolidated Financial Statements

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19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *continued*

The following table details the group's remaining contractual maturity for its non-derivative financial assets, mainly short-term deposits for amounts on loans owed by DMGT group undertakings and equity non-controlling interests. This table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group anticipates that the cash flow will occur in a different period.

2016	**Weighted average effective interest rate %**	**Less than 1 year £000**	**1–3 years £000**	**Total £000**
Variable interest rate instruments (cash at bank and short-term deposits)	**1.14**	**84,200**	**–**	**84,200**
Deferred consideration	**–**	**–**	**526**	**526**
Non-interest bearing assets (trade and other receivables excluding prepayments)	**–**	**63,278**	**–**	**63,278**
		147,478	**526**	**148,004**

2015	Weighted average effective interest rate %	Less than 1 year £000	1–3 years £000	Total £000
Variable interest rate instruments (cash at bank and short-term deposits)	3.16	18,688	–	18,688
Deferred consideration	–	331	258	589
Non-interest bearing assets (trade and other receivables excluding prepayments)	–	75,935	–	75,935
		94,954	258	95,212

The following table details the group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement.

2016	**Less than 1 month £000**	**1–3 months £000**	**3 months to 1 year £000**	**1–5 years £000**	**Total £000**
Foreign exchange forward contracts inflows	**7,151**	**12,322**	**51,121**	**21,452**	**92,046**
Foreign exchange forward contracts outflows	**(8,323)**	**(14,324)**	**(57,144)**	**(22,280)**	**(102,071)**
	(1,172)	**(2,002)**	**(6,023)**	**(828)**	**(10,025)**

2015	Less than 1 month £000	1–3 months £000	3 months to 1 year £000	1–5 years £000	Total £000
Foreign exchange forward contracts inflows	8,212	14,754	68,469	30,808	122,243
Foreign exchange forward contracts outflows	(8,375)	(15,342)	(69,717)	(31,383)	(124,817)
	(163)	(588)	(1,248)	(575)	(2,574)

19 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *continued*

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined as follows:

LEVEL 1

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

LEVEL 2

- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

LEVEL 3

- If one or more significant inputs are not based on observable market date, the instrument is included in level 3.

As at September 30 2016 and the prior year, all the resulting fair value estimates have been included in level 2 other than the group's available-for-sale investments, acquisition commitments and deferred consideration which are classified as level 3.

OTHER FINANCIAL INSTRUMENTS NOT RECORDED AT FAIR VALUE

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values. Such financial assets and financial liabilities include cash and cash equivalents, receivables, payables and loans.

20 LOANS

	2016 £000	2015 £000
Loan notes – current liabilities	**185**	267

LOAN NOTES

Loan notes were issued in October and November 2006 to fund the purchase of Metal Bulletin plc. Interest is payable on these loan notes at a variable rate of 0.75% below LIBOR, payable in June and December. Loan notes can be redeemed at the option of the loan note holder twice a year on the interest payment dates above. The remaining loan notes will be redeemed in full on December 30 2016. During the year ended September 30 2016 £0.1m (2015: £0.2m) of these loan notes were redeemed.

COMMITTED LOAN FACILITY

The group's access to debt funding is provided through a committed multi-currency revolving credit facility from Daily Mail and General Trust plc (DMGT). The total maximum borrowing capacity is US$160m (£123m). The facility was extended during the financial year and is available to the group until November 28 2018. Interest is payable on this facility at a variable rate of between 1.35% and 2.35% above LIBOR dependent on the ratio of adjusted net debt to adjusted EBITDA. The facility's covenant requires the group's net debt to be no more than three times adjusted EBITDA on a rolling 12 month basis. Failure to maintain the covenant requirement would result in the group being in breach of the facility, potentially resulting in the facility being withdrawn or impediment of management decision making by the lender. Management regularly monitors the covenant and prepares detailed forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach. At September 30 2016, the group's net cash to adjusted EBITDA was (0.76) times and the committed undrawn facility available to the group was £123m.

There is a risk that the undrawn portion of the facility, or that the additional funding, may be unavailable or withdrawn if DMGT experiences funding difficulties themselves. However, if DMGT were unable to fulfil its funding commitment to the group, the directors are confident that the group would be in a position to secure adequate external facilities, although at a higher cost of funding.

The group's strategy is to use excess operating cash to deposit with DMGT or pay down its debt. As at September 30 2016 the facility was undrawn and has not been utilised during the financial year (2015: £nil). The group generally has an annual cash conversion rate (the percentage by which cash generated from operations covers adjusted operating profit before acquired intangible amortisation and exceptional items) of 100% or more due to much of its subscription, sponsorship and delegate revenue being paid in advance. The group's operating cash conversion rate was 102%. The underlying operating cash conversion rate is 105% compared to 104% in 2015.

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21 PROVISIONS

	Onerous lease provision £000	Other provisions £000	Total £000
At October 1 2015	**840**	**2,340**	**3,180**
Provision in the year	**–**	**803**	**803**
Used in the year	**(298)**	**(361)**	**(659)**
Exchange differences	**115**	**30**	**145**
At September 30 2016	**657**	**2,812**	**3,469**

	2016 £000	2015 £000
Maturity profile of provisions:		
Within one year (included in current liabilities)	**353**	835
Between one and two years (included in non-current liabilities)	**493**	–
Between two and five years (included in non-current liabilities)	**2,623**	2,345
	3,469	3,180

ONEROUS LEASE PROVISION

The onerous lease provision relates to certain buildings within the property portfolio which either at acquisition were rented at non-market rates, or are no longer occupied by the group.

OTHER PROVISIONS

The provision consists of social security arising on share option liabilities and dilapidations on leasehold properties. A dilapidation provision of £2.1m is held in respect of the group's main London offices on Bouverie Street. The leases which expire in 2029 do not contain any break clauses. As such, it is unlikely that the provisions will be utilised before the expiry date of the leases.

22 DEFERRED TAXATION

The net deferred tax liability at September 30 2016 comprised:

	2015 £000	Income statement £000	Other comprehensive income £000	Equity £000	Acquisitions and deposits £000	Exchange differences £000	2016 £000
Capitalised goodwill and intangibles	**(30,988)**	**2,302**	**–**	**(233)**	**(2,029)**	**(4,143)**	**(35,091)**
Tax losses	**4,262**	**702**	**–**	**–**	**–**	**340**	**5,304**
Financial instruments	**266**	**–**	**1,437**	**–**	**–**	**–**	**1,703**
Other short-term temporary differences	**8,056**	**7,105**	**1,227**	**8**	**–**	**1,395**	**17,791**
Deferred tax	**(18,404)**	**10,109**	**2,664**	**(225)**	**(2,029)**	**(2,408)**	**(10,293)**
Comprising:							
Deferred tax assets	**20**						**3,886**
Deferred tax liabilities	**(18,424)**						**(14,179)**
	(18,404)						**(10,293)**

22 DEFERRED TAXATION *continued*

	2015 £000	Income statement £000	Other comprehensive income £000	Equity £000	Acquisitions and deposits £000	Exchange differences £000	2016 £000
Other short-term temporary differences:							
Share-based payments	13	42	–	8	–	–	63
Pension deficit	393	78	1,227	–	–	–	1,698
Accelerated capital allowances	1,262	436	–	–	–	–	1,698
Deferred income, accruals and other provisions	6,388	6,549	–	–	–	1,395	14,332
Total other short-term temporary differences	8,056	7,105	1,227	8	–	1,395	17,791

At the balance sheet date, the group has unused US tax losses available for offset against future profits. At September 30 2016 a deferred tax asset of £2.1m (2015: £2.7m) has been recognised in relation to these losses. The US losses can be carried forward for a period of 20 years from the date they arose. The US losses have expiry dates between 2016 and 2030.

At the balance sheet date, the group has unused UK tax losses available for offset against future profits. At September 30 2016 a deferred tax asset of £3.2m (2015: £1.6m) has been recognised in relation to these losses. There is no expiry date on these losses.

The directors are of the opinion that, based on recent and forecast trading, it is probable that the level of profits in future years is sufficient to enable the above assets to be recovered.

Of the £10.3m net deferred tax liability, £1.4m of the deferred tax asset is expected to reverse over the next 12 months, with the remaining net deferred tax liability expected to reverse after 12 months.

There are additional tax losses in the UK with a deferred tax value of £0.5m for which no deferred tax asset has been recognised. There is no expiry date on these losses.

No deferred tax liability is recognised on temporary differences of £266.0m (2015: £228.0m) 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 September 30 2016 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.

Under IFRS deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was substantively enacted in September 2016, to reduce the main rate of UK corporation tax from 19% to 17% from April 1 2020. The relevant UK deferred tax balances have been revalued and the impact is shown in note 8.

23 CALLED UP SHARE CAPITAL

	2016 £000	2015 £000
Allotted, called up and fully paid		
128,313,356 ordinary shares of 0.25p each (2015: 128,248,894 ordinary shares of 0.25p each)	321	320

During the year, 64,462 ordinary shares of 0.25p each (2015: 115,477 ordinary shares) with an aggregate nominal value of £161 (2015: £289) were issued following the exercise of share options granted under the company's share option schemes for a cash consideration of £0.3m (2015: £0.5m).

