Euromoney Institutional Investor PLC

Annual Report and Accounts 2017

Investing for Growth

We are…

an international business-information group covering asset management, price discovery, data & market intelligence, and banking & finance under brands including Euromoney, Institutional Investor, BCA Research, Ned Davis Research and Metal Bulletin. We also run an extensive portfolio of events for the telecoms, financial and commodities markets.

Visit us at www.euromoneyplc.com

Operational highlights

1 Strategy on track in a year of transition

We launched our revised strategy in March 2016 and highlighted that 2017 would be a year of transition. Our improved results reflect that our strategy is on track as we continue to invest in strategic themes, operate more effectively across the business, taking advantage of our scale but still remaining entrepreneurial and actively manage the portfolio.

2 Financial independence

DMGT's reduction of its equity interest in Euromoney from 68% to 49% through a combination of share buyback and market placing has provided Euromoney with balance sheet independence from DMGT. This has allowed us to accelerate our management of the portfolio and enabled the adoption of a new, progressive dividend policy with an increase in pay-out ratio.

3 Active portfolio management

Active portfolio management is one of the pillars of our strategy. By selling businesses which are not strategic for us and buying ones which fit our strategy, we continue to recycle capital towards our best opportunities.

4 A new operating model

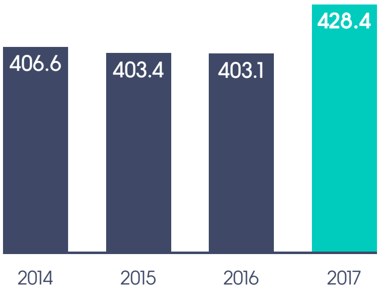
We have established a Group Management Board made up of our divisional and functional leaders. We continue to serve our four segments through this structure, ensuring that our businesses remain entrepreneurial while enabling them to benefit from economies of scale, best practice and stronger governance.

5 Improved governance

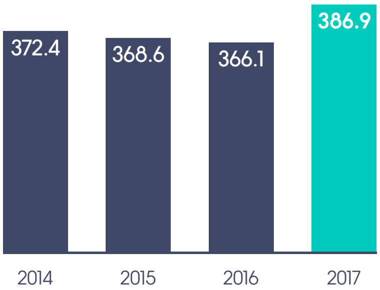
We have made good progress in a range of areas such as recruiting new independent Non-Executive Directors, reconstituting committee memberships, appointing a Senior Independent Director and making sure our Board is more diverse in its makeup.

Financial Highlights

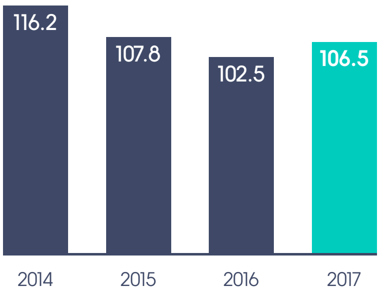
Total revenue: £428.4m



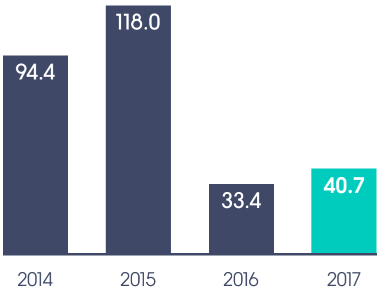
Statutory revenue: £386.9m



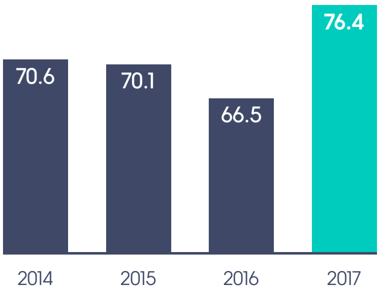
Adjusted profit before tax: £106.5m



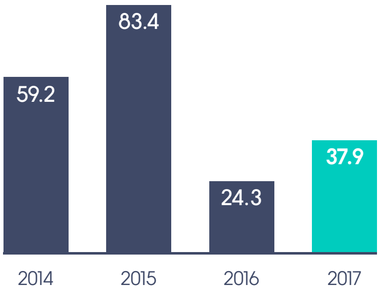
Statutory profit before tax: £40.7m



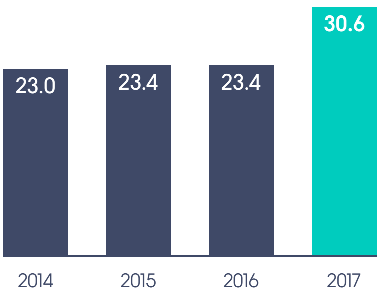
Adjusted diluted earnings per share: 76.4p

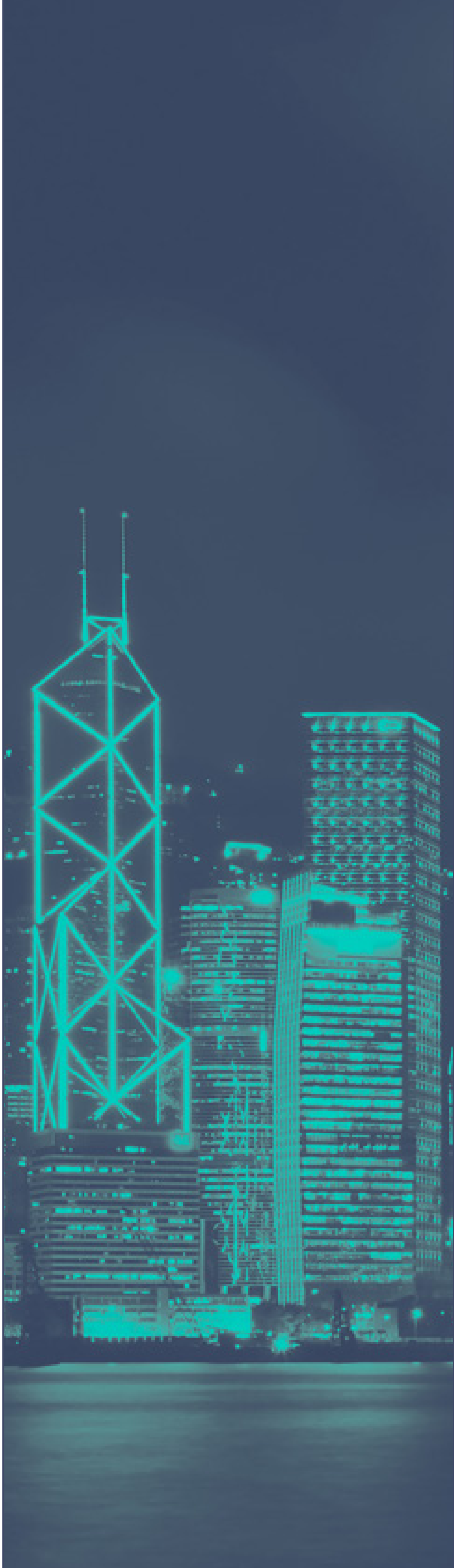


Statutory diluted earnings per share: 37.9p



Dividend: 30.6p





A detailed reconciliation of the Group's statutory and adjusted results is set out on pages 29 and 30

All financial information referred to in the Strategic Report and the Governance section represents the combined results of continuing and discontinued operations unless otherwise stated

Statutory comparatives have been restated to exclude discontinued operations

Total revenue represents the combined reported revenue from continuing and discontinued operations

PRICE REPORTING: A 3.0 INFORMATION BUSINESS

Three years ago Metal Bulletin published a story about fictitious copper and aluminium sales which resulted in the price for Shanghai bonded-warehouse copper dropping by a fifth. Recognising the need for a robust price, Metal Bulletin launched a Shanghai copper price which has since become an important benchmark, so much so that the Chicago Mercantile Exchange has launched a derivative contract which will be settled using Metal Bulletin's price. This price will provide the market with a hedging option for copper sold to China, the world's largest consumer of the commodity, and generate additional revenues for our price-reporting business. It illustrates the close relationship between news and prices, as well as highlighting the potential for our price-reporting businesses to establish more benchmarks for use by buyers and sellers and on exchanges.

Strategic report

Governance

Financial statements

Other

1.

Strategic report

Strategic report

INSTITUTIONAL INVESTOR: INVESTING IN NEW SEGMENTS

By investing in and launching FinTech capital placement platforms, Institutional Investor (II), celebrating its fiftieth anniversary in 2017, is accelerating its transition towards becoming a B2B 3.0 information business. By broadening its product suite, II has pivoted away from its traditional publisher status to a business where over 80% of its revenues are derived from non-publishing activities. II has invested in its proprietary ManagerMatch platform, helping investors find fund managers more efficiently and it is designed to become an integral part of investors' manager diligence and selection processes. The Group also increased its investment in Zanbato, a Silicon Valley tech company whose mission is to create greater liquidity in private markets by developing a pioneering electronic Alternative Trading System, ZX, focused on providing exchange-like functionality to institutional trading of blocks of private securities. These are examples of investments to capitalise on the technological changes that will transform capital placement in the asset management industry.

EVENTS: ACQUIRING TO EXPAND INTO NEW MARKET SEGMENTS

At the Investor Day in March 2016 we outlined the potential of telecoms as one of our big investment themes because of a rapidly expanding market and the ability to develop new products and services around our TelCap business. We have chosen to buy (rather than build) to move into adjacent markets to TelCap and as a result invested in BroadGroup and Layer 123.

BroadGroup organises data-cloud events and specialist advisory services. Its primary event, DataCloud Europe, is held annually in Monaco and brings together leading carriers, data-centre providers, cloud-storage providers and systems integrators to develop business and to network.

Layer123 organises leading network-innovation events around Software-Defined Networks and Network Functions Virtualisation in Europe and America. In addition, Layer123 delivers content to its large community of network-strategy professionals.

> Our ambition is to generate consistent and meaningful returns for our shareholders at relatively low risk.
>
> **Andrew Rashbass**
> CEO

Group at a glance

The Group actively manages a portfolio of information B2B businesses across asset management; pricing, data & market intelligence; banking & finance; and commodity events. We operate where information, data and convening market participants support our clients' critical activities.

Business segments	Asset management	Pricing, data & market intelligence
Focus	Serves the global asset management industry	Provides prices, data, analysis and events that are critical for our clients' business processes and workflow across a number of industries
Divisions	• Institutional Investor • Investment Research	• Global Markets Intelligence • Price Reporting • Specialist Information • Events
Total revenue	£171.8m	£165.5m
Adjusted operating profit	£64.3m	£51.3m
Number of employees	516	1,125
Key brands	• BCA • NDR • Institutional Investor	• Metal Bulletin • RISI • AirFinance Journal • Insurance Insider • Capacity Media

Year in review

December 2016
- Sale of HedgeFund Intelligence and II Intelligence to Pageant Media

January 2017
- DMGT completes reduction of its equity interest in Euromoney from 68% to 49% through combination of buyback and market placing
- Euromoney appoints David Pritchard as the Company's first Senior Independent Director

March
- Acquisition of BroadGroup, enabling our telecoms events business to operate in the datacentre and cloud IT infrastructure sector
- Sale of Latin Finance in a management buyout
- Sale of our Euromoney Indices business to IHS Markit

Banking & finance

Provides market intelligence, thought leadership, news, training and conferences to the global finance industry

- Banking & Finance
- Events

£69.8m

£13.8m

207

- Euromoney
- Asiamoney
- Global Capital
- IMN

Commodity events

Consists of leading conferences in various commodity areas

- Events

£27.4m

£6.9m

78

- Metal Bulletin Events
- RISI Events
- Coaltrans
- Global Grain
- Mining Indaba

April

- Acquisition of RISI, the leading price reporting agency for the global forest products market
- Acquisition of Layer 123, another addition to our telecom events business, specifically targeting next-generation network development

May

- Announcement of a new, progressive dividend policy with an increase in the dividend pay-out ratio
- Creation of a Group Management Board

September

- Changes to the membership of the Nominations Committee to increase number of independent Non-Executive Directors on the Committee
- Announced strategic review of Global Markets Intelligence Division

October

- Sale of wine exhibition businesses, Adhesion and World Bulk Wine, to Comexposium

Chairman's introduction

Balance sheet independence; a new dividend policy; and new Non-Executive Directors: an important year for Euromoney

> Our 2017 results actually show a year of "transition plus"

John Botts
Chairman

Dear shareholders

This has been an important year for Euromoney. When CEO Andrew Rashbass defined our new strategy in March 2016, we said that 2017 would be a year of transition with a return to growth in 2018. Our 2017 results actually show a year of "transition plus", using the strong US dollar to invest in our business and still deliver improved results compared with last year. Equally, the reorganisation of our management structure and the creation of the new Group Management Board has had a telling effect on performance.

Independence

Euromoney magazine was first published in 1969 and the Company has benefitted ever since from the careful stewardship of Daily Mail and General Trust plc (DMGT) as the majority shareholder. In January 2017 DMGT reduced its holding in Euromoney to 49% by a secondary placing of Euromoney shares and a buyback by Euromoney of its own shares. The Company's balance sheet is now independent of DMGT, increasing Euromoney's financial flexibility.

DMGT's foresight in enabling Euromoney to become independent and its continued strong shareholder support are welcome and appreciated. Their decision has helped Euromoney accelerate the implementation of our strategy for the benefit of all shareholders.

Dividends

During the course of the year, the Company approved a new, progressive dividend policy with an increase in the dividend pay-out ratio from approximately 33% to approximately 40% of adjusted diluted earnings per share, subject to the needs of the business. The reduction of the shares in issue following the share buyback, combined with the increase in pay-out ratio, enabled the Board to approve a 26% increase in the interim dividend to 8.8p per share which was paid to shareholders in June. In line with the new policy, the Board is recommending to shareholders a 33% increase in the final dividend to 21.8p per share to be paid on 15 February 2018, giving a total dividend for the year of 30.6p (2016: 23.4p).

76.4p
Adjusted diluted earnings per share

30.6p
Total dividend

Governance
With independence comes responsibility, and the shape and composition of our Board and Committees is changing. Good progress has been made in recruiting new independent Non-Executive Directors, reconstituting Committee memberships, appointing a Senior Independent Director, making sure that our Board is more diverse in its make-up and appointing the Company's first General Counsel, who also acts as Secretary to the Board. Although this work is not complete the momentum is reassuring.

The coming year
As the strategy becomes embedded in how the Group operates, I have decided now is the right time for me to hand over the Chairmanship of the Company. It has been a privilege to serve on the Euromoney Board for over 20 years including as Chairman for the last two. Our results demonstrate that the strategy which the Company is implementing is working and I am confident that I hand over the chairmanship to David Pritchard with the Company in a strong position. David will lead the process to appoint a new Chairman and be Acting Chairman in the meantime.

Our results demonstrate that the strategy under Andrew's leadership is working and I am confident that Euromoney is in a strong position.

May I thank our shareholders, my Euromoney colleagues and fellow Directors for your support. I look forward to watching the Company go from strength-to-strength and becoming a 3.0 information business.

As we continue to operate in challenging times, the dedication and skill of Andrew, the Group Management Board and our staff across the world remain the defining feature of this remarkable Company.

John Botts
Chairman
22 November 2017

CORPORATE GOVERNANCE PROGRESS:

- Appointment of the Company's first Senior Independent Director
- Appointment announced of three new independent Non-Executive Directors
- Progress towards a more diverse Board
- Plan to search for a new independent Director to serve as Chairman
- Appointments of Head of Internal Audit and General Counsel
- Change in membership of Nominations Committee

Market overview

How we are responding to the issues driving our markets

Asset management

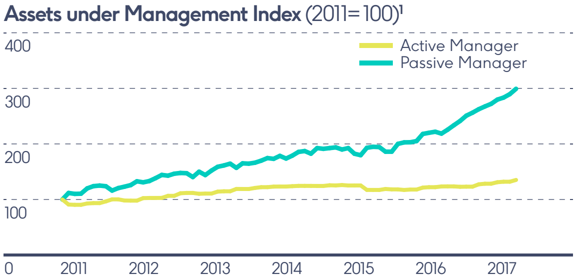
Asset management is operating under headwinds created by regulation, the increasing use of passive investment approaches at the expense of traditional, long-only active fund management, disruptive competition and changing customer needs. These market drivers are reducing traditional asset management revenues and changing the structure of the industry.

KEY MARKET DRIVERS

1. MiFID II is creating new requirements for research discovery, valuation and benchmarking
2. New technologies are transforming and replacing components of the asset management value-chain
3. Funds are shifting from traditional active managers to passive and alternative funds

ASSET MANAGEMENT INCOME MIX

Assets under Management Index (2011=100)[1]



HOW WE ARE RESPONDING

- As an independent research provider we are well placed to benefit from MiFID II, unbundling research fees will increase our available market. As implementation continues and demand changes we will investigate investing in new products
- We will continue to monitor the market closely to identify potential threats from new technology. We already partner with and invest in two disruptive technology firms Zanbato and Estimize
- Over the past 12 months we have begun to develop and launch new offerings, to target directly the needs of passive and alternative asset managers

Pricing, data & market intelligence

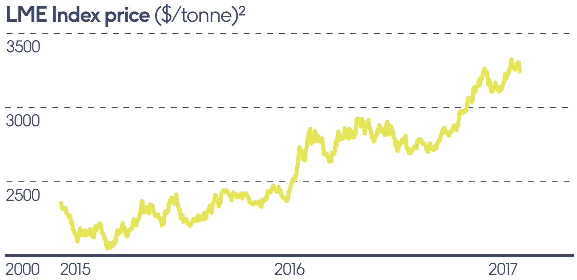
The prevalence of price reporting and discovery has spread to new sectors. Benchmarks in new sectors are being incorporated into financial instruments. Business data use has increased in many areas from project and asset financing to insurance, and clients are demanding more innovative and advanced information tools.

KEY MARKET DRIVERS

1. Growth in the pricing market is driven by increased use of benchmarks in financial contracts
2. Big data and technology improvements are increasing expectations for data and tools

METALS MARKET GROWTH

LME Index price ($/tonne)[2]



HOW WE ARE RESPONDING

- We are capitalising on growth as demonstrated by the acquisition of RISI and development of new prices and benchmarks across our price reporting businesses
- We have invested in our data and tools, for example integrating a fleet database into AirFinance and improving the data tools for IJ Global

Sources:

1 NDR Multi-Cap Institutional (Universe), S&P Capital IQ and MSCI, Inc. (GICS), Thomson Reuters, IHS Markit, S&P Dow Jones Indices

2 London Metal Exchange data from Bloomberg

3 S&P Dow Jones data from Bloomberg

4 The World Bank Group 2017. Commodity Markets Outlook, October, World Bank, Washington DCT

Banking & finance

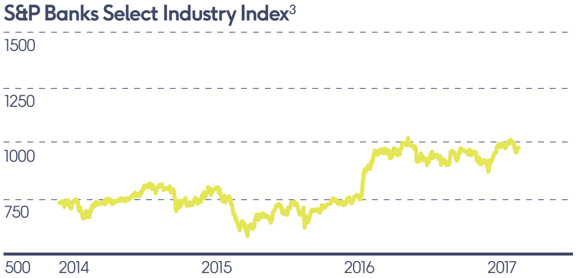
The low interest rate environment continues, which reduces banks' revenues. However, several central banks are indicating that rates are likely to rise. The banking and finance industry has faced increased regulation and although this trend is reversing, investment is still required to ensure compliance. Competition has increased noticeably from established technology firms and new FinTech entrants.

KEY MARKET DRIVERS

1. Recovery in the banking industry is supporting banks' share prices
2. Regulation is affecting the banking industry and requires significant resources to be allocated towards meeting compliance goals
3. Banks in various developing markets are internationalising, particularly driven by their domestic customers travelling and doing business abroad

BANKING MARKET GROWTH

S&P Banks Select Industry Index[3]



HOW WE ARE RESPONDING

- Clients are demanding more services and need more support to differentiate their offering. We are developing marketing services using the strength of Rival Advocacy™ to offer a comprehensive service
- We are supporting banks in complying with their regulatory requirements and enabling them to prepare for the future structure of the industry
- We have created a Euromoney China team to react to the opportunity and enable us to serve better the local market

Commodity events

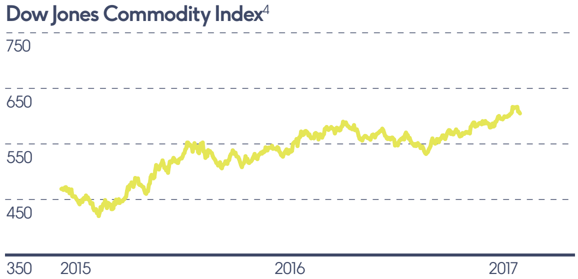
Overall commodity price rises have increased revenues for the markets we serve: grain due to tightness in maize supplies and coal due to a cut in production. Metal prices are increasing due to strong demand, particularly in China, expectations of infrastructure investment in the US and supply constraints in some markets.

KEY MARKET DRIVERS

1. Commodity prices in the markets we serve have been increasing
2. Events are experiencing heightened security concerns and more disruption from extreme weather

COMMODITY PRICE INCREASE

Dow Jones Commodity Index[4]



HOW WE ARE RESPONDING

- We have launched new events and are focusing on areas of growth, for example launching Mining Cumbre, a Latin American mining investment event
- In order to mitigate and manage risks, the Company's event operations managers are required to complete a new rigorous online risk assessment

CEO's statement

The strategy is embedded across the Group helping achieve a return to growth

"The strategy is working and we are slightly ahead of schedule

Andrew Rashbass
Chief Executive Officer

Overview

At the Investor Day in March 2016 we said that 2017 would be a year of transition. I believe our performance in 2017 shows that the strategy is working and we are slightly ahead of schedule.

We have been able to speed up the strategy because of the financial independence that resulted from DMGT's decision to reduce its holding in Euromoney, which they completed in January and by investing some of the benefit from the strengthened US dollar compared to sterling. We have delivered a return to growth with both year-on-year revenue and profit ahead of 2016 though this included significant help from exchange rates. We remained focused on our use of capital by investing in the big themes, such as our acquisition of RISI, and disinvesting from areas which would otherwise create a drag. We have also made good progress fixing structurally challenged businesses and returning them to growth.

In May 2017 we announced a new, progressive dividend policy which aims to pay out approximately 40% of adjusted earnings each year. The new policy, the share buyback, improved Group performance and our strong balance sheet have enabled us to recommend to shareholders a significant increase in dividend for the year.

In the year ahead we shall continue to focus on delivering growth through investing in areas of opportunity and disinvesting from areas that are structurally and cyclically challenged.

Strategy

Our strategy is to manage a portfolio of businesses in markets where information, data and convening market participants are valued. We deliver products and services that support our clients' critical activities. In particular, we look to serve markets which are semi-opaque; that is, where the information which organisations need in order to operate effectively is hard to find.

We characterise the business models of B2B information companies into three generations, which we call B2B Information 1.0, 2.0 and 3.0. Their characteristics are set out on page 11.

As we manage our portfolio to achieve our strategy and to become a 3.0 business, we categorise our business into four quadrants. We allocate capital to the top two quadrants and withdraw capital from the bottom two.

This quadrant-based assessment leads to three pillars of strategic activity:

1. **Investing around the big themes.** These include price discovery, post-trade activities, asset management and telecoms.
2. **Transform the operating model.** There are two aspects to our model. One is our target business model (see page 14). The second is a best-of-both-worlds operating model which combines Euromoney's entrepreneurial culture with strong central functions that support the businesses and enable us to take advantage of our scale.
3. **Actively manage the portfolio.** Acquisitions have always been, and remain, an important part of Euromoney's strategy. We have a record of identifying businesses where our ownership adds value. We also sell businesses where we believe we are not the best owners and to generate capital to invest in the big themes.

Our quadrants

3 PREPARE FOR THE UPTURN
- Protect and enhance competitive position
- Selective investments for when cycle turns
- Opportunistic revenue initiatives
- Tight cost control
- Fix any operational deficit

4 INVEST
- New product development
- Sales and marketing
- Acquisition
- Fix any operational deficit
- Accelerate transition to 3.0

Structure

Cycle

1 DISINVEST
- Maximise shorter-term profit and cash
- Divest
- Prevent future build-up

2 USE THE TIME WISELY
- Modest investment to move to top-right quadrant
- Maximise shorter-term profit and cash
- Fix any operational deficit
- Consider divestment

Our strategy is designed to develop the businesses we own and deliver strategic, timely, and well-executed acquisitions and disposals. We aim to allocate and recycle capital efficiently to good organic and inorganic opportunities via our operating model. Our ambition is to generate consistent and meaningful returns for our shareholders at relatively low risk.

Investing around the big themes

Our big themes enable us to exploit market and industry opportunities. In response to the challenges in our asset management segment (BCA, NDR and Institutional Investor) due to MiFID II and the shift from active to passive investing, our product development is geared to growing segments of the market:

- BCA is developing new products targeting passive, specialist and alternative investments
- NDR is providing tools for registered investment advisors (RIAs)
- II is launching new products targeting defined contribution pensions, RIAs and the private wealth sector

In our pricing, data & market intelligence segment, we are investing in technology, sales, product management and in developing our people across price reporting, insurance and telecoms among other areas.

Transforming the operating model

We have now embedded our strategy throughout the organisation with our best-of-both-worlds operating model. This has included the creation of seven divisions (grouped into our four reporting segments) and five functions under the leadership of our new Group Management Board to serve our customers better.

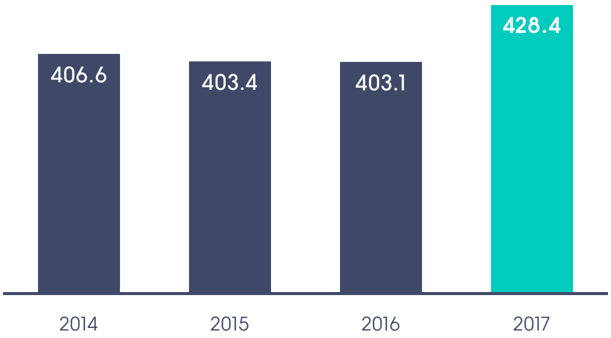
How information markets are evolving

We characterise the business models of B2B information companies into three generations, which we call B2B Information 1.0, 2.0 and 3.0. Their characteristics are set out below.

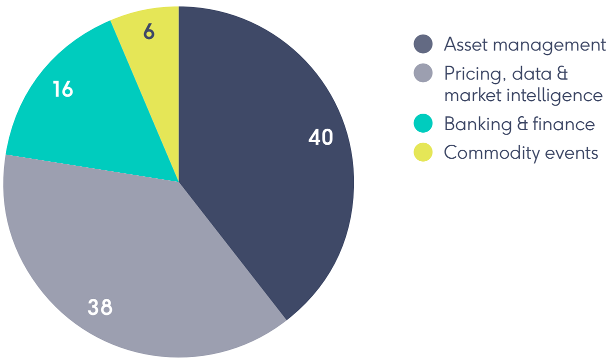
B2B 1.0	B2B 2.0	B2B 3.0
Print	Digital	Embedded in workflow/platforms
Stand-alone events	Networking events	Trading events/memberships
Monologue	Dialogue	Part of the customer industry
Advertising-centric	Subscriptions	Licensing
Product-centric	Customer-centric	Solution-centric

CEO's statement
Continued

Total revenue: £428.4m



Total revenue by division (%)



£106.5m
Adjusted profit before tax

£40.7m
Statutory profit before tax

A detailed reconciliation of the Group's statutory and adjusted results is set out on pages 29 and 30

Actively managing the portfolio
We continue to manage our portfolio, investing in our big themes, removing the bottom-left quadrant drag of businesses which are structurally challenged or finding better owners for businesses which do not fit with our strategy. During the year we bought RISI, BroadGroup and Layer123 and disposed of six businesses – HedgeFund Intelligence, II Intelligence, Euromoney Indices, Latin Finance, Adhesion and World Bulk Wine (the last two completing after year-end). We continue to look for acquisitions which are, or have the potential to be, 3.0 businesses. We have also decided to review strategic options for our Global Markets Intelligence division (CEIC and EMIS) and you will see that they are identified in this report as held for sale. These are good businesses, but ones which we believe may fit another owner's strategy better. If sold this would give us the opportunity to recycle more capital towards our big themes.

Performance for the year
Headwinds for our asset management businesses (BCA, NDR and Institutional Investor) meant that revenues in this segment were under pressure during the year, but we managed costs carefully. Other businesses performed strongly particularly Metal Bulletin, TelCap and Insurance Insider.

Overall, total and statutory revenues are both up 6% year-on-year and adjusted profit before tax is up 4% on last year, primarily due to the favourable USD-GBP rate, the high margin flow-through from the asset management segment and the prior year restructuring of our training business. Our full-year adjusted profit before tax of £106.5m represents a strong performance for the Group in the year of transition with adjusted diluted earnings per share growing to 76.4p from 66.5p last year, a 15% increase. Statutory profit before tax of £40.7m is lower than adjusted profit before tax due to exceptional items, primarily the impairment charge taken for NDR in the first half, and acquired intangible amortisation. In addition, Euromoney's tradition of strong cash generation continues with underlying conversion of adjusted operating profit to cash in the year at 118%. These results demonstrate our ability to both invest for growth and manage the business effectively.

Outlook
With uncertainty still surrounding Brexit and a challenging geopolitical climate we are operating in a volatile environment. We expect our asset management businesses to continue facing challenging market conditions due to the headwinds our customers face but believe our risk mitigation plans will reduce the impact. Commodity markets are improving and our banking clients are experiencing a recovery, although the uncertainty over Brexit negotiations could make this short-lived.

Our plans are built around these factors and we will continue investing for future growth while managing risk.

The strategy we unveiled in March 2016 is working. Growth returned slightly ahead of schedule in 2017, which we still regard as a year of transition, and our view is that 2018, the third year of our strategy, will be a year of further and accelerated growth.

Andrew Rashbass
Chief Executive Officer
22 November 2017

Group Management Board

The Group manages a portfolio of B2B businesses across four segments: asset management; pricing, data & market intelligence; banking & finance; and commodity events. We have created seven divisions to serve our four segments more effectively. As part of our best-of-both-worlds operating model we have also created five central functions, again to serve our four segments better. The leaders of our divisions, who also serve our segments, and our functional leaders, sit on a newly created Group Management Board which operates under the direction and authority of the CEO. It assists the CEO and Finance Director in implementing strategy; monitoring financial performance; developing the Group's approach to managing employees; taking joint responsibility for the Group's approach to corporate governance; and ensuring that the Group's best-of-both-worlds operating model works. The Group Management Board meets monthly to discuss strategic, operational and financial issues.

Banking & Finance

John Orchard
Case study see page 22

Events

Rosalind Irving
Case study see pages 02 and 23

Global Market Intelligence

Aloisio Parente

Institutional Investor

Diane Alfano
Case study see page 02

Investment Research

Bashar AL-Rehany
Case study see page 20

Price Reporting & Analytics

Raju Daswani
Case study see pages 01 and 40

Specialist Information

Danny Williams
Case study see page 21

Corporate Development

Christopher Fordham

Corporate Development manages our M&A activity. A significant success during the year was the Group's acquisition of RISI. This was the Company's largest acquisition since the purchase of Metal Bulletin plc more than 10 years ago. We were able to compete with private equity firms in part due to our ability to complete transactions quickly and efficiently.

Finance

Colin Jones

Finance carries out the full range of financial activities across the Group, supporting the segments and divisions. Following DMGT's sell down, Finance has taken on functions previously provided by DMGT such as tax, treasury and internal audit and strengthened others. In addition, it negotiated new external borrowing facilities for the Group.

Central Marketing

Jane Wilkinson

Central Marketing is responsible for sharing best practice and achieving economies of scale. We do this by developing training, managing suppliers used by more than one division, maintaining the Group customer database, and providing experts in specialist areas.

Global Human Resources

Gillian Fox

Global Human Resources is responsible for recruitment, retention and development of staff. This year we changed our approach to hiring people for senior roles, introducing a more formal, evidence-based process.

Central Technology

Andrew Pieri

Central Technology supports the Group's technology infrastructure maintaining data-centre-hosted and cloud-hosted services, running helpdesks and implementing and supporting networks and common applications. We work closely with the technology teams in the segments and divisions who focus on developing client-facing products.

Legal, Risk and Programmes

Tim Bratton

Legal, Risk and Programmes includes the Group's legal, risk, information-security and programme-management experts. The department was heavily involved in the transactional, legal and regulatory work required for our share buyback – a complex project with tight deadlines.

Business model

Inputs

PEOPLE AND CULTURE

- Euromoney is known for its entrepreneurial culture. We empower our teams to deliver the best for their customers, businesses and fast-moving markets
- Our people are creative, action-oriented, close to their customers, passionate about their brands, knowledgeable about the industries they serve and accountable for their results
- We have more than 2,200 staff working in 40 offices across more than 20 countries who all contribute to our success

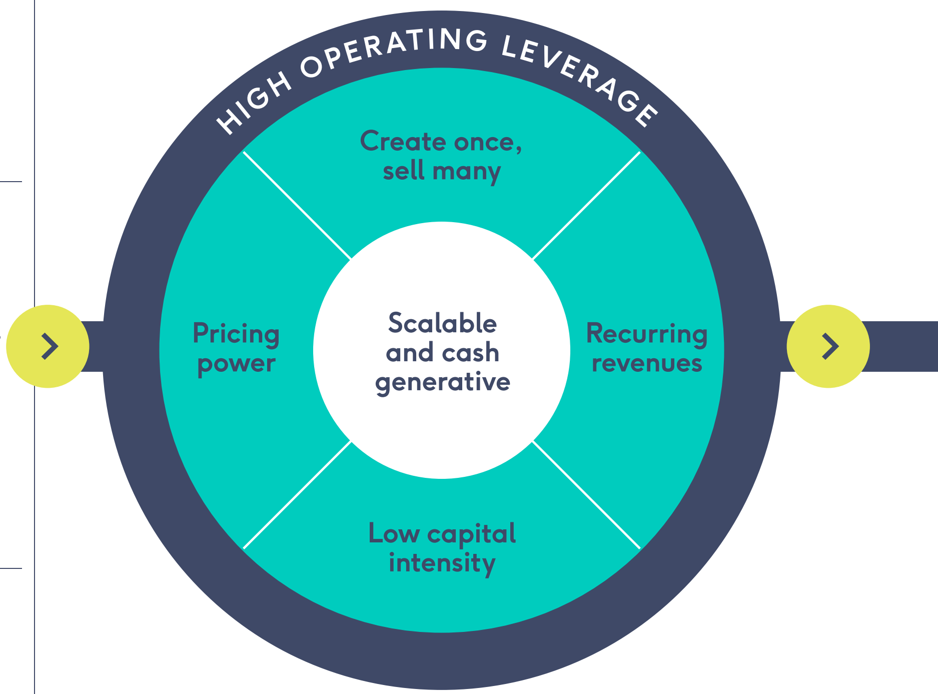
OUR CUSTOMERS

- We have a global customer base with revenue derived from almost 200 countries
- Our customers are financial institutions, investment banks, commodity traders, miners, asset managers, governments, corporations, professional-service providers, consultants and technology providers
- Our customers' level of spend is affected by their profitability, expectations of market developments and the regulatory environment
- Our products enable our customers to operate effectively in their markets

OUR COMPETITIVE ADVANTAGE

- We deliver products and services which form part of our customers' daily workflow
- We have globally recognised and trusted brands
- We have long-standing relationships with buyers and sellers
- Our sophisticated infrastructure enables and supports our businesses around the world
- Our strong cash generation and a strong balance sheet enable us to invest in our best opportunities

Business model



How we are structured

ASSET MANAGEMENT

- Brands and businesses serving the global asset management industry
- Providing independent research enabling our clients to make informed investment decisions
- Running networks and conferences and providing news and data
- Over 80% of revenues are derived from subscriptions

PRICING, DATA & MARKET INTELLIGENCE

- Businesses spanning many industries that provide information and analysis critical for our clients' business processes and workflows
- Including Metal Bulletin, the leading price reporting agency for the metals and mining industry and RISI, the leading price reporting agency for the global forestry products sector
- Approximately two-thirds of revenues are derived from subscriptions and licences

COMMODITY EVENTS

- The leading conferences in the metals, agricultural and energy sectors
- Large-scale trading events
- Bringing entire industries together to conduct business and exchange market intelligence
- Over 75% of revenues are from delegate fees

BANKING & FINANCE

- Providing market intelligence, news, training and conferences to the global finance industry
- Including the flagship Euromoney magazine
- Our conferences across the Euromoney and IMN brands are the pre-eminent events for their sectors
- Over 70% of its revenues from delegate and sponsorship fees

Four business segments supported by strong central functions

How we monetise our activities

SUBSCRIPTIONS AND CONTENT REVENUES

are the recurring subscription and licence fees that customers pay to receive access to the Group's information through tools and platforms which form part of our customers' daily workflow. Asset managers also subscribe to Institutional Investor's exclusive membership groups.

SPONSORSHIP REVENUES

are fees paid by customers to sponsor or be associated with an event.

DELEGATES REVENUES

are fees paid by customers to attend conferences, training courses or seminars.

ADVERTISING REVENUES

are fees paid by customers to place an advertisement in one or more of our publications. As well as selling more traditional brand and product advertising, we have started to meet customers' thought-leadership marketing needs.

Outputs

SHAREHOLDERS

We allocate and recycle capital efficiently to good organic and inorganic opportunities via our best-of-both-worlds operating model. Our ambition is to generate consistent and meaningful returns for our shareholders at relatively low risk.

CUSTOMERS

We deliver products and services that support our clients' critical activities and in particular to serve markets which are semi-opaque, that is, where there is information which our customers need in order to operate effectively but the information is hard to find.

STRONG SUSTAINED EARNINGS AND CASH GENERATION

PARTNERS

We collaborate with our partners in mutually beneficial ways to enable us both to understand and penetrate each other's markets better. Strong third-party relationships are important to help us execute our strategy and we seek to build longer-term relationships with those partners where appropriate.

EMPLOYEES

We serve our four segments through seven divisions supported by strong central functions to ensure that our employees can be expert, creative, action-oriented and customer-focussed and take advantage of Euromoney's scale, share best practice, operate strategically and create career paths for themselves and their colleagues across the Group.

Our Strategic Pillars

1 INVEST AROUND BIG THEMES

We look to serve semi-opaque markets where the information organisations need in order to operate effectively is hard to find. This determines our big themes which include price discovery, post-trade activities, asset management and telecoms.

2 TRANSFORM THE OPERATING MODEL

We have developed what we call a best-of-both-worlds operating model. Euromoney is known for its entrepreneurial culture – our people are creative, action-oriented, close to their customers, passionate about their brands, knowledgeable about the industries they serve and accountable for their results.

3 ACTIVELY MANAGE THE PORTFOLIO

Acquisitions have always been, and remain, an important part of Euromoney's strategy. We have a record of identifying good businesses where our ownership adds value. We also sell businesses where we believe we are not the best owners, and to generate capital to invest in the big themes.

Our strategy

Our strategy is to manage a portfolio of businesses in markets where information, data and convening market participants are valued. We deliver products and services that support our clients' critical activities

Our quadrants
Financial performance will come from a rigorous allocation of capital. We allocate capital towards those businesses which we consider are, or can be, successful B2B 3.0 businesses (see page 11). Depending on market cycle and structure, we categorise our businesses into four quadrants.

We allocate capital to the top two quadrants and withdraw capital from the bottom two. A cyclical downturn can create opportunity for a structurally strong business. For instance, when commodities markets were depressed, we put targeted investment into Metal Bulletin – we bought FastMarkets and invested in systems and people among other things. This improved our market position so that as the commodity market turned we were able to take a disproportionate share of the uptick. We have invested in top-right businesses like those we have serving the insurance sector. The combination of structural and cyclical strength means those businesses are now growing fast. However, for markets which are structurally challenged, we will disinvest and reallocate capital.

This quadrant-based assessment leads to three pillars of strategic activity: investing around the big themes, transforming the operating model and actively managing the portfolio.

