ASCENTIAL

Unlock the future

Annual Report 2019

DRIVING GROWTH

IN THE DIGITAL COMMERCE ECONOMY

Financial highlights

REVENUE (£M)

£416.2m

ORGANIC REVENUE GROWTH

6.4%

ADJUSTED EBITDA[1]

£128.5m

ADJUSTED EBITDA MARGIN[1]

30.9%

ADJUSTED DILUTED EARNINGS PER SHARE[1]

18.5p

NET DEBT LEVERAGE[1]

1.4x

Operational highlights

- Good delivery against our four key priorities for 2019:

— Focus on execution: Exceptional performances in Flywheel Digital and WGSN.

— Edge: Continuing progress on the integration of Edge due to complete in H1 2020, significant Coca-Cola contract win and encouraging trading in early 2020.

— Marketing segment growth.

— Ascential operating model rolled out.

- Organic growth across all segments.
- Acquisition of eCommerce analytics business Yimian in China.

"2019 was a satisfying and successful year for Ascential. We advanced our operating model to ensure our products further align with our customers' needs in fast paced growth markets and this was reflected in organic growth across all of our segments. We were particularly pleased with the strength of growth of the Marketing segment and exceptional performances from WGSN and Flywheel Digital."

Duncan Painter, Chief Executive Officer

More information online:
Our website gives you fast, direct access to a wide range of Company information.
ascential.com

[1] Refer to glossary of Alternative Performance Measures on page 33

Ascential is a specialist information data and analytics company that helps the world's most ambitious businesses win in the digital economy.

Our information optimises our customers' offering on the journey from product design through to marketing and sales.

The digital economy offers opportunity at a scale we haven't experienced before. We understand that our customers – the world's top consumer product and services companies – need the right information to help seize that opportunity.

We exist to help our customers win in the digital economy, unlocking the information, insights, connections, data and digital tools our customers need to understand the demands of tomorrow's consumer and make the decisions that will enable their business to grow and thrive.

Ascential also powers political, construction and environmental intelligence product brands DeHavilland, Glenigan and Groundsure – together comprising the Built Environment & Policy segment.

COMPANY OVERVIEW

Who we are
Ascential is a specialist information, data and analytics company.

We work with the world's best consumer brands and their ecosystems, connecting them with their customers throughout the purchase journey. This helps them deliver superior products, marketing and sales, at the right time and place, with the right message.

We provide business critical information to two thirds of the world's 100 most valuable brands*.

* WPP Kantar's Top Global Brands 2019

Our mission
To be the number one specialist information company enabling companies to win in the digital economy, particularly within the digital marketplaces, at product design, marketing and sales.

Our values
Forward thinking: We think big and see the bigger picture – helping our customers translate insight into advantage.

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

Transformative: We are visionary and confident – making changes happen.

NUMBER OF OFFICES

39

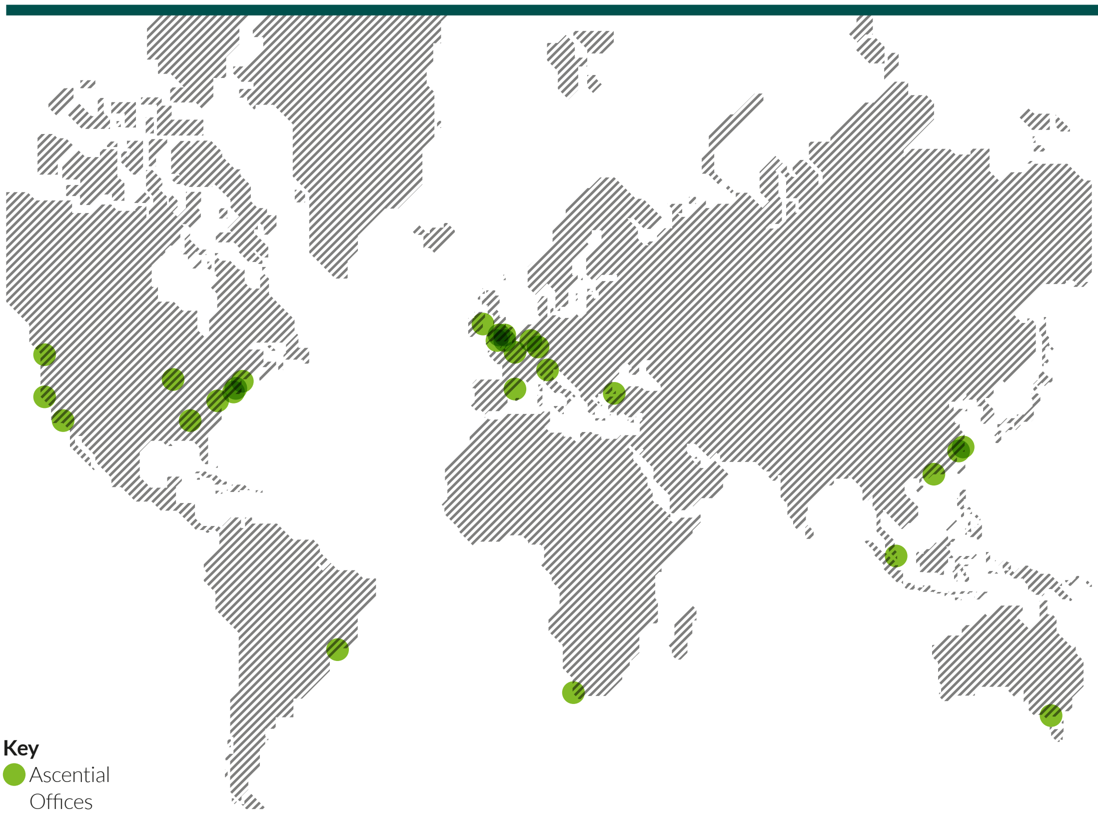
We serve customers in over 140 countries, leveraging local knowledge and connections for our global audience.

NUMBER OF EMPLOYEES

1,997

We have an experienced and dedicated global workforce which we recognise as a key asset of our business.

Our growing presence



Revenue by geography

UNITED KINGDOM
22%

OTHER EUROPE
15%

UNITED STATES AND CANADA
46%

ASIA PACIFIC
11%

MIDDLE EAST AND AFRICA
2%

LATIN AMERICA
4%

We enable smart decision-making for the world's most ambitious businesses. In an increasingly complex, digitally-driven world, we help the world's top consumer product and service companies understand what's important and how to act on it – today, and in the future.

Product Design

We deliver trend forecasting and insights, enabling customers to design for tomorrow's consumers.

Revenue

£86m

WGSN BY ASCENTIAL

Combines high-end technology and data science with human ingenuity, identifying the future consumers, the influencers and communities and optimal product and packaging design trends essential to brands' success.

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Marketing

We enable customers to create, execute and measure the effectiveness of marketing campaigns, leveraging creativity to create a world-class brand experience.

Revenue

£136m

CANNES LIONS BY ASCENTIAL

The global benchmark for creativity. Our awards celebrate the industry's best ideas, whilst our digital offerings enable inspiration and measurement around campaign effectiveness.

MEDIALINK BY ASCENTIAL

Leading advisory firm, sitting at the intersection of media, marketing, advertising, entertainment, technology, and finance. Enables businesses to drive vigorous and sustainable growth, while optimising media strategy.

WARC BY ASCENTIAL

The global authority on advertising and media effectiveness, offering advertising best practice, evidence and insights from the world's leading brands.

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Sales

We deliver data, analytics and industry-specific intelligence to maximise our customers, digital commerce, optimising distribution strategy, product portfolio, pricing, search and payments strategy.

Revenue

£158m

EDGE BY ASCENTIAL

Delivers some of the industry's most accurate and actionable sales-driving data, insights and advisory solutions for global brands and retailers looking to win in today's eCommerce-driven world.

YIMIAN BY ASCENTIAL

Helps its customers, predominantly multi-national CPGs, optimise their sales on eCommerce platforms.

flywheel BY ASCENTIAL

Offers customers Amazon-specific software, tools and expertise to drive sales and brand performance across Amazon platforms by directly actioning solutions for clients.

MONEY 20/20 BY ASCENTIAL

Money20/20 offers global events enabling payments and financial services innovation for connected commerce at the intersection of mobile, retail, marketing services, data and technology.

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Built Environment & Policy

We provide market-leading, environmental, construction and political intelligence, enabling informed and accurate decisions.

Revenue

£36m

Groundsure LOCATION INTELLIGENCE

Provides location intelligence, enabling property professionals to make decisions based on environmental risks such as land contamination, flooding and ground stability.

Glenigan

Partner to construction companies, material suppliers and organisations, delivering construction project sales leads, industry data, analysis, forecasting and company intelligence.

DeHavilland Definitive political intelligence

Allows public affairs professionals to deliver critical information, through political monitoring, campaigning tools, and research services across the UK and Europe.

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THE ASCENTIAL DIFFERENCE

We are the global market leader in delivering specialist information that enables our customers to win in the digital commerce economy.

CLEAR LONG-TERM VISION

Helping leading global brands connect with their customers in a data-driven world.

Laser focus

We support consumer brands and their ecosystems, enabling them to thrive within the digital commerce economy. We will help address the changes and challenges within this environment through our best-in-class solutions for Product Design, Sales and Marketing.

Our strategy
Page 20

STRUCTURAL GROWTH

Demand for information, data & analytics driven by growth of digital commerce.

Growing markets

Digital commerce is forecast to become an increasingly significant channel for retail over the next five years. This will make optimisation in this arena ever more critical to brand manufacturers, as they seek the most timely, accurate and relevant insight from their partners.

Market review
Page 16

MARKET LEADERS

We are leaders, with a unique blend of specialisms, in the high growth areas in which we operate.

Critical partner
In many of our businesses we are the key point of reference and a critical partner for our customers. This position is underpinned by a mixture of trusted expertise, proven analytical models and global reach.

Segmental review
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ATTRACTIVE FINANCIAL PROFILE

Track record of high single digit revenue growth, strong margins and cash generation, supported by sound capital allocation.

Financial resilience
On a proforma basis*, growth in each of the last five years has been 9% or higher, while margins have grown from 26% to 30% and operating cash flow conversion has exceeded 85%. We have established a record of adding high growth businesses to the Group, funded largely through the disposal of non-core, lower growth assets.

*Growth is on a proforma basis, as if all acquisitions and disposals in the period 2015-19 were acquired/disposed at 1 January 2015.

Financial review
Page 26

ROBUST BUSINESS MODEL

High recurring and repeat revenue, geographically diversified.

Resilience
More than 50% of our revenues are highly recurring in nature, derived from digital subscriptions and platforms, with over 80% of all revenue in 2019 from subscriptions and other repeat customers. Our geographical diversification is illustrated by the fact that over 60% of revenues arise outside the UK and Europe, while our top 10 customers account for just 11% of our revenue.

Business model
Page 18

STAKEHOLDER ENGAGEMENT AND S172 COMPANIES ACT 2006

The 2018 UK Corporate Governance Code reinforces the importance of Section 172 of the Companies Act 2006, which requires directors to act in a way that promotes the success of the company for the benefit of shareholders as a whole, whilst having regard to the interests of its other stakeholders.

This section of the report serves as our Section 172 (1) Statement, setting out how Directors have taken into consideration the interests of material stakeholders in their decision making.

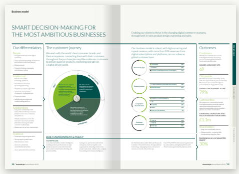
Effective stakeholder engagement helps us gain a better understanding of the impact of our decisions on stakeholder interests as well as understanding their needs and concerns. By understanding our stakeholders, we can factor into Board discussions the potential impact of our decisions on each stakeholder group and consider how best to act fairly between members as a whole.

We consider our key stakeholders to be our customers, our people, our suppliers and business partners, our investors and wider society.

Our methods and outcomes

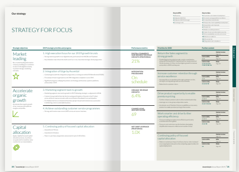
The methods we use to engage with each of these stakeholder groups and the outcomes from that engagement are set out in the following pages. In addition to this information on stakeholder engagement, other sections of this Annual Report are relevant to this statement and should be read in conjunction:

Business model – this identifies and explains the key relationships that our business depends upon (page 18)



Principal risk disclosure – this identifies threats to the relationships which could disrupt the long-term success of the Company (page 40)

Strategy – this summarises our long-term strategy, and the progress we have made in implementing that strategy (page 20)



Chief Executives' statement – this explains how our key decisions in the year have supported our long-term strategy (page 12)

Market review – this describes the trends in our macro environment that are likely to affect our performance and achievement of our long-term strategy (page 16)

Corporate Governance Report – the section on culture explains how the Directors monitor culture and support the achievement of the desired culture necessary for the achievement of our long-term success (page 64)

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Our customers

We provide solutions to consumer product manufacturers and their ecosystems to help them succeed in the changing digital economy. We do this across their product design, marketing and sales functions.

Customer forums & feedback

How we engage

- We place customers at the heart of all we do, regularly engaging with customers across our product brands and geographies. Our account management and client service functions are in constant contact with customers to ensure they get the best value from our services.
- We run a Customer Day programme where we encourage our people to spend a day with customers to understand their day to day business challenges.
- We run NPS surveys across the majority of our brands.
- We conduct research (involving online surveys, telephone calls and face to face interviews) on a project basis in advance of major product developments.

Outcomes from engagement

Net Promoter Scores are shared across the business, leading to refined internal policies, processes and procedures on an ongoing basis to take into account customer feedback.

Our Customer Day survey asks our people what they learnt, enabling us to capture that intelligence to inform our decisions.

At our events the content topics and themes have been directly informed by the qualitative and quantitative research and NPS surveys.

Our people
Page 46

Key accounts

How we engage

- We are in the process of harmonising how we approach key accounts across our business, as part of an ongoing programme to look at customer segmentation and a Company-wide approach to account-based selling and marketing.
- During 2019, we launched an Enterprise programme to focus support for Ascential's key customers.
- In 2019 we developed an Accelerator programme which helps customers understand how they are engaging with Ascential brands and to make sure their engagement with us is more joined up and efficient. We are dedicating client partners to support those relationships at an Ascential experience level rather than brand engagement.
- Our brands have a variety of account management programmes, which focus on ensuring customers get the best from our services through regular engagement and that customers can feed back any concerns or issues.

Outcomes from engagement

Feedback from our Enterprise programme has been positive and acknowledges the enhanced value that customers receive. We will be extending this to more customers during 2020.

Segmental review
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Our people

We have an experienced and dedicated workforce which we recognise as a key asset of our business. Key tenents of making Ascential a great working environment are an emphasis on health and wellbeing, investment in personal development and career progression, support for flexible working, diversity and inclusion, promoting equal pay and honest communications.

Health & Safety

How we engage

- We have established a Safety Committee, chaired by the Chief People Officer, to formalise the Health & Safety governance structure.
- Safety Champions have been appointed as representatives of our office locations across the Group.

Outcomes from engagement

The presence of Safety Champions in each office will make sure there is a direct route for our employees to raise Health & Safety concerns.

Our people
Page 46

Internal comms

How we engage

- Our business-wide internal communications framework ensures that our people are kept up-to-date with business strategy, activity and progress across the Group. This includes monthly newsletters and monthly videos from the Chief Executive, as well as dedicated communications around our financial results and ad hoc communications to support our change programmes and acquisitions.
- We hold our all-company conference in January each year enabling more than 1,400 individuals to hear and engage with strategy, plan and goals from the beginning of each annual cycle. This aligns objectives and interests, as well as giving our people an exceptional opportunity to network, share learnings and collaborate in relation to our business goals. Our annual conference and Gala Awards night has become an important part of our journey to a more informed and connected Ascential.

Outcomes from engagement

We include surveys in all of our all-staff newsletters to gather regular feedback on content, format and frequency of our communication.

Each year we shape our annual conference based on a post-conference survey that goes to all attendees. This survey informs the format, content agenda and speakers for the next event.

Our people
Page 46

Building a dialogue with our people

How we engage

- To inform the ongoing development of the Ascential culture across all brands and geographies, we ran a global engagement survey in 2019 and our aggregated engagement score improved again, up by 5.5pts to 79.5 (our target being 80 out of 100) with scores around Manager and Leader Quality, Inclusion, Motivation and Loyalty indicators all at 85+.
- We have a set of seven Ascential Behaviours which underpin our culture, which scored 90+ when our people were asked whether their managers and leaders act in accordance with them.
- We invest in development, and as well as our "Ascential LearnFest" event at the 2019 conference, we introduced refreshed Leadership and Manager Development programmes.
- Each area of the business also regularly hosts face-to-face all-staff meetings, webinars and team briefings to share news and progress against priorities.
- We have developed and executed a state-of-the-art Senior Leadership development programme for our 80 most senior managers around the world, as well as a global Sales Leadership programme for all Sales Leaders across the business and an extended curriculum of Management Fundamentals training.

Ascential New York office.

Outcomes from engagement

In response to employee feedback we launched a global campaign around career development in 2019. This accompanied the development and communication of defined and structured career paths for our professional communities. These campaigns made promotional opportunities more widely visible to employees, as well as equipping them with career management skills to go on and capitalise on the wider opportunities now presented.

Overall, we are pleased with our progress on staff engagement and we have a clear plan to drive further improvement across all engagement areas in 2019 and are targeting a score above 80 next year.

Our people
Page 46

Diversity & Inclusion

How we engage

- In 2019 we ran a benchmarking exercise to understand how we compare to our competitors. Our next step is to gather data from the business to see who makes up our business to understand where we need to focus our attention, and where we have a lack of representation.
- We accelerated our Women in Leadership programme during the year led by the Managing Director of WGSN.
- We launched three Company-wide key initiatives to support the Women in Leadership programme: a campaign to promote flexible working; a mentoring scheme where all senior leaders took on two mentees with a focus on women leaders; adopted an active policy of transparently advertising and promoting all vacancies across the business.
- We contribute to the Hampton-Alexander Review, which aims to drive an improvement in the gender balance in FTSE leadership. The review has a stated target of 33% representation of women on FTSE 350 Boards and Executive Committees, as well as in the Direct Reports to the Executive Committee, by the end of 2020. The November 2019 review once again showed that Ascential ranks number 2 in the FTSE 350 for women on boards, with 57% women on our plc Board. We also exceed the 33% target for the wide leadership population, with 36.6% women in the combined group of the Executive Committee and their direct reports.

Ascential Hong Kong office.

Outcomes from engagement

In our most recent global engagement survey, we added new questions on inclusion and wellbeing to inform our priorities. 87% of our people agreed that anyone can thrive at Ascential regardless of their background, identity or beliefs (external benchmark norm: 83%). Using a cluster of survey questions to compare ourselves against the Mercer Global D&I Index, Ascential ranks as a top quartile company.

Our flexible working campaign resulted in 88% of our people now agreeing that they feel they have permission to work flexibly.

While we are happy with the gender mix of our Board, there is more work to be done. We do still have a gender pay gap and we are focused on addressing this. For us, the gap exists because while 54% of our employees are women, only 44% of those in our Leadership grades are female. We therefore need to recruit, encourage, support and promote more women into our senior leadership group to address the gender pay gap.

Corporate Responsibility
Page 48

Staff networks & forum

How we engage

- This year we supported two growing staff networks – our Pride and Edge Women's Network, offering them support for communications, planning, and a space at our annual conference to promote themselves to staff.
- We agreed to establish the Ascential Employee Forum with nominated representatives for every office around the world. The purpose of this Forum is to further amplify the voice of our people, in particular giving front line employees the opportunity to share their views and ideas directly with senior leaders (including plc Board members via the designated Non-Executive Director) across a wide-ranging set of issues. The Forum was formally established in January 2020 and will hold its first meeting in the first half of 2020.

Outcomes from engagement

We continue to support our networks and use them as counsel for projects including HR policy review.

The output from the Ascential Employee Forum will be reported to the Board via a designated Non-Executive Director.

Our people
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Our investors

Our investors value: sustainable growth, responsible capital allocation and investment decisions, a progressive dividend policy and clear communication of strategy, supported by robust financial reports.

How we engage

- We hold a range of Investor meetings throughout the year: post-results roadshows; at investment conferences; and on-demand individual meetings, totalling over 500 individual engagements in 2019, covering 190 institutions (both holders and non-holders).
- We run product deep dive demonstrations for investors and analysts.
- We deliver twice yearly analyst results presentations, as well as holding additional meetings and calls throughout the year, totalling over 150 interactions in 2019, across our coverage base of 12 analysts.
- We hold an Annual Capital Markets Day for our coverage analysts and major holders, to provide more granular detail on our progress with strategy, performance and future plans.
- We hold an Annual General Meeting which all shareholders are entitled to attend, and ask questions of the Board.
- The Board has set an explicit dividend policy to aid transparency.

Outcomes from engagement

We provide the investor community with clear updates on our trading performance and strategic direction.

Analysts and investors have the opportunity to feed back to management on the above and engage in Q&A.

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KPIs Page 22
Market review Page 16
Business model Page 18

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Our partners and suppliers

Our partners want us to work with them to develop productive and fair working relationships, with open terms of business and fair payment terms.

How we engage

- We hold Quarterly Business Reviews with all key suppliers to review progress on key activity as well as sharing business updates and strategy.
- We operate and publish a Third-Party Code of Conduct which sets out the key ethical and business principles we look for in all third parties we work with.
- We operate a prompt payment policy and disclose our payment practices and performance via the UK Government payment practices reporting portal.

Outcomes from engagement

We have reviewed our standard contracts over the past 12 months, to ensure they are balanced and fair.

We listen to feedback from suppliers about any challenges in engaging with us, to constantly improve the way Ascential operates with its supply chain.

We have audited payment terms to ensure fair and equitable treatment in line with agreed contracts.

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Wider society

We take our corporate responsibility as an employer and FTSE 250 listed company very seriously. Beyond our charitable fundraising partnerships and local community support, this year we launched a new framework to galvanise the whole business behind a signature activity.

Corporate Responsibility framework

How we engage

- In 2019 we launched a new Corporate Responsibility framework that focuses our efforts on a signature activity: supporting young people to thrive in the digital economy, with two strategic areas of focus: Sustainability and Diversity & Inclusion, and Solid Foundations.
- We launched the framework to the business, and subsequently established a network of Corporate Responsibility regional hubs to focus on priorities and agree and track against targets.

Outcomes from engagement

Each Corporate Responsibility hub is led by a member of the Executive Team, who feed back into the Corporate Responsibility Committee.

This ensures that all colleagues are able to input and participate into our Corporate Responsibility programme.

+ **Corporate Responsibility**
Page 48

Volunteering day

How we engage

- Our global policy gives all employees one day per year to volunteer at local community projects. We are always looking for new volunteering organisations to be involved with, now with a focus on our signature activity theme of supporting young people to thrive in the digital economy.

Outcomes from engagement

Employees gained a much better understanding of the specific needs of their local communities, as well as bonding with colleagues.

+ **Corporate Responsibility**
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Fundraising

How we engage

- We have had a longstanding relationship with The Prince's Trust, fundraising as part of the Million Makers competition, and sponsoring the Educational Achiever award for the third year of the annual Prince's Trust Awards.
- In 2019 we raised £387,835, a record-breaking amount for any Million Makers Team. Ascential Team Aspire were the winners of the National Million Makers competition in 2018-2019.
- We also supported Just Like Us, a UK-based charity that trains LGBT+ role models to talk to school age students about their experiences of coming out and being LGBT+.

Outcomes from engagement

- We continue our focus on The Prince's Trust fundraising in the UK and EMEA, and we are additionally looking for partnerships to galvanise fundraising efforts in North America and APAC.

+ **Corporate Responsibility**
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AMOUNT RAISED

£387,835

Ascential Team Aspire were the winners of the National Million Makers competition in 2018-2019.

OUR STRATEGIC FOCUS: / STRONG ORGANIC GROWTH

In 2019, we enjoyed a year of consolidation and progress. This follows a reshaping of our business in 2018 to support long-term growth, notably through the sale of the Exhibitions business, the acquisitions of WARC, BrandView and Flywheel Digital and the re-set of Cannes Lions and MediaLink's strategic re-alignment. We are pleased to report a successful performance in 2019, growing both revenue and profit and delivering well on the priorities we set out.

Duncan Painter
Chief Executive Officer

Strong organic growth and good cash generation

We delivered strong organic growth, with both revenue and Adjusted EBITDA up 6%, and Adjusted diluted earnings per share up 21%. Our Adjusted EBITDA margin was in line with 2018, at 31%, with the planned investments made to position the Digital Commerce products in our Sales segment as the number one platform in the market funded by strong operating leverage in our Product Design, Marketing and Built Environment and Policy segments. This investment, along with acquisition payments and capex investment of £131.6m, was funded by good operational cash generation with operating cash flow conversion of 88% (2018: 106%).

Execution on key priorities for 2019

We have delivered well against the priorities we set for the year, in particular:

- We are pleased with the levels of *Execution* demonstrated by our market leading digital information products such as WGSN and Flywheel Digital and have built on the important initiatives that we have put in place to develop our cross-Ascential strategic client programme.
- We have made progress with the *integration of Edge*, which commenced in the second half of 2018 and will run until the end of the first half of 2020. The major focus for the forthcoming year is to return the Edge business back to good billings growth, in the second half.
- Following the re-set for Cannes Lions and MediaLink's strategic re-alignment in 2018, *Marketing segment growth* was robust.
- We have made progress in developing the *Ascential Operating Model*, with key changes implemented in our Finance, Marketing, Data Science and Product Development functions. These changes will drive efficiency and cross-sell and accelerate the development of our products.

Evolution of the operating model

In 2018, we adopted a new operating model, aligned to our strategy of serving customer needs in the functions of Product Design, Marketing and Sales. We have now further developed this model to highlight the particular specialisms within each of the segments in which we serve our customers.

After the year end, we have made some changes to the responsibilities of our key leaders to align our management structure more closely to our core segments of Product Design, Marketing and Sales, as well as Built Environment and Policy. Given the importance of returning the Edge business to strong growth, I shall be taking personal responsibility for leading the Digital Commerce sub-segment (within the Sales segment) in 2020.

Product Design

In another successful year for Product Design we achieved Organic growth of 8%, led by an exceptional performance from the advisory practice. This was supported by continuing solid growth from the core subscription business through a combination of high retention rates and successful product launches, with WGSN Beauty a recent example.

Marketing

Following re-sets for both Cannes Lions and MediaLink in 2018 the segment returned to strong Organic growth of 9% in 2019. For Cannes Lions, this was driven in part by the increasing participation of brands in the Festival, across all three revenue streams. For MediaLink the focus on brand-led business, both project-based and retainer, was successful in delivering a more sustainable business. The higher profile presence of MediaLink at the Cannes Lions festival also illustrated the benefit of collaboration and cross-selling initiatives that are an area of increased focus across Ascential. Continued growth of our digital revenue streams, such as The Work, together with that of WARC and the recent strategic investment in the media buying platform, Hudson MX, point to continuing diversification of the Marketing segment's business model in favour of recurring and repeat revenues.

> The planned investments we made to position the Digital Commerce products in our Sales segment as the number one platform in the market were funded by strong operating leverage that was delivered in our Product Design, Marketing and Built Environment & Policy segments.

OUR OPERATING MODEL

Business segments
The way we categorise our business activities.

Our offering
The unique consumer insights that we offer our customers.

Business model
Page 18

Sales

For the Sales segment, following several key acquisitions and event launches in 2018, 2019 was a year of consolidation with growth of 3% on an Organic basis, or 11% Proforma including the contributions of Flywheel Digital and BrandView. The Digital Commerce brands within the Sales segment (Edge, Flywheel Digital and Yimian) grew by 9% on an Organic basis, or 21% Proforma.

2019 was an important year for the integration of the four brands that comprise Edge. The initial phases of integration, covering organisational structure and CRM systems, were completed by June 2019. Progress has also been made on the underlying platform consolidation, with the phased roll-out of digital shelf catalogue systems to market share customers completed on schedule in December 2019 and the recent launch of the new market share platform. Reflecting our efforts to deepen our relationship with key customers it was pleasing that Edge was appointed as the preferred partner to Coca-Cola for its worldwide eCommerce operations.

In December we also completed the acquisition of Chinese eCommerce analytics business Yimian that will provide a more holistic offering for Edge in China, with its sales and share expertise. Yimian's expertise in China provides an excellent fit with that of our Edge business across US and European marketplaces. Additionally, Yimian's capability in semantic analysis and record of innovation offers exciting opportunities for new product development.

Flywheel Digital had an outstanding year. Having joined the Group in 2018, it made significant strides, expanding its business into Europe, Australia and Japan, while also launching a service offering for Walmart in the US. Flywheel Digital enables us to not only report on the performance of our customers but also provide them with a real time trading platform to enable and drive actual sales growth.

Money20/20's modest performance reflected continuing strong growth from its European edition, offset by the competitive challenge in Singapore and a combination of adverse macro and local market factors that necessitated the deferral of the Chinese edition.

Built Environment & Policy

The Built Environment & Policy segment continued to trade solidly, with Organic revenue growth of 5% and expansion of margin, despite testing conditions in its UK-based markets, a testament to the market leading products in this segment.

Jumpshot

In July 2019 we acquired a 35% stake in Avast's marketing analytics subsidiary Jumpshot. While Jumpshot's business model was attractive in its own right, we also benefitted from access to their high quality information to refine and improve the product algorithms within the Edge business. This benefit persists, notwithstanding Avast's post year end decision to close Jumpshot as it was no longer core to their mission. In January 2020, we sold our stake back to Avast recovering all of our investment and expenses.

Focused capital allocation and share repurchase programme

Consistently strong levels of cash flow conversion, combined with our disciplined capital allocation, has resulted in a net debt leverage ratio of 1.4x at the 2019 year end. Furthermore, following the sale of the Jumpshot investment in January 2020, our Proforma 31 December 2019 leverage ratio is 1.0x which is well below our historical norms.

While we have a pipeline of attractive bolt-on investment opportunities, we recognise that the delivery of shareholder value requires a return of cash to shareholders if M&A cash needs are not near term and when our balance sheet is sufficiently strong to finance acquisitions should they arise earlier than expected.

Having reviewed our capital allocation policy the Board has decided to utilise part of its authority to make on-market purchases of our ordinary shares. We anticipate spending up to £120m in a share repurchase programme, which we will review on an ongoing basis based on the then competing opportunities for capital deployment.

Our dividend policy which targets a 30% payout ratio of adjusted profit after tax is unchanged.

REVENUE

£416.2m

OPERATING PROFIT

£19.9m

ADJUSTED EBITDA[1]

£128.5m

2020

As we enter 2020 we have four core objectives:

1/ Increase the rate of Organic revenue growth in the Sales segment by accelerating Money20/20 and by driving strong billings growth in Edge in the second half of 2020.

2/ Focus on our service offering to further reduce customer churn.

3/ Deliver Product Superiority across the Company allowing for further premium pricing for our highest quality products.

4/ Deliver greater simplicity and efficiency throughout the business, including new systems and processes in our Finance, Marketing and Sales functions.

Responsible business

This year we launched our new Corporate Responsibility Framework covering all elements of environmental, social and governance activities. This comprises solid foundations (such as health and safety), strategic issues (environmental sustainability and diversity and inclusion) and a signature focus on helping young people thrive in a digital world. This programme is designed to celebrate our existing activities, as well as provide inspiration for our people to launch new initiatives and to enable Ascential to take a clear lead as a responsible business.

Coronavirus disease

The Board is actively monitoring the unfolding situation in respect of the Coronavirus outbreak. While China is an important long-term strategic growth market for Ascential, revenues from Chinese customers are today a relatively small part of the Group (less than 5% overall and with just 2% of attendees of Cannes Lions from China, for example) and we have not yet seen any material impact on trading from the situation. As a precaution and to reflect travel difficulties in the region we have previously communicated to participants that we have moved the date of Money20/20 Asia in Singapore from March to August 2020. We continue to monitor the potential impact of travel restrictions for Chinese delegates and sponsors to events in Europe (such as Retail Week Live in London in March).

We are also mindful of the impact that Coronavirus might have on the business performance of our customer base in areas such as fashion but again have seen no significant impact to date. Our business continuity plans are enabling the majority of our approximately 200 staff in China to remain both safe and productive.

Outlook

Over the coming year we will continue to utilise our unique insights and expertise to provide our customers with ever more relevant and critical information. With our product sets even more closely aligned to customer requirements, we believe we are well positioned to continue to drive strong performance in our scaled and structurally growing markets.

In 2020, we expect to deliver strong Organic growth with Group revenue in the range of £425m-£455m (using current exchange rates) and adjusted EBITDA margins of between 30% and 32%.

Duncan Painter
Chief Executive Officer
21 February 2020

[1] Refer to glossary of Alternative Performance Measures on page 33

DIGITAL REVOLUTION

Over the past 12 months the markets in which we operate have continued to develop at pace.

In Product Design, we are seeing increased demand for data-driven product insights, with the pressure from agile Direct-to-Consumer brands encouraging global Consumer Packaged Goods ('CPGs') to consider speed to market and ability to address changing consumer attitudes.

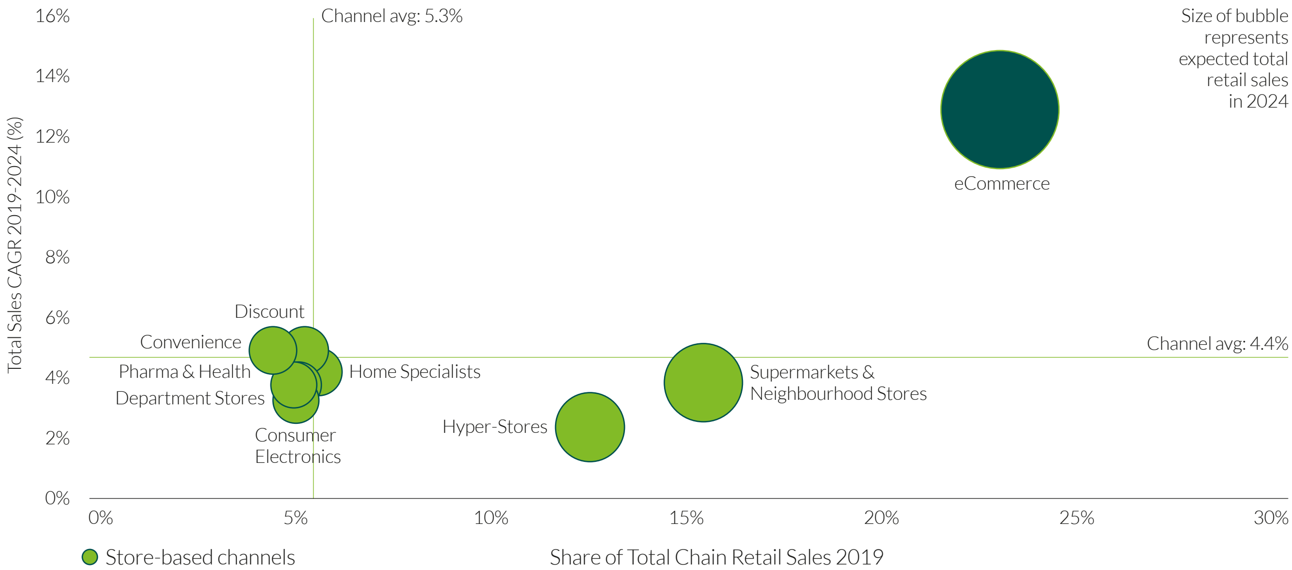
In Marketing, there have been continued shifts in spend, with Amazon growing over the last two years to become the third largest platform for online advertising in the US (from an estimated 2% share in 2017 to 9% in 2019), demonstrating its ability to further monetise its retail platform. Separately, the large advertising Holding companies remain under pressure and continue to execute transformation programmes to better address client needs in an increasingly digital driven world.

In Sales, online spending continues to disrupt traditional channels, with high streets under more pressure than ever as consumers choose to buy via mobile. Spend online continues to consolidate to a small number of 'mega platforms' (for example Amazon, JD, Tmall) and those with substantial last-mile advantages (for example Walmart), requiring CPGs and retailers to develop and deploy new strategies and execution approaches. Spend is also consolidating towards 'set-piece' trading days such as Prime Day and Singles Day, which is requiring consumer brands to be hyper focused on success in these important and short windows.

In Built Environment & Policy, reduced uncertainty over Brexit and a majority government are likely to bolster the housing and construction markets, at least in the short term, and increase the velocity of new and significant legislation.

Consumers are now hyper-connected to the digital economy, increasingly through the lens of mobile and voice. In this world of 'see now, buy now', consumers expect pace and convenience. Companies need to harness the power of this data and react to the speed of changing consumer demands.

eCommerce-related channels are expected to lead retail growth over the next five years



Source: Edge by Ascential Retail Insight, 2020

Key trends

Key trend 1/
HYPER-CONNECTED CONSUMERS

Consumers are now hyper-connected to the digital economy, increasingly through the lens of mobile and voice. In this world of 'see now, buy now', consumers expect pace and convenience – there is no longer a delay between what is seen on the catwalk, or shared by an influencer, and the speed in which consumers expect to be able to buy the product. Trends are increasingly inter-connected and influenced across sectors, with overarching drivers like sustainability coming to the fore and impacting all markets. With this connectivity comes a proliferation of data. Companies need to harness the power of this data and react to the speed of changing consumer demands.

Significance for Ascential

These trends are at the heart of our vision of expanding our vertical coverage with WGSN, integrating further data sources into our product design intelligence services and investing in our Decision Science capability.

Key trend 2/
CONTINUED TRANSFORMATION OF THE ADVERTISING MARKET

Global advertising spend has remained strong and grown for the tenth consecutive year in 2019, with digital sales continuing to grow double digit and reaching more than half of total spend for the first time. Social media is still the fastest-growing digital format, and search remains the number one digital channel, indicating growing advertiser reliance on 'walled gardens' that combine paid advertising and payment tech or eCommerce fulfilment.
The promise of a more visible link between marketing investment and sales performance is a key driver, but concerns around brand safety, political advertising and stronger data protection rights are counterbalancing factors. Marketers also seek to reverse the drift to short-termism with a renewed focus on longer-term brand-building and investment in customer experience. Meanwhile, agencies and consultancies continue to transform and converge towards digital transformation, data and experience, with ownership of first-party data being a decisive contest between the largest Holding companies and MarTech players.

Significance for Ascential

Our range of solutions helps brands across these trends: MediaLink supports marketing transformation; Cannes Lions and WARC provide best practice for creativity and effectiveness; Flywheel enables us to capture growth in marketing spend on Amazon by directly managing it for our clients.

Key trend 3/
GROWTH OF 'SET-PIECE' TRADING EVENTS

Mega trading days such as Singles Day, Prime Day, and Black Friday, have become a significant force in digital commerce. On Singles Day, Alibaba saw total Gross Merchandise Volume sales of $38.4bn in 24 hours. Prime Day total sales were estimated at $7.16bn (+71% vs. 2018).

The impact of these mega trading days, however, extends far beyond the days themselves. The impact of optimisation and marketing activity associated with these days is frequently felt for weeks or months after, with winning brands remaining high in the search rankings. Hence, brands must increasingly plan their business cycles around these holidays if they have any hope of hitting their revenue goals.

Significance for Ascential

Due to the high volume of transactions in a short period of time, data capture becomes much more difficult. At the same time, there is more demand from customers for data and for these key periods, increasing demand for Edge by Ascential solutions. Our investment in Decision Science and the use of sophisticated algorithms and machine learning applications, ensures that Edge and Yimian are equipped to offer the most advanced optimisation tools for Amazon and Alibaba/JD, particularly surrounding these high-volume trading days. Flywheel leverages its expertise on the Amazon platform to ensure clients meet their goals on these important days.

Key trend 4/
PRIORITISATION OF CUSTOMER EXPERIENCE

Customer experience continues to rank as a priority for brands and is a key driver of their digital transformation agenda. Increasingly, consumer goods companies are focusing on what "brand" means within a customer experience. They want to make their brand distinct and resonate with their customers, while delivering it in a consistent way across a wide range of digital touchpoints.

Significance for Ascential

In an increasingly complex digital ecosystem, all organisations face the challenge of delivering consistent, connected and differentiated brand experiences. Edge by Ascential helps brands achieve consistency across multiple eCommerce retail sites through its digital shelf products, and MediaLink advises on brand strategy and transformation.

Key trend 5/
REGIONAL ECONOMIC TRENDS

There are headwinds in certain segments of the China market due to the trade war and regulatory changes in peer-to-peer lending. Uncertainty around Brexit resulted in a hold up of capital spending in the UK and a slowdown in housing and construction markets but these are in the process of reversing. Meanwhile, loose monetary policy in the US and other countries resulted in a favourable impact on their economies and financial markets.

Significance for Ascential

In China, the trade war and regulatory changes around lending drove our decision to defer Money20/20 China. However, eCommerce growth remains strong despite these factors, supporting Edge.

SMART DECISION-MAKING FOR THE MOST AMBITIOUS BUSINESSES

Our differentiators

People
- Thought leadership on the digital revolution
- Deep specialist knowledge of industries and markets in which we operate
- Global network
- Forward-thinking, challenging and visionary culture

Intellectual
- Robust and scalable technology platforms
- Use of best-in-class data harvesting technology
- Proprietary analytics algorithms
- Value from accumulation of consumer trading data sets
- Content archives
- Individual brand values and market leading positions

Relationships
- Long-term relationships with some of the world's top consumer product and services companies and platforms
- Holistic proposition across the consumer value chain provides potential to leverage broader customer relationships
- Global reach of partner relationships

Financial
- Good operating cash generation
- Strong organic growth rates
- Robust balance sheet
- Access to substantial committed bank facilities
- Clear capital allocation priorities

The customer journey

We work with the world's best consumer brands and their ecosystems, connecting them with their customers throughout the purchase journey. We enable our customers to deliver superior products, marketing and sales in a digital-driven world.

BUILT ENVIRONMENT & POLICY

Our BEP brands

Groundsure provides location intelligence, enabling property professionals to make decisions based on environmental risks such as land contamination, flooding and ground stability.

Glenigan is a partner to construction companies, material suppliers and organisations, delivering construction project sales leads, industry data, analysis, forecasting and company intelligence.

Enabling our clients to thrive in the changing digital commerce economy, through best-in-class product design, marketing and sales.

Our business model is robust, with high recurring and repeat revenue, with more than 50% revenues from digital subscriptions and platforms, across a diverse global customer base:

DIGITAL SUBSCRIPTIONS & PLATFORMS	52%
EVENTS	33%
ADVISORY	15%

SUBSCRIPTIONS AND REPEAT BUSINESS	82%
NEW BUSINES	18%

NORTH & SOUTH AMERICA	50%
UK	22%
EUROPE	15%
APAC	11%
REST OF THE WORLD	2%

TOP 100	32%
TOP 10	11%
TOP 11-20	5%
TOP 21-100	16%

De Havilland allows public affairs professionals to deliver critical information, through political monitoring, campaigning tools, and research services across the UK and Europe.

Over 97% of BEP brand revenue is generated by subscriptions and digital platforms with 3% of revenue generated by advisory work.

Outcomes

Customers

We help our customers to succeed in the digital economy, measuring our success through Net Promoter Scores and retention rates.

CANNES LIONS 2019 NPS:

69

Our people

We offer our people a rewarding career, with clear opportunity to grow and develop. We measure our success through our annual employee engagement survey.

OVERALL ENGAGEMENT SCORE

79%

Communities

We support our communities though charitable donations, working towards operating sustainable events, and operating responsibly with our suppliers, partners and other stakeholders.

CHARITABLE DONATIONS AND MILLION MAKERS FUNDRAISING

£1.1m

Shareholders

— Long-term sustainable returns.

— Dividend policy – targeting 30% of adjusted earnings per share.