Notes to the Consolidated Financial Statements

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24 SHARE-BASED PAYMENTS

The group's long-term incentive (expense)/credit at September 30 comprised:

	2016 £000	2015 £000
Equity-settled options		
SAYE	**(157)**	(102)
CAP 2010	**15**	34
CAP 2014	**–**	2,057
PSP	**(123)**	–
Buy-out award	**(477)**	–
	(742)	1,989
Cash-settled options		
CAP 2010	**4**	35
CAP 2014	**–**	466
Buy-out award	**(460)**	–
	(456)	501
	(1,198)	2,490

The total carrying value of cash-settled options at September 30 included in the Statement of Financial Position is:

	2016 £000	2015 £000
Current liabilities	**527**	71

EQUITY-SETTLED OPTIONS

The options set out on page 115 are outstanding at September 30 and are options to subscribe for new ordinary shares of 0.25p each in the company. The total charge recognised in the year from equity-settled options was £0.7m, representing 62% of the group's long-term incentive charge (2015: credit of £2.0m, 80%).

24 SHARE-BASED PAYMENTS *continued*

NUMBER OF ORDINARY SHARES UNDER OPTION: 2016

	2015	Granted during year	Exercised during year	Lapsed/ forfeited during year	2016	Option price (£)	Weighted average market price at date of exercise (£)
Period during which option may be exercised:							
SAYE							
Between February 1 2016 and July 31 2016	**44,056**	–	(39,709)	(4,347)	–	6.39	9.14
Between February 1 2017 and July 31 2017	**46,982**	–	(276)	(19,337)	27,369	9.17	9.97
Between February 1 2018 and July 31 2018	**130,557**	–	(2,734)	(28,104)	99,719	8.15	9.89
Between February 1 2019 and July 31 2019	–	127,440	–	(13,098)	114,342	7.47	–
CAP 2010							
Before September 30 2020 (tranche 2)	**40,933**	–	(21,743)	(3,664)	15,526	0.0025	9.68
CAP 2014							
Before September 30 2023[1]	**2,097,363**	–	–	–	2,097,363	0.0025	–
CSOP 2014							
Before September 30 2023 (UK)	**400,512**	–	–	–	400,512	11.16	–
Before September 30 2023 (Canada)	**116,519**	–	–	–	116,519	11.16	–
PSP							
Before September 30 2025	–	159,269	–	–	159,269	–	–
Buy-out award							
Before September 30 2025	–	221,011	(88,704)	–	132,307	–	11.09
	2,876,922	507,720	(153,166)	(68,550)	3,162,926		
Weighted average exercise price (£)	**2.62**	1.88	1.82	7.76	2.43		

The options outstanding at September 30 2016 had a weighted average remaining contractual life of 6.81 years. There are no share options exercisable at the end of the period (2015: 40,933).

Notes to the Consolidated Financial Statements

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24 SHARE-BASED PAYMENTS *continued*

NUMBER OF ORDINARY SHARES UNDER OPTION: 2015

	2014	Granted during year	Exercised during year	Lapsed/ forfeited during year	2015	Option price (£)	Weighted average market price at date of exercise (£)
Period during which option may be exercised:							
SAYE							
Between February 1 2015 and July 31 2015	106,243	–	(106,243)	–	–	4.97	10.43
Between February 1 2016 and July 31 2016	53,851	–	(1,955)	(7,840)	44,056	6.39	11.24
Between February 1 2017 and July 31 2017	60,523	–	(680)	(12,861)	46,982	9.17	10.99
Between February 1 2018 and July 31 2018	–	152,917	–	(22,360)	130,557	8.15	–
CAP 2010							
Before September 30 2020 (tranche 2)	55,421	–	(6,599)	(7,889)	40,933	0.0025	10.47
CSOP 2010							
Before February 14 2020 (UK)	279	–	–	(279)	–	6.03	–
CAP 2014							
Before September 30 2023[1]	2,097,363	–	–	–	2,097,363	0.0025	–
CSOP 2014							
Before September 30 2023 (UK)	400,512	–	–	–	400,512	11.16	–
Before September 30 2023 (Canada)	116,519	–	–	–	116,519	11.16	–
	2,890,711	152,917	(115,477)	(51,229)	2,876,922		
Weighted average exercise price (£)	2.49	8.15	4.73	6.87	2.62		

The options outstanding at September 30 2015 had a weighted average remaining contractual life of 7.52 years.

[1] The allocation of the number of options granted under each tranche of the CAP and CSOP UK and CSOP Canada represents the directors' best estimate. The CAP award is reduced by the number of options vesting under the respective CSOP schemes (see the Directors' Remuneration Report for further details).

CASH-SETTLED OPTIONS

The group has liabilities in respect of two share option schemes that are classified by IFRS 2 'Share-based Payments' as cash-settled. These consist of the cash element of the CAP 2010 and the CAP 2014 scheme.

SHARE OPTION SCHEMES

The company has four share option schemes for which an IFRS 2 'Share-based payments' charge has been recognised. Details of these schemes are set out in the Directors' Remuneration Report on pages 46 to 58. The fair value per option granted and the assumptions used in the calculation are shown below.

24 SHARE-BASED PAYMENTS *continued*

SAVE AS YOU EARN (SAYE) OPTIONS

	SAYE		
Date of grant	**15 December 12 2013**	**16 December 22 2014**	**17 January 5 2016**
Market value at date of grant (p)	**1,146**	**1,019**	**934**
Option price (p)	**917**	**815**	**747**
Option life (years)	**3.5**	**3.5**	**3.5**
Expected term of option (grant to exercise (years))	**3.0**	**3.0**	**3.0**
Exercise price (p)	**917**	**815**	**747**
Risk-free rate	**0.53%**	**0.61%**	**0.59%**
Dividend yield	**2.50%**	**2.29%**	**2.13%**
Volatility	**22%**	**24%**	**22%**
Fair value per option (£)	**2.42**	**2.34**	**2.03**

The group operates a SAYE scheme in which all employees, including directors, employed in the UK are eligible to participate. Participants save a fixed monthly amount of up to £500 for three years and are then able to buy shares in the company at a price set at a 20% discount to the market value at the start of the savings period. In line with market practice, no performance conditions attach to options granted under this plan.

The SAYE options were valued using the Black–Scholes option-pricing model. Expected volatility was determined by calculating the historical volatility of the group's share price over a period of three years. The expected term of the option used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

CAPITAL APPRECIATION PLAN (CAP) AND COMPANY SHARE OPTION PLAN (CSOP)

	CAP 2010	CAP 2014			CSOP 2014	
Date of grant	**Tranche 2 March 30 2010**	**Tranche 1 June 20 2014**	**Tranche 2 June 20 2014**	**Tranche 3 June 20 2014**	**UK June 20 2014**	**Canada June 20 2014**
Market value at date of grant (p)	**501**	**1,115.67**	**1,115.67**	**1,115.67**	**1,115.67**	**1,115.67**
Option price (p)	**0.25**	**0.25**	**0.25**	**0.25**	**1,115.67**	**1,115.67**
Option life (years)	**10**	**9.28**	**9.28**	**9.28**	**9.28**	**9.28**
Expected term of option (grant to exercise (years))	**5**	**4**	**5**	**6**	**4**	**4**
Exercise price (p)	**0.25**	**0.25**	**0.25**	**0.25**	**1,115.67***	**1115.67***
Risk-free rate	**2.75%**	**1.50%**	**1.90%**	**2.30%**	**1.50%**	**1.50%**
Dividend growth	**7.00%**	**8.43%**	**8.43%**	**8.43%**	**8.43%**	**8.43%**
Fair value per option (£)	**4.20**	**9.89**	**9.57**	**9.19**	**9.89**	**9.89**

* Exercise price excludes the effect of the funding award.

The CAP 2010 executive share option scheme was approved by the shareholders on January 21 2010. Each CAP 2010 award comprises two equal elements: an option to subscribe for ordinary shares of 0.25 pence each in the company at an exercise price of 0.25 pence per ordinary share, and a right to receive a cash payment. The award pool comprised 3,500,992 ordinary shares with an option value of £15.0m and cash of £15.0m, limiting the total accounting cost to £30.0m over its life. The awards vest in two equal tranches. The first tranche of awards became exercisable in February 2013 on satisfaction of the primary performance condition in 2012 and there are no options outstanding. The second tranche became exercisable in February 2014 in which the primary performance condition was again satisfied. The remaining balance of the second tranche is subject to an additional performance condition, applicable for the vesting of the second tranche of awards, which requires the profits of each business in the subsequent vesting period be at least 75% of that achieved in the year the first tranche of awards became exercisable. The options lapse to the extent unexercised by September 30 2020.