Our quadrants

Structure + / Cycle −	Structure + / Cycle +
3 PREPARE FOR THE UPTURN • Protect and enhance competitive position • Selective investments for when cycle turns • Opportunistic revenue initiatives • Tight cost control • Fix any operational deficit	**4 INVEST** • New product development • Sales and marketing • Acquisition • Fix any operational deficit • Accelerate transition to 3.0
1 DISINVEST • Maximise shorter-term profit and cash • Divest • Prevent future build-up	**2 USE THE TIME WISELY** • Modest investment to move to top-right quadrant • Maximise shorter-term profit and cash • Fix any operational deficit • Consider divestment

Strategic pillars	1 Invest around big themes	2 Transform the operating model	3 Actively manage the portfolio
DESCRIPTION	We look to serve semi-opaque markets where the information organisations need in order to operate effectively is hard to find. This determines our big themes which include price discovery, post-trade activities, asset management and telecoms.	We have developed what we call a best-of-both-worlds operating model. Euromoney is known for its entrepreneurial culture – our people are creative, action-oriented, close to their customers, passionate about their brands, knowledgeable about the industries they serve and accountable for their results.	Acquisitions have always been, and remain, an important part of Euromoney's strategy. We have a record of identifying good businesses where our ownership adds value. We also sell businesses where we believe we are not the best owners, and to generate capital to invest in the big themes.
PROGRESS MADE IN 2017	• Invested in product development. For example: BCA products targeting passive, specialist and alternative investments; NDR tools for registered investment advisors; Euromoney's thought leadership initiative; and Institutional Investor's ManagerMatch service; • Invested heavily in our price reporting capabilities with the acquisition of RISI, the leading price reporting agency for the global forest products market • Through the acquisitions of BroadGroup and Layer123 we expanded the market and customer segments our telecoms events businesses serve • Increased our investment in and reshaped our relationship with Zanbato, a company offering institutional investors alternative investment opportunities	• Created seven divisions (Price Reporting & Analytics, Investment Research, Institutional Investor, Banking & Finance, Specialist Information, Events and Global Market Intelligence) to serve our four segments more effectively • Created a Group Management Board to provide a new operating framework for the Group's divisions and functions • Continued to develop and build our strong central functions such as HR, IT, Corporate Development, Finance, Legal, Risk and Programmes to support our businesses • Improved the technology leadership in the price-reporting businesses and investment research divisions • Introduced sophisticated approaches to how we price our products at BCA and Metal Bulletin	• Successfully integrated FastMarkets into our price reporting division • Acquisitions of RISI, BroadGroup and Layer123 • Sold Euromoney Indices, II Intelligence, LatinFinance, HedgeFund Intelligence, and after the financial year-end, Adhesion and World Bulk Wine
HOW WE MEASURE PROGRESS	Financial performance and KPIs demonstrate that our investment in big themes is having a positive financial impact. **61%** subscription revenue share of total revenue	Following the DMGT share sell down and buyback the Group is no longer able to use DMGT central services and the investment in Euromoney's functions has enabled the Group to operate as a standalone company.	We have reduced drag impact of underperforming businesses by £4m through the above sales and grown revenue in our Price Reporting & Analytics division to £57m with a 29% operating margin. **+4%** growth in adjusted profit before tax
PRIORITIES FOR 2018	Further investment in these areas through acquisition, product development and expansion into new segments or geographies.	Ensure we take advantage of Euromoney's scale, share best practice, operate strategically and create career paths for staff across the Group.	Continue to evaluate potential M&A opportunities to reallocate capital and accelerate the Group's transition towards being a B2B 3.0 information business.

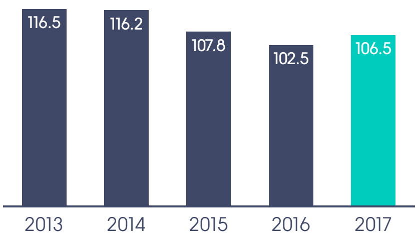
Key performance indicators

The Group monitors its performance against its strategy using the following key performance indicators

Relevance	Performance	Narrative

ADJUSTED PROFIT BEFORE TAX (£m) 1 2 3

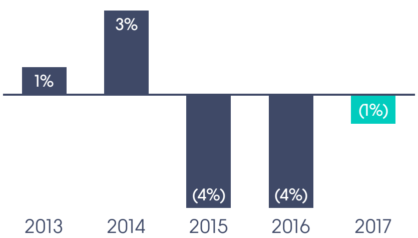
Euromoney actively manages its portfolio and allocates capital to increase adjusted profit before tax over the long term. The definition of adjusted profit before tax is set out on page 29.



Adjusted profit before tax increased by 4% to £106.5m, reflecting favourable exchange rates more than offsetting the investment in standalone company costs and increased financing costs following the DMGT sell down.

UNDERLYING REVENUE GROWTH 1 2 3

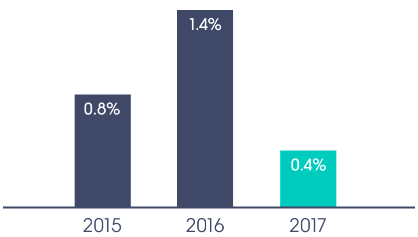
Underlying revenue growth compares revenues on a like-for-like basis and is an important indicator of the health and trajectory of our segments and the Group as a whole. The definition of underlying revenue is set out on page 31.



Underlying revenues fell by 1% due to the increasing cyclical headwinds caused by MiFID II in the asset management sector, the elimination of low-margin events in the first and fourth quarters of 2017 and the decision not to repeat events in certain markets due to increased geopolitical instability. These factors were largely offset by the strong performance from the pricing, data & market intelligence segment and the improved sentiment in the banking and commodities markets.

SUBSCRIPTION BOOK OF BUSINESS 1

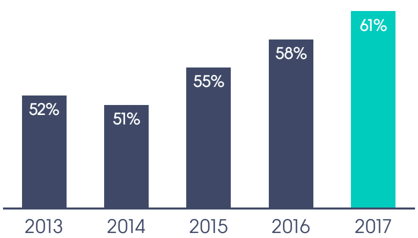
Book of Business ('BoB') represents the annual contracted values for subscriptions across the Group and reflects the impact of new sales, price increases, upgrades, downgrades and full cancellations. It is a key indicator of the Group's subscriptions growth.



The subscription BoB growth was 0.4%, reflecting the increasing headwinds affecting our asset management businesses in the second half of the year cancelling out the strong growth in the price, data & market intelligence segment.

SUBSCRIPTION SHARE OF TOTAL REVENUES 1

Subscription-based products, usually have the advantage of premium prices, high renewal rates and high margins.

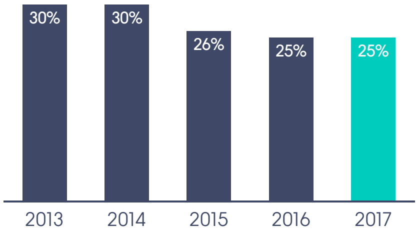


The Group has increased the proportion of revenues derived from subscription and content-related products to over 60% of its total revenues.

Relevance | Performance | Narrative

ADJUSTED OPERATING MARGIN 1 2

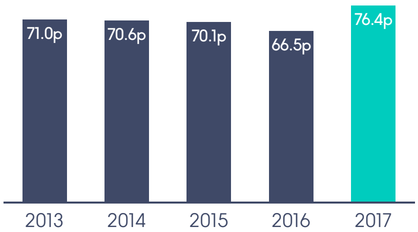
The movement in adjusted operating margin measures the efficiency of the Group. Consistent operating margin improvement is a business imperative, driven by investment choices, our focus on driving out costs and improving mix.



The adjusted operating margin fell from 25.2% to 25.0% largely due to the required investment in standalone company costs following the DMGT sell down and the need to operate as an independent group. This drag was partly offset by the favourable currency mix.

ADJUSTED DILUTED EARNINGS PER SHARE 1

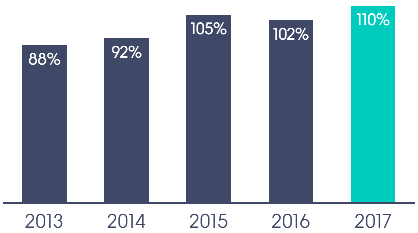
Management seeks sustained long-term growth in adjusted diluted earnings per share to maximise overall returns to our shareholders.



The increase from 66.51p to 76.4p reflects the improvement in adjusted profit before tax and the benefit from the reduced number of shares in issue following the share buyback.

ADJUSTED CASH CONVERSION RATE 1 2 3

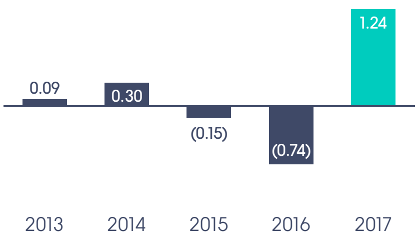
Cash conversion is a measure of the quality of Euromoney's earnings. The objective is to achieve consistently a conversion of earnings into cash in excess of 100%. This KPI measures the percentage by which cash generated from operations covers adjusted operating profit.



The adjusted operating cash conversion rate was 110% (2016: 102%). This reflects an improvement in working capital management and the recovery in the events portfolio. After adjusting for timing differences and exceptional items, the underlying cash conversion rate was 118% (2016: 105%).

ADJUSTED NET DEBT/(CASH) TO EBITDA 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.



Following the DMGT sell down, the Group arranged new five-year external borrowing facilities comprising term-loans of US$100m and £40m, and a £130m multi-currency revolving credit facility. At 30 September, the Group has net debt of £154.6m, largely reflecting the share buyback and the acquisitions of RISI and Layer123. There is a further accordion facility of £130m should the Group wish to request it. The calculation of adjusted net debt/(cash) to EBITDA is set out on page 32.

KEY

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

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 operating and financial review from page 26.

A detailed reconciliation of the Group's adjusted and underlying results is set out on pages 29 to 32.

All measures above combine the results of the Group's continuing and discontinued operations as the discontinued operations have been managed as part of the Group for the full year.

Segment review

We have created seven divisions to serve our four segments more effectively

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; runs networks and conferences that bring asset allocators and asset managers together in an effective and efficient way; and 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.

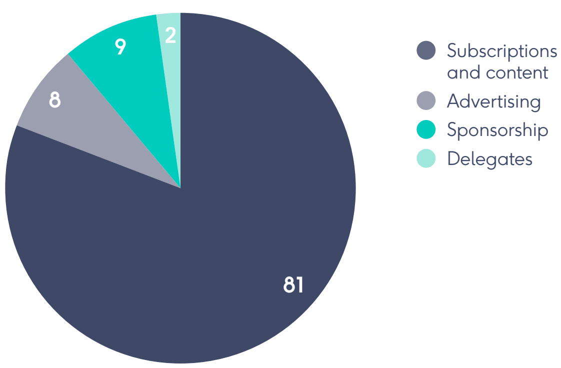
More than 80% of the segment revenues are derived from subscriptions to its research and data products and annual membership fees.

	2017 £m	2016 £m	Movement %	Underlying %
Total revenue	**171.8**	156.7	10%	(2%)
Adjusted operating profit	**64.3**	55.2	16%	3%
Adjusted operating margin	**37%**	35%		

Total asset management revenues increased by 10% to £171.8m. Underlying revenues were flat in the first half of the year, followed by a 4% decline in the second half, largely reflecting the increasing cyclical headwinds caused by the MiFID II regulations.

Despite these headwinds, the adjusted operating margin improved from 35% to 37%, reflecting the Group's rigorous approach to capital allocation as the cyclical headwinds in asset management worsened. During the year, the asset management businesses shifted from the top-right to the top-left quadrant. Hence the segment's businesses focussed on battening down the hatches and successfully implemented profit protection measures to deliver a 3% underlying growth in adjusted profit before tax.

Total revenue by type (%)



BCA RESEARCH

Institutional Investor

Ned Davis Research Group

BCA: HELPING OUR CUSTOMERS TO NAVIGATE MIFID II

BCA embarked on a digital and multi-channel engagement programme to help inform its customers about the likely impact of MiFID II which comes into force in January 2018. We combined a range of online marketing tools to build customer awareness, share our expertise as thought-leaders and create an advisory service. By placing senior executives at the centre of the campaign BCA has demonstrated its subject matter expertise resulting in wide media coverage. To compliment this we launched a MiFID II microsite containing information for customers using webcasts, video, podcasts and online articles. We have also created an online assessment tool for our customers to measure their MiFID II readiness. This has resulted in strong customer engagement with our digital channels. We will continue to inform and guide our customers as MiFID II is implemented.

Pricing, data & market intelligence

The pricing, data and market intelligence segment houses businesses span 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.

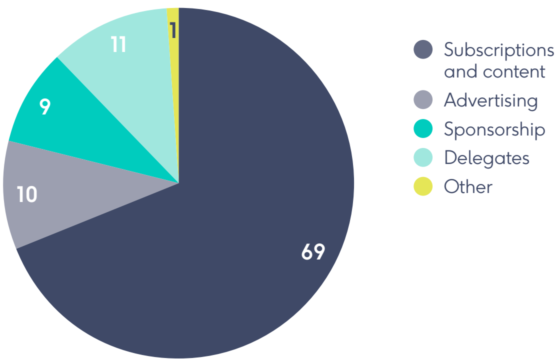
Price discovery is a big theme and is expected to grow significantly as most industries are seeking more transparency around the prices and risks they face in their traditionally opaque markets. During 2017 we enhanced our capabilities through the acquisition of RISI, a leading price reporting agency for the global forest-products market.

	2017 £m	2016 £m	Movement %	Underlying %
Total revenue	**165.5**	132.1	25%	3%
Adjusted operating profit	**51.3**	43.8	17%	(6%)
Adjusted operating margin	**31%**	33%		

Total revenues increased by 25% to £165.5m reflecting favourable exchange rates, the acquisition of RISI and strong performances from Metal Bulletin, including the successfully integrated FastMarkets, and the Group's wholesale telecoms business, TelCap. Underlying revenues were up 3%.

The segment's adjusted operating margin decreased from 33% to 31%, largely reflecting significant headcount investment in Metal Bulletin, TelCap and Legal Media Group to drive new product and sales initiatives, together with costs to integrate FastMarkets into Metal Bulletin and to enhance TelCap's events portfolio. On an underlying basis, adjusted operating profit was down 6%.

Total revenue by type (%)



SPECIALIST INFORMATION: INVESTING IN PRODUCT

Over the last two years we have invested in our AirFinance Journal business. We acquired a fleet database and hired leading air finance sector analysts. These investments have been responsible for AirFinance Journal's strong trading, ahead of our investment case.

We have strong market share in the fast-growing aircraft finance sector and are evolving plans to benefit further from the tailwinds the sector is experiencing. We are working with our customers to develop tools that allow them to better evaluate assets in this sector. Product development work is progressing. Our tools will support our customers' decision-making for large capital investments, assist their business prospecting and allow our business to capitalise on the growth of both primary and secondary markets. Working closely with our customers on product development, our strong market position enables us to benefit from further growth in this area.

Banking & finance

Banking & 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 derives over 70% of its revenues from delegates and sponsorships for its events.

	2017 £m	2016 £m	Movement %	Underlying %
Total revenue	**69.8**	68.1	3%	(6%)
Adjusted operating profit	**13.8**	10.5	31%	7%
Adjusted operating margin	**20%**	15%		

Total revenues increased by 3% to £69.8m, largely due to the strength of the US dollar improving IMN's growth rate. On an underlying basis, revenues were down 6% reflecting the Group's actions to eliminate low-margin events and training courses in the first and fourth quarters. This was partly offset by some success in the strategic investment in thought-leadership products in Euromoney magazine.

The adjusted operating margin improved from 15% to 20%, largely due to the successful restructure of the training business in the second half of 2016. As a result, on an underlying basis, adjusted operating profit increased by 7%.

EUROMONEY

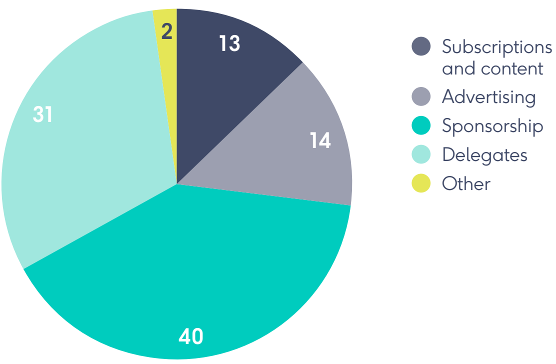
IMN
Information Management Network

GlobalCapital
The new EUROWEEK www.globalcapital.com

BANKING & FINANCE: THOUGHT LEADERSHIP AND RIVAL ADVOCATES

Euromoney magazine has long been known as an arbiter of status in finance. It is now building on its existing accreditation platforms such as the Euromoney Awards for Excellence by creating digital amplification campaigns to showcase key award findings to its clients' customers and peers. Euromoney has developed the process of peer influence between banks as a powerful marketing tool through its Rival Advocacy™ system which improves customers' net promoter scores. Euromoney is achieving this by combining its authoritative banking coverage with a new, digital audience development platform which draws on Euromoney's database of financial and corporate leaders. These techniques place Euromoney at the heart of content-marketing and thought leadership in finance.

Total revenue by type (%)



Commodity events

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

	2017 £m	2016 £m	Movement %	Underlying %
Total revenue	**27.4**	29.3	(6%)	(8%)
Adjusted operating profit	**6.9**	8.0	(14%)	(10%)
Adjusted operating margin	**25%**	27%		

Total revenues were down 6% to £27.4m, and down 8% on an underlying basis. Despite the pick-up in commodities markets during the year, this performance largely reflects the 'self-help' strategic actions taken in 2016 to consolidate some of the segment's event activities and the decision not to repeat events in certain markets in the fourth quarter due to increased geopolitical instability.

The adjusted operating margin fell from 27% to 25%, primarily due to the challenging market conditions faced by some of the segment's large commodities-related events before the improvement in cycle. As a result, adjusted operating profit fell by an underlying 10%.

Coaltrans Conferences

Metal Bulletin Events

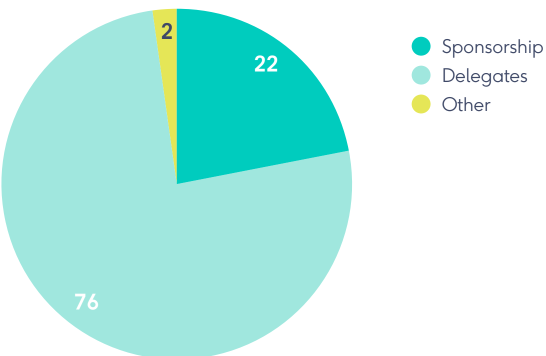
GLOBALGRAIN

INVESTING IN AFRICAN MINING INDABA

COALTRANS EVENTS: BENEFITTING FROM A MARKET ON THE UPTURN

Increased demand for coal in Asia has driven coal prices up and we have therefore focused our Coaltrans portfolio in that region during 2017. The Group's global footprint enables us to pivot and divert resource where needed across the world. At Coaltrans Asia, our hallmark event, over 800 coal professionals gathered for two days of networking and deal-making. Our performance is enabling us to invest in our core events and event formats as well as an expanded portfolio and we will continue to do so in order to meet the evolving content and networking needs of our audience.

Total revenue by type (%)



Corporate and social responsibility

Our approach to Corporate and Social Responsibility (CSR) is largely led by staff

The global nature of our Group and the fact that it serves a wide range of customers gives people an opportunity to communicate and interact with different sections of society across the world. Our success owes much to understanding and engaging with the communities we serve.

People

Euromoney is well known as a place where entrepreneurs do well. Historically this may have meant we overlooked some of the benefits of being a large group. That is changing, but we want to remain a place where innovators and self-starters thrive and those who want and deserve responsibility and relish accountability can still progress rapidly. We call combining the best of Euromoney's entrepreneurial culture with the benefits of being a substantial corporation without the downsides of either, our best-of-both-worlds model. We talk about it in more detail in the strategy section on page 17. One part of that is introducing more opportunities for staff to develop their careers in the Group.

Two years ago, we operated as 30 or so separate businesses. A talented individual who rose quickly in a business might decide that they had to leave in order to continue to develop their career. By combining businesses into seven divisions and by co-ordinating our management of people across the whole of Euromoney we are now able to help our staff develop their careers beyond their current business. Better career prospects and more development means our staff become more experienced and skilled, which will enhance their performance and encourage them to stay in the Group. Gillian Fox, our Global HR Director, is leading this and other changes in approach, working closely with our divisional and functional heads.

Here are a few best-of-both-worlds people-related examples:

- We want to recruit staff who will like our culture; but we don't want to hire people simply to fit in, so we are introducing more rigorous, evidence-based recruitment practices.
- We take seriously our duty to care for our staff. We want to ensure our people still travel to, and run events in, emerging and frontier markets. But we want to make sure they can do so as safely as possible and that we always consider the safety of delegates who attend our events. So we have introduced training on travelling safely and a comprehensive event-safety assessment and accompanying training for our event organisers.
- At Euromoney we have always given people responsibility early in their careers. In 2018 we will focus on training staff as managers. We will also make sure that we have successors identified and developed for critical roles across the Group.

Diversity and inclusion

Our business is dependent on recruiting, retaining, developing and motivating talented people. The talents we need do not depend on gender, sexual orientation, religion, ethnic or national origin, race, colour, age, disability or socio-economic background. We recognise that we need to do more to appeal to everyone who could help us to succeed. Therefore over the past year we have started to focus more on diversity. Part of that is making sure that everyone can fulfil their potential at Euromoney and be, and feel, supported by the Company in doing so by fostering an environment of inclusion. There is always more work to be done and so this will continue in 2018.

We do not believe that diversity is about having a policy or a stand-alone initiative. It needs to permeate all people-related activities.

As an equal opportunity employer we seek to employ a workforce which reflects the diverse community at large. We do not discriminate in recruitment, promotion or other employee matters. The Group endeavours to provide a working environment free from discrimination, victimisation or harassment and we will not accept behaviours which contradict this.

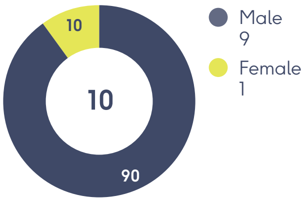
Since the summer our Group Management Board has spent, and will continue to spend, time considering what more we can do to make the Group more diverse and inclusive. This includes understanding why women make up a smaller proportion of senior staff compared to their representation at more junior levels. We have started a pilot to focus on developing careers of high-potential women in the Company. We have changed our approach to hiring for senior roles to make sure short lists are diverse. We have introduced our first LGBT and women's networks and have begun to roll out unconscious bias training. We are making sure the recruitment firms we use understand our seriousness about finding and attracting diverse candidates of the highest quality. We have also started working with a recruitment firm that specialises in helping firms hire talented black, Asian and minority ethnic staff, particularly those near the start of their career. Staff feedback on these programmes has been positive.

Gender pay gap analysis

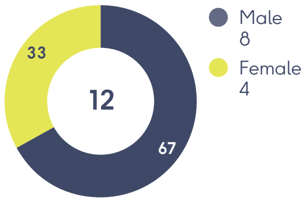
We have analysed the pay of men and women in the UK. The analysis shows that we pay men and women roughly the same within each band of seniority. We will be doing further analysis of the small gaps that are revealed and will take any necessary remedial action. The issue the analysis highlights, however, is that we do not have enough senior women even though 47% of our Group overall are female. We need to work across the organisation to change this.

	Board	Group Management Board	Senior Managers	Total Employees
Male	9	8	83	1,178
Male %	90%	67%	75%	53%
Female	1	4	28	1,050
Female %	10%	33%	25%	47%
Total	**10**	**12**	**111**	**2,228**

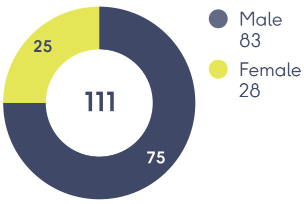
Board (%)[1]



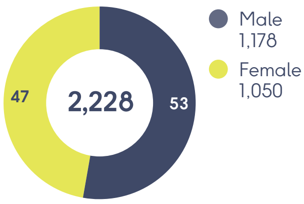
Group Management Board (%)



Senior Managers (%)



Total Employees (%)



1 Above data reflects position at 22 November 2017. Two additional female Non-Executive Directors will join the Board before the 2018 AGM

Our commitment to improve gender balance applies across the Group. As already announced we are delighted that three talented and experienced female Non-Executive Directors are joining the Board. This is an example of how a focus on diversity widens the pool we can attract and brings in skills and experience from which the Board and Group will benefit hugely.

Environment

The Group has a small environmental footprint but that does not mean our staff do not want to help us contribute in this area. Our main offices are all located in central city locations which generally means staff travel to work by public transport. Our technology allows home-working, reducing work travel. Overseas trips must be justified. We try to do the easy things as a matter of course. For example, we switch most of the lights off at night. Our larger offices include shower facilities for staff who prefer to cycle or run to work. Within the office, recycling bins make recycling easy.

We have found with our diversity initiatives that they work better when we harness the passion, energy and experience of our staff, not just via Company policy, we are taking the same approach with our environmental initiatives. Although our carbon footprint is small, we think we can do more and we intend to ask our staff across the world for their ideas for what else we can do. We shall report back next year.

Social investment

Our staff drive our charity fundraising, which comes from both individual fundraising efforts and the Group's charitable budget. Our staff give their time generously to support a wide range of projects across the globe.

Hurricane Irma

Our colleagues at IMN ran their annual ABS East conference in Miami in the aftermath of Irma. They did so with the support of local government and agencies who wanted to show that Miami remained open for business. Our team was grateful for that support and the Company donated $100,000 to the Volunteer Florida Foundation to help with relief efforts and organised for conference delegates to get involved in relief efforts.

Over the year we have continued our work with TSF, Afghan Connection, AMREF/ORBIS and Haven House.

TSF

Télécoms Sans Frontières (TSF) is an NGO specialising in emergency telecommunications and new technologies. It has led emergency relief efforts in 70 countries supporting millions of victims of conflict and natural disasters, as well as facilitating the relief efforts of more than 800 humanitarian organisations in war-torn and disaster zones. Since 2014 the Group has raised more than £130,000 to support TSF's projects.

Afghan Connection

Afghan Connection (AC) has over 10 years' experience successfully funding education and sports projects in Afghanistan. AC has funded 43 school construction projects for over 50,000 children and built 50 cricket pitches. We have donated $154,000 including funds raised by staff to support the construction of Kezer School in the Rustaq district of Northern Afghanistan.

AMREF/ORBIS

Amref Health Africa is one of the leading health NGOs in Africa, working to improve the health of women, men and children by establishing a participatory health care system. Orbis is an international charity that works across Africa, Asia and Latin America, transforming lives by preventing and treating avoidable blindness and visual impairment. Since 2014 Euromoney has supported a joint project between Amref Health Africa and Orbis to help eliminate trachoma, a preventable blinding eye disease, in the South Omo region of Ethiopia. Our donations last year and in the coming year will total £100,000.

Haven House

Haven House is a children's hospice based on the borders of Essex and East London. It looks after children aged from birth to 19 with life-limiting or life-threatening conditions. Last year, the hospice supported 353 children and young people across all its services. Euromoney has made a £50,000 contribution to Haven House during the last 12 months.

Global efforts

Our staff are engaged globally in our charitable fundraising. Our colleagues in New York support a range of local charities through initiatives such as helping with meal preparations at the Bowery Mission, clothing drives for charities which provide disadvantaged men and women with professional office attire, hurricane relief fundraisers and volunteer work as part of Habitat for Humanity to rehabilitate a home in Battle Hill, New York. Our teams in Sofia, Bulgaria carry out fundraising, including donations, for the Bulgarian Red Cross and the National Fund Saint Nikola, as well as a local hospital for children with cerebral palsy.

More to do

The Group's success is dependent on the efforts of our staff. That is not just true in terms of financial results but also our ability to serve our communities. We will continue to focus on making the Group a place where people want to join and stay in part because we are an organisation where they can make a difference both inside and outside of the office by leading or participating in CSR activities that they care about.

Operating and financial review

Total revenue and adjusted profit before tax are both up, despite some headwinds, although currency remains a favourable tailwind

Following the Group's decision to review the strategic options for the Global Markets Intelligence division (CEIC and EMIS), these businesses have met the recognition criteria of discontinued operations and therefore have been presented as such in the Group's financial statements. As the division has been managed as part of the Group for the full year, its results have been included in the Group's review of its performance. Hence, total, adjusted and underlying measures combine the results from the Group's continuing and discontinued operations. Detailed reconciliations of the Group's statutory, adjusted and underlying results are set out on pages 29 to 32.

Revenue

Total revenue for the year increased by 6% to £428.4m, largely due to favourable exchange rates. The Group's businesses focused on price discovery, data and market intelligence performed strongly, benefitting from the strategic actions taken this year. Despite modest growth in the asset management segment during the first half of the year, the increasing cyclical headwinds caused by the MiFID II regulations led to its large subscription revenues being a significant drag in the second half. The commodity events and banking & finance segments, which together accounted for 22% of revenues, declined largely reflecting the elimination of low-margin events and training courses in the first and fourth quarters and the decision not to repeat events in certain markets due to increased geopolitical instability in the fourth quarter.

Underlying revenue fell by 1% however, this masks markedly varied performances between the quarters. After a 5% decline in the first quarters, underlying revenue grew in the second and third quarter primarily reflecting a strong recovery in the events businesses, particularly in banking and finance and commodities. The events performance remained robust in the fourth quarter, but was affected by the decision to cut certain events in markets affected by increased geopolitical instability. Statutory revenue increased by 6% to £386.9m in line with the increase of total revenue, including discontinued operations.

Total revenue (£m)[1]	Subscriptions/ content		Advertising		Sponsorship		Delegates		Other		**Total**	
Asset management	138.2	(2%)	14.2	(9%)	16.1	4%	3.2	4%	0.1	108%	**171.8**	**(2%)**
Pricing, data & market intelligence	113.9	5%	16.7	(13%)	14.5	8%	19.0	4%	1.4	(9%)	**165.5**	**3%**
Banking & finance	8.9	(5%)	9.8	8%	28.0	(7%)	21.7	(10%)	1.4	(11%)	**69.8**	**(6%)**
Commodity events	N/A		N/A		6.0	(4%)	20.8	(7%)	0.6	(2%)	**27.4**	**(8%)**
	261.0	**1%**	**40.7**	**(8%)**	**64.6**	**(1%)**	**64.7**	**(5%)**	**3.5**	**(8%)**	**434.5**	**–**
Sold/closed businesses											4.7	–
Foreign exchange losses on forward contracts											(10.8)	–
Total revenue											**428.4**	**(1%)**[2]

1 Figures are 2017 total revenues and percentages are underlying growth rates

2 Calculates the growth rate for underlying revenues of £423.7m for 2017 (i.e. total revenue of £428.4m less sold/closed businesses revenue of £4.7m) against 2016 on a constant currency basis

Subscriptions and content

Underlying subscriptions and content revenues increased by 1%. Pricing, data & market intelligence subscription revenues increased by an underlying 5%, mainly due to an excellent performance from Metal Bulletin including the successfully integrated FastMarkets, together with strong growth from the RISI acquisition in the second half of the year. The increasing cost and fee pressures facing the asset management sector from the impact of MiFID II resulted in subscription revenues from this segment declining 2% on an underlying basis.

Advertising

The rate of decline in underlying advertising revenues decreased during the year, reflecting success in the strategic investment in thought-leadership products. However, its performance remains weak and declined by 8% year-on-year; but it now only represents 10% of total revenue.

Sponsorship and delegates

Underlying event revenues decreased 3% (sponsorship fell by 1% and delegates by 5%), with the banking & finance and commodity events segments the most significant reductions. However, much of this revenue decline was a direct result of the 'self-help' strategic actions taken in 2016 to consolidate some of the Group's event activities and cut out a significant number of low margin events and unprofitable training courses. This has improved profitability for both segments and improving market conditions led to renewed growth in the second and third quarters, and further demonstrated the health of the large 'must-attend' annual events and the strategic focus to continue to build large, repeat, high-margin events.

Adjusted results

The adjusted operating margin fell from 25.2% to 25.0% largely due to the required investment in standalone company costs following the DMGT sell down and the need to operate as an independent group. This drag was partly offset by the favourable currency mix. Adjusted operating profit increased by 6% to £107.1m.

Adjusted profit before tax increased by 4% to £106.5m, with increased financing costs following the share buyback partly offset by an improvement in adjusted profits from the Group's equity interest in associates and joint ventures, principally Dealogic. Adjusted diluted earnings per share increased by 15% to 76.4p (2016: 66.5p), largely reflecting the benefit from the reduced number of shares in issue following the share buyback. Underlying adjusted profit before tax fell by 5%.

Statutory results

The statutory profit before tax of £40.7m is lower than the adjusted profit before tax due to exceptional items of £31.3m, acquired intangible amortisation of £20.6m and a £9.2m contribution from discontinued operations. Statutory operating profit after acquired intangible amortisation and exceptional items increased from £37.3m to £43.4m resulting in a slight improvement in the operating margin from 10% to 11%.

Exceptional items

	2017 £m	2016 £m
Profit on disposal	**2.9**	7.1
Impairment charges	**(29.7)**	(28.8)
Release of /(provision) for overseas sales tax	**3.9**	(7.9)
Restructuring and other exceptional costs	**(8.4)**	(7.7)
Continuing operations	**(31.3)**	(37.3)
Discontinued operations	**(2.4)**	–
Total	**(33.7)**	(37.3)

The Group recognised a £29.7m impairment charge mostly in relation to one of its large asset management businesses, NDR, following its disappointing financial performance in the face of tough market conditions and management changes in the first half.

During the year, the Group sold HedgeFund Intelligence, II Intelligence, Euromoney Indices and LatinFinance, resulting in a net profit of £3.8m (note 15). The disposal of the joint ventures, Institutional Investor Zanbato Limited and EIIZ Discovery LLC, resulted in a loss of £0.9m (note 14).

An element of the provision for overseas sales tax was released resulting in a credit of £3.9m, following settlement of the sales tax exposure (including interest).

Restructuring and other exceptional items consist of professional fees associated with the share buyback transaction with DMGT; professional fees from the legal dispute with the previous owners of Centre for Investor Education (CIE), which has been treated as exceptional in the prior year; non-recurring costs relating to the relocation of the New York office; and costs for the acquisition of RISI (note 15). Acquisition costs for smaller transactions have not been treated as exceptional consistent with the Group's policy. There were no exceptional severance costs in 2017.

The exceptional items of £2.4m relating to discontinued operations comprise professional fees associated with the strategic review of the Global Markets Intelligence division.

Balance sheet

The main movements in the balance sheet were as follows:

	2017 £m	2016 £m	Change £m
Goodwill and other intangible assets	**594.0**	551.1	42.9
Property, plant and equipment	**17.2**	10.5	6.7
Investments	**30.4**	35.9	(5.5)
Acquisition commitments and deferred consideration	**(11.5)**	(11.7)	0.2
Deferred income	**(117.0)**	(118.8)	1.8
Other non-current assets and liabilities	**(31.1)**	(24.7)	(6.4)
Other current assets and liabilities	**(30.6)**	(48.6)	18.0
Net assets before net (debt)/cash	**451.4**	393.7	57.7
Net (debt)/cash	**(164.5)**	83.8	(248.3)
Net cash classified as held for sale	**9.9**	–	9.9
Total net (debt)/cash	**(154.6)**	83.8	(238.4)
Net assets	**296.8**	477.5	(180.7)

- **Goodwill and other intangible assets** – the movement reflects £119.5m of goodwill and acquired intangibles following the acquisition of RISI, partially offset by impairment of £27.4m for NDR, reclassification of £29.6m of goodwill and acquired intangibles to assets held for sale and the unfavourable exchange movement from the predominately US dollar denominated balance
- **Property, plant and equipment** – the increase is largely due to the New York office fit-out and recurring capital expenditure, partly offset by depreciation of £3.0m
- **Investments** – includes a £2.3m impairment of available-for-sale investments, a £1.5m share of loss in Dealogic during 2017 and the unfavourable foreign exchange movement from the US dollar denominated balance
- **Acquisition commitments and deferred consideration** – reflects addition for the acquisition of Layer123 offset by a credit to the Income Statement primarily from the remeasurement of the put option liability for NDR's minority stake

- **Deferred income** – excluding exchange differences, acquisitions and disposals, deferred income increased £6.3m mainly due to the recovery in events revenue and an improvement in timing of subscriptions invoicing
- **Other non-current assets and liabilities** – reflects an increase in deferred tax liabilities of £20.3m recognised on acquisitions during the year, partly offset by the tax effect of NDR goodwill impairment of £10.1m. In addition, the Group recognised a £2.5m convertible loan note.
- **Other current assets and liabilities** – the reduction is largely due to the £8.7m net reclassification of assets and liabilities to held for sale, the settlement of the overseas sales tax exposure during the year, a movement of £10.9m on the marked to market valuation of short-term derivative contracts and a reduction in current income tax liabilities

Net (debt)/cash

The main movements in the cash flow were as follows:

	2017 £m	2016 £m	Change £m
Cash generated from operations	**118.2**	103.8	14.4
Capex and other movements	**(17.4)**	(5.8)	(11.6)
Taxation	**(21.8)**	(16.7)	(5.1)
Free cash flow	**79.0**	81.3	(2.3)
Dividends paid	**(30.8)**	(29.9)	(0.9)
Net M&A	**(102.2)**	11.2	113.4
Share buyback	**(193.5)**	–	193.5
	(247.5)	62.6	(310.1)
Opening net cash	**83.8**	17.7	66.1
Effect of foreign exchange rate movements	**9.1**	3.5	5.6
Closing net (debt)/cash	**(154.6)**	83.8	(238.4)

Net debt at 30 September 2017 was £154.6m compared with net debt of £83.6m at 31 March and net cash of £83.8m at last year end. The move to a net debt position reflects the share buyback completed in early January at a cost of £193.5m, funded by £75.3m of the Group's cash and new bank term-loans of £118.2m. It also reflects the acquisitions of RISI and Layer123 in April that increased net debt by a further £102.7m and dividend payments of £30.8m. This was partly offset by strong operating cash flows of £118.2m.

Following the share buyback, the Group arranged new five-year external borrowing facilities comprising term-loans of US$100m and £40m (total £114.6m) and a £130m multi-currency revolving credit facility. There is a further accordion facility of £130m should the Group wish to request it. The term-loans and drawings under the revolving credit facility bear interest charged at LIBOR plus a margin, the applicable margin being based on the Group's ratio of adjusted net debt to EBITDA. At 30 September 2017, the Group's ratio of adjusted net debt to EBITDA was 1.24 times and the committed undrawn facility available to the Group was £74.8m.

The Group's underlying operating cash conversion for the 12 months to September was 118% (2016: 105%), reflecting better working capital management and the recovery in events performance.

Currency

The Group generates approximately three-quarters of both its revenues, including approximately a third of its UK revenues, and approximately 80% of operating profits 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 30 September was $1.27 (2016: $1.41). This improved headline revenue growth rates for the year by approximately seven percentage points and adjusted profit before tax by £9.4m. Each one cent movement in the US dollar rate has an impact on profits on translation of approximately £0.8m on an annualised basis. The Group also translate its non-sterling denominated balance sheet items resulting in a loss of £0.4m (2016: £1.9m gain).

Dividends

Following the DMGT sell down, the Board reviewed the Company's dividend policy. As a result, the Board approved a reduction in the dividend cover from 3.0 to 2.5 times adjusted earnings, subject to the capital needs of the business. The 15% reduction in the number of shares in issues following the share buyback, combined with the increase in the dividend pay-out ratio, has enabled the Board to approve a 33% increase in the final dividend to 21.8p per share (2016: 16.4p), to be paid to shareholders on 15 February 2018. This has resulted in a total dividend for the year of 30.6p per share (2016: 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.

The Group's borrowings are in both sterling and US dollars with the related interest tied to LIBOR. It is the Group's policy to hedge up to 80% of its term loan interest exposure, converting its floating rate debt into fixed debt by means of interest rate swaps. The predictability of interest costs is deemed to be more important than the possible opportunity cost foregone of achieving lower interest rates.

Details of the financial instruments used are set out in note 19 to the Group's 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 19% (2016: 18%). The tax rate in each year depends mainly on the geographic mix of profits and applicable tax rates. The Group's statutory effective tax rate decreased to 8% compared to 33% in 2016. The Group continues to benefit from reductions in the UK corporate tax rate and the tax effects of asset acquisitions made in the UK prior to July 2015. The rate was further reduced by prior year items and a disposal of shares in a subsidiary.

Significant reconciling items include: non-taxable income of £1.6m (2016: £0.4m) that arises from a tax deductible loss on disposal of shares in a subsidiary; and other items deductible for tax purposes of £5.1m (2016: £5.3m) that results from financing arrangements that give rise to asymmetrical tax treatment in the territories involved. Prior year items primarily reflect settlement of open items with tax authorities in 2017.

The net deferred tax liability held is £21.9m (2016: £10.3m) and relates primarily to capitalised intangible assets and tax deductible goodwill, net of short-term temporary differences and tax losses. The increase in the net deferred tax liability relates to a £27.2m liability in respect of acquired goodwill and intangibles from the acquisitions of RISI and Layer123 and deferred tax movements on financial instruments.

The Group continues to have a number of uncertain tax positions, primarily the Canadian and UK exposures which have been highlighted in previous periods for which the maximum exposures are explained in note 2 of the Group's financial statements.

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 2017, the Directors have focused on maintaining headcount at a similar level to that in 2016, hiring new heads only where it was considered essential or for investment purposes. Headcount has fallen by 16 since September 2016 to 2,228 mainly attributable to the disposals of Euromoney Indices, LatinFinance, HedgeFund Intelligence and II Intelligence and profit protection measures undertaken in the asset management segment, offset by the acquisitions of RISI and Layer123.

Adjusted measures
The Directors believe that the adjusted measures provide additional useful information for shareholders to evaluate and compare the performance of the business from period to period. These measures are used by management for budgeting, planning and monthly reporting purposes and are the basis on which executive management is incentivised. The non-IFRS measures also enable the Group to track more easily and consistently the underlying operational performance by separating out the following types of exceptional income, charges and non-cash items.

Total revenue represents the combined reported revenue from continuing and discontinued operations.

Adjusted earnings include the results of continuing and discontinued operations. The discontinued operations for the Global Markets Intelligence division have been included in the adjusted results as it was owned and managed as part of the Group for the entire period and to aid year-on-year comparability of the Group's results.

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.

The amortisation of acquired intangible assets is adjusted as the premium paid relative to the net assets on the balance sheet of the acquired business and is classified as either goodwill or as an intangible asset arising on a business combination and is recognised on the Group's balance sheet. This differs to organically developed businesses where assets such as employee talent and customer relationships are not recognised on the balance sheet. Impairment and amortisation of intangible assets and goodwill arising on acquisitions are excluded from adjusted results as they are balance sheet items that relate to historical M&A activity rather than the trading performance of the business.