DIVIDEND AS A % OF ADJUSTED PROFIT

30%

STRATEGIC FOCUS

Strategic objectives	2019 strategic priorities and progress

Market leading

Be a market leading information company enabling our customers to excel in the digital economy in product design, marketing and sales.

1. High execution focus for our 2019 growth brands

— Strong revenue growth in our digital brands, particularly from WGSN and Flywheel.

— Key initiatives have driven the build-out of our cross- Ascential strategic client programme.

2. Integration of Edge by Ascential

— Good progress with the integration programme, (running second half 2018 to first half 2020).

— First phase of team organisation and CRM integration complete in June 2019.

— Significant progress unifying the product, technology and business systems platforms at December 2019.

Accelerate organic growth

Accelerate the organic growth of our revenues and optimise margins and profits.

3. Marketing segment back to growth

— Marketing segment returned to growth in 2019 following strategic re-alignment in 2018.

— Cannes Lions growth driven by the increasing participation of brands in the Festival, across all three revenue streams with record levels of feedback from participation.

— For MediaLink, focus on brand-led business (project-based and retainer) was successful in delivering a more sustainable business.

4. Achieve outstanding customer service programmes

— Strong, and in some cases record, NPS scores across our business.

Capital allocation

Apply a tightly focussed capital allocation process, to achieve our goals and to maximise value creation for our shareholders.

5. Continuing policy of focused capital allocation

— Acquisition of Yimian.

— Investment in Hudson.

— Share re-purchase programme announced of up to £120 million.

Key to KPIs

1 / Revenue
2 / Adjusted EBITDA
3 / Adjusted EBITDA margin
4 / Leverage ratio

Key to risks

1 / Customer end-market development
2 / Economic and geopolitical conditions
3 / Competition/substitution
4 / New product and capability development
5 / Acquisitions and disposals
6 / People risk
7 / Reliance on data providers
8 / Cyber threat and information security
9 / Venue availability, security and access
10 / Business resilience
11 / Financial risk
12 / Regulation and compliance

Performance metrics

DIGITAL COMMERCE SUB-SEGMENT REVENUE GROWTH (PROFORMA)

21%

INTEGRATION PROGRAMME

On schedule

ORGANIC REVENUE GROWTH

6.4%

CANNES LIONS 2019 NPS SCORE

69

NET DEBT LEVERAGE (PROFORMA)

1.0X

Priorities for 2020

Return the Sales segment to strong growth

— Enable Edge by Ascential to make a major contribution, along with Money20/20, Flywheel and our newly acquired Yimian business in China, to drive higher growth in revenue and profits in 2020 and beyond.

Further content

Market review Page 16
Link to KPIs 1 / 2 — **KPIs** Page 22
Link to risks 1 / 2 / 3 / 4 / 5 / 7 / 8 / 9 / 10 / 12 — **Risks** Page 40

Increase customer retention through service excellence

— Increased focus on excellence through customer service, aiming for strong sales growth across all brands.

— Reduction in customer churn.

Further content

Market review Page 16
Link to KPIs 1 / 2 — **KPIs** Page 22
Link to risks 4 / 6 / 8 / 10 — **Risks** Page 40

Drive product superiority to enable premium pricing

— Further enhance product suite to drive market leadership.

— Leverage our cross-group unique data assets.

— Accelerate use of Decision Science capabilities across every product to enable premium pricing in the market.

Further content

Market review Page 16
Link to KPIs 1 / 2 / 3 — **KPIs** Page 22
Link to risks 3 / 4 / 7 / 8 / 12 — **Risks** Page 40

Work smarter and drive further operating efficiency

— Focus on making ourselves more efficient, particularly as we become more global.

— Focus on cost control across the business leveraging simplification measures rolled out across the Group.

Further content

Market review Page 16
Link to KPIs 1 / 2 / 3 — **KPIs** Page 22
Link to risks 4 / 6 / 10 — **Risks** Page 40

Continuing policy of focused capital allocation

— Make on-market purchase of ordinary shares, to be reviewed on an ongoing basis based on the competing opportunities for capital deployment.

Further content

Market review Page 16
Link to KPIs 4 — **KPIs** Page 22
Link to risks 11 — **Risks** Page 40

MEASURING OUR SUCCESS

Key Performance Indicators (KPIs) are used to measure both the progress and success of our strategy implementation. The KPIs are set out below, with a measure of our performance to date and an indication of potential challenges to success where applicable.

Adjusted profit measures are used to assist readers in understanding underlying operational performance. These measures exclude income statement items arising from portfolio investment and divestment decisions, and from changes to capital structure.

REVENUE

£416.2m

Description
Income generated from normal, continuing business operations.

Performance in 2019
Strong Organic growth of 6%, 9% on a Proforma basis, was approximately twice the rate of the European media sector*

Target for 2020
Revenue of £425m - £455m**

Strategy
Page 20

Risks
Page 40

* Average 3.0%, weighted by market capitalisation (Informa, ITV, Mediaset, Pearson, Prosieben, Publicis, RELX, Ubisoft, Vivendi, Wolters Kluwer, WPP)
**Assumes current FX rates vs £:Euro - 1.19, USD - 1.29

ADJUSTED EBITDA

£128.5m

Description
Adjusted operating profit excluding depreciation and software amortisation. See page 33 for glossary of alternative performance measures.

Performance in 2019
Organic grrowth in Adjusted EBITDA of 6%, 9% on a Proforma basis, tracked revenue growth (see above).

Target for 2020
30% - 32% of Revenue

Strategy
Page 20

Risks
Page 40

* Prior to the application of IFRS16

ADJUSTED EBITDA MARGIN

30.9%

Description
Adjusted EBITDA as a percentage of revenue. See page 33 for glossary of alternative performance measures.

Performance in 2019
Year on year movement in the margin was minimal, allowing for the impact of lower margin, high growth, businesses acquired in 2018. Investment in Edge and Flywheel Digital (Sales) was offset by operational leverage from the Product Design, Marketing and BEP segments.

Target for 2020
30% - 32%

Strategy
Page 20

Risks
Page 40

LEVERAGE RATIO

1.4x

Description
The ratio of Net debt to Adjusted EBITDA. See page 33 for glossary of alternative performance measures.

Performance in 2019
Leverage increased modestly in the year chiefly as a result of the acquisition of a 35% stake in Jumpshot. Post year-end, sale of the 35% stake back to Avast returns leverage to around its level at December 2018 (1.0x) on a proforma basis.

Strategy
Page 20

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Page 40

DASHBOARD

Revenue streams by type

Growth review

REVENUE

£86m

DIGITAL SUBS & PLATFORMS	90%
ADVISORY	10%

REPORTED REVENUE GROWTH

11%

	Reported	Organic	Proforma
Revenue	+11%	+8%	+8%
Adjusted EBITDA	+20%	+18%	+18%

REVENUE

£136m

DIGITAL SUBS & PLATFORMS	11%
ADVISORY	37%
EVENTS	52%

REPORTED REVENUE GROWTH

17%

	Reported	Organic	Proforma
Revenue	+17%	+9%	+9%
Adjusted EBITDA	+25%	+20%	+19%

REVENUE

£158m

DIGITAL SUBS & PLATFORMS	55%
ADVISORY	3%
EVENTS	42%

REPORTED REVENUE GROWTH

31%

	Reported	Organic	Proforma
Revenue	+31%	+3%	+11%
Adjusted EBITDA	+3%	(24%)	(14%)

REVENUE

£36m

DIGITAL SUBS & PLATFORMS	97%
ADVISORY	3%

REPORTED REVENUE GROWTH

5%

	Reported	Organic	Proforma
Revenue	+5%	+5%	+5%
Adjusted EBITDA	+19%	+19%	+19%

* Restated for application of IFRS 16 (see Note 27)

Proportion of Ascential Revenue[1]

PRODUCT DESIGN	21%
MARKETING	32%
SALES	38%
BUILT ENVIRONMENT & POLICY	9%

Segmental performance overview

	Year ended 31 December (£'m)	
	2019	**2018***
Product Design		
Revenue	**86.5**	77.8
Adjusted EBITDA	**36.0**	29.9
Adjusted EBITDA Margin	**42%**	38%
Marketing		
Revenue	**135.9**	116.3
Adjusted EBITDA	**50.7**	40.5
Adjusted EBITDA Margin	**37%**	35%
Sales		
Revenue	**158.4**	120.9
Adjusted EBITDA	**39.6**	38.3
Adjusted EBITDA Margin	**25%**	32%
Built Environment & Policy		
Revenue	**35.9**	34.3
Adjusted EBITDA	**17.0**	14.3
Adjusted EBITDA Margin	**47%**	42%

* Restated for application of IFRS 16 (Seen Note 27)

Group financial overview 2019

	2019
Group Total	
Revenue	**£416m**
Growth[3]	**+9%**
EBITDA[2]	**£129m**
Margin[2]	**31%**

1 2019 revenue Proforma for acquisitions: Yimian and WGSN China JV.
2 2019 adjusted EBITDA (total includes Group costs of £15m).
3 Proforma revenue growth vs 2018.

PRODUCT DESIGN

2019 was a successful year for our Product Design segment, with Organic revenue growth accelerating to 8%, driven by advisory revenues, continued strong retention and the launch of WGSN Beauty.

Revenue and Adjusted EBITDA both grew well in the period, with margin expanding despite product launch investment.

Through our **WGSN product**, we are a leading global supplier of trend forecasts, market intelligence and insight, to design-led businesses, helping them understand the future demands of their consumers, and the underlying influences that shape the preferences of different consumer communities. We have around 6,500 customers in over 90 countries. Information is delivered primarily through digital subscriptions (c.90% of our revenue) with growing specialist advisory and colour services, through Mindset and Coloro respectively.

The Product Design segment has seen continued take-up of products launched in recent years such as Insight (the broad consumer trends product), Barometer (brand sentiment tool) and Coloro (the colour system). These not only offer new growth opportunities within the existing customer base but have driven an expansion of the addressable market beyond apparel and into newer product categories, as with the launch of Beauty in April 2019. This offering, specifically for the beauty industry, serves product developers with trend information based on four key elements: Ingredients, Texture & Fragrance, Colour, and Packaging. We now have over 200 customers signed up to Beauty, achieving more than double our original year one targets.

Instock, our digital shelf product for apparel companies, continues to gain traction with Financial Services companies interested in utilising alternative data to inform their investment decisions and we are focusing our efforts on this end market.

We will continue to explore opportunities to enter new market segments where our expertise in trend forecasting can be adapted, with a new product in the Food & Beverage market targeted for launch later in 2020. We will also continue to use data from other Ascential products to inform forecasts and analysis including empirical innovations such as the Trend Curve, launched in September 2019.

These initiatives position us well for continued mid to high single digit revenue growth in this segment.

MARKETING

One of our key objectives for 2019 was to re-establish the Marketing segment as a pillar of sustainable growth after a re-set year in 2018 for its two largest businesses.

We are therefore pleased to report 9% Organic revenue growth and 20% Organic Adjusted EBITDA growth for the year. Margin grew to 37% as a result.

Through Cannes Lions we are the globally recognised international benchmark for brand creativity, delivered via the festival platform in June, and through year-round digital products and consultancy engagements. Following the changes implemented in 2018, including the new awards structure and re-focus into a shorter, five-day period, the festival returned to double-digit growth in 2019. Last year's changes to the festival's format continue to be extremely well received by participants, resulting in a 2019 NPS score of 69, the highest on record and positioning Lions well for future growth. All three Cannes Lions revenue streams grew in 2019:

- *Award entries* accounted for 36% of Lions revenue. We were pleased with the launch year performance of the Entertainment Lion for Sport and the Creative Strategy Lion while the Creative Effectiveness category continued to expand. The new points-based award for Creative Brand of the Year, won in 2019 by Burger King, helped drive growth in entries from brands.
- *Delegate passes* accounted for 33% of the festival's revenue. We saw a good increase in the volume of delegates, driven in part by growing popularity of the "Cannes Curated" product for major brand groups.
- *Partnerships and digital* revenues accounted for 31% of Lions' revenues, with The Work and Lions Digital Pass broadening engagement with the creative community beyond the physical environment of the city of Cannes. These Lions Intelligence services have further developed the Marketing segment's year-round digital revenue streams helped by the growth of the Lions Advisory offering of training programmes and consultancy services for brands and media platforms.

Through the MediaLink offering Ascential develops partnerships and strategy for customers operating at the intersection of the media, marketing, advertising, technology and entertainment industries. Over previous years we have refined the business in favour of project work, particularly for brands, rather than structurally weaker sectors such as digital publishing.

The first half of 2019, in particular, benefitted from several major agency reviews and strong performance from the programme of targeted content, curated experiences and hosted meetings at The Consumer Electronics Show (CES) and Cannes Lions festival, with more than 1,800 hosted meetings taking place (a record for the business). In particular, the new location in Cannes (a dedicated facility at the heart of the festival), proved extremely popular with customers. The most high profile engagement this year was the global media agency review for Disney, the largest of its kind in the market in three years. Lastly, we were delighted to see MediaLink's founder and CEO, Michael Kassan, inducted into the 2019 American Advertising Federation's Hall of Fame in recognition of his and the business's work in the industry.

Through WARC's digital subscription-based information we help brands, agencies and media platforms measure marketing effectiveness across all channels. Revenue grew strongly, with a significant focus on product, content and marketing enhancements. A notable development was the launch of operations in China, supported by a Shanghai based team delivering localised content in this increasingly important market. Other highlights included the relaunch of the Gunn report as 'WARC Rankings', a benchmark for excellence in marketing based on performance in the world's most prestigious industry awards.

One of our aims within the Marketing segment is to further diversify our revenue streams and build ever more recurring and repeat revenues. To further that aim we have made a strategic investment in Hudson MX, a New York based company building a software platform that empowers buyers, agencies, and their partners to reduce the operational costs inherent in the media buying process.

2019's growth rate in the Marketing segment clearly benefitted from the foundations laid in 2018 as well as the return of a key customer to Cannes Lions after a one-year hiatus. These foundations position us well for mid-single digit revenue growth in this segment.

SALES

Revenue in the Sales segment grew by 3% on an Organic basis or, including the impact of 2018 acquisitions (principally Flywheel Digital), by 11%.

The Organic and Proforma decline in EBITDA reflects high levels of investment in the Edge and Flywheel Digital products in the year as well as the expected decline in revenue from the smaller World Retail Congress and Retail Week.

Digital Commerce
The Digital Commerce element of the Sales segment (comprising Edge by Ascential, Flywheel Digital and Yimian) grew revenues by 9% on an Organic basis and 21% on a Proforma basis.

Through **Edge** by Ascential we deliver eCommerce data, insights and advisory, comprising performance measurement, digital shelf optimisation, pricing & promotion and retail strategy expertise.

As previously reported, following a period of rapid customer acquisition for each of its major products, in the second half of 2018 this business commenced an integration programme which will run until the first half of 2020. With a focus on unifying its go to market approach, Product Leadership, Innovation, Technology and Operations platforms, the programme will additionally scale the organisation, processes and systems required to manage significant numbers of global customers. With the initial phases, covering organisational structure and CRM systems, completed by June 2019, progress has also been made on the underlying platform consolidation, with the phased roll-out of digital shelf catalogue systems to market share customers completed on schedule in December 2019 and the launch of the new market share platform.

Edge acquired 89 new customers in 2019 (2018: 107), but, as previously reported, revenue growth rates reduced. This was due in part to the impact of our integration efforts, with cross-sell and upsell opportunities dependent partly on our phased transfer of customers to the new catalogue platform. However, we were encouraged by trading during the first month of 2020 which was ahead of plan, which was especially important as Edge renews 35% of its book of business in the month of January.

Through **Flywheel Digital** we provide managed retail and media services to brands on Amazon and more recently Walmart, Instacart and Kroger. Since acquisition in November 2018, we have established these services in Europe, Australia and Japan. The rate of revenue growth in 2019 has continued to be extremely strong against a backdrop of good US market conditions and Amazon's strong growth, including its best ever Black Friday in 2019 (online spend up by 16% over the Thanksgiving holiday weekend). All three revenue lines (retainer, retail commission and media commission) continued to grow strongly, benefiting from expanding markets and continued share gains while 28 new customers were added in the year.

In 2019 we were also pleased to launch both our Spotlight operation in New York and our initial Walmart service offering, being selected among the first Walmart Advertising Partners. We invested heavily in scaling the overall business, while taking the lead in building Ascential's wider data science capabilities. Most recently, in February 2020, we have expanded into the active lifestyle category through the acquisition of Indigitous, an Amazon-focused service provider based in Seattle.

Finally, in this sub-segment, after an extensive search and considerable diligence, we were delighted to acquire the Chinese eCommerce analytics specialist Yimian. With around 100 staff based in Shenzen and Shanghai, Yimian helps its customers, predominantly multi-national CPGs, optimise their sales on eCommerce platforms. Its principal offerings comprise insight on sales & share performance and pricing & promotion trends, together with analysis of ratings and reviews on both retail and social platforms.

SALES CONTINUED

Non-Digital Commerce
Through **Money20/20** we are the leading hub worldwide for digital payments product strategy. Our congresses focus on the evolution of consumer payment and financial services through mobile, retail, marketing services, data and technology, and, despite a small decline for the Asia edition, achieved modest growth overall in the year, driven by the European event.

At the Asian event in Singapore, over 3,000 attendees explored the future of money. After an outstanding launch edition in 2018 that was two years in the making, the 2019 event saw a small year over year revenue decline and we have spent significant time redesigning and relaunching the 2020 show.

Meanwhile, in its fourth year, the European congress in Amsterdam delivered strong growth, with increases in revenue and volumes for both delegates and sponsors, reflecting the quality of the product and location and the scale of the European market. The event attracted more than 6,000 attendees while the enlarged exhibition space in Amsterdam enabled an increase in net square meterage sold.

Now in its eighth year, the US event took place in Las Vegas as usual, with good growth in both exhibitor and delegate volumes driven by a refreshed pricing strategy focusing on volume over yield. A revised venue layout offered delegates a more inclusive learning experience along with an improved networking experience via our App (delivering over 4,000 meetings) and we saw a strong improvement in NPS scores.

The planned second edition in China, due to be held in December 2019, was deferred due to a hiatus for international companies in the Chinese FinTech market arising from a combination of macro-economic trends and changes in local market dynamics including significant changes in the Peer-to-Peer lending sector that had been an important revenue source in 2018. We intend to return the event to China in due course when market conditions improve.

The final, and smallest, element of the Sales Segment is delivered by the Retail Week and World Retail Congress products. These brands saw a revenue decline in the face of a highly challenged bricks and mortar retail environment particularly in the UK.

We are targeting high single digit growth in the Sales Segment going forward with that growth clearly skewed towards the Digital Commerce sub-segment.

BUILT ENVIRONMENT & POLICY

The Built Environment & Policy segment comprises the Groundsure, Glenigan and DeHavilland digital information products. Revenue for the year grew by 5% to £35.9m, with all three products contributing growth.

Through **Groundsure** we are a leading provider of environmental risk data to the UK residential property market. The product grew well against a UK residential property market that declined, as it continued to lead on product innovation, with new products in the period focusing on coal mining and energy & transportation, together with the refresh of the Groundsure Homebuyers report. Shortly after the year end we reinforced our commitment to product innovation with the acquisition of a small specialist data provider and consultant based in Cornwall, Mining Searches UK, through which we will add non-coal to our mining searches portfolio.

Through **Glenigan** we provide construction project sales leads, industry data, analysis, forecasting and company intelligence. The business grew in the year and maintained good retention rates, against a challenging market backdrop. The bespoke research element of the product achieved good traction in the market throughout the year reflecting our high standing with customers.

Finally, through **DeHavilland**, we are a leading provider of political intelligence and monitoring services in the UK and EU. The business achieved good growth in the year, improving its retention rates, helped by the launch of a new data feed API which allows clients to receive political contact data directly into their CRM solutions. While Brexit undoubtedly drove some increased customer need throughout 2019, we expect that this will continue as the UK moves into the next demanding phase of its exit from the European Union.

We are targeting the Built Environment & Policy segment to continue to grow at similar levels to 2019.

FINANCIAL REVIEW

2019 was another year of good Organic growth in revenue and Adjusted EBITDA. Solid cash generation resulted in closing net debt leverage of 1.4x[1], after continued investment in the business and M&A.

Mandy Gradden
Chief Financial Officer

1 Please refer to Alternative Performance Measures for definition

Overview

The results for the year are set out in the consolidated statement of profit or loss and show, for continuing operations, revenue of £416.2m (2018: £348.5m), a growth of 19.4% (or 6.4% on an Organic basis, and 9.0% on a Proforma basis), and operating profit of £19.9m down 51.9% (2018: £41.4m). Adjusted EBITDA was £128.5m (2018: £108.4m) representing Organic growth of 6.2% or 8.5% growth on a Proforma basis. We also delivered solid cash flow in 2019 with free cash flow from continuing operations after tax and capex of £91.5m (2018: £84.8m), an operating cash flow conversion of 88% and a free cash flow conversion of 71%.

A core KPI and strategic goal of the Company is Organic revenue growth rate. We believe that this is the most efficient method of growth, measures the underlying health of the business and is a key driver of shareholder value creation. Organic revenue growth rate eliminates the impact of acquisitions (counting them only once they have been owned for 12 months) and disposals and that element of growth which is driven by changes in foreign exchange rates. It is an Alternative Performance Measure and is discussed in more detail on page 33. Proforma growth rate is measured in a similar way to Organic growth rate but assumes that the Group's acquisitions were all made on 1 January 2018 and is therefore a measure of the rate of growth of the brands owned today.

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

Continuing operations

The results for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and summarised in the table below.

£'m	2019	2018*	Reported growth rate	Organic growth rate	Proforma growth rate
Revenue	**416.2**	348.5	19.4%	6.4%	9.0%
Adjusted EBITDA	**128.5**	108.4	18.5%	6.2%	8.5%
Adjusted EBITDA margin	**30.9%**	31.1%			

* Restated for initial application of IFRS 16 (see Note 27).

Segmental results

Following the sale of the Exhibitions Business in July 2018, the Group changed from two to four reportable segments to align the operating model to the needs of the end customers we serve. The four reportable segments are Product Design, Marketing, Sales and Built Environment & Policy. Information regarding the results of each reportable segment is included below.

2019 £'m	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing operations
Revenue	**86.5**	**135.9**	**158.4**	**35.9**	**(0.5)**	**416.2**
Organic growth	**8%**	**9%**	**3%**	**5%**		**6.4%**
Proforma growth	**8%**	**9%**	**11%**	**5%**		**9.0%**
Adjusted EBITDA	**36.0**	**50.7**	**39.6**	**17.0**	**(14.8)**	**128.5**
Organic growth	**18%**	**20%**	**(24%)**	**19%**		**6.2%**
Proforma growth	**18%**	**19%**	**(14%)**	**19%**		**8.5%**
Adjusted EBITDA margin	**41.7%**	**37.3%**	**25.0%**	**47.2%**		**30.9%**
Depreciation and software amortisation	**(4.2)**	**(7.5)**	**(6.6)**	**(0.9)**	**(3.5)**	**(22.7)**
Adjusted operating profit	**31.8**	**43.2**	**33.0**	**16.1**	**(18.3)**	**105.8**

2018* £'m	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing operations
Revenue	77.8	116.3	120.9	34.3	(0.8)	348.5
Adjusted EBITDA	29.9	40.5	38.3	14.3	(14.6)	108.4
Adjusted EBITDA margin	38.4%	34.8%	31.7%	41.7%		31.1%
Depreciation and software amortisation	(4.0)	(5.5)	(3.0)	(0.7)	(3.0)	(16.2)
Adjusted operating profit	25.9	35.0	35.3	13.6	(17.6)	92.2

* Restated for initial application of IFRS 16 (see Note 27).

Revenue

The Company benefits from diverse revenue streams across its segments ranging from digital subscriptions to live events to advisory. Most of these revenue streams have recurring or repeat characteristics and benefit from our focus on customer retention, with over 80% of all revenue coming from recurring revenue types or repeat business.

Revenues from continuing operations grew to £416.2m (2018: £348.5m), an increase of £67.7m or 19.4%. Adjusting for currency impacts and acquisitions, Organic growth was 6.4% driven by the Marketing segment and the Product Design segment. Proforma revenue growth, which is a measure of how well the current portfolio of brands is growing, was 9.0% and was driven by the Sales segment.

Adjusted EBITDA

Adjusted EBITDA increased by 18.5% to £128.5m (2018: £108.4m) representing a 6.2% Organic growth rate, reflecting operational leverage and flow-through from revenue growth in the Marketing and Product Design segments in particular.

Adjusted EBITDA margin remained in line with the prior year at 30.9% (2018: 31.1%), where declining margins in the Sales segment as a result of investment in Edge and Flywheel Digital were offset by increases in all other segments' Adjusted EBITDA margins. We continue to see the evidence of the superior margin opportunities in scaled, mature, digital subscription businesses.

Reconciliation between Adjusted EBITDA and statutory operating profit

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

£'m	2019	2018*
Adjusted EBITDA	128.5	108.4
Depreciation and software amortisation	(22.7)	(16.2)
Adjusted operating profit	**105.8**	92.2
Amortisation	(35.8)	(30.6)
Exceptional items	(41.6)	(14.0)
Share-based payments	(8.5)	(6.2)
Statutory operating profit	**19.9**	41.4

* Restated for initial application of IFRS 16 (see Note 27).

Amortisation of acquired intangible assets

The amortisation charge of £35.8m (2018: £30.6m) on acquired intangible assets increased mainly due to full year charges for the acquired intangibles of Flywheel Digital and WARC, offset by the impact of fully amortised assets. The Company undertakes a periodic review of the carrying value of its intangible assets of £760.7m (2018: £786.0m) which are supported by value in use calculations. No impairments were identified in the current or prior year.

Exceptional items

The charge for exceptional items in 2019 totalled £41.6m (2018: £14.0m relating to continuing operations) as set out in the table below and further explained in Note 5.

£'m	2019	2018
Deferred contingent consideration	33.1	8.1
Other acquisition and disposal expenses	8.5	5.9
Exceptional items relating to continuing operations	**41.6**	14.0

The charge for deferred contingent consideration relates to acquisition-related contingent employment costs on the acquisitions of Flywheel Digital, MediaLink, One Click Retail and Clavis which, absent the link to continued employment, would have been treated as consideration as well as the revaluation of initial estimates of deferred consideration.

The substantial increase in charge in 2019 reflects the significant outperformance of Flywheel Digital in 2019 compared to our original expectations (a total charge of £36.9m).

Other acquisition and disposal expenses include £3.5m of costs relating to transaction costs (diligence and legal fees) with the remainder represented by integration costs offset by credits from the release of provisions in respect of historical disposals.

Share-based payments

The charge for share-based payments of £8.5m (2018: £6.2m) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan and the increase is driven partially by this being the first full three years since the IPO. As explained in the Alternative Performance Measures section, we treat share-based payments as an adjusting item because they are a significant non-cash charge driven by a valuation model that references Ascential's share price and so is subject to volatility rather than referencing operational activity.

Finance costs

The Adjusted net finance cost for the year was £10.3m (2018: £13.1m) as set out in the table below:

Adjusted net finance costs £'m	2019	2018*
Interest payable on external borrowings	(6.8)	(7.1)
Interest receivable	0.9	0.6
Amortisation of loan arrangement fees	(1.1)	(1.2)
Discount unwind on contingent and deferred consideration	(5.5)	(3.6)
Discount unwind of lease liability	(1.3)	(1.2)
Discount unwind of property provisions	(0.1)	-
Net foreign exchange gain/(loss)	2.0	(0.6)
Remeasurement of trade investments to fair value	1.6	-
Adjusted net finance costs	**(10.3)**	(13.1)

* Restated for initial application of IFRS 16 (see Note 27).

The net interest expense on the Company's net debt was £5.9m (2018: £6.5m) with the decrease driven by the higher cash holdings throughout the year and particularly in the first half with the reduction in interest margin driven by reduced leverage offset by higher LIBOR.

Amortisation of loan arrangement fees relates to the unwind of fees capitalised in respect of the borrowing facility taken out in 2016. In January 2020, the Group entered into a new five year multi-currency revolving credit facility ("RCF") of £450m (see Liquidity section below for further details). Upon completion of the new agreement, capitalised arrangement fees of £1.2m relating to the previous facility will be written off in 2020 as exceptional costs. We expect fees of £3.9m to be capitalised as part of the new arrangements and these will be amortised over the expected life of the facility.

Discount unwind on contingent and deferred consideration of £5.5m reflects the full year impact of the discount unwind on the future expected consideration of the acquisition of Flywheel Digital.

Net foreign exchange gain or loss includes credits arising on the revaluation of monetary items (particularly cash) in the year. Finally, our 2019 net finance cost was also reduced by positive revaluations of £1.6m on our equity investments in Hudson MX, Shoptalk and the WGSN China joint venture.

Taxation

A tax charge of £20.6m (2018: £17.8m) was incurred on continuing Adjusted profit before tax of £96.4m (2018: £79.7m) resulting in an Adjusted effective tax rate for the year of 21.4% (2018: 22.3%) which compares to the effective tax rate of 20.6% on reported profits as can be seen in the table below.

Analysis of tax charge (£'m)	**2019**	2018
Adjusted PBT	**96.4**	79.7
Tax charge on Adjusted PBT	**(20.6)**	(17.8)
Effective tax rate on Adjusted PBT	**21.4%**	22.3%
Adjusting items	**(86.2)**	(50.8)
Tax credit on Adjusting items	**18.5**	8.9
Effective tax rate on Adjusting items	**21.5%**	17.5%
Reported PBT	**10.2**	28.9
Tax charge on reported PBT	**(2.1)**	(8.9)
Effective tax rate on reported PBT	**20.6%**	30.8%

Cash tax paid was £3.2m (2018: £12.2m) reflecting refunds of prior year overpayments. The Group benefited by £4.5m (2018: £3.1m) from the utilisation of historic tax losses in the UK and US, which are expected to continue to benefit the Group's cash flow over the medium term.

The Group has a total recognised deferred tax asset of £42.7m (2018: £43.1m) relating to UK and US losses, accelerated capital allowances, US acquired intangibles, and deferred and contingent consideration. The majority of this asset is expected to convert into cash savings over the next ten years with more than 75% being recovered over the next three years. Meanwhile, our deferred tax liability amounted to £22.9m (2018: £24.8m) and related to non-deductible acquired intangibles and is not expected to convert into cash.

Discontinued operations

There were no discontinued operations in 2019. Discontinued operations in 2018 relate to the trading of the Exhibitions business in the first six months of the year and its subsequent disposal. The overall result for discontinued operations was as follows:

Discontinued operations £'m	**2019**	2018
Revenue	–	54.6
Adjusted EBITDA	–	19.8
Depreciation and amortisation	–	(0.3)
Amortisation of acquired intangibles	–	(3.1)
Exceptional items including gain on disposal	–	176.5
Share-based payments	–	(0.3)
Profit before tax	–	192.6
Taxation	–	(3.4)
Profit after tax	–	189.2

Foreign currency translation impact

Ascential reports its results in pounds Sterling and following US acquisitions and the significance of Cannes Lions (primarily Euro) and Money20/20 (primarily US Dollar and Euro) reported performance is sensitive to movements in the Euro and US Dollar against pounds Sterling. For most of 2019, Sterling was in line with the 2018 average Euro and US Dollar exchange rates but strengthened after the December UK general election as can be seen in the table below:

	Weighted average rate			Year-end rate		
Currency	**2019**	2018	Change	**2019**	2018	Change
Euro	**1.12**	1.14	(1.8%)	**1.18**	1.12	5.4%
US Dollar	**1.28**	1.32	(3.0%)	**1.32**	1.28	3.1%

When comparing 2019 and 2018, changes in currency exchange rates had a net favourable impact of £6.1m on revenue and £1.8m on Adjusted EBITDA. On a segmental basis, the favourable impact of changes in foreign currency exchange rates was as follows:

- Product Design: £1.0m impact on revenue and £nil impact on Adjusted EBITDA.
- Marketing: £3.0m impact on revenue and £0.9m impact on Adjusted EBITDA.
- Sales: £2.1m impact on revenue and £0.9m impact on Adjusted EBITDA.
- Built Environment & Policy: £nil impact on revenue or Adjusted EBITDA.

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

£'m	**2019 Revenue**	2019 Adjusted EBITDA	2018 Revenue	2018 Adjusted EBITDA
Increase in revenue/ Adjusted EBITDA if:				
Sterling weakens by 1% against USD in isolation	**1.9**	0.8	1.5	0.7
Sterling weakens by 1% against EUR in isolation	**1.2**	0.8	1.0	0.7

Furthermore, each 1% movement in the Euro to pounds Sterling exchange rate has a £1.5m (2018: £1.5m) impact on the carrying value of borrowings. Each 1% movement in the US Dollar has a circa £0.7m impact on the carrying value of borrowings (2018: £0.8m).

Earnings per share

Continuing Adjusted diluted earnings per share of 18.5p per share is 20.9% ahead of the 15.3p per share recorded for 2018.

Continuing diluted earnings per share of 1.9p per share is below the prior year figure of 4.8p predominantly due to exceptional charges revaluing upwards the deferred consideration on Flywheel Digital following its better than expected performance. Total diluted earnings per share were 1.9p (2018: 51.4p), with the decline driven in large part by the gain on disposal of the Exhibitions business in 2018.

Acquisitions and disposals

We regularly assess opportunities to acquire high-growth products and capabilities to serve our key end markets of Product Design, Marketing and Sales, and in 2019 incurred initial cash consideration of £81.3m for bolt-on investment opportunities. The cash consideration comprises £64.5m on investments and £16.8m on acquisition of businesses net of cash acquired, of which £18.7m is in relation to Yimian.

Jumpshot

In August 2019, we completed the acquisition of a 35% investment in Jumpshot, Inc., an analytics business providing market leading insights on digital consumer engagement. Cash consideration including subsequent working capital contribution and acquisition expenses totalled £56.2m of which £54.5m was paid prior to 31 December 2019. On 30 January 2020, we agreed to sell our 35% ownership interest in Jumpshot back to the majority owner, Avast plc, for cash consideration equivalent to our cost of investment including expenses.

Yimian

In December 2019, we completed the acquisition of Shenzhen Yimian Network Technology Co., Ltd ("Yimian") for initial consideration of £19.5m with a further £8-10m expected to be paid as part of earnout consideration relating to 2019 to 2022 revenue targets. Yimian provides services to help clients optimise their digital marketing and sales on China's e-Commerce platforms.

Hudson

Hudson MX is an advertising software business providing media buying and media accounting solutions through a cloud-based SaaS platform. In 2019 we invested £8.0m for a minor equity interest and, subject to certain growth targets, agreed to increase our future holding for further cash consideration of £8.0m. A gain of £0.9m was recognised within net finance costs reflecting the upwards revaluation of our equity investment based on third party participation in the transactions.

Infosum

In addition, the Group made a minority equity investment of £2.0m in Infosum, a company that provides a decentralised environment to connect customer data, conduct analysis and drive more effective marketing campaigns, without any data exchange.

Deferred consideration

The Company's preferred structure for M&A is to enter into long-term earnout arrangements with the founders of acquired companies and to link the earnout to both the post-acquisition performance of the acquired company and the continuing employment of the founders. Accounting for the earnout is complex and requires considerable judgements to be made about the expected future performance of the acquired company at the point of acquisition – especially difficult in the type of high growth, early stage companies that Ascential acquires. The earnout is accounted for in three ways:

1. A liability for deferred consideration is established on the balance sheet at the point of acquisition based on that element of the earnout which is not dependent on the continuing employment of the founders. This amounted to £103.2m at December 2019 (2018: £96.7m). Any change in estimate is recorded as an exceptional item. This amounted to a charge of £13.0m in 2019 (2018: credit £5.2m) driven by the 2019 outperformance of Flywheel offset by the lower performance of One Click Retail.

2. This liability is discounted to present value with the reversal of this discount being recorded as Other finance costs within the interest charge. This amounted to a charge of £5.5m in 2019 (2018: £3.6m).

3. Finally, that element of the deferred consideration that is contingent on the continuing employment of the founders is charged to the income statement as an exceptional item over the service life of those founders (typically three years). This amounted to a charge of £20.1m in 2019 (2018: £13.3m), which was in addition to the charge for the revaluation of the earnout of £13.0m (2018: £5.2m credit).

In total, the Company expects to pay out contingent consideration of between £120m and £140m over the next three years for acquisitions to date. This is mainly contingent on the future performance of the acquired businesses which are estimated to grow their annual EBITDA by between approximately £23m and £33m between now and 2022.

Cash flow

Continuing operations

The Company generated Adjusted operating cash flow from continuing operations of £113.2m (2018: £114.4m), being an 88% operating cash flow conversion (2018: 106%). The reduction in operating cash flow conversion was driven mainly by the working capital impact of the very high growth of the Flywheel business.

After continued investment in product development in our digital subscription products, internal productivity tools and property, capex remained consistent with the prior year at £18.5m (2018: £18.7m). Tax paid on profits from continuing operations decreased from £12.2m to £3.2m, driven by the shielding of current year charges by historic losses and refunds of overpayments in prior years.

As a result, the Company generated free cash flow on continuing operations of £91.5m (2018: £84.8m) as shown in the table below:

£'m	2019	2018*
Adjusted EBITDA	128.5	108.4
Working capital movements	(15.3)	6.0
Adjusted operating cash flow from continuing operations	**113.2**	114.4
% operating cash flow conversion	**88%**	106%
Capital expenditure	**(18.5)**	(18.7)
Tax paid	**(3.2)**	(10.9)
Free cash flow from continuing operations	**91.5**	84.8
% free cash flow conversion	**71%**	78%

* Restated for initial application of IFRS 16 (see Note 27).

Discontinued operations

There were no significant free cash flows from discontinued operations in 2019 while 2018 included discontinued free cash flows relating to the Exhibitions business.

Total operations

The cash flow statement and net debt position are summarised below and include significant proceeds from the Company's business disposals in 2018 totalling £290.0m, as well as deferred and initial consideration paid on the Company's current and prior years' acquisitions totalling £48.6m (2018: £156.4m).

£'m	2019	2018*
Free cash flow from continuing operations	**91.5**	84.8
Free cash flow from discontinued operations	-	2.1
Free cash flow from total operations	**91.5**	86.9
Acquisition of investments	**(64.5)**	(0.7)
Acquisition of businesses net of cash acquired	**(16.8)**	(97.7)
Deferred and contingent consideration cash paid in the year	**(20.3)**	(37.7)
Exceptional costs paid		
– Acquisition-related contingent employment cost	**(11.5)**	(21.0)
– Other	**(11.3)**	(12.4)
Disposal proceeds received		
– Cash proceeds received net of cash disposed of	-	296.4
– Disposal costs paid	**(2.3)**	(6.4)
Cash flow before financing activities	**(35.2)**	207.4
Net interest paid	**(6.2)**	(6.9)
Dividends paid	**(22.9)**	(22.8)
Lease liabilities paid	**(9.0)**	(7.7)
Proceeds of issue of shares net of expenses	**1.2**	0.4
Debt repayment	–	(33.6)
Net cash flow	**(72.1)**	136.8
Opening cash balance	**182.0**	45.8
FX movements	**1.8**	(0.6)
Closing cash balance	**111.7**	182.0
Borrowings	**(283.8)**	(294.1)
Capitalised arrangement fees	**1.2**	2.3
Derivative financial instruments	**0.3**	–
Net debt	**(170.6)**	(109.8)

* Restated for initial application of IFRS 16 (see Note 27).

Returns to shareholders

The Board targets a dividend payout ratio of 30% of Adjusted profit after tax. Consequently, the Board is recommending a final dividend of 4.0p per share payable on 11 June 2020 to shareholders on the register on 15 May 2020 which, together with the Company's interim dividend of 1.8p paid in September 2019, makes a total dividend for the 2019 financial year of 5.8p (2018: 5.8p) with the prior year benefiting from earnings from discontinued operations.

Consistently strong levels of cash flow conversion, combined with disciplined capital allocation, has resulted in a net debt leverage ratio of 1.4x at the 2019 year end. Furthermore, following the sale of the Jumpshot investment in January 2020, our Proforma leverage is 1.0x which is well below historic levels. While we have a strong pipeline of attractive investment opportunities, we recognise that the delivery of shareholder value requires a balanced approach to investing in growth and returning excess capital to shareholders whilst maintaining a strong balance sheet. Having reviewed our capital allocation policy the Board has decided to utilise part of its authority to make on market purchases of our ordinary shares. We anticipate spending up to £120m in a share repurchase programme, which we will review on an ongoing basis based on the competing opportunities for capital deployment.

Other financial matters

Accounting developments

IFRS 16, Leases, was effective from 1 January 2019 and we have taken the decision to apply this standard retrospectively. We have consequently adjusted our financial statements from the earliest point presented, 1 January 2018. The most significant impacts of the new accounting standard are the recognition of operating lease liabilities on the balance sheet and the reclassification of the lease charge from EBITDA to amortisation and interest. In relation to these leases we recognised £21.6m of right-of-use assets, £2.1m of investment property, and £26.8m lease liabilities as at 31 December 2019. We also recognised £7.3m (2018: £5.4m) of amortisation charges and £1.3m (2018: £1.2m) of interest costs from these leases instead of an operating lease expense.

Capital structure

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 shareholders through the optimisation of the debt to equity balance. The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent comprising capital, reserves and retained earnings. The Group's policy is to borrow centrally to meet anticipated funding requirements. These borrowings, together with cash generated from the operations, are on-lent or contributed as equity to subsidiaries at market-based interest rates and on commercial terms and conditions.

The Company's sources of funding comprise operating cash flow and access to substantial committed bank facilities from a range of banks. The Company maintains a capital structure appropriate for current and prospective trading over the medium term that allows a healthy mix of dividends and cash for investment in bolt-on acquisitions.

Liquidity

In January 2020, the Group entered into a new five year multi-currency revolving credit facility ("RCF") of £450m with an accordion of up to a further £120m or 150% of EBITDA. The maturity of the facility may be extended at the option of the Group for up to two further one-year terms subject to individual lender approval. The facility covenants include a maximum net leverage of 3.25x with the benefit of an additional 0.5x leverage spike for relevant acquisitions and a minimum interest cover of 3.00x and are tested semi-annually.

The previous facility, which operated through the 2019 financial year, comprised term loan facilities of £66m, €171m and US$96m as well as an RCF of £95m. All were due to mature in February 2021 and at December 2019 were subject to interest at 1.50% over LIBOR . There was a leverage covenant limit of 3.5x which was measured semi-annually. As at 31 December 2019 and 2018, all of the term facilities, totalling £283.8m (2018: £294.1m) had been drawn and none of the £95.0m of RCF had been drawn (2018: none).

Financial risk management

The Group is exposed to risks arising from the international nature of its operations and the financial instruments which fund them. These instruments include cash and borrowing and items such as trade receivables and trade payables which arise directly from operations. External borrowings are denominated 51% in Euros with the balance split between US Dollars (26%) and pounds Sterling (23%). The Company reviews and protects a proportion of its exposure to interest rate rises on the cost of borrowings through use of derivatives such as interest rate caps where appropriate. Principal risks (including strategic, operational, legal and other risks) are shown on pages 40 to 45.

Going concern

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. Ascential's business activities, performance and position, together with the factors likely to affect its future development, are set out on pages 12 to 37. The financial risk management objectives, policies and processes in place for assessment, management and monitoring of risks, including the risks resulting from Brexit and the current outbreak of the Coronavirus, are also described on page 40 and more fully in Note 29 of the consolidated financial statements.