The CAP 2014 was approved by the shareholders on January 30 2014 as a replacement for CAP 2010. Each CAP 2014 award comprises two equal instalments: an option to subscribe for ordinary shares of 0.25 pence each in the company for nil consideration, and a right to receive a cash payment. The value of the awards is linked directly to the growth in profits over the performance period. The award pool comprises a maximum of 3.5m shares and cash of £7.6m, limiting the cost of the scheme to £41.0m over its life. Awards will vest in three equal tranches, subject to the performance conditions and lapse to the extent unexercised by September 30 2023.

Notes to the Consolidated Financial Statements

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24 SHARE-BASED PAYMENTS *continued*

The CAP options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise. The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The number of CSOP 2014 awards that vest proportionally reduce the number of shares that vest under the CAP 2014 respectively. The CSOP is effectively a delivery mechanism for part of the CAP award. The CSOP 2014 options were valued using the Black–Scholes option-pricing model. The CSOP 2014 options have an exercise price of £11.16, which will be satisfied by a funding award mechanism which results in the same net gain[1] on these options delivered in the equivalent number of shares to participants as if the same award had been delivered using 0.25 pence CAP options. The amount of the funding award will depend on the company's share price at the date of vesting. Because of the above and the other direct links between the CSOP 2014 and the CAP 2014, including the identical performance criteria, IFRS 2 'Share based payments' combines the two plans and treats them as one plan.

The minimum performance target under CAP 2014 is unlikely to be achieved given the tough trading conditions with the result that the related costs were not amortised in 2016 and 2015 and the costs in 2014 were reversed in 2015.

[1] Net gain on the CSOP options is the market price of the company's shares at the date of exercise less the exercise price multiplied by the number of options exercised.

2015 PERFORMANCE SHARE PLAN (PSP)

The PSP was approved by the shareholders on June 1 2015. Under the PSP share option scheme, each award of options has a maximum life of ten years. The maximum award is shares with a market value 200% of annualised basic salary. These awards will not normally vest until the five years after the award and the performance conditions have been met. The only grant under this scheme was to A Rashbass, CEO, on December 18 2015 for 159,269 nil-cost options with fair value of £1.5m. The share price used to determine the number of shares awarded was the average of the middle market quotations of an Ordinary Share as derived from the Daily Official List for the preceding five dealing days of December 18 2015. Further details are shown in the Directors' Remuneration Report.

BUY-OUT AWARD

There was a buy-out award issued to A Rashbass on October 1 2015. Further detail is provided in the Directors' Remuneration Report.

25 ACQUISITION COMMITMENTS AND DEFERRED CONSIDERATION

The group is party to contingent consideration arrangements in the form of acquisition commitments, acquisition deferred consideration payments and deferred consideration receipts on disposal. The group recognises the discounted present value of the contingent consideration. This discount is unwound as a notional interest charge to the Income Statement. The group regularly performs a review of the underlying businesses to assess the impact on the fair value of the contingent consideration. Any resultant change in these fair values is reported as a finance income or expense in the Income Statement.

	Acquisition commitments		**Deferred consideration payments**		**Deferred consideration receipts**	
	2016 £000	2015 £000	**2016 £000**	2015 £000	**2016 £000**	2015 £000
At October 1	**9,171**	13,365	**–**	–	**(589)**	8,503
Reduction from disposals during the year	**–**	–	**–**	–	**(450)**	(269)
Receipt/(payment) during the year	**–**	–	**–**	–	**662**	(11,558)
Net movements in finance income and expense during the year (note 7)	**601**	(4,748)	**–**	–	**–**	2,851
Exercise of commitments	**(239)**	(109)	**–**	–	**–**	–
Additions from acquisitions during the year	**665**	–	**480**	–	**–**	–
Exchange differences to reserves	**1,573**	663	**–**	–	**(149)**	(116)
At September 30	**11,771**	9,171	**480**	–	**(526)**	(589)
Within one year	**326**	–	**480**	–	**–**	(331)
In more than one year	**11,445**	9,171	**–**	–	**(526)**	(258)
	11,771	9,171	**480**	–	**(526)**	(589)

Exchange differences to reserves were recorded within net exchange differences on translation of net investments in overseas subsidiary undertakings in the Statement of Comprehensive Income.

25 ACQUISITION COMMITMENTS AND DEFERRED CONSIDERATION *continued*

Reconciliation of finance income and expense (note 7):

	Acquisition commitments		Deferred consideration	
	2016 £000	2015 £000	**2016 £000**	2015 £000
Fair value adjustment during the year	**(258)**	(5,727)	**–**	2,617
Imputed interest	**859**	979	**–**	234
Net movements in finance income and expense during the year	**601**	(4,748)	**–**	2,851

The value of the acquisition commitments, acquisition deferred consideration payments and deferred consideration receipts on disposal is subject to a number of assumptions. The potential undiscounted amount of all future payments that the group could be required to make under the acquisition contingent consideration arrangements is as follows:

	2016		2015	
	Maximum £000	**Minimum £000**	Maximum £000	Minimum £000
NDR	**46,314**	**–**	40,121	–
World Bulk Wine	**672**	**–**	–	–
FastMarkets	**480**	**–**	–	–
	47,466	**–**	40,121	–

The potential undiscounted amount of all future receipts that the group could receive under the disposal contingent consideration arrangement is as follows:

	2016		2015	
	Maximum £000	**Minimum £000**	Maximum £000	Minimum £000
MIS Training	**–**	**–**	330	–
II Newsletters	**142**	**–**	258	–
Gulf	**312**	**–**	–	–
PE	**72**	**–**	–	–
	526	**–**	588	–

The discounted acquisition commitments, acquisition deferred consideration payments and deferred consideration receipts on disposal are based on predetermined multiples of future profits of the businesses, and have been estimated on an acquisition-by-acquisition basis using available performance forecasts. The directors derive their estimates from internal business plans and financial due diligence. At September 30 2016, the weighted average growth rates used in estimating the expected profits range was 13%.

A one percentage point increase or decrease in growth rate in estimating the expected profits, results in the acquisition commitment at September 30 2016 increasing or decreasing by £0.1m with the corresponding change to the value charged or credited to the Income Statement in future periods.

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26 OPERATING LEASE COMMITMENTS

At September 30 the group had committed to make the following payments in respect of operating leases on land and buildings:

	2016 £000	2015 £000
Within one year	**9,105**	6,749
Between two and five years	**22,016**	19,671
After five years	**23,303**	26,388
	54,424	52,808

The group's operating leases do not include any significant leasing terms or conditions.

At September 30 the group had contracted with tenants to receive the following payments in respect of operating leases on land and buildings:

	2016 £000	2015 £000
Within one year	**949**	1,614
Between two and five years	**2,164**	2,882
After five years	**709**	1,114
	3,822	5,610

27 RETIREMENT BENEFIT SCHEMES

DEFINED CONTRIBUTION SCHEMES

The group operates the following defined contribution schemes: DMGT PensionSaver and the Metal Bulletin Group Personal Pension Plan in the UK and the 401(k) savings and investment plan in the US. It also participates in the Harmsworth Pension Scheme, a defined benefit scheme which is operated by Daily Mail and General Trust plc (DMGT) which up to September 30 2016 was accounted for as a defined contribution scheme.

In compliance with legislation the group operates a defined contribution plan, DMGT PensionSaver, into which relevant employees are automatically enrolled.

The pension charge in respect of defined contribution schemes for the year ended September 30 comprised:

	2016 £000	2015 £000
DMGT Pension Plan/PensionSaver	**2,059**	1,991
Metal Bulletin Group Personal Pension Plan	**15**	16
Private schemes	**1,148**	1,020
Harmsworth Pension Scheme	**11**	89
	3,233	3,116

DMGT PENSIONSAVER

DMGT PensionSaver is a group personal pension plan and is the principal pension arrangement offered to employees of the group. Contributions are paid by the employer and employees. Employees are able to contribute a minimum of 2% of salary with an equal company contribution in the first three years of employment and thereafter at twice the employee contribution rate, up to a maximum employer contribution of 10% of salary. Assets are invested in funds selected by members and held independently from the company's finances. The investment and administration is undertaken by Fidelity Pension Management.

METAL BULLETIN GROUP PERSONAL PENSION PLAN

The Metal Bulletin Group Personal Pension Plan is a defined contribution arrangement under which contributions are paid by the employer and employees. The scheme is closed to new members. The plan's assets are invested under trust in funds selected by members and held independently from the company's finances. The investment and administration of the plan is undertaken by Skandia Life Group.

27 RETIREMENT BENEFIT SCHEMES *continued*

PRIVATE SCHEMES

Institutional Investor LLC contributes to a 401(k) savings and investment plan for its employees which is administered by an independent investment provider. Employees are able to contribute up to 50% of salary (maximum of US$52,000 a year) with the company matching up to 50% of the employee contributions, up to 6% of salary.