Exceptional items are items of income or expense considered by the Directors, either individually or if a similar type in aggregate as being significant. The accounting policy for exceptional items can be found in note 1 to the Group's financial statements.

Adjusted share of results in associates and joint ventures excludes the share of exceptional items that relates to restructuring and earn-out costs in Dealogic. IFRS requires that earn-out payments to selling shareholders retained in the acquired business for a contractual time period are treated as a compensation cost. Given that these payments are in substance part of the cost of an investment and will not recur once the earn-out payments have been made, they have been excluded from the share of adjusted profit.

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 3, 5, 7, 8, 12 and 14 to the Group's 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.

Operating and financial review
Continued

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

		2017				2016			
	Notes	Statutory £000	Adjustments £000	Adjusted discontinued operations £000	Adjusted £000	Restated statutory £000	Restated adjustments £000	Adjusted discontinued operations £000	Adjusted £000
Total revenue	3	**386,923**	**–**	**41,490**	**428,413**	366,062	–	37,050	403,112
Adjusted operating profit	3	**95,253**	**–**	**11,886**	**107,139**	91,358	–	10,092	101,450
Acquired intangible amortisation	12	**(20,566)**	**20,566**	**–**	**–**	(16,817)	16,817	–	–
Exceptional items	5	**(31,253)**	**31,253**	**–**	**–**	(37,264)	37,264	–	–
Operating profit		**43,434**	**51,819**	**11,886**	**107,139**	37,277	54,081	10,092	101,450
Share of results in associates and joint ventures	14	**(1,890)**	**5,183**	**–**	**3,293**	(1,823)	4,009	–	2,186
Finance income	7	**3,290**	**(3,147)**	**107**	**250**	391	–	303	694
Finance expense	7	**(4,146)**	**–**	**(74)**	**(4,220)**	(2,401)	601	(1)	(1,801)
Net finance (costs)/income	7	**(856)**	**(3,147)**	**33**	**(3,970)**	(2,010)	601	302	(1,107)
Profit before tax		**40,688**	**53,855**	**11,919**	**106,462**	33,444	58,691	10,394	102,529
Tax expense on profit	8	**(3,390)**	**(14,236)**	**(2,219)**	**(19,845)**	(11,118)	(5,282)	(1,666)	(18,066)
Profit for the year		**37,298**	**39,619**	**9,700**	**86,617**	22,326	53,409	8,728	84,463
Attributable to:									
Equity holders of the parent		**36,829**	**39,619**	**9,700**	**86,148**	22,057	53,409	8,728	84,194
Equity non-controlling interests		**469**	**–**	**–**	**469**	269	–	–	269
		37,298	**39,619**	**9,700**	**86,617**	22,326	53,409	8,728	84,463
Diluted earnings per share	10	**37.91p**			**76.44p**	24.29p			66.51p

Underlying measures

When assessing the performance of our 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 2017 benefitted from the strengthening of the US dollar relative to sterling. To calculate underlying growth, the prior year comparatives are restated using 2017 exchange rates. Similarly, adjustments are made to exclude disposals from both years. When businesses are acquired, the prior year comparatives are adjusted to include the acquisition. The timing of events can also be a distortion. To give a fair like-for-like comparison when calculating underlying growth, significant timing event differences are excluded from the year in which they were held.

The Group's adjusted and underlying measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. The adjusted and underlying measures used by the Group are not necessarily comparable with those used by other companies.

The following table sets out the reconciliation from statutory to underlying for revenues and profit before tax:

	2017 Total £000	2016 Total £000	Change %
Statutory revenue	**386,923**	366,062	6%
Discontinued operations	**41,490**	37,050	
Total revenue	**428,413**	403,112	6%
M&A	**(4,716)**	(5,897)	
Timing differences	**–**	(2,977)	
Foreign exchange	**–**	34,471	
Underlying revenue	**423,697**	428,709	(1%)
Statutory profit before tax	**40,688**	33,444	22%
Adjustments	**53,855**	58,691	
Discontinued operations	**11,919**	10,394	
Adjusted profit before tax	**106,462**	102,529	4%
M&A	**–**	891	
Timing differences	**–**	(2,074)	
Foreign exchange	**–**	10,892	
Underlying profit before tax	**106,462**	112,238	(5%)

Cash conversion

Cash conversion measures the percentage by which cash generated from operations covers adjusted operating profit.

	2017 £000	2016 £000
Adjusted operating profit	**107,139**	101,450
Cash generated from operations	**118,201**	103,764
Exceptional items	**12,375**	3,736
Other working capital movements	**(4,551)**	(1,365)
Underlying cash generated from operations	**126,025**	106,135
Adjusted cash conversion %	**110%**	102%
Underlying cash conversion %	**118%**	105%

The underlying basis is after adjusting for significant timing differences affecting the movement on working capital and exceptional items. For the year ended 30 September 2017, exceptional items largely consist of cash payments for the 2016 restructuring costs, legal and professional fees and share buyback costs. The other working capital movements are largely the result of the landlord's contribution to the fit-out of the New York office which will be amortised over the period of the lease and the rent-free period of the London and New York offices. For the year ended 30 September 2016, exceptional payments related to the strategic review in 2016 and the development of the Group's new strategy. The other working capital movements in prior year related to the rent-free period of the London offices.

As cash generated from operations in the Consolidated Statement of Cash Flows includes those from discontinued operations, we have not provided the statutory cash conversion rate as it would not give a fair indication of the Group's cash conversion performance.

Adjusted net debt/(cash) to EBITDA

The Group's borrowing facilities contain certain covenants, including adjusted net debt to EBITDA. The amounts and foreign exchange rates used in the covenant calculations are subject to adjustments as defined under the terms of the arrangement.

	2017 £000	2016 £000
Net debt/(cash)	**154,621**	(83,782)
Exchange rate adjustment	**2,188**	–
Adjusted net debt/(cash)	**156,809**	(83,782)
Adjusted operating profit	**107,139**	101,450
Share of adjusted results in associates and joint ventures	**3,293**	2,186
Add back:		
Intangible amortisation on licences and software	**3,965**	3,675
Depreciation of property, plant and equipment	**3,202**	2,806
Share of associates interest, depreciation and amortisation	**4,632**	3,650
M&A annualised adjustment	**3,912**	–
Adjusted EBITDA	**126,143**	113,767
Adjusted net debt/(cash) to EBITDA ratio	**1.24**	(0.74)

The bank covenant ratio uses an average exchange rate in the calculation of net debt and includes an annualised adjustment attributable to acquisitions and disposals in the calculation of adjusted EBITDA. When businesses are acquired after the beginning of the financial year, the calculation of adjusted EBITDA includes EBITDA attributable to the business as if the acquisition had been completed on the first day of the financial year. The calculation excludes the EBITDA of any businesses disposed of during the year.

Risk management

We are placing an increased focus on the management of risk, as well as the reporting of risk

The principal risks and uncertainties the Group faces vary across its different businesses and are identified in the risk register. Management of significant risk is the responsibility of the Board and is overseen by the Risk Committee. The Risk Committee changed its terms of reference during the year both to reflect market practice and to introduce an express requirement for the Committee to focus on the management of risk, as well as the identification and reporting of risk. The membership of the Committee changed during the year with the General Counsel & Company Secretary and Chief Information Officer joining the Committee.

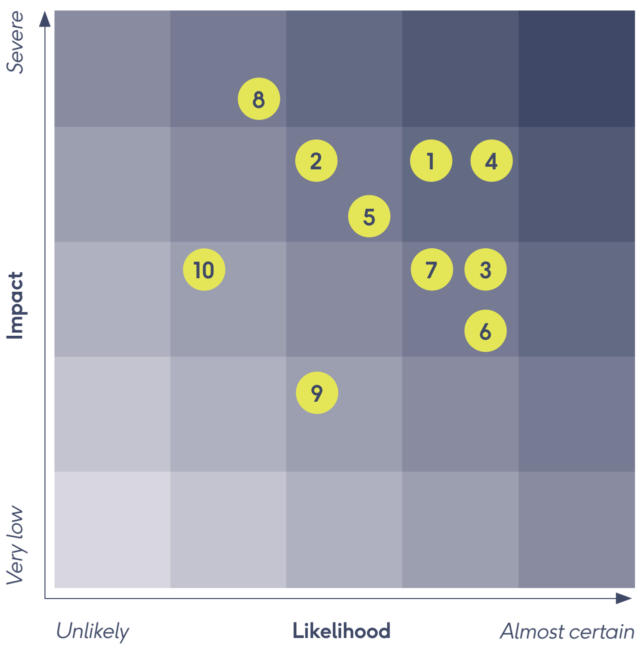
The Group's risk register identifies the principal risks facing the business. The register is put together following a Group-wide assessment of risks reported in its business risk registers (bottom-up approach). Each business risk register considers the likelihood of a risk occurring and both the monetary and reputational impact of the risk crystallising. The risk assessment process also considers the appetite for the risk (top-down approach).

The Board and Risk Committee note that, of the principal risks identified in the previous financial year, the structural shifts being seen in the asset management sector, one of the four segments, pose the most significant operational risk and the most challenging risk to manage. The Board wishes to continue to serve the asset management segment because it considers it to be attractive over the medium term.

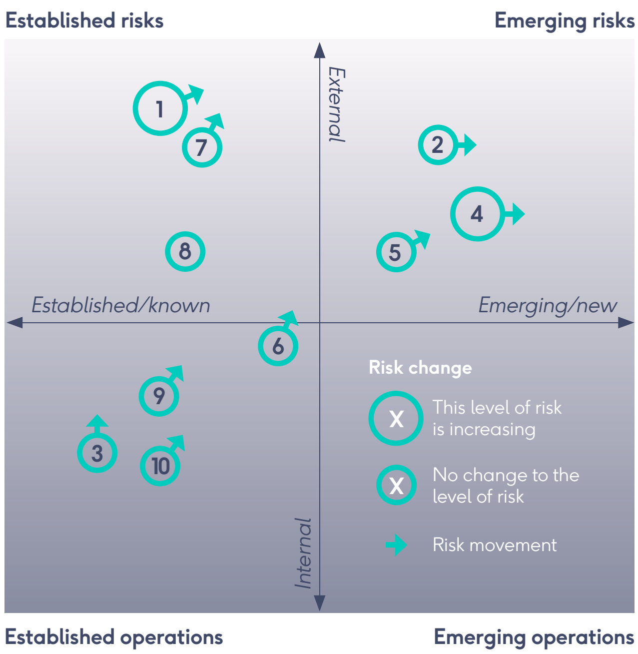
The Risk Committee has completed a robust and detailed assessment of both the risk management processes and the risk register and has considered the impact of significant risks to the Group. Further details of the risk management processes, the governance structure for risk and the Risk Committee can be found in the Governance section.

We use a number of tools to analyse risks and facilitate discussions at the Board, Group Management Board and Risk Committee. The risk matrix below shows the relative impact and likelihood of the principal risks. The risks are shown as post-mitigation, residual risks. We also consider 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 well understood. The risk radar below maps the 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



The Group 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 from a legal, regulatory or behavioural issue arising from operational activities
6 Disruption to business operations
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
10 Failure to implement the strategy effectively due to a loss of key staff

Risk management
Continued

The Group's principal risks and uncertainties are summarised below. The arrows indicate the change in level of perceived risk compared to last year.

Key factors	Mitigation	Risk appetite	Link to strategic pillars
DOWNTURN IN KEY GEOGRAPHIC REGION OR MARKET SECTOR (CYCLICAL DOWNTURN)			
• Concentration of customers in financial services sector makes this exposure acute • Economic or geopolitical uncertainty increases this risk • The asset management sector faces significant structural headwinds such as the shift from active to passive portfolio management, new technologies and the uncertain impact of new regulation (MiFID II) • Brexit continues to create uncertainty for the UK and European markets **Board's view** The Board wishes to continue to serve the asset management segment because it considers it to be attractive over the medium term. There are limited options to mitigate impact in the short and medium term from a significant cyclical downturn. The residual risk will remain high.	• The Group actively manages cyclical risk through its strategic framework • A comprehensive risk review by the Group of its asset management businesses resulting in output including detailed mitigation plans for each business and continuous tracking of effective risk management • The Group operates in many geographical markets • Some diversification in sector mix • Ability to cut some costs temporarily and quickly • Events can be switched to better performing regions	**Risk tolerant** **Prior years (relative position)** 2016: Risk tolerant 2015: Risk tolerant 2014: Risk tolerant **Post-mitigation risk trend** Increasing **Description of risk change** Global economic and geopolitical uncertainty is increasing following the US election, limited progress of Brexit negotiations and disruption in a sector with concentrated Group revenues	1 3
PRODUCT AND MARKET TRANSFORMATION/DISRUPTION (STRUCTURAL CHANGE)			
• Competition from existing competitors, new disruptive players and new entrants • New technologies change how customers access and use our products • Changing demographics can affect customer needs and opportunities • Structural pressure on customer business models will affect demand for the Group's products and services particularly in financial services • New regulations such as MiFID II creating both challenges and opportunities in asset management sector • Free content available via the Internet increases the threat to paid subscription model • Lower barriers to entry for new entrants • Inability to acquire the types of assets that the Group's strategy requires **Board's view** High-quality controls are in place but exposure to this risk cannot be entirely mitigated.	• Strategy designed to appraise and evaluate structural risks and respond to them, taking advantage of opportunities where identified • Regular CEO-led reviews across all divisions • Entrepreneurial approach • Effective management reporting with regular budget reviews • Portfolio spreads risk to some degree • Third of Group's profits remain event-based • Portfolio management allows the Group to sell structurally challenged businesses and to buy structurally strong ones • Introduction of a cyclical review of divisional activities by the Risk Committee	**Risk tolerant** **Prior years (relative position)** 2016: Risk tolerant 2015: Risk tolerant 2014: Risk tolerant **Post-mitigation risk trend** Unchanged **Description of risk change** As an entrepreneurial business, the Group is experienced at managing this risk	1 2 3

Key factors	Mitigation	Risk appetite	Link to strategic pillars
EXPOSURE TO US DOLLAR EXCHANGE RATE			
• Approximately three-quarters of revenues and profits are generated in US dollars, including approximately 30% of the revenues in its UK-based businesses. This gives significant exposure to movements in the US dollar for both UK revenues and the translation of results of foreign subsidiaries • A significant strengthening of sterling against the US dollar could reduce profits and dividends • The Group also undertakes transactions in many other currencies, although none currently provides a significant risk to the results **Board's view** The risk to revenue and profit 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, the increased volatility and uncertainty of sterling after Brexit, as well as the US dollar following the US election, is expected to continue for some time.	• US dollar forward contracts are used to hedge 80% of UK based US dollar revenues for the coming 12 months and 50% of these revenues for a further six months • Exposure from the translation of US dollar-denominated earnings is not directly hedged but is partially offset by US dollar costs and the use of US dollar-denominated debt • Sensitivity analysis is performed regularly to assess the impact of currency risk, and is reviewed by the Tax & Treasury Committee	**Risk tolerant** **Prior years (relative position)** 2016: Risk tolerant 2015: Risk tolerant 2014: Risk tolerant **Post-mitigation risk trend** Unchanged **Description of risk change** The Group is experienced at managing risks related to its exposure to the US dollar and this risk remains unchanged	2 3
INFORMATION SECURITY BREACH RESULTING IN CHALLENGE TO DATA INTEGRITY			
• 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 • A successful cyber-attack could cause considerable disruption to business operations, lost revenue, regulatory fines and reputational damage • The 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 **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 cyber-crime are increasing this risk.	• Governance provided by Risk Committee and Information Security Steering Group • New information security standards and policies which are reviewed on a regular basis • Active information security programme (including access management and cyber-resilience planning) 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 • Creation of Group Chief Information Officer role and appointment of expert individual into role with responsibility for and oversight of both central and divisional technology functions • Professional indemnity insurance provides cover for cyber risks including cyber-attack and data breach incidents • Information security is reviewed as part of our internal audit process • Annual information security training for employees and freelancers	**Risk averse** **Prior years (relative position)** 2016: Risk averse 2015: Risk averse 2014: Risk neutral **Post-mitigation risk trend** Increasing **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	2

Key factors	Mitigation	Risk appetite	Link to strategic pillars

REPUTATIONAL DAMAGE FROM A LEGAL, REGULATORY OR BEHAVIOURAL ISSUE ARISING FROM OPERATIONAL ACTIVITIES

Key factors

- The Group operates in many jurisdictions and must be compliant with all applicable laws and regulations
- The Group's businesses publish, market and license increasingly complex content and data which in some cases is data on which its customers may choose to rely when executing transactions
- Claimants can forum shop when determining where to litigate or threaten legal proceedings
- Success of the Group is dependent on client confidence in integrity of products and brands
- 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 or reputational damage can arise from errors in underlying data or content, failures of data integrity, failure to educate customers on appropriate usage of data, inappropriate reliance on third party data or content to create proprietary content or errors in content creation or a failure to comply with applicable law or regulation

Mitigation

- Processes and methodologies for assessing commodity prices and calculating benchmarks and indices are clearly defined and documented
- Compliance staff appointed in key positions
- Compliance with International Organization of Securities Commissions (IOSCO) standards achieved for relevant pricing products
- Code of conduct and other key policies in place for price assessment, benchmark and index reporting activities
- Updated publishing law guide to be issued to editorial staff in 2018
- Refreshed anti-bribery and corruption training and awareness programme to be rolled out globally in 2018
- Review processes for operation of events and awards
- Specialist training provided to relevant staff
- New technology being introduced to provide enhanced monitoring and better exception reporting
- Company-wide speak up policy in place
- Comprehensive legal disclaimers in place
- Professional indemnity insurance
- Risk and compliance role recruited in Price Reporting and Events divisions

Risk appetite

Risk averse

Prior years (relative position)
2016: Risk averse
2015: Risk averse
2014: Risk averse

Post-mitigation risk trend

Unchanged

Description of risk change
Information providers face increased compliance risks as a result of the complexity of data they publish which customers may rely on for certain business decisions

Link to strategic pillars: 2

Board's view
The publication of data and content in digital businesses inevitably exposes the Group to global legal and regulatory risk. The manner in which we conduct our businesses can also result in risk if policies are not complied with. The business has invested in its central functions such as legal, risk and internal audit, which provide more specialist resource to raise awareness of, manage and mitigate risk. Legal and regulatory compliance risk for the Group is unchanged.

DISRUPTION TO BUSINESS OPERATIONS

Key factors

- 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 structure with 40+ international offices makes regular testing of plans across the Group challenging
- Global distribution of property and staff creates exposure in many geographical locations

Mitigation

- Crisis management and business continuity framework covers all businesses including disaster recovery planning for IT systems
- Group-wide ITDR testing conducted every six months
- Clear responsibilities for business continuity planning established across divisions
- Substantial central and business group investment in cloud based platforms and software
- Risk assessments for new suppliers and technologies consider operational and financial resilience

Risk appetite

Risk averse

Prior years (relative position)
2016: Risk averse
2015: Risk averse
2014: Risk averse

Post-mitigation risk trend

Unchanged

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

Link to strategic pillars: 2

Board's view
Business disruption is an unavoidable risk but can be mitigated if business continuity plans are well developed and managed. In spite of extreme weather in Asia and the US, and a number of system failures, all businesses maintained operations successfully throughout, which demonstrated that effective controls are in place. However, more regular business continuity planning is required.

Key factors	Mitigation	Risk appetite	Link to strategic pillars
CATASTROPHIC OR HIGH IMPACT INCIDENT AFFECTING KEY EVENTS OR WIDER BUSINESS			
• The Group has a number of large events which are exposed to one-off risks including natural hazards and security incidents • 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 hurricanes, terrorist attacks, SARS, Ebola and Zika virus, and events 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 • The Group operates in regions with higher risk of natural hazards	• 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 event venue risk assessment process was introduced in 2017 • Mandatory security and risk management training programme for event staff and business travellers • With sufficient notice, events can be moved to non-affected regions • Cancellation insurance for the Group's largest events **Board's view** The Group continues to invest in training and resources to keep staff safe when travelling and to improve event/conference resilience.	**Risk averse** **Prior years (relative position)** 2016: Risk averse 2015: Risk averse 2014: Risk neutral **Post-mitigation risk trend** Increasing **Description of risk change** The Group recognises that international events businesses are exposed to this risk	2
ACQUISITION OR DISPOSAL FAILS TO GENERATE EXPECTED RETURNS			
• Active portfolio management means the Group continues to make strategic acquisitions and disposals • Significant growth has been M&A related, through both acquired profit and growth in acquired businesses • Failure to integrate may mean an 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 • Group strategy relies on successful recycling of capital and therefore M&A execution impacts core strategy **Board's view** This risk will increase given the Group's strategy of increased M&A and portfolio management.	• Active portfolio management with a clear framework and operating in line with agreed strategy • Development of key objective criteria against which acquisition or disposal decisions are tested • Board and CEO focus on investment and divestment plans. Formal reviews and approvals in place • Senior head of Corporate Development in place recently supplemented by additional industry hire with both subject matter and industry expertise • Investment in external, independent commercial due diligence • The Group has developed a rigorous framework to manage the integration, planning and ownership of new acquisitions	**Risk neutral: becoming more tolerant** **Prior years (relative position)** 2016: Risk neutral 2015: Risk neutral 2014: Risk neutral **Post-mitigation risk trend** Increasing **Description of risk change** See Board's view	1 3

Key factors	Mitigation	Risk appetite	Link to strategic pillars
UNFORESEEN TAX LIABILITIES OR LOSSES FROM TREASURY OPERATIONS			
• The Group operates within many increasingly complex tax jurisdictions • Counterparty risk if a bank fails • Cash and working capital requirements for multiple overseas locations mean some debt is always exposed to exchange rate movements **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.	• Audit Committee and Tax & Treasury Committee oversight • Tax and treasury advice provided by a mix of external tax experts and in-house specialists • We have a policy to comply with tax laws in a responsible manner and have open and constructive relationships with tax authorities • We take appropriate care to protect the Group's reputation and relationship with fiscal authorities • We take regulatory and commercial constraints into account when taking steps to mitigate tax exposure • Derivatives are used to hedge market risks including exchange rates and interest rates • Appropriate policies define segregation of duties and strict authorisation limits • Internal audit programme covers tax and treasury controls	**Risk averse** **Prior years (relative position)** 2016: Risk averse 2015: Risk averse 2014: Risk averse **Post-mitigation risk trend** Unchanged **Description of risk change** The Group is experienced at managing tax and treasury risks arising from its international business portfolio and this risk remains unchanged	2
FAILURE TO IMPLEMENT THE STRATEGY EFFECTIVELY DUE TO A LOSS OF KEY STAFF			
• In 2016 the Group announced a new strategy which has become embedded across the Group and is having a positive impact on financial performance • Our segments and divisions have individual strategies • Implementation of strategy is dependent on the performance of staff in critical roles • An inability to recruit, retain and train for critical roles will adversely impact our ability to deliver the strategy successfully	• Ensuring compensation is competitive • Ensuring compensation for critical staff includes a balance of short-term and long-term incentives • Investment in training and developing our staff in critical roles will be a focus in 2018 • Maintaining the Group's reputation for enabling an entrepreneurial approach, making the Company an attractive place to work • There are sufficient businesses within each segment and segments within the Group to mitigate the impact of 'business-as-usual' departures of critical staff • Succession plans are being developed but this work needs to accelerate • Contractual notice periods are designed to manage the risk of critical staff leaving on short notice	**Risk neutral** This is a new risk **Post-mitigation risk trend** Increasing **Description of risk change** N/A	2

Board's view
The Board recognises the importance of retaining critical staff to ensure effective delivery of Group, segmental and divisional strategies. A range of controls are used to manage this risk effectively, although succession planning needs to accelerate.

Viability Statement

In accordance with provision C.2.2 of the UK Corporate Governance Code 2016, the Directors have assessed the viability of the Group and have selected a period of three years for the assessment.

The three-year forecasting horizon has been selected because the Directors believe there is sufficient, realistic visibility available to assess the Group's current and anticipated operating environment and market conditions over this period. The three-year period is also used for the Group's strategic planning cycle and is therefore considered an appropriate period for the long-term viability statement.

The assessment conducted considered the Group's operating profit, revenue, 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 which were assessed to have the highest probability of occurrence or the most severe impact, crystallising both individually and in combination. In making the statement, the Directors have applied the following key scenarios:

- The asset management segment is increasingly affected by uncertainty from MiFID II and the structural shift towards passive management and leading to a significant decline in our subscription revenues
- The pricing, data & market intelligence segment suffers a downturn due to the reputational fall-out from inaccuracies in one of its reporting indexes, with a significant fall in subscription revenues
- Significant reversal of the foreign exchange movement since Brexit adversely impacts the financial results of the Group
- It is assumed that all material open tax items as detailed in note 2 of the Group's financial statements will result in the maximum cash outflow

The Directors have also modelled an extreme scenario that combines the scenarios with a number of other risks that are deemed to have a lower probability of occurrence or lower impact to assess the viability of the Group.

In making the assessment, the Directors have considered the Group's robust capital position, the cash-generative nature of the business, the visibility of subscriptions revenue, the ability of the Company 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 three-year period under review.

The Strategic Report was approved by the Board of Directors on 22 November 2017 and signed on its behalf by

A. Rashbass

Andrew Rashbass
Chief Executive Officer

PRICE REPORTING: COMPLIANCE AS A COMPETITIVE ADVANTAGE

Our price-reporting division uses compliance and standards to create competitive advantage. Over the last two years, Metal Bulletin has developed and implemented its MInD database, which manages and stores the data collected by our price reporters. This year, through a combination of documentation, controls and monitoring, Metal Bulletin achieved International Organization of Securities Commissions (IOSCO) compliance. The Group's auditors, PwC, provided assurance that the policies, processes and controls that Metal Bulletin Group have designed and implemented comply with the IOSCO Principles for Oil Price Reporting Agencies. This compliance process is an important step in our Price Reporting & Analytics division's transition towards becoming a price reporting agency.

2. Governance

"The recently announced changes to our Board provide the dual benefits of a fresh perspective and will enable a greater degree of Code alignment.

John Botts
Chairman

Governance

Board of Directors

JOHN BOTTS
Non-Executive Chairman

R N A

Chairman of the Remuneration and Nominations Committees

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. John has announced his intention to retire from the Board following the Company's AGM in 2018.

ANDREW RASHBASS[1]
Chief Executive Officer

Appointed to the Board: 2015
Skills and experience: Andrew Rashbass has broad international experience managing information businesses. Between 2013 and 2015 Andrew was Chief Executive of Reuters, the news division of Thomson Reuters. Before joining Reuters, he spent 15 years at The Economist Group, where for the last five years he was Chief Executive.

COLIN 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. Colin has announced his intention to retire from the Board by the summer of 2018.

ANDREW 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 and absolute return funds, much of it in Asia.

KEVIN BEATTY[4]
Non-Executive Director

N R

Appointed to the Board: 2017
Skills and experience: Kevin Beatty is an experienced media executive and CEO of dmg media. His prior roles in the media sector include Managing Director of the Scottish Daily Record and Sunday Mail. Kevin has also been COO of Associated New Media and Northcliffe Newspapers.

TIM COLLIER[4]
Non-Executive Director

N A

Appointed to the Board: 2017
Skills and experience: Tim Collier is Chief Financial Officer of Daily Mail and General Trust plc. His experience spans media and business information industries and prior to joining DMGT he was CFO of Thomson Reuters Financial and Risk Business.

TRISTAN HILLGARTH
Independent Non-Executive Director

N A

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 Global Growth & Income plc.

IMOGEN JOSS[2]
Independent Non-Executive Director

R

Appointed to the Board: 2017
Skills and experience: Imogen Joss has held a number of senior executive positions in the business information industry and most recently served as the President of S&P Global Platts, Inc. She holds Non-Executive Director roles at Grant Thornton, the International Property Securities Exchange (IPSX) and Gresham Technologies plc.

DAVID PRITCHARD
Independent Non-Executive Director, Senior Independent Director and Chairman of the Audit Committee

R N A

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, Songbird Estates Plc and Cheltenham & Gloucester plc, Deputy Chairman of Lloyds TSB Group and a director of Scottish Widows Group and LCH.Clearnet Group. David will take on the role of Acting Chairman following the 2018 AGM.

THE VISCOUNT ROTHERMERE[3]
Non-Executive Director

N

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[1]
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.

PAUL ZWILLENBERG[3]
Non-Executive Director

R N

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.

A Member of the Audit Committee

N Member of the Nominations Committee

R Member of the Remuneration Committee

Chairman of the committee

1 Resigned from the Nominations Committee on 27 September 2017
2 Appointed to the Board on 10 November 2017
3 Resigned from the Board on 21 November 2017
4 Appointed to the Board on 21 November 2017

Corporate Governance Report

This Corporate Governance Report explains 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 a framework:

- Leadership and effectiveness are on pages 46 to 50.
- Accountability: The reports of the Audit and Risk Committees are set out on pages 50 to 53.
- Relations with shareholders on page 53.
- Remuneration is covered in the Directors' Remuneration Report on pages 58 to 73.

Statement of compliance

The Company continues substantially to comply with the Code.

Daily Mail General Trust plc (DMGT) has ceased to be the Company's majority shareholder but remains a significant shareholder in the Company and retains two Non-Executive positions on the Board which are not regarded as independent under the Code. 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.

The Company therefore did not comply throughout the financial year ended 30 September 2017 with certain provisions of the Code as set out below. The Company is making significant progress, including through changes made in 2017, to bring its Board and committee structure more in line with Code requirements. For example: since 2015, the majority of our Board has comprised Non-Executive Directors. A number of changes have been made during the financial year: the Board appointed a Senior Independent Director; the CEO and a Non-Executive Director resigned from the Nominations Committee; a new Group Management Board was created; the Company has recently announced the appointment of three new, independent Non-Executive Directors, one of whom is expected to take on the role of Chairman of the Remuneration Committee after a suitable period; and following the decision of our Chairman, John Botts, to retire after our next AGM, we have announced our intention to commence a search for a new, independent Director to appoint as Chairman; the Nominations Committee has also appointed a search firm with a view to hiring a new Chairman of the Audit Committee.

These changes will provide the Board with the ability to alter the composition of certain of its committees in due course in order to achieve greater alignment with the Code.

Provision	Code principle	Explanation of non-compliance
A.3.1	Appointment of the Chairman	John Botts did not meet the Code's definition of independence on appointment as Chairman due to his length of service. However the Board believes that his length of service has enhanced his role as a Non-Executive Director. The Board intends to appoint a new independent Director to serve as Chairman.
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 2015 AGM and the changes described on page 44 illustrate that the Company is making progress to achieve its aim of being more in line with Code requirements in the near term in relation to the number of independent Non-Executive Directors (the number of independent Non-Executive Directors is now four compared to three in 2016 with an additional two new independent Non-Executive Directors joining the Board in the coming months).
B.2.1	Composition of the Nominations Committee	The Nominations Committee does not comprise a majority of independent Non-Executive Directors. The Committee now comprises five Non-Executive Directors (increased from three in 2016), including two considered independent under the Code (compared to no independent directors in 2016). All are considered by the Board to be the most appropriate members.
B.3.2	Terms and conditions of appointment of Non-Executive Directors	John Botts, David Pritchard, Andrew Ballingal, Tristan Hillgarth and Imogen Joss have terms and conditions of appointment. The Viscount Rothermere, Paul 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-Executive Directors. The Committee comprises three members, only two of whom are considered independent under the Code; the other is the Chairman of the Company who is considered by the Board to be a valuable and independently-minded member of the Committee. Since the resignation of Stephen Daintith, who represented DMGT on the Committee, the Committee has lacked a member with recent and relevant financial experience. The Company has mitigated this impact through reliance on internal and external expertise and DMGT's current CFO, who possesses the requisite experience, joined the Committee on 21 November 2017.
C.3.2	Risk Committee approach	The Risk Committee does not comprise at least three independent Non-Executive Directors. The Committee comprises six members, none of whom is considered independent under the Code. David Pritchard as Chairman of the Audit Committee and independent Non-Executive Director is invited to attend all meetings of the Committee. 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 or attendees 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 and one is the Chairman of the Company. The Company has announced the appointment of an independent Non-Executive Director who is expected to become Chairman of the Remuneration Committee.
E.1.1	Dialogue with shareholders	David Pritchard, the Company's Senior Independent Director, was appointed in January and is scheduled to have his first investor meetings in November 2017.

Leadership and effectiveness

Role of the Board and its committees

BOARD

MEETS EVERY TWO MONTHS – CHAIRED BY JOHN BOTTS

Approve and monitor strategy, identify, evaluate and manage material risks, review trading performance, ensure adequate funding, examine major acquisition possibilities and approve 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

NOMINATIONS COMMITTEE

MEETS AS NEEDED
CHAIRED BY JOHN BOTTS

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

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REMUNERATION COMMITTEE

MEETS THREE TIMES A YEAR
CHAIRED BY JOHN 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.

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AUDIT COMMITTEE

MEETS AT LEAST THREE TIMES A YEAR
CHAIRED BY DAVID 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 accounting 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

GROUP MANAGEMENT BOARD

MEETS EACH MONTH

A management board that operates under the direction and authority of the CEO and comprises the Group's divisional and functional leaders. It assists the CEO and Finance Director in implementing strategy; monitoring financial performance; developing the Group's approach to managing employees; taking joint responsibility for the Group's approach to corporate governance; and ensuring that the Group's best-of-both-worlds operating model works. A profile of each member of the Group Management Board is included on page 13.

TAX AND TREASURY COMMITTEE

MEETS TWICE A YEAR
CHAIRED BY COLIN JONES

Responsible for recommending policy to the Board. The Group's treasury policies are designed to reduce the impact of short-term currency movements giving greater certainty and ensuring that the Group has adequate liquidity for working capital and debt capacity for funding acquisitions. The Committee is also responsible for the Group's tax strategy.

The members are the CEO, Finance Director and General Counsel & Company Secretary. The Chairman of the Audit Committee and the CFO of DMGT are also invited to attend the meetings.

RISK COMMITTEE

MEETS FOUR TIMES A YEAR
CHAIRED BY ANDREW 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. Its members are the CEO, Finance Director, Chief Information Officer, MD Corporate Development, General Counsel & Company Secretary and Head of Risk.

The Chairman of the Audit Committee is also invited to attend the meetings.

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The discussions of the Committees are summarised and reported to the Board at the next meeting, following each Committee meeting together with recommendations on matters reserved for Board decisions

Board composition and roles

During the financial year the Board comprised 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><th colspan="4">Executive Directors</th></tr>
<tr><td>CEO</td><td>Andrew Rashbass</td><td colspan="2">Strategy and Group performance</td></tr>
<tr><td>Finance Director</td><td>Colin Jones</td><td colspan="2">Group financial and operational performance</td></tr>
<tr><th colspan="4">Non-Executive Director</th></tr>
<tr><td>Chairman</td><td>John 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 valuable to the Company.</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>David Pritchard, Andrew Ballingal, Tristan 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, Paul Zwillenberg</td><td>Bring the views of the Company's largest shareholder to the Board.</td></tr>
</table>

Independence

The Board has determined that David Pritchard (Senior Independent Director), Andrew Ballingal and Tristan Hillgarth are independent within the meaning of the Code. John 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, John Botts was not considered to be independent at the time of his appointment. 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. Due to his length of service, Sir Patrick Sergeant is not considered to be independent.

The Viscount Rothermere and Paul Zwillenberg are also Executive Directors of DMGT, a significant shareholder of the Company. These Directors bring valuable experience and advice to the Company, although have no involvement in the day-to-day management of 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 or objectivity to be impaired by their positions with DMGT. However, their relationship with DMGT as a significant shareholder in the Company means they are not considered to be independent.

Effectiveness

The Code requires an externally facilitated evaluation of the Board to be concluded every three years. This was conducted during the year and externally facilitated by Independent Audit Limited using their online assessment service. Independent Audit Limited has no connection with the Company. The scope of the review included both the Board and its main Committees. The evaluation indicated that the effectiveness of the Board has improved since progress has been made in the course of the changes taking place at the Company since the appointment of Andrew Rashbass as CEO in October 2015 when the roles of CEO and Chairman were split and most Executive Directors resigned from the Board. The review highlighted areas for the Board to continue focusing on. Areas for development which were identified in this year's evaluation process were: the Company's approach to succession planning; Board composition, including diversity; and Board communications. The Board is exploring ways to improve its performance in these areas. The Senior Independent Director separately co-ordinated a review of the performance of the Chairman.

Corporate Governance Report
Continued

Board meetings and attendance

The Board meets six times each year 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 either meet together or individually with the Company's Senior Independent Director, in both cases without the Company's Chairman present, at least annually to appraise the Chairman's performance and on other occasions as necessary.

Non-Executive Directors are also encouraged to meet senior management in the business without the Executive Directors present in order to have access to a range of views and perspectives on the Company and its operation.

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	Remuneration Committee
Executive Directors				
Andrew Rashbass[1]	6/6	–	–	–
Colin Jones	6/6	–	–	–
Non-Executive Directors				
John Botts	6/6	1/1	4/4	8/8
The Viscount Rothermere[4]	4/6	1/1	–	–
Sir Patrick Sergeant[1]	4/6	–	–	–
David Pritchard[2]	6/6	1/1	4/4	8/8
Andrew Ballingal	6/6	–	–	–
Tristan Hillgarth[2]	6/6	1/1	4/4	–
Paul Zwillenberg[4]	4/6	1/1	–	6/8
Imogen Joss[3]	–	–	–	–
Kevin Beatty[5]	–	–	–	–
Tim Collier[5]	–	–	–	–

1 Resigned from Nominations Committee on 27 September 2017

2 Appointed to Nominations Committee on 27 September 2017

3 Appointed to Board on 10 November 2017

4 Resigned from the Board on 21 November 2017

5 Appointed to the Board on 21 November 2017

Board activities

The key areas of Board activity in 2017 (either directly at the Board or through its Committees) were:

Strategy

- monitored the implementation of the strategy as presented by the CEO
- received regular reports from the CEO and Finance Director 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;
- approved the buyback of shares from DMGT and the execution of a new relationship agreement with DMGT
- approved terms of external borrowing facilities
- attended the Group's General Meeting in December 2016 at which shareholders approved the share buyback
- attended the Company's AGM in January 2017
- reviewed the Group's performance against budget and
- reviewed management presentations

Governance

- approved appointment of David Pritchard as Senior Independent Director
- approved the Nominations Committee's recommendation to appoint new Non-Executive Directors
- discussed the output of the Board independent evaluation and agreed on areas of focus
- approved updated list of matters reserved to the Board
- approved updated terms of reference for the Risk Committee
- approved the scheduling of meetings of the Nominations Committee and
- received reports from the chairs of the Audit, Nominations and Remuneration Committees

Risk management and internal control

- received reports from the Risk Committee 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 2017

Financial performance

- considered the financial performance of the business and approved the annual budget
- reviewed the key financial judgements, all financial results announcements and approved the Annual Report
- considered and approved the Group's going concern and viability statements, and dividend policy for 2017
- considered longer-term financial projections as part of its regular discussions on the Group's strategy and funding requirements and
- approved a new, progressive dividend policy with an increase in the dividend pay-out ratio from approximately 33% to approximately 40%

Significant transactions

- approved the terms of the Company's buyback of shares from DMGT
- approved the cancellation of the Group's debt facility with DMGT
- approved the implementation of a new Group debt facility with HSBC, as well as a revolving credit facility
- approved the terms of a new relationship agreement with DMGT following DMGT's sell down of its shareholding and
- as part of the strategy, to manage the Group's portfolio, approved the acquisitions of RISI, BroadGroup and Layer123, and the disposals of HedgeFund Intelligence, Euromoney Indices, II Intelligence, LatinFinance and (shortly after the financial year-end) Adhesion and World Bulk Wine

Leadership and people

- discussed succession planning, talent development and diversity across management
- discussed employee reward schemes and
- discussed the creation of a new Group Management Board including the Group's divisional and functional leaders

Monitoring and oversight

Fair, balanced and understandable

The Directors have responsibility for preparing the 2017 Annual Report and Accounts and for making certain confirmations concerning it. In accordance with the Code provision C.1.1 the Board confirms that, taken as a whole, the 2017 Annual Report and Accounts 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 34 to 38 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 reviewing its effectiveness. The Company aims to manage rather than eliminate risk 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 and financial risk to the Audit Committee and for operational risk 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 or failings in the system of internal control and risk management. The Company is taking action to address any weaknesses or failings identified during the course of the review.

The controls to prevent an information security breach or cyber-attack are regularly reviewed and where appropriate updated. Cyber and other information security risks are increasing and the mitigation of these risks continues to be a 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 including rolling out and enhanced testing programme.

The Board has established procedures to ensure effective internal control. These have been in place throughout the year and up to the date of this report, are as follows:

The Board of Directors

The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decision by the Board. 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 divisional management, the Risk and Audit committees 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
- approves proposals for investments and capital expenditure beyond specified limits

Risk and Audit Committee

The Board has determined that having separate Audit and Risk Committees, with specific terms of reference, is useful to provide challenge and review across the range of businesses the Group operates.

The terms of reference for the Risk Committee were revised and changes agreed at the Risk Committee meeting in March 2017 to ensure greater focus on the management not just the reporting of risk. An example of this is the Risk Committee's active participation in directing risk reviews and mitigation planning related to the changes in the asset management segment affecting some areas of the Group.

The Audit, Risk and Remuneration Committees are made of members who possess the requisite skills and experience to allow each Committee to meet its obligation and to provide the relevant assurance to the Board. The Committees collaborate with one another and each is attended by at least one member from the other Committees. This ensures that matters of mutual interest raised in any of the three Committees are discussed in the others and actioned in the operating businesses.