The Directors believe that the Company is well placed to manage its business risks successfully and have assessed the Group's prospects and viability over a three-year period. The long-term viability statement, which provides further detail of this assessment, can be found on page 39. The Board's assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, show that the Group has adequate resources to continue in operational existence for the foreseeable future, including the period exceeding 12 months from the date when the financial statements are approved. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

Mandy Gradden
Chief Financial Officer
21 February 2020

OUR ALTERNATIVE PERFORMANCE MEASURES

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

Organic growth measures

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

- acquisitions and disposals of businesses lead to a lack of comparability between periods due to consolidation of only part of a year's results for these businesses;
- changes in exchange rates used to record the results of non-Sterling businesses result in a lack of comparability between periods as equivalent local currency amounts are recorded at different Sterling amounts in different periods; and
- event timing differences between periods.

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

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

Organic growth for continuing operations is calculated as follows:

2019 £'m	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing operations
Revenue						
2019 - reported	86.5	135.9	158.4	35.9	(0.5)	416.2
Exclude acquisitions	(1.5)	(6.4)	(33.8)	–	–	(41.7)
2019 – Organic basis	85.0	129.5	124.6	35.9	(0.5)	374.5
Organic revenue growth	8%	9%	3%	5%		6.4%
2018 - reported	77.8	116.3	120.9	34.3	(0.8)	348.5
Exclude acquisitions	–	–	(2.5)	–	–	(2.5)
Currency adjustment	1.0	3.0	2.1	–	–	6.1
2018 – Organic basis	78.8	119.3	120.5	34.3	(0.8)	352.0
Adjusted EBITDA						
2019 – reported	36.0	50.7	39.6	17.0	(14.8)	128.5
Exclude acquisitions	(0.6)	(1.0)	(9.8)	–	–	(11.5)
2019 – Organic basis	35.4	49.7	29.8	17.0	(14.8)	117.0
Organic EBITDA growth	18%	20%	(24%)	19%	(2%)	6.2%
2018 – as restated	29.9	40.5	38.3	14.3	(14.6)	108.4
Currency adjustment	–	0.9	0.9	–	–	1.8
2018 – Organic basis	29.9	41.4	39.2	14.3	(14.6)	110.2

* Restated for initial application of IFRS 16 (see Note 27).

Proforma growth measures

Proforma growth is measured in a similar way to Organic growth but assumes that the Company's acquisitions or disposals were all made on the first day of the comparative accounting period and is a measure of the rate of growth of the brands owned today. Proforma growth is calculated as follows:

2019 £'m	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing operations
Revenue						
2019 - reported	86.5	135.9	158.4	35.9	(0.5)	416.2
Include acquisitions	3.0	–	3.3	–	–	6.3
2019 – Proforma basis	89.5	135.9	161.7	35.9	(0.5)	422.5
Proforma revenue growth	8%	9%	11%	5%		9.0%
2018 - reported	77.8	116.3	120.9	34.3	(0.8)	348.5
Include acquisitions	4.3	5.6	24.6	–	–	34.4
Exclude acquisitions	–	–	(2.5)	–	–	(2.5)
Currency adjustment	1.1	3.2	2.9	–	–	7.1
2018 – Proforma basis	83.2	125.0	145.8	34.3	(0.8)	387.5
Adjusted EBITDA						
2019 – reported	36.0	50.7	39.6	17.0	(14.8)	128.5
Include acquisitions	1.1	–	–	–	–	1.1
2019 – Proforma basis	37.1	50.7	39.6	17.0	(14.8)	129.6
Proforma EBITDA growth	18%	19%	(14%)	19%	(1%)	8.5%
2018 – as restated	29.9	40.5	38.3	14.3	(14.6)	108.4
Include acquisitions	1.5	1.0	6.4	–	–	8.8
Currency adjustment	0.1	1.0	1.2	–	–	2.2
2018 – Proforma basis	31.4	42.5	45.8	14.3	(14.6)	119.4

* Restated for initial application of IFRS 16 (see Note 27).

Adjusted profit measures

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

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

Adjusting items

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

Exceptional items

Exceptional items are recorded in accordance with the policy set out in the Annual Report. They arise from both portfolio investment and divestment decisions and from changes to the Group's capital structure, and so do not reflect current operational performance. These items are presented within a separate column on the face of the income statement, but within their relevant income statement caption to assist in the understanding of the performance and financial position as these types of cost do not form part of the underlying business.

Amortisation of intangible assets acquired through business combinations and interests in associates

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

Share-based payments

Ascential runs a number of employee share schemes . Income statement charges are a significant non-cash charge and are driven by a valuation model which references Ascential share price and so is subject to volatility rather than referencing operational activity.

Tax related to adjusting items

The elements of the overall Company tax charge relating to the above Adjusting items are also treated as Adjusting. These elements of the tax charge are calculated with reference to the specific tax treatment of each individual Adjusting item, taking into account its tax deductibility, the tax jurisdiction concerned, and any previously recognised tax assets or liabilities.

Adjusted cash flow measures

The Company uses Adjusted cash flow measures for the same purpose as Adjusted profit measures, namely to assist readers of the accounts in understanding the ongoing operational performance of the Group. The two measures used are Adjusted Cash Generated from Operations, and Free Cash Flow. These are reconciled to IFRS measures as follows:

£'m	2019	2018*
Cash generated from operations	**90.4**	84.4
Less: cash generated from discontinued operations	**-**	(3.4)
Add back: acquisition-related contingent employment cash flow	**11.5**	21.0
Add back: other exceptional cash flow	**11.3**	12.4
Adjusted cash generated from operations	**113.2**	114.4

*Restated for initial application of IFRS 16 (see Note 27).

£'m	2019	2018*
Net cash from operating activities	**87.2**	72.2
Less: cash generated from discontinued operations	**-**	(2.1)
Add back: acquisition-related contingent employment cash flow	**11.5**	21.0
Add back: other exceptional cash flow	**11.3**	12.4
Less: capital expenditure	**(18.5)**	(18.7)
Free cash flow	**91.5**	84.8

*Restated for initial application of IFRS 16 (see Note 27).

£'m	2019	2018*
Adjusted cash generated from operations	**113.2**	114.4
EBITDA	**128.5**	108.4
Operating cash conversion	**88%**	106%

* Restated for initial application of IFRS 16 (see Note 27).

£'m	2019	2018*
Free cash flow	**91.5**	84.8
EBITDA	**128.5**	108.4
Free cash flow conversion	**71%**	78%

* Restated for initial application of IFRS 16 (see Note 27).

The Company monitors its operational balance sheet efficiency with reference to Operating Cash Conversion and Free Cash Flow.

Glossary of alternative performance measures

Term	Description
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma revenue growth	Revenue growth on a like-for-like basis assuming the Company's acquisitions or disposals were all made on the first day of the comparative accounting period
Proforma EBITDA growth	Adjusted EBITDA growth on a like-for-like basis assuming the Company's acquisitions or disposals were all made on the first day of the comparative accounting period
Exceptional items	Items within Operating profit / (loss) separately identified in accordance with Group accounting policies
Adjusting items	Exceptional items, Amortisation of intangible assets acquired through business combinations and investments in associates, Share-based payments, Gains and losses on disposal and Tax related thereto
Adjusted operating profit / (loss)	Operating profit / (loss) excluding Adjusting items
Adjusted EBITDA	Adjusted operating profit/ (loss) excluding depreciation and amortisation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Revenue
Adjusted profit/ (loss) before tax	Profit/ (loss) before tax excluding Adjusting items
Adjusted tax charge	Tax charge excluding Adjusting items
Adjusted effective tax rate	Adjusted tax charge expressed as a percentage of Adjusted profit before tax
Adjusted EPS	EPS calculated with reference to Adjusted Profit/ (loss) for the period
Adjusted cash generated from continuing operations	Cash generated from operations with cash generated from discontinued operations, acquisition related contingent consideration and other exceptional cash flows excluded
Operating cash conversion	Adjusted cash generated from continuing operations expressed as a percentage of Adjusted EBITDA
Free cash flow	Net cash generated from operating activities including capital expenditure. Net cash generated from discontinued operations, acquisition-related contingent consideration and other exceptional cash flow are excluded.
Leverage	The ratio of Net debt to Adjusted EBITDA before, in both cases, accounting for the impact of IFRS 16
Net debt	Net debt comprises cash and cash equivalents and external borrowings. Net debt excludes lease liabilities

UNDERSTANDING THE RISKS AND UNCERTAINTIES

Managing business risks

Like all business, we face a number of risks and uncertainties. Some come from outside our business, and others from within. Successful management of existing and emerging risks is critical to the long-term success of our business and to the achievement of strategic objectives. In order to achieve our strategic objectives, and seize market opportunities, risk must be accepted to a reasonable degree within our risk appetite and balanced by proportionate reward. Risk management is therefore an integral component of our corporate governance.

We have further developed our risk management framework during the year to more clearly articulate our risk appetite to allow the Board and management to translate a large set of choices and options into a sensible set of investment decisions and priorities.

Risk governance

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

Our risk governance framework is set out below. At the top of the structure is our Board, which holds overall responsibility for our risk management and internal control systems. The Board sets risk appetite and the tone of risk management, as well as completing an assessment of our principal risks.

Our Executive Committee prioritises principal risks and allocates resources to manage risks in accordance with agreed risk appetite. The Audit Committee monitors the adequacy and effectiveness of internal control and risk management systems, as well as the effectiveness of the Internal Audit function. Our Operational Risk Committees identify risks and risk owners, identify controls and mitigations to manage risks, agree action plans to strengthen controls or address deficiencies, review progress with action plans and identify emerging risks.

Risk governance framework

The Board

- Holds overall responsibility for Ascential's risk management and internal control systems
- Sets risk appetite taking into account strategic objectives
- Sets the tone and influences the culture of risk management
- Completes robust assessment of principal risks

Audit Committee

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

Executive Committee

- Prioritises principal risks
- Allocates resources to manage risks according to potential impact
- Communicates priorities to the business
- Reviews Risk Committee registers to agree aggregate risk register
- Identifies emerging actions where Groupwide action is required

Operational Risk Committees

- Identify risks and risk owners
- Score impact of risk on a mitigated and unmitigated basis according to consistent risk scoring methodology
- Identify controls and mitigations to manage risk
- Agrees action plans to strengthen controls or address deficiencies
- Review progress with action plans and current risks
- Identify emerging risks

Internal controls and compliance

Internal and external audit activities

Risk assurance

The Internal Audit function provides assurance as to the effectiveness of the internal control environment through its primary responsibilities:

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

The Audit Committee receives and analyses regular reports from management and internal audit on matters relating to risk and control and reviews the timeliness and effectiveness of corrective action taken by management. The Audit Committee also considers the findings and recommendations of the external auditor throughout the year in relation to the design and implementation effective financial controls. Further detail on these activities is included within the Audit Committee report on page 67.

Long-term viability statement

The Directors have assessed the prospects and viability of the Group in accordance with Provision C2.2 of the UK Corporate Governance Code. This assessment has been based on a three-year timeframe, covering the period to 31 December 2022, which is considered appropriate because it aligns with the Company's strategic planning and financial forecasting horizon, and because, in relation to viability, it provides a sufficiently long period for stress testing scenarios to be modelled through at least one complete business cycle.

The Company's prospects have been assessed mainly with reference to the Company's strategic planning and associated long-range financial forecast. This incorporates a detailed bottom-up budget for each part of the business. The budgeting and planning process is thorough and includes input from most operational line managers as well as senior management, and forms the basis for most variable compensation incentives.

The Board also participates during the year in both strategic planning and reviewing the detailed bottom-up budgets. The outputs from this process include full financial forecasts of EBITDA, Adjusted earnings, cash flow, working capital and net debt.

The Directors consider that the planning process and forecasts provide a sound underpinning to management's expectations of the Group's prospects.

The Directors carried out a robust assessment of the principal risks facing the Group, including those that could threaten its business model, future performance, solvency or liquidity. This assessment was made with reference to the Company's current position and prospects, strategy and principal risks, including how these are managed.

The Directors also assessed the potential impact on the Company's prospects should certain risks to the business materialise. This was done by considering specific scenarios aligned to the principal risks identified on pages 40 to 45, applied to stress test the long-range financial forecast. Of these, the six scenarios considered to have the most serious impact on the financial viability of the Company were modelled in detail.

The specific scenarios were:

- a global recession, designed to capture the impact of the most serious plausible manifestation of macro-economic risks;
- a serious safety and security incident at a major event;
- the loss of a major customer;
- a substantial breach of cyber security and associated loss of data;
- a significant change in underlying data sources resulting in reduced data availability for our eCommerce services; and
- major events being cancelled at short notice, for instance from disease outbreaks, with no equivalent alternative available.

For each scenario, the modelling captured the impact on key measures of profitability, cash flow, liquidity and debt covenant headroom. Scenarios included the effects of plausible mitigation plans where appropriate. In all cases modelled, the Group was able to continue to fund its operations and to comply with debt covenant requirements. Based on this assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

We assess our principal risks in terms of their potential impact on our ability to deliver our strategic objectives.

The Board has made a robust assessment of the principal risks facing the business including those related to its business model, future performance, solvency or liquidity, and considered them in the formulation of the Long-Term Viability Statement.

As part of this assessment, the Board considered an updated impact analysis of the risks associated with Britain exiting the EU. The assessment conducted in 2018 was updated to reflect any changes in our business model and operations as well as any clarifying information that has been made public. The conclusion of the updated analysis remained that the most significant threat to Ascential is the increased broader economic uncertainty including risk of recession. The impact of this threat continues to be mitigated by the diversification of Ascential's business, both geographically and across sectors and industries (see the business model and market review sections for more detail). Additionally, recession planning forms part of Ascential's risk management process and the influence of Brexit on recession risk has been considered and monitored as part of this process. A range of reasonably possible outcomes was also considered when performing sensitivity analysis on long range financial projections (see the long-term viability statement for more detail).

The Board is actively monitoring the unfolding situation in respect of the Coronavirus outbreak. While China is an important long-term strategic growth market for Ascential, revenues from Chinese customers are today a relatively small part of the Group (less than 5%) and we have not yet seen any material impact on trading from the situation. As a precaution and to reflect travel difficulties in the region, we have previously communicated to participants that we have moved the date of Money20/20 Asia in Singapore from March to August 2020. We continue to monitor the potential impact of travel restrictions for Chinese delegates and sponsors to events in Europe (such as Retail Week Live in London in March). We are also mindful of the impact that the Coronavirus might have on the business performance of our customer base in areas such as fashion but again have seen no significant impact to date. Our business continuity plans are enabling the majority of our approximately 200 staff in China to remain both safe and productive.

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

Risk	Change	
1. Customer end-market development	Stable	↔
2. Economic and geopolitical conditions	Increased	↑
3. Competition/substitution	Stable	↔
4. Execution of new product and capability development	Increased	↑
5. Acquisitions and disposals	Stable	↔
6. People	Reduced	↓
7. Reliance on data providers	Reduced	↓
8. Cyber threat and information security	Stable	↔
9. Venue availability, security and access	Increased	↑
10. Business resilience	Stable	↔
11. Financial risk	Stable	↔
12. Regulation and compliance	Stable	↔

Business and strategic

1. Customer end-market development

Description

Our customers operate in a variety of end markets, each with their own competitive pressures affecting customer preferences and spend. Growth for our customers is anchored in understanding in great detail the many paths to purchase consumers will take as they watch, buy and communicate online. Achieving an integrated consumer to product view is becoming increasingly critical.

Examples of risks

- Failure to develop an appropriate pipeline of successful products to meet and anticipate the needs of our customers
- Change in how consumers watch, buy and communicate online may necessitate further product development

Actions taken to manage risk

- Prioritisation of digital products within capital allocation
- Expansion of our Strategic Sales capability to increase the number and depth of our strategic customer relationships
- Strategic focus on customer retention gives early indication of changes to perceived value of products

Link to strategy

Our strategic objective to be a market leading specialist information company relies heavily on our ability to anticipate and respond to our customers' changing needs.

Risk movement from 2018

Stable

↔

2. Economic and geopolitical conditions

Description

Across our business we are exposed to the effects of political and economic risks. These include the impact of Brexit, changes in the regulatory and competitive landscape and the impact of international trade policy.

Examples of risks

- Financial recession in our key markets leading to reduced spending power for customers
- Global political uncertainty regarding trade policy
- Exchange rate volatility
- Change in US Administration's approach to trade policy

Actions taken to manage risk

- Recession modelling gives early visibility of recession, enabling recession plan to be implemented to mitigate risk of sustained financial loss
- Brexit impact assessment conducted
- Monitor geopolitical landscape to develop plans to respond to specific threats or opportunities

Link to strategy

Our strategic objective to accelerate organic growth requires us to operate effectively within different global political situations which change constantly.

Risk movement from 2018

Increased

↑

3. Competition / substitution

Description

We are exposed to a varied and dynamic competitive landscape, ranging from niche providers and new entrants in eCommerce analytics to data aggregators and consultancy firms.

Examples of risks

- Loss of market share from increase competition / substitution
- Consultancy firms entering agency review space
- National financial technology festivals
- Aggregators of data analytics companies

Actions taken to manage risk

- Development of Ascential path-to-purchase proposition increases value of our proposition beyond the sum of parts
- Full integration of Edge by Ascential into single platform offering total eCommerce capabilities
- Close monitoring of competitive landscape and emerging technology to identify threats and opportunities

Link to strategy

Our strategic objective to be a market leading specialist information company relies on our ability to differentiate our products and services from our competition.

Risk movement from 2018

Stable

↔

Business and strategic continued

4. Execution of new product and capability development

Description
Development of new products and capabilities is a key driver for Organic growth, which is central to our long-term sustainability.

Examples of risks
- Failure to deliver key new product development would negatively impact our ability to provide full eCommerce capabilities to our customers
- New products do not meet customers' needs due to technical or operational weakness
- New products do not generate sufficient financial return

Actions taken to manage risk
- Prioritised allocation of resources to critical product development as part of the Edge by Ascential integration
- Formal project plans for all new product development, with appropriate gating and milestones
- Performance against those plans is monitored by the Executive Committee

Link to strategy
Our strategic objective to be a market leading specialist information company relies heavily on our ability to continue to develop products and propositions that enable our customers to win in the digital commerce economy.

Risk movement from 2018
Increased
↑

5. Acquisitions and disposals

Description
We continue to review how best to build out our capabilities to better serve our customers. Whilst we do this primarily through Organic investment, we continue to review potential acquisition opportunities to accelerate our progress or provide further unique information. In other areas, we may divest brands which are no longer core to our strategy.

Examples of risks
- Failure to identify appropriate acquisitions or to conduct effective pre-acquisition due diligence
- Failure to achieve the expected benefits or synergies
- Failure to preserve sources of competitive advantage
- Failure to integrate acquired businesses effectively

Actions taken to manage risk
- We have a strong and experienced M&A team who take a disciplined approach to identifying and testing acquisitions to ensure they are appropriate, a strategic fit and are earnings enhancing
- Detailed cross functional due diligence is undertaken prior to acquisition
- Integration of acquired business are subject to post-acquisition review programme

Link to strategy
Our strategic objective to apply a tightly focussed capital allocation process to achieve our goals and maximise value creation depends on our ability to identify the right acquisitions, to conduct thorough due diligence and to integrate acquisitions effectively.

Risk movement from 2018
Stable
↔

6. People

Description
People management, effective succession planning and the ability to attract and retain talent are critical to our ability to execute our strategy and achieve our objectives.

Examples of risks
- Loss of key talent, high attrition and/or lack of appropriate succession planning leads could lead to a strategic skills shortage
- Loss of intellectual capital due to poor retention of talent
- Inability to attract top talent

Actions taken to manage risk
- Improved employee engagement score by delivering on actions identified from previous employee engagement surveys
- Structured development plans in place for key executives
- Talent pool assessments conducted with critical talent identified
- Career frameworks developed and rolled out to support cross Ascential development
- Nomination Committee overseas succession plans for the Executive Directors and the Executive Management team

Link to strategy
All of our strategic objectives rely on us attracting and retaining the right talent to execute against our strategy and meet the needs of our customers.

Risk movement from 2018
Reduced
↓

Operational

7. Reliance on data providers

Description

Our eCommerce analytics products utilise data from a number of suppliers. A change in availability of this data or the structure of how the data is provided can impact the accuracy or availability of our products and/or increase costs.

Examples of risks

- Product development required to respond to changes in data used in eCommerce analytic products
- Data provider increases utility of the data they provide reducing the competitive advantage of our eCommerce analytic products

Actions taken to manage risk

- Investment in Edge by Ascential integrated platform increases the flexibility and speed with which Edge by Ascential can respond to changes in data availability and structure
- Continue to build strategic relationships with data suppliers to gain earlier visibility of changes
- Development of Ascential path-to-purchase proposition increases value of our proposition beyond the sum of parts

Link to strategy

Our strategic objectives to accelerate organic growth and to be a market leader require us to consistently deliver accurate and valuable eCommerce analytic products that are differentiated from competitor products.

Risk movement from 2018

Reduced

↓

8. Cyber threat and information security

Description

An external cyber attack, insider threat or supplier breach could cause service interruption or the loss of confidential data. Cyber threats could lead to major customer, financial, reputational and regulatory impact.

Examples of risks

- Loss of intellectual property
- Major data privacy breach
- Significant impact on business operations from malware or ransomware attack

Actions taken to manage risk

- Maintenance and testing of network security, network resilience and business continuity plans
- Monitoring of emerging threats to ensure our preparations and responses are current
- Regular, comprehensive training programme for our employees on information security practices
- Implementation of Data Loss Prevention software
- Adoption of additional authentication tools to reduce the likelihood of remote attacks
- Regular penetration and vulnerability testing

Link to strategy

All of our strategic objectives rely on our ability to operate compliantly and to provide safe and effective products and solutions to our customers.

Risk movement from 2018

Stable

⟷

Operational continued

9. Venue availability, security and access

Description

Our events are held at specific locations which may become unavailable for use or available only on uneconomic terms. Travel disruption or safety risks from a variety of causes including natural disasters, communicable diseases, civil disorder, political instability or terrorism may prevent both customers and our employees from reaching the event location or being unwilling to travel.

Examples of risks

- One of the locations for our events is destroyed or inaccessible before or during an event
- An incident near an event location results in unwillingness for key speakers and/or delegates to travel to the event
- An incident at an event results in personal injury
- An outbreak of a communicable disease may result in travel difficulties or other impacts which may lead to the deferral or cancellation of an event

Actions taken to manage risk

- We have comprehensive security and safety plans for each event with appropriate mitigation incorporated into operational planning, including contingency planning with local authorities and police
- We employ continuous threat monitoring and intelligence analysis to identify potential causes of disruption
- We maintain close relationships with major venue providers
- We maintain insurance cover in respect of certain event cancellation risks

Link to strategy

All of our strategic objectives rely on our ability to operate compliantly and to provide safe environments for our events.

Risk movement from 2018

Increased

↑

10. Business resilience

Description

Our operations may be disrupted by an adverse event whether that be IT service interruption, disruption to physical locations or interruption in the provision of service from our key suppliers. We need to build resiliency to reduce the potential impact of such an event and be prepared to respond to any such event effectively.

Examples of risks

- Significant performance issue and issue with failover process at data centres
- Natural disaster impacts key operational location
- Key supplier failure

Actions taken to manage risk

- Group Crisis Management Plan to manage how Ascential's leadership team directs the business through any major incident or crisis which might severely disrupt operations, threaten business performance or damage reputation
- High Availability Programme includes resilience between data centres for our core applications
- Long-term contracts with our key suppliers which are professionally procured and include rigorous service level agreements

Link to strategy

All of our strategic objectives rely on our ability to operate resiliently and minimise the impact of any significant crisis or event.

Risk movement from 2018

Stable

↔

Financial

11. Financial risk

Description

We have material exposures to different currencies and fluctuations in these currencies affect the reported financial results. As a global business, we are subject to many forms of taxation in many different jurisdictions. Tax law and administration is complex and tax authorities may challenge our application of tax law, potentially leading to lengthy and costly disputes and material tax changes.

Examples of risks

- Material fluctuations in currency (particularly US Dollar, Sterling and Euro) affect reported profitability
- Challenge by tax authority on application of tax law

Actions taken to manage risk

- The impact of movements in US Dollar and Euro currencies is calculated and reported to investors for transparency
- Approach to foreign exchange risk is set out in Note 29 to the financial statements on page 150
- Hedged borrowing structure
- Experienced tax function, supported by professional advisers
- Full, accurate and timely disclosures made in submissions to tax authorities who we work with collaboratively to achieve early agreement and certainty on complex matters wherever possible

Link to strategy

Our strategic objectives to accelerate Organic growth and to be a market leader require us to consistently deliver accurate and valuable eCommerce analytic products that are differentiated from competitor products.

Risk movement from 2018

Stable

↔

Legal and compliance risks

12. Regulation and compliance

Description

As a global business, we are subject to different regulation across multiple jurisdictions. Operating across this increasingly complex and dynamic legal and compliance environment can lead to fines, penalties, reputational risk and competitive disadvantage. The regulatory landscape can change leading to our current business model becoming less profitable or unsustainable.

Examples of risks

- Violation of anti-corruption policy
- Breach of data privacy policy
- Change in regulatory landscape regarding data collection and usage

Actions taken to manage risk

- Experienced legal team supported by professional advisers monitor changes in regulation and emerging best practice in the sector and in key policy areas
- Global compliance programme, policies and procedures
- Group monitoring and auditing programmes in place
- Confidential independent reporting channels for employees to report concerns
- Employee training and awareness programme

Link to strategy

All of our strategic objectives rely on us to comply with applicable laws and regulations and to do the right thing as part of our licence to operate.

Risk movement from 2018

Stable

↔

OUR PEOPLE

We work hard to attract and retain the best people in the industry. We aim to be a destination employer in every one of our key operating territories and markets.

Setting direction – The One Ascential Conference

We hold our all-company conference in January each year and this enables more than 1,400 individuals to hear and engage in the strategy and this year's plans and goals for the business from the very beginning of each annual business cycle. It aligns objectives and interests, as well as giving our people an exceptional opportunity to network, share learnings and collaborate in relation to our business goals. Our annual conference and Gala Awards night has become an important part of our journey to a more informed and connected Ascential.

For the second year running in 2019 we devoted the second day of the conference to "LearnFest", a highly effective, and hugely efficient way of providing critical skills development to our people so they are equipped to work well in the dynamic and fast moving markets we operate in. Training topics are reviewed and carefully selected to be highly relevant to the challenges we face as a business each year and include new product and territory briefings as well as a large organised hackathon for our technology teams. Feedback on LearnFest remains exceptional and we will refresh and repeat the idea annually.

The conference is a large investment by the Company, but we believe it is key to continuing to share, learn and connect with colleagues and celebrate the great work of individuals and teams across the business.

Our people's opinions matter

Our people's opinions matter and we hold regular updates to both inform them on business progress and answer any questions they may have, and gather their ideas on improving customer and internal engagement.

We conduct and act upon our annual employee engagement survey, which, along with face-to-face feedback, helps us understand what people think, and what they want to achieve in their careers with us, to inform the ongoing development of our "One Ascential" culture across all brands and geographies. We run our global engagement survey in October 2019 and our aggregated engagement score improved again, up by 5.5pts to 79.5 (our target being 80 out of 100) with scores around Manager and Leader Quality, Inclusion, Motivation and Loyalty indicators all at 85+. We have a set of seven Ascential Behaviours which underpin our culture, and we scored 90+ when asking our people whether their managers and leaders act in accordance with them. Overall we are pleased with our progress on staff engagement and we have a clear plan to drive further improvement across all engagement areas in 2020.

Each area of the business also regularly hosts face-to-face all-staff meetings (known as Town Halls), webinars and team briefings to share news and progress against priorities.

This year we agreed with the Board that we would establish an Ascential Employee Forum with nominated representatives for every office around the world. The purpose of this Forum is to further amplify the voice of our people, in particular giving front line employees the opportunity to share their views and ideas directly with senior leaders (including Board members) across a wide ranging set of issues. The Forum will be established early in the new year, and meet for the first time in summer.

Valuing the diversity our people bring

Our business success is driven by difference and we value what everyone brings. We welcome all employees without unfair or unlawful discrimination and aim to inspire everyone to do their best work and build their careers with us. In our most recent global engagement survey, 87% of our people agreed that anyone can thrive at Ascential regardless of their background, identity or beliefs (external benchmark norm: 83%). Using a cluster of survey questions as a proxy to compare ourselves against the Mercer Global D&I Index, Ascential ranks in the top quartile.

The Company has again contributed to the Hampton-Alexander Review, which aims to drive an improvement in the gender balance in FTSE leadership. The review has a stated target of 33% representation of women on FTSE 350 Boards and Executive Committees, as well as in the Direct Reports to the Executive Committee, by the end of 2020. The November 2019 review once again showed that Ascential ranks well in the FTSE 350 for women on boards, with 57% women on our plc Board. We also exceed the 33% target for the wide leadership population, with 37% female representation in the combined group of the Executive Committee and their direct reports.

Whilst we are happy with the gender mix of our Board, there is more work to be done. We do still have a gender pay gap and we are focused on addressing this. For us, the gap exists because whilst 54% of our employees are women, only 44% of those in our leadership grades are female. We therefore need to recruit, encourage, support and promote more women into our senior leadership group to address the gender pay gap.

This year, to drive our progress in tackling this issue, we launched a significant new Women in Leadership programme led by the Managing

Director of WGSN. Three key initiatives were launched during the year to support this agenda. The first was a Company-wide campaign to promote flexible working which resulted in 88% of our people now agreeing that they feel they have permission to do so. The second was a new Company-wide Mentoring scheme where all senior leaders took on two mentees with a focus on mentoring for upcoming women. And the third was an active policy of transparently advertising and promoting all vacancies across the business (where that didn't compromise confidentiality). Whilst obviously benefiting women in our organisation, these initiatives served all our employees well irrespective of gender and we believe they made a significant contribution to our material improvement in overall engagement for the second year running. Voluntary attrition (i.e. resignation) has also reduced 25% in the same period.

Share ownership

One of our business beliefs is that when the Company prospers, we want everyone who has contributed to prosper.

When we floated the Company on the London Stock Exchange in February 2016, everyone employed by the business at that time was gifted 500 shares subject only to their continued employment in 2019. We were delighted that almost half of our employees benefitted from the maturity of this scheme in 2019.

We also run UK and International Sharesave and US Stock Purchase saving plans for employees wishing to invest in Ascential plc shares on an ongoing basis. These plans enable people in any one of our offices around the world who wish to enrol to save a set sum each month and in future years buy shares at a discounted purchase price. 40% of all eligible employees participate.

Benefits

As part of an attractive overall employment package, people are offered a range of benefits, which they have the opportunity to amend during the year. We seek to offer solutions that suit our different generations, so benefits are frequently reviewed and introduced, extended or removed depending on demand and feedback. Our goal is to have all employees in any given country and any part of the business operate on consistent terms and conditions and we have harmonised many of our US employees onto improved benefits during the year.

Employee development

Ascential is a fast-paced, international business. We are a responsible employer and are determined to attract and retain the best in our industry by offering our people great opportunities to develop and grow their skills and careers with us. We invest seriously in development, and as well as our uniquely branded "Ascential LearnFest" event at the 2019 all-company conference, this year we placed a particular focus on refreshing our Leadership and Manager Development programmes. We developed and executed a state of the art Senior Leadership development programme for our 80 most senior managers around the world, as well as a global Sales Leadership programme for all Sales Leaders across the business and an extended curriculum of Management Fundamentals training for middle and junior managers. We believe that in combination these interventions, along with others, have taken us to a place where our managers are rated very highly by their teams. 87% of our people would now recommend their manager to others (Manager NPS), 91% agree their manager supports their health and wellbeing at work and 92% agree their manager empowers them.

In response to employee feedback we also launched a global campaign around career development in 2019 which accompanied the development and communication of clearly defined and structured career paths for most of our professional communities across the business in July. These campaigns made promotional opportunities much more widely visible to employees, as well as equipping them with career management skills to go on and capitalise on this wider array of opportunities now presented. Perceptions of career development improved 20% in this period.

Employee recognition

We offer regular recognition and rewards linked to performance.

The most hotly contested recognition scheme each year is the Ascential Excellence Awards, which is open to all employees. Judged by senior leaders of the business, they are a fun and effective way for the achievements of individuals and teams to be recognised. The highlight of this award programme is during the annual Ascential conference when winners - including for the top content and product creators, marketers, business partners and highest sales achievers in each business area – are announced. Perhaps unsurprisingly, this year we had more entries than ever before.

% OF EMPLOYEES PROUD TO WORK AT ASCENTIAL

92%

Elite is a quarterly recognition and reward programme that recognises the brilliant work of our people: from sales and marketing excellence to exemplary teamwork and above-and-beyond performance in every discipline. Each quarter, a small group of winners are recognised and rewarded with an experience, which have included tickets to exclusive venues, dinners and sporting days out. This year 30 of our Q2 winners were taken on an educational trip to immerse themselves in our World Retail Congress event in Amsterdam in May. Key learnings and insights were filmed and narrated by participants and then communicated in a series of live videos to all employees across Ascential so that everyone might benefit from the experience even if they were not there personally.

Our values and leadership beliefs

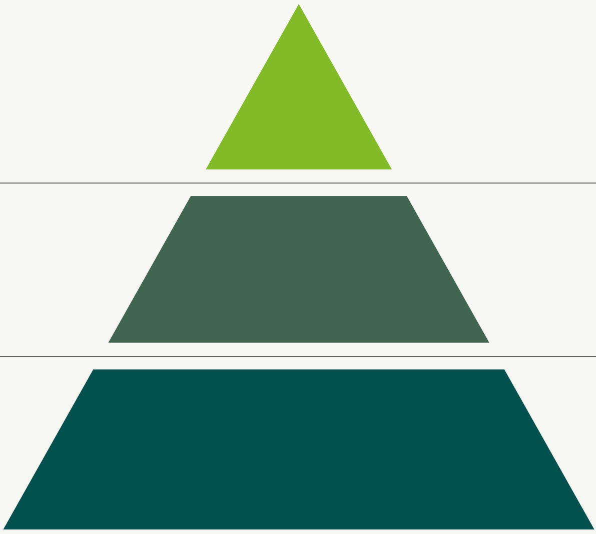
The Ascential Beliefs were fully launched at the 2018 conference and have gathered good momentum since then. They allow us to define how we do things at Ascential, supplementing people's understanding of what we do. These Beliefs are now clearly presented on all key websites including our Corporate site and our Recruitment and Careers site, as well as being directly incorporated into key people processes such as Performance Appraisal and Development Review. We believe that this framework is an important contributing factor to our very high scores for Organisational Integrity (89%) in our annual engagement survey. They give people extra confidence in their leaders, where most agreed our Executive team led by example in relation to these beliefs (92%), and why so many of our people are proud to work here (92%).

Ralph Tribe
Chief People Officer
21 February 2020

CORPORATE AND SOCIAL RESPONSIBILITY REPORT

2019 was a year of progress for Corporate Responsibility at Ascential. As well as establishing a vision and clear framework for delivering that vision, we have established an internal network of champions.

Our new framework:
This year saw the launch of our new Corporate Responsibility framework, outlining a new way of organising our work to make the maximum impact. We used a tried and tested model to organise our activity and focus on what is important to us, splitting our work into three areas:



3/ SIGNATURE ACTIVITY — A focus which is unique to us based on what we do, how we do it and where we operate.

2/ STRATEGIC ISSUES — Things that we believe will provide us with a competitive/brand advantage.

1/ SOLID FOUNDATIONS — Things that all companies need to do, but done with real commitment.

The framework incorporates our Solid foundations activity, as well as positioning our two Strategic issues: Sustainability (for our customers and internally) and Diversity & Inclusion. Our Signature activity is focused on helping young people to thrive in a digital world.

To deliver this framework, we formed a global network of Corporate Responsibility champions, comprising four hubs led by Executive sponsors, in our key regions of EMEA, North America, Latin America and Asia Pacific. Our VP Talent Development has taken responsibility for the function, working closely with the Corporate Communications team and regional Corporate Responsibility hubs.

You can read more about our plans for 2020 on page 15, as we work towards firm targets against each area of the framework, as well as forming partnerships with global organisations who can help us achieve our goals.

Moving towards signature activity

By stating a clear focus for our efforts, we are able to galvanise our global business and make the biggest impact. Our focus area connects deeply to our business and current challenges faced around the world: to support social mobility and employability of young people in a digital world.

In the UK, we already partner with the Prince's Trust, raising £387,835 in 2019, enabling the Trust to fund employability programmes. Three young people have directly felt the benefit of the "Get Hired" scheme, with both permanent roles and work experience in our Tech team.

To be globally impactful and locally valuable, we are looking for similar, meaningful partnerships in all our global regions. The core principles for all regions looking for partners are that they:

- have a youth focus, providing skills, jobs or experience for future employability
- have a digital focus e.g. coding skills or digital wellbeing
- have a social mobility focus, providing opportunities that young people may normally struggle to access
- harness our expertise and resources e.g. enable our employees to guest teach, offer work experience
- help solve a business challenge as well as being good for society e.g. brand awareness, recruitment, retention

As a business that makes a difference to our customers in the digital economy, we know we can do so much more. That's why our Corporate Responsibility strategy focuses not just on how we manage our impacts now, but how we really give back and drive digital literacy in the next generation.

Duncan Painter,
CEO, Ascential

2019 update

1/ **Framework element**
SOLID FOUNDATIONS

Region
GLOBAL

Key initiatives
We have refreshed our Health & Safety Policy to achieve more consistency of approach to managing health & safety risks across the business. We have also established a Safety Committee, chaired by the Chief People Officer, to formalise our governance structure for managing health, safety & wellbeing. The Safety Committee is supported by Safety Champions who represent our different office locations and provide on the ground expertise and point of contact for all of our employees.

We have implemented a formal compliance framework which encompasses good operational governance, acting with integrity and people policies. More detail on the compliance framework is explained in the 'operating responsibly' section of this report below.

In our recent Engagement Survey 91% of people said they "can talk to my manager about my health and wellbeing and get support when needed". In 2019, we set up the Ascential Wellbeing initiative to sustain this good result on mental health. Ultimately, this activity is to evolve and maintain how we encourage dialogue around the topic, and create and maintain a safe space where people can thrive both personally and professionally with clear support pathways if people are in need.

Our full disclosure on our greenhouse gas emissions is set out on page 53. Emissions for the year have decreased significantly over the three years of reporting, and most notably for 2019 compared to the prior year. This is driven primarily by corporate activity (acquisitions and divestments), a significant reduction in the size of the Company vehicle fleet, and lower fossil fuel use in the electricity mix supplied to a number of our offices, particularly in the UK.

Supporting gender equality in the industries we serve

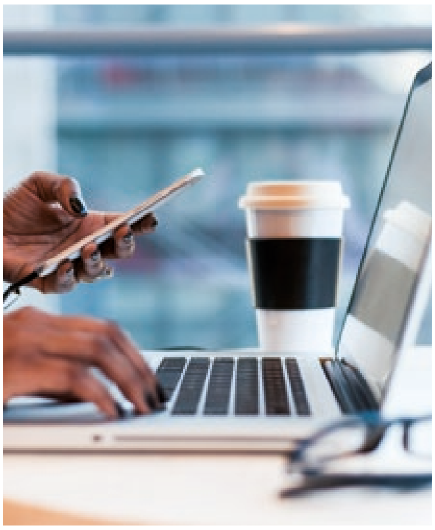
2/ **Framework element**
STRATEGIC ISSUE – DIVERSITY & INCLUSION

Region
GLOBAL

Key initiatives
All of our major events are addressing gender inequality in their industries: Retail Week's Be Inspired supports women in the UK retail sector, Rise Up is Money20/20's annual programme designed to empower female leaders through actionable skills, tools and mentorship, driving a greater gender balance in the FinTech industry; Cannes Lions' See It Be It initiative facilitates future female creative leaders with the tools and support networks they need to thrive.

2019 saw Retail Week's Be Inspired programme cement its reputation as one of the most influential and impactful diversity initiatives in the UK. The programme offers women in retail access to senior female leaders in the industry, to address the gender inequality at boardroom level. 2019's attendance increased by 55%, with speakers including the President of TJX Europe and former Rugby World Cup Champion Maggi Alphonsi, delivering an exceptional NPS score of 75. 2019 also saw the launch of Be Inspired Stories, a monthly podcast amplifying the initiative's message to a global audience.

Now in its second year, the Money20/20 Rise Up programme advocates for gender equality in the financial services and FinTech industry. The programme is now global, launching for the first time in both Asia and Europe in 2019, and returning for a second year in the USA. During each programme, a cohort of 35 women are chosen to take part in an invitation-only curated agenda, designed to give them actionable insights and skills through bespoke content sessions, one-to-one mentoring and networking opportunities with respected industry leaders. In 2019 Rise Up has inspired women from 51 countries, across six continents, to apply to be a part of the programme. In 2019, Rise Up took it one step further and launched the 'Breaking the 19' campaign, challenging organisations and their leadership to reduce the 19% pay gap in the US.



See It Be It, the Cannes Lions initiative that provides executive training, mentoring and exclusive networking opportunities for mid-level creative women from across the world, ran successfully again in 2019. The curated programme, launched in 2014, focuses on supporting future female creative leaders with the tools and support network they need to succeed and thrive. In 2019, See It Be It once again partnered with Spotify, and this brand partnership led to a number of curated events globally. See It Be It has now reached 4,000 women globally through its events. In a commitment to improving diversity and gender balance in the jury rooms, 48% of jury members were female in 2019, up from 46% in 2018, 43% in 2017 and 40% in 2016.

In 2019, Cannes Lions continued its mission to celebrate creativity that changes the world for the better with the introduction of updated jury guidelines in the judging process. The new criteria urged the jury members reviewing all entries submitted into the Awards to consider whether the work perpetuated negative stereotypes and inequalities. The revised guidelines build upon the Objectification criteria introduced in 2017: Jury members were challenged to use empathy when analysing a piece of work, reflecting upon how they might feel if the person portrayed was someone they know and care about; they were also asked to consider whether the work represented deep-rooted stereotypical portrayals of gender, age, race, ethnicity, disability or other biases.

2019 update CONTINUED

Driving inclusion and gender equality in our business

2/ **Framework element**
STRATEGIC ISSUE – DIVERSITY & INCLUSION

Region
GLOBAL

Key initiatives
In 2019 we have made good headway with our Women in Leadership programme – led by the Managing Director of WGSN – which looks at how we recruit, encourage, support and promote women into our senior leadership group. As a result of our survey and focus groups, we developed a clear plan of action. We launched a refreshed policy around flexible working, which led to 88% of our people saying that they felt able to work flexibly, and we refined recruitment practices (including introducing 50/50 male/female shortlists for all roles).

At the 2019 Ascential Conference, we hosted a neuroscience-based training session on mitigating bias, asking our people to create plans to change behaviour in our organisation; and showcased a global creative campaign from Coca-Cola that worked to change attitudes towards LGBT+ community in Brazil. We have since launched a global campaign around International Women's Day, a global Ascential Pride network connecting our LGBT+ community and allies, and Edge by Ascential's international Women's Network.

This year we also helped our people work globally through the launch of a podcast on global inclusive working, lunch and learn sessions on business with China - a strategic growth region- at our annual conference, and launched the newsletter 'China Insider' to educate our business on macro-economic shifts impacting our business in the region.

WGSN and Just Like Us

2/ **Framework element**
STRATEGIC ISSUE – DIVERSITY & INCLUSION

Region
EMEA

Key initiatives
WGSN furthered their partnership with Just Like Us in 2019, the charity whose mission is to educate school children about LGBTQ+ issues. They work with university-aged young people, training them as ambassadors who visit schools across the country.