DEFINED BENEFIT SCHEMES

The group operates the Metal Bulletin plc Pension Scheme (MBPS) and participates in the Harmsworth Pension Scheme (HPS), which is a scheme operated by DMGT, both of which are now closed to new entrants. HPS was accounted for by Euromoney Institutional Investor PLC as a defined contribution scheme in prior years as DMGT did not have a policy of allocating the net defined benefit scheme deficit to other DMGT group entities. However, due to a change in policy by DMGT's policy to allocate the assets and liabilities of the DMGT group's defined benefit plan on a buy-out basis, the group's share of HPS has been recognised at September 30 2016. The net deficit reported in the Consolidated Statement of Financial Position at September 30 2016 includes a deficit of £1.2m for HPS, which has been treated as an exceptional item in the current year as shown in note 5.

HARMSWORTH PENSION SCHEME

HPS is a defined benefit scheme operated by DMGT and closed to further accrual.

Full actuarial valuations of the defined benefit schemes are carried out triennially by the scheme actuary. As a result of the valuations of the main schemes as at March 31 2013, DMGT makes annual contributions of 12.0% or 18.0% of members' basic pay (depending on membership section). Following the results of the latest triennial valuation, DMGT agreed a recovery plan involving a series of annual funding payments, and in accordance with this arrangement, payments of £23.2m were made in line with the due date of October 5 2014. Between October 2015 and October 2026 further annual payments have been agreed amounting to £305.9m (excluding the balloon funding payment referred to below in connection with the Limited Partnership investment vehicle). DMGT considers that these contribution rates are sufficient to eliminate the deficit over the agreed period. Both the ongoing contributions and Recovery Plan will be reviewed at the next triennial funding valuation of the main schemes due to be completed with an effective date of March 31 2016.

In February 2014 DMGT agreed with the Trustees, that should it continue its share buy-back programme, it would make additional contributions to the schemes amounting to 20% of the value of shares purchased. Contributions of £3.5m relating to this agreement were made in the year to September 30 2016.

DMGT enabled the trustee of the scheme to acquire a beneficial interest in a Limited Partnership investment vehicle (LP). The LP has been designed to facilitate payment of £10.8m 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 £149.9m, 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. For funding purposes, HPS's interest 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.

DMGT also has a defined benefit obligation relating to the DMGT AVC Plan (the Plan) which is closed to further member contributions. The most recent actuarial funding valuation of the Plan, carried out with an effective date of March 31 2014, showed a funding deficit of £3.8m. The Trustees and DMGT have agreed that this funding shortfall will be recovered through the expected investment returns, with no further contributions required from DMGT.

DMGT expects to contribute approximately £13m to the schemes during the year to September 30 2017 including the deficit funding payments described above. The Euromoney group did not contribute to the scheme in 2016 and does not expect to contribute in 2017.

METAL BULLETIN PENSION SCHEME

A full actuarial valuation of the defined benefit scheme is carried out triennially by the Scheme Actuary. The latest valuation of the MBPS was completed as at June 1 2016. Any change to the future contributions have not been agreed. As a result of the 2013 valuation, the company agreed to make annual contributions of 38.9% per annum of pensionable salaries, plus £42,400 per month to the scheme. The group considers that the contributions set at the last valuation date are sufficient to eliminate the deficit and that regular contributions, which are based on service costs, will not increase significantly.

The group expects to contribute approximately £0.6m to the Metal Bulletin Pension Scheme during the year to September 30 2017.

Notes to the Consolidated Financial Statements

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27 RETIREMENT BENEFIT SCHEMES *continued*

A reconciliation of the net pension deficit reported in the Statement of Financial Position is shown in the following table:

	2016 £000	2015 £000
Present value of defined benefit obligation	**(71,174)**	(34,452)
Fair value of plan assets	**61,179**	32,479
Deficit reported in the Statement of Financial Position	**(9,995)**	(1,973)

The deficit for the year excludes a related deferred tax asset of £1.7m (2015: asset £0.4m).

The movements in the defined benefit liability over the year are as follows:

2016	**Present value of obligation 2016 £000**	**Fair value of plan assets 2016 £000**	**Net defined benefit liability 2016 £000**
At September 30 2015	**(34,452)**	**32,479**	**(1,973)**
Current service cost	**(90)**	**–**	**(90)**
Interest (expense)/income	**(1,264)**	**1,198**	**(66)**
Total charge recognised in Income Statement	**(1,354)**	**1,198**	**(156)**
Remeasurements:			
Return on plan assets, excluding amounts in interest expense/income	**–**	**3,589**	**3,589**
Gain due to change in financial assumptions	**(10,804)**	**–**	**(10,804)**
Total losses recognised in Statement of Comprehensive Income	**(10,804)**	**3,589**	**(7,215)**
Contributions – employers	**–**	**598**	**598**
Contributions – plan participants	**(10)**	**10**	**–**
Payments from the plans – benefit payments	**710**	**(710)**	**–**
Recognition due to change in accounting policy for HPS	**(25,264)**	**24,015**	**(1,249)**
At September 30 2016	**(71,174)**	**61,179**	**(9,995)**

2015	Present value of obligation 2015 £000	Fair value of plan assets 2015 £000	Net defined benefit liability 2015 £000
At September 30 2014	(36,218)	31,431	(4,787)
Current service cost	(57)	–	(57)
Interest (expense)/income	(1,363)	1,193	(170)
Total charge recognised in Income Statement	(1,420)	1,193	(227)
Remeasurements:			
Return on plan assets, excluding amounts in interest expense/income	–	(45)	(45)
Gain due to change in demographic assumptions	2,447	–	2,447
Gain due to change in financial assumptions	19	–	19
Total gains recognised in Statement of Comprehensive Income	2,466	(45)	2,421
Contributions – employers	–	620	620
Payments from the plans – benefit payments	720	(720)	–
At September 30 2015	(34,452)	32,479	(1,973)

27 RETIREMENT BENEFIT SCHEMES *continued*

The major categories and fair values of plan assets are as follows:

	2016 £000	2015 £000
Equities	**23,609**	10,853
Bonds	**31,535**	18,923
Property	**2,846**	–
With profits policy	**2,734**	2,567
Cash and cash equivalents	**455**	136
	61,179	32,479

Equities include hedge funds and infrastructure funds. All the assets listed above excluding cash and cash equivalents have a quoted market price in an active market. The assets do not include any of the group's own financial instruments nor any property occupied by, or other assets used by, the group. The actual return on plan assets was £4.8m (2015: £1.1m). The 2016 fair values of plan assets include 1% of the scheme assets of HPS, the comparatives have not been restated for the change in accounting policy.

The figures in this note are based on calculations carried out in connection with the actuarial valuation of the scheme as at June 1 2013 adjusted to September 30 2016 by the actuary. The key financial assumptions adopted are as follows:

	2016 %	2015 %
Discount rate	**2.40**	3.70
Price inflation	**2.95**	2.95
Salary increases	**2.50**	2.50
Pension increases	**2.80**	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 one of the main four rating agencies (Standard and Poors, Moody's, Fitch and DBRS). In previous years the methodology incorporated bonds given an AA rating from at least two of the four main rating agencies.

This change in accounting estimate increases the number of bonds being assessed as high-quality. The impact of this change is to reduce the defined benefit obligation and net pension obligation reported on the Statement of Financial Position as at September 30 2016 by £2m.

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 average duration with an appropriate allowance for inflation risk premium (0.30% p.a.), rounded to the nearest 0.05% p.a. In previous years this was derived from the annualised Bank of England spot curve at the duration of the schemes' weighted average duration with an appropriate allowance for an inflation risk premium, rounded to the nearest 0.05% p.a.

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 20 years (2015: 21 years).

Notes to the Consolidated Financial Statements

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27 RETIREMENT BENEFIT SCHEMES *continued*

ASSUMED LIFE EXPECTANCY IN YEARS, ON RETIREMENT AT 62

	2016	2015
Retiring at the end of the reporting year:		
Males	**24.6**	25.1
Females	**26.8**	26.9
Retiring 20 years after the end of the reporting year:		
Males	**26.4**	27.3
Females	**28.7**	29.2

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted. The sensitivity of the defined obligation to changes in the weighted principal assumptions is:

Assumption	**Change in assumption**	**Change in liabilities**
Discount rate	**Increase by 0.1%**	**Decrease by 2.1%**
Inflation rate	**Increase by 0.1%**	**Increase by 0.5%**
Salary increases	**Increase by 0.25%**	**Increase by 0.1%**
Life expectancy	**Increase by one year**	**Increase by 3.7%**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity of the defined benefit obligation to significant actuarial assumptions has been estimated by projecting the results of the last full actuarial valuation as at June 1 2013 forward to September 30 2016.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

These are the significant risks in connection with running defined benefit schemes, and the key risks are detailed below:

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 an increase in the value of corporate bonds held by the schemes.

INFLATION RATE RISK

A significant proportion of the defined benefit obligation is linked to inflation, therefore increased inflation will result in a higher defined benefit obligation. The Trustees have sought to acquire certain assets with exposure to inflationary uplifts in order to negate a proportion of this risk.