Entity level controls

Each segment, division or function is responsible for managing risks and operating controls within their area. Each division confirms the operation of key controls (including with management) 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 Group Management Board 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. Attention is paid to authorisation levels and segregation of duties.

Internal audit

The Group has invested in its own internal audit department which is described on page 52. The department works closely with the Company's Finance Director, the Chairman of the Audit Committee as well as the Group's General Counsel & Company Secretary. It undertakes internal control reviews across the Group and reports its findings to the Audit Committee.

Viability statement

See page 39 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

John Botts (Chairman of the Committee)
Tristan Hillgarth[1] (independent)
Andrew Rashbass[2]
Sir Patrick Sergeant[2]
The Viscount Rothermere[3]
Paul Zwillenberg[3]
David Pritchard[1] (independent)
Kevin Beatty[4]
Tim Collier[4]

1 Appointed as a member of the Committee on 27 September 2017

2 Resigned as a member of the Committee on 27 September 2017

3 Resigned as a member of the Committee on 21 November 2017

4 Appointed as a member of the Committee on 21 November 2017

Key activities

The Committee recommended the appointment of three new independent Non-Executive Directors to the Board. The Committee carried out an extensive search using Egon Zehnder which has no connection with the Company. Although only one formal meeting was required this year, informal discussions were held at other times during the year and the Committee has decided to schedule meetings at least three times each year.

Focus for 2018

The key activities for the year ahead will be:

- the recruitment of a new Chairman and CFO
- reviewing the composition of the Board and its Committees, including diversity, to ensure that the right skills and experience to support the Group's strategy are represented and to improve the Company's ability to comply with the requirements of the UK Corporate Governance Code in terms of its Committee memberships
- the recruitment of at least one additional Non-Executive Director who can take on the role of Chairman of the Audit Committee during the year and
- an increased emphasis on succession planning

Diversity

The Committee recognises that diversity is important for Board effectiveness. The Company has recently announced the appointment of three new female independent Non-Executive Directors. Diversity (including but not limited to gender diversity) will continue to be a consideration when contemplating the composition and refreshing of the Board as well as senior and wider management. As part of its review of the composition of the Board in 2018, the diversity position will continue to be monitored in light of best practice. The Group's gender diversity information is set out in the Strategic Report on pages 24 and 25.

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

David Pritchard (Chairman of the Committee, independent)
John Botts
Tristan Hillgarth (independent)
Tim Collier[1]

1 Appointed as a member of the Committee on 21 November 2017

Stephen Daintith resigned from the Committee in April 2017. All current members are Non-Executive Directors and have a high level of financial literacy. Stephen Daintith and Tristan Hillgarth are chartered accountants and members of the ICAEW, and David Pritchard has considerable Audit Committee experience. Stephen Daintith was not considered to be independent or a Non-Executive Director, but was the designated member with recent and relevant financial experience. Tim Collier, DMGT's CFO, who possesses the requisite experience joined the Committee on 21 November 2017.

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 position and performance, business model and strategy
- considering the effectiveness of the Group's internal 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
- 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 payable to the external auditor

Key activities

The Committee met four times and in addition met with the representatives from internal and external audit after each meeting without executives present. 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 2017, including discussion and review of the exceptional 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 risk management, including management's launch of a finance transformation project to improve quality and efficiency of financial reporting and tightening financial controls and processes
- reviewing and discussing internal audit reports and investigations, and monitoring the resolution of issues raised and
- appointing a new in-house Head of Internal Audit

There was no interaction with the Financial Reporting Council (FRC) corporate reporting team during the year.

Looking ahead, the additional topics in 2018 will be to support the transition of the new CFO, evaluate the Group's roll-out of new financial systems and associated processes, and to increase the Committee's direct interaction with finance staff across the Group to widen and deepen its knowledge of people, processes and systems. The Committee will continue to work closely with the Head of Internal Audit to monitor the resources and effectiveness of the in-house internal audit department.

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 30 September 2017 the Committee reviewed the following main issues:

Issue	Review
Fair, balanced and understandable	
At the request of the Board, the Committee has considered whether, in its opinion the 2017 Annual Report and Accounts is fair, balanced and understandable.	Following the Committee's review of the accounts and after applying its knowledge of matters raised during the year, the Committee is satisfied that, taken as a whole, the 2017 Annual Report and Accounts is fair, balanced and understandable.
Presentation of adjusted and underlying performance	
Presentation of the adjusted and underlying performance and 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 2017 Annual Report and Accounts 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 and underlying performance including discontinued operations is appropriate.
Goodwill and other intangibles	
The Group has goodwill of £400m and other intangible assets of £194m. As a result of the impairment review at the half-year, the Group recognised an impairment charge for NDR of £27.4m. 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. 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 £30.4m. As a result of the impairment review at year-end, the Group recognised an impairment charge of £2.3m.	The Committee reviewed the assessments made in relation to the 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 agreed with management that an impairment at year-end of the investment in Estimize was appropriate. The Committee also reviewed the Board presentation of Zanbato and the Group's further investment in convertible securities and concluded that no impairment was required at year-end.

Corporate Governance Report
Continued

Issue	Review
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, 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.
Discontinued operations and assets held-for sale	
The Group announced in September 2017 its intention to explore strategic options for its Global Markets Intelligence Division (CEIC and EMIS). Management has classified the assets of £45.3m and liabilities of £23.0m as held-for-sale at 30 September 2017 in accordance with IFRS 5. Since the businesses constitute a single division and two independent cash generating units and contribute 11% to the Group's adjusted operating profit they have also been classified as discontinued operations in the Income Statement at 30 September 2017 with restated comparatives.	The Committee has reviewed management's assumptions in accordance with the requirements of IFRS 5 and agree with the classification as assets held-for-sale and discontinued operations in the Income Statement at 30 September 2017. The Committee has reviewed the disclosure and restated comparatives, including the presentation of adjusted performance to include discontinued operations.
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 Committee requested third party advice to support its assessment of challenges by HMRC and the Canadian Revenue Authority. 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 Committee also reviewed management's disclosure of tax-related matters in the Annual Report and Accounts, including uncertain tax matters in note 2 to the financial statements. The Chairman also attends Tax and Treasury Committee meetings 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.

Effectiveness of internal control systems
The Committee has responsibility for reviewing the process for identifying and managing risk and for reviewing internal controls. It reviews reports on internal controls including reports by the Risk Committee, Finance Director and the results from internal audits and any investigations performed. In addition the Committee reviews the external auditor's assessment of the Group's minimum financial controls framework.

Internal audit
Following DMGT ceasing to be a majority shareholder, a new Head of Internal Audit was appointed to manage the Group's new in-house internal audit function from 1 April 2017. The function is responsible for providing independent assurance to management and the Committee on the design and effectiveness of internal controls to mitigate financial, operational and compliance risks. The purpose, authority and responsibility of Internal Audit are defined in the Internal Audit Charter which is reviewed on an annual basis by the Committee. The Head of Internal Audit reports directly to the Chair of the Audit Committee.

The internal audit plan follows a risk-based approach and is approved annually by the Committee. The plan takes into consideration the principal risks of the Group, previous internal audit findings, results of management self-assessments and significant strategic Group projects such as the finance transformation project. Internal audit also collaborate with the external auditors to ensure an appropriate breadth of audit coverage is obtained.

The Head of Internal Audit is responsible for updating the Committee on progress against the plan and any changes to the plan are approved by the Committee. At every meeting, a summary of work performed, key findings, and progress of management action plans are presented to the Committee which assists the annual internal audit effectiveness review performed by the Committee.

In order to deliver the plan and any additional work, such as fraud investigations, internal audit makes use of external resources to supplement in-house expertise. The Committee review internal audit resource requirements at every meeting and the use of external support is considered a practical way to scale up the resources of the function when required.

External auditor

PricewaterhouseCoopers LLP (PwC) were appointed by shareholders as the Group's statutory auditor in 2015 following a formal tender process. The lead audit partner, Giles Hannam, has held the position for three years. 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 focussed on the effectiveness, independence and objectivity of the external audit. The assessment of 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 Finance Director, Deputy Finance Director, and Divisional Finance Directors and PwC's client satisfaction survey were discussed by the 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 2018 AGM.

Non-audit work

The 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 5. During 2017, PwC did not provide significant non-audit services.

The Group's non-audit fee policy was updated in 2016 to ensure compliance with the FRC's Ethical Standard for Auditors.

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

Andrew Rashbass (CEO – Chairman of the Committee)
Christopher Fordham (MD, Corporate Development)
Tim Bratton (General Counsel & Company Secretary)
Colin Jones (Finance Director)
Andrew Pieri (Chief Information Officer)
Toby Smith (Head of Risk)

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 and
- reports on any material risk incidents and the adequacy of proposed action including management's responsiveness to the findings

The Committee is responsible for review of 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
- the adequacy and security of the Group's speak-up arrangements and
- the principal risks and uncertainties disclosure and other relevant risk management disclosures for inclusion in the annual report

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 four times a year and this year met four times. The activities during the year included:

- reviewing the Group's risk management processes and the Group risk register
- reviewing the Group's principal risks to align with the new strategy
- assessment of the Group's cyber risk and information security governance and
- assessment of the management of operational risk by the Group's divisions

Looking ahead, the Risk Committee will continue to monitor key risks affecting operating businesses and the Group. Key areas will continue to include information security, data protection including the new EU General Data Protection Regulation and business continuity.

Relations with shareholders

The Company's Chairman, together with the Board, encourages regular dialogue with shareholders. Meetings with shareholders are held, with the CEO, Finance Director and Chairman, to discuss annual and interim results and highlight significant acquisitions or disposals, or at the request of institutional shareholders. Shareholders have the opportunity 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 CEO, and Finance Director report to fellow Board members matters raised by shareholders and analysts to ensure members of the Board develop an understanding of investors' and potential investors' views of the Company. All Board members receive analysts reports about the Company to provide additional insight into how the market perceives the Company.

Directors' Report

Euromoney Institutional Investor PLC is listed on the London Stock Exchange and is a member of the FTSE 250 share index.

The Directors' Report comprises pages 44 to 57 of this report (together with the sections of the Annual Report incorporated by reference). Some of the matters required by legislation have been included in the Strategic Report (pages 04 to 39) as the Board considers them to be of strategic importance, particularly 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.

Forward-looking statements

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.

Group results and dividends

The Group profit for the year attributable to equity holders of the parent amounted to £42.7m (2016: £30.7m). The Board approved a new, progressive dividend policy with an increase in the dividend pay-out ratio from approximately 33% to approximately 40% of adjusted diluted earnings per share. The Board is able to recommend an increased final dividend of 21.80p per ordinary share (2016: 16.40p), payable on Thursday 15 February 2018 to shareholders on the register on Friday 1 December 2017. This, together with the interim dividend of 8.80p per ordinary share (2016: 7.00p) which was declared on 18 May 2017 and paid on, brings the total dividend for the year to 30.60p per ordinary share (2016: 23.40p).

Share capital

The Company's share capital is divided into ordinary shares of 0.25p each. At 30 September 2017 there were 109,101,608 ordinary shares in issue and fully paid. During the year, 35,425 ordinary shares of 0.25p each (2016: 64,462 ordinary shares) with an aggregate nominal value of £88 (2016: £161) were issued following the exercise of share options granted under the Company's share option schemes for a cash consideration of £0.3m (2016: £0.3m). On 6 January 2017, the Group completed the purchase for cancellation, of 19,247,173 ordinary shares from its then majority shareholder, DMG Charles Limited, a DMGT group company. The aggregate nominal value of shares cancelled was £48,118. Details of the Company's share capital are given in note 23 to the Group's financial statements.

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 30 September 2017, the trust's shareholding totalled 1,700,777 shares representing 1.6% of the Company's called-up ordinary share capital. There have been no awards transferred between 30 September 2017 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. These include the Group's debt facility agreement with HSBC under which the bank can demand immediate repayment of outstanding debt upon a change of control. Other than this agreement, 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 2017 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 £81,800. The resolutions to renew this authority for a further period will be put to shareholders at the 2018 AGM.

Share buyback

In December 2016, Daily Mail General Trust plc (DMGT) announced its intention to reduce its equity interest in Euromoney from 68% to 49% through a combination of a 15% share buyback by the Company and a 10% placing with institutional shareholders, which was completed in early January. The £193.4m share buyback was funded by a mix of cash and new borrowing facilities arranged by the Company, and its borrowing facility with DMGT was terminated.

Significant shareholdings

As at 13 November 2017, 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	53,546,470	49.1
Standard Life Aberdeen plc	Indirect	7,371,779	6.8
Woodford Investment Management	Direct	6,167,186	5.7
Heronbridge Investment Management LLP	Indirect	5,468,492	5.0

Relationship deed

The Company and DMGT, the parent company of DMG Charles Limited, entered into a revised relationship deed on 8 December 2016 (which supersedes the agreement entered into on 16 July 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. 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 when necessary 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.

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 (2016: £nil).

Post balance sheet events

Events arising after 30 September 2017 are set out in note 30 to the Group's 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 Group participates in a 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

	2017		2016	
	(tCO_2e)	**(tCO_2e)/ £m**	(tCO_2e)	(tCO_2e)/ £m
Scope 1: Combustion of fuel and operation of facilities	1,900	4.4	2,100	5.2
Scope 2: Electricity, heat, steam and cooling purchased for own use	2,600	5.6	2,200	6.0
Total scope 1 and 2*	**4,300**	**10.0**	**4,300**	**11.2**
Scope 3: Business travel and outsourced activities	5,400	12.6	6,200	14.6
Total emissions	**9,700**	**22.6**	**10,500**	**25.8**

* Statutory carbon reporting disclosures required by Companies Act 2006

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 re-appoint PricewaterhouseCoopers LLP as the Company's statutory auditor and to authorise the Audit Committee to determine their remuneration will be proposed at the 2018 AGM.

Directors' Report
Continued

Annual general meeting
The Company's next AGM will be held at Euromoney Institutional Investor PLC, 8 Bouverie Street, London EC4Y 8AX on 1 February 2018 at 9.30 a.m. A separate circular comprising the Notice of Meeting, together with explanatory notes, accompanies this Annual Report and Accounts.

Directors
Directors and directors' interests
The membership of the Board and biographical details of the Directors are given on pages 42 and 43.

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 58 to 73.

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 2016 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 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 and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

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

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

The Directors are responsible for 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 and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 42 and 43 of the Annual Report and Accounts confirm that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report and the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces

On behalf of the Board

Andrew Rashbass
Chief Executive Officer
22 November 2017

Colin Jones
Finance Director
22 November 2017

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 subject to audit

Report from the Chairman of the Remuneration Committee

Dear Shareholder, I am pleased to present the Directors' Remuneration Report for 2017 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 2017, the priority has been to progress with the transformation of the Group, in line with the three pillar strategy and re-shaping the operating model into four segments and seven clear divisions with strategic alignment. As trialled last year this has necessitated a strategic talent review and the Committee's main activity during the year included an overhaul of reward at the Group Management Board. The key remuneration outcomes for the year and plans for the coming year are below. Further details are provided in the second section of the report commencing on page 66.

2017 reward outcomes

The Group continues its transformation following the launch of its new strategy, and has delivered an improved performance over the prior year and is now on firmer foundations for future growth. Total revenues were £428.4m, an increase of 6% year-on-year although 1% down on an underlying basis. Adjusted profit before tax increased by 4% to £106.5m, marginally ahead of expectations. As a result of the increase in adjusted profit before tax, significant progress on the portfolio and action on managing the senior talent, the annual bonus for Andrew Rashbass will pay out at 107% 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 earnings per share (before tax) and his profit share increased by 25% to £0.7m, in line with the increase in adjusted earnings per share.

Finance Director

During the year Colin Jones announced his intention to retire by the summer of 2018. Colin has served for 21 years on the Board and has been instrumental in the growth of Euromoney during that time, for which the Board is grateful. When appointing a replacement for Colin during 2018, the Committee will adhere to the remuneration policy on recruitment.

Committee Chair

Imogen Joss joined the Board recently as a Non-Executive Director who has a wealth of experience in this area and is expected, subject to the decision of the Nominations Committee, to become Chairman of the Remuneration Committee in due course.

Remuneration Policy Shareholder approval at the 2018 AGM

In line with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013, the Director's Remuneration Policy, which will be effective from 1 October 2018, is being put forward for a binding shareholder vote. The existing policy will remain in force until that date and this can be found on the Company's website. The Annual Remuneration Implementation Report together with this letter is subject to an advisory shareholder vote. Both the binding vote and advisory vote will be put to the 2018 AGM to be held on 1 February 2018. The sections of this report that have been subject to audit are marked in the contents above.

The members of the Committee include a representative of its major shareholder, DMGT. The Committee consults with its shareholders prior to any major changes in its remuneration arrangements.

John Botts

Chairman of the Remuneration Committee
22 November 2017

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 is being put forward for a binding shareholder vote at the 2018 AGM to be effective from 1 October 2018. The existing policy remains in force until that date.

Information not subject to audit

Introduction

The current remuneration policy was approved by shareholders at the General Meeting held on 1 June 2015 and can be found on our website (**www.euromoneyplc.com/investors**). The policy took effect from 1 October 2015. The policy has been updated to reflect subsequent guidance and to take account of the organisational changes at the Company and will take effect from 1 October 2018.

The key changes in the new remuneration policy are:

- The removal of profit share incentives for Executive Directors, which have been replaced by the annual bonus and Performance Share Plan (PSP) arrangements approved on 1 June 2015
- The Capital Appreciation Plan (CAP) 2014 has been removed as it will not vest and no further awards under the CAP scheme will be made
- The level of deferral under the Annual Bonus award has been specified as has the maximum level of bonus payment at threshold achievement
- The normal grant under a PSP will be a three-year performance period with a further two years holding period
- Increasing the shareholding requirement to 200% of basic salary for all Executive Directors and the introduction of a shareholding requirement of 100% of annual fees for Non-Executive Directors;
- Adjustments to reflect the transformed Board and organisational structure
- The Daily Mail General Trust (DMGT) Share Incentive Plan (SIP) is no longer available to employees of the Company
- Committee discretion to make non-standard remuneration decisions where an Executive Director is appointed on an interim basis
- Clarification on the treatment of tax on Non-Executive Directors' expenses
- Commitment to introduce wider consultation with both employees and shareholders

The new remuneration policy provides flexibility for designing future incentive plans for Executive Directors and senior management and ensuring these incentives are closely aligned with the Group's long-term strategy.

The implementation of the current remuneration policy for the Executive Directors in 2017 is set out on pages 66 to 69. These new arrangements are expected to take effect from 1 October 2018.

Compliance statement

This report sets out the Group's policy and structure for the remuneration of Executive and Non-Executive Directors. This policy report is intended to be in full compliance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013.

In formulating its Directors' Remuneration Policy, the Committee has considered employee pay and benefits and has also sought advice on best practice from Deloitte. The Committee consulted with its top shareholders by equity holding. No specific consultation with employees was undertaken for this policy however the Company is committed to introducing an employee forum for consulting on remuneration matters, including executive remuneration.

Benefits	Key Features of Policy	Maximum Opportunity
BASIC SALARY		
Purpose and link to strategy	• Part of an overall market competitive pay package with salary generally not the most significant part of a Director's overall package • Reflect the individual's experience, role and performance within the Company	• No absolute maximum has been set for Executive Director salaries. The Committee is guided by the general increase for the broader employee population although larger increases may be considered appropriate in circumstances (including, but not limited to, a change in an individual's responsibilities or in the scale of their role or in the size and complexity of the Group). Larger increases may also be considered appropriate if a Director has been initially appointed to the Board at a lower than typical salary
Operation	• Paid monthly in cash • Normally reviewed by the Remuneration Committee in April each year	
Benchmarking	• The Remuneration Committee examines salary levels at FTSE 250 companies and other listed peer group companies to help determine Executive Director pay increases • The Remuneration Committee takes into account the general level of salary increases awarded to employees	
Relationship to employee salaries	• The approach to setting base salary increases across the Group takes into account performance of the individuals concerned, the performance of the business they work for, micro and macroeconomic factors, and market rates for similar roles, skills and responsibility	
BENEFITS		
Purpose and link to strategy	• Basic benefits are provided as part of a market competitive pay package	• There is no overall maximum as the level of benefits depends on the annual cost of providing individual items in the relevant local market and the individual's specific role
Operation	Benefits may include: • Private healthcare • Life insurance • Overseas relocation and housing costs The Committee has discretion to add or remove benefits from this list	
Relationship to employee benefits	• Benefits are available to all Directors and employees subject to a minimum length of service or passing a probationary period	
Benefit levels	• All Executive Directors participate in the healthcare scheme offered in the country where they reside	
PENSIONS		
Purpose and link to strategy	• Retirement benefits are provided as part of a market competitive pay package	• The maximum employer's contribution to a pension scheme is 15% of pensionable salary
Operation	• Directors may participate in the pension arrangements applicable to the country where they work • A Director who elects to cease contributing to a Company pension scheme due to changes in tax or pension legislation may choose to receive a pension allowance in lieu of the Company's pension contributions	
Relationship to employee pension levels	• All Directors and employees are entitled to participate in the same pension scheme arrangements applicable to the country where they work	

Benefits	Key Features of Policy	Maximum Opportunity
ANNUAL BONUS PLAN		
Purpose and link to strategy	• The Annual Bonus Plan links reward to key business targets and an individual's contribution • The Annual Bonus Plan provides alignment with shareholders' interests through the operation of bonus deferral	• The maximum award that can be made under the Annual Bonus Plan is 150% of salary. Each year the Remuneration Committee will determine the maximum annual bonus opportunity for individual Executive Directors within this limit • The maximum level of bonus payment at threshold achievement is 0%
Operation	• Any Executive Director may participate in the Annual Bonus Plan • Annual bonus payments will be paid in cash following the release of audited results and/or as a deferred award over Company shares • Any bonus earned in excess of 100% of salary will be awarded as a deferred award • Deferred awards are usually granted in the form of conditional share awards or nil-cost options (and may also be settled in cash) • Deferred awards usually vest two years after award although may vest early on leaving employment or on a change of control (see later sections) • An additional payment (in the form of cash or shares) may be made in respect of shares which vest under deferred awards to reflect the value of dividends which would have been paid on those shares (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis) • The annual bonus payable is based on performance assessed over one year and may be based upon any of appropriate financial, strategic and individual performance measures. No more than half of the Annual Bonus will generally be determined by strategic and/or individual performance measures • Any annual bonus payout is ultimately at the discretion of the Remuneration Committee • The cash bonus will be subject to recovery, and/or deferred awards will be withheld, at the Remuneration Committee's discretion in exceptional circumstances where, before the preliminary announcement of audited results during the third financial year following the financial year in which the bonus is determined, a material misstatement or miscalculation comes to light which resulted in an overpayment under the Annual Bonus Plan, or there is gross misconduct	
Relationship to all employee incentive schemes	• Incentive schemes, like the Annual Bonus Plan, are an important part of the Group culture. The Directors believe they directly reward good and exceptional performance. Most employees across the Group have an incentive scheme in place	

Benefits	Key Features of Policy	Maximum Opportunity
LONG-TERM INCENTIVE PLANS		
Purpose and link to strategy	• 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	• The maximum annual award permitted under the PSP is shares with a market value of 200% of annualised basic salary
Operation	**2015 Performance Share Plan (PSP)** • Any Executive Director may participate in the PSP • These awards will normally be subject to a performance period of three years, with an additional holding period of two years. If the Remuneration Committee determines so, an alternative performance period may be applied (with a minimum of at least three years). The aggregate of the performance period and additional holding period shall not be less than five years. Awards may vest early on leaving employment or on a change of control (see later sections). Vesting of these awards will be based on financial performance measures and/or strategic business goals, with the precise measures and weighting of the measures determined by the Remuneration Committee on the grant of each award. For achieving a threshold level of performance against a performance measure, no more than 25% of the portion of the PSP award determined by that measure will vest. Vesting of that portion would then increase to 100% for achieving a stretching maximum performance target • All PSP awards may be granted as conditional awards of shares or nil-cost options (or, if appropriate, as cash-settled equivalents). An additional payment (in the form of cash or shares) may be made in respect of shares which vest under PSP awards to reflect the value of dividends which would have been paid on those shares (and this payment may assume that dividends had been reinvested in Company shares on a cumulative basis) • PSP awards will be subject to recovery and/or withholding at the Remuneration Committee's discretion in exceptional circumstances where, before the preliminary announcement of audited results during the sixth financial year following the financial year in which the award is granted, a material misstatement or miscalculation comes to light which resulted in an over-vesting of PSP awards, or gross misconduct	
Relationship to all employee long-term incentive schemes	• The PSP rewards the creation of long-term shareholder value and is potentially available to all senior employees across the Group	
LONG-TERM INCENTIVE PLANS (ALL-EMPLOYEE SCHEMES)		
Purpose and link to strategy	• All-employee share schemes align staff with the Group's financial performance and promote a sense of ownership	• Participants save a fixed monthly amount of up to £500 (or such other limit as may be approved from time to time by HMRC) for three years
Operation	**Euromoney SAYE scheme** • The Group operates an all-employee save as you earn scheme in which those Directors employed in the UK are eligible to participate. No performance conditions attach to options granted under this plan. It is designed to incentivise all employees. Participants are able to buy shares in the Company at a price set at a discount of up to 20% to the market value at the start of the savings period	

Notes to table:

- The Remuneration Committee may vary any performance condition(s) if an event occurs which causes it to determine that a varied condition would be more appropriate, provided that any such varied condition is not materially less difficult to satisfy. In the event that the Remuneration Committee was to make an adjustment of this sort, a full explanation would be provided in the next Remuneration Report.
- Performance measures – The performance measures used in the variable incentive plans are reviewed annually and chosen to focus executive rewards on delivery of key financial targets for the relevant performance period in addition, where appropriate, to key strategic or operational goals relevant to an individual. Precise targets are set at the start of each performance period by the Remuneration Committee based on relevant reference points, including, for Group financial targets, the Company's business plan, and are designed to be appropriately stretching.
- The Remuneration Committee intends to honour any commitments entered into with current or former Directors on their original terms, including outstanding incentive awards, which have been disclosed in previous remuneration reports and, where relevant, are consistent with a previous policy approved by shareholders. Any such payments to former Directors will be set out in the Remuneration Report as and when they occur.
- The Remuneration Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed; (i) before the date the Company's first remuneration policy approved by shareholders in accordance with section 439A of the Companies Act came into effect; and (ii) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved remuneration policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes "payments" includes the Remuneration Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.
- The Remuneration Committee may make minor amendments to the Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.
- The Remuneration Committee will operate the variable incentive plans according to their respective rules which provide flexibility in a number of regards.
- Under the PSP and the deferred share bonus plan, outstanding awards will vest early in the event of a change of control/takeover unless the change of control is an internal reorganisation or the Remuneration Committee determines otherwise in which case awards will be exchanged for equivalent awards over shares in the acquiring company. In the case of PSP awards, the extent to which awards vest will take into account the satisfaction of the performance conditions and, unless the Remuneration Committee determines otherwise, on a time pro-rated basis by reference to the proportion of the performance period that has elapsed. If the Company is wound up or is or may be affected by a demerger, delisting, special dividend or other event which would, in the Remuneration Committee's opinion affect the Company's share price, the Remuneration Committee may allow PSP and deferred share bonus plan awards to vest on the same basis as for a takeover.
- Any buy-out award granted as part of the recruitment of an Executive Director will be treated on a change of control in line with the agreed commercial terms of that award.
- If there is a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event which, in the Remuneration Committee's opinion would affect the Company's share price, the Remuneration Committee may adjust the terms of the awards.

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. 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 and the Senior Independent Director). The Non-Executive Directors do not participate in any of the Company's incentive schemes. The Non-Executive Directors receive reimbursement for reasonable expenses (including, where relevant, tax payable on those expenses) incurred as part of their role as Non-Executive Directors.

Policy on external appointments

The Company allows 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, Executive Directors may retain the remuneration received from the first such appointment.

Recruitment policy

Compensation packages for new Board Directors are set in accordance with the prevailing Remuneration Policy at their time of joining the Board. The main components are detailed below.

New Executive Directors will receive a salary commensurate with their responsibilities and which will not be the most significant part of their overall remuneration package. The Director will also be offered the benefit of private healthcare and life assurance. Other benefits may include a pension allowance, relocation or housing allowance.

New Executive Directors will participate in one or more of the incentive plans outlined in the section "Detailed remuneration arrangements of Executive Directors" earlier in this Policy Report. The initial annual bonus and/or long-term incentive plan award to a new recruit may be granted with different measures and or targets to other Directors in the year of joining if deemed appropriate.

Where appropriate, a new Executive Director may be granted a one-off buy-out award for loss of earnings from previous employment which have been forfeited in order to join the Company. When structuring a buy-out award the Remuneration Committee will take account of all relevant factors, including any performance conditions attached to forfeited incentive awards, the likelihood of those conditions being met, the proportion of the vesting/performance period remaining and the form of the award (e.g. cash or shares). The overriding principle will be that any replacement buy-out award should, in aggregate, not exceed the commercial value of the earnings which have been forfeited. The Remuneration Committee may, in a recruitment scenario, rely upon the Listing Rules exemption from shareholder approval to grant a one-off buy-out award to facilitate the recruitment of a Director.

New Executive Directors are entitled to participate in the Euromoney SAYE scheme.

Where an Executive Director is appointed from within the organisation, the normal policy of the Company is that any legacy arrangements would be honoured in line with the original terms and conditions. Similarly, if an Executive Director is appointed following the Company's acquisition of or merger with another company or business, legacy terms and conditions would be honoured.

Where an appointment is made to fill an Executive Director role on a short-term basis the Remuneration Committee retains discretion to make appropriate remuneration decisions outside the standard Policy to meet the individual circumstances of recruitment on an interim basis.

New Non-Executive Directors appointed to the Board will receive a base fee in line with that payable to other Non-Executive Directors. In the event that a Non-Executive Director is required to temporarily take on the role of an Executive Director, their remuneration may include any of the elements listed above for Executive Directors.

Directors' service contracts

The Company's policy is to employ Executive Directors on service agreements which are terminable on 12 months' notice. The Remuneration 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. Each Executive Director participates in bonus or incentive arrangements (and in the case of Andrew Rashbass a recruitment award as compensation for forfeiting remuneration in order to join the Company).

The service agreement for the Chief Executive Officer, Andrew Rashbass, includes the following provisions on termination: 12 months' notice from the Company (and the Executive) and during such notice the Executive will normally continue to be entitled to receive, at the absolute discretion of the Remuneration Committee, bonus, long-term incentive awards that accrue during the notice period and the recruitment bonus (to the extent that the award vests during the notice period). If the Company terminates employment and elects to make a payment in lieu of notice (PILON) this will be calculated on the basis of Andrew Rashbass' base salary for the notice period and will also take account of any recruitment bonus to which he would become entitled during the notice period. At the absolute discretion of the Remuneration Committee, he will also be considered for any bonuses to which he would or may become entitled during the notice period. The other Executive Directors' service agreements provide for 12 months' notice and provisions for payment in lieu of notice and garden leave.

The service agreements for the Executive Directors are expressed to expire on reaching their respective retirement age; however, the Executive Directors could not, under UK law, be required to retire at this age following the abolition of the default retirement age.

In the event that employment is terminated due to incapacity (90 calendar days absence in a rolling 12-month period) the service agreements provide for termination on six months' notice. In these circumstances the Company would also make a payment for pension up to the date of termination for all Executive Directors.

With the exception of Sir Patrick Sergeant, none of the Non-Executive Directors has a service contract, although John Botts, David Pritchard, Tristan Hillgarth and Andrew 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.

Policy on payment for loss of office

The Company's approach to payments in the event of termination is to take account of the individual circumstances including the reason for termination, individual performance, contractual obligations, the terms of bonus incentives and long-term incentive plans in which the Executive Director participates.

The Company's general practice for all Executive Directors is to provide for 12 months' salary and pension up to the date of termination.

The Company may lawfully terminate an Executive Director's employment without compensation in circumstances where the Company is entitled to terminate for cause (this is defined in the service agreements).

The Remuneration Committee may determine that any Executive Director is eligible to receive an annual bonus in respect of the financial year in which they cease employment. This bonus would usually be time apportioned. In determining the level of bonus to be paid, the Remuneration Committee may, at its discretion, take into account performance up to the date of cessation or over the financial year as a whole.

The treatment of outstanding share awards in the event of termination is governed by the relevant share plan rules as summarised below.

If an Executive Director participates in the PSP and ceases to be an officer or employee of the Group during the performance period in any circumstances other than those set out below, an unvested award will lapse on the date on which their employment ceases.

If a participant dies, an unvested PSP award will vest at the time of the participant's death taking into account the satisfaction of the performance condition and, unless the Remuneration Committee determines otherwise, on a time pro-rated basis by reference to the proportion of the performance period that has elapsed.

If a participant is treated as a good leaver because cessation of employment is as a result of ill-health, injury, disability, the sale of the individual's employing business or entity out of the Group or any other reason at the Remuneration Committee's discretion (a "Good Leaver Reason") a participant's unvested PSP award will usually continue until the normal vesting date except where the Remuneration Committee determines it should vest as soon as reasonably practicable following the participant's cessation. The extent to which the award vests will take account of the extent to which the performance condition is satisfied and, unless the Remuneration Committee determines otherwise, on a time pro-rated basis by reference to the proportion of the performance period that has elapsed.

If a PSP award is subject to a holding period and a participant ceases to be an officer or employee of the Group during that holding period, his/her award will normally be released at the end of the holding period except where the Remuneration Committee determines it should be released following the participant's cessation. However, if a participant is summarily dismissed during a holding period, his/her award will lapse immediately. Nil-cost options will normally be exercisable for six months after release.

Where an Executive Director participates in the deferred share bonus plan and ceases employment, their outstanding awards will normally lapse unless cessation is due to the participant's death or a Good Leaver Reason, in which case outstanding awards will vest at the normal vesting date or, if the Remuneration Committee so determines, as soon as reasonably practicable following the individual's cessation.

Any buy-out award granted as part of the recruitment of an Executive Director will be treated on cessation of employment in line with the agreed commercial terms of that award.

The Remuneration Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his cessation of office or employment.

No other termination payments are provided unless otherwise required by law.

Policy for Directors holding equity in the Company

There is a minimum shareholding requirement of 200% of base salary for Executive Directors on a continuous basis. A newly appointed Executive Director will have a period of five years from their date of appointment to meet the minimum shareholding requirement.

There is a minimum shareholding requirement of 100% of annual fees for Non-Executive Directors on a continuous basis. This excludes Non-Executive Directors who are also Executive Directors of DMGT as they have a similar requirement at DMGT.

Scenario charts for Directors' remuneration

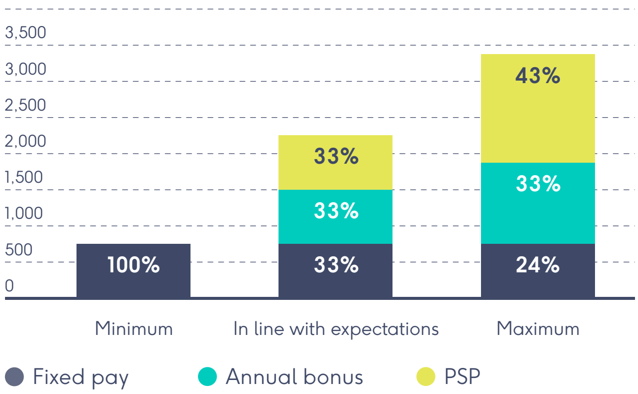
The chart below provides illustrative values of the remuneration package for the Chief Executive Officer, Andrew Rashbass, under three assumed performance scenarios for 2018. This chart is for illustrative purposes only and actual outcomes may differ from those shown.

Assumed performance	Assumptions used
All performance scenarios (Fixed pay)	• Consists of total fixed pay, including base salary, benefits and pension. • Base salary – salary effective as at 1 October 2017 • Benefits – estimated value of £2,000 • Pension allowance – 10% of salary for the CEO
Minimum (less than threshold) performance (Variable pay)	• No pay-out under the annual bonus. • No vesting under the PSP.
Performance in line with expectations (Variable pay)*	• 2/3rd of the maximum pay-out under the annual bonus for the CEO • 50% vesting under the PSP.
Maximum performance (Variable pay)*	• 100% of the maximum pay-out under the annual bonus. • 100% vesting under the PSP.

* PSP awards have been shown at face value, with no share price growth or discount rate assumptions. All-employee share plans have been excluded.

Colin Jones is on different arrangements as described elsewhere in this report and the details for the incoming CFO have not been agreed, at this time, therefore the only chart shown below is for Andrew Rashbass, the CEO. The new CFO's remuneration arrangements (once approved) will be determined in line with the policy and disclosed in the 2018 Annual Remuneration Report.

CEO
£000



Directors' Remuneration Report
Continued

Annual Remuneration Report

Executive Directors (audited)

The key elements of remuneration for the CEO and Finance Director in 2017, in line with the Directors' Remuneration Policy in force, 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: • 75% adjusted profit before tax • 25% individual objectives	Any amount above target deferred into nil-cost options for two years	PSP – 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	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	–	CAP 2014 PSP – Annual award of 100% of salary vesting after five years	15% of salary per annum, payable in cash	Private healthcare Life insurance

The table below sets out the break-down of the single figure of remuneration for each Executive Director in 2017 and 2016.

		Salary £	Benefits £	Profit share £	Annual bonus £	Pension £	Total before buy-out award £	Buy-out Award[1] £	Total £
A Rashbass	**2017**	**750,000**	**1,284**	**–**	**800,250**	**75,000**	**1,626,534**	**518,931**	**2,145,465**
	2016	750,000	1,192	–	953,955	75,000	1,780,147	980,400	2,760,547
CR Jones	**2017**	**270,300**	**1,284**	**668,487**	**–**	**40,545**	**980,616**	**–**	**980,616**
	2016	267,650	1,281	534,922	–	40,148	844,001	–	844,001
Total	**2017**	**1,020,300**	**2,568**	**668,487**	**800,250**	**115,545**	**2,607,150**	**518,931**	**3,126,081**
	2016	1,017,650	2,473	534,922	953,955	115,148	2,624,148	980,400	3,604,548

1 The value of the buy-out award made to A Rashbass on 1 October 2015 was calculated using the average mid-market price of the five days preceding vesting on 30 September 2017 of £11.74. Due to a close period, no vesting of the buy-out award occurred in 2017

Annual Bonus Plan

A Rashbass	£000
Actual bonus	**800,250**
Deferred into shares	**50,250**

Performance measures	Weighting	Minimum	On target	Maximum	Actual	Maximum opportunity (% of salary)	Pay-out (% of salary)
Financial: adjusted profit before tax[1&2]	75%	£94.2m	£104.7m	£115.1m	£108.5m	112.5%	88.5%
Individual objectives	25%	–	–	–	–	37.5%	18.2%
Total pay-out (% of salary)	100%					150.0%	106.7%

1 A reconciliation of adjusted profit before tax is set out on page 30

2 The adjusted profit before tax result was amended to take account of M&A activity with a negative adjustment of £2.0m, and an adjustment for the unbudgeted interest cost relating to the DMGT sell down and M&A activity with a positive adjustment of £4.0m, resulting in an overall positive adjustment of £2.0m

The individual objectives for Andrew Rashbass in 2017 were:

Objective	Outcome	% bonus payable
Book of business growth year-on-year.	Below threshold	0%
Portfolio management targeting reducing drag from bottom left quadrant businesses and improving upper right quadrant businesses (see page 16).	Between threshold and target	5.7%
Deliverables against the strategic talent review	At maximum	12.5%

These objectives were weighted equally and monitored by the Committee. In determining the final level of bonus payable, the Committee noted that the book of business growth was below the threshold required for the objective to be met. Progress had been made on the identified quadrants within the portfolio, albeit below the target levels required. The Committee agreed that Andrew Rashbass had made an outstanding contribution on the organisation operating model resulting in a new Group Management Board. On the basis of the above, the annual bonus will pay out at 49% achievement of maximum opportunity against the individual objectives and an overall bonus of 107% 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 31 December 2015. Under the Harmsworth Pension Scheme, the following pension benefits were earned by the Directors:

	Accrued annual benefit at 30 Sept 2017 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	48,476	15 Aug 2025	none	Cash allowance: 100%

Buy-out award for Andrew Rashbass

A one-off award of shares in the Company with a value of £2,250,000 was made in 2016 in order to compensate Andrew 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 him from his previous employment. Based on the Company's average share price for the month of September 2015, 221,011 shares were awarded on 1 October 2015. Subject to continued employment, 40% of this award vested on 30 September 2016, a further 20% was due to vest on 30 September 2017, and the remaining 40% will vest in two equal tranches on 30 September 2018 and 2019 respectively.

Under the terms of this award, 44,202 options (2016: 88,404) were due to vest on 30 September 2017. This date was in a close period and the rules of the scheme determine no vesting should occur until there is an open period. As at the date of this Annual Report and Accounts, there had been no open period and therefore no exercise has taken place.

Long-term incentives

No share plan awards under the PSP or CAP 2014 were due to vest in the year for the Executive Directors. As the performance criteria of the CAP and Company Share Option Plan (CSOP) have not been met, Colin Jones' outstanding awards of 14,457 under CAP 2014 and 2,688 under CSOP 2014 have lapsed. There were 167,419 options granted to Executive Directors during the year under the PSP. Details of the Group's share option schemes are set in the Remuneration Policy that can be found on the website and note 24 to the Group's financial statements.