Volunteers from across WGSN worked with Just Like Us on a bespoke package of presentation training for the ambassadors, hosting them in our London offices, and attending the launch of School Diversity Week at the House of Commons. The WGSN training session was ranked by the charity's attending team members to have been among the most productive, creative and interesting.

2020 will see more involvement and the augmenting of the relationship, as WGSN look to plug Just Like Us into other parts of Ascential and help carry their message as far as possible.

Making our events sustainable

2/ **Framework element**
STRATEGIC ISSUE – SUSTAINABILITY

Region
GLOBAL

Key initiatives
We are continually striving to create greener and more sustainability-conscious events, and in 2019 we did the most we've ever done towards this goal. Money20/20 Europe donated leftover catering to the Salvation Army and a soup kitchen, and provided a service where stand holders can donate or recycle anything from their stand post-show.

At Cannes Lions reducing waste and improving environmental credentials was paramount to the 2019 event: every delegate was offered a reusable water bottle and water bottle refill stations were placed throughout the venue; lanyards and badge wallets were made from recycled plastics, and all event bags were biodegradable, made in 100% carbon neutral factories. The Festival worked closely with the City of Cannes to ensure that the award-winning initiatives implemented throughout the municipality were incorporated into Festival activities.

Key to Framework
1 / Signature Activity
2 / Strategic Issues
3 / Solid foundations

Promoting sustainability in the industries we serve – WGSN & Cannes Lions

2/ **Framework element**
STRATEGIC ISSUE – SUSTAINABILITY

Region
GLOBAL

Key initiatives
WGSN aimed to understand the sustainability challenge facing the lifestyle sectors we serve. By engaging with key stakeholders, we have been able to identify how we can use our unique position as a respected and influential voice across our industries, to inform and support sector transformation. Our content delivers relevant and actionable value to our global client base to enable them to create sustainable products and services.

Cannes Lions operates two awards as part of Lions for Good: The Sustainable Development Goals Lions, and Glass: The Lion for Change. Cannes Lions actively supports the UN Sustainable Development Goals through the Sustainable Development Goals Lions. In 2019, the Grand Prix was won by The Lion's Share Fund, and proceeds of €279,000 from the Award have been distributed to support the Fund's wildlife conservation and animal welfare programmes. Glass: The Lion for Change is the award that celebrates culture-shifting creativity. Contributions from the award will be distributed to relevant causes in 2020.

Launched at the 2019 Cannes Lions Festival, Goal's House, a partnership with Deloitte Digital and SAP, brought industry leaders together to engage in high-level discussions. Conversations focused on scaling impact to meet the 17 UN Sustainable Development Goals, helping to end poverty, protect the planet, fight diseases, and ensure prosperity for all by 2030. The Change for Good Hackathon was a partnership between Cannes Lions, Huge and Amazon that teamed up with Earth Day Network and the Earth Challenge 2020 global citizen science initiative. At the 2019 Festival, they invited agencies to design technological solutions that can help citizens solve key environmental challenges facing humanity in the 21st century.

Our partnership with The Prince's Trust

3/ **Framework element**
SIGNATURE MOVE – YOUNG PEOPLE AND EMPLOYABILITY

Region
EMEA

Key initiatives
In 2019 we once again entered The Prince's Trust Million Makers competition, raising £368,500, 3% more than 2018. This is a record-breaking amount for any Million Maker Team. Ascential Team Aspire were the winners for the National Million Makers competition in 2018-2019, raising an amount of £357,132.40.

For the third year, Ascential sponsored the Educational Achiever of the Year Award at the Annual Prince's Trust Awards. Of the ten regions that took part, eight judging days and regional finals were attended by an Ascential Exec. We also provided The Prince's Trust advice and guidance on their ticketing strategy for The Prince's Trust Awards.

Ascential sponsors the Million Makers competition around the country, including the Final awards event in London. Ascential was nominated and shortlisted for Overall Achievement Award 2018-19 at The Prince's Trust Partnership Awards. This award recognises the partners that go above and beyond in their support for The Prince's Trust.

The Prince's Trust visited Glenigan offices and invited a Young Ambassador to attend to tell their story. Glenigan committed six employees and led various workshops for The Prince's Trust Team programme. Glenigan also hosted a 'World of Work' session, enabling young people to get to know the different departments within Glenigan including the marketing, research, commercial and IT departments.

In our London offices, we organised a workshop for The Prince's Trust Get Started programme, as well hosting four Strategy/Breakaway Day events.

Groundsure – CodeBar

3/ **Framework element**
SIGNATURE MOVE – YOUNG PEOPLE AND EMPLOYABILITY

Region
EMEA

Key initiatives
Code Bar is a monthly event held in Brighton to provide free code training to young people. The workshop aims to teach programming in a safe and supportive environment, allowing experienced practitioners to share their knowledge and coach our students. In 2019 35 students came to the Groundsure office and improved their coding skills with members of the Tech team.

GOALS 4 GIRLS

3/ **Framework element**
SIGNATURE MOVE – YOUNG PEOPLE AND EMPLOYABILITY

Region
EMEA

Key initiatives
Goals 4 Girls is an award winning development programme. raising the aspirations of young women & girls, through football and education. Founded by Francesca Brown through the support of the Prince's Trust and who was also the first Prince's Trust ambassador to work with Ascential, we have continued to partner with both Francesca and Goals4Girls to ensure that the work that we start through the Prince's Trust becomes sustainable long term. The programme has proven to be very successful supporting young girls in schools across London and recently Goals4Girls worked with David Beckham and Adidas London to launch their new awards scheme across London.

Driving positive change in the industry – MediaLink

MediaLink raised over $240,000 in 2019, supporting a wide variety of charitable causes both inside and outside of the marketing industry. The range of emphasis spans social movements supporting disenfranchised groups, child advocacy, cures for chronic diseases and patronage of the arts. MediaLink's focus remains on causes important to the marketing industry at large as well as those important to our clients and staff.

Every year, selection is based on historical precedent as well as a handful of new charities focused on timely issues that emerge as vital to the health of the marketing industry, such as equality in the workforce.

Within the marketing industry, MediaLink executives dedicate service in the form of board membership to several key not-for-profit industry organisations like the Advertising Council, Inc. and the Paley Center for Media, in addition to providing charitable donations. The Advertising Council, Inc. in particular is allocated a high annual budget for its focus on public service communications that raise awareness and inspire action on numerous causes.

Volunteering across the business

In 2019 our volunteers in London supported organisations including Let's Get Cooking lunch for the Bloomsbury Community Elderly and Homeless, and support for local foodbanks in Bournemouth. The year concluded with a Christmas Festive lunch in December for more than 50 members, the largest gathering for this community, support for The Harington Scheme, an Educational and Gardening School for young people with education and lifestyle challenges, and in New York 17 Ascential people slept out in Times Square to support the 63,000 homeless people in New York and to raise money and awareness for homelessness.

Groundsure continue to develop their "HOT Mapping" around the world. HOT mapping is collaboration mapping for humanitarian aid across the world - reaching those in need through creating maps. Various NGOs and charities across the world will request mapping and set up projects on the HOT website - these can range from mapping individual properties to residential areas, as well as mapping roads and paths - all from aerial imagery. This mapping is then used to help improve access to healthcare, to estimate populations for outbreaks and emergencies following medical or natural disasters, as well as helping preparedness for future possible events. Groundsure ran eight sessions this year, helping projects from mapping buildings in Uganda to help fight the spread of Ebola still happening in parts of Uganda and DRC, to mapping buildings and roads in Papua New Guinea.

At any time, our people can make regular donations to a charity, or charities, in a tax efficient manner through payroll. They can choose to:

- Schedule regular donations to one or multiple charities.
- Respond quickly to charity campaigns or emergency appeals.
- Make one-off donations at any time.
- Sponsor friends and family who are participating in charity events.

LOOKING AHEAD TO 2020

Solid Foundations

- We will continue to assess our policies, assessments, internal responsibilities, systems, and public reporting using the Dow Jones Sustainability Index (DJSI) as a framework to create a prioritised roadmap. This will start with data integrity, content integrity, carbon emissions, operational fitness and culture.
- We will build inhouse capability by having Ascential Corporate Responsibility employees undertaking Corporate Responsibility education programmes, and hiring a full-time Corporate Responsibility Manager.

Diversity & Inclusion

- We will start 2020 with a prioritised three-year roadmap of activity to sustain our strong sense of inclusion and in turn build a more diverse workforce at all levels.
- Launching apprenticeships in the UK, and a global work experience framework, will enable a more diverse pipeline into entry level roles. In LATAM, we have begun to address inclusion with our existing employees. As part of the region's diversity investment, they have launched weekly classes in English and Spanish proficiency, alongside a newsletter to promote equal opportunity.
- In 2020, our mentoring network will continue and be extended to Manager, Head of, and Director levels. Through mentoring at these levels, we will improve the pipeline of internal female candidates for VP+ roles.
- We will launch, for the first time, an Ascential elected employee advisory group of 20 employees from around the globe. This group, hosted by a member of the Ascential Board, will provide a forum to advise on future initiatives.
- The LGBTQ+ community will continue to have a focus with the growth in membership/activity of Ascential internal Pride network, ongoing relationship with Just Like Us in EMEA, and LGBTQ+ career fair(s) in China.
- The focus on sustaining a culture of positive mental health will continue with the Ascential Wellbeing initiative. 48 global employees will be trained in January to becoming Mental Health First Aiders (MHFA); this will be complemented by a continued comms campaign, and a session at our annual conference.

Sustainability

- Ascential Events: We will continue to focus our efforts on minimising the impact we leave in the spaces we occupy year-on-year. We will do this through our work with suppliers and accurate measurement of the footprints of our four largest events, allowing us to create a specific plan to make each one more sustainable.
- WGSN: We will continue to increase WGSN's sustainability impact by supporting our customers to design/build their own sustainable products; and by sharing these learnings internally, starting with a session at the conference to educate and influence

Signature Move

- In EMEA we will continue our partnership with The Prince's Trust, forming a new Million Makers team to fundraise for The Prince's Trust. Using this partnership model, we will find similar organisations to work with in North America, Brazil & China, aligned to our ethos of improving social mobility and employability of disadvantaged young people in our digital world. We will also continue our global volunteering day, encouraging our people to support initiatives that closely align to our signature activity.

OPERATING RESPONSIBLY

Greenhouse gas emissions statement

In line with the Companies Act 2006 (2013 Regulations), Ascential has disclosed its annual Global greenhouse gas (GHG) emissions for the past three years. We are required to report the Company's emissions of carbon dioxide (CO2) as well as a CO2 intensity value, while stating the methodology used to calculate these emissions.

Emissions for the year have decreased primarily due to corporate activity (e.g. acquisitions and divestments), a significant reduction in the size of the Company vehicle fleet, and lower fossil fuel use in the electricity mix supplied to a number of our offices, in particular in the UK.

Methodology and scope

Carbon dioxide emissions data has been collected, calculated, consolidated and analysed following the GHG Protocol (Corporate Accounting & Reporting Standard) following the 'operational control' approach. Emissions factors of supplied electricity for locations were sourced from the IEA 2019 CO2 emissions from fuel combustion figures based on country-level factors. The boundary for reporting extends to include all entities and facilities that are owned or leased by Ascential and are also actively managed by Ascential.

Global greenhouse gas (GHG) emissions

The table below includes combustion of fuel (Scope 1) and purchased electricity (Scope 2) at our offices and in our Company-owned or leased vehicles for 2017 to 2019.

	2017	2018	2019	Unit	% var
Emissions type					
Scope 1[1]	66.99	48.22	**12.56**	Tonnes of CO^2	-74.0%
Scope 2[3]	709.8	686.73	**522.54**	Tonnes of CO^2	-19.5%
Total	776.79	734.95	**565.10**	Tonnes of CO^2	-23.1%
Intensity factors					
Total headcount	1,857	1,644	**1,719**	Full time equivalents (FTE)	4.6%
Total area	21,316	24,932	**23,023**	Square metres	-7.7%
Carbon intensity 1: Area					
Scope 1[1]	3.14	1.93	**0.55**	Kg of CO^2 per m^2	-71.5%
Scope 2[2]	33.30	27.54	**24.00**	Kg of CO^2 per m^2	-12.9%
Total	36.44	29.47	**24.55**	Kg of CO^2 per m^2	-16.7%
Carbon intensity 2: Headcount[3]					
Scope[1]	36.07	29.33	**7.31**	Kg of CO^2 per FTE	-75.1%
Scope[2]	382.23	417.72	**321.43**	Kg of CO^2 per FTE	-23.1%
Total	418.30	447.05	**328.74**	Kg of CO^2 per FTE	-26.5%

1 Scope 1 emissions are calculated from fuel use in Company-leased or owned vehicles using the distance-based calculation method (DEFRA GHG conversion factors 2016). Emissions from personal or privately-hired vehicles used for Company business are considered to be Scope 3 (GHG protocol) and as such are not included in the 'Operational control' boundary approach (see 'Methodology and scope').

2 Scope 2 emissions are calculated from energy consumption at Ascential offices (excluding home workers). CO2 figures are based on the energy consumption of Ascential's operations with estimates used for the remainder based on office surface area. Where the consumption of energy other than electricity (e.g. natural gas) is supplied as part of a leased building's SLA and is not available, this information has not been included in the data.

3 Total headcount includes 1,719 full-time equivalent employees. This includes headcount associated with office locations occupied for part of the year.

Compliance framework

We have introduced a formal compliance framework to facilitate a structured and consistent approach to managing compliance throughout Ascential. The framework is structured around 11 Compliance Pillars under which we focus our priorities. Where appropriate we have policies governing each area, with the exception of a codified Code of Conduct which will be implemented in 2020.

People	Code of Conduct
	Whistleblowing
Acting with integrity	Competition Law
	Anti-Bribery and Corruption
	Financial Crime
	Listing Requirements (inc.MAR)
	Economic Sanctions
Good operational governance	Data Security
	Data Privacy
	Health and Safety
	Physical Security

Anti-bribery and corruption

We have a formal anti-bribery and corruption policy which applies to all Ascential Group companies, Ascential employees and associated third parties. We define a bribe as anything of value given in an attempt to affect a person's actions or decisions in order to gain or retain a business advantage. We define corruption as the misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.

Our anti-corruption policy prohibits the offering, promising or giving a bribe; requesting, agreeing to receive, or accepting a bribe; and bribing a foreign public official to obtain or retain business or a business-related advantage. The policy highlights areas where there is a higher risk of corruption:

- Journalists and editorial staff: specific risks that certain conduct may amount to bribes, for example the use of payments to improperly receive information, influence editorial decisions, write or publish an article with a particular focus not in keeping with journalistic integrity or reveal source information.
- Operations and procurement: employees who contract with associated third parties to supply services are required to be transparent about gifts or free services offered to incentivise staff to pick that supplier or venue over another and must comply with the Gifts and Hospitality policy.
- Facilitation payments: these are unofficial payments made to public officials to secure or expedite the performance of a duty or function. Facilitation payments are specifically prohibited.
- Due diligence and contract terms: all written contracts with third parties should include anti-bribery and corruption representations and warranties allowing for immediate termination of the contract if another contracting party or their agent pays or accepts bribes in connection with our business.
- Gifts and Hospitality: we have a specific Gifts and Hospitality policy which was refreshed in 2019 and Group-wide awareness training was also launched this year. The policy and training communicates to employees (i) that gifts or entertainment given or received must not give a feeling of an obligation or an incentive to behave in a certain way, (ii) the value limits of gifts and hospitality that employees may give and receive, and (iii) the requirement, prior to giving or receiving above certain limits, to declare on a centrally maintained register and obtain approval.

This policy has been communicated to all employees along with training to raise awareness, and to give examples of what is and is not acceptable behaviour. The policy includes details of how employees can ask advice or report any suspected bribery or corruption to an independent third party helpline, and explicitly confirms that no employee will be penalised for losing business by refusing to accept a bribe.

The Board of Ascential plc has appointed the Audit Committee to review the implementation of this policy and the Audit Committee periodically monitors and audits compliance. There were no reported breaches of the Bribery Act during 2019.

Whistleblowing policy

We have a formal whistleblowing policy which encourages all staff to report suspected wrongdoing, in the knowledge that their concerns will be taken seriously and investigated appropriately, and that their confidentiality will be respected. Wrongdoing includes failure to comply with legal obligations or regulations, including bribery and corruption. The policy also aims to reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken. We provide details of a confidential helpline operated by an independent third party, as well as contact details for the Independent Chairman of the Audit Committee within the policy. Our external confidential Whistleblowing helpline provider does not provide access to data. However, whistleblowing incidents that are reported to us are logged by the Compliance Director and reported to the Audit Committee, along with the actions taken to investigate the complaint and the outcome.

Equal opportunities

We are committed to maintaining a working environment underpinned by decency and fairness and where equality and diversity are recognised, encourage and valued. We actively encourage equality of opportunity for all employees and job applicants. We have a formal equal opportunities policy which prohibits discrimination against anyone on the basis of the protected characteristics of: disability; gender re-assignment; marriage or civil partnership status; pregnancy or maternity; race, colour, nationality, ethnic or national origin; religion or belief; sex; sexual orientation; and age. The policy defines different forms of discrimination including direct discrimination, indirect discrimination, harassment, victimisation and failure to make reasonable adjustments. We consider diversity and inclusion to be a strategic issue for Ascential and more information on our Diversity & Inclusion initiatives is given on page 9.

Health & Safety

We have a formal Health & Safety policy, owned by the CEO, which was refreshed during 2019 to achieve a more consistent approach to the management of Health & Safety across our business and to formalise the way we assess risk, report incidents and drive improvements. We have developed our Health & Safety governance structure with the formation of a Safety Committee, chaired by the CPO, as well as a Safety Working Group, with representation by local champions from all major locations across the business.

Our Health & Safety policy applies to all of our employees and visitors to our premises. The policy explains the arrangements in place to manage Health & Safety as well as the organisational structure for Health & Safety management, including specific roles and leadership responsibilities. Health & Safety incidents and near misses are recorded on a central register and reported to the Audit Committee twice a year, along with any lessons learned and actions taken.

Modern Slavery

We have a zero tolerance approach to Modern Slavery of any kind. Our work to eliminate Modern Slavery is supported by customers, suppliers and Ascential employees. We assess the risk of Modern Slavery in our internal operations and our external supply chain against criteria including: (i) geography (countries where bonded labour is more prevalent); (ii) sectors (the nature of product or service procured or supplied and whether it is typically associated with unfair labour practices); and (iii) the nature of our business operations. Our assessments are informed by sources such as the Walk Free Foundation.

All high and medium risk suppliers have been required to adopt our Third Party Code of Conduct and to complete a questionnaire designed to identify any areas of non-compliance with that code, as well as confirm that our supply chain is slavery and human trafficking free. We reserve the right to terminate the business supplier relationship without consequence or liability if a supplier fails to fulfil the minimum standards outlined in our Code. Our full Modern Slavery Statement, which has been approved by the Board of Ascential plc, is available on our website ascential.com/aboutus

THIRD PARTY CODE OF CONDUCT

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

No forced, involuntary or child labour

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

Freedom of association

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

Diversity and equality

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

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

Business integrity

- There is no tolerance of any form of corruption, bribery, fraud, extortion or embezzlement and business is conducted in a manner that avoids conflicts of interest.
- Fair competition.
- Fair business, advertising and competition are supported.

Intellectual property, privacy and data security

- There is respect for and protection of intellectual property rights, data and confidential information to safeguard it against and prohibit loss and unauthorised use, disclosure, alteration or access. Our intellectual property and confidential information is handled and data processed on our behalf only for the purposes for which it was made available, received or collected in accordance with the reasonable directions provided by us.

Business continuity

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

Quality, health, safety and environment

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

Data privacy and security

We have a formal data protection policy which applies to all personal data processed by Ascential entities as a data controller for our own purposes. The policy contains our eight commitments to data protection:

- Being lawful
- Being fair and transparent
- Respecting individual rights
- Minimising data collection, keeping accurate and up to date data, and following retention policies
- Protecting personal data
- Appropriate safeguard for cross-border data transfers
- Governance
- Accountability

Ascential processes personal data for specific and lawful purposes which are defined and explained to individuals when we process their data. Our use of such personal data is limited to those purposes and if personal data is going to be used in a new way, we make sure that the new purposes are provided to individuals prior to the commencement of such processing.

We respect the rights that individuals have in relation to their personal data and have processes in place to recognise and respond to individuals wishing to exercise these rights. We ensure that personal data is kept up to date and not retained for longer than the purposes for which it was collected.

We have global information security policies and procedures to manage and maintain data security breaches. We are committed to implementing leading data security safeguards and continue to deploy technical solutions to strengthen the management of data security and data privacy risk. These include multi factor authentication, data loss prevention, access and controls to systems and regular auditing of account access, and monitoring of compliance with our cloud security framework. All employees are required to undertake data protection and data security training as part of their induction and then on a yearly basis thereafter. The importance of cyber security is championed by the CEO, and we achieved a 100% completion rate of the 2019 cyber security training programme.

Tax strategy

The Board is ultimately responsible for Ascential's tax strategy and compliance and we are committed to maintaining full compliance with all relevant laws and regulations in the countries in which we operate.

We take a low risk approach to tax planning and we have a strategic objective to achieve a low risk status as determined by HMRC's Business Risk Review process. We seek to obtain this status through:

- Paying the right amount of tax on time
- Submitting all tax returns on a timely basis
- Ensuring that tax returns include sufficient detail to enable the tax authorities to form an accurate view of the affairs of the company filing the return with an adequate supporting audit trail and sign-off process
- Maintaining tax accounting arrangements which are robust and accurate and comply with local regulations and the Senior Accounting Officer provisions in the UK
- Work closely with the tax authorities at all times

We seek to ensure that our tax affairs are transparent and sustainable for the long term. We publish our tax strategy on our website to allow stakeholders, including shareholders, governments, colleagues and the communities in which Ascential operates, to understand our approach to taxation.

GOVERNANCE REPORT

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CHAIRMAN'S LETTER

I believe that your Board remains effective and continues to work well. We have the right balance of skills, expertise and professionalism to continue to deliver strong governance whilst supporting the Executive Directors to execute the approved strategy.

Scott Forbes
Chairman

Dear Shareholder,

Strong governance is essential to building a successful business that is sustainable for the longer term.

We have been able to demonstrate our commitment to corporate governance through our full compliance with the UK Corporate Governance Code ("the Code") since our IPO in February 2016 and this has continued throughout 2019. The updated version of the Code, published in 2018 and applying for our financial year to 31 December 2019, gives effect to the Government's proposals for corporate governance reforms in certain key areas. The requirements of the Code are summarised on page 62, along with a signpost to where we set out in detail how we have complied with its various provisions.

The Board recognises the importance of considering the Company's responsibilities to both its shareholders and its wider stakeholder group and this has always been an integral part of our culture and decision-making process. Details of how the Board takes account of stakeholder interests are set out on pages 6 to 11 of the Strategic Report. Our employees are one of our most important group of stakeholders and we have continued to develop our 'One Ascential' culture and make sure that we are listening to the voices of our employees. Whilst the engagement methods we have had in place during 2019 have been effective, we have concluded that the establishment of the Ascential Employee Forum will further develop the two-way communication process we have with our employees. More information on the new forum is given in the 'Our People' report on page 46.

We have delivered well against the priorities we set for the year by returning the Marketing segment to growth, integrating recent high growth acquisitions and leveraging the potential of the information and expertise we possess across Ascential. As well as strengthening our positioning to drive strong growth in the medium-term, we have delivered strong growth in both revenue and profit in 2019. You can read more about our performance in the Chief Executive's statement on pages 12 to 15.

Leadership

The Directors continue to provide strong leadership, with an effective mix of experience and capabilities. The Nomination Committee regularly reviews the composition, balance, skills and experience of the Board and has concluded that the balance and composition of the Board will continue to provide the right balance of experience, expertise and challenge to ensure good governance and leadership.

To ensure that the profile of the Board continues to match the strategic priorities of our Company, we undertook an externally facilitated Board Strategy review to ensure that we have the optimum Board composition for future periods. As part of this process, we identified that the breadth of existing Board competencies could be strengthened by adding incremental leading-edge eCommerce knowledge, consumer retail and/or significant experience of operating in Asia. Following a formal search process, which is described in the Nomination Committee report on page 75, we appointed a prominent global board recruitment firm who are in a late stage of the search process.

We have continued to focus on career development and succession planning to ensure that we have a healthy talent pipeline for senior management, Executive Committee and Board roles. The work we have done in this area is explained in the Nomination Committee report on page 75.

Effectiveness

It is a key part of good governance that the Board and its Committees undertake an annual evaluation to ensure that it continues to operate effectively. In accordance with the Code and our three-year performance evaluation cycle, we engaged Korn Ferry to facilitate the Board performance evaluation for 2019. The Board evaluation process confirmed that the Board has worked effectively during the year, with a committed Board who are very engaged with the Ascential business. All Directors will offer themselves for re-election at the forthcoming Annual General Meeting. Full details of the evaluation methodology and its outcome are set out on page 76.

The Non-Executive Directors devote considerable time to developing their knowledge and understanding of the business.

In addition to formal Board meetings, the Directors attend an annual offsite meeting to review strategy. These extended meetings also give the Board the opportunity to hear directly from external speakers, including key customers or experts in a particular sector which is relevant to Ascential's growth plans. Details of the Board's engagement with the business are set out on page 65

Accountability

The Board considers principal and emerging risks throughout the year, as well as formally reviewing principal risks and the risk management framework. The Audit Committee reviews the system of internal controls and reports this work to the Board, which then reviews the effectiveness of internal controls in place throughout the year.

You can read more about our principal risks and risk management framework on pages 38 to 45, and on the work of the Audit Committee on pages 67 to 74.

Diversity

Our practice of conducting periodic internal and externally facilitated Board Strategy reviews has become a proven way of ensuring that our Board is continuously composed of Directors with a diversified range of capabilities as well as business, board and life experience. We believe that Directors with diversified experience best position the Board to assist the Company in a quest to achieve its evolving business strategy and success. Our collective view is that diversity, including gender diversity, immunises the Board against 'group think' and promotes a culture which keeps business practices current and in tune with wider societal normal. A board that is diversified both in gender and qualifications is an ideal platform for recognising and adapting to changing consumer behaviours and is better prepared to respond to evolving industry trends and act upon new business opportunities.

Upon the Company's IPO, we were able to meet our gender diversity objectives within the first months of public company life. We have since continued to rank in the top 3 of the Hampton-Alexander Review with female Board representation of 57.1%. We continue to drive progress in improving gender diversity in our senior leadership group and details of our initiatives in this area are described on page 49.

Relations with shareholders

As Chairman, I am responsible for effective communication with shareholders and for ensuring that the Board understands the views of major shareholders. We run an extensive investor activity programme throughout the year. We have held and I have participated in our annual Capital Markets event during the Cannes Lions Festival. This June 2019 event included product deep dives on Edge by Ascential, Flywheel, WGSN, and MediaLink. I have continued to meet with major shareholders during the year and the Board receives feedback from me and the Executive Directors and is further informed by the Company's brokers report on unattributed feedback from investors.

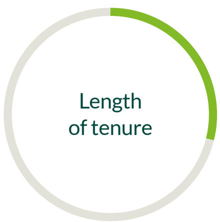
You can read more about how we engage with our investors on page 10.

Conclusion

I believe that your Board remains effective and continues to work well. We have the right balance of skills, expertise and professionalism to continue to deliver strong governance whilst supporting the Executive Directors to execute the strategy we have designed to deliver sustainable long-term performance.

Scott Forbes
Chairman
21 February 2020

Board overview



OVER 6 YEARS	29%
3-6 YEARS	71%

MALE	43%
FEMALE	57%

NON-EXECUTIVE	57%
EXECUTIVE	29%
CHAIRMAN	14%

OUR EXPERIENCED AND EFFECTIVE LEADERSHIP

Scott Forbes
Chairman

Appointed to the Board
January 2016

Meetings attended
6/6

Committees
N ●

Independent
Yes

Key areas of prior experience
Board and committee chairing, business strategy, digital marketplaces, operations, finance, mergers and acquisitions and investor relations.

Current external appointments
— Chairman, Cars.com

Previous experience
— Chairman, Rightmove plc
— Chairman, Orbitz Worldwide
— Non-Executive Director, Travelport Worldwide
— Managing Director, Cendant Corporation

Duncan Painter
Chief Executive Officer

Appointed to the Board
October 2011

Meetings attended
6/6

Committees
–

Independent
No

Key areas of prior experience
eCommerce, digital media, consumer intelligence systems, mergers & acquisitions business integration, operations, transformation.

Current external appointments
— ITV plc (NED)

Previous experience
— Managing Director, Sky plc
— Global Product Leader, Experian Plc
— Founder and Chief Executive Officer, Clarity Blue

Rita Clifton
Senior Independent Non-Executive Director

Appointed to the Board
May 2016

Meetings attended
6/6

Committees
A
N

Independent
Yes

Key areas of prior experience
Brands, branding, business leadership, global account sales, CPG voice of consumer.

Current external appointments
— Non-Executive Director, Asos plc
— Non-Executive director, Nationwide Building Society
— Chairman, Brandcap

Previous experience
— Vice Chairman and Strategy Director, Saatchi & Saatchi
— CEO and Chairman, Interbrand
— Non-Executive Director, Sustainable Development Commission
— Fellow, World Wildlife Foundation

Paul Harrison
Non-Executive Director

Appointed to the Board
January 2016

Meetings attended
6/6

Committees
A ●
R

Independent
Yes

Key areas of prior experience
Chartered accountant, corporate finance, capital markets, financial restructuring, audit, voice of consumer.

Current external appointments
— CFO, Just Eat plc

Previous experience
— Senior Independent Director and Chair of Remuneration Committee, Hays plc
— Non-Executive Director and Chair of Audit Committee, Hays plc
— CFO, Wandisco plc
— CFO, The Sage Group plc

Mandy Gradden
Chief Financial Officer

Appointed to the Board
January 2013

Meetings attended
6/6

Committees
–

Independent
No

Key areas of prior experience
Chartered accountant, corporate finance, mergers & acquisitions, financial restructuring, transformation.

Current external appointments
– SDL plc (NED and Chair of the Audit Committee)

Previous experience
- CFO, Torex
- CFO, Detica Group plc
- Dalgety plc
- Price Waterhouse

The Board is committed to maintaining very high standards of corporate governance and ensuring values and behaviours are consistent across the business.

Key to committees

●	Committee Chair	
A	Audit	p.67
N	Nomination	p.75
R	Risk	p.38
R	Remuneration	p.77

Judy Vezmar
Non-Executive Director

Appointed to the Board
January 2016

Meetings attended
6/6

Committees
R ●
N

Independent
Yes

Key areas of prior experience
Remuneration, voice of consumer, talent management, portfolio management, global account sales.

Previous experience
- CEO, LexisNexis International
- Executive, Xerox Corporation

Gillian Kent
Non-Executive Director

Appointed to the Board
January 2016

Meetings attended
6/6

Committees
A
R

Independent
Yes

Key areas of prior experience
Digital media, marketing, brands, remuneration, transformation, technology.

Current external appointments
- Non-Executive Director, Mothercare plc
- Non-Executive Director, NAHL Group plc
- Non-Executive Director, SIG plc

Previous experience
- Non-Executive Director, Pendragon plc
- Non-Executive Director, Coull Ltd

GOVERNANCE FRAMEWORK

How we comply with the UK Corporate Governance Code

The UK Corporate Governance Code 2018 applies to Ascential for the first time in the year ending 31 December 2019. This revised Code places greater emphasis on relationships between companies, shareholders, and stakeholders. It also promotes the importance of establishing a corporate culture that is aligned with the company purpose, business strategy, and promotes integrity and diversity. This section of the report explains how we have complied with the Code by summarising the provisions of the Code and linking to where we describe how we have complied in more detail.

Section 1: Board Leadership and Company Purpose

A successful company is led by an effective and entrepreneurial board, whose role it is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. (See the Directors' biographies on pages 60 to 61 for more information).

The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture. (See the governance framework on pages 62 to 64 for more information).

In order for the company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties. (See the stakeholder engagement section on pages 6 to 11 for more information).

The Board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern. (See the sections on Our People on pages 46 to 47 and the Whistleblowing section of the Audit Committee Report on page 74 for more information).

Section 2: Division of Responsibilities

The chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilities constructive Board relations and the effective contribution of all non-executive directors, and ensures that Directors receive accurate, timely and clear information (See the governance framework on pages 62 to 66 for more information).

The Board should include an appropriate combination of Executive and Non-Executive (and in particular, Independent Non-Executive) Directors, such that no one individual or small group of individuals dominates the Board's decision-making. There should be a clear division of responsibilities between the leadership of the Board and the executive leadership of the Company's business. (See the governance framework on pages 62 to 66 for more information).

Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. (See the governance framework on pages 62 to 66 for more information).

The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. (see the governance framework on pages 62 to 66 for more information).

Section 3: Composition, Succession and Evaluation

Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for Board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. (See the Chairman's introduction to governance on page 58 and the Nomination Committee report on page 75 for more information).

The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed. (See the Chairman's introduction to governance on page 58 and the Nomination Committee report on page 75 for more information).

Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively. (See the Chairman's introduction to governance on page 58 and the Nomination Committee report on page 75 for more information).

Section 4: Audit, Risk and Internal Control

The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements. (See the Audit Committee Report on pages 67 to 74 for more information).

The Board should present a fair, balanced and understandable assessment of the Company's position and prospects. (See the Audit Committee Report on pages 67 to 74 for more information).

The Board should establish procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. (See the Risk Management section on pages 38 to 45 for more information).

Section 5: Remuneration

Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy. (See the Annual Statement from the Chair of the Remuneration Committee on page 78 and the Directors' Remuneration Policy on pages 82 to 90 for more information).

A formal and transparent procedure for developing policy on executive remuneration and determine director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome. (See the Directors' Remuneration Policy on pages 82 to 90 for more information).

Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances. (See the Remuneration Report on page 91 for more information).

A strong governance framework

Role and operation of the Board

The Board has ultimate responsibility for the overall leadership of Ascential. It oversees the development of a clear strategy, monitors operational and financial performance against agreed goals and objectives, and ensures that appropriate controls and risk systems exist to manage risk.

The Board has agreed a schedule of matters reserved for the Board's decision:

- Strategy, annual budgets and medium-term plans
- Approval of the annual and interim results, material acquisitions, disposals and contracts
- Evaluation of risk appetite, review of principal risks and approval of both
- Ensuring that a sound system of internal control and risk management is maintained
- Changes relating to the Company's capital structure
- Approval of a dividend policy
- Changes to Board composition

At the date of this report, the Board comprises seven Directors; the Chairman, the Chief Executive, the Chief Financial Officer; and four independent Non-Executive Directors.

With support from the Company Secretary, the Chairman sets the annual Board agenda programme and Board meeting agendas. He ensures that enough time is devoted, both during formal meetings and throughout the year, to discuss all material matters including strategic, financial, operational, risk, people and governance.

All directors make every effort to attend every meeting in person except in extraordinary circumstances. In the unusual circumstances that a Director is unable to attend a meeting in person, they are provided with all meeting materials and provide their views to the Chairman, or other directors, in advance of the meeting.

The Directors indicated as part of the Board evaluation process that the board materials are relevant, clear and well-presented and contribute to a constructive debate and strong Board engagement.

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

Board roles

Chairman

The Chairman provides leadership to the Board, setting its agenda, style and tone to promote constructive debate and challenge between the Executive and Non-Executive Directors. He ensures that there is good information flows from the Executive to the Board, and from the Board to the Company's key stakeholders.

The Chairman leads an annual Board effectiveness review and is responsible for ensuring all new Directors have an appropriate tailored induction programme.

Chief Executive

The Chief Executive has day-to-day responsibility for the effective management of the business and for ensuring that the Board's decisions are implemented. He leads the development of strategy for approval by the Board, as well as working with the Chief Financial Officer to develop budgets and medium-term plans to deliver the agreed strategy.

The Chief Executive is responsible for providing regular reports to the Board on all matters of significance, to ensure that the Board has accurate, clear and timely information on all key matters.

Chief Financial Officer

The Chief Financial Officer supports the Chief Executive in developing and implementing strategy, as well as overseeing the financial performance of the Group. She leads the development of the finance function to provide insightful financial analysis that informs key decision making.

The Chief Financial Officer works with the Chief Executive to develop budgets and medium-term plans to deliver the agreed strategy.

The Chief Financial Officer also leads investor relations activities and communication with investors alongside the Chief Executive.

Senior Independent Director

The Senior Independent Director acts as an adviser for the Chairman and is available to the other Non-Executive Directors, including acting as an intermediary where necessary. She is also available as an intermediary to shareholders if they have concerns which the normal channels through the Chairman or Chief Executive have failed to resolve or would be inappropriate.

Independent Non-Executive Directors

The Non-Executive Directors scrutinise and monitor the performance of management, including the constructive challenge of the Executive Directors. They bring independence and a different perspective to the Board and oversee the integrity of financial information, financial controls and systems of risk management.

Company Secretary

The Company Secretary supports the Chairman and is available to all Directors to provide governance advice and assistance. She works with the Chairman and the Chairs of the Board Committees to develop agendas and ensures that the Board receives sufficient, pertinent, timely and clear information. She also ensures compliance with the Board's procedures and applicable rules and regulation.

Governance Structure

The management and day-to-day running of the Group, including the development and implementation of strategy, monitoring the operating and financial performance, and the prioritisation and allocation of resources, has been delegated to executive management. Certain Board responsibilities are delegated to formal Board Committees, which play an important governance role through the work they carry out.

Principal Board Committees

Audit Committee
Chaired by Paul Harrison

Roles and responsibilities

- Reviews the Group's financial reporting and recommends to the Board that the Reports and Accounts be approved
- Reviews and reports to the Board on the effectiveness of internal controls
- Assesses the independence and effectiveness of the internal and external auditors

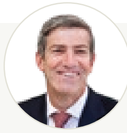
Audit Committee Report
Page 67

Remuneration Committee
Chaired by Judy Vezmar

Roles and responsibilities

- Sets the Remuneration Policy for the Group
- Sets the individual remuneration of the Executive Directors and senior management
- Engages and consults with shareholders on proposed material changes to Remuneration Policy
- Approves awards under the Group's share based incentive plans

Remuneration Committee Report
Page 77



Nomination Committee
Chaired by Scott Forbes

Roles and responsibilities

- Reviews the composition of the Board and its Committees
- Ensures that appropriate procedures are in place for the nomination, selection, training and evaluation of Directors
- Has responsibility to review Executive Directors and Senior Management succession planning.

Nomination Committee Report
Page 75

Reinforcing a Healthy Culture

Established reporting mechanisms within the corporate governance framework are key to Board oversight of cultural matters, which are underpinned by our values and leadership beliefs: Forward Thinking (focus, facts, empathy), Challenging (creativity, transparency, openness) and Transformative (all-in, no silos). Culture is established by leadership and by example but this also needs to be underpinned by clear policies and codes of conduct.

How the Board monitors culture

Risk Management
Risk management is an integral component of our corporate governance. We have a formal risk management framework to manage risks in accordance with the Board-set risk appetite. The Audit Committee receives regular updates on risk management and the Board reviews the principal and emerging risks for the Group.

Ethics, Whistleblowing, Fraud, Bribery
Employees can report incidents of wrongdoing through both internal and external mechanisms, including an independent hotline operated by Protect. The Audit Committee monitors and reviews the Company polices, incidents and trends arising from any such incidents and reports its findings to the Board.

Our People's opinions
We hold regular updates to both inform our employees on business progress and answer any questions they may have, as well as gathering their ideas on improving customer and internal engagement. We conduct and act upon our annual employee engagement survey which helps us understand what people think. We are establishing the Ascential Employee Forum to further amplify the voice of our people.

Measuring our culture
We measure compliance with our key policies and procedures, as well as Health & Safety incidents. Our employee engagement survey includes specific questions that help us measure our culture such as 'we see leaders living our values', we feel listened to' and 'we feel proud to work here'. We believe that this framework is an important contributing factor to our very high scores for Organisational Integrity (89%) in our engagement survey.

Aligning remuneration and culture
The Ascential Beliefs were fully launched at the 2018 conference and have gathered good momentum since then. These Beliefs are directly incorporated into key people processes such as Performance Appraisal (linked to bonus attainment where a bonus is receivable) and Development Review. Both of these processes focus not just on what has been achieved, but how our people act and demonstrate alignment to the Ascential Beliefs.

Promoting the success of the Company
The Directors are very aware of their duty to promote the success of the Company for the benefit of the members as a whole, having regard to the interests of employees, the impact of the Company's operations on the community and the environment, and maintaining a reputation for high standards of business conduct. The need to balance the interests of sometimes conflicting stakeholders is an inherent part of the Board's decision making processes.

Board activity during the year

The Board spent its time during the formal meetings held in 2019 on the following activities:

Strategy

- Held a two day offsite meeting to refine strategy and assess capabilities and opportunities, with key focus on the Product Design and Marketing segments, as well as the unitary brand strategy;
- Approved the 2020 annual budget and updated medium-term plans in the context of the agreed strategy;
- Approved the strategic investment in Jumpshot Inc, and the increase of investment in Hudson MX.

For more information on our strategy see page 20.

People

- Our Directors met with a range of senior management from across the business, and met with a broad representation of Flywheel's management teams in their Baltimore office;
- Participate as jurors for the annual Ascential awards, designed to recognise performance across the organisation and every geography
- Received updates from the Chief People Officer on people strategy;
- Reviewed the results of the engagement survey.

For more information on Our People see page 46.

Risk

- Reviewed and approved the principal risk register;
- Considered an impact analysis of the risks associated with Britain exiting the EU;
- Reviewed recession dashboards to monitor likelihood of macro-economic downturn; and
- Reviewed the effectiveness of internal controls, including but not limited to a report from the Audit Committee.

For more information on risk management see page 38.

Shareholder engagement

- Reviewed reports from the Company's brokers and advisers on shareholders and analyst feedback following results presentations;
- Reviewed regular investor relations reports relating to share price, trading activity and movements in institutional investor shareholdings;
- Held a Capital Markets Day with a focus on Flywheel, MediaLink WGSN and Edge by Ascential;
- Received reports from the Executive Directors following meetings with investors.

For more information on our investor relations programme see page 66.

Performance

- Monitored operating and financial performance against plans;
- Reviewed the year end and interim results;
- Conducted deep dive reviews of different brands across the Group.

For more information on our performance, see the Chief Executive's statement on pages 12-15 and the KPIs on page 22.

Other

- Approved the 2018 Annual Report and notice of 2019 Annual General Meeting;
- Approved the 2018 final and 2019 interim dividends;
- Approved the capital allocation policy;
- Reviewed the Group's annual insurance programme.

Board attendance during the year

We expect all Directors to attend every meeting in person except in extraordinary circumstances, or where a meeting is called on short notice. If a Director is unable to attend a meeting, he or she is provided with the same information as the other Directors in advance of the meeting and given the opportunity to express their views before the meeting, usually to the Chairman who will share with the other Directors at the meeting.

In addition to the formal schedule of meetings, the Chairman and the Non-Executive Directors meet periodically without the Executive Directors present, and the Senior Independent Director meets with the other Non-Executive Directors without the Chairman present. There were six formal board meetings held during 2019. All Directors attended all meetings.

Information flow at Board and Committee meetings

The Chairman agrees each meeting agenda with input from the Chief Executive and the Company Secretary, using an annual forward agenda as the basis to ensure that all important issues are addressed throughout the year and a good balance is struck between operational and strategic focus. Meeting agendas and supporting papers are circulated to the Board at least five days ahead of the meeting. The Company Secretary ensures that any actions arising from each meeting are tracked and completion of these actions is reported to the Board. Board Committees operate a similar process with the Chairperson of each Committee agreeing the agenda with the Company Secretary and relevant members of senior management. Any Board or Committee member can call for reports on additional matters of interest.