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 keeps pace with the discount rate. The schemes hold a significant proportion of equities and similar 'growth assets', which are expected to outperform the discount rate in the long term.

28 CONTINGENT LIABILITIES

CLAIMS IN MALAYSIA

Four writs claiming damages for libel were issued in Malaysia against the company and three of its employees in respect of an article published in one of the company's magazines, International Commercial Litigation, in November 1995. The writs were served on the company on October 22 1996. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is Malaysian ringgit 82.9m (£15.4m). No provision has been made for these claims in these financial statements as the directors do not believe the company has any material liability in respect of these writs.

29 RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption allowed under IAS 24 'Related Party Disclosures' not to disclose transactions and balances between group companies that have been eliminated on consolidation. Other related party transactions and balances are detailed below:

(i) The group had a US$160m multi-currency facility with Daily Mail and General Holdings Limited (DMGH), a Daily Mail and General Trust plc (DMGT) group company:

	2016 £000	2015 £000
Fees on the available facility for the year	**525**	733

(ii) On August 3 2015, the group entered into a deposit agreement with DMGH. On May 25 2016, the group entered into a new agreement with DMGH and DMGB Limited, a DMGT group company:

	2016 £000	2015 £000
Deposits	**73,639**	9,799

(iii) During the year, the group expensed services provided by DMGT, the group's parent, and other fellow group companies, as follows:

	2016 £000	2015 £000
Services expensed	**960**	849

(iv) During the year, DMGT group companies surrendered tax losses to Euromoney Consortium Limited under an agreement between the two groups. These tax losses are relievable against UK taxable profits of the group under HMRC's consortium relief rules:

	2016 £000	2015 £000
Amounts payable	**1,633**	1,787
Tax losses with tax value	**2,177**	2,383
Amounts owed by DMGT group at September 30	**(121)**	(313)

(v) DMGT group companies have an agreement to surrender tax losses to Euromoney Consortium 2 Limited. These tax losses are relievable against UK taxable profits of the group under HMRC's consortium relief rules:

	2016 £000	2015 £000
Amounts owed by DMGT group at September 30	**–**	(202)

Notes to the Consolidated Financial Statements

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29 RELATED PARTY TRANSACTIONS *continued*

(vi) During the year, the group received dividends from its associate undertakings:

	2016 £000	2015 £000
Capital NET Limited	**–**	123
World Bulk Wine	**83**	–

(vii) During the year, Estimize Inc provided services to BCA for US$25,000 (2015: £nil).

(viii) NF Osborn serves as an advisor to the boards of both DMG Events and dmgi, fellow group companies, for which he received a combined fee of US$23,250 (2015: US$18,600).

(ix) The directors who served during the year received dividends of £0.2m (2015: £0.2m) in respect of ordinary shares held in the company.

(x) Gulf and PE were disposed of during the year for £10.8m (note 15) to Gulf Publishing Holdings LLC, in which the former president of Gulf and PE, John Royall, holds 11%.

(xi) The compensation paid or payable for key management is set out below. Key management includes the executive and non-executive directors as set out in the Directors' Remuneration Report and other key divisional directors who are not on the board.

KEY MANAGEMENT COMPENSATION

	2016 £000	2015 £000
Salaries and short-term employee benefits	**9,672**	12,245
Non-executive directors' fees	**343**	223
Post-employment benefits	**319**	279
Other long-term benefits (all share-based)	**992**	30
	11,326	12,777
Of which:		
Executive directors	**4,512**	7,482
Non-executive directors	**343**	223
Divisional directors	**6,471**	5,072
	11,326	12,777

Details of the remuneration of directors is given in the Directors' Remuneration Report.

30 EVENTS AFTER THE BALANCE SHEET DATE

The directors propose a final dividend of 16.40p per share (2015: 16.40p) totalling £20.8m (2015: £20.7m) for the year ended September 30 2016. The dividend will be submitted for formal approval at the AGM to be held on January 26 2017. In accordance with IAS 10 'Events after the Reporting Period', these financial statements do not reflect this dividend payable but will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending September 30 2017.

On October 31 2016, the group entered into an asset purchase agreement between Institutional Investor LLC and Pageant Media Limited for the sale of assets of Institutional Investor Intelligence for an initial cash consideration of US$0.7m, royalty consideration receivable of up to US$0.3m over a 24 month period from the completion date and will assume the expected deferred income on completion. The deal is set for completion by the end of November 2016. Given that the IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' criteria to be classified as held for sale have been met at September 30 2016, the assets and liabilities of Institutional Investor Intelligence have been disclosed separately on the face of the Consolidated Statement of Financial Position. As such, the additional IAS 10 'Events after the Reporting Period' disclosures are not provided as the disposal was not completed at the time this report is authorised for issue.

There were no other events after the balance sheet date.

31 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Rothermere Continuation Limited (RCL) which is incorporated in Bermuda. RCL is owned by a 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. The immediate parent of the company is DMG Charles Limited, a wholly owned subsidiary of Daily Mail and General Trust plc (DMGT).

The largest and smallest group of which the company is a member and for which group accounts are drawn up is that of DMGT, incorporated in Great Britain and registered in England and Wales. Copies of its report and accounts are available from:

The company secretary
Daily Mail and General Trust plc
Northcliffe House, 2 Derry Street
London W8 5TT
www.dmgt.co.uk

32 LIST OF SUBSIDIARIES

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries and partnerships, the country of incorporation and the effective percentage of equity owned included in these consolidated financial statements at September 30 2016 are disclosed below.

Company	Proportion held	Principal activity and operation	Country of incorporation
Euromoney Institutional Investor PLC	n/a	Investment holding company	United Kingdom
ABF1 Limited	100%	Dormant	United Kingdom
ABF2 Limited	100%	Dormant	United Kingdom
Adhesion Asia Limited	100%	Events	Hong Kong
Adhesion Group S.A.	100%	Events	France
Asia Business Forum (Singapore) Pte Ltd	100%	Dormant	Singapore
Asia Business Forum (Thailand) Limited	100%	Dormant	Thailand
Asia Business Forum SDN. BHD	100%	Dormant	Malaysia
BCA Research, Inc.	100%	Research and data services	Canada
Benchmark Financials Ltd	100%	Dormant	Colombia
BPR Associados Limitada	100%	Dormant	Colombia
BPR Benchmark Limitada	100%	Dormant	Colombia
Bright Milestone Limited	100%	Investment holding company	Hong Kong
Business Forum Group Holdings Ltd	100%	Dormant	Thailand
CEIC Data - Internet Securities Japan K.K	100%	Information services	Japan
CEIC Data (SG) Pte Ltd	100%	Information services	Singapore
CEIC Data (Shanghai) Co Ltd	100%	Information services	China
CEIC Data (Thailand) Co Ltd	100%	Information services	Thailand
CEIC Data Korea Limited	100%	Information services	Korea
CEIC Holdings Limited	100%	Information services	Hong Kong
CEICdata.com (Malaysia) Sdn Bhd	100%	Information services	Malaysia
Centre for Investor Education (UK) Limited	75%	Investment holding company	United Kingdom
Centre for Investor Education Pty Limited	75%	Events	Australia
EII (Ventures) Limited	100%	Investment holding company	United Kingdom
EII Holdings, Inc.	100%*	Investment holding company	US
EII US, Inc.	100%	Investment holding company	US
EIMN LLC	100%	Events	US
Euromoney (Singapore) Pte Limited	100%	Events	Singapore
Euromoney Canada Limited	100%	Investment holding company	United Kingdom
Euromoney Charles Limited	100%	Investment holding company	United Kingdom
Euromoney Consortium 2 Limited	100%	Investment holding company	United Kingdom
Euromoney Consortium Limited	99.7%	Investment holding company	United Kingdom
Euromoney ESOP Trustee Ltd	100%	Dormant	United Kingdom
Euromoney Global Limited	99.7%	Publishing and events	United Kingdom
Euromoney Guarantee Limited	100%	Dormant	United Kingdom