Directors’ Remuneration Report
Continued

Directors’ interests
The following tables set out all interests in the equity of the Company held by Executive Directors and a comparison to the shareholding guidelines for Executive Directors at 30 September 2017.

Share options subject to performance conditions
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 2019. Awards under the PSP were granted to Andrew Rashbass and Colin Jones on 19 December 2016. In addition the Executive Directors have a further two-year holding period following the performance measurement period. No other awards under the PSP have been granted to the Executive Directors during 2017.

	Type of option awarded	Basis of award	Face value of award made	Number of shares[1]	End of performance period
A Rashbass	Nil-cost option	200% of salary	£1,500,000	141,857	Sep 2019
CR Jones	Nil-cost option	100% of salary	£270,300	25,562	Sep 2019

1 Calculated as 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 £10.57 being the average of the middle market quotations of an Ordinary Share as derived from the Daily Official List for the five dealing days preceding 23 December 2016

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

<table>
<tr><th></th><th>Maximum opportunity</th><th>Performance measure</th><th>Weighting</th><th>Performance target</th><th>Vesting level</th></tr>
<tr><td>A Rashbass</td><td>200% of salary</td><td rowspan="5">EPS[1] growth between financial years 2016 and 2019</td><td rowspan="5">100%</td><td>8% or more</td><td>Full vesting</td></tr>
<tr><td rowspan="4">CR Jones</td><td rowspan="4">100% of salary</td><td>Between 3%</td><td>Between 25% and 100%</td></tr>
<tr><td>and 8%</td><td>on a sliding scale</td></tr>
<tr><td>3%</td><td>25%</td></tr>
<tr><td>Less than 3%</td><td>Nil</td></tr>
</table>

1 EPS will be the adjusted diluted earnings per share disclosed in note 10 to the Group’s financial statements

The table below sets out the details of PSP awards held by Executive Directors as at 30 September 2017.

Year	Relating to	Award type	Exercisable from	Expiry date	Status	Award price (pence)	Exercised during the year	Outstanding Awards
A Rashbass								
2015	PSP	Nil-cost option	18 Dec 2020	18 Dec 2025	Outstanding	941.8	–	159,269
2016	PSP	Nil-cost option	19 Dec 2021	19 Dec 2026	Outstanding	1,057.4	–	141,857
Total								**301,126**
CR Jones								
2016	PSP	Nil-cost option	19 Dec 2021	19 Dec 2026	Outstanding	1,057.4	–	25,562
								25,562

Deferred shares not subject to performance conditions
The table below sets out the details of deferred bonus award granted to Andrew Rashbass on 19 December 2016 for 2016 bonus and outstanding buy-out awards.

Year	Relating to	Award type	Exercisable from	Expiry date	Status	Award price (pence)	Exercised during the year	Outstanding Awards
2015	Buy-out award	Nil-cost option	30 Sep 2017	1 Oct 2025	Outstanding	1,018.5	–	44,202
2015	Buy-out award	Nil-cost option	30 Sep 2018	1 Oct 2025	Outstanding	1,018.5	–	44,202
2015	Buy-out award	Nil-cost option	30 Sep 2019	1 Oct 2025	Outstanding	1,018.5	–	44,202
2016	Deferred bonus	Nil-cost option	22 Dec 2018	22 Dec 2028	Outstanding	1,063.6	–	19,175

Shareholding guidelines

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
A Rashbass	200%	128,096	46,854	No[2]
CR Jones	100%	23,083	192,000	Yes

1 The number of shares is calculated using the closing mid-market price on 30 September 2017 of £11.71. The requirement is for A Rashbass to hold 200% of salary and CR Jones to hold 100% of salary within five years of appointment

2 A Rashbass was appointed Executive Director on 1 October 2015 and therefore has not yet built up shares equal to his individual requirement

There have been no changes in the shareholdings of the Executive Directors between 30 September 2017 and the date of this Annual Report and Accounts.

Payments to past Directors

There were no payments to past Directors made in the year.

Payments for loss of office

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

Non-Executive Directors (audited)

The fees for the Chairman and other Non-Executive Directors were increased on 1 February 2017, having last been reviewed in 2013 and now reflect the expected level of duties. The Chairman's fees increased from £175,000 to £190,000, inclusive of fees for the role of Chairman of the Remuneration Committee. As of 1 February 2017 each Non-Executive Director receives a base fee for services to the Board of £50,000 (2016: £30,000) with an additional fee of £10,000 (2016: £6,500) payable to the chairs of the Remuneration and Audit Committees and with an additional fee of £10,000 (2016: £nil) paid to the Senior Independent Director.

Single figure of remuneration

The table below sets out the break-down of the single total figure of remuneration for each Non-Executive Director in 2017 and 2016.

	2017[1] £	2016 £
JC Botts (Chairman)	**185,000**	156,863
The Viscount Rothermere	**43,333**	30,000
Sir Patrick Sergeant	**43,333**	30,000
DP Pritchard (Senior Independent Director)	**58,833**	36,500
ART Ballingal	**43,333**	30,000
TP Hillgarth	**43,333**	30,000
PA Zwillenberg (appointed 1 June 2016)	**43,333**	10,000
MWH Morgan (retired 31 May 2016)	**–**	20,000
Total	**460,498**	343,363

1 Fees includes pro-rata fee increase from 1 February 2017

Directors' interests

Shareholding guidelines for the Non-Executive Directors have been introduced (see page 65). The interests of the Non-Executive Directors in the ordinary shares of the Company as at 30 September 2017 were as follows:

Beneficial	Number of ordinary shares
JC Botts	15,503
The Viscount Rothermere	–
Sir Patrick Sergeant	165,304
DP Pritchard	–
ART Ballingal	–
TP Hillgarth	–
PA Zwillenberg	–

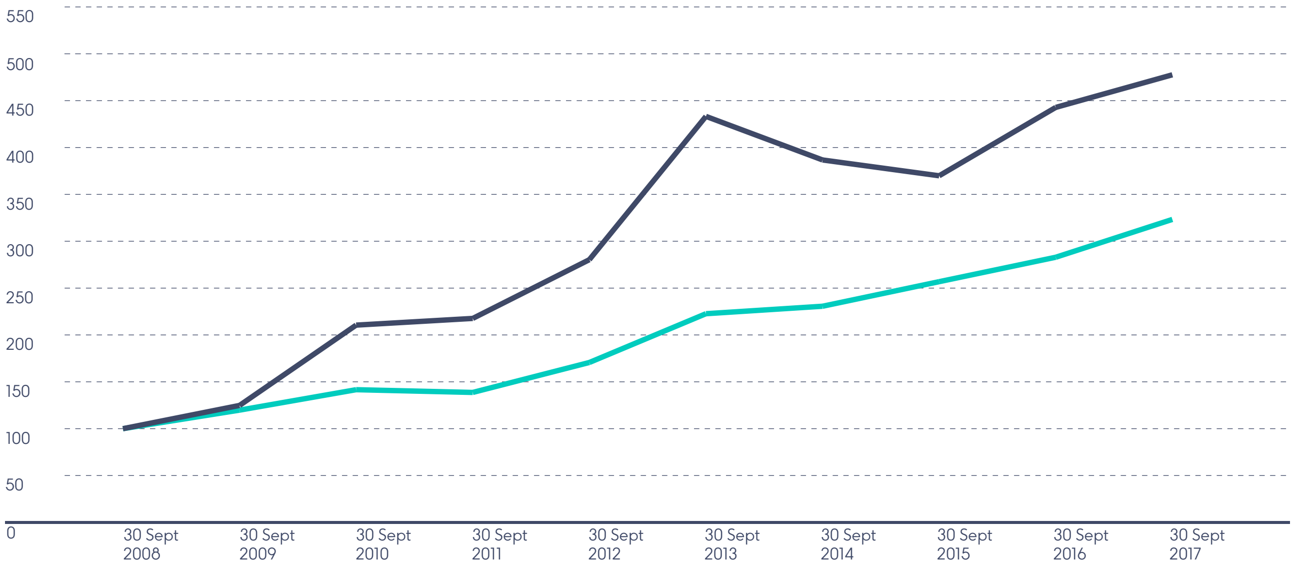
There have been no changes in the shareholdings of the Non-Executive Directors between 30 September 2017 and the date of this Annual Report and Accounts.

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 nine 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 the most appropriate benchmark.

Total shareholders' return: %



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 66 of this report.

	CEO	2010	2011	2012	2013	2014	2015	2016	**2017**
Single figure of remuneration (£000)	A Rashbass	–	–	–	–	–	–	1,780	**1,627**
	CHC Fordham	–	–	–	1.647	895.	576	–	**–**
	PR Ensor	3,977	4,397	4,857	–	–	–	–	**–**
Annual incentive payment (% of maximum)	A Rashbass[1]	–	–	–	–	–	–	85%	**71%**
	CHC Fordham[2]	–	–	–	58%	52%	17%	–	**–**
	PR Ensor[2]	82%	82%	82%	–	–	–	–	**–**
Long-term incentive vesting (% of maximum)	A Rashbass	–	–	–	–	–	–	–	**–**
	CHC Fordham	–	–	–	–	–	–	–	**–**
	PR Ensor	–	–	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

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 2016 to 2017		
	Salary	Benefits	Incentives
CEO remuneration	–	8%	(16%)
Average employee	2%	5%	2%

Remuneration in the above table excludes long-term incentive payments and pension benefits. There is no change in salary from 2016 for the CEO remuneration as Andrew Rashbass 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.

	2017 £m	2016 £m	% increase
Total employee pay[1]	163.8	148.9	10%
Dividends paid	30.2	29.6	2%
Adjusted profit before tax[2]	106.5	102.5	4%

1 Total employee pay is affected by foreign exchange translation as more than half of the Group's employees are based outside of the UK

2 From continuing and discontinued operations

Directors' interests in Daily Mail and General Trust plc

The interests of the Directors in the shares of Daily Mail and General Trust plc (DMGT) as at 30 September 2017 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	61,644,654	240,099
CR Jones	–	1,900	–
PA Zwillenberg	–	24,619	109,569

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

2 DMGT has been notified that, under section 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 30 September 2017

At 30 September 2017 The Viscount Rothermere was beneficially interested in 756,700 ordinary shares of Rothermere Continuation Limited, the Company's ultimate parent company. Since 30 September 2017, Paul Zwillenberg purchased, through the DMGT SIP scheme, 45 additional 'A' ordinary non-voting shares in DMGT respectively. There have been no other changes in the Directors' interests since 30 September 2017.

Remuneration Committee

The Committee meets four times 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 2017, the Committee met eight times and informal discussions were held at other times during the year.

Committee members
John Botts (Chairman of the Committee)
David Pritchard (independent)
Paul Zwillenberg[2]
Imogen Joss[1]
Kevin Beatty[3]

1 Appointed as a member of the Committee on 10 November 2017

2 Resigned as a member of the Committee on 21 November 2017

3 Appointed as a member of the Committee on 21 November 2017

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, the Director of Human Resources and the Group Reward Director. The Committee's terms of reference permit its members to obtain professional advice on any matter. Guidance was sought from Deloitte on benchmarking of Non-Executive Director fees, the review of the Remuneration Policy and PSP performance measures, and fees of £38,350 were payable for this advice. Deloitte was appointed in 2013 by the Committee, 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. The Committee is satisfied as to the independent nature of their advice.

The key activities of the Committee in the year included:

- approving the grant to and setting suitable performance measures for the PSP options for Andrew Rashbass and Colin Jones
- setting objectives for the Annual Bonus Plan for Andrew Rashbass
- approving the salary increase, implementation of Annual Bonus and PSP share grants to Divisional Directors to replace profit share (some transitional arrangements remain in place)
- recommending to the Board the increase in fees for the Chairman and the Non-Executive Directors. John Botts was not involved in any decision regarding his own fee
- approving the annual profit shares and bonuses for Executive Directors and Divisional Directors
- approving the grant of a SAYE offer at a 20% discount to market price and
- reviewing the Directors' Remuneration Policy and recommending changes for approval by shareholders

Implementation of the Remuneration Policy in 2018

Basic salary	Directors' salaries from 1 October 2017 are as set out on page 66 and are unchanged. The salary for the incoming CFO will be in line with the remuneration policy regarding recruitment. Salaries will be reviewed in April 2018.
Pensions and benefits	No change to prior year for Andrew Rashbass or Colin Jones. The incoming CFO will be in line with the remuneration policy regarding recruitment.
Annual incentive Annual Bonus Plan	The weightings for the individual and financial objectives for Andrew Rashbass' Annual Bonus Plan in 2018 will remain the same as 2017 with 75% based on adjusted profit before tax and 25% on individual objectives. 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. The incoming CFO will be placed on the Annual Bonus Plan arrangements and will have a maximum opportunity that does not exceed the remuneration policy.
Annual bonus deferral	Any amount above target for Andrew Rashbass and the incoming CFO will be deferred into nil-cost options for two years in line with 2017.
Profit share	Colin Jones' profit share scheme is set out on page 66 and will remain the same for 2018 and will be paid pro-rata to his leaving date.
Long-term incentive	In addition to EPS, a second performance measure of operating margin will be introduced for 2018 for awards to be made under the PSP to Andrew Rashbass and the incoming CFO. The quantum of award will remain unchanged for Andrew Rashbass. Directors employed in the UK are eligible to participate in the SAYE.
Non-Executive Directors fees	Non-Executive Directors' fees will not be reviewed.
Shareholding requirement	Guidelines recommended by the Committee, and as indicated in the revised remuneration policy are: • Non-Executive Directors: 100% of annual fee • Executive Directors: 200% of salary • Group Management Board: 75% of salary.

General Meetings – shareholder vote outcome

The first table below shows the binding shareholder vote on the 2016 Directors' Remuneration Report at the January 2017 AGM. The second table shows the binding vote on the remuneration policy at the June 2015 General Meeting.

Votes for	%	Votes against	%	Abstentions
74,275,095	77.9%	21,110,292	22.1%	7,087,557

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
22 November 2017

3.

Financial statements

> “We have adopted a new, progressive dividend policy with an increase in pay-out ratio.

Colin Jones
Finance Director

Financial statements

Independent Auditors' Report

to the members of Euromoney Institutional Investor PLC

Report on the audit of the financial statements

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 at 30 September 2017 and of the Group's profit and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Report and Accounts (the 'Annual Report'), which comprise: the Consolidated Statement of Financial Position and the Company Balance Sheet at 30 September 2017; the Consolidated Income Statement and Statement of Comprehensive Income; the Consolidated Statement of Cash Flows; and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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

Basis for opinion

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

Independence

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

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

Other than disclosed in note 4 to the financial statements, we have provided no non-audit services to the Group or the Company in the period from 1 October 2016 to 30 September 2017.

Our audit approach

Overview

- Overall Group materiality: £4.2m (2016: £4.1m) based on 5% of statutory profit before tax from continuing and discontinued operations, adjusted for certain exceptional items.
- Overall Company materiality: £13.5m (2016: £3.7m) based on 1% of total assets.

- We conducted work in three key territories being the UK, US and Canada. This included full scope audits at four components and specific financial statement line item audit procedures performed at a further four components.
- Taken together, the components at which audit work has been performed accounted for approximately 76% of Group's revenue, 83% of the Group's statutory profit before tax and 91% of the Group's statutory profit before tax from continuing and discontinued operations, adjusted for certain exceptional items.

- Carrying values of goodwill and acquired intangible assets (Group) and investments in subsidiaries (Company)
- Uncertain tax positions (Group)
- Presentation of exceptional items (Group)
- Acquisition accounting for RISI (Group)
- Presentation of discontinued operations (Group)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. 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.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Carrying values of goodwill and acquired intangibles assets (Group) **Refer to the Audit Committee report on page 51 and to note 12 to the consolidated financial statements.** At 30 September 2017, the Group had £594m of goodwill and intangible assets, including £189m of acquired intangibles and £399m of goodwill. During the year, the Group recognised a £27.4m impairment charge related to goodwill for Ned Davis Research, Inc. (NDR). Recoverability of the carrying values of goodwill and acquired intangible assets is 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 businesses are held for sale, 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. 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, 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 focused our attention on those businesses where headroom has decreased or where management has identified impairments, namely NDR. We performed our own independent 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 focused in particular on the goodwill relating to NDR in order to determine whether we agreed with management's decision to impair and whether in our view the impairment charge is sufficient. 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 2017 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.

Independent Auditors' Report
to the members of Euromoney Institutional Investor PLC continued

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments in subsidiaries (Company) **Refer to note 6 to the Company financial statements.** Investments in subsidiaries of £1,087m are accounted for at cost less impairment in the Company Balance Sheet at 30 September 2017. Investments are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the income statement. Management judgement is required in the area of impairment testing, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or the net present value of future cash flows which are estimated based on the continued use of the asset in the business; (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level, if any, of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Company's financial condition and results of operations.	We evaluated management's assumption whether any indicators of impairment existed by comparing the net assets of the subsidiaries at 30 September 2017 with the Company's investment carrying values. For those investments where the net assets were lower than the carrying values, management prepared a discounted cash flow model. We have tested the reasonableness of key assumptions, including revenue, profit and cash flow growth rates, terminal value and the selection of discount rates management has applied. We performed our own independent sensitivity analysis to understand the impact of reasonable changes in management's assumptions on the available headroom. As a result of our work, we considered that the carrying values of the investments held by the Company are supportable in the context of the Company financial statements taken as a whole.
Uncertain tax positions (Group) **Refer to the Audit Committee report on page 52 and to note 2 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 is subject to sales taxes in the US. The evolving nature both of US sales tax legislation and of the Group's product base as the business goes increasingly digital means that management periodically needs to exercise judgement (supported by external specialist advice) in assessing appropriate levels of provisioning.	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 refreshed our independent assessment of tax risks in the Group's most material markets (UK, US and Canada) and we evaluated the appropriateness and completeness of related tax provisions. The most significant uncertain tax positions comprise the Canadian Revenue Agency's assessment of a foreign currency trade in 2009 and HMRC's challenge related to the Dealogic transaction in 2015. Deploying our tax specialists, we discussed tax advice received by the Group direct with the Group's third party advisors in relation to the challenges by the Canadian Revenue Agency and the UK's HMRC. From the evidence obtained, we considered the level of provisioning for direct and indirect taxes and the related disclosures to be acceptable in the context of the consolidated financial statements taken as a whole.

Key audit matter	How our audit addressed the key audit matter
Presentation of exceptional items (Group) **Refer to the Audit Committee report on page 51 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 £31.3m of net costs as exceptional items, primarily comprising: goodwill and available for sale investment impairments (£29.6m); other exceptional costs (£8.4m); offset by the release of a provision for US sales tax (£3.9m) and net profit on disposal or closure of businesses and joint ventures (£2.9m). Given that the Group presents adjusted earnings measures in addition to its statutory results, we focused 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 2017. We considered the appropriateness of classifying the goodwill and available for sale investment impairment charges as exceptional. Due to their size and nature, we accepted management's presentation of these items as exceptional. We were satisfied that the release of the provision for US sales taxes through exceptional items was appropriate as the provision was originally recorded as an exceptional. Overall, we found that management was even handed and consistent in its treatment of exceptional credits and debits. We were satisfied that excluding the one-off net profit on disposal or closure of businesses and joint ventures from adjusted profit was consistent with the Group's historical practice. Where other costs were treated as exceptional, we considered whether the Company had complied with its accounting policy and with the financial hurdle set by the Directors below which items of cost and income should not be treated as exceptional. 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 reasonable, 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.
Acquisition accounting for RISI (Group) **Refer to the Audit Committee report on page 52 and to note 15 to the consolidated financial statements.** On 6 April 2017, the Group acquired 100% of the equity share capital of RISI, the leading price reporting agency for the global forecast products market, for approximately £100m. A provisional purchase price allocation exercise has been performed by management, assisted by an external expert. The primary element of the valuation exercise assessed the fair value of identifiable intangible assets in the form of trade name (£24m), customer relationships (£41m) and technology (£1m) along with the related tax impact (£26.6m). Goodwill of £66m was recognised as a result of the acquisition. Judgement was required in identifying and valuing these acquired intangible assets and goodwill and in determining the valuation of the other assets and liabilities acquired.	We obtained and reviewed the sale and purchase agreement (SPA) and due diligence reports to gain an understanding of the key terms of (and business rationale for) the acquisition. In testing the valuation of the intangible assets acquired, we considered whether the identified intangible assets were appropriate by reference to the SPA, due diligence reports and other supporting documentation. Deploying our valuations experts, we engaged with management and with management's third party expert to assess the methodology employed for calculating the fair values of the assets and liabilities and the appropriateness of the key assumptions used, including discount rates. We checked that the material fair value adjustments to the net assets were consistent with the accounting standard requirements. Based on the evidence obtained, we did not identify any indication that the fair value adjustments identified by management were inappropriate or that material fair value adjustments were omitted from management's assessment. We specified certain procedures for our component team to undertake on the opening balance sheet acquired by the Group. We reviewed management's analysis of the impacts of the differences between RISI's accounting policies against the Group's accounting policies and noted no material differences. We read the disclosures in the financial statements to satisfy ourselves that they are in line with the requirements of the relevant accounting standards. As a result of our work, we determined that the acquisition accounting and related disclosures applied by the Group on a provisional basis at 30 September 2017 were appropriate.

Key audit matter	How our audit addressed the key audit matter
Presentation of discontinued operations (Group) **Refer to the Audit Committee report on page 52 and to note 11 to the consolidated financial statements.** In September 2017, the Group announced its plan to explore the sale of its Global Markets Intelligence Division, consisting of CEIC and EMIS (the 'disposal group') after receiving interest from potential buyers. At 30 September 2017, the sale was not completed. The disposal group was presented as held for sale and as a discontinued operation at and for the year ended 30 September 2017 in accordance with IFRS 5. Judgement was required in determining whether CEIC and EMIS met the IFRS 5 criteria for classification as discontinued operations and in assessing the disposal group for impairment.	We have examined minutes of board meetings, written correspondence between the Group and the potential purchasers and communications to the Group's investors. We considered that the classification of assets and liabilities in the disposal group as held for sale and the results of the disposal group as discontinued operations is appropriate and in accordance with IFRS 5. We performed specified audit procedures over the balances and results of the disposal group presented separately in the consolidated income statement and balance sheet at 30 September 2017, including revenue, cash, deferred revenue and accruals. Furthermore, the carrying value of the assets and liabilities of the disposal group has been assessed by reference to the expected sale proceeds less estimated cost to sell. We were satisfied that the net assets of the disposal group were recoverable at 30 September 2017. We assessed the adequacy of the disclosures in the notes to the consolidated financial statements. We considered that the disclosures are appropriate.

How we tailored the audit scope

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

The consolidated financial statements are a consolidation of 87 reporting units, each of which is considered to be a component. We identified four components in the UK, US and Canada that required a full scope audit due to their size. Audit procedures over specific financial statement line items were performed at a further four components in the UK and US to give sufficient audit coverage.

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 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 reporting units 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), Institutional Investor, Inc. (US) and BCA Research, Inc. (Canada) which, in our view, required a full scope audit due to their size.

We performed specified procedures at RISI, Inc. over revenue, trade and other receivables and deferred income, at Fantfoot Limited and Euromoney Canada Limited over cash and cash equivalents, loan notes and borrowings and at Tipall Limited over property, plant and equipment. This ensured that sufficient and 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 meetings with local management. We also had regular dialogue with 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 76% of the Group's revenue, 83% of the Group's statutory profit before tax and 91% of the Group's statutory profit before tax from continuing and discontinued operations, adjusted for certain exceptional 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 in aggregate on the financial statements as a whole.

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

	Group financial statements	Company financial statements
Overall materiality	£4.2m (2016: £4.1m).	£13.5m (2016: £3.7m).
How we determined it	5% of statutory profit before tax for continuing and discontinued operations, adjusted for certain exceptional items.	1% of total assets.
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 exceptional 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. The CEIC and EMIS businesses that are classified as discontinued operations contributed a full year's results and remained part of the Group at 30 September 2017. In our view, it is therefore appropriate to continue to take the profit from discontinued operations into account when determining our materiality.	Based on our professional judgement, total assets is an appropriate measure to assess the performance of the Company and is a generally accepted auditing benchmark for holding companies.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £0.2m and £3.9m. Certain components were audited to local statutory audit materiality levels that were also less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £200,000 for the Group and Company audits (2016: £200,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going concern

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

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the financial statements whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Group's and the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.
We are required to report if the Directors' statement relating to going concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

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

The Directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 57 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The Directors' explanation on page 39 of the Annual Report 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 whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

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

Other Code Provisions

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

- The statement given by the Directors, on pages 56 and 57, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Group and Company obtained in the course of performing our audit.
- The section of the Annual Report on pages 51 and 52 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

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

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on pages 56 and 57, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 29 January 2015 to audit the financial statements for the year ended 30 September 2015. The period of total uninterrupted engagement is three years, covering the years ended 30 September 2015 to 30 September 2017.

Giles Hannam (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 November 2017

Consolidated Income Statement
for the year ended 30 September 2017

	Notes	2017 £000	Restated 2016 £000
CONTINUING OPERATIONS			
Revenue	3	**386,923**	366,062
Operating profit before acquired intangible amortisation and exceptional items	3	**95,253**	91,358
Acquired intangible amortisation	12	**(20,566)**	(16,817)
Exceptional items	5	**(31,253)**	(37,264)
Operating profit	3, 4	**43,434**	37,277
Share of results in associates and joint ventures	14	**(1,890)**	(1,823)
Finance income	7	**3,290**	391
Finance expense	7	**(4,146)**	(2,401)
Net finance costs	7	**(856)**	(2,010)
Profit before tax	3	**40,688**	33,444
Tax expense on profit	8	**(3,390)**	(11,118)
Profit for the year from continuing operations	3	**37,298**	22,326
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	11	**5,889**	8,687
PROFIT FOR THE YEAR		**43,187**	31,013
Attributable to:			
Equity holders of the parent		**42,718**	30,744
Equity non-controlling interests		**469**	269
		43,187	31,013
Earnings per share			
From continuing operations			
Basic	10	**32.74p**	17.44p
Diluted	10	**32.68p**	17.42p
From continuing and discontinued operations			
Basic	10	**37.98p**	24.31p
Diluted	10	**37.91p**	24.29p
Dividend per share (including proposed dividends)	9	**30.60p**	23.40p

A detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 29 to 31.

Following the Group's decision to review the strategic options for the Global Markets Intelligence Division (CEIC and EMIS), these businesses have met the recognition criteria of discontinued operations under IFRS 5 'Non-current assets held for sale and discontinued operations' and are therefore presented as such throughout this report. In order to comply with this presentation, the 2016 Income Statement disclosures have been re-presented separating continuing and discontinued operations (note 11).

Consolidated Statement of Comprehensive Income
for the year ended 30 September 2017

	2017 £000	2016 £000
Profit for the year	**43,187**	31,013
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of cash flow hedges	**2,408**	(9,268)
Transfer of losses/(gains) on cash flow hedges from fair value reserves to Income Statement:		
Foreign exchange losses in total revenue	**9,334**	819
Foreign exchange (gains)/losses in operating profit	**(72)**	1,214
Net exchange differences on translation of net investments in overseas subsidiary undertakings	**(4,875)**	86,984
Net exchange differences on foreign currency loans	**(799)**	(43,401)
Translation reserves recycled to Income Statement	**(285)**	(636)
Tax on items that may be reclassified	**(1,955)**	1,437
Items that will not be reclassified to profit or loss:		
Actuarial losses on defined benefit pension schemes	**(320)**	(7,215)
Tax credit on actuarial losses on defined benefit pension schemes	**54**	1,227
Other comprehensive income for the year	**3,490**	31,161
Total comprehensive income for the year	**46,677**	62,174
Continuing operations	**41,364**	52,273
Discontinued operations	**5,313**	9,901
Total comprehensive income for the year	**46,677**	62,174
Attributable to:		
Equity holders of the parent	**46,399**	60,575
Equity non-controlling interests	**278**	1,599
	46,677	62,174

Movements in cash flow hedges have been reclassified between categories in 2016 in order to ensure consistent presentation with the current year. This reclassification has been explained in note 1.

Consolidated Statement of Financial Position

as at 30 September 2017

	Notes	2017 £000	2016 £000
Non-current assets			
Intangible assets			
Goodwill	12	**399,971**	396,105
Other intangible assets	12	**193,991**	155,034
Property, plant and equipment	13	**17,235**	10,472
Investment in associates	14	**26,820**	29,810
Investment in joint ventures	14	**–**	215
Available-for-sale investments	14	**3,546**	5,835
Convertible loan note	14	**2,503**	–
Deferred consideration	25	**1,570**	526
Deferred tax assets	22	**1,549**	3,886
Other non-current assets		**929**	–
Derivative financial instruments	19	**662**	9
		648,776	601,892
Current assets			
Trade and other receivables	16	**64,483**	73,491
Deferred consideration	25	**419**	–
Current income tax assets		**5,112**	7,112
Group relief receivable		**–**	121
Balance with DMGT group company		**–**	73,639
Cash and cash equivalents (excluding bank overdrafts)		**4,426**	10,561
Derivative financial instruments	19	**2,686**	410
Total assets of businesses held for sale	11	**50,671**	5,013
		127,797	170,347
Current liabilities			
Acquisition commitments	25	**(9,904)**	(326)
Deferred consideration	25	**(350)**	(480)
Trade and other payables	17	**(28,070)**	(23,866)
Current income tax liabilities		**(16,117)**	(21,905)
Group relief payable		**(387)**	–
Accruals		**(67,819)**	(73,375)
Deferred income	18	**(113,487)**	(113,446)
Loan notes	20	**–**	(185)
Bank overdrafts		**–**	(233)
Derivative financial instruments	19	**(1,001)**	(9,671)
Provisions	21	**(337)**	(353)
Total liabilities of businesses held for sale	11	**(29,998)**	(5,549)
		(267,470)	(249,389)
Net current liabilities		**(139,673)**	(79,042)
Total assets less current liabilities		**509,103**	522,850
Non-current liabilities			
Acquisition commitments	25	**(3,221)**	(11,445)
Borrowings	20	**(168,893)**	–
Other non-current liabilities		**(486)**	(486)
Preference shares		**–**	(10)
Deferred income	18	**(3,491)**	(5,340)
Deferred tax liabilities	22	**(23,431)**	(14,179)
Net pension deficit	27	**(9,954)**	(9,995)
Derivative financial instruments	19	**(230)**	(778)
Provisions	21	**(2,600)**	(3,116)
		(212,306)	(45,349)
Net assets		**296,797**	477,501

Consolidated Statement of Financial Position
as at 30 September 2017 continued

	Notes	2017 £000	2016 £000
Shareholders' equity			
Called up share capital	23	**273**	321
Share premium account		**103,147**	102,835
Other reserve		**64,981**	64,981
Capital redemption reserve		**56**	8
Own shares		**(21,005)**	(21,005)
Reserve for share-based payments		**38,395**	37,334
Fair value reserve		**(23,071)**	(34,741)
Translation reserve		**89,269**	95,037
Retained earnings		**35,594**	224,218
Equity shareholders' surplus		**287,639**	468,988
Equity attributable to non-controlling interests		**9,158**	8,513
Total equity		**296,797**	477,501

The financial statements on pages 84 to 143 were approved by the Board of Directors on 22 November 2017 and signed on its behalf by:

Andrew Rashbass
Colin Jones
Directors

Financial statements

Consolidated Statement of Changes in Equity

for the year ended 30 September 2017

	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 30 September 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 (expense)/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 30 September 2016	321	102,835	64,981	8	(21,005)	37,334	(34,741)	95,037	224,218	468,988	8,513	477,501
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**42,718**	**42,718**	**469**	**43,187**
Other comprehensive income/(expense) for the year	**–**	**–**	**–**	**–**	**–**	**–**	**11,670**	**(5,768)**	**(2,221)**	**3,681**	**(191)**	**3,490**
Total comprehensive income/(expense) for the year	**–**	**–**	**–**	**–**	**–**	**–**	**11,670**	**(5,768)**	**40,497**	**46,399**	**278**	**46,677**
Recognition of acquisition commitments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,997)**	**(4,997)**	**–**	**(4,997)**
Non-controlling interest recognised on acquisition	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,525**	**1,525**
Adjustment arising from change in non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(234)**	**(234)**	**(560)**	**(794)**
Credit for share-based payments	**–**	**–**	**–**	**–**	**–**	**1,061**	**–**	**–**	**–**	**1,061**	**–**	**1,061**
Cash dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(30,200)**	**(30,200)**	**(598)**	**(30,798)**
Exercise of share options	**–**	**312**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**312**	**–**	**312**
Share buyback	**(48)**	**–**	**–**	**48**	**–**	**–**	**–**	**–**	**(193,465)**	**(193,465)**	**–**	**(193,465)**
Tax relating to items taken directly to equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(225)**	**(225)**	**–**	**(225)**
At 30 September 2017	**273**	**103,147**	**64,981**	**56**	**(21,005)**	**38,395**	**(23,071)**	**89,269**	**35,594**	**287,639**	**9,158**	**296,797**

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust and Euromoney Employee Share Trust. 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.

	2017 Number	2016 Number
Euromoney Employees' Share Ownership Trust	**58,976**	58,976
Euromoney Employee Share Trust	**1,700,777**	1,700,777
Total	**1,759,753**	1,759,753
Nominal cost per share (p)	**0.25**	0.25
Historical cost per share (£)	**11.94**	11.94
Market value (£000)	**20,607**	19,516

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 30 September 2017

	Notes	2017 £000	2016 £000
Cash flow from operating activities			
Operating profit from continuing operations	3	**43,434**	37,277
Operating profit from discontinued operations	11	**9,200**	10,176
Operating profit		**52,634**	47,453
Long-term incentive expense	24	**985**	1,198
Acquired intangible amortisation	12	**20,815**	16,733
Licences and software amortisation	12	**3,965**	3,675
Depreciation of property, plant and equipment	13	**3,202**	2,806
Loss/(profit) on disposal of property, plant and equipment		**15**	(4)
Impairment charge	5	**29,649**	28,750
Recognition of deficit on defined benefit scheme	5	**–**	1,249
Profit on disposal of businesses/joint ventures	5	**(2,931)**	(7,094)
Decrease in provisions	21	**(528)**	(387)
Operating cash flows before movements in working capital		**107,806**	94,379
Decrease in receivables		**3,483**	1,719
Increase in payables		**6,912**	7,666
Cash generated from operations		**118,201**	103,764
Income taxes paid		**(21,791)**	(17,242)
Group relief tax received		**–**	549
Net cash generated from operating activities		**96,410**	87,071
Investing activities			
Dividends received from associate		**–**	83
Interest received		**254**	699
Purchase of intangible assets	12	**(1,987)**	(2,402)
Purchase of property, plant and equipment	13	**(10,928)**	(3,231)
Proceeds from disposal of property, plant and equipment		**3**	20
Purchase of subsidiary undertaking, net of cash acquired	15	**(102,700)**	(14,092)
Proceeds from disposal of business	15	**4,217**	10,796
Purchase of associates and joint venture	14	**(553)**	(180)
Receipt of deferred consideration	25	**1,386**	662
Payment of deferred consideration	25	**(833)**	–
Purchase of convertible loan note	14	**(2,503)**	–
Proceeds from redemption of preference share capital		**–**	14,370
Net cash (used in)/from investing activities		**(113,644)**	6,725
Financing activities			
Dividends paid	9	**(30,200)**	(29,592)
Dividends paid to non-controlling interests		**(598)**	(391)
Interest paid		**(5,027)**	(1,121)
Issue of new share capital	23	**312**	279
Share buyback		**(193,465)**	–
Increase in borrowings		**178,504**	–
Purchase of additional interest in subsidiary undertakings		**(1,266)**	(367)
Redemption of loan notes	20	**(185)**	(82)
DMGT financing facility receipts/(payment)		**73,618**	(62,326)
Net cash generated from/(used in) financing activities		**21,693**	(93,600)
Net increase in cash and cash equivalents		**4,459**	196
Cash and cash equivalents at beginning of year		**10,328**	8,148
Effect of foreign exchange rate movements		**(515)**	1,984
Cash and cash equivalents classified as held for sale	11	**(9,846)**	–
Cash and cash equivalents at end of year		**4,426**	10,328

Cash and cash equivalents include bank overdrafts. This statement includes discontinued operations (note 11).

Note to the Consolidated Statement of Cash Flows

	2017 £000	2016 £000
Net (debt)/cash		
At 1 October	**83,782**	17,680
Net increase in cash and cash equivalents	**4,459**	196
Increase in borrowings	**(178,504)**	–
DMGT financing facility (receipts)/payment	**(73,618)**	62,326
Redemption of loan notes	**185**	82
Effect of foreign exchange rate movements	**9,075**	3,498
At 30 September	**(154,621)**	83,782
Net (debt)/cash comprises:		
Cash at bank and in hand	**4,426**	10,561
Bank overdrafts	**–**	(233)
Classified as held for sale	**9,846**	–
Total cash and cash equivalents	**14,272**	10,328
Borrowings	**(168,893)**	–
Balance with DMGT group company	**–**	73,639
Loan notes	**–**	(185)
Net (debt)/cash	**(154,621)**	83,782

Notes to the Consolidated Financial Statements

1 Accounting policies

General information

Euromoney Institutional Investor PLC (the 'Company') is a public company limited by shares and incorporated in England and Wales, United Kingdom (UK). The address of the registered office is 8 Bouverie Street, London, EC4Y 8AX, 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 interpretations issued by the IFRS Interpretations Committee (IFRS IC) 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' – the mandatory effective date of implementation is 1 January 2018
- IFRS 15 'Revenue from Contracts with Customers' – the mandatory effective date of implementation is 1 January 2018
- IFRS 16 'Leases' – subject to EU endorsement, the mandatory effective date of implementation is 1 January 2019
- Amendments to IAS 12 'Income Taxes' – the mandatory effective date of implementation is 1 January 2017
- Amendments to IAS 7 'Statement of Cash Flows' – the mandatory effective date of implementation is 1 January 2017

Other than IFRS 16, the adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group's financial statements. The Directors are in the process of evaluating the impact of these standards. The Group will adopt IFRS 9 and IFRS 15 with effect from 1 October 2018 and IFRS 16 with effect from 1 October 2019.

IFRS 9: Adopting IFRS 9 'Financial Instruments' will impact hedge accounting and receivables provisioning. The basis of documentation and effectiveness testing of hedges under the new standard will be linked more closely to the risk management objectives, which may generate different levels of ineffectiveness than the current testing under IAS 39. Receivables provisioning will move from an incurred to an expected loss model. The Group's largest exposure is trade receivables, which had a gross value of £50.9m at 30 September 2017. No material impact is anticipated for high credit quality balances settled on agreed terms. However, the new model could impact the timing and value of provision recognition on higher risk balances. The Group has available-for-sale financial assets recognised at cost and is evaluating the impact of IFRS 9 on this treatment.

IFRS 15: Management is evaluating the impact of 'IFRS 15 Revenue from Contracts with Customers' at contract level to confirm the full impact of adopting this standard. The implementation of IFRS 15 is complex due to the Group's large number of revenue streams. IFRS 15 could impact the timing of revenue recognition due to enhanced guidance around performance obligations and timing of revenue recognition. Management favours the modified retrospective transition method. This method recognises the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance sheet in the period of initial application and comparative periods would not be adjusted.

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.

Following the Group's decision to explore the strategic options for the Global Markets Intelligence Division (CEIC and EMIS), these businesses have met the recognition criteria of discontinued operations under IFRS 5 'Non-current assets held for sale and discontinued operations' and are therefore presented as such throughout this report. In order to comply with this presentation, the 2016 Income Statement disclosures have been re-presented separating continuing and discontinued operations.

Following a review of the Consolidated Statement of Comprehensive Income, the Group has revised 2016 comparatives to ensure consistent and appropriate classification. This reclassification has no impact on the total comprehensive income for 2016 but increases the change in fair value of cash flow hedges by £4.1m from a loss of £5.2m to a loss of £9.3m with a corresponding adjustment to the transfer of gains/losses on cash flow hedges from fair value reserves to the Income Statement from a transfer of gains of £2.1m to a transfer of losses of £2.0m.

Advertising revenues for 2016 have been restated by £1.3m to include consulting income which was previously reported as part of delegates revenue.

(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.

1 Accounting policies continued

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. Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

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.

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.

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.

Non-current assets classified as held for sale

Where the carrying value of a non-current asset is expected to be principally recovered through its sale, the asset is classified as held for sale if it also meets the following:

- the asset is available for sale in its current condition;
- the sale is highly probable; and
- the sale is expected to occur within one year.

Once classified as held for sale, the asset is held at the lower of its carrying value and the fair value less cost to sell and is no longer depreciated.

Discontinued operations

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

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

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

When an operation is classified as a discontinued operation, the comparative Income Statement and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

1 Accounting policies continued

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 other comprehensive income 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 of such investments are taken to other comprehensive income. 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 other comprehensive income. 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 as follows:

Long-term leasehold premises	over term of lease
Short-term leasehold premises	over term of lease
Plant and equipment	3 – 25 years

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 Statement of Financial Position are retranslated into sterling at the applicable period end exchange rates. Any exchange differences arising are taken directly to other comprehensive income 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 1 October 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 charged to the Income Statement 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 as follows:

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

1 Accounting policies continued

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.

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 Statement of Financial Position.