Induction and development

There were no new Directors during 2019 so there are no specific induction activities to report. There is an agreed induction programme that takes into account any previous experience that a Director may already have and typically includes meetings with senior executives across the Group as well as information on the Group's structure, business segments and operations, and policies to develop each Director's understanding of the Group, its strategy, key risks and challenges.

The Board's forward agenda is designed to include deep dive reviews on all material aspects of the Group to develop Directors' understanding of the business and ensure they meet with a range of senior management. The Board also receives specific updates on relevant developments, such as the 2018 UK Corporate Governance Code.

Directors' conflicts of interest

The Board has a procedure in place for Directors to declare conflicts of interest and for such conflicts to be considered for authorisation. A Director may be required to leave a Board meeting if a matter upon which a conflict has been declared is discussed. External appointments or other significant commitments of the Directors require prior approval of the Board. The current external appointments of the Directors are set out on page 60.

Internal Control Statement

The Board acknowledges its responsibility for establishing and maintaining the Group's system of internal controls and it receives reports identifying, evaluating and managing significant risks within the business. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against misstatement or loss.

The Board, assisted by the Audit Committee, has carried out a review of the effectiveness of the system of internal controls during the year ended 31 December 2019 and the period up to the date of approval of the consolidated financial statements contained in the Annual Report. The Board confirms that no significant weaknesses or failings were identified as a result of this review.

Investor Relations

In addition to the activities explained on page 59, there is an ongoing investor relations programme of meetings with institutional investors and analysts, and participation in conferences covering a wide range of issues within the constraints of publicly available information including strategy, performance and governance. Ascential held a Capital Markets Day at its Cannes Lions event in June , giving investors the opportunity to meet with the senior management team and to gain a more in-depth understanding of Cannes Lions, MediaLink, Flywheel, Edge by Ascential and WGSN. The presentations are web cast and are available for viewing on the Ascential website.

Institutional shareholders and analysts have regular contact with the Executive Directors and the Head of Investor Relations. All shareholders are kept informed of significant developments by announcements and other publications on our website ascential.com/investors. There are defined procedures in place to ensure that the requirements of the Market Abuse Regulations are met.

The Board receives regular reports from the Head of Investor Relations, covering movements in the holdings of institutional shareholders and other trading activity. The Board is also provided with current analyst opinions and forecasts, as well as feedback from FTI and from its joint corporate brokers Goldman Sachs International and Numis Securities Limited. This includes direct feedback from investors and analysts on a non-attributed basis. All of the Directors are available to meet with shareholders although contact with the Non-Executive Directors would normally be through the Chairman (Scott Forbes) or the Senior Independent Director (Rita Clifton) in the first instance.

Annual General Meeting ("AGM")

The AGM of the Company will take place at 9am on Wednesday 6 May 2020 at The Grove, Chandlers' Cross, Herts, WD3 4TG. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM.

All proxy votes received in respect of each resolution at the AGM are counted and the balance for and against, and any votes withheld, are indicated. At the meeting itself, voting on all the proposed resolutions is conducted on a poll rather than a show of hands, in line with recommended best practice.

All Directors will be in attendance at the AGM and available to answer shareholders' questions. The Notice of the AGM can be found in a separate booklet which is posted to shareholders at the same time as this report and is also available on the Ascential website. The Notice of AGM sets out the business of the meeting and an explanatory note on all resolutions. Separate resolutions are proposed in respect of each substantive issue. Results of resolutions proposed at the AGM will be published on the Ascential website after the meeting.

UK Corporate Governance Code Compliance Statement

We have complied with all principles and provisions of the 2018 UK Corporate Governance Code ("the Code") throughout the financial year ended 31 December 2019. This Corporate Governance Statement and the cross-referenced reports within set out our approach to applying the Code.

Louise Meads
Company Secretary
21 February 2020

REPORT OF THE AUDIT COMMITTEE

Our main objective is to assist the Board in fulfilling its corporate governance responsibilities with specific oversight of internal controls, financial reporting and internal and external audit effectiveness.

Paul Harrison
Chairman of the Audit Committee

2019 Key activities

- Reviewed the significant financial judgements made during the year
- Considered the accounting treatment of acquisitions made during the year
- Conducted a review of the Annual Report and Accounts to confirm that it was fair, balanced, understandable, and provides the information necessary for stakeholders to assess the Company's position, performance, business model and strategy
- Reviewed the Viability Statement and the key judgements included therein
- Recommended the approval of the 2018 Annual Report and the 2019 interim results to the Board
- Reviewed the effectiveness of internal controls and risk management framework
- Reviewed external and Internal Audit findings
- Conducted an audit tender process and recommended the re-appointment of KPMG to the Board
- Conducted a deep dive review of the revised Compliance Framework
- Reviewed progress of the finance systems transformation project
- Approved the internal audit plan for 2020

COMMITTEE CHAIRMAN'S INTRODUCTION

Dear Shareholder,

I am pleased to introduce the Report of the Audit Committee for 2019 which describes our activities and areas of focus during the year.

The Committee has continued to support the Board in fulfilling its corporate governance responsibilities, including risk management and internal control framework; internal audit process; financial reporting practices; the preparation and compliance of the Company's Annual Report and Accounts; and the external audit process.

During the year we conducted an audit tender process with the ultimate goal of appointing the audit firm that will provide the highest quality, most effective and efficient audit. More details on the process we undertook and the rationale for our recommendation to re-appoint KPMG as the Company's auditor are explained on page 72 of this report.

In addition to myself, the members of the Committee are Gillian Kent and Rita Clifton. All members of the Committee are independent Non-Executive Directors who bring a wide knowledge and significant business experience in financial reporting, risk management, internal control and strategic management. The Board considers that the Committee members as a whole have competence relevant to Ascential's sector and I also fulfill the requirement to bring recent and relevant financial experience to the Committee. You can read more about the experience of the Committee members in their biographies on page 60 to 61.

All Committee members were present at our five meetings this year, one of which was focused solely on the tender of our Group statutory audit. At the invitation of the Committee, the Chief Financial Officer and senior representatives of the finance management team also attend meetings, as do representatives of both internal and external audit. The Committee holds meetings with the external auditor and the Head of Internal Audit independent of management, and these discussions assist in ensuring that reporting, and risk management processes are subject to rigorous review throughout the year.

The principal and emerging risks facing the Company are robustly assessed by the Board as a whole. More detail on these risks and the risk management framework is set out on page 38. The ongoing monitoring and effectiveness review of the Group's risk management and internal control systems are described on page 72. The assessment of risk and the review of the risk management systems feeds into the process for assessing the longer-term viability of the Company, which is described further on page 71.

The Committee conducts an annual evaluation of its performance. The review of performance in 2019 was facilitated externally by Korn Ferry in February 2020. The review confirmed that the Committee is working effectively. More detail on the evaluation process can be found in the Corporate Governance Report on page 76.

The key focus areas for the Committee are set out in the below report. It is expected that these will remain key areas of focus for the Committee in 2020, as well as oversight of the finance transformation programme.

Audit Committee focus during 2019

Area of focus	Matters considered	Outcome
Financial Reporting	The appropriateness and disclosures of accounting policies, significant financial judgements and key estimates with a particular focus on: • Carrying value of goodwill and acquired intangible assets; • Acquisition accounting; • Recognition and valuation of deferred and contingent consideration; • The implementation of IFRS 16, Leases; • Recognition of deferred tax assets and disclosure; • Alternative performance measures.	The accounting policies, judgements and estimates are appropriate and balanced. The judgements and estimates to adopted IFRS 16, Leases, were agreed and the resultant impact assessed. The Annual Report, taken as a whole, is fair, balanced and understandable and is compliant with relevant accounting standards and other legal or regulatory financial reporting requirements, including the UK Corporate Governance Code.
Risk and control environment	The effectiveness of the Group's systems of internal control. The effectiveness of the risk management framework and the processes for identifying and managing risks. The process and assumptions underlying the going concern and viability statements.	Reported to the Board that an effective system of risk management and internal control has been in place throughout the year. Reported to the Board that an appropriate process is in place to make the going concern and viability statements.
Internal audit	The effectiveness of the Internal Audit function, its key findings and resolution of those matters. The alignment of the internal audit plan to the key risks of the Group.	An effective culture and process is in place for resolving key findings of internal audit reviews. The internal audit plan is well designed and aligned to the key risks of the Group.
External audit	The approach, scope and risk assessments of external audit and the effectiveness and independence of the external auditor. The extent of the non-audit services provided by the external auditor. Audit tender process.	Approved KPMG's audit plan and scope. No concerns over the extent of non-audit services provided by KPMG. Conducted an audit tender process and recommended to the Board that KPMG be re-appointed.

Significant financial judgements in 2019

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

Issue	Judgement
Carrying value of goodwill and acquired intangible assets	The Committee reviewed the carrying value of goodwill and other intangible assets for impairment, including a detailed review of the assumptions underlying the "value in use" calculations for businesses identified as cash generating units ("CGU"). The key assumptions underlying the calculations are primarily the achievability of the long-term business plan including anticipated revenue growth rates, CGU specific discount rates, and long-term growth assumptions. For further information, please see Note 12 of the consolidated financial statements on pages 134 and 136. The Committee reviewed management's analysis and underlying assumptions, and was satisfied with the conclusions which demonstrated that no impairment has occurred or revision to useful economic life is needed. The Committee also reviewed the clarity and adequcy of the impairment disclosure.

Issue	Judgement
Acquisition accounting	Acquired businesses give rise to material assets and liabilities at the point of acquisition that are based on estimates and judgements about future performance. The provisional recognition of goodwill, intangible assets, other assets and liabilities and estimates of the fair value of consideration transferred were based on a number of assumptions. Often, significant elements of consideration are deferred, contingent on future performance, and may be subject to other conditions such as continued employment of key management personnel. Significant judgement is involved in assessing the relevant forecast, and selecting the appropriate discount rates. The Committee reviewed the acquisition accounting calculations and underlying estimates and assumptions for Shenzhen Yimian Network Technology Co., Ltd. ("Yimian"), which was acquired during the year. The acquisition of our interests during the year of Jumpshot Inc. and Hudson MX were reviewed to ensure that the acquisition accounting calculations, underlying estimates and judgements were reasonable. The subsequent post year end disposal of Jumpshot was also considered in regard to disclosure and adjustments to the year-end position.

Issue	Judgement
Recognition and valuation of deferred and contingent consideration	Where an acquisition agreement provides for an adjustment to the consideration, contingent on future performance over the contractual earn-out period, the Group accrues the fair value, based on the estimated additional consideration payable as a liability at acquisition date. To the extent that deferred contingent consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate discount rate and carried at net present value in the consolidated balance sheet. The liability is measured against the contractually agreed performance targets at each subsequent reporting date with any adjustments recognised in the consolidated income statement. Acquisition-related employment costs are contingent on future performance of the acquired business against the contractually agreed performance targets over the earn-out period but are also dependent on the continued employment of the founders over the contractual earn-out period. Consequently they are treated as a remuneration expense in the consolidated income statement. The estimation of the liability requires the Group to make judgements concerning the future performance of related business over both the deferred contingent consideration period. In respect of acquisitions in previous years, the Committee reviewed the calculations in respect of deferred consideration and acquisition-related contingent employment costs in light of changes in forecast performance, in order to ensure these continued to be appropriate. The Committee reviewed the proposed changes to the fair value of the deferred and contingent consideration which is based on a Board approved three Year Plan and is satisfied with its valuation and recognition in the Financial Statements.

Issue	Judgement
Value of recoverable tax losses	The determination of profits subject to tax is calculated according to complex laws and regulations, the interpretation and application of which can be uncertain. In addition, deferred tax assets and liabilities require judgement in determining the amounts to be recognised, with consideration given to the timing and level of future taxable income over multiple years. The main area of judgement is the recognition of the US deferred tax asset on losses. The Committee reviewed a report on the background to the Group's historic US net operating losses, the extensive period over which they will be recovered in cash and other significant judgements and rigorously challenged. The Committee also considered reports presented by KPMG before determining that the amount recognised as deferred tax asset is appropriate. The Committee reviewed the proposed disclosures on taxation in Note 15 and agreed that the presentation of taxation, including deferred taxes, appropriately addresses the significant change in the international tax environment and that sufficient and appropriately transparent disclosures are provided.

Issue	Judgement
Adjusted performance measures	The Group uses certain non-GAAP measures of performance, as, in the opinion of the Directors, this provides a better understanding of the underlying performance of the business, and provides better comparability with other peer group companies. The use and definition of these measures is a matter of judgement. The Committee ensures that there is equal prominence given to adjusted and statutory performance measures, and that there are full reconciliations between the two. The Committee discussed these measures with both management and advisers, including KPMG, to ensure that the measures were reasonable, and reviewed their use in the context of the overall Annual Report to ensure that this was consistent with the Code requirement to be fair, balanced and understandable.

Viability Statement

We reviewed the process undertaken and conclusions reached to support the Company's Viability Statement which can be found in full on page 39. Our review included:

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

Fair, balanced and understandable

The Board asked the Committee to consider whether the 2019 Annual Report is fair, balanced and provides the necessary information for shareholders to assess the Company's position and prospects, business model and strategy. In performing this review, the Committee considered the following questions:

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

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

Internal controls

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

The major components of the internal controls systems include:

- clearly defined operational structure, accountabilities and authority limits;
- detailed operational planning and forecasting;
- thorough monitoring of performance and changes in outlook; and
- established risk management processes.
- Specific matters considered in relation to controls effectiveness included:
- control self-assessment process and findings;
- adoption of a new compliance framework and regular compliance report;
- review of tax risks and compliance issues;
- review of treasury controls;
- refreshed risk assessment for corporate criminal offences;
- key developments in IT controls;
- fraud, ethical issues and whistleblowing occurrence;
- health and safety governance; and
- legal claims.

A formal control self-assessment process was in place during the year in relation to financial controls. This process describes each control objective, the controls required to meet the objective, the frequency of operating the control and the evidence to be retained by management to demonstrate the control exists. Management teams across the Group self-assess their compliance with this framework.

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

External audit

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

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

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

We have approved a formal non-audit services policy to mitigate any risks threatening, or appearing to threaten, the external audit firm's independence and objectivity arising through the provision of non-audit services which either create conflicts of interest between the external audit firm and the Group or place the external audit firm in the position of auditing its own work. The non-audit services policy sets out which services are prohibited and cannot be provided by the external auditor. The auditor is generally only engaged for audit and related activities (such as annual covenant compliance audits). However, if there is a case to use the external auditor to provide non-audit services, permission is required prior to the engagement of the external auditor in accordance with the following table:

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

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

A breakdown of total audit and non-audit fees paid to KPMG during 2019 is set out in Note 4 to the financial statements. These non-audit services were pre-approved in accordance with the non-audit services policy.

Audit Tender

KPMG were appointed as the Group's auditor in 2010. As a public interest entity, the Group is required to conduct a tender for external audit services every 10 years and rotate auditor after 20 years. The Audit Committee decided that the second half of 2019 would be an appropriate time to conduct an audit tender for the financial year ending 31 December 2020, as this would allow sufficient time to run a fair and competitive process and takes into account the benefit of a shadow working period (in the event of a change of audit firm) and the operational rhythm of the Group.

Following the conclusion of a robust tender process, including consideration of firms from within and outside of the "big 4", detailed in the below table, the Committee recommended to the Board the reappointment of KPMG as external auditor. The Board accepted the Committee's recommendation and a resolution for the reappointment of KPMG as external auditor will be put to shareholders at the 2020 AGM.

The Committee confirms that this recommendation is free from influence and that no contractual terms have been imposed on the Company limiting the choice of auditor. The Audit Committee considers that the Company has complied with the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Companies Tender Processes and Audit Committee Responsibilities) Order 2014, including with respect to Audit Committee responsibilities for agreeing the audit scope, fees and audit tender process.

The audit tender process

The Audit Committee oversaw the tender process taking into account the 'Audit Tenders Notes on Best Practice' published by the FRC in February 2017.

The process was split into two stages, as detailed below.

The key selection criteria to be used in determining the Committee's recommendation to the Board was:

- Audit quality and technical approach
- Expertise and experience of the proposed team
- Understanding of our business
- Fees
- Resourcing strategy, including ensuring team continuity/availability
- Input from management meetings
- Investor feedback
- Value added offerings
- References

Stage 1

Invitation to tender	An invitation to tender was developed following consultation with the Audit Committee, detailing the tender process. This was provided to three audit firms in total.
Expression of interest	Having received the invitation to tender, each of the participant audit firms completed a confidentiality undertaking and a conflict of interest and independence declaration and was asked to affirm its intention to respond and participate in the process.
Preliminary meeting	The Chief Financial Officer and the Group Financial Controller met with those firms that expressed an interest to participate, to give an outline of the tender process and key attributes the Audit Committee expected from the lead audit partner and senior members of the audit team. In addition, the importance of audit quality was discussed at these meetings.
Submission of proposal	Participant firms were asked to submit a document outlining key competencies and capabilities, in particular: • Experience and credentials of proposed lead audit partners and identification of other key team members; • Geographic coverage and international ways of working; • Firm and team expertise, including sector and industry audit experience; and • Audit quality.
Evaluation and assessment	Following the review of the submission and meetings held, on agreement with the Audit Committee Chair, two firms progressed through to Stage 2 of the tender process.

Stage 2

Data room access	Participant firms were granted access to information about the Group, held within a secure data room.
Meetings	A series of meetings were held between the participant audit firms and members of the Finance leadership team, as well as the Audit Committee Chair, Chief Financial Officer and Chief Executive Officer, to supplement the data room material.
Written proposals	Participant audit firms made a final presentation of their overall proposal, which was circulated in advance of the session, to the Audit Committee. The presentation was followed by a Q&A session.
Evaluations and assessment of proposals and presentations	The written proposals and presentations were assessed against the selection criteria as predetermined and agreed by the Audit Committee at the start of the process.
Recommendation to the Board by the Audit Committee	Following the review of the submission and meetings held, on agreement with the Audit Committee Chair, the two firms making the submissions progressed through to Stage 2 of the tender process.
Board Decision	The Audit Committee recommended the reappointment of KPMG to the Board. The Board endorsed the recommendation made by the Audit Committee and a resolution to reappoint KPMG is to be put to shareholders at the Annual General Meeting in May 2020.
Feedback	Feedback was provided to participant firms.

Internal Audit

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

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

Whistleblowing

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

Paul Harrison
Chairman of the Audit Committee
21 February 2020

REPORT OF THE NOMINATION COMMITTEE

Our Board evaluation confirmed that Ascential is a highly effective Board and will benefit from the appointment of the two new Directors with specialist experience identified in the 2019 Board Strategy review.

Scott Forbes
Chairman

2019 Highlights

- Considered the succession planning requirements for the Board and senior management team
- Reviewed the post integration senior management structure for Edge by Ascential
- Reviewed progress with plans to strengthen Diversity & Inclusion
- Reviewed the outcomes of the annual employee engagement survey
- Engaged in an externally facilitated Board Strategy review to map the Board's existing experience and capabilities with Ascential's current strategic plan
- Interviewed candidates for open Non-Executive Director role based on role specification based on results of Board Strategy review
- Reviewed and confirmed the independence of the Non-Executive Directors

Role of the Nomination Committee

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

Confirmation of independence

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

Dear Shareholder,

I am pleased to introduce the Report of the Nomination Committee for 2019.

The role of the Nomination Committee is primarily to keep the structure, size and composition of the Board and Committees under review with the primary objective of matching the skills, knowledge and experience of Directors to our business strategy and requirements.

The Committee has concluded that the balance and composition of the Board will continue to provide the right balance of experience, expertise and challenge to ensure good governance and leadership.

The Committee undertook an externally facilitated Board Strategy review during the year to consider the composition of the Board and considered experience and capabilities required on Ascential's Board of Directors. As part of this review process, we agreed to add two incremental Directors in order to strengthen the Board's eCommerce, data science, consumer retail, diversity and/or experience of operating in Asia. We believe that adding some or all of the identified capabilities and experience would be beneficial to the Board's ability to support management and our current business. A prominent global board recruitment firm has been appointed and has commenced a search for up to two new Non-Executive Directors with these identified skills and experience.

The Committee has continued to focus on the development of talent and succession plans for senior management across the business. Changes to the executive team structure were implemented to streamline the CEO's reporting lines as well as align more appropriately to the Ascential operating structure. Emergency and planned succession options for the CEO and CFO were reviewed, including the development plan activity that has been undertaken for potential successors.

The Committee also received updates from the Chief People Officer on other strategic people matters including diversity, engagement levels, retention levels and strategic skills and capability planning. We have four female Board members, representing 57%, which exceeds the one-third recommended by the Hampton-Alexander Review. We also meet the Hampton-Alexander Review recommendation that there is a 33% representation of women on Executive Committees and in their direct report population. The work undertaken to drive diversity and inclusion more widely across the business is explained in detail on page 46.

The Committee's policy towards Board appointments

The most important priority of the Committee has been, and will continue to be, ensuring that members of the Board should collectively possess the broad range of skills, expertise and industry knowledge, and business and other experience, necessary for the effective oversight of the Group. The Committee takes account of a number of factors before recommending any new appointments to the Board, including relevant skills to perform the role, experience, knowledge and diversity.

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

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

External Directorships

The Committee keeps under review the number of external directorships held by each Director and performance evaluation is used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties. Any external appointments or other significant commitments of the Directors require the prior approval of the Chairman, or, in the case of the Chairman, the Senior Independent Director.

All Directors received votes cast in favour of their re-election in excess of 90% at the 2019 AGM.

Board effectiveness

The policy on Board effectiveness reviews is that an externally led evaluation of the Board, Committees and individual Directors will be conducted every third year. In accordance with this policy, Korn Ferry were engaged to facilitate the Board and Committee performance evaluation for 2019. The evaluation, reviewed with Korn Ferry at the 20 February 2020 Board meeting, concluded that Ascential has a highly effective Board and contributions from the Board would benefit from the appointment of the two new Directors with specialist experience identified in the 2019 Board Strategy review.

Attendance at Committee meetings

The Committee meets at least annually. During 2019, the Committee met twice formally and all members were in attendance at both meetings as well as discussions outside of the formal meeting cadence.

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

Scott Forbes
Chairman of the Nomination Committee
21 February 2020

DIRECTORS' REMUNERATION REPORT

The current Directors' Remuneration Policy was proposed to shareholders at the AGM in May 2017 after thoughtful debate and consideration. We were pleased to receive over 98% shareholder support.

As the business has continued to transform and in accordance with the Directors' Remuneration Regulations[1], we are proposing a revised Directors' Remuneration Policy for shareholder approval at the AGM in May 2020.

Judy Vezmar
Chairman of the Remuneration Committee

2019 Highlights

- Strong reported revenue growth of 19.4%, 6.4% Organic basis and 9.0% Proforma.
- Strong Adjusted EBITDA growth of 18.5% on a reported basis, 6.2% Organic and 8.5% Proforma.
- Bonuses earned at 26% of the maximum based on stretching revenue and Adjusted EBITA targets with the Chief Executive opting to defer 100% of his bonus into shares.
- Good link between long-term performance and remuneration with the 2017 PSP award due to vest in March 2020 at 83% of the maximum following delivery of a compound annual growth rate in Adjusted EPS of 18% (after adjusting for acquisitions and divestments during the period), and a three-year total shareholder return of 31%.
- Revised 2020 Directors' Remuneration Policy which has been updated to take account of the 2018 UK Corporate Governance Code.

In this section

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

Confirmation of independence

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

1 Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 (No 970)

The Committee has reviewed the policy in detail during the year. We consider our existing policy to be working well, given that the majority of variable pay has been delivered in equity following the generation of sustainable shareholder returns during a period of business transformation. We are therefore proposing only modest revisions. The revisions largely relate to the remuneration updates included in the 2018 UK Corporate Governance Code. The proposed policy remains heavily weighted towards long-term performance through our long-term incentive plan and the requirement to defer half of annual bonus into shares. With regard to deferral, we are proposing to include flexibility in the updated policy to enable Executive Directors to elect to voluntarily defer up to 100% of any bonus earned into shares for three years. In relation to the annual bonus for 2019, the Chief Executive intends to defer his entire bonus into shares (subject to approval of the new policy). This will provide greater potential alignment between the Executive Directors and shareholders in future years and is consistent with our preference for Executive Directors to build and maintain a significant shareholding which has been practice to date.

Annual Statement from the Chair of the Remuneration Committee

A summary of the current policy and proposed changes is shown below, with the full proposed policy set out on pages 82 to 90.
As part of our policy review process, we consulted with our major investors who were largely supportive of our proposal.

Element	Current Policy	Comment
Salary	Reviewed annually with the default being for increases (if any) to align with the wider workforce. Greater increases can be made to reflect changes in responsibility or market positioning.	No change proposed
Benefits	Standard suite of benefits provided with flexibility to broaden the offering in line with wider workforce.	No change proposed
Pension	Pension and/or cash allowance in lieu of pension set at 9% of salary. Change to be made for new joiners: Pension to operate in line with workforce with Company contribution set at: • 5% of salary: less than 5 years' service; • 7% of salary: less than 10 years' service; and • 9% of salary: greater than 10 years' service.	Change proposed The change reflects the updated UK Corporate Governance Code recommending alignment in pension across the workforce.

Element	Current Policy	Comment
Annual Bonus	• Max: 125% of salary • Target: 62.5% of salary • 50% of bonus compulsorily deferred into shares with dividend accrual • Financial targets (>50% of total bonus) with discretion to include strategic targets • Recovery and withholding provisions apply for three years in the event of a misstatement of the accounts, an error in assessing any applicable performance conditions, or in the event of misconduct on the part of the participant Changes to be made from 2020: 1. Introduce a formal bonus 'over-ride' which will enable the Committee to adjust bonus outcomes having had regard to overall corporate performance; and 2. Enable Executive Directors to elect to voluntarily defer up to 100% of any bonus earned into shares for three years.	Change proposed Introducing Committee discretion to adjust bonus outcomes generated by mechanical application of targets is consistent with the recommendations in the 2018 UK Corporate Governance Code. Enabling the Executives to defer a greater proportion of bonus into shares provides the opportunity for greater shareholder alignment.

Element	Current Policy	Comment
Performance Share Plan (PSP)	• Maximum 200% of salary (250% of salary in exceptional circumstances) • Minimum three-year performance period • Two-year holding period on vested shares • Dividends accrue on shares to vesting / end of holding period • Performance targets apply. At least 50% of awards must be subject to financial performance measures • Recovery and withholding provision apply as per the annual bonus.	No change proposed

Element	Current Policy	Comment
Share Ownership Guidelines	Share ownership guideline in employment: 200% of salary (with a requirement to retain 50% of net vested shares awards until that limit is met).	No change proposed

Element	Current Policy	Comment
Post-employment share ownership requirements	Executives leaving employment as 'good leavers' (e.g. due to retirement) will continue to hold share awards until their original vesting date. Deferred bonus share awards and PSP awards will only be eligible to vest at the normal vesting date (i.e. three years from grant and subject to performance in the case of the PSP). Vested PSP shares subject to a holding period will remain subject to the holding period (i.e. vesting and release would not be brought forward from year 5 to year 3). An exceptional circumstances provision will apply so that these provisions can be over-ridden (e.g. in the event of death). Bad leaver share awards will lapse on cessation of employment.	Change proposed The Policy takes account of the principles of the 2018 Corporate Governance Code, the number of shares already vested which are subject to a holding period and the enhanced opportunity to defer bonus into shares. Having had regard to these factors, the Committee concluded that the proposed policy provides an appropriate 'tail risk' for executives post cessation of employment.

Performance and Reward in 2019

Ascential delivered strong results during 2019, with revenue from continuing operations of £416.2m (2018: £348.5m), growth of 19.4% on a reported basis or 9.0% on a Proforma basis. Adjusted EBITDA grew by 6.2% on an Organic basis to £128.5m (2018: £108.4m). We use EBITA and revenue in the annual bonus to align with delivering growth in underlying profits which is our key short-term objective. EBITA is the measure we use to assess short-term profitability as it is well understood, cascades through the organisation and is also closely correlated with the generation of cash given it is prior to the amortisation of any intangible assets. The use of revenue is strongly aligned with our internal culture of delivering Organic growth. These annual bonus metrics are complemented by the metrics we use in the long-term incentive plan which include an all-encompassing measure of long-term profitability in EPS, and have targets that are aligned to the long-term rates of return we pursue for our shareholders. EPS is supplemented by the use of total shareholder return which is an output metric which captures both the quality of the business we have created and the rates of return we are focused on driving from the business over the long-term. More details on the Group's performance during the year can be found on pages 12 to 15.

Reflecting the challenging nature of the bonus targets set, notwithstanding the strong growth in revenue and Adjusted EBITA the Executive Directors were both awarded an annual bonus in relation to 2019 performance of 32% of salary (26% of maximum). More details on the targets set and performance achieved can be found on page 92.

The 2017 award made under the Company's Performance Share Plan will vest in March 2020 at 83%. 25% of the award was subject to the Company's total shareholder return measured against a comparator group comprising the constituents of the FTSE 250 Index, excluding investment trusts. Ascential's total shareholder return was in the second quartile over the measurement period, resulting in 34% vesting for this element. 75% of the award was subject to Adjusted EPS Compound Annual Growth Rate ("CAGR") for the three financial years commencing with the financial year starting 1 January 2017. The actual Adjusted EPS CAGR for the three-year period to 31 December 2019 was 18%, resulting in 100% of this element of the award vesting. When reviewing the extent to which the performance conditions had been satisfied, the Committee considered whether any adjustments were necessary to ensure that material events during the measurement period had not made the performance conditions materially more or less difficult to satisfy. The Committee considered that it was appropriate to adjust for material M&A activity during the period by removing Ascential Exhibitions from the base year EPS, and adding acquisition case EPS for Clavis, WARC, BrandView, Flywheel and the revaluation of the investments in Hudson and Shoptalk to the 2019 target EPS. These adjustments ensured that the targets that were set in early 2017 were no more or less difficult to achieve because of the subsequent corporate activity during the performance period.

The Executive Directors are subject to a two-year holding period for these vested shares, net of any shares sold to meet tax and social security liabilities.

All employees in eligible countries were once again invited to participate in the Group's Sharesave plans, which give employees the opportunity to benefit from the business success they help to create.

How the policy will be implemented for the 2020 financial year

We are proposing to increase the CFO's salary from £372,000 to £409,000. The successful execution of the Company's post IPO strategy has increased the complexity and breadth of the role of our CFO. The increased globalisation of the Company has necessitated greater centralisation of corporate functions as part of the Ascential Operating Model. The greater globalisation of the Company has also resulted in more complicated financial reporting requirements and this, allied to ongoing M&A activity, has also necessitated greater direction from finance. As a result of these factors, we are proposing to recognise the step change in the finance function through a one-off 10% increase to the base salary of the CFO (inclusive of an annual cost of living related increase) with effect from 1 April 2020. This increase has not been derived from benchmarking. However, for context, the increase results in the CFO being positioned around the median of the FTSE 250 on a 'target' total remuneration basis which is a market position the Committee is comfortable with given its view of the importance of the role, its size and the calibre of the individual. In line with the employee population, the base salary of the CEO will be increased by 2.0% with effect from 1 April 2020.

The annual bonus plan will continue to be subject to a maximum of 125% of base salary and measured against stretching financial targets. 50% of the bonus will be based on Adjusted EBITA and 50% will be based on revenue. Half of any bonus earned will be mandatorily deferred into shares, which vest after a three-year period. Under the new Directors' Remuneration Policy, Executive Directors will have the option to defer up to 100% of their annual bonus into shares with the shares vesting after three years as is the case with the mandatory deferred shares.

Performance Share Plan ("PSP") awards will be made to Executive Directors at 200% of salary for the CEO and 175% of salary for the CFO. 75% of the award will be measured against growth in Adjusted EPS and 25% against relative TSR versus the FTSE 250 Index (excluding investment trusts). In setting the performance targets, we reviewed the range of Adjusted EPS targets in light of internal plans, macro-economic conditions and performance expectations, and the range was re-calibrated from 6% to 15%, to 8% to 14%. This range was considered to be similarly challenging to the range set to apply to the 2019 PSP having taken into account current circumstances. Full details of the performance targets to be applied are set out on page 97.

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

The other changes to our Remuneration Policy detailed above will also apply in the 2020 financial year subject to shareholder approval of the policy at the AGM.

Committee consideration of workforce pay

The Committee had oversight during the year, and provided input, into a rebalancing of remuneration structures across the Group. This largely focused on increasing the certainty of reward for more junior employees whilst retaining the performance focus in remuneration of the most senior executives. These changes ensured remuneration remained competitive and fair in that the changes ensured that employee personal success was directly linked to the success of the Company in a manner that was proportionate to their individual roles.

Key activities of the Committee

The Committee's key activities during the 2019 financial year were:

- preparing a revised Directors' Remuneration Policy following consultation with major investors;
- reviewing base salaries for Executive Directors and senior management;
- approving the bonus outturn for Executive Directors and senior management;
- setting bonus targets for Executive Directors and approving them for senior management;
- engaged by management in relation to changes in remuneration policy for the wider employee base;
- approving awards under the Company's share plans; and
- approving the Directors' Remuneration Report.

I hope that you find the information in this report helpful and I look forward to your support at the Company's AGM in May 2020.

Judy Vezmar
Chairman of the Remuneration Committee
21 February 2020

DIRECTORS' REMUNERATION POLICY

SUBJECT TO A BINDING VOTE AT THE 2020 AGM

This part of the Remuneration Report sets out Ascential's Remuneration Policy for its Executive and Non-Executive Directors. The policy has been developed taking into account the principles of the 2018 UK Corporate Governance Code, and guidelines from major investors. The Directors' Remuneration Policy will be put to a binding shareholder vote at the AGM in May 2020, and subject to shareholder approval, will take effect from that date. A summary of the changes proposed in this revised Directors' Remuneration Policy is shown on page 78 with the changes including (i) aligning new Executive Director pension provision with the service-related structure that operates in the UK, (ii) introducing Committee discretion to adjust formula driven annual bonus outcomes, (iii) enabling Executive Directors to voluntarily elect to defer 100% of their annual bonus into Company shares for three years and (iv) introducing a policy on post cessation of employment share ownership . The full details of the Directors' Remuneration Policy effective for the financial year to 31 December 2019 can be found on pages 58 to 64 of the 2017 Annual Report.

What is the role of the Remuneration Committee?

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

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

Policy Overview

When setting the policy for Directors' remuneration, the Committee takes into account the overall business strategy and risk tolerance, considering the long-term interest of the Company with a view to adequately attracting, retaining and rewarding skilled individuals and delivering rewards to shareholders. Consistent with these principles, the Committee has agreed a Remuneration Policy which will:

- provide a simple remuneration structure which is easily understood by all stakeholders;
- attract, retain and motivate executives and senior management in order to deliver the Company's strategic goals and business outputs;
- aromote the long-term success of the business;
- provide an appropriate balance between fixed and performance-related, and immediate and deferred remuneration to support a high-performance culture;
- adhere to the principles of good corporate governance and best practice;
- align executives with the interests of shareholders and other external stakeholders; and
- consider the wider pay environment, both internally and externally.

Furthermore, the Committee is satisfied that the Remuneration Policy and its application takes due account of the six factors listed in the UK Corporate Governance Code:

- Clarity – our policy is well understood by our management team and has been clearly articulated to our shareholders. A key part of our Chief People Officer's role is engaging with our wider employee base on all our "People Matters" (including remuneration) and we monitor the effectiveness of this process through the feedback received. The Board is comfortable that our Remuneration Policy is clearly understood by our employees.
- Simplicity – the Committee is very mindful of the need to avoid overly complex remuneration structures which can be misunderstood and/or deliver unintended outcomes. Therefore, one of the Committee's objectives is to ensure that our executive remuneration policies and practices are as simple to communicate and operate as possible, while also supporting our strategy.
- Risk – our Remuneration Policy is designed to ensure that inappropriate risk-taking is not encouraged and will not be rewarded via (i) the balanced use of both short and long-term incentive plans, (ii) the significant role played by equity in our incentive plans (together with shareholding guidelines) and (iii) malus/clawback provisions.
- Predictability – our incentive plans are subject to individual caps, with our share plans also subject to market standard dilution limits. The scenario charts on page 88 illustrate how the rewards potentially receivable by our Executive Directors vary based on performance delivered and share price growth.

- Proportionality – there is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/"at-risk" pay, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded.
- Alignment to culture – Ascential has a relentless focus on delivering for our clients and this is fully aligned with our Remuneration Policy in that employee personal success is directly linked to the success of our clients though the short and long-term incentive plans and targets we operate. This is especially the case at the most senior levels within our business.

How are wider employment conditions taken into account?

The Committee seeks to ensure that the underlying principles which form the basis for decisions on Executive Directors' pay are consistent with those on which pay decisions for the rest of the workforce are taken. For example, the Committee takes into account the general salary increase for the broader employee population when conducting the salary review for the Executive Directors.

The Company operates UK and International Sharesave and US Stock Purchase saving plans for employees wishing to invest in the Company's shares. A formal employee consultation on remuneration is not operated; however, employees are able to provide feedback on the Company's remuneration policies to their managers or the Human Resources department informally, as well as through the employee engagement survey and formal performance review process. A formal workplace forum will be established during H1 2020 which will provide an additional channel for consulting with employees on issues affecting them, including Remuneration Policy. Fixed ratios between the total remuneration levels of different roles in Ascential are not applied, as this may prevent us from recruiting and retaining the necessary talent in competitive employment markets. We have however adopted a formal job banding framework, which helps to ensure that remuneration is appropriate and consistent across the organisation.

The Executive Directors' Remuneration Policy (as set out on pages 82 to 90) reflects differences compared to the broader employee base that are appropriate to leadership to ensure alignment with shareholder interests. A greater weight is placed on performance-based pay through the quantum and participation levels in incentive schemes.

Are the views of shareholders taken into account?

The Committee values and is committed to dialogue with shareholders. In preparing the 2020 Directors' Remuneration Policy we have sought feedback from our major shareholders and the shareholder representative bodies IVIS and ISS. We will continue to carefully consider any shareholder feedback received in relation to the AGM this year and in future. In addition, the Committee will continue to engage proactively with shareholders and ensure that shareholders are consulted in advance, where any material changes to the Directors' Remuneration Policy are proposed. Through the process of review this year, the Committee Chair has consulted with shareholders who in aggregate hold a majority of our shares and they were largely supportive of our proposal.

What are the elements of Executive Directors' Pay?

Element	Purpose and link to strategy	Operation	Opportunity
Base Salary	Provides a competitive and appropriate level of basic fixed pay appropriate to recruit, retain and reward Directors of a suitable calibre to deliver the Company's strategic goals and business outputs. Reflects an individual's experience, performance and responsibilities within Ascential.	Set at a level which provides a fair reward for the role and which is competitive amongst relevant peers. Normally reviewed annually with any changes taking effect from 1 April each year. Set taking into consideration individual and Company performance, the responsibilities and accountabilities of each role, the experience of each individual, his or her marketability and Ascential's key dependencies on the individual. Reference is also made to salary levels amongst relevant peers and other companies of equivalent size and complexity. The Committee considers the impact of any base salary increase on the total remuneration package.	Increases will normally be in line with the general increase for the broader employee population, taking into account factors such as performance of the Company and external factors such as inflation. More significant increases than standard may be awarded from time to time to recognise, for example, development in role and change in position or responsibility, as are also considered for the wider workforce for the same reasons. Current salary levels are disclosed in the Annual Report on Remuneration.

Element	Purpose and link to strategy	Operation	Opportunity
Benefits	Provides market competitive and appropriate benefits package.	Benefits provided may include private medical insurance, life assurance and income protection insurance. The benefits provided may be subject to minor amendment from time to time by the Committee within this policy. In addition, Executive Directors are eligible for other benefits which are introduced for the wider workforce on broadly similar terms. The Company may reimburse any reasonable business-related expenses incurred in connection with their role (including tax thereon if these are determined to be taxable benefits).	There is no overall maximum level of benefits provided to Executive Directors, and the level of some of these benefits is not pre-determined but may vary from year to year based on the overall cost to the Company. However, the Committee monitors annually the overall cost of the benefits provided to ensure that it remains appropriate.

Element	Purpose and link to strategy	Operation	Opportunity
Pension	Provides a competitive and appropriate pension package.	Each Executive Director has the right to participate in the pension scheme operated by the Company either via a contribution into the Company's defined contribution plan, or via an alternative cash allowance.	Pension contributions and/or cash allowances are set at 9% of base salary for existing Executive Directors taking into account their service in post and the approach to pensions applied to the wider UK workforce. For Executive Directors who join after the 2020 policy is approved, the Company contribution will align with the pension provision to the wider UK workforce with executives eligible to receive a maximum Company contribution to a pension scheme or a cash payment on the following scale: • 5% of salary: less than 5 years' service • 7% of salary: less than 10 years' service; and • 9% of salary: greater than 10 years' service

Element	Purpose and link to strategy	Operation	Opportunity
All-employee share plans	Encourages employee share ownership and therefore increases alignment with shareholders.	Ascential may from time to time operate tax-approved share plans (such as HMRC approved Save As You Earn option Plan and Share Incentive Plan) for which Executive Directors could be eligible.	The schemes are subject to the limits set by HMRC or appropriate tax authority from time to time.

Element	Purpose and link to strategy	Operation	Opportunity
Annual bonus	Incentivises the execution of key annual goals by rewarding performance against targets aligned to delivery of strategy. Compulsory deferral of a portion of bonus into Ascential shares provides alignment with shareholders.	Paid annually, bonuses will be subject to achievement of stretching financial performance measures. The Committee also has discretion to introduce non-financial and/or strategic measures in future years. It is intended, however, that financial measures will determine the majority of the annual bonus opportunity. 50% of the bonus share will normally be deferred into awards over shares under the Deferred Annual Bonus Plan ("DABP"), with awards normally vesting after a three-year period. Executive Directors have the flexibility to voluntarily elect to defer up to 100% of any bonus earned into shares for three years. Recovery and withholding provisions are in operation across the annual bonus and the DABP in certain circumstances, including where there has been a misstatement of accounts, an error in assessing any applicable performance conditions, or in the event of misconduct on the part of the participant. The Committee has discretion to adjust bonus outcomes having had regard to overall corporate performance.	The maximum bonus payable to Executive Directors is 125% of base salary with 50% of maximum payable for on-target performance (62.5% of salary). 0% of salary is paid for threshold performance. Dividends may accrue on DABP awards over the vesting period and be paid out either as cash or as shares on vesting.

Element	Purpose and link to strategy	Operation	Opportunity
Performance Share Plan ("PSP")	Rewards the achievement of sustained long-term performance that is aligned with shareholder interest. Facilitates share ownership to provide further alignment with shareholders.	Annual awards of performance shares that normally vest after three years subject to performance conditions and continued service. Performance is normally tested over a period of at least three financial years. For the awards granted in 2020, awards will be subject to targets based on growth in Adjusted EPS and relative TSR measures against the constituents of the FTSE 250 (excluding Investment Trusts). Different performance measures and/or weightings may be applied for future awards as appropriate. At least 50% of future awards will be subject to financial measures which will normally be a profit measure. The Committee will consult in advance with major shareholders prior to any significant changes being made. Following vesting, a further two-year holding period will apply to the awards whereby Executive Directors will be restricted from selling the net of tax shares which vest. Recovery and withholding provisions operate in certain circumstances, including where there has been a misstatement of accounts, an error in assessing any applicable performance conditions, or in the event of misconduct on the part of the participant. These provisions apply for at least three years from the date on which an award vests.	The normal maximum opportunity is 200% of base salary. In exceptional circumstances this may be increased to 250% of salary. During the policy period, the normal award levels are expected to be 200% of base salary for the CEO and 175% of base salary for the CFO. Dividends may accrue on PSP awards over the vesting period and be paid out either as cash or as shares on vesting in respect of the number of shares that have vested.