Notes to the Consolidated Financial Statements

CONTINUED

32 LIST OF SUBSIDIARIES *continued*

Company	Proportion held	Principal activity and operation	Country of incorporation
Euromoney Holdings US, Inc	100%	Investment holding company	US
Euromoney Institutional Investor (Jersey) Limited	100%†	Publishing, training and events	Jersey
Euromoney Jersey Limited	100%#	Investment holding company	Jersey
Euromoney Luxembourg S.a.r.l	100%	Investment holding company	Luxembourg
Euromoney Partnership LLP	100%	Investment holding company	United Kingdom
Euromoney Polska SP Zoo	100%	Information services	Poland
Euromoney Publications (Jersey) Limited	100%	Investment holding company	Jersey
Euromoney Services Inc	100%	Research and data services	US
Euromoney Trading Limited	100%	Publishing, training and events	United Kingdom
Euromoney Training, Inc.	100%	Training	US
Fantfoot Limited	100%	Investment holding company	United Kingdom
Fastmarkets Limited	100%	Publishing	United Kingdom
Fastmarkets Pte Limited	100%	Publishing	Singapore
Fastmarkets Inc	100%	Publishing	US
GGA Pte. Limited	100%	Events	Singapore
Glenprint Limited	99.7%	Publishing	United Kingdom
Global Commodities Group Sarl	100%	Events	Switzerland
Insider Publishing Limited	100%	Dormant	United Kingdom
Institutional Investor LLC	100%	Publishing and events	US
Institutional Investor Networks UK Limited	100%	Information services	United Kingdom
Internet Data Services (I) Pvt Ltd	100%	Information services	India
Internet Securities (BVI) Ltd	100%	Dormant	Colombia
Internet Securities Argentina S.A.	100%	Dormant	Argentina
Internet Securities Brazil Ltda	100%	Information services	Brazil
Internet Securities Bulgaria EOOD	100%	Information services	Bulgaria
Internet Securities Colombia Limited	100%	Information services	Colombia
Internet Securities de Chile Ltda	100%	Information services	Chile
Internet Securities de Mexico SDeRLdeCV	100%	Information services	Mexico
Internet Securities Egypt Ltd	100%	Dormant	Egypt
Internet Securities Hong Kong Ltd	100%	Information services	Hong Kong
Internet Securities Istanbul Bilgi Merkezi Ltd STI	100%	Dormant	Turkey
Internet Securities Limited	100%	Information services	United Kingdom
Internet Securities, Inc.	100%	Information services	US
Internet Securities Shanghai Limited	100%	Information services	China
Latin American Financial Publications, Inc.	100%	Publishing	US
Legal Media Group Limited	100%	Dormant	United Kingdom
Metal Bulletin Holdings LLC	100%	Investment holding company	US
Ned Davis Research, Inc.	85%	Research and data services	US
Redquince Limited	100%	Investment holding company	United Kingdom
Reinsurance Security (Consultancy).Co.UK Limited	100%	Publishing	United Kingdom
Steel First Limited	100%	Information services	United Kingdom
Storas Holdings Pte Ltd	100%	Dormant	Singapore
Tipall Limited	100%	Property holding	United Kingdom
TTI Technologies LLC	100%	Events	US
World Bulk Wine Exhibition, S.L	57%	Events	Spain

* 100% preference shares held in addition.
† Euromoney Institutional Investor (Jersey) Limited's principal country of operation is Hong Kong.
# Euromoney Jersey Limited's principal country of operation is United Kingdom.

32 LIST OF SUBSIDIARIES *continued*

All holdings are of ordinary shares. In addition, the group has a small number of branches outside the United Kingdom.

The dormant companies listed above are exempt from preparing individual accounts and from filing with the registrar individual accounts by virtue of s394A and s448A of Companies Act 2006 respectively.

A list of associates, joint ventures and joint arrangements is disclosed in note 14.

For the year ended September 30 2016, the following subsidiary undertakings of the group were exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Companies Act 2006:

Company	Company registration number
Euromoney Canada Limited	01974125
Euromoney Charles Limited	04082590
EII (Ventures) Limited	05885797
Euromoney Partnership LLP	OC363064
Fantfoot Limited	05503274
Internet Securities Limited	02976791
Redquince Limited	05994621
Steel First Limited	04002471
Insider Publishing Limited	03923422
Reinsurance Security (Consultancy).Co.UK Limited	04121650

Company Balance Sheet

as at September 30 2016

	Notes	2016 £000	2015 £000
Fixed assets			
Tangible assets	5	**471**	555
Investments	6	**1,214,757**	997,110
		1,215,228	997,665
Current assets			
Debtors	7	**26,951**	48,527
Cash at bank and in hand		**506**	9
		27,457	48,536
Creditors: Amounts falling due within one year	8	**(2,693)**	(61,888)
Net current assets/(liabilities)		**24,764**	(13,352)
Total assets less current liabilities		**1,239,992**	984,313
Creditors: Amounts falling due after more than one year	9	**(306,801)**	(115,456)
Net assets		**933,191**	868,857
Capital and reserves			
Called up share capital	11	**321**	320
Share premium account		**102,835**	102,557
Other reserve		**64,981**	64,981
Capital redemption reserve		**8**	8
Capital reserve		**1,842**	1,842
Own shares		**(21,005)**	(21,582)
Reserve for share-based payments		**37,334**	37,169
Fair value reserve		**1,358**	1,358
Profit and loss account		**745,517**	682,204
Total shareholders' funds		**933,191**	868,857

Euromoney Institutional Investor PLC (registered number 954730) has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these accounts. The profit after taxation of Euromoney Institutional Investor PLC included in the group profit for the year is £92.9m (2015: £72.8m).

The accounts were approved by the board of directors on November 24 2016 and signed on its behalf by:

ANDREW RASHBASS
COLIN JONES
Directors

Company Statement of Changes in Equity

as at September 30 2016

	Share capital £000	Share premium account £000	Other reserve £000	Capital redemption reserve £000	Capital reserves £000	Own shares £000	Reserve for share-based payments £000	Fair value reserve £000	Profit and loss account £000	Total shareholders' funds £000
At September 30 2014	320	102,011	64,981	8	1,842	(21,582)	39,158	1,358	638,443	826,539
Profit for the year	–	–	–	–	–	–	–	–	72,825	72,825
Credit for share-based payments	–	–	–	–	–	–	(1,989)	–	–	(1,989)
Cash dividends paid	–	–	–	–	–	–	–	–	(29,064)	(29,064)
Exercise of share options	–	546	–	–	–	–	–	–	–	546
At September 30 2015	320	102,557	64,981	8	1,842	(21,582)	37,169	1,358	682,204	868,857
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**92,904**	**92,904**
Credit for share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**742**	**–**	**–**	**742**
Cash dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(29,591)**	**(29,591)**
Exercise of share options	**1**	**278**	**–**	**–**	**–**	**577**	**(577)**	**–**	**–**	**279**
At September 30 2016	**321**	**102,835**	**64,981**	**8**	**1,842**	**(21,005)**	**37,334**	**1,358**	**745,517**	**933,191**

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT) and Euromoney Employee Share Trust (EEST). The trusts waived the rights to receive dividends. Interest and administrative costs are charged to the profit and loss account of the trusts as incurred.

	2016 Number	2015 Number
Euromoney Employees' Share Ownership Trust	**58,976**	58,976
Euromoney Employee Share Trust	**1,700,777**	1,747,631
Total	**1,759,753**	1,806,607
Nominal cost per share (p)	**0.25**	0.25
Historical cost per share (£)	**11.94**	11.95
Market value (£000)	**19,516**	17,163

The other reserve represents the share premium arising on the shares issued for the purchase of Metal Bulletin plc in October 2006.

Notes to the Company Accounts

1 ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006. The accounts have been prepared under the historical cost convention except for financial instruments which have been measured at fair value and in accordance with applicable United Kingdom accounting standards and the United Kingdom Companies Act 2006. The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the current and prior year. The going concern basis has been applied in these accounts. No operating segments have been disclosed as the company operates as one operating segment.

DISCLOSURE EXEMPTIONS

The company satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of the group. As such, advantage has been taken of the following disclosure exemptions available under FRS 102 in relation to share-based payments, financial instruments, presentation of a cash flow statement, certain related party transactions and the effect of future accounting standards not yet adopted.

TRANSITION TO FRS 102

The company transitioned from previous UK GAAP to FRS 102 as at October 1 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

TURNOVER

Turnover represents income from subscriptions, net of value added tax.

Subscription revenues are recognised in the income statement on a straight-line basis over the period of the subscription.

Turnover invoiced but relating to future periods is deferred and treated as deferred income in the balance sheet.

LEASED ASSETS

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation of tangible fixed assets is provided on a straight-line basis over their expected useful lives at the following rates per year:

Short-term leasehold premises - over term of lease

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 balance sheet date.

Deferred taxation is calculated under the provisions of FRS 102 section 29 'Deferred Taxation', and is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when the timing differences crystallise based on current tax rates and law. Deferred tax is not provided on timing differences on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered.

SUBSIDIARIES

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect amendments from contingent consideration. Cost also includes directly attributable cost of investment.

INTEREST IN ASSOCIATES

Investments in associates are held at historical cost less accumulated impairment losses.

TRADE AND OTHER DEBTORS

Trade receivables are recognised and carried at original invoice amount, less provision for impairment. A provision is made and charged to the profit and loss account when there is objective evidence that the company will not be able to collect all amounts due according to the original terms.

CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less.

DIVIDENDS

Dividends are recognised as an expense in the period in which they are approved by the company's shareholders. Interim dividends are recorded in the period in which they are paid.

1 ACCOUNTING POLICIES *continued*

PROVISIONS

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation. If material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

SHARE-BASED PAYMENTS

The company makes share-based payments to certain employees which are equity-settled. These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest. At the period end the vesting assumptions are revisited and the charge associated with the fair value of these options updated. In accordance with the transitional provisions, FRS 102 section 26 'Share-based Payments' has been applied to all grants of options after November 7 2002 that were unvested at October 1 2004, the date of application of FRS 20.