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 Statement of Financial Position 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.

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 held at amortised cost.

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. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

All derivative instruments are recorded in the Statement of Financial Position at fair value. Changes in the fair value of derivative instruments which do not qualify for hedge accounting are recognised immediately in the Income Statement.

Where the derivative instruments do qualify for hedge accounting, the following treatments are applied:

Fair value hedges
Changes in the fair value of the hedging instrument are recognised in the Income Statement for the year together with the changes in the fair value of the hedged item due to the hedged risk, to the extent the hedge is effective. When the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, hedge accounting is discontinued.

Cash flow hedges
Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and the ineffective portion is recognised immediately in the Income Statement.

If a hedged firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time that the asset or liability is recognised, the associated gains and losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the Income Statement in the same period in which the hedged item affects the Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, revoked, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in equity is included in the Income Statement for the period.

Net investment hedges
Exchange differences arising from the translation of the net investment in foreign operations are recognised directly in other comprehensive income in the translation reserve. Gains and losses arising from changes in the fair value of the hedging instruments are recognised in other comprehensive income to the extent that the hedging relationship is effective. Any ineffectiveness is recognised immediately in the Income Statement for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Gains and losses accumulated in the translation reserve are included in the Income Statement on disposal of the foreign operation.

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.

1 Accounting policies continued

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 Statement of Comprehensive Income and equity, in which case the deferred tax is also dealt with in 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
Payments to the defined contribution pension plan are charged to the Income Statement as they fall due.

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.

Other movements in the net deficit are recognised in the Income Statement, including the current service cost and past service cost and the effect of any curtailment or settlements. The interest cost less the expected return of assets is also charged to the Income Statement within net finance costs.

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. On exercise of equity settled options, the Group either issues additional shares, leading to an increase in share capital and share premium, or reduces the amount of own shares held.

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

- Subscription revenues are recognised in the Income Statement on a straight-line basis over the period of the subscription. Subscription revenues contain 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.

- Advertising revenues are recognised in the Income Statement on the date of publication, where applicable, or in the case of an ad hoc project, when the deliverable has been sent to the customer. Advertising 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, to commission ad hoc consulting and thought leadership projects, and to purchase survey reports.

1 Accounting policies continued

- 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 Employee 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, 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 adjusted trading performance of the Group. Such items could include, but may not be limited to, costs associated with business combinations, gains and losses on the disposal of businesses and properties, significant reorganisation or restructuring costs and impairment of goodwill and acquired intangible assets. Any item classified as an exceptional item will be large and unusual, not attributable to underlying operations and will be subject to specific quantitative and qualitative thresholds set by and approved by the Directors prior to being classified as exceptional.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the Board and CEO 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 judgements 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.

Estimates
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 estimation 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 30 September 2017, the discounted present value of these acquisition commitments was £13.1m (2016: £11.8m). A one percentage point increase or decrease in growth rate in estimating the expected profits, results in the acquisition commitment at 30 September 2017 increasing or decreasing by £0.2m with the corresponding change to the value charged or credited to the Income Statement in future periods. The potential undiscounted amount of all future payments that the Group could be required to make under the acquisition contingent consideration arrangements is disclosed in note 25.

2 Key judgemental areas adopted in preparing these financial statements
continued

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 estimation 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. The sensitivity analysis is disclosed in note 12. Goodwill held on the Statement of Financial Position at 30 September 2017 was £400.0m (2016: £396.1m).

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 estimation 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 30 September 2017 was £30.4m (2016: £35.9m) of which the most significant is Dealogic of £26.2m (2016: £29.0m).

The investments were tested for impairment and as a result an impairment charge of £2.3m was recognised for the Estimize available-for-sale investment for the year ended 30 September 2017 (note 14).

The methodology applied to Dealogic's value in use calculation was based on post-tax cash flows using Dealogic's board approved budget for 2017 to 2021, a post-tax discount rate of 9% and a long-term nominal growth rate of 2%. Significant headroom was identified as a result of this calculation and is not sensitive to reasonably possible changes in key assumptions.

Taxation

The Group's tax expense on profit is the sum of the total current and deferred tax expense. The calculation of the 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.

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 30 September 2017 of £1.9m (2016: £2.6m) 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 30 September 2017 of £8.3m (2016: £9.9m). 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 challenges by tax authorities not provided for is approximately £28m if all cases were to be settled at the maximum potential liability. These additional exposures include challenges by: the Canadian Revenue Agency ('CRA') on a foreign currency trade in 2009, which has a maximum exposure of £20m; and the UK's HMRC on a share-for-share exchange related to the Group's investment in Dealogic, which has a maximum exposure of £11m of which £2.8m has been provided. On 23 October 2017, the CRA issued a Notice of Reassessment to BCA Research Inc ('BCA') based on the CRA view that the loss sustained by BCA on an intra-group derivative transaction cannot be deducted in computing income. Management is confident that BCA will be able to overturn these reassessments through the normal litigation process, which has already begun. Nonetheless, BCA is obligated either to pay one-half of the consequential tax owing amounting to £3.5m or to provide security for payment satisfactory to the CRA.

2 Key judgemental areas adopted in preparing these financial statements continued

Indirect tax
In 2016, an incremental provision of £7.9m in relation to open indirect tax items (including interest) was recognised as an exceptional item increasing the Group's provision for this exposure, including interest, to £9.5m. This represented the maximum estimated liability in relation to a potential overseas sales tax exposure based on an adverse tax ruling. In 2017, £3.9m of this provision was released to exceptional items (note 5) following settlement of £4.0m leaving a provision of £1.6m to cover open audit periods. In addition, the Group reviews and assesses other indirect tax exposures across the Group and a £4.4m 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 and related sensitivities used are shown in note 27. Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes. The discount rate for 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. At 30 September 2016 this methodology incorporated bonds given an AA rating from at least one of the main four rating agencies (Standard & Poor's, Moody's, Fitch and DBRS). At 30 September 2017 the methodology reverted back to incorporated bonds given an AA rating from at least two of the four main rating agencies, as used in years prior to 30 September 2016. The impact of this change in accounting estimate is to increase the defined benefit obligation and net pension obligation reported on the Statement of Financial Position as at 30 September 2017 by £1.8m.

Judgements
Discontinued operations and disposal groups classified as held for sale
Following the Group's decision to explore the strategic options for the Global Markets Intelligence Division (CEIC and EMIS), these businesses have met the recognition criteria of a discontinued operation under IFRS 5 'Non-current assets held for sale and discontinued operations' and are therefore presented as such throughout this report. In order to comply with this presentation, the 2016 Income Statement disclosures have been re-presented separating continuing and discontinued operations (note 11).

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 and are the basis on which executive management is incentivised. 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 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. In 2017, 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 detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 29 to 31.

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 the financial statements at 30 September 2016, examined all evidence, including its own management investigation and Deloitte & Touche LLP Australia's findings, and has made the judgement that no further amounts are payable under the share purchase agreement for CIE. There has been no change to this judgement in 2017 and legal proceedings are continuing.

3 Segmental analysis

Segmental information is presented in respect of the Group's segments and reflects the Group's management and internal reporting structure. The Group is organised into four segments: Asset management; Pricing, data & market intelligence; Banking & finance; and Commodity events.

Asset management and pricing, data & market intelligence consist primarily of subscription revenue. Banking & 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.

During the year, the Group sold HedgeFund Intelligence, II Intelligence, Euromoney Indices and LatinFinance (note 15). As a result segment information for these businesses has been reclassified as sold businesses and the comparative split of segmental revenues, revenue by type, operating profits, acquired intangible amortisation, exceptional items and depreciation and amortisation has been restated.

In addition, advertising revenues for 2016 have been restated by £1.3m to include consulting income which was previously reported as part of delegates revenue.

The Global Markets Intelligence Division (CEIC and EMIS) has been classified as discontinued operations (note 11) and therefore presented as such throughout this report. The 2016 Income Statement disclosures have been re-presented separating continuing and discontinued operations. These businesses are reported within the Pricing, data & market intelligence segment.

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.

2017	**Subscriptions and content £000**	**Advertising £000**	**Sponsorship £000**	**Delegates £000**	**Other £000**	**Total revenue £000**
Revenue by segment and type:						
Asset management	**138,205**	**14,212**	**16,109**	**3,210**	**69**	**171,805**
Pricing, data & market intelligence	**113,905**	**16,693**	**14,442**	**18,996**	**1,466**	**165,502**
Banking & finance	**8,852**	**9,825**	**28,061**	**21,665**	**1,361**	**69,764**
Commodity events	**16**	**4**	**6,025**	**20,804**	**585**	**27,434**
	260,978	**40,734**	**64,637**	**64,675**	**3,481**	**434,505**
Sold/closed businesses	**–**	**–**	**–**	**–**	**4,716**	**4,716**
Foreign exchange losses on forward contracts	**–**	**–**	**–**	**–**	**(10,808)**	**(10,808)**
Total revenue	**260,978**	**40,734**	**64,637**	**64,675**	**(2,611)**	**428,413**
Continuing operations	**219,520**	**40,734**	**64,637**	**64,675**	**(2,643)**	**386,923**
Discontinued operations	**41,458**	**–**	**–**	**–**	**32**	**41,490**
Total revenue	**260,978**	**40,734**	**64,637**	**64,675**	**(2,611)**	**428,413**

2016	Subscriptions and content £000	Advertising £000	Sponsorship £000	Delegates £000	Other £000	Total revenue £000
Revenue by segment and type:						
Asset management	125,562	14,072	14,024	2,988	99	156,745
Pricing, data & market intelligence	87,165	16,417	11,127	15,996	1,426	132,131
Banking & finance	8,433	8,375	27,352	22,410	1,482	68,052
Commodity events	45	10	5,739	22,902	565	29,261
	221,205	38,874	58,242	64,296	3,572	386,189
Sold/closed businesses	–	–	–	–	22,141	22,141
Foreign exchange losses on forward contracts	–	–	–	–	(5,218)	(5,218)
Total revenue	221,205	38,874	58,242	64,296	20,495	403,112
Continuing operations	184,250	38,874	58,242	64,296	20,400	366,062
Discontinued operations	36,955	–	–	–	95	37,050
Total revenue	221,205	38,874	58,242	64,296	20,495	403,112

3 Segmental analysis continued

	United Kingdom		North America		Rest of World		Eliminations		Total	
	2017 £000	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000
Revenue by segment and source:										
Asset management	**2,937**	3,095	**166,126**	151,883	**3,099**	2,531	**(357)**	(764)	**171,805**	156,745
Pricing, data & market intelligence	**104,413**	92,529	**32,428**	18,722	**33,164**	26,286	**(4,503)**	(5,406)	**165,502**	132,131
Banking & finance	**41,072**	41,200	**25,938**	22,387	**3,360**	5,434	**(606)**	(969)	**69,764**	68,052
Commodity events	**18,426**	20,206	**–**	–	**9,008**	9,055	**–**	–	**27,434**	29,261
	166,848	157,030	**224,492**	192,992	**48,631**	43,306	**(5,466)**	(7,139)	**434,505**	386,189
Sold/closed businesses	**2,429**	11,685	**2,309**	10,967	**–**	–	**(22)**	(511)	**4,716**	22,141
Foreign exchange losses on forward contracts	**(10,808)**	(5,218)	**–**	–	**–**	–	**–**	–	**(10,808)**	(5,218)
Total revenue	**158,469**	163,497	**226,801**	203,959	**48,631**	43,306	**(5,488)**	(7,650)	**428,413**	403,112
Continuing operations	**154,031**	159,038	**218,358**	196,405	**20,022**	18,269	**(5,488)**	(7,650)	**386,923**	366,062
Discontinued operations	**4,438**	4,459	**8,443**	7,554	**28,609**	25,037	**–**	–	**41,490**	37,050
Total revenue	**158,469**	163,497	**226,801**	203,959	**48,631**	43,306	**(5,488)**	(7,650)	**428,413**	403,112
Total revenue by destination	**44,620**	50,893	**199,319**	183,587	**184,474**	168,632	**–**	–	**428,413**	403,112

	United Kingdom		North America		Rest of World		Total	
	2017 £000	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000
Adjusted operating profit[1] by segment and source:								
Asset management	**490**	506	**62,859**	54,014	**935**	672	**64,284**	55,192
Pricing, data & market intelligence	**29,842**	29,817	**14,432**	8,713	**6,980**	5,310	**51,254**	43,840
Banking & finance	**5,327**	3,003	**8,482**	7,224	**30**	313	**13,839**	10,540
Commodity events	**6,043**	5,466	**–**	–	**874**	2,551	**6,917**	8,017
Sold/closed businesses	**80**	1,114	**(85)**	598	**–**	–	**(5)**	1,712
Unallocated corporate costs	**(25,140)**	(12,386)	**(2,386)**	(4,654)	**(1,624)**	(811)	**(29,150)**	(17,851)
Operating profit[1]	**16,642**	27,520	**83,302**	65,895	**7,195**	8,035	**107,139**	101,450
Discontinued operations	**(762)**	(197)	**4,160**	3,605	**8,488**	6,684	**11,886**	10,092
Continuing operations	**17,404**	27,717	**79,142**	62,290	**(1,293)**	1,351	**95,253**	91,358
Acquired intangible amortisation[2] (note 12)	**(7,338)**	(6,886)	**(13,126)**	(9,882)	**(102)**	(49)	**(20,566)**	(16,817)
Exceptional items (note 5)	**(7,164)**	(31,297)	**(21,414)**	(4,409)	**(2,675)**	(1,558)	**(31,253)**	(37,264)
Operating profit/(loss)	**2,902**	(10,466)	**44,602**	47,999	**(4,070)**	(256)	**43,434**	37,277
Share of results in associates and joint ventures (note 14)							**(1,890)**	(1,823)
Finance income (note 7)							**3,290**	391
Finance expense (note 7)							**(4,146)**	(2,401)
Profit before tax							**40,688**	33,444
Tax expense on profit (note 8)							**(3,390)**	(11,118)
Profit for the year from continuing operations							**37,298**	22,326

1 Operating profit including discontinued operations before acquired intangible amortisation and exceptional items. A detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 29 to 31.

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 2017 £000	Acquired intangible amortisation 2016 £000	Exceptional items 2017 £000	Exceptional items 2016 £000	Depreciation and amortisation 2017 £000	Depreciation and amortisation 2016 £000
Other segmental information by segment:						
Asset management	**(10,725)**	(9,426)	**(29,992)**	(3,292)	**(1,806)**	(1,458)
Pricing, data & market intelligence	**(6,661)**	(3,946)	**(1,582)**	(8,987)	**(292)**	(16)
Banking & finance	**(235)**	(209)	**–**	(280)	**–**	–
Commodity events	**(2,665)**	(2,186)	**(89)**	(13,056)	**(139)**	(65)
Sold/closed businesses	**–**	(763)	**2,930**	(659)	**(1)**	(19)
Unallocated corporate costs	**(280)**	(287)	**(2,520)**	(10,990)	**(4,444)**	(4,615)
Continuing operations	**(20,566)**	(16,817)	**(31,253)**	(37,264)	**(6,682)**	(6,173)
Discontinued operations	**(249)**	84	**(2,437)**	–	**(485)**	(308)
Total	**(20,815)**	(16,733)	**(33,690)**	(37,264)	**(7,167)**	(6,481)

	United Kingdom 2017 £000	United Kingdom 2016 £000	North America 2017 £000	North America 2016 £000	Rest of World 2017 £000	Rest of World 2016 £000	Total 2017 £000	Total 2016 £000
Non-current assets (excluding derivative financial instruments, deferred consideration and deferred tax assets) by location:								
Goodwill	**103,715**	99,751	**289,079**	288,680	**7,177**	7,674	**399,971**	396,105
Other intangible assets	**61,024**	66,519	**132,416**	86,972	**551**	1,543	**193,991**	155,034
Property, plant and equipment	**5,913**	6,894	**10,724**	2,785	**598**	793	**17,235**	10,472
Investments	**30,366**	35,860	**–**	–	**–**	–	**30,366**	35,860
Non-current assets	**201,018**	209,024	**432,219**	378,437	**8,326**	10,010	**641,563**	597,471
Additions to property, plant and equipment	**(337)**	(993)	**(9,834)**	(2,275)	**(757)**	(494)	**(10,928)**	(3,762)

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.

4 Operating profit

	Continuing operations 2017 £000	Discontinued operations 2017 £000	Total 2017 £000	Continuing operations 2016 £000	Discontinued operations 2016 £000	Total 2016 £000
Revenue	**386,923**	**41,490**	**428,413**	366,062	37,050	403,112
Cost of sales	**(96,900)**	**(7,678)**	**(104,578)**	(99,430)	(8,384)	(107,814)
Gross profit	**290,023**	**33,812**	**323,835**	266,632	28,666	295,298
Distribution costs	**(2,261)**	**(51)**	**(2,312)**	(2,720)	(49)	(2,769)
Administrative expenses	**(244,328)**	**(24,561)**	**(268,889)**	(226,635)	(18,441)	(245,076)
Operating profit	**43,434**	**9,200**	**52,634**	37,277	10,176	47,453

Administrative expenses include items separately disclosed in exceptional items from continuing operations of £31.3m (2016: £37.3m) and discontinued operations of £2.4m (2016: £nil) (note 5).

4 Operating profit continued

	Continuing operations 2017 £000	Discontinued operations 2017 £000	Total 2017 £000	Continuing operations 2016 £000	Discontinued operations 2016 £000	Total 2016 £000
Profit is stated after charging/(crediting):						
Staff costs (note 6)	163,227	16,974	180,201	150,922	13,892	164,814
Intangible amortisation:						
Acquired intangible amortisation	20,566	249	20,815	16,817	(84)	16,733
Licences and software	3,709	256	3,965	3,525	150	3,675
Depreciation of property, plant and equipment	2,973	229	3,202	2,648	158	2,806
Property operating lease rentals	9,682	773	10,455	9,315	796	10,111
Loss/(profit) on disposal of property, plant and equipment	16	(1)	15	1	(5)	(4)
Exceptional items (note 5):						
Profit on disposal of businesses/joint ventures	(2,931)	–	(2,931)	(7,094)	–	(7,094)
Impairment charges	29,649	–	29,649	28,750	–	28,750
(Release)/provision for overseas sales tax	(3,868)	–	(3,868)	7,851	–	7,851
Recognition of deficit on defined benefit scheme	–	–	–	1,249	–	1,249
Restructuring and other exceptional costs	8,403	2,437	10,840	6,508	–	6,508
Foreign exchange loss/(gain)	69	324	393	(1,174)	(747)	(1,921)

	2017 £000	2016 £000
Audit and non-audit services relate to:		
Group audit:		
Fees payable for the audit of the Group's annual accounts	726	714
Fees payable for other services to the Group:		
Audit of subsidiaries pursuant to local legislation	305	334
	1,031	1,048
Assurance services:		
Audit related assurance services	117	128
Non-audit services:		
Taxation compliance services	6	33
Other taxation advisory services	–	67
Other assurance services	195	–
Other services	44	92
	245	192
Total Group auditor's remuneration	1,393	1,368

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.

	2017 £000	2016 £000
Profit on disposal of businesses/joint ventures	2,931	7,094
Impairment charges	(29,649)	(28,750)
Release/(provision) for overseas sales tax	3,868	(7,851)
Recognition of deficit on defined benefit scheme	–	(1,249)
Restructuring and other exceptional costs	(8,403)	(6,508)
Continuing operations	(31,253)	(37,264)
Discontinued operations	(2,437)	–
Total	(33,690)	(37,264)

For the year ended 30 September 2017 the Group recognised a continuing operations exceptional charge of £31.3m.

The Group sold HedgeFund Intelligence (loss £4k), II Intelligence (profit £2.2m), Euromoney Indices (loss £1.8m) and LatinFinance (profit £3.4m), resulting in a net profit of £3.8m (note 15). The disposal of the joint ventures Institutional Investor Zanbato Limited and EIIZ Discovery LLC resulted in a loss of £0.9m (note 14).

A goodwill impairment charge of £27.4m relates to Ned Davis Research (NDR) (note 12). The impairment of NDR stems from a disappointing financial performance of the business in the face of tough market conditions and management changes in the first half of 2017. An available-for-sale investment impairment of £2.3m relates to Estimize, Inc (note 14).

Notes to the Consolidated Financial Statements
Continued

5 Exceptional items continued

An element of the provision for overseas sales tax was released resulting in a credit of £3.9m, following settlement of the sales tax exposure (including interest). Given that the provision was classified as exceptional in 2016, the release of the surplus provision has been consistently treated as exceptional in 2017.

Restructuring and other exceptional costs consist of professional fees associated with the placement element of the share buyback transaction with Daily Mail and General Trust plc (DMGT); professional fees from the legal dispute with the previous owners of Centre for Investor Education (CIE); incremental costs relating to the relocation of the New York office; and the acquisition-related costs of RISI (note 15). These costs for RISI were treated as exceptional due to the significance of the acquisition. Acquisition costs for smaller acquisitions have not been treated as exceptional. No severance costs have been treated as exceptional items in 2017.

The Group's tax charge includes a related tax credit on the continuing operations exceptional items of £10.1m (note 8).

The discontinued operations have incurred exceptional costs to engage with advisors to assist with the strategic review of the Global Markets Intelligence Division. These exceptional costs of £2.4m have been disclosed separately (note 11). The Group's tax charge includes a related tax charge on the discontinued operations exceptional items of £1.1m (note 8).

For the year ended 30 September 2016 the Group recognised a continuing operations exceptional charge of £37.3m.

The Group sold 100% of its equity shareholding of Gulf Publishing and Petroleum Economist which gave rise to a profit on disposal of £7.1m.

A goodwill impairment charge related to Mining Indaba (£12.9m), HFI (£5.9m), and Total Derivatives (£8.2m). An intangibles impairment charge of £1.7m related to Euromoney Indices. 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.

The Group recognised a provision for overseas sales tax of £7.9m following an adverse tax ruling in June 2016.

The Group recognised its share of the deficit in the Harmsworth Pension Scheme (HPS), a defined benefit scheme, of £1.2m.

Restructuring and other exceptional costs mostly comprised costs incurred as a result of the strategic review undertaken during the year and professional fees from the CIE legal dispute.

The Group's tax charge includes a related tax credit on the continuing operations exceptional items of £5.3m (note 8).

6 Staff costs

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

	2017 Monthly average	2016 Monthly average
By business segment:		
Asset management	**540**	631
Pricing, data & market intelligence	**539**	413
Banking & finance	**210**	293
Commodity events	**76**	87
Central	**334**	349
Continuing operations	**1,699**	1,773
Discontinued operations	**488**	489
Total	**2,187**	2,262

	2017 Monthly average	2016 Monthly average
By geographical location:		
United Kingdom	**800**	867
North America	**671**	710
Rest of World	**228**	196
Continuing operations	**1,699**	1,773
Discontinued operations	**488**	489
Total	**2,187**	2,262

6 Staff costs continued

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

	Continuing operations 2017 £000	Discontinued operations 2017 £000	Total 2017 £000	Continuing operations 2016 £000	Discontinued operations 2016 £000	Total 2016 £000
Wages and salaries	148,528	15,314	163,842	136,380	12,489	148,869
Social security costs	10,609	1,344	11,953	10,280	1,144	11,424
Other pension costs (note 27)	3,105	316	3,421	3,064	259	3,323
Long-term incentive expense (note 24)	985	–	985	1,198	–	1,198
	163,227	16,974	180,201	150,922	13,892	164,814

Details of Directors' remuneration have been disclosed in the Directors' Remuneration Report on pages 58 to 73.

7 Finance income and expense

	2017 £000	Restated 2016 £000
Finance income		
Interest on cash deposit with DMGT group company	137	391
Interest receivable from short-term investments	6	–
Movements in acquisition commitments (note 25)	2,970	–
Movements in deferred consideration (note 25)	177	–
	3,290	391
Finance expense		
Interest payable on committed borrowings with DMGT group company	(152)	(1,346)
Interest payable on borrowings	(3,656)	–
Net interest expense on defined benefit liability (note 27)	(202)	(66)
Movements in acquisition commitments (note 25)	–	(601)
Interest on tax	(136)	(388)
	(4,146)	(2,401)
Continuing operations net finance costs	(856)	(2,010)
Discontinued operations net finance income	33	302
Total net finance costs	(823)	(1,708)

	2017 £000	Restated 2016 £000
Reconciliation of net finance costs in Income Statement to adjusted net finance costs		
Continuing operations net finance costs in Income Statement	(856)	(2,010)
Add back:		
Movements in acquisition commitments	(2,970)	601
Movements in deferred consideration	(177)	–
	(3,147)	601
Continuing operations adjusted net finance costs	(4,003)	(1,409)
Discontinued operations adjusted net finance income	33	302
Total adjusted net finance costs	(3,970)	(1,107)

The reconciliation of net finance costs 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 (page 30).

Charges and credits relating to the movements in acquisition commitments and deferred consideration reflect future payments and receipts expected on historical transactions that do not directly relate to the current year results.

8 Tax expense on profit

	Continuing operations 2017 £000	Discontinued operations 2017 £000	Total 2017 £000	Continuing operations 2016 £000	Discontinued operations 2016 £000	Total 2016 £000
Current tax expense						
UK corporation tax expense	**478**	**44**	**522**	2,350	–	2,350
Foreign tax expense	**13,899**	**2,193**	**16,092**	19,022	1,660	20,682
Adjustments in respect of prior years	**(2,193)**	**105**	**(2,088)**	(150)	136	(14)
	12,184	**2,342**	**14,526**	21,222	1,796	23,018
Deferred tax expense						
Current year	**(8,543)**	**1,003**	**(7,540)**	(11,071)	(5)	(11,076)
Adjustments in respect of prior years	**(251)**	**(1)**	**(252)**	967	–	967
	(8,794)	**1,002**	**(7,792)**	(10,104)	(5)	(10,109)
Tax expense in Income Statement	**3,390**	**3,344**	**6,734**	11,118	1,791	12,909
Effective tax rate	**8%**	**36%**	**13%**	33%	17%	29%

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

	Continuing operations 2017 £000	Discontinued operations 2017 £000	Total 2017 £000	Continuing operations 2016 £000	Discontinued operations 2016 £000	Total 2016 £000
Reconciliation of tax expense in Income Statement to adjusted tax expense						
Total tax expense in Income Statement	**3,390**	**3,344**	**6,734**	11,118	1,791	12,909
Add back:						
Tax on acquired intangible amortisation	**5,327**	**44**	**5,371**	4,386	11	4,397
Tax on exceptional items	**10,088**	**(1,065)**	**9,023**	5,267	–	5,267
	15,415	**(1,021)**	**14,394**	9,653	11	9,664
Tax on goodwill and intangible amortisation	**(4,611)**	**–**	**(4,611)**	(4,210)	–	(4,210)
Share of tax on profits of associates and joint ventures	**988**	**–**	**988**	656	–	656
Adjustments in respect of prior years	**2,444**	**(104)**	**2,340**	(817)	(136)	(953)
	14,236	**(1,125)**	**13,111**	5,282	(125)	5,157
Adjusted tax expense	**17,626**	**2,219**	**19,845**	16,400	1,666	18,066
Adjusted profit before tax			**106,462**			102,529
Adjusted effective tax rate			**19%**			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 adjusting items that reconcile statutory to adjusted profit. A detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 29 to 31. However, the current tax effect of goodwill and intangible items is not removed. The current tax benefit of tax deductible goodwill and intangible items 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. It would only crystallise in the event of a disposal, and that is not expected. Adjustments in respect of prior years are excluded on the basis that the adjusted tax expense should reflect the tax rate of the Group for the current year after removing exceptional items. Share of tax on profits of associates and joint ventures is calculated on the adjusted profits of associates and joint ventures and excludes tax on exceptional items consistent with the Group's historical approach and policy.

8 Tax expense on profit continued

The actual tax expense for the year is different from the UK blended rate of 19.5% of profit before tax for the reasons set out in the following reconciliation:

	Continuing operations 2017 £000	Discontinued operations 2017 £000	Total 2017 £000	Continuing operations 2016 £000	Discontinued operations 2016 £000	Total 2016 £000
Profit before tax	**40,688**	**9,233**	**49,921**	33,443	10,479	43,922
Tax at 19.5% (2016: 20%)	**7,935**	**1,800**	**9,735**	6,688	2,096	8,784
Factors affecting tax charge:						
Different tax rates of subsidiaries operating in overseas jurisdictions	**2,814**	**972**	**3,786**	4,827	(441)	4,386
Share of tax on associates and joint ventures	**369**	**–**	**369**	365	–	365
Non-taxable income	**(1,588)**	**–**	**(1,588)**	(400)	–	(400)
Goodwill and intangibles	**152**	**–**	**152**	2,591	–	2,591
Disallowable expenditure	**1,381**	**468**	**1,849**	1,964	–	1,964
Other items deductible for tax purposes	**(5,100)**	**–**	**(5,100)**	(5,340)	–	(5,340)
Tax impact of consortium relief	**(129)**	**–**	**(129)**	(544)	–	(544)
Impact of change in rate	**–**	**–**	**–**	150	–	150
Adjustments in respect of prior years	**(2,444)**	**104**	**(2,340)**	817	136	953
Total tax expense for the year	**3,390**	**3,344**	**6,734**	11,118	1,791	12,909

The non-taxable income of £1.6m (2016: £0.4m) arises from the disposal of shares in a subsidiary.

The other items deductible for tax purposes of £5.1m (2016: £5.3m) arise as a result of financing arrangements that result in asymmetrical tax treatment in the territories involved, primarily from debt financing provided to US affiliates. These items are expected to recur in the short to medium term.

Goodwill and intangibles for the year ended 30 September 2017 are £0.2m. The 2016 goodwill and intangibles of £2.6m arose as a result of non-deductible goodwill impairment for HFI and Total Derivatives. There is no impact on 2017 as the goodwill for NDR is deductible.

Adjustments in respect of prior years of £2.3m (2016: £1.0m) reflect settlement of open items with tax authorities in 2017 and several small items across numerous jurisdictions that 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	
	2017 £000	2016 £000	**2017 £000**	2016 £000
Deferred tax (note 22)	**1,901**	(2,664)	**225**	225

9 Dividends

	2017 £000	2016 £000
Amounts recognisable as distributable to equity holders in the year		
Final dividend for the year ended 30 September 2016 of 16.40p (2015: 16.40p)	**21,043**	21,033
Interim dividend for year ended 30 September 2017 of 8.80p (2016: 7.00p)	**9,600**	8,981
	30,643	30,014
Employee share trusts dividend	**(443)**	(422)
	30,200	29,592
Proposed final dividend for the year ended 30 September	**23,784**	21,043
Employee share trusts dividend	**(384)**	(289)
	23,400	20,754

The proposed final dividend of 21.80p (2016: 16.40p) is subject to approval at the AGM on 1 February 2018 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

	2017 £000	Restated 2016 £000
Profit for the year from continuing operations	37,298	22,326
Non-controlling interest	(469)	(269)
Earnings from continuing operations	36,829	22,057
Adjustments	39,619	53,409
Adjusted earnings from continuing operations	76,448	75,466
Profit for the year from discontinued operations	5,889	8,687
Adjustments (note 11)	3,811	41
Adjusted earnings from discontinued operations	9,700	8,728
Total adjusted earnings	86,148	84,194

	2017 Number 000	2016 Number 000
Weighted average number of shares	114,252	128,280
Shares held by the employee share trusts	(1,760)	(1,807)
Weighted average number of shares	112,492	126,473
Effect of dilutive share options	213	111
Diluted weighted average number of shares	112,705	126,584

	Pence	Pence
Earnings per share from continuing operations		
Basic	32.74	17.44
Diluted	32.68	17.42
Earnings per share from discontinued operations		
Basic	5.24	6.87
Diluted	5.23	6.87
Total earnings per share		
Basic	37.98	24.31
Diluted	37.91	24.29
Total adjusted earnings per share		
Basic	76.58	66.57
Diluted	76.44	66.51

The adjusted earnings per share figures have been disclosed since the Directors consider it necessary in order to give an indication of the adjusted trading performance reflecting the performance both of the Group's continuing and discontinued operations for the year ended 30 September 2017. A detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 29 to 31.

11 Discontinued operations and disposal groups classified as 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 30 September 2017. These businesses are CEIC and EMIS, Adhesion Group S.A. (Adhesion), World Bulk Wine Exhibition, S.L. (World Bulk Wine) and II Journals. 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 are recorded at the lower of their carrying value and fair value less costs to sell. No impairment of these net assets has been identified at 30 September 2017.

Following the announcement on 7 September 2017 that the Group was to explore strategic options for its Global Markets Intelligence Division (CEIC and EMIS) after unsolicited interest from potential buyers, the Group has engaged with advisors to assess its options. CEIC and EMIS meet the IFRS 5 criteria to be treated as discontinued operations due to their size and the fact that the businesses constitute a major line of the Group's business. CEIC and EMIS are therefore presented as discontinued operations throughout this report and the 2016 Income Statement disclosures have been re-presented separating continuing and discontinued operations. The other businesses classified as held for sale Adhesion, World Bulk Wine and II Journals, do not meet the IFRS 5 criteria to be treated as discontinued operations.

On 30 October 2017, the Group disposed of Adhesion and its 74% stake in World Bulk Wine to Comexposium Holding SAS for a cash consideration of €13.6m (£12.0m). The disposal has been disclosed as an event after the balance sheet date (note 30).

11 Discontinued operations and disposal groups classified as held for sale continued

The results of the discontinued operations are as follows:

	2017 £000	2016 £000
Total revenue	**41,490**	37,050
Operating profit before acquired intangible amortisation and exceptional items	**11,886**	10,092
Acquired intangible amortisation	**(249)**	84
Exceptional items	**(2,437)**	–
Operating profit	**9,200**	10,176
Finance income	**107**	303
Finance expense	**(74)**	(1)
Net finance income	**33**	302
Profit before tax	**9,233**	10,478
Tax expense on profit	**(3,344)**	(1,791)
Profit for the year from discontinued operations	**5,889**	8,687

	2017 £000	2016 £000
Reconciliation of profit for the year from discontinued operations in Income Statement to adjusted discontinued operations:		
Profit for the year from discontinued operations	**5,889**	8,687
Add back:		
Acquired intangible amortisation	**249**	(84)
Exceptional items	**2,437**	–
Tax expense on acquired intangible amortisation and exceptional items	**1,125**	125
	3,811	41
Adjusted discontinued operations profit for the year	**9,700**	8,728

The impact of the discontinued operations on the cash flows is as follows:

	2017 £000	2016 £000
Operating cash flows	**10,935**	16,907
Investing cash flows	**(158)**	(203)
Financing cash flows	**(161)**	(216)
Total cash flows	**10,616**	16,488

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 the lower of their carrying value and fair values less costs to sell.

2017	CEIC and EMIS £000	Adhesion £000	World Bulk Wine £000	II Journals £000	Total £000
Goodwill	26,380	–	463	–	26,843
Acquired intangible assets	2,081	–	730	–	2,811
Licences & software	557	–	–	–	557
Property, plant and equipment	484	30	6	–	520
Trade and other receivables	5,286	2,487	1,097	271	9,141
Current income tax assets	741	212	–	–	953
Cash and cash equivalents	9,729	15	102	–	9,846
Total assets of businesses held for sale	45,258	2,744	2,398	271	50,671
Trade and other payables	(736)	(1,520)	(73)	–	(2,329)
Current income tax liabilities	(1,104)	–	(88)	–	(1,192)
Accruals	(7,545)	–	(13)	(115)	(7,673)
Deferred income	(12,202)	(2,040)	(1,025)	(1,912)	(17,179)
Deferred tax liabilities	(1,439)	(4)	(182)	–	(1,625)
Total liabilities of businesses held for sale	(23,026)	(3,564)	(1,381)	(2,027)	(29,998)
Net assets/(liabilities)	22,232	(820)	1,017	(1,756)	20,673

12 Goodwill and other intangibles assets

2017	Acquired intangible assets: Trademarks & brands £000	Acquired intangible assets: Customer relationships £000	Acquired intangible assets: Databases £000	Acquired intangible assets: Total acquired intangible assets £000	Licences & software £000	Intangible assets in development £000	Goodwill £000	Total £000
Cost/carrying amount								
At 1 October 2016	193,879	116,759	14,773	325,411	17,715	980	464,313	808,419
Additions	–	–	–	–	474	1,513	–	1,987
Disposals	–	–	–	–	(542)	–	–	(542)
Balance at acquisition of company	26,510	42,161	1,408	70,079	1,267	313	68,992	140,651
Transfer	–	–	–	–	726	(726)	–	–
Exchange differences	(5,460)	(4,864)	(359)	(10,683)	(372)	(56)	(13,456)	(24,567)
Classified as held for sale	(4,656)	(3,638)	(2,121)	(10,415)	(3,308)	–	(52,634)	(66,357)
At 30 September 2017	210,273	150,418	13,701	374,392	15,960	2,024	467,215	859,591
Amortisation and impairment								
At 1 October 2016	90,934	75,185	11,030	177,149	11,923	–	68,208	257,280
Amortisation charge								
Continuing operations	9,545	10,294	727	20,566	3,709	–	–	24,275
Discontinued operations	249	–	–	249	256	–	–	505
Impairment	–	–	–	–	–	–	27,360	27,360
Disposals	–	–	–	–	(542)	–	–	(542)
Exchange differences	(2,323)	(1,726)	(271)	(4,320)	(250)	–	(2,533)	(7,103)
Classified as held for sale	(2,441)	(3,279)	(1,884)	(7,604)	(2,751)	–	(25,791)	(36,146)
At 30 September 2017	95,964	80,474	9,602	186,040	12,345	–	67,244	265,629
Net book value/carrying amount at 30 September 2017	114,309	69,944	4,099	188,352	3,615	2,024	399,971	593,962

2016	Acquired intangible assets: Trademarks & brands £000	Acquired intangible assets: Customer relationships £000	Acquired intangible assets: Databases £000	Acquired intangible assets: Total acquired intangible assets £000	Licences & software £000	Intangible assets in development £000	Goodwill £000	Total £000
Cost/carrying amount								
At 1 October 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 30 September 2016	193,879	116,759	14,773	325,411	17,715	980	464,313	808,419
Amortisation and impairment								
At 1 October 2015	73,510	63,147	8,769	145,426	7,607	–	47,279	200,312
Amortisation charge								
Continuing operations	8,040	7,764	1,013	16,817	3,525	–	–	20,342
Discontinued operations	(84)	–	–	(84)	150	–	–	66
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 30 September 2016	90,934	75,185	11,030	177,149	11,923	–	68,208	257,280
Net book value/carrying amount at 30 September 2016	102,945	41,574	3,743	148,262	5,792	980	396,105	551,139

12 Goodwill and other intangibles assets continued

The individually material acquired intangible assets by CGU are as follows:

2017	**Trademarks & brands**		**Customer relationships**		**Databases**		**Total acquired intangible assets**
CGU	**£000**	**years[1]**	**£000**	**years[1]**	**£000**	**years[1]**	**£000**
BCA	**40,388**	**19.0**	**3,229**	**5.0**	**–**	**–**	**43,617**
RISI	**21,714**	**14.5**	**37,047**	**19.5**	**1,148**	**3.5**	**59,909**
	62,102		**40,276**		**1,148**		**103,526**

2016	Trademarks & brands		Customer relationships		Databases		Total acquired intangible assets
CGU	£000	years[1]	£000	years[1]	£000	years[1]	£000
BCA	45,963	20.0	4,655	6.0	–	–	50,618

1 The remaining useful economic life.

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.

During the year the goodwill in respect of each of the 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 3% to 17% for the next three years derived from approved 2017 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% 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 3%.

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

2017 CGU	**Reportable segment**	**Goodwill impairment £000**	**Intangibles impairment £000**	**Recoverable amount £000**	**Discount rate %**
NDR	Asset management	**27,360**	**–**	**46,114**	**14.2%**

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

For the year ended 30 September 2017, no impairments were required to the CEIC, EMIS and World Bulk Wine CGUs on a value in use basis before being transferred to held for sale. Upon classification as held for sale the CGUs were assessed by reference to expected sale proceeds and no impairments were required.

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% or more of the Group's total carrying value of goodwill. The only significant item of goodwill of £172.6m (2016: £177.7m) relates to BCA.

12 Goodwill and other intangibles assets continued

The remaining carrying value of goodwill and acquired intangible assets consists of a number of CGUs, none of which are individually significant to the Group. The aggregate value of goodwill for these CGUs is £227.4m (2016: £218.4m).

For BCA, using the above methodology, a pre-tax discount rate of 13.6% (2016: 13.7%) and long-term nominal growth rate of 1.7% (2016: 2%), the recoverable amount exceeded the total carrying value by £130.0m (2016: £175.8m). 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 seven percentage points (2016: 10 percentage points) or the long-term growth rate reduced by 10 percentage points (2016: 16 percentage points).

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 14.2% (2016: 14.4%) and long-term nominal growth rate of 1.7% (2016: 2%), the recoverable amount exceeded the total carrying value by £2.0m (2016: £15.7m).

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 discount rate increased by one percentage point (2016: three percentage points);
- the long-term growth rate reduced by one percentage point (2016: five percentage points).

The headroom has reduced due to the pressure of market conditions resulting in the impairment of NDR's goodwill in 2017 and therefore any significant decrease in the pre-tax cash flows would result in further impairment.

NDR is a global provider of independent research solutions to the world's leading financial institutions. The impairment of NDR stems from a disappointing financial performance of the business in the face of tough market conditions and management changes in the first half of 2017.