Element	Purpose and link to strategy	Operation	Opportunity
Shareholding guideline	Encourages Executive Directors to build a meaningful shareholding in Ascential so as to further align interests with shareholders.	Each Executive Director must build up and maintain a shareholding in Ascential equivalent to 200% of base salary. If an Executive Director does not meet the guideline, they will be expected to retain at least half of the net shares vesting under the Company's discretionary share-based employee incentive schemes until the guideline is met.	Not applicable

Element	Purpose and link to strategy	Operation	Opportunity
Post-employment share ownership requirements.	Ensures there is an appropriate amount of 'tail risk' for executive post cessation of employment.	Executives leaving employment as good leavers (e.g. due to retirement) will continue to hold share awards until the later of their original vesting date or the conclusion of a holding period on the vested shares. Deferred share bonus awards and PSP awards will only be eligible to vest at the normal vesting date (i.e. three years from grant and subject to performance in the case of the PSP) and vested PSP shares subject to a holding period will remain subject to the holding period (i.e. vesting and release will not be brought forward from year 5 to year 3). An exceptional circumstances provision will apply so that these provisions could be over-ridden (e.g. in the event of death). Bad leavers' share awards will lapse on cessation of employment.	Not applicable

What discretion does the Committee retain in operating the incentive plans?

The Committee operates Ascential's various incentive plans according to their respective rules. To ensure the efficient operation and administration of these plans, the Committee retains discretion in relation to a number of areas. Consistent with market practice, these include (but are not limited to) the following:

- Selecting the participants;
- The timing of grant and/or payments;
- The size of grants and/or payments (within the limits set out in the policy table above);
- The extent of vesting based on the assessment of performance;
- Determination of good leaver and, where relevant, the extent of vesting in the case of the share based plans;
- Treatment in exceptional circumstances such as change of control, in which the Committee would act in the best interests of Ascential and its shareholders;
- Making the appropriate adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events, variation of capital and special dividend);
- Cash settling awards; and
- The annual review of performance measures, weightings and setting targets for the discretionary incentive plans from year to year.

Any performance conditions may be amended or substituted if one or more events occur which cause the Committee to reasonably consider that the performance condition would not without alteration achieve its original purpose. Any varied performance condition would not be materially less difficult to satisfy in the circumstances.

How does the Committee choose performance measures and set targets?

The performance metrics used for the annual bonus plan and PSP have been selected to reflect Ascential's key performance indicators.

The annual bonus is based on performance against a stretching combination of financial measures, with the flexibility to include non-financial performance measures if considered to be appropriate. The financial measures are set taking account of Ascential's key operational objectives but will typically include a measure of profitability (such as EBITA which is also closely correlated with the generation of cash) and/or revenue (which reflects the Company's growth focus) as these are key performance indicators. In 2020, the annual bonus will be measured on revenue (50%) and profit (50%) targets.

The performance conditions for the PSP will be weighted towards financial performance and include metrics weighted towards long-term value creation (e.g. a combination of Adjusted EPS and TSR performance). Relative TSR has been selected for the 2020 awards as it reflects comparative performance against a broad index of companies. It also aligns the rewards received by Executives with the returns received by shareholders. For the 2020 awards, this is the FTSE 250 constituents (excluding investment trusts) as the Company is a constituent of that index.

A sliding scale of challenging performance targets is set for both of these measures and further details of the targets applied are set out in the Annual Report on Remuneration.

The Committee will review the choice of performance measures and the appropriateness of the performance targets and the TSR peer group prior to each PSP grant.

Different performance measures and/or weightings may be applied for future awards as appropriate. However, the Committee will consult in advance with major shareholders prior to any significant changes being made.

What about pre-existing arrangements?

In approving this Directors' Remuneration Policy, authority is given to the Remuneration Committee to honour any commitments entered into with current Directors that pre-date the approval of the policy. Details of any payments to current or former Directors will be set out in the Annual Report on Remuneration if and when they arise.

How does the executive pay policy differ from that for other Ascential employees?

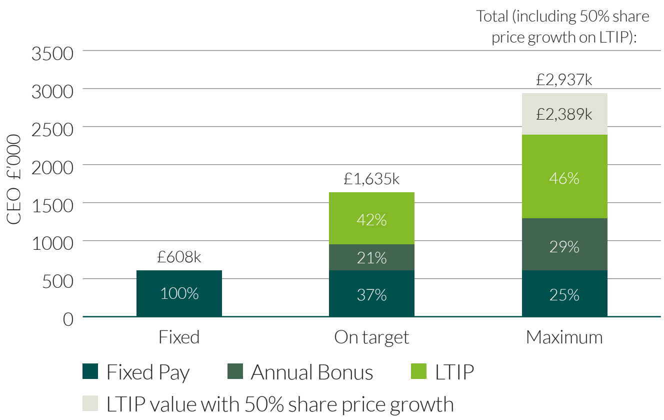
The Remuneration Committee considers the Executive Directors' remuneration in the context of the wider employee population. All of the Company's employees have the opportunity to participate in share-based rewards such as SAYE and SIP and the wider leadership team of the Company participate in annual bonus arrangements. The Remuneration Policy for the Executive Directors is more heavily weighted towards variable pay than for other employees, to make a greater part of their pay conditional on the successful delivery of business strategy. This aims to create a clear link between the value created for shareholders and the remuneration received by the Executive Directors.

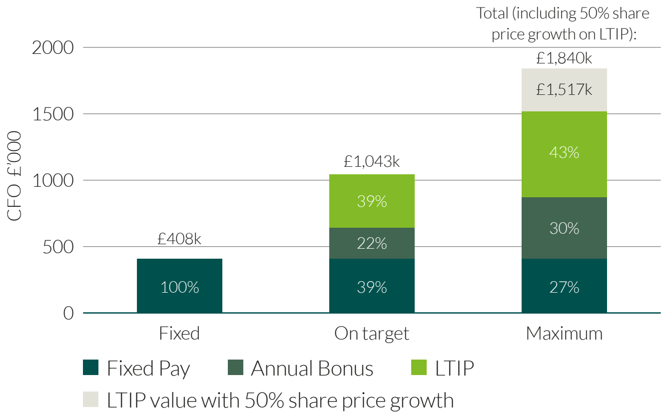
How much could an Executive Director earn under the Remuneration Policy?

A significant proportion of total remuneration is linked to Company performance, particularly at maximum performance levels.

The chart below illustrates how the Executive Directors' potential reward opportunity varies under three different performance scenarios: fixed pay only, on-target and at maximum. Illustrations are intended to provide further information to shareholders regarding the pay for performance relationship. Actual pay delivered will be influenced by changes in share price and the vesting levels of awards.

The Executive Directors can participate in the two all-employee share schemes on the same basis as other employees. The value that may be received under these schemes is subject to tax approved limits. For simplicity, the value that may be received from participating in these schemes has been excluded from the below chart.





What would a new Executive Director be paid?

The ongoing remuneration package for a new Executive Director would be set in accordance with the terms of Ascential's shareholder-approved Remuneration Policy at the time of appointment and the maximum limits set out therein. It is the Remuneration Committee's policy that no ongoing special arrangements will be made, and in the event that any deviation from standard policy is required to recruit a new hire on an ongoing basis, approval would be sought at the Annual General Meeting.

Base salary levels will be set in accordance with Ascential's Remuneration Policy, taking into account the experience and calibre of the individual. Salaries may be set at a below market level initially with a view to increasing them to the market rate subject to individual performance and developing into the role by making phased above inflation increases.

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

What would the ongoing incentive arrangements be for a newly-appointed Executive Director?

Currently, for an Executive Director, annual bonus payments will not exceed 125% of base salary and PSP awards would not normally exceed 200% of base salary (not including any arrangements to replace forfeited entitlements).

Where necessary, specific annual bonus and PSP targets and different vesting and/or holding periods may be used for an individual for the first year of appointment if it is appropriate to do so to reflect the individual's responsibilities and the point in the year in which they joined the Board. A PSP award can be made shortly following an appointment (assuming the Company is not in a close period).

What payments could a newly appointed Executive Director receive beyond the policy?

The Committee retains flexibility to offer additional cash and/or share based awards on appointment to take account of remuneration or benefit arrangements forfeited by an Executive on leaving their previous employer. If shares are used, such awards may be made under the terms of the PSP or as permitted under the Listing Rules.

Such payments would take into account the nature of awards forfeited and would reflect (as far as possible) performance conditions, the values foregone and the time over which they would have vested or been paid. Awards may be made in cash if the Company is in a prohibited period at the time an Executive joins the Company.

The Committee may also agree that the Company will meet certain relocation, legal, tax equalisation and any other incidental expenses as appropriate so as to enable the recruitment of the best people including those who would need to relocate.

What about an internal appointment?

In the case of an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, and adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue. Where a temporary internal promotion occurs base salary may be subject to an adjustment to better reflect the temporary role or an additional allowance may be payable to reflect the additional responsibilities for the period they operate.

Are the Executive Directors allowed to hold external appointments?

Executive Directors are permitted to accept external appointments with the prior approval of the Board and where there is no impact on their role with Ascential. The Board will determine on a case-by-case basis whether the Executive Directors will be permitted to retain any fees arising from such appointments and, where any such fees are retained, they will be disclosed in the Annual Report on Remuneration.

What are the Executive Directors' terms of employment? What are their notice periods?

The Executive Directors have entered into service agreements with an indefinite term that may be terminated by either party on 12 months' written notice. Contracts for new appointments will be terminable by either party on a maximum of 12 months' written notice.

What payments will an Executive Director receive when they leave the Company?

An Executive Director's service contract may be terminated summarily without notice and without any further payment or compensation, except for sums accrued up to the date of termination, if they are deemed to be guilty of gross misconduct or for any other material breach of the obligations under their employment contract.

The Company may suspend the Executive Directors or put them on a period of garden leave during which they will be entitled to salary, benefits and pension only.

If the employment of an Executive Director is terminated in other circumstances, compensation may include base salary due for any unexpired notice period, pro-rata bonus (normally based on performance assessed after the year end), and any amount assessed by the Committee as representing the value of other contractual benefits which would have been received during the period. The Company may choose to continue providing some benefits instead of paying a cash sum, representing their cost. The cash element of any annual bonus paid to a departing Executive Director would normally be paid at the normal payment date, and reduced pro-rata to reflect the actual period worked.

Any statutory entitlements or sums to settle or compromise claims in connection with a termination (including, at the discretion of the Committee, reimbursement for tax or legal advice and provision of outplacement services) would be paid as necessary.

Executive Directors' service contracts are available for inspection at Ascential's registered office during normal business hours and will be available for inspection at the AGM.

How are outstanding share awards treated when an Executive Director leaves Ascential?

Any share-based entitlements granted to an Executive Director under Ascential's share plans will be treated in accordance with the relevant plan rules. Usually, any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, injury, disability, retirement with the consent of the Committee, the sale of the entity that employs him/her out of Ascential or any other circumstances at the discretion of the Committee, "good leaver" status may be applied.

For good leavers under the PSP, outstanding awards will normally vest at the original vesting date to the extent that the performance condition has been satisfied, and would normally be reduced on a pro-rata basis to reflect the period of time which has elapsed between the grant date and the date on which the participant ceases to be employed by the Company. The Committee retains the discretion to vest awards (and measure performance accordingly) on cessation and/or to disapply time pro-rating. However, it is envisaged that this would only be applied in exceptional circumstances in line with the Company "post cessation of employment share ownership guideline". For good leavers under the DABP, unvested awards will vest at the original vesting date unless the Committee exercises its discretion and allows the award to vest in full on, or shortly following, the date of cessation. However, in line with the Company "post cessation of employment share ownership guideline" it is envisaged this would only be applied in exceptional circumstances.

In determining whether a departing Executive Director should be treated as a "good leaver", the Committee will take into account the performance of the individual and the reasons for their departure.

What happens to their outstanding share awards if there is a takeover or other corporate event?

Outstanding awards on a takeover or winding up of the Company will vest early to the extent that the performance condition has been satisfied, and would normally be reduced on a pro-rata basis to reflect the period of time which has elapsed between the grant date and the date of the takeover or other corporate event, although the Committee would retain discretion to waive time pro-rating of an award if it regards it as appropriate to do so in the particular circumstances.

In the event of a demerger, special dividend or other event which, in the opinion of the Committee, may affect the current or future value of shares, the Committee may decide that awards will vest on a basis which would apply in the case of takeover. In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company, unless the Committee decides that awards should vest on a basis which would apply in the case of a takeover.

How are the Non-Executive Directors Paid?

Element	Purpose and link to strategy	Operation	Opportunity
Non-Executive Director fees	To attract and retain a high-calibre Chairman and Non-Executive Directors by offering market competitive fee levels.	The Company Chairman is paid an annual fee. The Non-Executives (including the Senior Independent Director) are paid a basic fee with the Chairs of the main Board Committees, the Senior Independent Director and the Non-Executive Director designated as the employee representative, are paid additional fees to reflect the extra responsibilities and time commitments. If there is a temporary yet material increase in the time commitments for Non-Executive Directors, the Board may pay extra fees on a pro-rata basis to recognise the additional workload. The level of fees is reviewed periodically by the Committee and CEO for the Company Chairman, and by the Company Chairman and Executive Directors for the Non-Executive Directors, and is set taking into consideration market levels in comparably sized FTSE companies, the time commitment and responsibilities of the role and to reflect the xperience and expertise required. The Company Chairman and the Non-Executive Directors are not eligible to participate in incentive arrangements or to receive benefits save that they are entitled to reimbursement of reasonable business expenses and any tax thereon.	The fees are subject to maximum aggregate limits as set out in the Company's Articles of Association (£2,000,000). The Committee is guided by the general increase for the broader employee population, but on occasions may need to recognise, for example, changes in responsibility, and/or time commitments. Current fee levels are disclosed in the Annual Report on Remuneration.

What would a new Chairman or Non-Executive Director be paid?

For a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved Remuneration Policy in force at that time.

What are the terms of appointment for the Chairman and Non-Executive Directors?

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years (save for the Chairman who is appointed for a nine-year term), subject to annual re-election by the Company at a general meeting.

The appointment of each Chairman and Non-Executive Director may be terminated by either party with three months' notice. The appointment of each may also be terminated at any time if he or she is removed as a Director by resolution at a general meeting or pursuant to the Articles, provided that in such circumstances the Company will (except where the removal is by reason of his misconduct) pay the Chairman or Non-Executive an amount in lieu of his or her fees for the unexpired portion of his or their notice period.

Directors' letters of appointment are available for inspection at the registered office of Ascential during normal business hours and will be available for inspection at the AGM.

Dates of Directors' service contracts/letters of appointment

	Date of service contract/ appointment	Unexpired term of contract at 31 December 2019
Executive Directors		
Duncan Painter	21 January 2016	Rolling contract
Mandy Gradden	21 January 2016	Rolling contract
Non-Executive Directors		
Scott Forbes	11 January 2016	
Rita Clifton	12 May 2016	
Paul Harrison	11 January 2016	
Judy Vezmar	11 January 2016	
Gillian Kent	11 January 2016	

ANNUAL REPORT ON REMUNERATION

Subject to an advisory vote at the 2020 AGM

This report has been prepared in accordance with the provisions of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). This report has also been prepared in line with the recommendations of the 2018 UK Corporate Governance Code.

This part of the Directors' Remuneration Report sets out a summary of how the Directors' Remuneration Policy was applied during 2019. The policy in place for the year was approved by shareholders at the 2017 AGM. This Annual Report on Remuneration will be subject to an advisory vote at the 2020 AGM. Various disclosures in this report about the Directors' remuneration have been audited by Ascential's independent auditor, KPMG LLP. Where information has been audited, this has been clearly indicated.

What is the composition of the Remuneration Committee?

The Committee is made up of independent Non-Executive Directors and there is cross-membership with the Audit Committee, whose remit includes review of risk management, to ensure that there is alignment between the Group's key risks and its Remuneration Policy. Regular attendees include the external remuneration adviser, Chief Executive and Chief People Officer. No attendee is present when their own remuneration is being discussed.

Committee attendance during the year

The Committee held five meetings during the year and all members attended all meetings.

Total remuneration for the financial year to 31 December 2019 (Audited)

The following table reports the total remuneration receivable in respect of qualifying services by each Director for the year ended 31 December 2019.

£'000		Salary & fees	Taxable benefits[1]	Pension[4]	Total Fixed Pay	Annual Bonus[2]	Long Term Incentive[3]	Total Variable Pay	Total Remuneration
Executive									
Duncan Painter	**2019**	**548**	**10**	**49**	**607**	**177**	**897**	**1,074**	**1,681**
	2018	535	9	47	591	134	1,442	1,576	2,167
Mandy Gradden	**2019**	**370**	**5**	**33**	**408**	**120**	**537**	**657**	**1,065**
	2018	361	4	33	398	90	846	936	1,334
Non-Executive									
Scott Forbes	**2019**	**178**	**-**	**-**	**178**	**-**	**-**	**-**	**178**
	2018	173	-	-	173	-	-	-	173
Rita Clifton	**2019**	**57**	**-**	**-**	**57**	**-**	**-**	**-**	**57**
	2018	56	-	-	56	-	-	-	56
Paul Harrison	**2019**	**62**	**-**	**-**	**62**	**-**	**-**	**-**	**62**
	2018	61	-	-	61	-	-	-	61
Gillian Kent	**2019**	**52**	**-**	**-**	**52**	**-**	**-**	**-**	**52**
	2018	51	-	-	51	-	-	-	51
Judy Vezmar	**2019**	**62**	**-**	**-**	**62**	**-**	**-**	**-**	**62**
	2018	61	-	-	61	-	-	-	61
Total	**2019**	**1,329**	**15**	**82**	**1,426**	**297**	**1,434**	**1,731**	**3,157**
Total	2018	1,298	13	80	1,391	224	2,288	2,512	3,903

1 Benefits include private medical insurance, life assurance, income protection insurance and use of a company driver.
2 Bonus was calculated as a percentage of annual salary received during the year, i.e. pro-rated for salary increase in April each year. Any bonus amounts to be deferred under the Deferred Annual Bonus Plan are shown in the bonus figure for the year in which they were awarded.
3 The PSP award granted in March 2017 has a performance period ended 31 December 2019 and will vest in March 2020 at a level of 83.4%. As vesting is post the year end, an average share price for Q4 2019 has been used to calculate the long-term incentive value in the above table. See page 92 for details of the performance conditions. The long-term incentive value of the prior year has been restated using the actual share price on the vesting date of 23 March 2019 (£3.47).
4 Pension amounts are the cash allowance paid in lieu of pension contributions which are calculated as 9% of salary.

Duncan Painter is also a non-executive director of ITV plc and received fees totalling £69,997 in 2019 (2018: £43,369) from that external appointment. Mandy Gradden is also a non-executive director of SDL plc and received fees totalling £57,000 in 2019 from that external appointment (2018: £55,000).

How was the annual bonus payment determined? (Audited)

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

Financial metrics for the annual bonus plan are measured at constant currency and the targets have been adjusted from budget rates to reflect the actual exchange rates that were in force during 2019.

The Committee therefore determined that in respect of the year to 31 December 2019, the resulting annual bonus awards were as follows:

Target	Weighting	Threshold		Target		Maximum		Actual		
	%	Required result	Payout as % of maximum	Required result	Payout as a % of maximum	Required result	Payout as a % of maximum	Actual result	Payout as a % of maximum	payout as % of target
Revenue	50	385.3	0	428.1	50	432.4	100	416.2	36.1	72.2
EBITA*	50	101.2	0	112.4	50	115.2	100	104.7	15.7	31.4
Total									**25.9**	**51.8**

*EBITA was measured pre IFRS 16

The annual bonus is subject to mandatory deferral of 50% into shares which will vest after three years. Duncan Painter has elected to defer 100% of his 2019 bonus into shares.

The Committee confirmed the level of bonus payouts were appropriate with respect to the 2019 performance. At the time of setting the targets the Committee considered the target ranges to provide an appropriate balance between being achievable at the bottom end of the performance ranges and providing a stretch target at the top end of the ranges. The targets were considered similarly demanding to those set for 2018 allowing for changes to the Company's portfolio of businesses and, for any bonuses to become payable, a threshold EBITA was set at £101.2m which was well ahead of the threshold target set in 2018 of £107.6m after adjusting for the disposal of the Ascential Exhibitions business.

What equity awards have been included in the single figure table? (Audited)

The Executive Directors received an award in 2017 under the Performance Share Plan ("PSP") which vests to the extent performance conditions are met over the period to 31 December 2019. The 2017 award was based on EPS and relative TSR performance. Overall 83.4% of the award will vest based on Ascential's performance as summarised in the table below.

Performance measure	Weighting	Threshold performance	Threshold vesting	Maximum performance	Actual performance	Proportion of award to vest
Adjusted EPS growth	75% of award	8% p.a.	25%	12% p.a.	18% p.a.	100.0%
Relative TSR vs FTSE 250	25% of award	Median ranking	25%	Upper quartile ranking	Rank: 83 out of 175 companies	33.6%
Total						**83.4%**

With regards to the EPS performance target, the Committee considered whether any adjustments were necessary to ensure that material events during the measurement period had not made the performance conditions materially more or less difficult to satisfy. The Committee considered that it was appropriate to adjust for material M&A activity during the period by removing Ascential Exhibitions from the base year EPS, and adding acquisition case EPS for Clavis, WARC, BrandView, Flywheel and the revaluation of the investments in Hudson and Shoptalk to the 2019 target EPS. These adjustments were considered by the Committee to ensure that the targets were no more or less challenging than when they were set having had regard to the size of the acquisitions involved. The Committee was comfortable having made the adjustments that the performance outcome reflected the underlying performance of the business across the performance period.

The 2017 PSP awards will therefore vest as follows:

Director	Shares awarded	Percent vesting	Shares due to vest	Value from share price increase	Dividend equivalents	Total value on vesting
	Number / value on award	% of award	Number / value on award	£	Number / value on vest	Number / value on vest
Duncan Painter	307,219 £919,998	83.4%	256,236 £767,324	£129,269	10,926 £38,231	267,162 £805,555
Mandy Gradden	184,081 £551,249	83.4%	153,535 £459,769	£77,456	6,547 £22,909	160,079 £482,678

1 Value of share price increase based on a 299.46p share price at the time of grant of the award in March 2017, to the three-month average share price to 31 December 2019 of 349.91p.
2 Value of shares based on a three-month average share price to 31 December 2019 of 349.91p. This value will be restated next year based on the actual share price on the date of vesting.

The vested shares will be subject to the Company's two-year holding requirement.

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

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

	Type of award	Number of shares	Face value (£)	Face value as a % of salary[1]	Threshold vesting	End of performance period
Duncan Painter	PSP	314,693	1,075,998	200%	25%	31 December 2021
	DABP	19,549	66,842	12%	-	-
Mandy Gradden	PSP	185,712	634,986	175%	25%	31 December 2021
	DABP	13,184	45,079	12%	-	-

1 Face value as a percentage of salary has been calculated on the Directors' annual salary at the date of grant in March 2019.

The 2019 PSP and DABP awards were both granted as conditional awards. The average closing share price for the five business days immediately preceding the date of grant for both awards was £3.4192. Awards under the DABP are not subject to performance criteria as they are the element of the 2018 performance related to annual bonus paid as deferred shares which will normally vest three years after the date of grant. The 2019 PSP awards are subject to the following performance criteria, which are measured independently:

Performance criteria	Weighting	Threshold (25% vesting)	Stretch (100%)	Measurement period
Adjusted EPS Compound Annual Growth Rate ("CAGR")	75%	6%	15%	CAGR measured over the three financial years to 2021, using 2018 as the base year
Relative Total Shareholder Return[1]	25%	Median	Upper quartile	Average Net Return Index of Company and each member of the constituent group ("Average Return") during the three-month period ending on 31 December 2018 to the Average Return during the three month period to 31 December 2021

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

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

The Executive Directors both participate in the Ascential Save As You Earn scheme on the same terms as those open to the wide workforce. Share options are granted at an option price which is a 20% discount on the share price on the date of offer. Options normally vest following the conclusion of a three-year savings contract and will ordinarily be exercisable for a period of six months after the vesting date.

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

Duncan Painter

Scheme	Interests at 1 Jan 2019	Granted in year	Lapsed in year	Exercised / Vested in year	Interests at 31 Dec 2019	Date of grant	Exercise price (£)	Vesting date	Expiry date
PSP	402,500	13,074	-	-	415,574	21-Mar-16	nil	21-Mar-19	20-Mar-26
PSP	307,219	-	-	-	307,219	07-Mar-17	nil	07-Mar-20	06-Mar-27
PSP	263,078	-	-	-	263,078	08-Mar-18	nil	08-Mar-21	n/a
PSP	-	314,693	-	-	314,693	29-Mar-19	nil	29-Mar-22	n/a
DABP	19,201	-	-	-	19,201	07-Mar-17	nil	07-Mar-20	06-Mar-27
DABP	37,842	-	-	-	37,842	08-Mar-18	nil	08-Mar-21	n/a
DABP	-	19,549	-	-	19,549	29-Mar-19	nil	29-Mar-22	n/a
SAYE	8,823	-	-	-	8,823	30-Sep-16	2.04	01-Nov-19	30-Apr-20
SAYE	-	5,921	-	-	5,921	26-Sep-19	3.04	01-Nov-22	30-Apr-23
SIP[1]	516	5	-	521	-	10-Mar-16	nil	10-Mar-19	n/a
Total	**1,039,179**	**353,242**	**-**	**521**	**1,391,900**				

Mandy Gradden

Scheme	Interests at 1 Jan 2019	Granted in year	Lapsed in year	Exercised / Vested in year	Interests at 31 Dec 2019	Date of grant	Exercise price (£)	Vesting date	Expiry date
PSP	236,250	7,674	-	-	236,250	21-Mar-16	nil	21-Mar-19	20-Mar-26
PSP	184,081	-	-	-	184,081	07-Mar-17	nil	07-Mar-20	06-Mar-27
PSP	155,216	-	-	-	155,216	08-Mar-18	nil	08-Mar-21	n/a
PSP	-	185,712	-	-	185,712	29-Mar-19	nil	29-Mar-22	n/a
DABP	13,099	-	-	-	13,099	07-Mar-17	nil	07-Mar-20	06-Mar-27
DABP	25,606	-	-	-	25,606	08-Mar-18	nil	08-Mar-21	n/a
DABP	-	13,184	-	-	13,184	29-Mar-19	nil	29-Mar-22	n/a
SAYE	8,823	-	-	-	8,823	30-Sep-16	2.04	01-Nov-19	30-Apr-20
SAYE	-	5,921	-	-	5,921	26-Sep-19	3.04	01-Nov-22	30-Apr-23
SIP[1]	516	5	-	521	-	10-Mar-16	nil	10-Mar-19	n/a
Total	**623,591**	**212,496**	**-**	**521**	**835,566**				

1 The shares granted in the year were dividend shares.

The closing share price of Ascential's ordinary shares at 31 December 2019 was 391.8p and the closing price range from 1 January 2019 to 31 December 2019 was 319.0p to 411.0p.

Ordinary shares required to fulfil entitlements under the PSP, DABP, SAYE and SIP may be provided by Ascential's Employee Benefit Trusts ("EBT"). As beneficiaries under the EBT, the Executive Directors are deemed to be interested in the Ordinary Shares held by the EBT which, at 31 December 2019, amounted to 701,086. Assuming that all awards made under Ascential's share plans vest in full, Ascential has utilised 3.1% of the 10% in ten years and 1.5% of the 5% in five years dilution limits.

What pension payments were made in 2019? (Audited)

The table below provides details of the Executive Directors' pension benefits:

	Cash in lieu of contributions to DC type pension plan (£'000s)
Duncan Painter	49
Mandy Gradden	33

Each Executive Director has the right to participate in Ascential's defined contribution pension plan or to elect to be paid some or all of their contribution in cash. Pension contributions and/or cash allowances are capped at 9% of salary.

Were there any payments made to past Directors during 2019? (Audited)

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

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

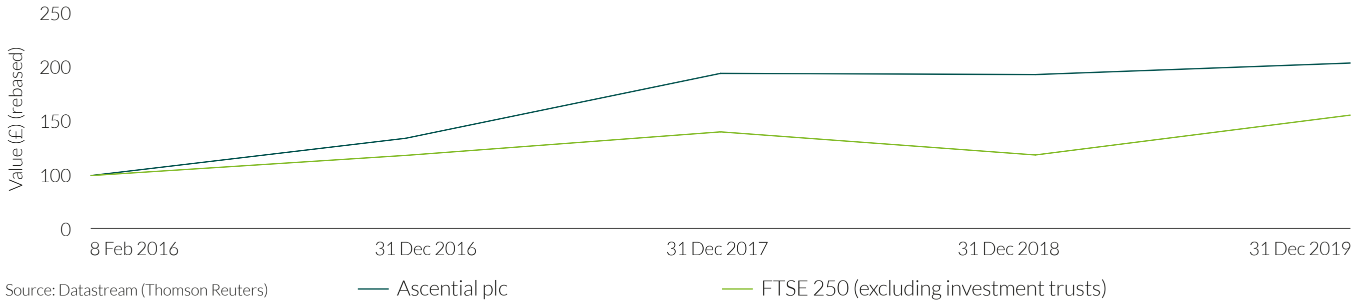
Details of the Directors' interests in shares (including those of their connected persons) are shown in the table below.

				Outstanding awards		
Director	Beneficially owned at 31 Dec 2019	Beneficially owned at 31 Dec 2018	Shareholder guideline achieved?	PSP	DABP	SAYE
Duncan Painter	3,636,081	3,592,560	Yes	1,300,564	76,592	14,744
Mandy Gradden	772,294	771,771	Yes	768,933	51,889	14,744
Scott Forbes	206,050	206,050	n/a	-	-	-
Rita Clifton	-	-	n/a	-	-	-
Paul Harrison	2,820	-	n/a	-	-	-
Judy Vezmar	50,000	50,000	n/a	-	-	-
Gillian Kent	-	-	n/a	-	-	-
Total	**4,667,245**	**4,620,381**		**2,069,497**	**128,481**	**29,488**

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

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

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



The total remuneration figure for the CEO for each year since IPO is shown below. The total remuneration figure includes the annual bonus which was awarded based on performance in those years. Where that bonus was subject to deferral, it is shown in the year in which it was awarded.

	2016	2017	2018	**2019**
Total Remuneration (£'000)	565	856	2,167	**1,681**
Annual bonus (% of maximum)	20	48	20	**26**
Long Term Incentive Plan (% of maximum vesting)	n/a	n/a	100	**83**

How does the change in CEO's pay compare to that for Ascential employees?

The movement in the salary and annual bonus for the CEO, who is the highest paid Director, between the current and previous financial year compared to that for the average UK employee is shown below.

	Percentage change
CEO (£)	
Salary	2.4%
Bonus	32.1%
Taxable benefits	No material change
LTIP (% of maximum vesting)	(17.0%)
Average per employee (£)	
Salary	16.0%
Bonus	(40.4%)
Taxable benefits	No material change
LTIP (% of maximum vesting)	(17.0%)

The increase in average employee salary and reduction in average employee bonus reflects the rebalancing of remuneration structures across the Group which focused on increasing the certainty of reward for more junior employees whilst retaining the performance focus in remuneration of the most senior executives.

Strategic report
Governance report
Financial statements

What is the ratio of CEO pay to the average UK employee?

The below table sets out the CEO's total remuneration as a ratio to UK employees' total remuneration on the 25th, 50th and 75th percentile.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
1 January to 31 December 2019	Option A	48:1	33:1	22:1

The salary and total pay of the employee on each of the 25th, 50th and 75th percentiles are shown below:

Percentile	Total Salary	Total Pay
25th	£32,272	£34,854
Median	£40,080	£51,416
75th	£74,151	£77,858

We have adopted Method A to calculate the above ratios as it is the most statistically accurate. This means that we have calculated total pay for all UK employees, using the same methodology that is used to calculate the CEO's single figure, using 31 December 2019 as the reference date. We will comment on changes in the median ratio in future years when prior year comparison data is available.

Our principles for pay setting and progression are consistent across the organisation as a whole. Underpinning our principles is a need to provide a competitive total reward so as to enable the attraction and retention of high calibre individuals without over-paying and providing the opportunity for individual development and career progression. The pay ratios reflect the changes in individual accountability which is recognised through our pay structures which include greater variable pay opportunity for more senior positions. This is reflected in the fact that the CEO's variable pay opportunity is higher than those employees noted in the table reflecting the weighting towards long-term value creation and alignment with shareholder interests inherent in his role. We are satisfied that the median pay ratio is consistent with our wider pay, reward and progression policies for employees. All our employees have the opportunity for annual pay increases, career progression and development opportunities.

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

	2019	2018
Total employee costs	**£175.0m**	£150.5m
Dividend per ordinary share[1]	**5.8p**	5.8p

1 The 2018 figure of 5.8p is the total dividend per ordinary share paid in respect of the 2018 financial year.
The 2019 figure of 5.8p is the 2019 interim dividend and the proposed 2019 final dividend per ordinary share, which is subject to shareholder approval at the 2020 AGM.

What advice did the Committee receive?

Korn Ferry are the appointed adviser to the Remuneration Committee and provide advice and information on market practice, the governance of executive pay and the operation of employee share plans. The total fees paid to Korn Ferry in respect of their services for the 2019 financial year were £72,610 plus VAT. Korn Ferry provides other consulting services to the Board in relation to its structure and operation with this advice provided by an entirely separate team independent from the team advising the Committee. As a result, the advice to the Committee is therefore considered independent. Korn Ferry are signatories to the Remuneration Consultant's Code of Conduct, which requires that advice be objective and impartial.

What votes were received in relation to the Directors' Remuneration Policy at the 2017 AGM and the Annual Report on Remuneration at the 2019 AGM?

	Remuneration Policy	%	Annual Report on Remuneration	%
Votes cast in favour	343,536,389	98.60	356,606,145	99.15
Votes cast against	4,878,355	1.40	3,072,116	0.85
Total votes cast	348,414,744		359,678,261	
Abstentions	502		349,196	

How will the Directors' Remuneration Policy be used in the 2020 financial year?

Base salary

As explained in the Annual Statement from the Chair of the Remuneration Committee, the base salary of the CFO will be increased by 10% from £372,000 to £409,000. The base salary of the CEO will be increased by 2.0% in line with the wider employee group, taking Duncan Painter's salary from £551,450 to £562,479.

Both of the above increases will take effect from 1 April 2020.

Annual bonus plan

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

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

Performance Share Plan

The Committee intends to grant PSP awards to the Executive Directors in 2020 at 200% of salary for Duncan Painter and 175% of salary for Mandy Gradden.

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

The Adjusted EPS targets that are intended to apply to the 2020 PSP awards were set following the Committee's review of internal financial planning (which includes the announced share buy-back programme of up to £120m), external market expectations and current macro-economic conditions. The range of targets to apply will require annual growth of between 8% and 14% per annum from the 2019 Adjusted EPS result. These targets are considered to be no less challenging to the range of targets set for the 2019 awards, providing a realistic incentive at the lower end of the performance range, but with full vesting requiring exceptional outperformance in the current commercial context.

A summary of the 2020 performance targets is set out below:

Performance criteria	Weighting	Threshold (25% vesting)	Stretch (100% vesting)	Measurement period
Adjusted EPS Compound Annual Growth Rate ("CAGR")	75%	8%	14%	CAGR measured over the three financial years to 2022, using 2019 as the base year
Relative Total Shareholder Return	25%	Median	Upper Quartile	Average Return Index of the Company and each member of the constituent group ("Average Return") during the three month period ending on 31 December 2019 to the Average Return during the three month period to 31 December 2022

Vesting between threshold and maximum will be measured on a straight-line basis.
Shares normally vest after a three-year performance period, subject to a further two-year holding period whereby the Executive Directors will be restricted from selling the net of tax shares which vest.

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

One of the consequences of the business transformation process that has been successfully implemented since IPO has been to increase the time commitment required from the Company Chairman and Non-Executive Directors given the international footprint of the businesses that now form Ascential. Accordingly, to better reflect their ongoing time commitment, the Board Chairman fee will be increased to £220,000 and the basic fee for Non-Executive Directors will be increased to £55,000 per annum. The additional fee for the Senior Independent Director has also been increased to reflect the increasing time commitment of the Senior Independent Director, taking into account the fact that she will also act as the Non-Executive Director designated as the employee representative.

	2020	**2019**	% Change
Board Chairman	220,000	**178,606**	23.2%
Basic fee	55,000	**52,531**	4.7%
Additional fee for Senior Independent Director	10,000	**5,000**	100.0%
Additional fee for Committee Chairman	10,000	**10,000**	-

DIRECTORS' REPORT

Index to principal Directors' Report and Listing Rule disclosures

Relevant information required to be disclosed in the Directors' Report may be found in the following sections:

The above information is incorporated by reference and together with the information on pages 98 to 101 forms the Directors' Report in accordance with section 415 of the Companies Act 2006.

Strategic Report

The Strategic Report is set out on pages 1 to 55 and was approved by the Board on 21 February 2020. It is signed on behalf of the Board by Duncan Painter, Chief Executive Officer.

Cautionary statement

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

Directors' indemnities

The Company maintained appropriate insurance to cover Directors' and Officers' liability for itself and its subsidiaries and such insurance was in force for the whole of the year ended 31 December 2019.

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

Share capital and rights attaching to shares

Details of the Company's share capital and movements during the year are set out in Note 23 to the financial statements, which is incorporated by reference into this report. This includes the rights and obligations attaching to shares and restrictions on the transfer of shares. The ordinary shares of £0.01 each are listed on the London Stock Exchange (LSE: ASCL.L). The ISIN of the shares is GB00BYM8GJ06.

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

Without prejudice to any rights attached to any existing shares and subject to relevant legislation, the Company may issues shares with such rights or restrictions as determined by either the Company by ordinary resolution or, if the Company passes a resolution to so authorise them, the Directors.

Subject to legislation, the Articles and any resolution of the Company, the Directors may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any shares to such persons, at such times and generally on such terms as the Directors may decide. The Company may issue any shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or the holder, on such terms and in such manner as the Company may determine by ordinary resolution and the Directors may determine the terms, conditions and manner of redemption of any such shares. No such resolutions are currently in effect.

Subject to recommendation of the Board, shareholders may receive a dividend. Shareholders may share in the assets of the Company on liquidation.

Voting rights

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

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

Shares held by the Employee Benefit Trust (“EBT”)

The Group has an Employee Benefit Trust which can hold shares to satisfy awards under employee share schemes. At 31 December 2019, the EBT held 701,086 shares. Voting rights in relation to any shares held in the EBT are exercisable by the trustee; however, in accordance with best practice guidance, the trustee abstains from voting.

Restrictions on transfers of securities

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

Interest in voting rights

Details of the share capital of the Company are set out in Note 23 to the Financial Statements.

As at 31 December 2019 and 21 February 2020, the Company received notifications in accordance with the FCA’s Disclosure and Transparency Rule 5.1.2 of the following interests in the voting rights of the Company.

Shareholder	As at 31 December 2019 Percentage of voting rights over ordinary shares of £0.01 each	As at 21 February 2020 Percentage of voting rights over ordinary shares of £0.01 each
Merian Global Investors (UK) Limited	17.97%	17.97%
Ameriprise Financial, Inc	9.99%	4.92%
Franklin Templeton Institutional, LLC	5.11%	3.91%
Black Rock Inc	5.00%	5.00%
AXA Investment Managers	4.95%	4.95%
T Rowe Price Associates, Inc	5.07%	5.07%
FMR LLC	Below 5%	Below 5%
Kayne Anderson Rudnick Investment Management, LLC	3.13%	3.13%

Changes to the Company’s Articles

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

Authority to allot shares

Under the Companies Act 2006, the Directors may only allot shares if authorised to do so by shareholders in a general meeting. The authority conferred on the Directors at a general meeting of shareholders held on 8 May 2019 expires on the date of the forthcoming AGM, and ordinary resolution 15 seeks a new authority to allow the Directors to allot ordinary shares up to a maximum nominal amount of £2,689,031 (268,903,150) shares, representing approximately two-thirds of the Company’s issued share capital at 21 February 2020, of which 134,451,575 shares (representing approximately one-third of the Company’s issued ordinary share capital) can only be allotted pursuant to a rights issue. The Directors have no present intention of exercising this authority, with the exception of shares to satisfy share-based incentive awards, which will expire at the conclusion of the AGM in 2021 or 5 August 2021 if earlier.

Political donations

The Company's policy is to not make political donations and it has not done so during 2019, nor has it made any contributions to a non-EU political party during the financial year.

Significant contracts

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

Employment practices

All employment decisions are made irrespective of colour, race, age, nationality, ethnic or national origin, sex, gender identity, mental or physical disabilities, marital status or sexual orientation. For employees who may have a disability, the Group ensures proper procedures and equipment are in place to aid them. When it comes to training, career development and promotion, all employees are treated equally and job applications are always judged on aptitude. Further details on the Group's policies on engagement and employment practices are set out on pages 46 to 47.

Auditor

Each of the Directors has confirmed that:

a. so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

b. the Director has taken all reasonable steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Post balance sheet events

There were three events after the reporting date: refinancing, Jumpshot and share repurchase programme. Please see Note 30 for more detail.

Annual General Meeting

The AGM of the Company will take place at 9am on 6 May 2020 at the The Grove, Chandler's Cross, Hertfordshire, WD3 4TG, United Kingdom. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM.