OWN SHARES HELD BY EMPLOYEES' SHARE OWNERSHIP TRUST AND EMPLOYEES SHARE TRUST

Transactions of the group-sponsored trusts are included in the group financial statements. In particular, the trusts' holdings of shares in the company are debited direct to equity. The group provides finance to the trusts to purchase company shares to meet the obligation to provide shares when employees exercise their options or awards. Costs of running the trusts are charged to the Income Statement. Shares held by the trusts are deducted from other reserves.

2 KEY JUDGEMENTAL AREAS ADOPTED IN PREPARING THESE FINANCIAL STATEMENTS

INVESTMENTS

Investments are impaired where the carrying value of an investment is higher than the net present value of the future cash flows. An impairment of £113.2m was recognised during the year (note 6). Key areas of judgement in calculating the net present value are the forecast cash flows, the long-term growth rate of the applicable businesses and the discount rate applied to those cash flows. Investments held in the Statement of Financial Position at September 30 2016 were £1,215m (2015: £997m).

3 STAFF COSTS

Details of directors' remuneration are set out in the Directors' Remuneration Report on pages 46 to 58 and in note 6 to the group accounts.

The executive directors do not receive emoluments specifically for their services to this company. There are no employees remunerated by in this company (2015: nil).

Notes to the Company Accounts

CONTINUED

4 REMUNERATION OF AUDITOR

	2016 £000	2015 £000
Fees payable for the audit of the company's annual accounts	**16**	12

5 TANGIBLE ASSETS

	Short-term leasehold premises £000
Cost	
At October 1 2015	**728**
Disposals	**(27)**
At September 30 2016	**701**
Depreciation	
At October 1 2015	**173**
Charge for the year	**74**
Disposals	**(17)**
At September 30 2016	**230**
Net book value at September 30 2016	**471**
Net book value at September 30 2015	555

6 INVESTMENTS

	2016			2015		
	Subsidiaries £000	**Investments in associates £000**	**Total £000**	Subsidiaries £000	Investments in associates £000	Total £000
At October 1	**965,155**	**31,955**	**997,110**	937,470	29	937,499
Additions	**330,897**	**–**	**330,897**	29,154	31,955	61,109
Disposal	**–**	**–**	**–**	(1,469)	(29)	(1,498)
Impairment	**(113,250)**	**–**	**(113,250)**	–	–	–
At September 30	**1,182,802**	**31,955**	**1,214,757**	965,155	31,955	997,110

In October 2015, the company subscribed to 1,000 new ordinary shares of HK$1 each in CEIC Holdings Ltd for a total consideration of US$148m. In September 2016, the company subscribed to 43 new ordinary shares of £1 each in Euromoney Canada Ltd for a total consideration of £235m.

In September 2016, a review of the company's investments was undertaken to ensure that their carrying book values were supported by their expected future profits. It was found that the carrying value of the investment in Euromoney Jersey Limited could no longer be supported. As a result, an impairment was made to fully write down the value of the investment, resulting in a charge of £113.2m.

Details of the principal subsidiary and associated undertakings of the company at September 30 2016 can be found in note 32 to the group accounts.

7 DEBTORS

	2016 £000	2015 £000
Amounts owed by DMGT group undertakings	**–**	9,991
Amounts owed by group undertakings	**25,777**	20,395
Other debtors	**–**	13,544
Corporate tax	**1,174**	4,597
	26,951	48,527

For the financial year ended 2015, the amounts owed by DMGT group undertakings relate to a deposit agreement entered into with DMGT in August 2015 to place any excess funds on deposit with DMGT at LIBID plus 0.5%. This agreement has since been superseded in May 2016, whereby other group companies are the principal deposit holders with DMGT and are able to place excess operating funds on deposit at LIBOR plus 0.5% to November 2018. There is no deposit with DMGT by the company at September 30 2016.

Amounts owed by group undertakings include two (2015: two) loans totalling £20.1m (2015: £20.4m) that bore interest rates of 4.82% (2015: 4.82%) and repayable in September 2017. Amounts owed by group undertakings also includes a current account of £5.7m which is interest free and repayable on demand.

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	2015 £000
Bank overdrafts	**–**	(6,816)
Trade creditors	**–**	(4)
Amounts owed to group undertakings	**(2,487)**	(54,444)
Accruals and other creditors	**(21)**	(18)
Provisions (note 10)	**–**	(339)
Loan notes	**(185)**	(267)
	(2,693)	(61,888)

Amounts owed to group undertakings include one loan totalling £0.3m (2015: two loans of £31.1m) with interest rates of zero per cent (2015: from zero per cent to LIBOR) and repayable in September 2017. All other amounts owed to group undertakings are current account balances that are settled on a regular basis. As such the amounts owed to subsidiary undertakings are interest free and repayable on demand.

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £000	2015 £000
Amounts owed to group undertakings	**(306,041)**	(114,696)
Provisions (note 10)	**(274)**	(274)
Other creditors	**(486)**	(486)
	(306,801)	(115,456)

Amounts owed to group undertakings include four loans totalling £306.0m (2015: two loans of £114.7m) with interest rates from 1.98% to 4.50% (2015: 2.14%) and repayable between September 2018 and March 2021.

Notes to the Company Accounts

CONTINUED

10 PROVISIONS

	2016	2015		
	Dilapidations on leasehold properties £000	Onerous lease provision £000	Dilapidations on leasehold properties £000	Total £000
At October 1	**613**	741	1,502	2,243
Release in the year	**(249)**	–	(664)	(664)
Used in the year	**(90)**	(741)	(225)	(966)
At September 30	**274**	–	613	613

	2016 £000	2015 £000
Maturity profile of provisions:		
Within one year	**–**	339
Between two and five years	**274**	274
	274	613

The provision represents the directors' best estimate of the amount likely to be payable on expiry of the company's property leases.

11 CALLED UP SHARE CAPITAL

	2016 £000	2015 £000
Allotted, called up and fully paid		
128,313,356 ordinary shares of 0.25p each (2015: 128,248,894 ordinary shares of 0.25p each)	**321**	320

During the year, 64,462 ordinary shares of 0.25p each (2015: 115,477 ordinary shares) with an aggregate nominal value of £161 (2015: £289) were issued following the exercise of share options granted under the company's share option schemes for a cash consideration of £0.3m (2015: £0.5m).

12 SHARE-BASED PAYMENTS

An explanation of the company's share-based payment arrangements is set out in the Directors' Remuneration Report on pages 46 to 58. The number of shares under option, the fair value per option granted and the assumptions used to determine their values are given in note 24 to the group accounts. Their dilutive effect on the number of weighted average shares of the company is given in note 10 to the group accounts.

SHARE OPTION SCHEMES

The Save as You Earn (SAYE) Options were valued using the Black-Scholes option-pricing model. Expected volatility was determined by calculating the historical volatility of the group's share price over a three year period. The charge recognised in the year in respect of these options was £157,000 (2015: £102,000). Details of the SAYE options are set out in note 24 to the group accounts.

CAPITAL APPRECIATION PLAN 2010 (CAP 2010)

The CAP 2010 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise. The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. There was no share-based expense recognised in the year for the CAP 2010 options (2015: £34,000). Details of the CAP 2010 options are set out in note 24 to the group accounts (excludes cash-settled options).

CAPITAL APPRECIATION PLAN 2014 (CAP 2014) AND COMPANY SHARE OPTION PLAN 2014 (CSOP 2014)

The CAP 2014 and CSOP 2014 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise. The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. There is no cost or liability for the equity or cash element of the CAP 2010 or CAP 2014 option scheme. These are borne by the company's subsidiary undertakings. Details of the CAP 2014 and CSOP 2014 options are set out in note 24 to the group accounts (excludes cash-settled options).

12 SHARE-BASED PAYMENTS *continued*

2015 PERFORMANCE SHARE PLAN (PSP)

The PSP was approved by the shareholders on June 1 2015. Under the PSP share option scheme, each award of options has a maximum life of ten years. The maximum award is shares with a market value 200% of annualised basic salary. These awards will not normally vest until the five years after the award and the performance conditions have been met. The only grant under this scheme was to A Rashbass, CEO, on December 18 2015 for 159,269 nil-cost options with fair value of £1.5m. The share price used to determine the number of shares awarded was the average of the middle market quotations of an Ordinary Share as derived from the Daily Official List for the preceding five dealing days of December 18 2015. Details of the PSP are set out in note 24 to the group accounts.

BUY-OUT AWARD

There was a buy-out award issued to A Rashbass on October 1 2015. Details of the buy-out award are set out in note 24 to the group accounts.

A reconciliation of the options outstanding at September 30 2016 is detailed in note 24 to the group accounts.

13 COMMITMENTS AND CONTINGENT LIABILITY

At September 30, the company has committed to make the following payments in respect of operating leases on land and buildings:

	2016 £000	2015 £000
Within one year	**692**	698
Between two and five years	**706**	1,398
Over five years	**–**	18
	1,398	2,114

The operating lease cost is charged to the profit or loss account of a fellow group company.