13 Property, plant and equipment

2017	Long-term leasehold premises £000	Short-term leasehold premises £000	Office equipment £000	Total £000
Cost				
At 1 October 2016	1,456	14,305	23,153	38,914
Additions	295	7,235	3,398	10,928
Disposals	(41)	(7,842)	(6,258)	(14,141)
Balance at acquisition of new company	–	66	224	290
Balance at disposal of company	–	–	(86)	(86)
Exchange differences	(70)	(193)	(394)	(657)
Classified as held for sale	–	(216)	(7,860)	(8,076)
At 30 September 2017	1,640	13,355	12,177	27,172
Depreciation				
At 1 October 2016	718	8,562	19,162	28,442
Charge for the year				
Continuing operations	122	978	1,873	2,973
Discontinued operations	–	10	219	229
Disposals	(41)	(7,842)	(6,240)	(14,123)
Balance at disposal of company	–	–	(84)	(84)
Exchange differences	(35)	288	(197)	56
Classified as held for sale	–	(202)	(7,354)	(7,556)
At 30 September 2017	764	1,794	7,379	9,937
Net book value at 30 September 2017	876	11,561	4,798	17,235

13 Property, plant and equipment continued

2016	Long-term leasehold premises £000	Short-term leasehold premises £000	Office equipment £000	Total £000
Cost				
At 1 October 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 30 September 2016	**1,456**	**14,305**	**23,153**	**38,914**
Depreciation				
At 1 October 2015	557	6,630	15,816	23,003
Charge for the year				
Continuing operations	57	934	1,657	2,648
Discontinued operations	–	7	151	158
Disposals	(42)	(17)	(671)	(730)
Balance at disposal of company	–	(27)	(241)	(268)
Exchange differences	146	1,035	2,450	3,631
At 30 September 2016	**718**	**8,562**	**19,162**	**28,442**
Net book value at 30 September 2016	**738**	**5,743**	**3,991**	**10,472**
Net book value at 30 September 2015	**28**	**5,547**	**3,596**	**9,171**

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 1 October 2015	32,437	30	5,835	38,302
Repayment/additions	(52)	180	–	128
Impairment (note 5)	(111)	–	–	(111)
Transfer to subsidiary	(629)	–	–	(629)
Exchange difference	–	12	–	12
Provision against investment losses	–	64	–	64
Share of loss after tax	(1,752)	(71)	–	(1,823)
Dividends	(83)	–	–	(83)
At 30 September 2016	**29,810**	**215**	**5,835**	**35,860**
Additions	**552**	**1**	**–**	**553**
Impairment (note 5)	**–**	**–**	**(2,289)**	**(2,289)**
Exchange difference	**(2,151)**	**(2)**	**–**	**(2,153)**
Provision against investment losses	**–**	**285**	**–**	**285**
Share of loss after tax	**(1,391)**	**(499)**	**–**	**(1,890)**
At 30 September 2017	**26,820**	**–**	**3,546**	**30,366**

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 the Group's accounting policies in note 1.

14 Investments continued

	2017 £000	2016 £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	**(1,890)**	(1,823)
Add back:		
Share of tax on profits	**988**	656
Share of tax on acquired intangible amortisation and exceptional items	**(1,798)**	(1,437)
Share of acquired intangible amortisation	**4,790**	4,427
Share of exceptional items[1]	**1,203**	363
	5,183	4,009
Adjusted share of results in associates and joint ventures	**3,293**	2,186

1 The share of exceptional items relates to restructuring and earn-out costs in Dealogic.

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. A detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 29 to 31. The share of losses after tax retained includes a finance expense of £2.5m (2016: £2.1m).

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	Registered office
Investment in associates						
Diamond TopCo Limited (Dealogic)	Capital market software solutions	31 Dec	Dec 2014	Ordinary	15.5%	Dealogic (Holdings) Limited, One, New Change, London, EC4M 9AF, United Kingdom
Broadmedia Communications Limited (BroadGroup)[1]	Events and publishing business	30 Sep	Mar 2017	Ordinary	49.0%	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Investment in joint ventures						
Sanostro Institutional AG (Sanostro)	Hedge fund manager trading signals	31 Dec	Dec 2014	Ordinary	50.0%	Allmendstrasse 140, 8041 Zurich, Switzerland
Available-for-sale investments						
Estimize, Inc (Estimize)[2]	Financial estimates platform	31 Dec	Jul 2015	Ordinary	10.0%	43 West 24th Street, New York, NY 10010, United States
Zanbato, Inc (Zanbato)	Private capital placement and workflow	31 Dec	Sep 2015	Ordinary	9.9%	715 N Shoreline Boulevard, Mountain View CA, 94043, United States

1 On 31 March 2017 the Group acquired 49% of the equity share capital of BroadGroup for a cash consideration of £0.6m.

2 An impairment of £2.3m was recognised for the year ended 30 September 2017.

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

On 26 July 2017, the Group disposed of its 50% investments in II Zanbato Limited and EIIZ Discovery LLC, two joint venture entities, in return for the right to purchase up to US$5m of convertible notes in Zanbato at any time up to 26 July 2019. On maturity of the notes, Euromoney can either convert to shares in Zanbato at a 20% discount or demand repayment. In addition, the Group entered into a US$3.25m (£2.5m) convertible note with Zanbato that has the same conversion features as noted above. The Group has classified its US$3.25m (£2.5m) convertible note receivable as a financial asset on the face of the Consolidated Statement of Financial Position. The disposal of the joint ventures gave rise to a loss on disposal of £0.9m, after deducting disposal costs, which was recognised as an exceptional item (note 5) in the Income Statement.

14 Investments continued

Set out below is the summarised financial information for Dealogic as at 30 September 2017 which in the opinion of the Directors is material to the Group:

	2017 £000	2016 £000
Summarised balance sheet:		
Current assets	**75,546**	58,561
Non-current assets	**476,010**	505,380
Current liabilities	**(299,364)**	(280,110)
Non-current liabilities	**(4,500)**	(5,286)
Net assets	**247,692**	278,545
Summarised Statement of Comprehensive Income:		
Revenue	**125,650**	106,193
Loss from continuing operations	**(13,097)**	(12,960)
Post-tax loss from continuing operations	**(9,124)**	(9,472)
Other comprehensive income	**556**	294
Total comprehensive expense	**(8,568)**	(9,178)
Group share of loss after tax	**(1,468)**	(1,726)

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

	2017 £000	2016 £000
Closing net assets	**247,692**	278,545
Proportion of the Group's ownership interest in the associate	**38,392**	43,144
Restriction of profit applied on acquisition	**(5,862)**	(5,862)
Goodwill	**(1,041)**	(63)
Exchange differences	**(5,298)**	(7,409)
Carrying amount of the Group's interest in the associate	**26,191**	29,810

Aggregate information of associates that are not individually material:

	2017 £000	2016 £000
Group share of profit/(loss) from continuing operations	**77**	(25)
Aggregate carrying amount of the Group's interests in these associates	**629**	–
	706	(25)

15 Acquisitions and disposals

Purchase of business

RISI US (Holdco) Inc, (RISI)

On 6 April 2017, the Group acquired 100% of the equity share capital of RISI, the leading price reporting agency for the global forest products market, for US$124.5m (£99.7m). The acquisition of RISI is consistent with the Group's strategy to actively manage a portfolio of businesses in asset management, price discovery and other sectors where information, data and convening market participants are valued. RISI is included in the pricing, data & market intelligence segment.

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	1,580	66,300	67,880
Property, plant and equipment	290	–	290
Trade and other receivables	7,338	–	7,338
Trade and other payables	(16,027)	(26,520)	(42,547)
Cash and cash equivalents	2,462	–	2,462
	(4,357)	39,780	35,423
Net assets acquired (100%)			35,423
Goodwill			64,309
Total consideration			99,732
Consideration satisfied by:			
Cash			99,497
Working capital adjustment			235
			99,732
Net cash outflow arising on acquisition:			
Cash consideration			99,732
Less: cash and cash equivalent balances acquired			(2,462)
			97,270

Intangible assets represent the brand of US$30.1m (£24.1m), customer relationships of US$50.9m (£40.8m) and technology of US$1.8m (£1.4m) for which amortisation of US$2.5m (£1.9m) has been charged for the year. The brand will be amortised over its expected useful life of 15 years. The customer relationships will be amortised over their expected useful economic lives of 20 years. The technology will be amortised over its expected useful life of four years. The fair value adjustment within trade and other payables represents a deferred tax liability of US$33.1m (£26.5m) on the acquired intangible assets.

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 US$3.8m (£3.0m), all of which are contracted and are expected to be collectable.

RISI contributed US$16.3m (£12.6m) to the Group's revenue, US$3.4m (£2.6m) to the Group's operating profit and US$2.8m (£2.2m) to the Group's profit after tax for the period between the date of acquisition and 30 September 2017. In addition, acquisition related costs of US$2.1m (£1.6m) were incurred and recognised as an exceptional item in the Income Statement for the year ended 30 September 2017 (note 5). If the acquisition had been completed on the first day of the financial year, RISI would have contributed US$32.4m (£25.5m) to the Group's revenue and US$8.5m (£6.7m) to the Group's operating profit (excluding exceptional costs above).

Layer123 Events & Training Limited (Layer123)

On 13 April 2017, the Group acquired 61% of the ordinary share capital of Layer123 for a cash consideration of £6.4m and a deferred consideration of £0.7m. Layer123 is a content and sponsorship-led events business focusing on innovation in the rapidly-evolving space of telecoms network strategy. The acquisition is consistent with the Group's strategy and expands its presence in the telecoms markets. Layer123 is included in the pricing, data & market intelligence segment. At the acquisition date, the non-controlling interest of 39% with a value of £1.5m is measured using the proportion of net assets method.

The remaining interest in Layer123 is subject to put and call options under an earn-out agreement, in three equal instalments, based on the profits of Layer123 for its years ended February 2018, 2019 and 2020. The total discounted amount that the Group expects to pay under this option agreement is £5.0m (note 25).

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	–	3,779	3,779
Property, plant and equipment	3	(3)	–
Trade and other receivables	424	–	424
Trade and other payables	(589)	(642)	(1,231)
Cash and cash equivalents	938	–	938
	776	3,134	3,910
Net assets acquired (61%)			2,385
Goodwill			4,683
Total consideration			7,068
Consideration satisfied by:			
Cash			6,368
Deferred consideration			700
			7,068
Net cash outflow arising on acquisition:			
Cash consideration			6,368
Less: cash and cash equivalent balances acquired			(938)
			5,430

Intangible assets represent the brand of £2.4m and customer relationships of £1.4m, for which amortisation of £0.3m has been charged for the year. The brand will be amortised over its expected useful life of 20 years. The customer relationships will be amortised over their expected useful economic lives of five years. The fair value adjustment within trade and other payables represents a deferred tax liability of £0.6m on the acquired intangible assets.

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.

Layer123 contributed £0.9m to the Group's revenue, £0.2m to the Group's operating profit and £0.2m to the Group's profit after tax for the period between the date of acquisition and 30 September 2017. If the acquisition had been completed on the first day of the financial year, Layer123 would have contributed £2.4m to the Group's revenue and £1.1m to the Group's operating profit.

Increase in equity holdings

Euromoney Consortium Limited

On 8 December 2016, the Group acquired 0.3% of the equity of Euromoney Consortium Limited for a cash consideration of £0.7m. This transaction was enacted by purchasing 7,258,408 Ordinary Class B shares of £0.10 each from DMG Charles Limited. The Group's equity shareholding in Euromoney Consortium Limited increased to 100%.

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

On 3 May 2017, the Group acquired a further 17% of the equity share capital of World Bulk Wine, increasing the Group's equity shareholding to 74%, for a consideration of €0.6m (£0.5m).

Sale of businesses

HFI Media Limited (HedgeFund Intelligence)

On 30 December 2016, the Group sold 100% of the equity share capital of HedgeFund Intelligence, part of the asset management segment, for a consideration of £2.2m, offset by a working capital settlement of £0.1m. At the date of disposal deferred consideration receivable of £1.9m was recognised which included the working capital settlement of £0.1m (note 25). The disposal of HedgeFund Intelligence gave rise to a loss on disposal of £4k, after deducting disposal costs incurred, which was recognised as an exceptional item (note 5) in the Income Statement.

Institutional Investor Intelligence (II Intelligence)

On 30 December 2016, the Group completed the sale of the assets of II Intelligence, part of the asset management segment, for a consideration of US$0.9m (£0.7m). Deferred consideration receivable of US$0.5m (£0.4m) was recognised (note 25). The disposal gave rise to a profit on disposal of US$2.7m (£2.2m), after deducting disposal costs incurred, which was recognised as an exceptional item (note 5) in the Income Statement.

Euromoney Indices

On 13 March 2017, the Group completed the sale of the Euromoney Indices business, part of the asset management segment, for a consideration of £1.9m, offset by a working capital settlement of £0.1m. Deferred consideration receivable of £0.4m was recognised (note 25). The disposal of Euromoney Indices gave rise to a loss on disposal of £1.8m, after deducting disposal costs incurred which include the costs associated with the transitional service agreement. The loss on disposal was recognised as an exceptional item (note 5) in the Income Statement.

15 Acquisitions and disposals continued

Latin American Financial Publications, Inc. (LatinFinance)

On 31 March 2017, the Group sold 100% of the equity share capital of LatinFinance, which formed part of the banking & finance segment. The consideration for this transaction was US$3.9m (£3.1m), offset by a working capital adjustment of US$1.1m (£0.9m) (note 25). The disposal of LatinFinance gave rise to a profit on disposal of US$4.3m (£3.4m), after deducting disposal costs incurred, which were recognised as an exceptional item (note 5) in the Income Statement.

The assets and liabilities of the businesses held for sale and disclosed separately on the face of the Consolidated Statement of Financial Position for the year ended 30 September 2016, included HedgeFund Intelligence, II Intelligence and Euromoney Indices.

The net assets of the businesses at the date of disposal were as follows:

	HedgeFund Intelligence £000	II Intelligence £000	Euromoney Indices £000	Latin Finance £000	Total £000
Net assets/(liabilities):					
Goodwill	4,020	–	–	–	4,020
Intangible assets	–	–	294	–	294
Property, plant and equipment	–	–	–	2	2
Trade and other receivables	389	–	443	374	1,206
Cash at bank and in hand/(bank overdraft)	46	–	–	(76)	(30)
Trade and other payables	(100)	–	(90)	(158)	(348)
Deferred income	(2,232)	(1,495)	(449)	(1,097)	(5,273)
	2,123	(1,495)	198	(955)	(129)
Net assets/(liabilities) disposed	2,123	(1,495)	198	(955)	(129)
Directly attributable costs	60	50	3,444	32	3,586
Recycled cumulative translation differences	–	–	–	(285)	(285)
(Loss)/profit on disposal (note 5)	(4)	2,166	(1,847)	3,435	3,750
Total consideration	2,179	721	1,795	2,227	6,922
Consideration satisfied by:					
Cash	250	321	1,500	3,086	5,157
Deferred consideration	1,929	400	350	–	2,679
Working capital adjustments	–	–	(55)	(859)	(914)
	2,179	721	1,795	2,227	6,922
Net cash inflow arising on disposal:					
Cash consideration (net of directly attributable costs paid and working capital adjustments)	190	271	1,531	2,195	4,187
Cash and cash equivalent balances disposed	(46)	–	–	76	30
	144	271	1,531	2,271	4,217

16 Trade and other receivables

	2017 £000	2016 £000
Amounts falling due within one year		
Trade receivables	50,863	58,501
Less: provision for impairment of trade receivables	(3,688)	(5,270)
Trade receivables — net of provision	47,175	53,231
Other debtors	5,977	7,585
Prepayments	9,610	10,213
Accrued income	1,721	2,462
	64,483	73,491

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 30 September 2017, trade receivables of £25.2m (2016: £28.0m) were not yet due.

16 Trade and other receivables continued

Ageing of past due but not impaired trade receivables:

	2017 £000	2016 £000
Past due less than a month	**10,093**	12,265
Past due more than a month but less than two months	**2,956**	4,608
Past due more than two months but less than three months	**1,846**	2,981
Past due more than three months	**1,665**	3,998
	16,560	23,852

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 66 days (2016: 73 days). The Group does not hold any collateral over these balances.

Ageing of trade receivables impaired and partially provided for:

	2017 £000	2016 £000
Past due less than a month	**1,557**	998
Past due more than a month but less than two months	**1,929**	917
Past due more than two months but less than three months	**1,472**	883
Past due more than three months	**4,107**	3,882
	9,065	6,680

The amount of the provision for impaired trade receivables was £3.7m (2016: £5.3m). 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:

	2017 £000	2016 £000
At 1 October	**(5,270)**	(5,441)
Impairment losses recognised	**(5,074)**	(4,089)
Impairment losses reversed	**3,941**	3,493
Amounts written off as uncollectible	**1,220**	1,047
Disposals	**–**	99
Exchange differences	**62**	(377)
Classified as held for sale	**1,433**	(2)
At 30 September	**(3,688)**	(5,270)

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

	2017 £000	2016 £000
Trade creditors	**3,073**	4,834
Amounts owed to DMGT group undertakings	**–**	3
Liability for cash-settled options	**–**	527
Other creditors	**24,997**	18,502
	28,070	23,866

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

18 Deferred income

	2017 £000	2016 £000
Deferred subscription income	**92,605**	93,518
Other deferred income	**24,373**	25,268
	116,978	118,786

	2017 £000	2016 £000
Within one year	**113,487**	113,446
In more than one year	**3,491**	5,340
	116,978	118,786

19 Financial instruments and risk management

Derivative financial instruments

The derivative financial assets/(liabilities) at 30 September comprised:

	2017		2016	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Current				
Forward foreign exchange contracts — cash flow hedge	**2,448**	**(1,001)**	410	(9,671)
Forward foreign exchange contracts — fair value through profit and loss	**238**	**–**	–	–
	2,686	**(1,001)**	410	(9,671)
Non-current				
Forward foreign exchange contracts — cash flow hedge	**381**	**(41)**	9	(778)
Interest rate swaps — cash flow hedge	**281**	**(189)**	–	–
	662	**(230)**	9	(778)
	3,348	**(1,231)**	419	(10,449)

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 page 95 of the accounting policies. The Group's Tax and Treasury Committee 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.

Interest rate swaps are used to manage the Group's exposure to fluctuations in interest rates on its floating rate borrowings. Further details are set out in the interest rate risk section (page 123).

Forward contracts are used to manage the Group's exposure to fluctuations in exchange rate movements on foreign currency transactions. Further details are set out in the foreign exchange rate risk section (page 122).

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 through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2016.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 20, cash and cash equivalents and equity attributable to equity holders, comprising share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

19 Financial instruments and risk management continued

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. Committed bank facilities available to the Group until December 2021 contain covenants based on a maximum 3.0 times net debt to adjusted EBITDA and a minimum interest cover ratio of 3.0 times. The amounts and foreign exchange rates used in the covenant calculations are subject to adjustments as defined under the terms of the arrangement. 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. Additionally, the Group arranges its currency borrowings in order that they are in proportion to the ratio of earnings in that particular currency to total Group earnings.

The bank covenant ratio uses an average exchange rate in the calculation of net debt. The resultant net debt/(cash) to adjusted EBITDA ratio is 1.24 times (2016 (0.74) times). Using a closing rate basis for the valuation of net debt/(cash), the ratio was 1.23 times (2016 (0.74) times).

Categories of financial instruments

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

	2017 £000	2016 £000
Financial assets		
Derivative instruments in designated hedge accounting relationships	**3,110**	419
Derivative instruments recognised at fair value through profit and loss	**238**	–
Available-for-sale investments (note 14)	**3,546**	5,835
Convertible loan note — fair value through profit and loss	**2,503**	–
Deferred consideration (note 25) — loans and receivables	**1,989**	526
Loans and receivables (including cash at bank and short-term deposits)	**59,299**	147,478
Classified as held for sale loans and receivables (including cash at bank and short-term deposits)	**18,987**	680
	89,672	154,938
Financial liabilities		
Derivative instruments in designated hedge accounting relationships	**(1,231)**	(10,449)
Deferred consideration (note 25) — borrowings and payables	**(350)**	(480)
Acquisition commitments (note 25) — fair value through profit and loss	**(286)**	–
Acquisition commitments (note 25) — borrowings and payables	**(12,839)**	(11,771)
Borrowings and payables (including bank overdrafts)	**(264,782)**	(97,659)
Classified as held for sale borrowings and payables (including bank overdrafts)	**(10,002)**	(1,000)
	(289,490)	(121,359)

Derivative instruments are classified as level 2 in the fair value hierarchy and acquisition commitments held at fair value through the profit and loss are classified as level 3. Available-for-sale investments are held at cost less any identified impairments as they do not have a quoted market price in an active market and the fair value cannot be reliably measured. No other financial assets or liabilities are held at fair value. 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 £3.3m (2016: £0.4m) and derivative liabilities of £1.2m (2016: £10.4m) with a number of banks that do not meet the offsetting criteria of IAS 32, but which the Group has the right to set-off 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 convertible loan note is a fair value through profit and loss financial asset held at cost as it contains an embedded derivative of non-quoted equity for which the Group is unable to accurately determine a fair value.

The acquisition commitments for Reinsurance Security (Consultancy).co.uk Limited is consideration contingent on the future profit and revenue of the business and are therefore re-measured at fair value through the profit and loss (note 25).

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 gross overdrafts of £0.2m (2016: £nil) 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 30 September 2017. 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.

19 Financial instruments and risk management continued

ii) Foreign exchange rate risk

The Group's principal foreign exchange exposure is to the US dollar. The Group generates approximately two-thirds of its revenues in US dollars, including approximately 40% of the revenues in its UK-based businesses, and approximately 80% 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 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.

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

	Assets		Liabilities	
	2017 £000	2016 £000	**2017 £000**	2016 £000
US dollar	**62,742**	55,910	**(319,446)**	(347,444)

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 forward contracts are put in place up to 18 months forward to hedge the operation's Canadian dollar 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.

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.

	2017 £000	2016 £000
Change in profit for the year in Income Statement (US$ net assets in UK companies)	**(838)**	(79)
Change in other comprehensive income (derivative financial instruments)	**6,545**	6,811
Change in other comprehensive income (loans to/from foreign operations)	**17,751**	29,139

The increase in the loss from the sensitivity analysis is due to an increase in the working capital assets. The decrease in other comprehensive income from £6.8m to £6.5m from the sensitivity analysis is due to the decrease in the notional value of the derivative financial instruments.

The change in other comprehensive income from a 10% change in sterling against US dollars in relation to the translation of loans to/from 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 £17.8m (2016: £29.1m). 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.

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.

19 Financial instruments and risk management continued

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% 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. In the past, the Group had 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	
	2017	2016	**2017 US$000**	2016 US$000	**2017 £000**	2016 £000	**2017 £000**	2016 £000
Fair value through profit and loss								
Sell USD buy GBP								
Less than a year	**1.290**	–	**8,230**	–	**6,380**	–	**238**	–
Cash Flow Hedges								
Sell USD buy GBP								
Less than a year	**1.302**	1.499	**64,450**	63,850	**49,502**	42,602	**1,659**	(6,425)
More than a year but less than two years	**1.329**	1.363	**17,100**	16,700	**12,868**	12,254	**260**	(466)
Sell USD buy CAD†								
Less than a year	**1.309**	1.320	**11,221**	12,743	**8,759**	9,853	**410**	72
More than a year but less than two years	**1.270**	1.299	**3,700**	4,200	**2,804**	3,195	**53**	(20)
			€000	€000	**£000**	£000	**£000**	£000
Sell EUR buy GBP								
Less than a year	**1.165**	1.334	**22,400**	24,650	**19,230**	18,478	**(622)**	(2,926)
More than a year but less than two years	**1.114**	1.200	**6,550**	7,200	**5,880**	6,002	**27**	(283)
Sell GBP buy ZAR			**R000**	R000	**£000**	£000	**£000**	£000
Less than a year	**–**	18.962	**–**	6,447	**–**	340	**–**	18
							2,025	(10,030)

† Rate used for conversion from CAD to GBP is 1.6767 (2016: 1.7072).

As at 30 September 2017, the aggregate amount of unrealised gains under forward foreign exchange contracts deferred in the fair value reserve relating to future revenue transactions is £1.8m (2016: £10.0m loss). 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 30 September 2017, there were no ineffective cash flow hedges in place (2016: £nil).

iii) Interest rate risk

The Group's borrowings are in both sterling and US dollars with the related interest tied to LIBOR. This results 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 term loan interest exposure, converting its floating rate debt into fixed debt by means of interest rate swaps. The predictability of interest costs is deemed to be more important than the possible opportunity cost foregone of achieving lower interest rates.

The Group has interest rate swap protection on principal amounts of US$80.0m and £32.0m to swap outstanding borrowings from floating to fixed rates at rates of 1.972% and 0.760% respectively until December 2021. As at 30 September 2017, the aggregate amount of unrealised gains on interest rate swaps deferred in the fair value reserve relating to future interest cash flows is £0.1m (2016: £nil). It is anticipated that the future interest cash flows will take place over the next 4-5 years at which stage the amount deferred in equity will be released to the Income Statement. No ineffectiveness was recognised in the Income Statement (2016: £nil).

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section on page 124.

19 Financial instruments and risk management continued

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 30 September 2017 would decrease or increase by £0.8m (2016: £0.8m). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings and cash deposits. Fair value equity reserves would decrease or increase by £3.4m mainly as a result of the changes in fair value of interest rate swaps.

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. 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. Treasury policies in place do not allow concentrations of risk with individual counterparties and do not allow significant treasury exposures with counterparties which are rated below investment grade.

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.

v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. To manage this risk the Group has readily accessible funding arrangements in place and seeks to optimise Group liquidity through cash pooling arrangements.

The Group's principal source of borrowings are provided through committed bank facilities available to the Group until December 2021. These syndicated facilities include a £130m multi-currency revolving credit facility which was drawn down by £55.2m at 30 September 2017.

In 2016, the Group had access to a committed multi-currency credit facility from DMGT. This facility was terminated in December 2016 as part of the share buyback transaction along with a deposit agreement for placing excess operating funds on deposit with DMGT.

The Group's strategy is to use excess operating cash to pay down its drawings under the revolving credit facility. 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 based on adjusted operating profit was 110%.

The Group's forecasts and projections, looking out to September 2022 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.

19 Financial instruments and risk management continued

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 30 September 2017. The contractual maturity is based on the earliest date on which the Group may be required to settle.

2017	Weighted %	Less than 1 year £000	1-3 years £000	3-5 years £000	Total £000
Variable rate borrowings	2.28	5,125	11,915	177,191	194,231
Deferred consideration	–	350	–	–	350
Acquisition commitments	9.50	9,904	3,221	–	13,125
Non-interest bearing liabilities (trade and other payables, and accruals)	–	70,551	–	–	70,551
		85,930	15,136	177,191	278,257

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	9.40	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

At 30 September 2017, £108.7m of borrowings are denominated in US dollars and £61.2m denominated in sterling.

The following table details the Group's remaining contractual maturity for its non-derivative financial assets, mainly trade and other receivables 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.

2017	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) (including cash from assets held for sale)	0.59	14,272	–	14,272
Deferred consideration	5.50	419	1,570	1,989
Non-interest bearing assets (trade and other receivables excluding prepayments)	–	64,014	–	64,014
		78,705	1,570	80,275

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)	–	63,958	–	63,958
		148,158	526	148,684

19 Financial instruments and risk management continued

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows and outflows on those derivatives that settle on a net basis and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as represented by the yield curves existing at the reporting date.

2017	Less than 3 months £000	3 months to 1 year £000	1-3 years £000	3-5 years £000	Total £000
Net settled					
Interest rate swaps	**(139)**	**(122)**	**250**	**447**	**436**
Gross settled					
Foreign exchange forward contracts inflows	**26,458**	**57,413**	**21,551**	**–**	**105,422**
Foreign exchange forward contracts outflows	**(26,505)**	**(55,862)**	**(21,299)**	**–**	**(103,666)**
	(186)	**1,429**	**502**	**447**	**2,192**

2016	Less than 3 months £000	3 months to 1 year £000	1-3 years £000	3-5 years £000	Total £000
Foreign exchange forward contracts inflows	19,473	51,121	21,452	–	92,046
Foreign exchange forward contracts outflows	(22,647)	(57,144)	(22,280)	–	(102,071)
	(3,174)	(6,023)	(828)	–	(10,025)

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined in accordance with IFRS 13 'Fair Value Measurement' 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.
- Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curve derived from quoted interest rates.

Level 3

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

As at 30 September 2017 and the prior year, all the resulting fair value estimates have been included in level 2 other than the Group's contingent considerations 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

	2017 £000	2016 £000
Loan notes — current liabilities	**–**	185
Borrowings — non-current liabilities	**168,893**	–
Undrawn committed facilities	**74,768**	122,954

Loan notes

Loan notes were issued in October and November 2006 to fund the purchase of Metal Bulletin plc. Interest was payable on these loan notes at a variable rate of 0.75% below LIBOR, payable in June and December. The remaining loan notes were redeemed in full on 30 December 2016.

20 Loans continued

Committed borrowing facilities

The Group's principal source of borrowings is provided through committed bank facilities available until December 2021. These syndicated facilities include two five-year term-loans of US$100m and £40m (total £114.6m) and a £130m multi-currency revolving credit facility which was drawn down by £55.2m at 30 September 2017. There is a further accordion facility of £130m should the Group wish to request it. The term-loans and drawings under the revolving credit facility bear interest charged at LIBOR plus a margin, the applicable margin being based on the Group's ratio of adjusted net debt to EBITDA. These facilities contain covenants based on a maximum 3.0 times adjusted net debt to EBITDA and a minimum interest cover ratio of 3.0 times. The amounts and foreign exchange rates used in the covenant calculations are subject to adjustments as defined under the terms of the arrangement. On this basis, at 30 September 2017, the Group's adjusted net debt to EBITDA was 1.24 times. 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.

In 2016, the Group had access to a committed multi-currency credit facility from DMGT. This facility was terminated in December 2016 as part of the share buyback transaction.

The Group's strategy is to use excess operating cash to pay down its drawings under the revolving credit facility. 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 based on adjusted operating profit was 110%.

21 Provisions

	Onerous lease provision £000	Other provisions £000	Total £000
At 1 October 2016	657	2,812	3,469
Provision in the year	–	147	147
Used in the year	(376)	(299)	(675)
Exchange differences	(7)	3	(4)
At 30 September 2017	**274**	**2,663**	**2,937**

	2017 £000	2016 £000
Maturity profile of provisions:		
Within one year (included in current liabilities)	337	353
Between one and two years (included in non-current liabilities)	92	493
Between two and five years (included in non-current liabilities)	2,508	2,623
	2,937	3,469

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 costs arising on share option liabilities and dilapidations on leasehold properties. A dilapidation provision of £2.1m (2016: £2.1m) is held in respect of the Group's main London offices. 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.

Notes to the Consolidated Financial Statements
Continued

22 Deferred taxation

The net deferred tax liability at 30 September 2017 comprised:

	Capitalised goodwill and intangibles £000	Tax losses £000	Deferred interest £000	Financial instruments £000	Pension deficit £000	Accelerated capital allowances £000	Other £000	Total £000
Deferred tax asset	(22,269)	5,304	4,947	1,703	1,698	540	11,963	3,886
Deferred tax liability	(12,822)	–	–	–	–	1,158	(2,515)	(14,179)
At 30 September 2016	(35,091)	5,304	4,947	1,703	1,698	1,698	9,448	(10,293)
Charge/(credit) to income statement								
Continuing operations	**12,226**	**(1,322)**	**751**	**–**	**(61)**	**157**	**(2,957)**	**8,794**
Discontinued operations	**60**	**–**	**–**	**–**	**–**	**–**	**(1,062)**	**(1,002)**
(Credit)/charge to other comprehensive income	**–**	**–**	**–**	**(1,955)**	**54**	**–**	**–**	**(1,901)**
(Credit)/charge to equity	**(263)**	**–**	**–**	**–**	**–**	**–**	**38**	**(225)**
Acquisitions and disposals	**(27,162)**	**1,683**	**–**	**–**	**–**	**–**	**5,192**	**(20,287)**
Exchange differences	**1,923**	**(29)**	**(183)**	**–**	**–**	**–**	**(304)**	**1,407**
Classified as held for sale	**556**	**–**	**–**	**–**	**–**	**–**	**1,069**	**1,625**
At 30 September 2017	**(47,751)**	**5,636**	**5,515**	**(252)**	**1,691**	**1,855**	**11,424**	**(21,882)**
Deferred tax asset	**(6,122)**	**3,388**	**–**	**(241)**	**1,691**	**656**	**2,177**	**1,549**
Deferred tax liability	**(41,629)**	**2,248**	**5,515**	**(11)**	**–**	**1,199**	**9,247**	**(23,431)**

There is a deferred tax asset held in relation to UK losses of £1.5m (2016: £1.4m) that is expected to reverse in the short-term. There is a deferred tax liability in relation to remitted earnings of £1.1m (2016: £nil) that is expected to reverse in the short-term.

At the balance sheet date the Group has unused US tax losses available for offset against future profits. At 30 September the deferred tax asset recognised in relation to these losses is analysed as follows:

	2017 £000	2016 £000
UK	**1,899**	3,248
US	**2,248**	2,056
Europe	**1,489**	–
	5,636	5,304

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. The US losses can be carried forward for a period of 20 years from the date they arose and have expiry dates between 2017 and 2037. There is no expiry date on the other losses.

The movement in net deferred tax liabilities since last year-end is largely attributable to the acquisition of RISI (note 15) partly offset by the impact of the NDR goodwill impairment (note 5).

No deferred tax liability is recognised on temporary differences of £300.0m (2016: £266.0m) 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 30 September 2017 represent 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.

23 Called up share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
109,101,608 ordinary shares of 0.25p each (2016: 128,313,356 ordinary shares of 0.25p each)	**273**	321

During the year, 35,425 ordinary shares of 0.25p each (2016: 64,462 ordinary shares) with an aggregate nominal value of £88 (2016: £161) were issued following the exercise of share options granted under the Company's share option schemes for a cash consideration of £311,658 (2016: £278,608). On 6 January 2017, the Group completed the purchase for cancellation of 19,247,173 ordinary shares from its then majority shareholder DMG Charles Limited, a DMGT group company. The aggregate nominal value of the shares cancelled was £48,118.

24 Share-based payments

The Group's long-term incentive expense at 30 September comprised:

	2017 £000	2016 £000
Equity-settled options		
SAYE	**(139)**	(157)
CAP 2010	**65**	15
PSP	**(537)**	(123)
Buy-out award	**(450)**	(477)
	(1,061)	(742)
Cash-settled options		
CAP 2010	**76**	4
Buy-out award	**–**	(460)
	76	(456)
	(985)	(1,198)

The total carrying value of cash-settled options at 30 September included in the Statement of Financial Position is:

	2017 £000	2016 £000
Current liabilities	**–**	527

Equity-settled options

The options set out below are outstanding at 30 September 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 £1.1m, representing 100% of the Group's long-term incentive charge partly offset by the credit for cash-settled options (2016: £0.7m, 62%).

Number of ordinary shares under option: 2017

	2016	Granted during year	Exercised during year	Lapsed/ forfeited during year	2017	Option price (£)	Weighted average market price at date of exercise (£)
Period during which option may be exercised:							
SAYE							
Between 1 February 2017 and 31 July 2017	**27,369**	**–**	**(24,445)**	**(2,924)**	**–**	**9.17**	**10.86**
Between 1 February 2018 and 31 July 2018	**99,719**	**–**	**(8,054)**	**(15,654)**	**76,011**	**8.15**	**11.15**
Between 1 February 2019 and 31 July 2019	**114,342**	**–**	**(2,926)**	**(23,776)**	**87,640**	**7.47**	**11.07**
Between 1 February 2020 and 31 July 2020	**–**	**107,181**	**–**	**(8,940)**	**98,241**	**8.25**	**–**
CAP 2010							
Before 30 September 2020 (tranche 2)	**15,526**	**–**	**–**	**(7,222)**	**8,304**	**0.0025**	**–**
CAP 2014							
Before 30 September 2023	**2,097,363**	**–**	**–**	**(2,097,363)**	**–**	**0.0025**	**–**
CSOP 2014							
Before 30 September 2023 (UK)	**400,512**	**–**	**–**	**(400,512)**	**–**	**11.16**	**–**
Before 30 September 2023 (Canada)	**116,519**	**–**	**–**	**(116,519)**	**–**	**11.16**	**–**
PSP							
Before 30 September 2019	**–**	**157,809**	**–**	**–**	**157,809**	**–**	**–**
Before 30 September 2021	**–**	**167,419**	**–**	**–**	**167,419**	**–**	**–**
Before 30 September 2025	**159,269**	**–**	**–**	**–**	**159,269**	**–**	**–**
Buy-out award							
Before 30 September 2025	**132,607**	**–**	**–**	**–**	**132,607**	**–**	**–**
	3,163,226	**432,409**	**(35,425)**	**(2,672,910)**	**887,300**		
Weighted average exercise price (£)	**2.43**	**2.04**	**8.80**	**2.31**	**2.35**		

The options outstanding at 30 September 2017 had a weighted average remaining contractual life of 4.34 years. There were no share options exercisable at 30 September 2017 (2016: nil).

Financial statements

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 1 February 2016 and 31 July 2016	44,056	–	(39,709)	(4,347)	–	6.39	9.14
Between 1 February 2017 and 31 July 2017	46,982	–	(276)	(19,337)	27,369	9.17	9.97
Between 1 February 2018 and 31 July 2018	130,557	–	(2,734)	(28,104)	99,719	8.15	9.89
Between 1 February 2019 and 31 July 2019	–	127,440	–	(13,098)	114,342	7.47	–
CAP 2010							
Before 30 September 2020 (tranche 2)	40,933	–	(21,743)	(3,664)	15,526	0.0025	9.68
CAP 2014							
Before 30 September 2023	2,097,363	–	–	–	2,097,363	0.0025	–
CSOP 2014							
Before 30 September 2023 (UK)	400,512	–	–	–	400,512	11.16	–
Before 30 September 2023 (Canada)	116,519	–	–	–	116,519	11.16	–
PSP							
Before 30 September 2025	–	159,269	–	–	159,269	–	–
Buy-out award							
Before 30 September 2025	–	221,011	(88,404)	–	132,607	–	11.09
	2,876,922	507,720	(152,866)	(68,550)	3,163,226		
Weighted average exercise price (£)	2.62	1.88	1.82	7.76	2.43		

The options outstanding at 30 September 2016 had a weighted average remaining contractual life of 6.81 years.

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 58 to 73. The fair value per option granted and the assumptions used in the calculation are shown below.

Save as You Earn (SAYE) options

	SAYE		
Date of grant	**16 22 Dec 2014**	**17 5 Jan 2016**	**18 23 Dec 2016**
Market value at date of grant (p)	**1,019**	**934**	**1,031**
Option price (p)	**815**	**747**	**825**
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)	**815**	**747**	**825**
Risk-free rate	**0.61%**	**0.59%**	**0.18%**
Dividend yield	**2.29%**	**2.13%**	**2.19%**
Volatility	**24%**	**22%**	**22%**
Fair value per option (£)	**2.34**	**2.03**	**2.17**

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.

24 Share-based payments continued

Capital Appreciation Plan (CAP) and Company Share Option Plan (CSOP)

Date of grant	CAP 2010 Tranche 2 30 Mar 2010	CAP 2014 Tranche 1 20 Jun 2014	CAP 2014 Tranche 2 20 Jun 2014	CAP 2014 Tranche 3 20 Jun 2014	CSOP 2014 UK 20 Jun 2014	CSOP 2014 Canada 20 Jun 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	1115.67*	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 shareholders on 21 January 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 30 September 2020.

The remaining CAP 2010 share options are unlikely to vest and the charge has been released in 2017.

The CAP 2014 was approved by shareholders on 30 January 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 30 September 2023.

The minimum performance target under CAP 2014 was not achieved and the options have lapsed in 2017. No costs were amortised in 2017 (2016: £nil).

Performance Share Plan (PSP)

The PSP was approved by shareholders on 1 June 2015. Under the PSP, each award of nil-cost options has a maximum life of 10 years. The maximum award is shares with a market value of 200% of annualised basic salary. These awards will not normally vest until the respective three or five years after the award and provided the performance conditions have been met.

For the year ended 30 September 2017, two grants which have either a three or five-year vesting periods were made under the PSP in the form of nil-cost options. A share award was made to A Rashbass of 141,857 and CR Jones of 25,562. The actual number of award shares which vest will depend on the extent to which performance conditions have been satisfied over a five-year period ending on 30 September 2021. The other share award was made to Divisional Directors totalling 157,809 award shares whereby vesting will depend on the extent to which performance conditions have been satisfied over a three-year period ending on 30 September 2019.

For the year ended 30 September 2016, the only grant under this scheme was to A Rashbass for 159,269 share awards with a fair value of £1.5m.

The share price used to determine the number of shares awarded under the PSP grants is the average of the middle market quotations of an Ordinary Share as derived from the Daily Official List for the five dealing days preceding the date of grant. Further details are shown in the Directors' Remuneration Report.