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

Directors' Responsibilities Statement

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

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

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

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

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

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

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

Responsibility Statement of the Directors in respect of the annual financial report

We confirm to the best of our knowledge:

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

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

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

Louise Meads
Company Secretary
21 February 2020

INDEPENDENT AUDITOR'S REPORT

to the members of Ascential plc

1. Our opinion is unmodified

We have audited the financial statements of Ascential ("the Company") for the year ended 31 December 2019 which comprise the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the parent company statement of changes in equity, the parent company statement of financial position, and the related notes, including the accounting policies in notes1 & 2 respectively.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation

Basis for opinion

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

We were first appointed as auditor by the directors on 16 July 2016. The period of total uninterrupted engagement is for the four financial years ended 31 December 2019. Prior to that we were auditor to the group's previous parent company, but which, being unlisted, was not a public-interest entity. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: group financial statements as a whole	£2.0m (2018:£2.0m) 4.6% (2018: 5.4%) of normalised profit before tax from continuing operations	
Coverage	86% (2018: 75%) of group revenue 89% (2018: 86%) of group profit before tax from continuing operations	
Key audit matters	vs 2018	
Recurring risks	Revenue recognition	↔
Event driven	Valuation of contingent consideration for Medialink, OCR, Flywheel and Yimian acquisitions	↔
New risk	Impairment assessment of goodwill and intangible assets in respect of the Edge cash generating unit (CGU)	n/a
Parent company recurring risk	Recoverability of cost of investment in subsidiaries and intra-group debtors	↔

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

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

	The risk	Our response
Revenue recognition (Event based revenues (2019 revenue: £134.0 million; 2018 revenue: £121.4 million), subscription based revenues (2019 revenue: £170.3 million; 2018 revenue: £139.2 million), sales segment transactional revenue (2019: £23.9 million; 2018 revenue £3.1 million) and advisory revenues (2019 revenue: £12.4 million; 2018 revenue: £9.9 million)) Refer to page 118 (accounting policy) and page 123 (financial disclosures).	**2019/2020 sales:** We consider the risk in relation to revenue to be whether revenue is recognised in the correct accounting period. The Group earns revenue from a variety of sources. The resulting large volume of non-homogenous transactions creates a risk of processing error. In addition revenue is the most material figure in the financial statements and is considered to be a main driver of results, and as such had the greatest effect on our allocation of resources in planning and completing the audit. For event based revenues, there is a significant lead time in the billing of customers that can occur up to a year prior to an event taking place. As such, there is a risk due to error that revenue is recognised in the wrong period, particularly for events held close to the year end. For subscription based revenues, sales segment transactional revenue and advisory revenues, contracts are entered into which span the 31 December year end. There is a risk, due to error, that the deferral and recognition of revenues does not appropriately match the underlying terms of customer contracts, in particular the period over which the performance obligations are met.	Our procedures included: **Test of details:** For event based revenues, selecting a sample of revenue transactions recognised in the year and deferred revenue at the year end and assessing whether the related revenue has been recorded in the period in which the event occurred; **Test of details:** For subscription based, management services and advisory and marketing revenues, selecting a sample of transactions recorded in revenue in the year and deferred and accrued revenue at the year end and assessing whether the related revenue has been recognised over the period in which the performance obligations are met based on the underlying terms of the customer contract; **Test of details:** We obtained all journals posted in respect of revenue and where possible used data analytics to identify and investigate a sample of unusual entries based upon the specific characteristics of the journal, considering in particular whether the debit side of the journal entry was as expected, based on our business understanding. Where data analytics was not possible, we used sampling techniques to assess whether revenue was recognised in the appropriate period with respect to whether the performance obligations are met based on the underlying terms of the customer contract; **Test of details:** We selected a sample of sales invoices post year end to assess whether revenue has been recognised in the correct financial period, by checking the date, amount, description and quantity to relevant documentation, such as contracts or other third-party acknowledgement of receipt. **Our results** The results of our procedures were satisfactory (2018: satisfactory).

	The risk	Our response
Valuation of contingent consideration for the Medialink, OCR, Flywheel and Yimian acquisitions (£68.4 million; 2018: £59.7 million) Refer to page 70 (Audit Committee Report), page 123 (accounting policy) and page 144 (financial disclosures).	**Forecast-based valuation** The Group has recognised significant contingent consideration liabilities in respect of the Medialink, OCR, Flywheel and Yimian acquisitions. There is inherent uncertainty involved in forecasting revenue and profit margins of the acquired businesses, which determines the fair value of the liability at the acquisition date and as at the balance sheet date. The effect of these matters is that, as part of our risk assessment, we determined that the fair value of the contingent consideration liability has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (Note 20) disclose the range of outcomes estimated by the group.	Our procedures included: **Assessing forecasts:** For the business acquired in the year (Yimian business), we compared the forecast revenue and profit growth, used as the basis for the calculation of the fair value of the contingent consideration at the acquisition date and as at the balance sheet date, with the forecasts included in the due diligence reports obtained prior to the acquisition, recent performance of the business and current forecasts. **Assessing forecasts:** For the previously acquired businesses (Medialink, OCR and Flywheel), we challenged the changes in the forecast revenue and profit growth compared to the forecasts used as the basis for the initial contingent consideration calculation, current forecasts, and assessed against the recent performance of the business, taking into account changes in the agreements made in the year. **Assessing valuer's credentials:** For the business acquired in the year, we assessed the competence and objectivity of the external experts who prepared the due diligence reports used to support the methodology and assumptions within the forecasts. **Benchmarking assumptions:** For the business acquired in the year (Yimian business) we assessed the inputs into the calculation, with the help of our own experts. **Test of details:** Agreeing the basis of the earn out calculation and values of key inputs such as potential consideration values to signed agreements. **Assessing transparency:** We assessed the adequacy of the group's disclosures about the potential range of overall future payments, and the estimates and judgements made by the Group in this regard. **Our results** As a result of our work we found the carrying amount of contingent consideration recognised to be acceptable (2018: acceptable).

	The risk	Our response
Impairment assessment of goodwill and intangible assets in respect of the Edge cash generating unit (CGU) (£118.4 million; 2018: £120.9 million) Refer to page 70 (Audit Committee Report), page 119 (accounting policy) and page 134 (financial disclosures).	**Forecast based valuation** We considered the carrying value of goodwill and intangible assets of the Edge CGU and the risk over potential impairment to be a significant audit risk because of the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. The use of forecasts reaching 8 years, the discount rate and the growth rates therein, as well as the terminal growth rate, are key judgements and assumptions used in the assessment. In 2019 the risk of impairment relating to Edge is heightened due to the disruption from integrating several acquired businesses into the Edge business model. There is also a risk that the disclosures presented are not sufficient to explain the key assumptions that drive the value in use calculations, and the key sensitivities that the Board has considered. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of goodwill and related intangible assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	Our procedures included: **Assessing methodology:** Assessing the principles and integrity of the cash flow model are in accordance with the relevant accounting standards; **Benchmarking assumptions:** Challenging management's assumptions and obtaining support, such as board-approved strategy plans and eCommerce market growth rates, where available, for the growth initiatives used in the cash flow model, and any new contracts entered into since the year end. We also benchmarked the terminal growth rate assumptions against external sources. **Our valuation expertise:** We independently derived a reasonable range of appropriate discount rates with the assistance of our valuation experts and compared these to those calculated by the Group. **Sensitivity analysis:** Performing both breakeven and reasonably foreseeable scenario sensitivity analysis on the inputs noted above: **Historical comparisons:** Evaluating the track record of historical assumptions used against actual results achieved, such as the performance of various Edge brands since acquisition against the historical results and budgets. We challenged the Group's ability to deliver forecast growth by assessing the Group's past experience in integrating a similar business into Ascential group and increasing its growth rate and evaluated how that experience can be applied to Edge. **Assessing transparency:** Assessing whether the group's disclosures reflected the risks inherent in the valuation of goodwill. **Our results** As a result of our work we found the carrying amount and related disclosure of goodwill and intangible assets in respect of the Edge CGU to be acceptable.

	The risk	Our response
Recoverability of cost of investment in subsidiary and intra-group debtors Investment (£452.8 million; 2018: £452.8 million) Intra-group debtors (£208.6 million; 2018: £148.3 million) Refer to page 157 (accounting policy).	**Low risk, high value** The amount of the parent company's investment in its subsidiary, which acts as an intermediate holding company for the rest of the company's subsidiaries, represents 68% (2018: 75%) of the parent company's assets. The carrying amount of the intra-group debtors balance comprises the remaining 31% (2018: 25%). Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.	Our procedures included: **Tests of detail:** Comparing the carrying amount of parent company's only investment with the subsidiary's draft balance sheet and whether its net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether the group headed by the subsidiary has historically been profit-making. **Tests of detail:** assessing a sample of the highest value group debtors representing 99% (2018: 99%) of the group debtor balance to identify, with reference to the relevant debtors' draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether those debtor companies have historically been profit-making. **Comparing valuations:** Comparing the carrying amount of the investment in the subsidiary to the group's market capitalisation as adjusted to exclude the liabilities of the parent company, being an approximation of the recoverable amount of the investment. **Our results** We found the carrying amounts of the investment in the subsidiary and the group receivables balance to be acceptable (2018: acceptable).

We continue to perform procedures over the recognition of deferred tax assets in respect of US losses. However, given the recurring nature of this matter, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

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

Materiality for the group financial statements as a whole was set at £2.0m (2018: £2.0m), determined with reference to a benchmark of group profit before tax, normalised to exclude this year's acquisition related contingent employment costs and capital costs (2018: group profit before tax, normalised to exclude that year's acquisition related contingent employment costs and capital costs) as disclosed in note 5, of which it represents 4.6% (2018: 5.4%).

Materiality for the parent company financial statements as a whole was set at £1.0m (2018: £2.0m), determined with reference to a benchmark of company total assets, of which it represents 0.2% (2018: 0.3%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £100,000 (2018: £100,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 81 (2018: 71) reporting components, we subjected 10 (2018: 7) to full scope audits for group purposes and 5 (2018: 2) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for group purposes, but were included in the scope of our group audit work in order to provide further coverage over the Group's results.

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

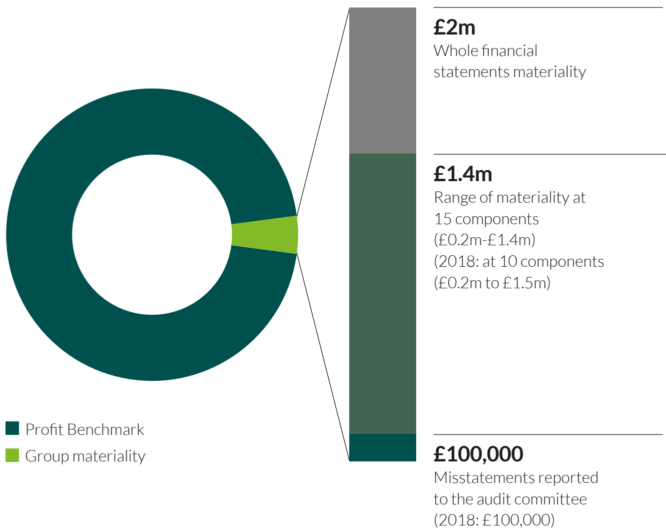
The remaining 14% of total group revenue, 11% of group profit before tax and 12% of total group assets is represented by 66 of reporting components, none of which individually represented more than 5% of any of total group revenue, group profit before tax or total group assets. For these residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The component materialities ranged from £1.4 million to £0.2 million, having regard to the mix of size and risk profile of the Group across the components (2018: £1.4 million to £0.4 million).

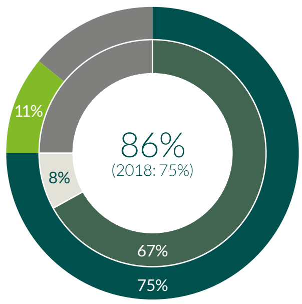
The work on all components including the parent company was performed by the Group team (2018: 1 of the 9 components had work performed by component auditors).

Profit benchmark
£43.3m (2018: £37.0m)

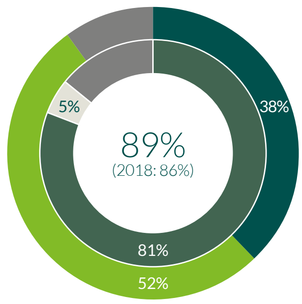
Group Materiality
£2.0m (2018: £2.0m)



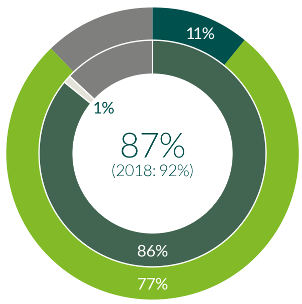
Group revenue



Group profit before tax on continuing operations



Group total assets



- Full scope for group audit purposes 2019
- Specified risk-focused audit procedures 2019
- Full scope for group audit purposes 2018
- Specified risk-focused audit procedures 2018
- Residual components

4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- The impact of a UK and/or a global recession;
- The postponement or cancellation of one of the group's major events; and
- A significant change in underlying data infrastructures resulting in reduced data availability for group's eCommerce services.

As these were risks that could potentially cast significant doubt on the Group's and the Company's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise. We also considered less predictable but realistic second order impacts, such as the impact of Brexit.

Based on this work, we are required to report to you if:

- we have anything material to add or draw attention to in relation to the directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements ; or
- the related statement under the Listing Rules set out on page 39 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

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

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

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

Strategic report and directors' report

Based solely on our work on the other information:

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

Directors' remuneration report

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

Disclosures of emerging and principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Directors' Statement of Viability on page 39 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the Directors' Statement of Viability of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the long-term viability statement. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or

- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

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

We have nothing to report in these respects.

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

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

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

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 100, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection, anti-bribery and employment law, recognising the nature of the group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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

Ian Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
21 February 2020

FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019

		2019			Restated* 2018		
(£ million)	Note	Adjusted results	Adjusting items	Total	Adjusted results	Adjusting items	Total
Continuing operations							
Revenue	3	**416.2**	**–**	**416.2**	348.5	–	348.5
Cost of sales		**(151.9)**	**–**	**(151.9)**	(125.2)	–	(125.2)
Sales, marketing and administrative expenses		**(158.5)**	**(85.9)**	**(244.4)**	(131.1)	(50.8)	(181.9)
Operating profit/ (loss)	4	**105.8**	**(85.9)**	**19.9**	92.2	(50.8)	41.4
Adjusted EBITDA	3	**128.5**	**–**	**128.5**	108.4	–	108.4
Depreciation and amortisation	3	**(22.7)**	**(35.8)**	**(58.5)**	(16.2)	(30.6)	(46.8)
Exceptional items	5	**–**	**(41.6)**	**(41.6)**	–	(14.0)	(14.0)
Share-based payments	7	**–**	**(8.5)**	**(8.5)**	–	(6.2)	(6.2)
Operating profit/ (loss)	4	**105.8**	**(85.9)**	**19.9**	92.2	(50.8)	41.4
Share of the profit/ (loss) of associates and joint ventures accounted for using the equity method	14	**0.9**	**(0.3)**	**0.6**	0.6	–	0.6
Finance costs	8	**(14.8)**	**–**	**(14.8)**	(13.7)	–	(13.7)
Finance income	8	**4.5**	**–**	**4.5**	0.6	–	0.6
Profit/ (loss) before taxation		**96.4**	**(86.2)**	**10.2**	79.7	(50.8)	28.9
Taxation	9	**(20.6)**	**18.5**	**(2.1)**	(17.8)	8.9	(8.9)
Profit/ (loss) from continuing operations		**75.8**	**(67.7)**	**8.1**	61.9	(41.9)	20.0
Discontinued operations							
Profit/ (loss) from discontinued operations, net of tax		**–**	**–**	**–**	15.5	173.7	189.2
Profit for the year		**75.8**	**(67.7)**	**8.1**	77.4	131.8	209.2
Profit attributable to:							
Owners of the company		**75.6**	**(67.7)**	**7.9**	77.4	131.8	209.2
Non-controlling interest		**0.2**	**–**	**0.2**	–	–	–
Earnings/ (loss) per share (pence)							
Continuing operations							
– Basic	10	**18.8**	**(16.8)**	**2.0**	15.5	(10.5)	5.0
– Diluted	10	**18.5**	**(16.6)**	**1.9**	15.3	(10.5)	4.8
Continuing and discontinued operations							
– Basic	10	**18.8**	**(16.8)**	**2.0**	19.3	32.9	52.2
– Diluted	10	**18.5**	**(16.6)**	**1.9**	19.1	32.3	51.4

* Restated for initial application of IFRS 16 (see Note 27).

The accompanying notes on pages 117 to 154 are an integral part of these consolidated financial statements. Adjusting items are detailed in Note 5.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

(£ million)	Note	2019 Adjusted results	2019 Adjusting items	2019 Total	Restated* 2018 Adjusted results	Restated* 2018 Adjusting items	Restated* 2018 Total
Profit/ (loss) for the year		**75.8**	**(67.7)**	**8.1**	77.4	131.8	209.2
Other comprehensive (expense)/ income							
Items that may be reclassified subsequently to profit or loss:							
Foreign exchange translation differences recognised in equity		**(8.2)**	**–**	**(8.2)**	8.5	–	8.5
Cumulative currency translation differences on disposals		**–**	**–**	**–**	–	2.4	2.4
Total other comprehensive (expense)/ income, net of tax		**(8.2)**	**–**	**(8.2)**	8.5	2.4	10.9
Total comprehensive income/ (expense) for the year		**67.6**	**(67.7)**	**(0.1)**	85.9	134.2	220.1

* Restated for initial application of IFRS 16 (see Note 27).

The accompanying notes on pages 117 to 154 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(£ million)	Note	2019	Restated* 2018
Assets			
Non-current assets			
Goodwill	12	**512.9**	505.1
Intangible assets	12	**247.8**	280.9
Property, plant and equipment	13	**8.4**	9.2
Right of use assets	27	**21.6**	23.3
Investments	14	**67.6**	6.1
Investment property	27	**2.1**	2.7
Deferred tax assets	15	**42.7**	43.1
Other investments, including derivatives	29	**0.3**	–
		903.4	870.4
Current assets			
Inventories	16	**4.1**	3.9
Trade and other receivables	17	**141.4**	113.2
Other investments, including derivatives	29	**1.4**	–
Cash and cash equivalents	18	**111.7**	182.0
		258.6	299.1
Total assets		**1,162.0**	1,169.5
Liabilities			
Current liabilities			
Trade and other payables	19	**85.7**	78.1
Deferred income		**98.5**	90.6
Deferred and contingent consideration	20	**63.1**	32.3
Lease liabilities	27	**9.4**	9.0
Current tax liabilities		**6.1**	6.0
Provisions	22	**1.0**	2.8
		263.8	218.8
Non-current liabilities			
Deferred income		**0.7**	0.6
Deferred and contingent consideration	20	**40.1**	64.4
Lease liabilities	27	**17.4**	20.4
External borrowings	21	**282.6**	291.8
Deferred tax liabilities	15	**22.9**	24.8
Provisions	22	**2.4**	3.2
		366.1	405.2
Total liabilities		**629.9**	624.0
Net assets		**532.1**	545.5
Equity			
Share capital	23	**4.0**	4.0
Share premium		**1.7**	0.5
Merger reserve		**9.2**	9.2
Group restructure reserve		**157.9**	157.9
Translation reserve		**(35.2)**	(27.0)
Treasury share reserve		**(0.1)**	(0.1)
Retained earnings		**394.0**	401.0
Non-controlling interest		**0.6**	–
Total equity		**532.1**	545.5

* Restated for initial application of IFRS 16 (see Note 27).

The accompanying notes on pages 117 to 154 are an integral part of these consolidated financial statements. The consolidated financial statements were approved by the Board of Directors on 21 February 2020 and were signed on its behalf by Directors: **Duncan Painter** and **Mandy Gradden**.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

(£ million)	Share capital	Share premium	Merger reserve	Group restructure reserve	Translation reserve	Treasury share reserve	Retained earnings*	Non-controlling interest	Total equity
	Attributable to owners of the Company								
At 1 January 2018	4.0	0.1	9.2	157.9	(37.9)	(0.1)	209.8	–	343.0
Adjustment on initial application of IFRS 16, net of tax	–	–	–	–	–	–	(1.3)	–	(1.3)
Restated balance at 1 January 2018	4.0	0.1	9.2	157.9	(37.9)	(0.1)	208.5	–	341.7
Profit for the year	–	–	–	–	–	–	209.2	–	209.2
Other comprehensive income	–	–	–	–	10.9	–	–	–	10.9
Total comprehensive income	–	–	–	–	10.9	–	209.2	–	220.1
Issue of shares	–	0.4	–	–	–	–	–	–	0.4
Share-based payments	–	–	–	–	–	–	5.7	–	5.7
Taxation on share-based payments	–	–	–	–	–	–	0.4	–	0.4
Dividends paid	–	–	–	–	–	–	(22.8)	–	(22.8)
At 31 December 2018	4.0	0.5	9.2	157.9	(27.0)	(0.1)	401.0	–	545.5
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**7.9**	**0.2**	**8.1**
Other comprehensive expense	**–**	**–**	**–**	**–**	**(8.2)**	**–**	**–**	**–**	**(8.2)**
Total comprehensive (expense)/ income	**–**	**–**	**–**	**–**	**(8.2)**	**–**	**7.9**	**0.2**	**(0.1)**
Issue of shares	**–**	**1.2**	**–**	**–**	**–**	**–**	**–**	**–**	**1.2**
Acquisition of subsidiary with NCI	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.4**	**0.4**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**7.7**	**–**	**7.7**
Taxation on share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**0.3**	**–**	**0.3**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(22.9)**	**–**	**(22.9)**
At 31 December 2019	**4.0**	**1.7**	**9.2**	**157.9**	**(35.2)**	**(0.1)**	**394.0**	**0.6**	**532.1**

* Restated for initial application of IFRS 16 (see Note 27).

The accompanying notes on pages117 to 154 are an integral part of these consolidated financial statements.

Strategic report

Governance report

Financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

(£ million)	Note	2019	Restated* 2018
Cash flow from operating activities			
Profit before taxation on continuing operations		**10.2**	28.9
Profit before taxation on discontinued operations		**–**	192.6
Adjustments for:			
Amortisation of acquired intangible assets	12	**35.8**	33.7
Amortisation of software intangible assets	12	**11.6**	7.6
Amortisation of right of use asset	27	**7.3**	5.4
Depreciation of property, plant and equipment	13	**3.8**	3.5
Gain on disposal of business operations and investments		**–**	(180.6)
Acquisition-related employment costs and revaluation of contingent consideration	20	**33.1**	8.1
Share-based payments	7	**8.5**	6.5
Share of the profit of associates and joint ventures accounted for using the equity method		**(0.6)**	(0.6)
Net finance costs	8	**10.3**	13.1
Cash generated from operations before changes in working capital and provisions		**120.0**	118.2
Changes in:			
Inventories		**(0.3)**	2.6
Trade and other receivables		**(25.2)**	(8.6)
Trade and other payables, net of interest payable		**(1.3)**	(26.7)
Provisions		**(2.8)**	(1.1)
Cash generated from operations		**90.4**	84.4
Cash generated from operations before exceptional operating items		**113.2**	114.4
Cash (outflows)/ inflows for discontinued operations		**-**	3.4
Cash outflows for acquisition-related contingent employment cost	20	**(11.5)**	(21.0)
Cash flows for other exceptional operating items		**(11.3)**	(12.4)
Cash generated from operations		**90.4**	84.4
Tax paid		**(3.2)**	(12.2)
Net cash generated from operating activities		**87.2**	72.2
Cash flow from investing activities			
Acquisition of businesses net of cash acquired	11	**(16.8)**	(97.7)
Deferred and contingent consideration cash paid in the year	20	**(20.3)**	(37.7)
Acquisition of investments	14	**(64.5)**	(0.7)
Acquisition of software intangibles and property, plant and equipment		**(18.5)**	(18.7)
Disposal of businesses net of cash disposed of and disposal costs		**(2.3)**	290.0
Net cash used in investing activities		**(122.4)**	135.2
Cash flow from financing activities			
Proceeds from external borrowings		**–**	32.4
Repayment of external borrowings		**–**	(66.0)
Proceeds from issue of shares		**1.2**	0.4
Interest paid		**(6.2)**	(6.9)
Lease liabilities paid	27	**(9.0)**	(7.7)
Dividends paid to shareholders	24	**(22.9)**	(22.8)
Net cash used in financing activities		**(36.9)**	(70.6)
Net (decrease)/ increase in cash and cash equivalents		**(72.1)**	136.8
Cash and cash equivalents at 1 January	18	**182.0**	45.8
Effect of exchange rate changes		**1.8**	(0.6)
Cash and cash equivalents at 31 December	18	**111.7**	182.0

* Restated for initial application of IFRS 16 (see Note 27).

The accompanying notes on pages 117 to 154 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. Basis of preparation and accounting policies

Basis of preparation

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

Ascential plc (the "Company") is a public company, which is listed on the London Stock Exchange and incorporated in the United Kingdom. The registered office is located at The Prow, 1 Wilder Walk, London W1B 5AP. The nature of the Company's operations are business-to-business information services which provide industry-specific business intelligence, insights and forecasting through data and digital subscription tools. The principal activities are information services for product design, marketing, sales and built environment & policy.

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

The consolidated financial statements have been prepared on a going concern basis (see page 32) and under the historical cost convention, with the exception of items that are required by IFRS to be measured at fair value, principally certain financial instruments. The Board's assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, show that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have assessed the Group's prospects and viability over a three-year period and the viability statement can be found on page 39. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements. In forming their view, the Directors have considered the Group's prospects for a period exceeding 12 months from the date when the financial statements are approved.

Accounting developments and changes

The accounting policies applied by the Group in the financial statements for the year ended 31 December 2019 are the same as those set out in the Group's Annual Report and Accounts for the year ended 31 December 2018, with the exception of IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatments, which is effective from 1 January 2019.

The Group has initially adopted IFRS 16 Leases from 1 January 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right of use of assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. As previously indicated, the Group has applied IFRS 16 fully retrospectively. The results for the year ending 31 December 2018 have been restated for the initial application of IFRS 16. The impact of IFRS 16 on consolidated financial statements is shown in Note 27. The standard includes an exemption for leases of low-value assets and short-term leases. The Group has elected to take both.

The Group's assessment of uncertainty related to income taxes follows the requirements of IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 1 January 2019. No adjustments were made to opening reserves in respect of this change in accounting policy as any differences on first application of IFRIC 23 are not material.

Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements have been applied consistently to both periods presented, with the new standard applied in the year for IFRS 16 'Leases'.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company, its subsidiaries and share of the results of its associates and joint ventures drawn up to 31 December 2019 using consistent accounting policies throughout the current and preceding years.

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

Foreign currency translation

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

Foreign currency transactions are recorded at the exchange rate ruling at the date of transaction. Foreign currency monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. All differences are taken to the consolidated income statement except for those on foreign currency borrowings that provide a hedge against an investment in a foreign entity. These are taken directly to equity until the disposal of the investment, at which time they are recognised in the consolidated income statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in force at the date of the initial transaction.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

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

Changes in fair value of derivative financial instruments entered into to hedge foreign currency net assets, and that satisfy the hedging conditions of IFRS 9, are recognised in the currency translation reserve (see separate accounting policy on derivative financial instruments).

Discontinued operations

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

Revenue

Revenue is measured based on the consideration specified in a contract with a customer. If multiple performance obligations exist within a contract, the revenue is allocated to the obligations based on the stand alone selling price, with any discounts allocated evenly across the obligations. For contracts with rebates and therefore variable consideration, revenue is recognised based on the best estimate of the revenue net of the rebated amount.

Revenue is recognised when the Group satisfies the performance obligations, the timing of which is set out in Note 3.

Pre-paid subscription and event revenues are shown as deferred income and released to the income statement in accordance with the revenue recognition criteria above.

Barter transactions are those where goods and services, rather than cash, are exchanged between two third parties and revenue is recognised at fair value for the goods or services provided. Where goods or services are provided at a discount and dissimilar to the goods or services received, the discounted price is recorded as revenue with the corresponding amount included in operating costs.

Alternative Performance Measures

The consolidated financial statements include Alternative Performance Measures, including Adjusted EBITDA, as another measure of profitability of the trading performance of the Group. Adjusted EBITDA is a non-IFRS measure, defined as the Group's operating profit before expensing depreciation of tangible fixed assets and amortisation of software, exceptional items, amortisation of acquired intangible assets, impairment of tangible fixed assets and software intangibles and share-based payments. Refer to pages 33 to 37 for further details on Alternative Performance Measures.

Exceptional items

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

- Significant capital structuring costs, such as for the IPO, as these are material and not a reflection of the ongoing business.
- Costs incurred as part of the acquisition and integration of acquired businesses as these are considered to be material. Acquisition-related employment costs, which, absent the link to continued employment, would have been treated as consideration are designed as exceptional items.
- Gains or losses on disposals of businesses are considered to be exceptional in nature as these do not reflect the performance of the Group.
- Material restructuring and separation costs within a segment incurred as part of a significant change in strategy as these are not expected to be repeated on a regular basis.

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

Finance costs and income

Finance cost or income is recognised using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

Income tax

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year in which the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

The deferred tax assets and liabilities are only offset where they relate to the same taxing authority and the Group has a legal right to offset.

Business combinations

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

Acquisition-related expenses include contingent consideration payments agreed as part of the acquisition and contractually linked to ongoing employment as well as business performance (acquisition-related employment costs). Acquisition-related employment costs are accrued over the period in which the related services are received and are recorded as exceptional costs.

The non-controlling interest at acquisition date is measured at the percentage of the identifiable assets purchased and liabilities assumed.

Intangible assets

Goodwill

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

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

Other intangibles

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

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

Brands	1-30 years
Customer relationships	8-20 years
Databases	3-10 years
Software	2-5 years

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

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

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

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

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

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

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

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

Trade investments
Investments in equity instruments are measured at fair value through profit or loss.

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

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

Trade and other receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less loss allowances.

Loss allowances are calculated for lifetime expected credit losses. Expected credit losses are a probability weighted estimate of credit losses and are calculated based on actual historical credit losses over the past three years and adjusted to reflect differences between the historical credit losses and the Group's view of the economic conditions over the expected lives of the receivables. The amount of the loss is recognised in the consolidated income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

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

Other investments, including derivatives
Derivatives comprise interest rate caps. Derivatives are initially recognised and subsequently measured at fair value at each reporting date. Derivatives that do not qualify for hedge accounting are classified as a separate asset or liability. The fair value is determined by using market data and the use of established estimation techniques such as discounted cash flow and option valuation models. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged as described below. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the consolidated income statement as they arise.

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

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

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised only when it is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement. If the time value of money has a material effect on quantifying the provision, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance charge.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Share-based payments
Certain employees of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares. The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions is determined by an external consultant and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet reporting date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in the subsidiary's financial statements with the corresponding credit being recognised directly in equity. In cases where a subsidiary is recharged for the share-based payment expense, no such increase in investment is recognised.

Shares held by the Employee Benefit Trust
The Employee Benefit Trust ("EBT") provides for the issue of shares to Group employees under share incentive schemes. The Company has control of the EBT and accounts for the EBT as an extension to the Company in the consolidated financial statements. Accordingly, shares in the Company held by the EBT are included in the consolidated balance sheet at cost as a deduction from equity.

Leases
Definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions were leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as lease under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

The Group leases commercial office space and photocopiers. The Group has elected not to recognise right of use assets and lease liabilities for some leases of low-value (photocopiers). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group presents right of use assets that do not meet the definition of investment property as a separate line item on the statement of financial position.

The Group recognises a right of use asset and lease liability at the lease commencement date.

The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

The Group has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

The Group has applied the exemption not to recognise right of use assets and liabilities for leases with less than twelve months of lease term.

As a lessor

The Group sub-leases some of its properties. Under IAS 17, the head lease and sub lease contracts were classified as operating leases. On transition to IFRS 16, the right of use assets recognised from the head lease are presented in investment property and measured at fair value on transition to IFRS 16. The sub-lease contracts are classified as operating leases under IFRS 16.

Impacts for the year

The impact of initially applying IFRS 16 is shown in Note 27 and segmental information is shown in Note 3.

No depreciation is recognised for the right of use assets that meet the definition of investment property.

2. Critical accounting judgements and estimates

The preparation of these financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The actual future outcomes may differ from these estimates and give rise to material adjustments to the reported results and financial position of the Group. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future periods affected.

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

Critical accounting judgements

Alternative Performance Measures

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

Key sources of estimation

Business combinations

Initial recognition of goodwill and intangible assets (Note 12)

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

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

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

Content and technology assets are valued using a depreciated replacement cost method, which requires an estimate of all the costs a typical market participant would incur to generate an exact replica of the intangible asset in the context of the acquired business. The depreciated replacement cost method takes into account factors including economic and technological obsolescence.

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

Valuation of contingent consideration and acquisition-related employment costs (Note 20)
Where a business combination agreement provides for an adjustment to the consideration, contingent on future performance over the contractual earn-out period, the Group accrues the fair value, based on the estimated additional consideration payable as a liability at acquisition date. To the extent that deferred contingent consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate discount rate and carried at net present value in the consolidated balance sheet. The liability is measured against the contractually agreed performance targets at each subsequent reporting date with any adjustments recognised in the consolidated income statement.

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

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

Deferred tax (Note 15)
Deferred tax assets are recognised to the extent that their utilisation is probable. The utilisation of deferred tax assets will depend on the judgement whether it is more likely than not that the Group will generate sufficient and suitable taxable income of the correct type and jurisdiction in the future, taking into account any restrictions on the length of the loss-carry forward period. Various factors are used to assess the probability of the future utilisation of deferred tax assets, including past operating results, operational plans and loss-carry forward periods. In particular, utilisation of our US tax losses is subject to a limitation triggered by change of control rules in the US and this limitation is driven by the valuation of the US business at the point of change in control. This is a key judgement area which remains uncertain until it is agreed with the tax authorities.

Non-financial assets recoverable amount (Note 12)
Recoverable amount is the higher of value in use or fair value less costs of disposal. Determination of these amounts is based upon multiple judgements and estimates, including a forecast of future cash flows and judgements surrounding the appropriate discount rates to apply, terminal growth rates or potential transaction multiples.

3. Operating segments

The Group has four reportable segments that are used to present information to the Board (Chief Operating Decision Maker) on a monthly basis. End market risk and opportunities vary and capital allocation decisions are made on the basis of four reportable segments. The four reportable segments are Product Design, Marketing, Sales and Built Environment & Policy. The reportable segments offer different products and services, and are managed separately as a result of different capabilities, technology, marketing strategies and end market risks and opportunities. The following summary describes the operations in each of the Group's reportable segments:

- Product Design: global trend forecasting and insight (WGSN)
- Marketing: global creative benchmark, effectiveness measurement and strategic advisory (Cannes Lions, WARC, MediaLink)
- Sales: global eCommerce data, analytics and managed services, FinTech and retail intelligence (Edge, Flywheel Digital, Money20/20, RWRC, Yimian)
- Built Environment & Policy: Political, construction and environment intelligence brands (Groundsure, Glenigan, DeHavilland)

In addition, the discontinued operations reported in the 2018 comparatives represent the Exhibitions business, which was sold on 17 July 2018 .

Information regarding the results of each reportable segment is included below and restated for prior periods to enhance comparability. Reportable segment profits are measured at an adjusted operating profit level, representing reportable segment Adjusted EBITDA, less depreciation costs and amortisation in respect of software intangibles, without allocation of Corporate costs as reported in the internal management reports that are reviewed by the Board. Reportable segment Adjusted EBITDA and reportable segment Adjusted operating profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of the reportable segments relative to other comparable entities. Total assets and liabilities for each reportable segment are not disclosed because they are not provided to the Board on a regular basis. Total assets and liabilities are internally reviewed on a Group basis.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

Year ended 31 December 2019

(£ million)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs*	Continuing operations total
Revenue	86.5	135.9	158.4	35.9	(0.5)	416.2
Adjusted EBITDA	36.0	50.7	39.6	17.0	(14.8)	128.5
Depreciation and software amortisation	(4.2)	(7.5)	(6.6)	(0.9)	(3.5)	(22.7)
Adjusted operating profit	**31.8**	**43.2**	**33.0**	**16.1**	**(18.3)**	**105.8**
Amortisation of acquired intangible assets						(35.8)
Exceptional items						(41.6)
Share-based payments						(8.5)
Operating profit						**19.9**
Share of net profit in equity-accounted investee						0.6
Finance costs						(14.8)
Finance income						4.5
Profit before tax						**10.2**

* Corporate costs include a £0.5 million elimination for intercompany trading.

Year ended 31 December 2018, restated*

(£ million)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs**	Continuing operations total	Discontinued operations	Total
Revenue	77.8	116.3	120.9	34.3	(0.8)	348.5	54.6	403.1
Adjusted EBITDA as reported	28.1	38.9	36.9	14.0	(16.1)	101.8	19.8	121.6
IFRS 16 application	1.8	1.6	1.4	0.3	1.5	6.6	–	6.6
Adjusted EBITDA as restated	29.9	40.5	38.3	14.3	(14.6)	108.4	19.8	128.2
Depreciation and software amortisation as reported	(1.8)	(4.1)	(2.1)	(0.5)	(2.3)	(10.8)	(0.3)	(11.1)
IFRS 16 application of amortisation of right of use asset	(2.2)	(1.4)	(0.9)	(0.2)	(0.7)	(5.4)	–	(5.4)
Adjusted operating profit	**25.9**	**35.0**	**35.3**	**13.6**	**(17.6)**	**92.2**	**19.5**	**111.7**
Amortisation of acquired intangible assets						(30.6)	(3.1)	(33.7)
Exceptional items						(14.0)	176.5	162.5
Share–based payments						(6.2)	(0.3)	(6.5)
Operating profit						**41.4**	**192.6**	**234.0**
Share of net profit in equity–accounted investee						0.6	–	0.6
Finance costs						(13.7)	–	(13.7)
Finance income						0.6	–	0.6
Profit before tax						**28.9**	**192.6**	**221.5**

* Restated for initial application of IFRS 16 (see Note 27).
** Corporate costs include a £0.8 million elimination for intercompany trading.

Exceptional items of £41.6 million (2018: £14.0 million) include £nil million (2018: £0.3 million), £3.5 million income (2018: £1.3 million), £37.3 million (2018: £14.7 million), £0.6 million (2018: £0.3 million) and £0.2 million (2018: £nil million) which are attributable to Product Design, Marketing, Sales, Corporate costs and Built Environment & Policy respectively. Finance costs, finance income, share of net profit in equity accounted investees and share-based payments are not allocated to segments, as these types of activity are driven by the Group corporate function.

Revenue and non-current assets by location

The revenue analysis is based on the location of customers. Non-current assets analysis (excluding deferred tax and financial instruments) is based on geographical location of the business.

The Group does not have any customers from whom revenue exceeds 10% of total revenue. Included in revenue is barter revenue arising from the exchange of goods or services of £2.6 million for the year ended 31 December 2019 (2018: £0.9 million).

	Revenue		Non-current assets*	
(£ million)	**2019**	2018	**2019**	2018
United Kingdom	**90.5**	81.0	**413.6**	390.1
Other Europe	**65.4**	56.1	**95.9**	106.7
United States and Canada	**191.7**	149.0	**320.8**	322.7
Asia Pacific	**44.3**	40.1	**27.9**	5.9
Middle East and Africa	**8.8**	8.4	**–**	–
Latin America	**15.5**	13.9	**2.2**	1.9
Total	**416.2**	348.5	**860.4**	827.3

*Non-current assets exclude deferred tax assets of £42.7 million (2018: £43.1 million) and other investments, including derivatives of £0.3 million (2018: £nil). Restated for initial application of IFRS 16 (see Note 27).

Additional segmental information on revenue

The Group's revenue is derived from contracts with customers, and the nature and effect of initially applying IFRS 15 is disclosed in Note 1.

Disaggregation of revenue

The following table shows revenue disaggregated by major service lines, and the timing of revenue recognition:

(£ million)	Timing of revenue recognition	**2019**	2018
Subscriptions	Over time	**77.5**	70.6
Advisory	Over time	**6.7**	4.6
Transactions	Point in time	**2.3**	2.6
Product Design		**86.5**	77.8
Event related revenues*	Point in time	**70.7**	60.0
Subscriptions	Over time	**15.4**	8.7
Advisory	Over time	**49.8**	47.6
Marketing		**135.9**	116.3
Event related revenues*	Point in time	**66.3**	67.5
Subscriptions	Over time	**62.2**	45.6
Transactions	Point in time	**24.7**	3.5
Advisory	Over time	**5.2**	4.3
Sales		**158.4**	120.9
Subscriptions	Over time	**15.2**	14.3
Advisory	Over time	**0.5**	1.0
Transactions	Point in time	**20.2**	19.0
Built Environment and Policy		**35.9**	34.3
Intercompany sales		**(0.5)**	(0.8)
Revenue from continuing operations		**416.2**	348.5

* Event related revenues include Delegate fees, Stand Space, Sponsorship and Award entries.

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For the year ended 31 December 2019

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(£ million)	Note	2019	2018
Receivables, which are included in "Trade and other receivables"	17	**74.3**	64.2
Contract assets - accrued income	17	**4.7**	7.4
Contract liabilities – deferred income		**99.2**	91.2

Seasonality of operations

The Group's results of continuing and discontinued operations are impacted by seasonality. Marketing revenue is particularly seasonal, with revenue typically reaching its highest levels during the first half of each calendar year when Cannes Lions takes place. Product Design primarily generates subscription revenue which is recognised over the life of the subscription contract. Consequently, there is less seasonal fluctuation in the revenue of this reportable segment.

4. Operating profit

Amounts charged in arriving at continuing operating profit include:

(£ million)	Note	2019	Restated* 2018
Employee costs	6	**175.0**	142.5
Depreciation and software amortisation	12, 13	**22.7**	10.8
Amortisation of acquired intangible assets	12	**35.8**	30.6
Impairment losses on trade receivables and contract assets	17	**5.0**	2.8

* Restated for initial application of IFRS 16 (see Note 27).

Fees paid to the auditor were as follows:

(£ million)	2019	2018
Fees paid to auditor for audit of the consolidated financial statements	**0.6**	0.6
Fees paid to auditor for audit of the Group's subsidiaries	**0.1**	0.1
Fees paid to auditor for other services*	**-**	0.1
Fees paid to auditor for audit-related assurance services*	**-**	-
Total	**0.7**	0.8

*Audit-related assurance services relate to the review of the half-year interim statements £39,620 (2018: £36,620) and covenant reviews £5,200 (2018: £5,000). Other services are transaction services in relation to the Group's disposal of the Exhibition's business.

Details of the Company's policy on the use of the auditor for non-audit related services, the reason why the auditor was used and how the auditor's independence was safeguarded are set out on page 72.

5. Adjusting items

Adjusting items are those which are considered significant by virtue of their nature, size or incidence and are presented separately in the consolidated statement of profit and loss to enable a full understanding of the Group's financial performance. Adjusting items are not a defined term under IFRS and include the share-based payment charge, amortisation of intangibles acquired through business combinations and exceptional items such as costs incurred for acquisitions and disposals, integration, non-recurring business restructuring and capital restructuring.

Adjusting items included in continuing operating profit are:

(£ million)	Note	2019	2018
Acquisition-related expenses	20	**33.1**	8.1
Acquisition transaction and integration costs		**8.5**	5.9
Exceptional items		**41.6**	14.0
Amortisation of acquired intangible assets	12	**35.8**	30.6
Share-based payments	7	**8.5**	6.2
Adjusting items in continuing operating profit		**85.9**	50.8

Acquisition-related expenses include payments for deferred consideration agreed as part of the acquisition but linked to ongoing employment of £20.1 million (2018: £13.3 million) and a revaluation of contingent consideration of £13.0 million (2018: £5.2 million revaluation credit). Acquisition-related employment costs relate primarily to the acquisitions of One Click Retail, MediaLink, Clavis and Flywheel Digital, which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements between 25% a nd 50% of deferred payments are contingent on both (i) the results of the business in the post-acquisition period and (ii) the continued employment of the founders.

As part of the overall strategy of managing the Group's portfolio, costs incurred as part of the acquisition and integration of acquired businesses are considered to be material. Acquisition transaction costs include directly linked transaction costs such as legal and diligence fees as well as stamp duty where applicable. Integration spend is in relation to transferring acquired businesses onto the Group's IT and revenue platforms, merging of products and rebranding.

6. Employee information and Directors' remuneration

(a) Employee costs including Directors

(£ million)	Note	2019	2018
Wages and salaries		**147.1**	120.9
Social security costs		**14.2**	12.4
Defined contribution pensions cost		**4.1**	2.5
Redundancy costs		**1.1**	0.5
Share-based payments and associated employment taxes	7	**8.5**	6.2
Total employee costs included in profit from continuing operations		**175.0**	142.5
Discontinued operations		**-**	8.0
Total employee costs including discontinued operations		**175.0**	150.5

Average employee costs per employee is £87,645 (2018 continuing operations: £89,056).

(b) Retirement benefits

The Group operates a defined contribution pension scheme in the United Kingdom and in certain other countries. The assets of the scheme are held by independent custodians and are kept entirely separate from the assets of the Group. The pension charge represents contributions due from the employer. During 2019 the total Group charge amounted to £4.1 million (2018: £2.7 million). At 31 December 2019 there were £0.9 million of contributions outstanding (2018: £0.7 million).