CROSS-GUARANTEE

The company, together with the ultimate parent company and certain other companies in the Euromoney Institutional Investor PLC group, have given an unlimited cross-guarantee in favour of its bankers.

14 RELATED PARTY TRANSACTIONS

Related party transactions and balances are detailed below:

(i) The company has a US$160m multi-currency facility with Daily Mail and General Holdings Limited (DMGH), a fellow group company (note 19 to the group accounts):

	2016 £000	2015 £000
Fees on the available facility for the year	**525**	733

(ii) On August 3 2015, the company entered into a deposit agreement with DMGH. On May 25 2016, the group entered into a new agreement with DMGH and DMGB Limited, a DMGT group company:

	2016 £000	2015 £000
Deposits	**–**	9,799

(iii) During the year, the company received a dividend of £nil (2015: £0.1m) from Capital NET Limited, an associate of the company.

Notes to the Company Accounts

CONTINUED

14 RELATED PARTY TRANSACTIONS *continued*

(iv) During the year, the company entered into the following trading transactions with Euromoney Trading Limited:

	2016 £000	2015 £000
Guarantee fee	**1,192**	1,300
Licence fee	**4,787**	6,747
Management fee	**(934)**	(708)
	5,045	7,339
Amounts due under current account	**5,720**	(42,211)

(v) In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries and partnerships, the country of incorporation and the effective percentage of equity owned are disclosed in note 32 to the group accounts.

15 FIRST TIME ADOPTION OF FRS 102

This is the first year in respect of which the company has prepared its financial statements under FRS 102. The previous financial statements for the year ended September 30 2015 were prepared under UK GAAP. The date of transition to FRS 102 for the company is October 1 2014. Set out below are transition adjustments arising from the adoption of FRS 102 and its impact on comparatives.

	Notes	Previously reported 2015 £000	Effect of transition to FRS 102 £000	FRS 102 2015 £000
Fixed assets				
Tangible assets	5	555	–	555
Investments	6	1,005,700	(8,590)	997,110
		1,006,255	(8,590)	997,665
Current assets				
Debtors	7	48,527	–	48,527
Cash at bank and in hand		9	–	9
		48,536	–	48,536
Creditors: Amounts falling due within one year	8	(61,888)	–	(61,888)
Net current liabilities		(13,352)	–	(13,352)
Total assets less current liabilities		992,903	(8,590)	984,313
Creditors: Amounts falling due after more than one year	9	(115,456)	–	(115,456)
Net assets		877,447	(8,590)	868,857
Capital and reserves				
Called up share capital	11	320	–	320
Share premium account		102,557	–	102,557
Other reserve		64,981	–	64,981
Capital redemption reserve		8	–	8
Capital reserve		1,842	–	1,842
Own shares		(21,582)	–	(21,582)
Reserve for share-based payments		37,169	–	37,169
Fair value reserve		1,358	–	1,358
Profit and loss account		690,794	(8,590)	682,204
Total shareholders' funds		877,447	(8,590)	868,857

15 FIRST TIME ADOPTION OF FRS 102 *continued*

NET INVESTMENT HEDGING

Historically, foreign exchange gains and losses on borrowings denominated in foreign currency were used to hedge net investments in foreign subsidiaries. Upon transition to FRS 102, net investment hedging at an entity level is no longer permitted. The 2015 Company Balance Sheet has been adjusted to adjust the foreign exchange movement on investments to the income statement. The effect of the change has been to reverse the foreign exchange movement of £8.6m recognised through investments in the year ended September 30 2015 and bring the investment value back to cost as at October 1 2014. The transition relief to enable measurement of the investments at carrying value at transition to be considered as deemed cost has been applied. The Company Balance Sheet at October 1 2014 has not been presented as there were no changes.

16 POST BALANCE SHEET EVENT

The directors propose a final dividend of 16.40p per share (2015: 16.40p) totalling £20.8m (2015: £20.7m) for the year ended September 30 2016 subject to approval at the AGM to be held on January 26 2017. In accordance with FRS 21 'Post Balance Sheet Events', these financial statements do not reflect this dividend payable but will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending September 30 2017.

There were no other events after the balance sheet date.

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Rothermere Continuation Limited (RCL) which is incorporated in Bermuda. RCL is owned by a 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. The immediate parent of the company is DMG Charles Limited, a wholly owned subsidiary of Daily Mail and General Trust plc (DMGT).

The largest and smallest group of which the company is a member and for which group accounts are drawn up is that of DMGT, incorporated in Great Britain and registered in England and Wales. Copies of its report and accounts are available from:

The company secretary
Daily Mail and General Trust plc
Northcliffe House, 2 Derry Street
London W8 5TT
www.dmgt.co.uk

Five Year Record

CONSOLIDATED INCOME STATEMENT EXTRACTS

	2012 £000	2013 £000	2014 £000	2015 £000	**2016 £000**
Total revenue	394,144	404,704	406,559	403,412	**403,112**
Operating profit before acquired intangible amortisation, long-term incentive (expense)/credit and exceptional items	118,175	121,088	119,809	104,234	**101,450**
Acquired intangible amortisation	(14,782)	(15,890)	(16,735)	(17,027)	**(16,733)**
Long-term incentive (expense)/credit	(6,301)	(2,100)	(2,367)	2,490	**–**
Exceptional items	(1,617)	2,232	2,630	33,421	**(37,264)**
Operating profit	95,475	105,330	103,337	123,118	**47,453**
Share of results in associates and joint ventures	459	284	264	(381)	**(1,823)**
Net finance (costs)/income	(3,566)	(10,354)	(2,126)	548	**(1,708)**
Profit before tax	92,368	95,260	101,475	123,285	**43,922**
Tax expense on profit	(22,528)	(22,235)	(25,610)	(17,599)	**(12,909)**
Profit for the year	69,840	73,025	75,865	105,686	**31,013**
Attributable to:					
Equity holders of the parent	69,672	72,623	75,264	105,444	**30,744**
Equity non-controlling interests	168	402	601	242	**269**
	69,840	73,025	75,865	105,686	**31,013**
Basic earnings per share	56.74p	57.88p	59.49p	83.42p	**24.31p**
Diluted earnings per share	55.17p	56.70p	59.15p	83.38p	**24.29p**
Adjusted diluted earnings per share	65.91p	70.96p	70.60p	70.12p	**66.51p**
Diluted weighted average number of ordinary shares	126,290,412	128,077,588	127,236,311	126,460,787	**126,584,778**
Dividend per share	21.75p	22.75p	23.00p	23.40p	**23.40p**
Adjusted profit before tax	106,769	116,527	116,155	107,810	**102,529**
Adjusted profit after tax	83,410	91,286	90,433	88,920	**84,463**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION EXTRACTS

	2012 £000	2013 £000	2014 £000	2015 £000	**2016 £000**
Intangible assets	469,308	505,613	545,443	531,379	**551,139**
Non-current assets	26,357	23,255	18,707	47,760	**50,753**
Accruals	(54,170)	(48,381)	(47,973)	(55,743)	**(73,375)**
Deferred income	(105,106)	(106,051)	(109,842)	(112,129)	**(118,786)**
Other net current assets	32,151	5,371	34,933	66,902	**107,779**
Non-current liabilities	(80,616)	(46,048)	(84,745)	(33,225)	**(40,009)**
Net assets	287,924	333,759	356,523	444,944	**477,501**

The five year record does not form part of the audited financial statements.

Shareholder Information

FINANCIAL CALENDAR

2016 final results announcement	Thursday November 24 2016
Final dividend ex-dividend date	Thursday December 1 2016
Final dividend record date	Friday December 2 2016
Final loan note redemption	Friday December 30 2016
Trading update	Thursday January 26 2017*
2017 AGM (approval of final dividend)	Thursday January 26 2017
Payment of final dividend	Thursday February 9 2017
2017 interim results announcement	Thursday May 18 2017*
Interim dividend ex-dividend date	Thursday May 25 2017*
Interim dividend record date	Friday May 26 2017*
Payment of 2017 interim dividend	Thursday June 22 2017*
2017 final results announcement	Thursday November 23 2017*

* Provisional dates and are subject to change

COMPANY SECRETARY AND REGISTERED OFFICE

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England registered number: 954730

SHAREHOLDER ENQUIRIES

Administrative enquiries about a holding of Euromoney Institutional Investor PLC shares should be directed in the first instance to the company's registrar, Equiniti.

Telephone: 0371 384 2951 Lines are open 8:30am to 5:30pm (UK time), Monday to Friday, excluding English public holidays.

Overseas Telephone: (00) 44 121 415 0246

A number of facilities are available to shareholders through the secure online site www.shareview.co.uk.

LOAN NOTE REDEMPTION INFORMATION

In accordance with the relevant terms and conditions the loan notes are required to be paid in full, at par, on December 30 2016, unless previously, repaid, redeemed or purchased by the company. There is no facility for the term of the loan notes to be extended.

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