Date of grant	PSP 18 Dec 2015	PSP 19 Dec 2016	PSP 19 Dec 2016
Market value at date of grant and fair value per option (p)	942.18	1,057.40	1,057.40
Option price (p)	–	–	–
Number of options (shares)	159,269	167,419	157,809
Option life (years)	10	10	10
Expected term of option (grant to exercise (years))	5	5	3
Exercise price (p)	0.25	0.25	0.25

Buy-out award

A buy-out award was issued to A Rashbass on 1 October 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	
	2017 £000	2016 £000	2017 £000	2016 £000	2017 £000	2016 £000
At 1 October	**(11,771)**	(9,171)	**(480)**	–	**526**	589
Additions from acquisitions during the year (note 15)	**(4,997)**	(665)	**(700)**	(480)	**–**	–
Additions from disposals during the year	**–**	–	**–**	–	**2,679**	450
Payment/(receipt) during the year	**–**	–	**833**	–	**(1,386)**	(662)
Exercise of commitments	**540**	239	**–**	–	**–**	–
Net movements in finance income and expense during the year (note 7)	**2,970**	(601)	**(3)**	–	**180**	–
Exchange differences to reserves	**133**	(1,573)	**–**	–	**(10)**	149
At 30 September	**(13,125)**	(11,771)	**(350)**	(480)	**1,989**	526
Within one year	**(9,904)**	(326)	**(350)**	(480)	**419**	–
In more than one year	**(3,221)**	(11,445)	**–**	–	**1,570**	526
	(13,125)	(11,771)	**(350)**	(480)	**1,989**	526

The acquisition commitment addition of £5.0m relates to Layer123. The remaining interest in Layer123 is subject to put and call options under an earn-out agreement, in three equal instalments, based on the profits of Layer123 for its years ended February 2018, 2019 and 2020 (note 15).

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.

Reconciliation of finance income and expense (note 7):

	Acquisition commitments		Deferred consideration payments		Deferred consideration receipts	
	2017 £000	2016 £000	2017 £000	2016 £000	2017 £000	2016 £000
Re-measurement during the year	**4,136**	258	**(3)**	–	**79**	–
Imputed interest	**(1,166)**	(859)	**–**	–	**101**	–
Net movements in finance income and expense during the year	**2,970**	(601)	**(3)**	–	**180**	–

The non-controlling interest of Ned Davis Research (NDR) has exercised its put options over the remaining 15% stake in NDR. The liability has been re-measured using the contractual mechanism which has resulted in a credit to the Income Statement of £3.3m. The discounted present value of the acquisition commitment relating to NDR at 30 September 2017 was £8.5m and will be settled in January 2018.

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:

	2017		2016	
	Maximum £000	Minimum £000	Maximum £000	Minimum £000
NDR	**8,758**	**8,758**	46,314	–
World Bulk Wine	**15,662**	**–**	672	–
FastMarkets	**–**	**–**	480	–
ReSec	**286**	**–**	–	–
Layer123	**19,047**	**–**	–	–
	43,753	**8,758**	47,466	–

On 30 October 2017, the Group disposed of its 74% stake in World Bulk Wine to Comexposium Holding SAS for a cash consideration of €13.6m (£12.0m) (note 11). The discounted present value of the acquisition commitment relating to World Bulk Wine at 30 September 2017 was £0.3m. The disposal has been disclosed as an event after the balance sheet date (note 30).

25 Acquisition commitments and deferred consideration continued

The potential undiscounted amount of all future receipts that the Group could receive under the disposal deferred consideration arrangements is as follows:

	2017		2016	
	Maximum £000	**Minimum £000**	Maximum £000	Minimum £000
II Newsletters	**–**	**–**	142	–
Gulf Publishing	**302**	**302**	312	–
Petroleum Economist	**72**	**72**	72	–
HFI	**1,250**	**1,250**	–	–
II Searches	**69**	**69**	–	–
Euromoney Indices	**350**	**350**	–	–
	2,043	**2,043**	526	–

The discounted acquisition commitments, acquisition deferred consideration payments and deferred consideration receipts on disposal are based on pre-determined multiples of future profits of the businesses and have been estimated on a transaction by transaction basis using available performance forecasts. The Directors derive their estimates from internal business plans and financial due diligence. At 30 September 2017, the weighted average growth rates used in estimating the expected profits range was 5%.

A one percentage point increase or decrease in growth rate in estimating the expected profits results in the acquisition commitment at 30 September 2017 increasing or decreasing by £0.2m with the corresponding change to the value charged or credited to the Income Statement in future periods.

26 Operating lease commitments

At 30 September, the Group had committed to make the following payments in respect of operating leases on land and buildings:

	2017 £000	Restated 2016 £000
Within one year	**8,161**	7,685
Between one and five years	**28,500**	19,993
After five years	**45,496**	23,303
Continuing operations	**82,157**	50,981
Discontinued operations	**2,169**	3,443
Total	**84,326**	54,424

The Group's operating leases do not include any significant leasing terms or conditions. In December 2016, Institutional Investor LLC entered into a lease agreement for offices in New York. This lease expires in April 2033 and does not include a break clause. The lease was rent free during the year to 30 September 2017. The future operating lease commitments are £47.2m.

At 30 September, the Group had contracted with tenants to receive the following payments in respect of operating leases on land and buildings:

	2017 £000	2016 £000
Within one year	**989**	949
Between one and five years	**1,638**	2,164
After five years	**304**	709
	2,931	3,822

27 Retirement benefit schemes

The Group operates a number of pension schemes under which contributions are paid by the employer and employees. The total net pension costs from continuing operations of the Group for the year ended 30 September 2017 were £3.1m (2016: £3.1m).

Defined contribution schemes

The Group operates the following defined contribution schemes: DMGT PensionSaver, Euromoney PensionSaver and the Metal Bulletin Group Personal Pension Plan in the UK and 401(k) savings and investment plan in the US.

In compliance with the Pension Act 2008, the Group operated a defined contribution plan, DMGT PensionSaver, up to 30 June 2017 and thereafter the Euromoney PensionSaver, into which relevant employees are automatically enrolled.

The pension charge in respect of defined contribution schemes for the year ended 30 September comprised:

	2017 £000	Restated 2016 £000
DMGT and Euromoney PensionSaver	**2,048**	2,059
Metal Bulletin Group Personal Pension Plan	**14**	15
Private schemes	**966**	889
Harmsworth Pension Scheme	**–**	11
	3,028	2,974

DMGT and Euromoney PensionSaver

Both schemes operate as group personal pension plan under the same terms. The Euromoney PensionSaver is the principal pension arrangement offered to employees of the Group. 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.

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. In 2016, due to a change in DMGT's policy to allocate the assets and liabilities of DMGT group's defined benefit plan on a buy-out basis, the Group's share of HPS's liability was recognised at 30 September 2016, which was treated as an exceptional item as shown in note 5.

Harmsworth Pension Scheme

HPS is a multi-employer defined benefit scheme operated by DMGT and closed to further accrual.

A full actuarial valuation of the scheme is carried out triennially by the scheme actuary. Prior to its closure to future accrual on 1 January 2016, DMGT made annual contributions of 12% or 18% of members basic pay (depending on membership section) to HPS. Following the results of the latest triennial valuation as at 31 March 2016, DMGT agreed a Recovery Plan involving annual funding payments of £13.0m on 5 October 2016 to 2018, £16.2m on 5 October 2019 to 2025 and £76.2m on 5 October 2026. DMGT considers that these contribution rates are sufficient to eliminate the deficit over the agreed period. This Recovery Plan will be reviewed at the next triennial valuation due to be completed with an effective date of 31 March 2019.

In February 2014 DMGT agreed with the Trustees, that should it continue its share buy-back programme, it would make additional contributions to its schemes amounting to 20% of the value of shares purchased. No contributions relating to this agreement were made in the year to 30 September 2017.

DMGT enabled the Trustees of HPS 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. Following the results of the most recent actuarial valuation of the Plan, carried out with an effective date of 31 March 2017, the Trustees and DMGT have agreed that no further contributions are required from DMGT.

27 Retirement benefit schemes continued

DMGT expects to contribute approximately £13.0m to the schemes during the year to 30 September 2017 including the deficit funding payments described above. The Euromoney Group did not contribute to the scheme in 2017 and expects to contribute £0.1m in 2018.

Northcliffe Trustees Limited (the Trustee) has been appointed by DMGT as an independent trustee to administer and manage the HPS on behalf of the members in accordance with the terms of the HPS Trust Deed and Rules and relevant legislation (principally the Pension Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004).

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 1 June 2016. As a result of the 2016 valuation, the Company agreed to make annual contributions of 38.9% per annum of pensionable salaries, plus £55,900 per month to the scheme over the period to 2022. 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 £0.7m to the MBPS during the year to 30 September 2018.

Pension Legacy Trustees Limited (the Trustee) has been appointed by Euromoney Global Limited as an independent trustee to administer and manage the MBPS on behalf of the members in accordance with the terms of the MBPS Trust Deed and Rules and relevant legislation (principally the Pension Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004).

The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its Statement of Financial Position. Having taken account of the rules of the schemes, the Group considers that recognition of surpluses in the schemes on its Statement of Financial Position would be in accordance with the interpretation of IFRIC 14.

A reconciliation of the net pension deficit reported in the Statement of Financial Position is shown in the following table:

	2017 £000	2016 £000
Present value of defined benefit obligation	**(74,781)**	(71,174)
Fair value of plan assets	**64,827**	61,179
Deficit reported in the Statement of Financial Position	**(9,954)**	(9,995)

The deficit for the year excludes a related deferred tax asset of £1.7m (2016: asset £1.7m).

The movements in the defined benefit liability over the year is as follows:

2017	**Present value of obligation £000**	**Fair value of plan assets £000**	**Net defined benefit liability £000**
At 30 September 2016	**(71,174)**	**61,179**	**(9,995)**
Current service cost	**(77)**	**–**	**(77)**
Interest (expense)/income	**(1,089)**	**887**	**(202)**
Total charge recognised in Income Statement	**(1,166)**	**887**	**(279)**
Remeasurements:			
Return on plan assets, excluding amounts in interest expense/income	**–**	**3,153**	**3,153**
Gain due to change in financial assumptions	**824**	**–**	**824**
Loss due to change in demographic assumptions	**(4,249)**	**–**	**(4,249)**
Experience loss	**(48)**	**–**	**(48)**
Total losses recognised in Statement of Comprehensive Income	**(3,473)**	**3,153**	**(320)**
Contributions — employers	**–**	**640**	**640**
Contributions — plan participants	**(8)**	**8**	**–**
Payments from the plans — benefit payments	**1,040**	**(1,040)**	**–**
At 30 September 2017	**(74,781)**	**64,827**	**(9,954)**

27 Retirement benefit schemes continued

2016	Present value of obligation £000	Fair value of plan assets £000	Net defined benefit liability £000
At 30 September 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 30 September 2016	(71,174)	61,179	(9,995)

The major categories and fair values of plan assets are as follows:

	2017 £000	2016 £000
Equities	**25,231**	23,609
Bonds	**32,752**	31,535
Property	**3,835**	2,846
With profits policy	**2,583**	2,734
Cash and cash equivalents	**426**	455
	64,827	61,179

Equities include hedge funds and infrastructure funds. All the assets listed, above excluding property and 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 £4.0m (2016: £4.8m).

The key financial assumptions adopted are as follows:

	MBPS		**HPS**	
	2017 %	2016 %	**2017 %**	2016 %
Discount rate	**2.55**	2.40	**2.60**	2.40
Price inflation	**3.10**	2.95	**3.20**	2.95
Salary increases	**2.50**	2.50	**2.50**	2.50
Pension increases	**3.00**	2.80	**3.00**	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. At 30 September 2016 this methodology incorporated bonds given an AA rating from at least one of the main four rating agencies (Standard & Poor's, Moody's, Fitch and DBRS). At 30 September 2017 the methodology reverted back to incorporated bonds given an AA rating from at least two of the four main rating agencies, as used in years prior to 30 September 2016. The impact of this change in accounting estimate is to increase the defined benefit obligation and net pension obligation reported on the Statement of Financial Position as at 30 September 2017 by £1.8m.

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 (MBPS: 0.30% p.a., HPS: 0.20% p.a.). The nominal and real spot curves provided by the Bank of England were extrapolated up to 50 years using a bootstrapping method which uses gilt price information provided by the UK Debt Management Office.

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.

27 Retirement benefit schemes continued

The average duration of the defined benefit obligation at the end of the year is approximately 16 years for MBPS (2016: 20 years) and 20 years for HPS (2016: 20 years).

	MBPS		HPS	
	2017	2016	2017	2016
Assumed life expectancy in years, on retirement[1]				
Retiring at the end of the reporting year:				
Males	**26.9**	24.6	**26.4**	24.6
Females	**29.0**	26.8	**28.3**	26.8
Retiring 20 years after the end of the reporting year:				
Males	**28.8**	26.4	**26.8**	26.4
Females	**31.0**	28.7	**29.2**	28.7

1 MBPS — 62 years; HPS — 60 years

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 0.9%**
Inflation rate	**Increase by 0.1%**	**Increase by 0.8%**
Salary increases	**Increase by 0.25%**	**Increase by 0.7%**
Life expectancy	**Increase by one year**	**Increase by 3.4%**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this 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 1 June 2016 forward to 30 September 2019.

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 22 October 1996. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is Malaysian ringgit 83.1m (£14.7m). 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 borrowings under a US$160m multi-currency facility with Daily Mail and General Holdings Limited (DMGH), a Daily Mail and General Trust plc (DMGT) group company:

	2017 £000	2016 £000
Fees on the available facility for the year	**153**	525

This facility was terminated on 29 December 2016.

(ii) The Group had a deposit agreement with DMGH and DMGB Limited, a DMGT group company:

	2017 £000	2016 £000
Deposits	**–**	73,639

This agreement was terminated on 6 January 2017.

(iii) During the year, the Group expensed services provided by DMGT and other fellow group companies, as follows:

	2017 £000	2016 £000
Services expensed	**379**	960

From January 2017 the services expensed include a charge under the transitional service agreement with DMGT signed on 3 January 2017.

(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:

	2017 £000	2016 £000
Amounts payable	**387**	1,633
Tax losses with tax value	**516**	2,177
Amounts owed to/(by) DMGT group at end of year	**387**	(121)

(v) On 8 December 2016, the Group acquired 0.3% of the equity of Euromoney Consortium Limited from DMG Charles Limited for a cash consideration of £0.7m. Refer to the increase in equity holdings section in note 15.

(vi) On 6 January 2017, the Group completed the off-market purchase of 19,247,173 ordinary shares from the DMGT group for cancellation at a price of £9.75 per share. The transaction was approved by shareholders at the Company's general meeting held on 29 December 2016.

(vii) The Group participates in the Harmsworth Pension Scheme (HPS), a defined benefit scheme operated by DMGT, which up to 30 September 2016 was accounted for as a defined contribution scheme. The Group's share of the HPS deficit is:

	2017 £000	2016 £000
Surplus/(deficit) on defined benefit scheme	**26**	(1,249)

(viii) During the year, the Group provided services to Risk Management Solutions Ltd, a DMGT subsidiary for HKD1,046,608 (2016: HKDnil).

(ix) During the year, no dividend was received from associate undertakings. For 2016 a dividend of £83,000 was received from World Bulk Wine.

(x) During the year, Ned Davis Research (NDR), a subsidiary undertaking, leased office space at market rates from a separate entity, Bird Bay Properties, LLC, which is owned by a minority shareholder of NDR. The amount paid was US$0.6m (2016: paid US$0.5m).

(xi) NF Osborn served as an advisor to the Boards of both DMG Events and dmgi, which were fellow group companies. NF Osborn resigned from the Company's Board of Directors on 28 January 2016. He did not receive a fee for the year ended 30 September 2017 (2016: US$23,250).

(xii) The Directors who served during the year received dividends of £0.2m (2016: £0.2m) in respect of ordinary shares held in the Company.

29 Related party transactions continued

(xiii) Gulf and PE were disposed of during the year ended 30 September 2016 for £10.8m to Gulf Publishing Holdings LLC, in which the former president of Gulf and PE, John Royall, held equity interest of 11%.

(xiv) 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

	2017 £000	2016 £000
Salaries and short-term employee benefits	**7,884**	9,672
Non-Executive Directors' fees	**455**	343
Post-employment benefits	**285**	319
Other long-term benefits (all share-based)	**524**	992
	9,148	11,326
Of which:		
Executive Directors	**3,126**	4,512
Non-Executive Directors	**455**	343
Divisional Directors	**5,567**	6,471
	9,148	11,326

Details of the remuneration of Directors are given in the Directors' Remuneration Report.

30 Events after the balance sheet date

The Directors propose a final dividend of 21.80p per share (2016: 16.40p) totalling £23.4m (2016: £20.8m) for the year ended 30 September 2017. The dividend will be submitted for approval by shareholders at the AGM to be held on 1 February 2018. In accordance with IAS 10 'Events after the Reporting Period', these financial statements do not reflect this dividend payable which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 30 September 2018.

On 30 October 2017, the Group disposed of Adhesion Group S.A. (Adhesion) and its 74% stake in World Bulk Wine Exhibition, S.L. (World Bulk Wine) to Comexposium Holding SAS for a cash consideration of €13.6m (£12.0m). 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 30 September 2017, the assets and liabilities of Adhesion and World Bulk Wine have been disclosed separately on the face of the Consolidated Statement of Financial Position. Adhesion and World Bulk Wine contributed €9.1m (£7.8m) to the Group's revenue for the year ended 30 September 2017 (2016: €10.3m (£7.9m)) and €0.4m (£0.3m) to the Group's operating profit for the year ended 30 September 2017 (2016: €2.4m (£1.8m)).

On 22 November 2017 the Group announced that it had reached a binding agreement to sell its 15.5% share in Diamond TopCo Limited (Dealogic) to Ion Investment Group for approximately US$135m. Completion of the sale is subject to regulatory approvals and it is expected to take approximately six weeks to complete.

There were no other events after the balance sheet date.

Notes to the Consolidated Financial Statements
Continued

31 List of Subsidiaries

In accordance with section 409 of the Companies Act 2006, a full list of subsidiaries and partnerships, the registered office and the effective percentage of equity owned included in these consolidated financial statements at 30 September 2017 are disclosed below.

Company	Proportion held	Principal activity and operation	Registered office
Euromoney Institutional Investor PLC	n/a	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
ABF1 Limited	100%	Dormant	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
ABF2 Limited	100%	Dormant	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Adhesion Asia Limited	100%	Dormant	38/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Adhesion Group S.A.	100%	Events	35/37 Rue Des Abondances, 92513 Boulogne Billancourt Cedex, France
Asia Business Forum (Singapore) Pte Ltd	100%	Dormant	38 Beach Road, #29-11 South Beach Tower, 189767, Singapore
Asia Business Forum (Thailand) Limited	100%	Dormant	No. 193/78 Lake Rajada Building, 19th Floor Rajadapisek Road, Klongtoey district and Klongtoey sub-district, Bangkok, 10110, Thailand
Asia Business Forum SDN. BHD	100%	Dormant	Suite 30C, 3rd Floor, Wisma TCL, 470, Jalan Ipoh, 51200 3rd Mile, Kuala Lumpur, Malaysia
BCA Research, Inc.	100%	Research and data services	1002 Sherbrook Street West, Montreal, Québec, H3A 3L6, Canada
Benchmark Financials Ltd	100%	Dormant	Street 93 N 15-27, 7th Floor, Bogota, Colombia
BPR Holdings Ltd (BVI)	100%	Dormant	Street 93 N 15-27, 7th Floor, Bogota, Colombia
BPR Benchmark Limitada	100%	Dormant	Street 93 N 15-27, 7th Floor, Bogota, Colombia
Bright Milestone Limited	100%	Investment holding company	38/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Business Forum Group Holdings Ltd	100%	Dormant	No. 193/78 Lake Rajada Building, 19th Floor Rajadapisek Road, Klongtoey district and Klongtoey sub-district, Bangkok, 10110, Thailand
Centre for Investor Education (UK) Limited	75%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Centre for Investor Education Pty Limited	75%	Events	Level 8, 168 Lonsdale Street Melbourne VIC 3000 Australia
EII (Ventures) Limited	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
EII Holdings, Inc.	100%*	Investment holding company	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
EII US, Inc.	100%	Investment holding company	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
EIMN LLC	100%	Events	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Euromoney BML Limited	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Canada Limited	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Charles Limited	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Consortium 2 Limited	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Consortium Limited	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney ESOP Trustee Ltd	100%	Dormant	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Global Limited	100%	Publishing and events	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Guarantee Limited	100%	Dormant	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Holdings Limited	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Euromoney Holdings US, Inc	100%	Investment holding company	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Euromoney Institutional Investor (Jersey) Limited	100%†	Publishing, training and events	15 Esplanade, St Helier, JE1 1RB, Jersey
Euromoney Institutional Investor (Shanghai) Ltd	100%	Publishing, training and events	Unit 305C, 3/F, Azia Center, 1233 Lujiazui Ring Road, Shanghai, China
Euromoney Jersey Limited	100%#	Investment holding company	15 Esplanade, St Helier, JE1 1RB, Jersey
Euromoney Luxembourg S.a.r.l	100%	Investment holding company	295 rue de Neudorf, L-220 Luxembourg, Grand Duchy of Luxembourg, Luxembourg
Euromoney Partnership LLP	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom

31 List of Subsidiaries continued

Company	Proportion held	Principal activity and operation	Registered office
Euromoney Publications (Jersey) Limited	100%	Investment holding company	15 Esplanade, St Helier, JE1 1RB, Jersey
Euromoney Services Inc	100%	Research and data services	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Euromoney (Singapore) Pte Limited	100%	Events	8 Marina Boulevard, #05-02, Marina Bay Financial Centre, Singapore, 018981, Singapore
Euromoney Trading Limited	100%	Publishing, training and events	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Fantfoot Limited	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
FOEX Limited	100%	Research and data services	Mannerheimintie 40 D 85, 00100, Helsinki, Finland
Fastmarkets Limited	100%	Publishing	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Fastmarkets Pte Limited	100%	Publishing	600 North Bridge Road, #23-01 Parkview Square, 188778, Singapore
Fastmarkets Inc	100%	Publishing	310 Alder Road PO Box 841, Dover, Kent, DE 19904, United States
GGA Pte. Limited	100%	Events	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore, 018981
Glenprint Limited	100%	Publishing	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Global Commodities Group Sarl	100%	Events	Rue Boulevard de Saint-Georges 72, 1205 Geneva, Switzerland
Insider Publishing Limited	100%	Dormant	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Institutional Investor Networks Inc	100%	Publishing and events	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Institutional Investor LLC	100%	Publishing and events	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Institutional Investor Networks UK Limited	100%	Information services	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Internet Securities (BVI) Ltd	100%	Dormant	Romasco Place, Wickhams Cay 1, P. O. Box 3140, Road Town, Tortola, VG1110, British Virgin Islands
Internet Securities Egypt Ltd	100%	Dormant	3 El Badia Street, Off Al Thawra Street, Heliopolis, Cairo, Egypt
Internet Securities, Inc.	100%	Information services	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Layer123 Events & Training Limited	61%	Events	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Metal Bulletin Holdings LLC	100%	Investment holding company	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States
Ned Davis Research, Inc.	85%	Research and data services	600 Bird Bay Drive West, Venice FL 34285, United States
PL Holdings LLC	100%	Research and data services	National Registered Agents, Inc. 160 Greentree Drive, Ste 101 Dover, DE 19904, United States
Redquince Limited	100%	Investment holding company	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Reinsurance Security (Consultancy).co.uk Limited	83%	Publishing	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
RISI Asia (Hong Kong) Limited	100%	Research and data services	Room 909, 9/F., Wayson Commercial Building, 28 Connaught Road West, Sheung Wan, Hong Kong
RISI Consulting Beijing Co Ltd	100%	Research and data services	Room 1561,Unit 01-06, Floor 15, Section A, Building 9 Dongdaqiao Road, Chaoyang, Beijing, China
RISI Consultoria em Productos Florestais	100%	Research and data services	Rua Bernadino de Campos, nº 98, Sobreloja, Bairro Paraíso, CEP 04004-040, São Paulo, Brazil
RISI Inc	100%	Research and data services	National Registered Agents, Inc. 160 Greentree Drive, Ste 101 Dover, DE 19904, United States
RISI US (Holdco) Inc	100%	Research and data services	National Registered Agents, Inc. 160 Greentree Drive, Ste 101 Dover, DE 19904, United States
RISI Sprl	100%	Research and data services	Avenue Louise 523, 1050 Brussels, Belgium
Shanghai Leadway E-commerce Co Ltd	100%	Research and data services	Room 907, No. 388, West Nanjing Road, Huangpu District, Shanghai, China
Steel First Limited	100%	Dormant	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Storas Holdings Pte Ltd	100%	Dormant	38 Beach Road, #29-11 South Beach Tower, 189767, Singapore
Tipall Limited	100%	Property holding	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
World Bulk Wine Exhibition, S.L	74%	Events	Morago, 7 Bajo, 13200 Manzanares, 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.

Notes to the Consolidated Financial Statements
Continued

31 List of Subsidiaries continued

The below subsidiaries have been disclosed as discontinued operations (note 11):

Company	Proportion held	Principal activity and operation	Registered office
CEIC Data — Internet Securities Japan K.K	100%	Information services	706, Aios Ginza, 8-17-5, Ginza, Chuo-ku, Tokyo 104-0061, Japan
CEIC Data (SG) Pte Ltd	100%	Information services	180B Bencoolen Street, #06-03 The Bencoolen, 189648, Singapore
CEIC Data (Shanghai) Co Ltd	100%	Information services	Unit K,32/F, No.588 Pudong South Road, Pudong, Shanghai, China
CEIC Data Co Ltd	100%	Information services	38/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
CEIC Data (Thailand) Co Ltd	100%	Information services	193/78 Lake Rajada Office 19/F, Ratchadapisek Rd, Klongtoey, Bangkok, 10110, Thailand
CEIC Data Korea Limited	100%	Information services	5th Fl. Yulchon Bldg, Yeouido-Dong, 20 Gukjegeumyung-Ro, Yeongdeungpogu, Seoul, Korea, Republic of Korea
CEIC Holdings Limited	100%	Information services	38/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
CEICdata.com (Malaysia) Sdn Bhd	100%	Information services	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
Euromoney Polska SP Zoo	100%	Information services	Al. Jerozolimskie 123a, 02-017, Warszawa, Poland
Internet Data Services (I) Pvt Ltd	100%	Information services	124, Mittal Court, C Wing, Nariman Point, Mumbai, 400 021, India
Internet Securities Argentina S.A.	100%	Dormant	Suipacha 1111, Piso 11, Buenos Aires, Argentina
Internet Securities do Brazil Ltda	100%	Information services	Rua Tabapuã 422 Suite 43/44, Itaim Bibi, São Paulo, 04533-001, Brazil
Internet Securities Bulgaria EOOD	100%	Information services	38-40 Osogovo Str., Floor 8, Office 8.1, Sofia, 1303, Bulgaria
Internet Securities de Chile Ltda	100%	Information services	Húerfanos 1055 oficina 503, Santiago, Chile
Internet Securities Hong Kong Ltd	100%	Information services	38/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Internet Securities Limited	100%	Information services	8 Bouverie Street, London, EC4Y 8AX, United Kingdom
Internet Securities LLC	100%	Investment holding company	251 Little Falls Drive, Wilmington, New Castle DE 19808, United States
Internet Securities Shanghai Limited	100%	Information services	Room 205D, 6th Building, NO.1147, Kang Ding Road, Jingan District, Shanghai, China
ISI Emerging Markets Colombia SAS.	100%	Information services	Street 93 N 15-27, 7th Floor, Bogota, Colombia
PT CEIC Data Indonesia	100%	Information services	Menara Thamrin 3A/f, Suite 3A07, Jl M.H.Thamrin Kav. 3, Kel. Kampung Bali, Kec. Tanah Abang, Jakarta Pusat 10340, Indonesia

31 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 section 394A and 448A of Companies Act 2006 respectively.

A list of associates, joint ventures and joint arrangements is disclosed in note 14.

For the year ended 30 September 2017, 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 Charles Limited	04082590
EII (Ventures) Limited	05885797
Euromoney Partnership LLP	OC363064
Internet Securities Limited	02976791
Redquince Limited	05994621
Steel First Limited	04002471
Insider Publishing Limited	03923422
Reinsurance Security (Consultancy).Co.UK Limited	04121650
Euromoney Consortium Limited	04082769
Euromoney Consortium 2 Limited	03803220
FastMarkets Limited	03879279
Glenprint Limited	02703517

Financial statements

Company Balance Sheet

as at 30 September 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Tangible assets	5	**402**	471
Investments	6	**1,086,904**	1,214,757
Debtors	7	**152,026**	–
		1,239,332	1,215,228
Current assets			
Debtors	7	**104,259**	26,951
Cash at bank and in hand		**941**	506
		105,200	27,457
Creditors: Amounts falling due within one year	8	**(103)**	(2,693)
Net current assets		**105,097**	24,764
Total assets less current liabilities		**1,344,429**	1,239,992
Creditors: Amounts falling due after more than one year	8	**(214,073)**	(306,801)
Net assets		**1,130,356**	933,191
Capital and reserves			
Called up share capital	10	**273**	321
Share premium account		**103,147**	102,835
Other reserve		**64,981**	64,981
Capital redemption reserve		**56**	8
Capital reserve		**1,842**	1,842
Own shares		**(21,005)**	(21,005)
Reserve for share-based payments		**38,395**	37,334
Fair value reserve		**1,358**	1,358
Profit and loss account		**941,309**	745,517
Total shareholders' funds		**1,130,356**	933,191

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 £419.5m (2016: £92.9m).

The financial statements on pages 144 to 149 were approved by the Board of Directors on 22 November 2017 and signed on its behalf by:

Andrew Rashbass
Colin Jones
Directors

Company Statement of Changes in Equity

as at 30 September 2017

	Share capital £000	Share premium account £000	Other reserve £000	Capital redemption reserve £000	Capital reserve £000	Own shares £000	Reserve for share-based payments £000	Fair value reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 30 September 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 30 September 2016	321	102,835	64,981	8	1,842	(21,005)	37,334	1,358	745,517	933,191
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**419,457**	**419,457**
Own shares acquired in the year	**(48)**	**–**	**–**	**48**	**–**	**–**	**–**	**–**	**(193,465)**	**(193,465)**
Credit for share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**1,061**	**–**	**–**	**1,061**
Cash dividends paid[1]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(30,200)**	**(30,200)**
Exercise of share options	**–**	**312**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**312**
At 30 September 2017	**273**	**103,147**	**64,981**	**56**	**1,842**	**(21,005)**	**38,395**	**1,358**	**941,309**	**1,130,356**

1 Refer to the Group financial statements note 9.

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust and Euromoney Employee Share Trust. 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.

	2017 Number	2016 Number
Euromoney Employees' Share Ownership Trust	**58,976**	58,976
Euromoney Employee Share Trust	**1,700,777**	1,700,777
Total	**1,759,753**	1,759,753
Nominal cost per share (p)	**0.25**	0.25
Historical cost per share (£)	**11.94**	11.94
Market value (£000)	**20,607**	19,516

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

Of the reserves above, a total of £66.2m is distributable to equity shareholders of the Company, comprising the share-based payments reserve of £38.4m and £48.8m of the profit and loss account less £21.0m in relation to own shares by virtue of section 381 Companies Act 2006. The remaining balance of the profit and loss account of £892.5m is not distributable.

There were insufficient distributable profits in EII (Ventures) Limited (EIIV) to support the dividend of £2.7m received from EIIV in the prior year. The dividend received has been reversed in the current year.

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.

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 tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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.

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 7 November 2002 that were unvested at 1 October 2004, the date of application of FRS 20. The Company operates the Group's PSP and other Group share-based payment schemes, details of which can be found in note 24 to the Group accounts.

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 in 2016 (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 30 September 2017 were £1,087m (2016: £1,215m).

3 Staff costs

Details of Directors' remuneration are set out in the Directors' Remuneration Report on pages 58 to 73 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 this Company (2016: £nil).

4 Remuneration of auditor

	2017 £000	2016 £000
Fees payable for the audit of the Company's annual accounts	16	16

5 Tangible assets

	Short-term leasehold premises £000
Cost	
At 1 October 2016 and at 30 September 2017	**701**
Depreciation	
At 1 October 2016	230
Charge for the year	69
At 30 September 2017	**299**
Net book value at 30 September 2017	**402**
Net book value at 30 September 2016	471

6 Investments

	2017			2016		
	Subsidiaries £000	Investments in associates £000	Total £000	Subsidiaries £000	Investments in associates £000	Total £000
At 1 October	1,182,802	31,955	1,214,757	965,155	31,955	997,110
Additions	–	–	–	330,897	–	330,897
Disposal	(95,898)	(31,955)	(127,853)	–	–	–
Impairment	–	–	–	(113,250)	–	(113,250)
At 30 September	**1,086,904**	**–**	**1,086,904**	1,182,802	31,955	1,214,757

On 9 December 2016 the Company sold its shareholding in CEIC Holdings Ltd and Diamond Topco Limited to Euromoney Publications (Jersey) Ltd, a subsidiary of the Company, for a consideration of US$159m.

For the financial year ended 2016, the Company subscribed to 1,000 new ordinary shares of HK$1 each in CEIC Holdings Ltd for a total consideration of US$148m and subscribed to 43 new ordinary shares of £1 each in Euromoney Canada Ltd for a total consideration of £235m. In addition, 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 30 September 2017 can be found in note 31 to the Group accounts.

7 Debtors

Amounts falling due within one year:

	2017 £000	2016 £000
Amounts owed by Group undertakings	101,072	25,777
Other debtors	572	–
Corporate tax	2,615	1,174
	104,259	26,951

Amounts owed by Group undertakings include loans totalling £27.3m (2016: £20.1m) with interest rates from 2.93% to 3.98% (2016: 4.82%) and repayable in September 2018. The remaining balance of £73.8m (2016: £5.7m) is interest free and repayable on demand.

Notes to the Company Accounts
continued

7 Debtors continued

Amounts falling due after more than one year

	2017 £000	2016 £000
Amounts owed by Group undertakings	151,097	–
Other debtors	929	–
	152,026	–

Amounts owed by Group undertakings include a loan of £151.1m (2016: £nil) with a floating interest rate of 2.76% and repayable in September 2022.

8 Creditors

Amounts falling due within one year:

	2017 £000	2016 £000
Amounts owed to Group undertakings	–	(2,487)
Provisions (note 9)	(62)	–
Loan notes	–	(185)
Accruals and deferred income	(41)	(21)
	(103)	(2,693)

Amounts falling due after more than one year

	2017 £000	2016 £000
Amounts owed to Group undertakings	(213,221)	(306,041)
Provisions (note 9)	(366)	(274)
Other creditors	(486)	(486)
	(214,073)	(306,801)

Amounts owed to Group undertakings include three loans totalling £213.2m (2016: four loans of £306.0m) with interest rates from 1.60% to 4.5% (2016: 1.98% to 4.50%) and repayable between February 2019 and December 2021.

9 Provisions

	Dilapidation provisions £000	Other provisions £000	Total £000
At 1 October 2016	274	–	274
Provision in the year	–	154	154
At 30 September 2017	274	154	428

	2017 £000	2016 £000
Maturity profile of provisions:		
Within one year	62	–
Between one and five years	366	274
	428	274

The other provision consists of social security costs arising on share option liabilities. The dilapidation provision represents the Directors' best estimate of the amount likely to be payable on expiry of the Company's property leases.

10 Called up share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
109,101,608 ordinary shares of 0.25p each (2016: 128,313,356 ordinary shares of 0.25p each)	273	321

During the year, 35,425 ordinary shares of 0.25p each (2016: 64,462 ordinary shares) with an aggregate nominal value of £88 (2016: £161) were issued following the exercise of share options granted under the Company's share option schemes for a cash consideration of £311,658 (2016: £278,608). On 6 January 2017, the Group completed the purchase for cancellation of 19,247,173 ordinary shares from its then majority shareholder DMG Charles Limited, a DMGT group company. The aggregate nominal value of the shares cancelled was £48,118.

11 Commitments and contingent liability

At 30 September, the Company has committed to make the following payments in respect of operating leases on land and buildings:

	2017 £000	2016 £000
Within one year	**647**	692
Between one and five years	**61**	706
Over five years	**–**	–
	708	1,398

The operating lease cost is charged to the profit or loss account of a fellow Group company.

Cross-guarantee

The Company and certain other companies in the Euromoney Institutional Investor PLC Group, have given an unlimited cross-guarantee in favour of its bankers.

12 Related party transactions

Related party transactions and balances are detailed below:

(i) The Company had a US$160m multi-currency facility with Daily Mail and General Holdings Limited (DMGH), a fellow Group company (note 20 to the Group accounts):

	2017 £000	2016 £000
Fees on the available facility for the year	**153**	525

This facility was terminated on 29 December 2016.

(ii) The Company had a deposit agreement with DMGH and DMGB Limited, a DMGT group company:

	2017 £000	2016 £000
Deposits	**–**	73,639

This agreement was terminated on 6 January 2017.

(iii) During the year, the Company entered into the following trading transactions with Euromoney Trading Limited:

	2017 £000	2016 £000
Guarantee fee	**–**	1,192
Licence fee	**–**	4,787
Management fee	**(643)**	(934)
	(643)	5,045
Amounts due under current account	**6,289**	5,720

(iv) In accordance with section 409 of the Companies Act 2006, a full list of subsidiaries and partnerships, the registered office and the effective percentage of equity owned are disclosed in note 31 to the Group accounts.

13 Post balance sheet event

The Directors propose a final dividend of 21.80p per share (2016: 16.40p) totalling £23.4m (2016: £20.8m) for the year ended 30 September 2017 subject to approval at the AGM to be held on 1 February 2018. 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 30 September 2018.

There were no other events after the balance sheet date.

Five Year Record

Consolidated Income Statement Extracts

	Restated 2013 £000	Restated 2014 £000	Restated 2015 £000	Restated 2016 £000	**2017 £000**
CONTINUING OPERATIONS					
Revenue	368,325	372,443	368,612	366,062	**386,923**
Operating profit before acquired intangible amortisation, long-term incentive (expense)/credit and exceptional items	114,033	112,351	97,986	91,358	**95,253**
Acquired intangible amortisation	(15,686)	(16,559)	(16,543)	(16,817)	**(20,566)**
Long-term incentive (expense)/credit	(1,586)	(1,980)	2,490	–	**–**
Exceptional items	1,925	2,630	34,184	(37,264)	**(31,253)**
Operating profit	98,686	96,442	118,117	37,277	**43,434**
Share of results in associates and joint ventures	284	264	(381)	(1,823)	**(1,890)**
Net finance (costs)/income	(10,625)	(2,304)	281	(2,010)	**(856)**
Profit before tax	88,345	94,402	118,017	33,444	**40,688**
Tax expense on profit	(18,928)	(24,185)	(15,634)	(11,118)	**(3,390)**
Profit for the year from continuing operations	69,417	70,217	102,383	22,326	**37,298**
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	3,608	5,648	3,303	8,687	**5,889**
PROFIT FOR THE YEAR	73,025	75,865	105,686	31,013	**43,187**
Attributable to:					
Equity holders of the parent	72,623	75,264	105,444	30,744	**42,718**
Equity non-controlling interests	402	601	242	269	**469**
	73,025	75,865	105,686	31,013	**43,187**
Basic earnings per share	57.88p	59.49p	83.42p	24.31p	**37.98p**
Diluted earnings per share	56.70p	59.15p	83.38p	24.29p	**37.91p**
Adjusted diluted earnings per share	70.96p	70.60p	70.12p	66.51p	**76.44p**
Diluted weighted average number of ordinary shares	128,077,588	127,236,311	126,460,787	126,584,778	**112,704,904**
Dividend per share	22.75p	23.00p	23.40p	23.40p	**30.60p**
Adjusted profit before tax	116,527	116,155	107,810	102,529	**106,462**
Adjusted profit after tax	91,286	90,433	88,920	84,463	**86,617**

Consolidated Statement of Financial Position Extracts

	Restated 2013 £000	Restated 2014 £000	Restated 2015 £000	Restated 2016 £000	**2017 £000**
Intangible assets	505,613	545,443	531,379	551,139	**593,962**
Non-current assets	23,255	18,707	47,760	50,753	**53,885**
Accruals	(48,381)	(47,973)	(55,743)	(73,375)	**(67,819)**
Deferred income	(106,051)	(109,842)	(112,129)	(118,786)	**(116,978)**
Other net current assets	5,371	34,933	66,902	107,779	**42,562**
Non-current liabilities	(46,048)	(84,745)	(33,225)	(40,009)	**(208,815)**
Net assets	333,759	356,523	444,944	477,501	**296,797**

The five year record does not form part of the audited financial statements.

Shareholder Notes

Shareholder Notes

Shareholder Information

Financial calendar

2017 final results announcement	Wednesday 22 November 2017
Final dividend ex-dividend date	Thursday 30 November 2017
Final dividend record date	Friday 1 December 2017
Trading update	Thursday 1 February 2018*
2018 AGM (approval of final dividend)	Thursday 1 February 2018
Payment of final dividend	Thursday 15 February 2018
2018 interim results announcement	Thursday 17 May 2018*
Interim dividend ex-dividend date	Thursday 24 May 2018*
Interim dividend record date	Friday 25 May 2018*
Payment of 2018 interim dividend	Thursday 21 June 2018*
2018 final results announcement	Thursday 22 November 2018*

* Provisional dates and subject to change

Company Secretary and registered office

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Shareholder enquiries

Administrative enquiries about a holding of Euromoney Institutional Investor PLC shares should be directed in the first instance to the Company's registrars, 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.

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