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

(i) By geographical region

	2019	2018
United Kingdom	**1,016**	914
United States and Canada	**615**	463
Rest of the world	**366**	313
Continuing operations	**1,997**	1,690
Discontinued operations	**-**	134
Continuing and discontinued operations	**1,997**	1,824

(ii) By job function

	2019	2018
Cost of sales	**1,085**	889
Sales and marketing	**547**	473
Other administrative functions	**365**	328
Continuing operations	**1,997**	1,690
Discontinued operations	**-**	134
Continuing and discontinued operations	**1,997**	1,824

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

(d) Remuneration of Directors and key management personnel

Further details of the Directors' remuneration and share options are set out in the Remuneration Report on pages 77 to 97 which form part of these financial statements. Key management personnel comprised the Chief Executive Officer, Chief Financial Officer and Non-Executive Directors of the Group. The aggregate emoluments for key management are set out below:

(£ million)	2019	2018
Salaries, bonus and other short-term employee benefits	1.8	1.6
Share-based payments	2.4	2.4
Total	**4.2**	4.0

During the year ended 31 December 2019, no Directors (2018: no Directors) were a member of the Group's defined pension contribution scheme. Retirement benefits were not accrued for any Director at 31 December 2019 or 2018.

7. Share-based payments

Analysis of charge to the consolidated income statement

(£ million)	2019	2018
Share Incentive Plans ("SIP")	0.2	0.3
Deferred Annual Bonus Plan ("DABP")	0.2	0.1
Performance Share Plans ("PSP")	7.7	5.5
Sharesave Scheme ("Sharesave")	0.4	0.3
Total share-based payment charge included in profit from continuing operations	**8.5**	6.2
Total share-based payment charge including discontinued operations	**8.5**	6.5

The total share-based payment charge includes £0.8 million of employment taxes (2018: £0.8 million). As a result, the amount credited to equity was £7.7 million (2018: £5.7 million).

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

	2019		2018	
	Number of shares / options 000s	Weighted average exercise price £	Number of shares / options 000s	Weighted average exercise price £
Outstanding at 1 January	8,998	0.57	6,767	0.65
Granted	4,909	0.61	3,193	0.55
Options exercised or shares vested	(1,744)	0.71	(198)	2.14
Surrendered or expired	(706)	1.31	(764)	0.82
At 31 December	**11,457**	**0.52**	8,998	0.57

	2019	2018
Weighted average fair value per share / option granted during the year (£)	2.79	3.29

At 31 December 2019 and 31 December 2018, all of the outstanding shares awards and options had either no exercise cost or an exercise price which was below the market price. At 31 December 2019 the market price was £3.92 (2018: £3.77) and the average share price for 2019 was £3.67 (2018: £4.04). For the Sharesave, the range of exercise prices for shares and options outstanding at 31 December 2019 was £2.04 to £3.58 (2018: £2.04 to £3.58). For the Deferred Annual Bonus Plan ("DABP") and the PSP, all share options and share awards outstanding at 31 December 2019 had an exercise price of £nil (2018: £nil) or were conditional share awards which do not require payment from the participant to vest. The free shares awarded under the SIP do not require payment from the participant to vest.

For share awards and options outstanding at 31 December 2019, the weighted average remaining contractual life was 1.45 years (2018: 1.35 years).

Measurement of fair values

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

The fair values of the SIP and Sharesave awards have been measured using the Black-Scholes model, while the PSP has been measured using Monte Carlo simulations. Non-market performance conditions were not taken into account in measuring fair values. Expected volatility is usually calculated over the period of time commensurate with the remainder of the performance period immediately prior to the date of the grant. The principal assumptions required by these methodologies for 2019 awards were:

	SIP	PSP	Sharesave	Sharesave (US)
Expected life	3 years	3 years	3 years	2 years
Risk free interest rate	n/a	0.66%	0.31%	0.38%
Expected volatility	n/a	25.99%	25.99%	25.99%
Expected dividend yield	0%	1.36%	1.63%	1.63%

Additional information about share-based payments

a) Share Incentive Plan

In 2016, the Group established the Employee Share Incentive Plan and International Employee Free Share Plan (collectively known as the "SIP") which enables employees to acquire shares of the Company, subject to service conditions. Free shares awarded to UK employees are held by an Employee Benefit Trust for the maturity period of three years. Conditional awards and cash equivalent awards granted to international employees also have a three year maturity period.

In 2019, the Group made conditional awards over 25,480 (2018: 80,984) shares under the SIP.

b) Performance Share Plan

In 2016, the Group established the Executive Performance Share Plan ("PSP"), under which key management personnel and other senior employees are granted conditional awards, share options or a cash alternative. Awards can be granted with or without performance conditions. Where performance conditions have been set, 25% of the award is subject to a Total Shareholder Return ("TSR") market performance condition and the remaining 75% is subject to a profit related non-market performance condition. Executive Directors are required to hold their shares for a further two year period (net of taxes) after vesting.

During the year to 31 December 2019, the Group granted conditional share awards over 3,402,442 (2018: 2,540,790) shares under the PSP. Of the share awards granted during the year, 2,932,144 (2018: 1,964,089) are subject to a TSR market performance condition and an Earnings Per Share non-market performance condition at a weighting of 25% and 75% respectively. The remaining share awards are not subject to additional performance criteria beyond service conditions.

c) Sharesave scheme

In 2016, the Group established the Employee Savings Related Share Option Plan, the International Savings Related Share Option Plan and the US Stock Purchase Plan (collectively known as the "Sharesave") under which employees enter into a savings contract and are granted options to acquire shares of the Company, subject to service conditions.

In 2019, the Group granted 968,456 (2018: 507,468) options under the Sharesave to qualifying employees. Under the UK and International plans, the options vest after three years and are exercisable within a six-month period. Under the US plan, they vest after two years and are exercisable for a three-month period.

d) Deferred Annual Bonus Plan ("DABP")

Under the DABP a portion of Executive Directors' annual bonus earned is deferred mandatorily into a share award, vesting after a three-year period. Awards are structured either as a nil-cost option or a conditional share award. During the year to 31 December 2019, the Group granted conditional share awards over 32,733 (2018: 63,448) shares under the DABP.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

8. Finance costs and finance income

(£ million)	Note	2019	Restated* 2018
Interest on bank deposits		**0.9**	0.6
Foreign exchange gain on borrowings		**0.1**	–
Remeasurement of trade investments to fair value		**1.6**	–
Foreign exchange gain on cash and cash equivalents		**1.9**	–
Finance income		**4.5**	0.6
Interest payable on external borrowings		**(6.8)**	(7.1)
Amortisation of loan arrangement fees		**(1.1)**	(1.2)
Foreign exchange loss on cash and cash equivalents		**–**	(0.6)
Discount unwind on contingent and deferred consideration	20	**(5.5)**	(3.6)
Discount unwind of lease liability	27	**(1.3)**	(1.2)
Discount unwind of property provisions		**(0.1)**	–
Finance costs		**(14.8)**	(13.7)
Net finance costs from continuing operations		**(10.3)**	(13.1)

* Restated for initial application of IFRS 16 (see Note 27).

9. Tax on profit on ordinary activities

The tax charge has been calculated by applying the full year rate to the results for the year, with specific tax adjustments for adjusting items (amortisation of acquired intangible assets, share-based payments and exceptional items). The tax charge for the year comprises:

(£ million)	2019	Restated* 2018
Current tax		
UK current tax charge on income for the year at 19.0%	**6.7**	6.5
Overseas current tax charge on income for the year	**2.3**	2.2
Adjustments in respect of prior years	**(2.6)**	(1.9)
Total current tax charge	**6.4**	6.8
Deferred tax		
Current year	**(3.2)**	1.2
Adjustments in respect of prior years	**(1.1)**	0.9
Total deferred tax (credit)/charge	**(4.3)**	2.1
Total tax charge from continuing operations	**2.1**	8.9
Total effective tax rate	**21%**	31%

* Restated for initial application of IFRS 16 (see Note 27).

The effective tax rate on adjusted continuing profit before tax for the year to 31 December 2019 was 21% (2018: 22%). A tax credit of £18.5 million was recorded in relation to adjusting items in 2019 (2018: £8.9 million). During 2019 the following was recognised in equity relating to share-based payments.

(£ million)	2019	2018
Current tax credit	**0.5**	-
Deferred tax (charge)/credit	**(0.2)**	0.4
Total credit recognised in equity	**0.3**	0.4

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

(£ million)	2019 Adjusted profit / tax	2019 Loss on Adjusting items / tax	2019 Total profit / tax from continuing operations	Restated* 2018 Adjusted profit / tax	Restated* 2018 Loss on Adjusting items / tax	Restated* 2018 Total profit / tax from continuing operations
Profit before tax	**96.4**	**(86.2)**	**10.2**	79.7	(50.8)	28.9
Expected tax charge/(credit) at the UK standard rate of 19.0%	**18.3**	**(16.4)**	**1.9**	15.1	(9.7)	5.4
Principal differences due to:						
Impact of higher overseas tax rates	**3.4**	**(3.2)**	**0.2**	3.3	(1.6)	1.7
Trading losses not recognised for deferred tax purposes	**5.3**	**–**	**5.3**	1.1	–	1.1
Recognition of previously unrecognised trading losses	**-**	**–**	**-**	(1.5)	–	(1.5)
Non-deductible legal, professional and M&A costs	**–**	**0.4**	**0.4**	0.8	1.4	2.2
Non-deductible share-based payments expense	**–**	**0.7**	**0.7**	–	0.4	0.4
Non-taxable/deductible exchange (gains)/losses	**(2.7)**	**–**	**(2.7)**	0.6	–	0.6
Adjustments in respect of prior years	**(3.7)**	**–**	**(3.7)**	(1.6)	0.6	(1.0)
Total tax charge/(credit) for the year	**20.6**	**(18.5)**	**2.1**	17.8	(8.9)	8.9
Effective tax rate	**21%**	**21%**	**21%**	22%	18%	31%

* Restated for initial application of IFRS 16 (see Note 27).

The Group's effective tax rate is higher than the UK's statutory tax rate mainly due to its mix of profits coming from the US.

The Group is subject to many different forms of taxation including, but not limited to, income and corporation tax, withholding tax and value added and sales taxes. The Group has operations in 15 countries and multiple states in the US and sells its products and services into more than 100 countries. Furthermore, the Group renders and receives cross-border supplies and services in respect of affiliated entities which exposes the Group to tax risk due to transfer pricing rules that apply in many jurisdictions.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

10. Earnings per share

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

	2019			2018		
	Adjusted results	Adjusting items	Total	Adjusted results	Adjusting items	Total
Profit attributable to equity shareholders of the parent (£ million)						
Profit for the year – continuing operations	75.6	(67.7)	7.9	61.9	(41.9)	20.0
Profit for the year – discontinued operations	–	–	–	15.5	173.7	189.2
Profit for the year	75.6	(67.7)	7.9	77.4	131.8	209.2
Share number (million)						
Basic weighted average number of shares	401.4	401.4	401.4	400.3	400.3	400.3
Dilutive potential ordinary shares	6.2	6.2	6.2	5.2	5.2	5.2
Diluted weighted average number of shares	407.6	407.6	407.6	405.5	405.5	405.5
Earnings per share (pence)						
Basic earnings per share	18.8	(16.8)	2.0	15.5	(10.5)	5.0
Diluted earnings per share	18.5	(16.6)	1.9	15.3	(10.5)	4.8
Discontinued operations						
Basic earnings per share	–	–	–	3.8	43.4	47.2
Diluted earnings per share	–	–	–	3.8	42.8	46.6
Continuing and discontinued operations						
Basic earnings per share	18.8	(16.8)	2.0	19.3	32.9	52.2
Diluted earnings per share	18.5	(16.6)	1.9	19.1	32.3	51.4

11. Business combinations

Shenzhen Yimian Network Technology Co., Ltd

In December 2019, the Group acquired 100% of Shenzhen Yimian Network Technology Co., Ltd ("Yimian"), a limited liability company established under the laws of the People's Republic of China. The Group paid cash consideration of £19.5 million upfront and consolidated £0.8 million of cash on acquisition, resulting in a net £18.7 million cash outflow on acquisition. There is a four-year revenue linked earn-out estimated to total £8.6 million based on the Board approved acquisition case. Maximum total consideration is capped at £70 million. Half of the earn-out is effectively linked to the ongoing employment of the founders and therefore recognised over the life of the earn-out.

The acquisition-related employment cost is being accrued over the period in which the related services are being received, recorded as exceptional costs. To determine the estimated contingent consideration and the acquisition-related employment cost figures, the Directors are required to make an estimate regarding the future results. Any subsequent revaluations to contingent consideration as a result of changes in such estimations are recognised in the consolidated income statement and disclosed in Note 20.

CTIC WGSN China Limited

On 1 September 2019, the shareholding in CTIC WGSN China Limited ("CTIC") increased from 49% to 51% and the Group gained a majority of voting rights at the Board of directors. The existing shareholding was revalued to fair value resulting in step acquisition gain of £0.8 million and then de-recognised. The Group consolidated the 51% controlling interest on 1 September 2019 and recognised a 49% non-controlling interest.

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

(£ million)	Sales segment**	Product Design segment**	Other*	Total
Customer relationships	2.8	-	-	2.8
Technology	2.2	-	-	2.2
Deferred tax liability	(1.3)	-	-	(1.3)
Property, plant and equipment	0.3	-	-	0.3
Other investments	1.7	-	-	1.7
Trade and other receivables	1.8	4.5	0.2	6.5
Cash	0.8	2.4	0.1	3.3
Trade and other payables	(1.6)	(1.7)	1.3	(2.0)
Deferred income	-	(3.7)	-	(3.7)
Total identifiable net assets at fair value	**6.7**	**1.5**	**1.6**	**9.8**
Initial cash consideration	19.5	-	0.6	20.1
Contingent consideration payable in 2020 - 2023	3.3	-	-	3.3
Fair value of previously held equity interest	-	1.6	-	1.6
Non-controlling interest	-	0.8	-	0.8
Total consideration	**22.8**	**2.4**	**0.6**	**25.8**
Goodwill on acquisition	**16.1**	**0.9**	**(1.0)**	**16.0**
Acquisition of businesses (net of cash acquired)	**18.7**	**(2.4)**	**0.5**	**16.8**

* Other includes working capital settlements in relation to prior year acquisitions, an acquisition within the Built Environment and Policy segment and the finalisation of the provisional fair values presented in the 2018 Annual Report in relation to Peloton Holdings LLC ("Flywheel Digital"). All other fair values in relation to Flywheel Digital remain unchanged.

**The fair values provided for Yimian and CTIC are provisional figures, being the best estimates currently available due to the proximity of the acquisition dates to year end.

Of the £16.0 million (2018: £72.5 million) of goodwill acquired during the period, no goodwill (2018: £39.4 million) is expected to be deductible for tax purposes.

The goodwill of £16.0 million arising on acquisitions is attributable to workforce in place and know-how within the business.

From the date of acquisition, the businesses acquired contributed £2.0 million (2018: £14.6 million) revenue and £1.0 million (2018: £4.3 million) EBITDA. If the acquisitions had taken place at the beginning of the year, the business would have contributed £8.3 million (2018: £42.3 million) revenue and £2.1 million (2018: £11.0 million) EBITDA.

The details of the prior year acquisitions are set out in the 2018 Annual Report.

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For the year ended 31 December 2019

12. Intangible assets and goodwill

		Other Acquired Intangibles					
(£ million)	Goodwill	Brands	Customer relationships	Content	Technology	Software	Total
Cost							
At 1 January 2018	778.5	290.6	158.8	51.5	30.8	62.0	1,372.2
Additions	-	-	-	-	-	14.3	14.3
Acquisitions of businesses	72.5	8.2	44.9	14.6	9.3	0.2	149.7
Disposals	-	-	-	-	-	(2.9)	(2.9)
Disposals of businesses	(117.7)	(131.4)	(75.1)	(5.6)	-	(2.1)	(331.9)
Transfers	-	-	-	-	-	2.4	2.4
Effect of movements in exchange rates	10.8	2.3	3.4	0.3	0.7	0.4	17.9
At 1 January 2019	744.1	169.7	132.0	60.8	40.8	74.3	1,221.7
Additions	**-**	**-**	**-**	**-**	**-**	**12.7**	**12.7**
Acquisitions of businesses	**16.0**	**-**	**2.8**	**-**	**2.2**	**-**	**21.0**
Disposals	**-**	**-**	**-**	**-**	**-**	**(18.9)**	**(18.9)**
Effect of movements in exchange rates	**(8.2)**	**(2.1)**	**(3.2)**	**(0.9)**	**(0.8)**	**(1.2)**	**(16.4)**
At 31 December 2019	**751.9**	**167.6**	**131.6**	**59.9**	**42.2**	**66.9**	**1,220.1**
Accumulated amortisation & impairment							
At 1 January 2018	(289.4)	(112.2)	(89.9)	(42.7)	(17.3)	(49.0)	(600.5)
Disposals	-	-	-	-	-	2.8	2.8
Disposals of businesses	50.4	82.3	67.4	3.2	-	2.1	205.4
Amortisation	-	(14.0)	(11.0)	(5.5)	(3.2)	(7.6)	(41.3)
Transfers	-	-	-	-	-	(1.0)	(1.0)
Effect of movements in exchange rates	-	(0.2)	(0.4)	(0.2)	(0.1)	(0.2)	(1.1)
At 1 January 2019	(239.0)	(44.1)	(33.9)	(45.2)	(20.6)	(52.9)	(435.7)
Disposals	**-**	**-**	**-**	**-**	**-**	**20.2**	**20.2**
Amortisation	**-**	**(14.9)**	**(11.0)**	**(5.7)**	**(4.2)**	**(11.6)**	**(47.4)**
Effect of movements in exchange rates	**-**	**0.9**	**0.7**	**0.9**	**0.4**	**0.6**	**3.5**
At 31 December 2019	**(239.0)**	**(58.1)**	**(44.2)**	**(50.0)**	**(24.4)**	**(43.7)**	**(459.4)**
Net book value							
At 31 December 2019	**512.9**	**109.5**	**87.4**	**9.9**	**17.8**	**23.2**	**760.7**
At 31 December 2018	**505.1**	**125.6**	**98.1**	**15.6**	**20.2**	**21.4**	**786.0**

Included within software intangible assets at 31 December 2019 is £10.9 million (2018: £7.9 million) of assets under construction which were not being amortised at 31 December 2019.

Goodwill

The Group's CGUs have been assessed based on largely independently managed cash flows. The intangibles of each CGUs are assessed individually for impairment each year and more frequently if there are indicators of impairment. No impairment charge has arisen in 2019 (2018: none).

The below table sets out the CGUs year on year and how they align to reportable segments:

2018 CGU	2019 CGU	2019 Reportable segment
Product Design	**Product Design**	Product Design
Built Environment & Policy	**Built Environment & Policy**	Built Environment & Policy
Retail Week & RWC	**Retail Week & RWC**	Sales*
Edge	**Edge**	
-	**Yimian**	
Flywheel Digital	**Flywheel Digital**	
Money20/20	**Money20/20**	
Lions	**Lions**	Marketing
Warc	**Warc**	
MediaLink	**MediaLink**	

* The intangibles of the Edge, Yimian and Flywheel CGUs have been assessed for impairment at both the individual CGU level and the aggregated Digital Commerce level, being aligned to management's revised approach in 2019 to monitoring these businesses at the aggregated Digital Commerce level for internal management purposes.

When testing for impairment, recoverable amounts for all of the Group's CGUs are measured at their value-in-use by discounting the future expected cash flows from the assets in the CGUs. These calculations use cash flow projections based on Board-approved budgets and approved plans. Fair value less costs of disposal ("FVLCD") is also considered as an alternative measure of recoverable amount based on revenue or EBITDA multiples compared to recent market transactions. This is a level 3 measurement, based on inputs which are normally unobservable to market participants. Costs of disposal have been assumed to be 10% of expected disposal proceeds. The key assumptions and estimates used for value-in-use calculations are as follows:

Future expected cash flows

Cash flows are typically forecast for periods of up to five years, however in 2019, we used an eight-year period for Edge where we expect that the long-term growth rate will be achieved after this time. This reflects the nascent state of the eCommerce analytics market which is expected to enjoy double digit growth in the short- to mid-term and our prior experience of similar integrations.

Cash flow forecasts are derived from the most recent Board approved plans, which have been prepared after considering the current economic environment in each of our markets. Cash flows beyond the plan period are extrapolated using a long-term growth rate of 3% for Edge, Flywheel and Yimian CGUs (Digital Commerce) and 2.5% across remaining CGUs (2018: 2%) in calculating the terminal value. This is in line with the IMF World Economic Outlook published in October 2019, which represents the long-term rates of inflation expected in the economies in which we operate and the Company's best estimate of cash flow growth beyond the relevant plan period. The estimates of future cash flows are consistent with experience adjusted for the Group's estimate of future performance.

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WACC

The other inputs include a pre-tax discount rate, calculated by reference to the weighted average cost of capital ("WACC") of each CGU, adjusted to reflect the market and other systemic risks specific to each CGU and the territories in which they operate. Year on year movements in the pre-tax discount rates for CGUs are largely reductions, driven by changes in market-based inputs and the company specific risk, which is assessed based on economic outlooks.

The discount rates applied to the risk-adjusted cash flow forecasts, are set out below.

	2019			2018		
CGU	Pre-tax discount rate%	Goodwill	Other Acquired Intangibles	Pre-tax discount rate%	Goodwill	Other Acquired Intangibles
Product Design	**9.5**	**152.8**	**2.8**	10.7	153.6	4.2
Marketing						
Lions	**9.9**	**81.1**	**64.0**	10.9	81.1	67.5
WARC	**10.2**	**10.6**	**16.5**	12.1	10.6	19.7
MediaLink	**12.5**	**33.4**	**19.8**	14.1	34.6	23.5
Sales						
Edge	**11.0**	**118.4**	**69.6**	12.4	120.9	86.6
Yimian	**n/a**	**16.1**	**5.0**	-	-	-
Flywheel Digital	**11.7**	**36.6**	**31.3**	14.7	39.4	37.8
Money20/20	**10.9**	**36.3**	**9.5**	11.3	37.4	13.6
Retail Week & WRC	**6.4**	**4.0**	**5.4**	11.0	4.0	5.7
Built Environment & Policy	**9.9**	**23.6**	**0.7**	9.9	23.5	0.9
Total		**512.9**	**224.6**		505.1	259.5

Sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the discount rate and long-term growth rates used. The Group has performed sensitivity analyses across all CGUs which have goodwill and acquired intangible assets, using reasonably possible changes in the already conservative long-term growth rates and pre-tax discount rates arising from reasonably possible trading and economic scenarios. The sensitivity analysis showed that no impairment charges would result in any of the CGUs from these scenarios.

The Group has considered the Edge CGU further, as these cash flow forecasts have been constructed over eight years. The carrying value of Goodwill and Other Acquired Intangibles in the Edge CGU was £188.0m and, based upon our value in use assessment, the headroom is over 40%. This headroom is based upon our projections relating to the prospects of the business and the market it operates in. In addition to assumptions around the discount rate (where we have used a pre-tax rate of 11.0%), and the long-term terminal growth rate of 3%, we have also assumed the business will capture a significant portion of the double digit growth the eCommerce analytics market is expected to enjoy in the short- to mid-term. This remains consistent with our assessment at the time we bought the businesses that now make up Edge. We have used 8 year cash flows (which are generated through our Board approved plans), rather than 5 years for other CGUs. This is to reflect the nascent nature of the eCommerce analytics market and our prior experience of similar integrations. The Board does not consider that there is a reasonably possible scenario that gives rise to a material impairment. Our view of expected revenue growth rates over the next 8 years would need to fall by 16% (all other things being equal) in order for breakeven to occur. Currently, there are no internal or market indicators that suggest that this will be the case. In accordance with accounting standards, we have also considered fair value less costs of disposal, which – based on our assessment of current transaction prices – would again be comfortably above the carrying value of the business.

13. Property, plant and equipment

(£ million)	Short leasehold property	Office equipment	Total
Cost			
At 1 January 2018	16.2	11.5	27.7
Additions	1.8	2.1	3.9
Acquisitions of businesses	0.9	0.7	1.6
Disposals	(0.8)	(0.3)	(1.1)
Disposal of businesses	(6.3)	(1.4)	(7.7)
Transfers	(1.9)	1.4	(0.5)
Effect of movements in exchange rates	0.3	0.2	0.5
At 1 January 2019	**10.2**	**14.2**	**24.4**
Additions	**2.4**	**2.8**	**5.2**
Acquisitions of businesses	**–**	**0.2**	**0.2**
Disposals	**(1.3)**	**(3.8)**	**(5.1)**
Effect of movements in exchange rates	**(0.1)**	**(0.3)**	**(0.4)**
At 31 December 2019	**11.2**	**13.1**	**24.3**
Depreciation			
At 1 January 2018	(7.9)	(8.5)	(16.4)
Depreciation	(1.6)	(1.9)	(3.5)
Disposals	0.6	0.2	0.8
Disposal of businesses	3.7	1.1	4.8
Transfers	0.1	(0.9)	(0.8)
Effect of movements in exchange rates	–	(0.1)	(0.1)
At 1 January 2019	**(5.1)**	**(10.1)**	**(15.2)**
Depreciation	**(1.5)**	**(2.3)**	**(3.8)**
Disposals	**(0.4)**	**3.1**	**2.7**
Effect of movements in exchange rates	**0.1**	**0.3**	**0.4**
At 31 December 2019	**(6.9)**	**(9.0)**	**(15.9)**
Net book value			
At 31 December 2019	**4.3**	**4.1**	**8.4**
At 31 December 2018	5.1	4.1	9.2

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14. Investments

(£ million)	2019	2018
At 1 January	**6.1**	5.1
Acquisition of investments cash flow	**64.5**	0.7
Remeasurement of trade investments to fair value	**1.6**	–
Share of the profit of associates and joint ventures accounted for using the equity method	**0.6**	0.6
Transaction costs capitalised	**1.8**	–
Dividends received from joint ventures	**(0.5)**	–
Disposal of investments	**(1.6)**	(0.2)
Write-off	**–**	(0.1)
Effect of movements in exchange rates	**(4.9)**	–
At 31 December	**67.6**	6.1

Investments as at 31 December 2019 are made up as follows:

(£ million)	2019	2018
Trade investments measured at fair value through profit or loss	**12.3**	0.8
Associates and joint ventures accounted for using the equity method	**53.3**	0.9
Convertible loan*	**2.0**	4.4
At 31 December	**67.6**	6.1

* The option to convert the loan issued to Huajia Shanghai to equity in Coloro Co. Ltd was exercised in part in the second half of 2019. The remaining balance of the loan is expected to be exercised in the first half of 2020.

On 30 August 2019, the Group acquired an initial 35% ownership interest in Jumpshot Inc, the marketing analytics subsidiary of Avast plc, a leading global cybersecurity provider. Subject to certain conditions, and no sooner than January 2021, the Group also has an option to take a majority ownership position in Jumpshot. At 31 December 2019 the options for majority ownership remain executory contracts. On 30 January 2020, we agreed to sell back our 35% ownership interest in Jumpshot to the majority owner, Avast plc for cash consideration equivalent to the cost of investment as disclosed in Note 30.

On 1 September 2019, the Group increased its shareholding from 49% to 51% in CTIC WGSN China Limited and gained a majority voting rights at the Board of directors. The joint venture interest was revalued to fair value resulting in step acquisition gain of £0.8m and then de-recognised. The Group consolidated the 51% controlling interest on 1 September 2019 and recognised a 49% non-controlling interest. A £0.5 million dividend from CTIC WGSN China Limited was declared prior to acquisition and received shortly thereafter.

The following table summarises the financial information of the Group's associate.

(£ million)	Jumpshot Inc
Nature of investment	Associate
Acquisition date	31 August 2019
Country of incorporation	USA
Percentage ownership interest	35.2%
Non-current assets	7.2
Current assets	14.6
Non-current liabilities	(13.9)
Current liabilities	(0.3)
Net assets (100%)	**7.6**
Group's share of net assets	2.7
Goodwill and acquired intangible assets	48.6
Carrying amount of interest in investment	**51.3**
Revenue	10.6
Depreciation and amortisation	(0.3)
Interest expense	–
Income tax expense	–
Profit and total comprehensive income (100%)	(1.4)
Group's share of loss and total comprehensive loss	**(0.5)**
Dividends received by the Group	**–**

15. Deferred tax assets and liabilities

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

(£ million)	2019	Restated* 2018
Deferred tax assets	**42.7**	43.1
Deferred tax liabilities	**(22.9)**	(24.8)
Total	**19.8**	18.3

* Restated for initial application of IFRS 16 (see Note 27).

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

(£ million)	Non-deductible intangible assets	US deductible intangible assets	Share-based payments	Property, plant and equipment	Tax losses	Other	Total
At 1 January 2018*	(31.3)	13.6	0.9	9.0	23.5	0.1	15.8
Adjustment on initial application of IFRS 16	–	–	–	–	–	0.3	0.3
Credit/(charge) to the consolidated income statement for the year	3.6	(2.8)	0.8	(0.9)	(1.6)	–	(0.9)
Credit to equity	–	–	0.4	–	–	–	0.4
Adjustments in respect of prior years	(0.6)	–	0.1	(0.2)	(1.3)	1.0	(1.0)
Acquisitions	(6.8)	–	–	–	–	–	(6.8)
Disposals	10.1	–	(0.1)	(0.7)	–	–	9.3
Foreign exchange movements	0.2	0.2	–	–	0.8	–	1.2
At 1 January 2019	(24.8)	11.0	2.1	7.2	21.4	1.4	18.3
Credit/(charge) to the consolidated income statement for the year	**3.0**	**6.6**	**0.5**	**(0.6)**	**(7.0)**	**0.7**	**3.2**
Credit to equity	**–**	**–**	**(0.2)**	**–**	**–**	**(0.3)**	**(0.5)**
Adjustments in respect of prior years	**–**	**–**	**–**	**(0.1)**	**0.4**	**0.8**	**1.1**
Acquisitions	**(1.2)**	**–**	**–**	**–**	**–**	**–**	**(1.2)**
Foreign exchange movements	**0.1**	**(0.3)**	**(0.1)**	**-**	**(0.5)**	**(0.3)**	**(1.1)**
At 31 December 2019	**(22.9)**	**17.3**	**2.3**	**6.5**	**14.3**	**2.3**	**19.8**

* Restated for initial application of IFRS 16 (see Note 27).

The above deferred tax balances are expected to reverse:

(£ million)	Non-deductible intangible assets	US deductible intangible assets	Share-based payments	Property, plant and equipment	Tax losses	Other	Total
Within 12 months	(3.1)	4.9	(0.2)	1.0	4.5	0.1	7.2
After 12 months	(19.8)	12.4	2.5	5.5	9.8	2.2	12.6
Total	**(22.9)**	**17.3**	**2.3**	**6.5**	**14.3**	**2.3**	**19.8**

In presenting its deferred tax balances, the Group does not offset assets and liabilities as the Group has no legally enforceable right to set off the arising current tax liabilities and assets when those deferred tax balances reverse. No deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries and joint ventures as, where tax would arise on the realisation of those temporary differences, the Group is in a position to control the timing of their reversal and it is probably that such differences will not reverse in the foreseeable future.

Following the UK General Election in December 2019, the UK Prime Minister announced his intention to reverse the enacted reduction in UK corporation tax rates. This would have seen the rate fall from 19% to 17% from 1 April 2020. The proposed changes had not been enacted by the balance sheet date and therefore our deferred tax balances remain valued at those rates currently enacted (i.e. at 17% for UK items scheduled to unwind after 1 April 2020). If this proposal becomes law, this would result in a deferred tax charge to P&L of £0.5 million, comprising an increase in the value of the deferred tax liability on consolidated intangibles of £2.1 million offset by a reduction in the value of deferred tax assets of £1.6 million.

Non-deductible intangibles represent the value of the deferred tax liability which arises on the fair value of acquired intangibles which are not deductible for tax purposes. The liability is valued at the tax rate applicable to the jurisdiction where the intangibles are located.

US deductible intangible assets represent the value of deferred tax assets on US tax deductible intangibles and deferred consideration. These deferred tax assets are recognised at a US Federal and State tax rate averaging 26%.

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

At 31 December 2019, the Group has the following tax losses:

(£ million)	Recognised 2019	Recognised 2018	Unrecognised 2019	Unrecognised 2018	Total 2019	Total 2018
US net operating losses	**49.9**	71.3	**102.5**	127.0	**152.4**	198.3
UK non-trading losses	**22.7**	36.3	**–**	–	**22.7**	36.3
Irish trading losses	**–**	–	**44.5**	18.3	**44.5**	18.3
UK capital losses	**–**	–	**114.9**	114.9	**114.9**	114.9
Other Rest of World losses	**-**	–	**6.2**	3.9	**6.2**	3.9
Total	**72.6**	107.6	**268.1**	264.1	**340.7**	371.7

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

(£ million)	Recognised 2019	Recognised 2018	Unrecognised 2019	Unrecognised 2018	Total 2019	Total 2018
US net operating losses	**10.5**	15.0	**25.6**	26.7	**36.1**	41.7
UK non-trading losses	**3.7**	6.4	**–**	–	**3.7**	6.4
Irish trading losses	**–**	–	**5.6**	2.3	**5.6**	2.3
UK capital losses	**–**	–	**19.5**	19.5	**19.5**	19.5
Other Rest of World losses	**-**	–	**–**	1.1	**-**	1.1
Total	**14.2**	21.4	**50.7**	49.6	**64.9**	71.0

The Group has tax losses in the US totalling £152.4 million (2018: £198.3 million). The movement from prior year arises as a result of expiry of losses which can be carried forward for only 20 years. It has been agreed with the US tax authorities that these losses are available to offset against taxable profits subject to a restriction following the change of ownership that was deemed to have occurred upon listing of Ascential plc in 2016. In line with the US tax rules, the restriction of losses is, to a large extent, based on the valuation of the US tax group at the change of control date and this will be agreed with the US tax authorities in due course. In prior years, our forecasting of the future available losses, and so value of the associated deferred tax asset, had been driven by this limitation and so the valuation was a key source of estimation. Following additional earnout payments in the US, and a change to mix of profits, this is no longer the case. Our ability to utilise losses in future years is primarily driven by the level of taxable profits arising in the US as the increased earnout payments give rise to tax deductions which displace the loss utilisation. As a result, we have revised downwards our estimate of future utilised losses which accounts for £2.6 million of the current year adjustment to the deferred tax asset in respect of losses.

16. Inventories

(£ million)	2019	2018
Deferred event costs	**2.1**	1.9
Physical stock	**2.0**	2.0
Total	**4.1**	3.9

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17. Trade and other receivables

(£ million)	2019	Restated* 2018
Current		
Trade receivables, net of the allowance for doubtful debts	**74.3**	64.2
Other receivables	**50.0**	29.2
Prepayments	**12.4**	12.4
Accrued income	**4.7**	7.4
Total	**141.4**	113.2

* Restated for initial application of IFRS 16 (see Note 27).

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

Trade receivables are non-interest bearing and are generally on 30 day terms and are shown net of an allowance for doubtful debts. As at 31 December 2019, the allowance for doubtful debts was £5.0 million (2018: £3.5 million). Movements in the allowance for doubtful debts were as follows:

(£ million)	2019	2018
At 1 January	**3.5**	3.7
Provided in the year	**5.1**	2.8
Utilised in the year	**(3.6)**	(1.9)
Disposal of businesses	**-**	(1.1)
Effect of movements in exchange rates	**(0.1)**	-
At 31 December	**5.0**	3.5

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

2019 (£ million)	Loss rate	Gross carrying amount	Loss allowance	Credit note allowance	Net trade receivables
Current (not past due)	**0.2%**	**53.6**	**(0.1)**	**(0.2)**	**53.3**
1 – 30 days past due	**0.9%**	**12.2**	**(0.1)**	**–**	**12.1**
31 – 90 days overdue	**10.3%**	**6.2**	**(0.6)**	**–**	**5.6**
More than 90 days past due	**55.8%**	**7.5**	**(4.2)**	**–**	**3.3**
At 31 December		**79.5**	**(5.0)**	**(0.2)**	**74.3**

2018 (£ million)	Loss rate	Gross carrying amount	Loss allowance	Credit note allowance	Net trade receivables
Current (not past due)	0.2%	44.1	(0.1)	–	44.0
1 – 30 days past due	1.5%	12.1	(0.2)	(0.6)	11.3
31 – 90 days overdue	11.5%	6.1	(0.7)	–	5.4
More than 90 days past due	41.7%	6.0	(2.5)	–	3.5
At 31 December		68.3	(3.5)	(0.6)	64.2

Loss rates are calculated based on actual credit losses over the past three years and adjusted to reflect differences between the historical credit losses and the Group's view of the economic conditions over the expected lives of the receivables. In addition to the loss allowance, there is a credit note allowance of £0.2 million (2018: £0.6 million) in the net trade receivables balance.

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

(£ million)	2019	2018
United Kingdom	17.6	17.3
Other Europe	12.3	10.9
United States and Canada	31.7	25.7
Asia Pacific	6.8	6.0
Middle East and Africa	2.5	1.1
Latin America	3.4	3.2
Total	74.3	64.2

18. Cash and cash equivalents

Cash and cash equivalents at 31 December 2019 of £111.7 million (2018: £182.0 million) relate to bank balances, including short-term deposits with an original maturity date of less than three months and cash in transit.

19. Trade and other payables

(£ million)	Note	2019	Restated* 2018
Current			
Trade payables		10.6	10.3
Other payables		42.8	30.4
Accruals		24.2	32.2
Interest accruals		0.4	0.4
Taxes and social security costs		7.7	4.8
Total		85.7	78.1

* Restated for initial application of IFRS 16 (see Note 27).

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20. Deferred and contingent consideration

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

(£ million)	Note	Total	Level 3
At 1 January 2018		97.9	59.4
Additions		43.4	33.8
Acquisition-related employment costs accrued in the year	5	13.3	–
Revaluation of contingent consideration recognised in the continuing consolidated income statement	5	(5.2)	(5.2)
Revaluation of contingent consideration recognised in the discontinued consolidated income statement		0.3	0.3
Discount unwind on contingent and deferred consideration	8	3.6	3.6
Acquisition-related employment cash paid in year		(21.0)	–
Deferred and contingent consideration cash paid in the year		(37.7)	(33.4)
Effect of movements in exchange rates		2.3	1.4
Disposal of business		(0.2)	(0.2)
At 1 January 2019		96.7	59.7
Additions	11	**3.3**	**3.3**
Acquisition-related employment costs accrued in the year	5	**20.1**	**–**
Revaluation of contingent consideration recognised in the consolidated income statement	5	**13.0**	**12.8**
Discount unwind on contingent and deferred consideration	8	**5.5**	**5.5**
Acquisition-related employment cash paid in year		**(11.5)**	**–**
Deferred and contingent consideration cash paid in the year		**(20.3)**	**(10.6)**
Effect of movements in exchange rates		**(3.6)**	**(2.3)**
At 31 December 2019		**103.2**	**68.4**

(£ million)	**2019**	2018
Current	**63.1**	32.3
Non-current	**40.1**	64.4
Total	**103.2**	96.7

The total deferred and contingent consideration balance of £103.2 million (2018: £96.7 million) includes £68.4 million (2018: £59.7 million) which is categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs used in the fair value measurements are the determined weighted average cost of capital and the forecast future profits, billings or revenue of the acquired businesses. The Group plan used to forecast future profits is approved by the Board and assessed against market consensus on a regular basis. For details of deferred and contingent consideration on current and comparative year acquisitions refer to Note 20.

The Directors consider that the carrying amount of deferred and contingent consideration of £103.2 million (2018: £96.7 million) approximate their fair value.

21. Borrowings

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

(£ million)	**2019**	2018
Non-current		
One to two years	**282.6**	291.8
Total borrowings	**282.6**	291.8

Borrowings are shown net of unamortised issue costs of £1.2 million (2018: £2.3 million). The carrying amounts of borrowings approximate their fair value. The Group's borrowings at 31 December 2019 were £66.0 million, $96.0 million and €171.0 million.

Reconciliation of movement in net debt

(£ million)	Cash	Cash in transit	Short-term deposits	Interest rate cap	Borrowings	Net debt*
At 1 January 2018	26.7	2.4	16.7	0.1	(317.4)	(271.5)
Exchange differences	(0.4)	–	(0.2)	–	(6.9)	(7.5)
External debt drawdown	–	–	–	–	66.0	66.0
External debt repayment	–	–	–	–	(32.4)	(32.4)
Non-cash movements	–	–	–	(0.1)	(1.1)	(1.2)
Net cash movement	23.1	4.8	108.9	–	–	136.8
At 1 January 2019	49.4	7.2	125.4	–	(291.8)	(109.8)
Exchange differences	**1.7**	**–**	**0.1**	**–**	**10.4**	**12.2**
Non-cash movements	**–**	**–**	**–**	**0.3**	**(1.2)**	**(0.9)**
Net cash movement	**27.9**	**(6.0)**	**(94.0)**	**–**	**–**	**(72.1)**
At 31 December 2019	**79.0**	**1.2**	**31.5**	**0.3**	**(282.6)**	**(170.6)**

* Refer to the Glossary of Alternative Performance Measures for the definition of Net Debt.

22. Provisions

(£ million)	Property provisions	Other	Total provisions
At 1 January 2018	1.3	4.5	5.8
Acquisitions in the year	0.4	–	0.4
Disposal of subsidiaries in the year	(0.5)	–	(0.5)
Provided in the year	0.5	1.2	1.7
Released in the year	–	(0.2)	(0.2)
Utilised in the year	–	(1.2)	(1.2)
Effect of movements in exchange rates	–	–	–
At 1 January 2019	1.7	4.3	6.0
Acquisitions in the year	**–**	**–**	**–**
Provided in the year	**–**	**0.5**	**0.5**
Released in the year	**(0.3)**	**(1.7)**	**(2.0)**
Utilised in the year	**–**	**(1.1)**	**(1.1)**
Discounting of provisions	**0.1**	**–**	**0.1**
Effect of movements in exchange rates	**–**	**(0.1)**	**(0.1)**
At 31 December 2019	**1.5**	**1.9**	**3.4**

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

2019 (£ million)	Property provisions	Other	Total provisions
Current	**–**	**1.0**	**1.0**
Non-current	**1.5**	**0.9**	**2.4**
Total	**1.5**	**1.9**	**3.4**

2018 (£ million)	Property provisions	Other	Total provisions
Current	–	2.8	2.8
Non-current	1.7	1.5	3.2
Total	1.7	4.3	6.0

The property provisions relate to dilapidation costs on properties in the United Kingdom. The weighted average maturity of these obligations is approximately five years. Other provisions relate to onerous contracts and warranty costs relating to businesses disposed of. The average weighted maturity of these obligations is approximately one year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

23. Share capital and reserves

Share capital

(£ million)	2019	2018
403,274,977 ordinary shares of £0.01 each (2018: 400,818,595)	4.0	4.0
Total	**4.0**	4.0

During the year 1,876,652 (2018: 5,451) and 579,730 (2018: 193,446) ordinary £0.01 shares were issued to employees under the PSP and Sharesave schemes respectively.

Treasury share reserve

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

	2019		2018	
	Number of shares	Cost £m	Number of shares	Cost £m
At 1 January	393,893	0.1	448,744	0.1
New shares purchased	873	–	1,996	–
Vesting of free shares	(26,132)	–	(56,847)	–
At 31 December	**368,634**	**0.1**	393,893	0.1

The market value of these shares as at 31 December 2019 was £1.4 million (2018: £1.5 million). The cost of these shares as at 31 December 2019 was £nil (2018: £nil).

Shares awarded under the PSP are held by another Employee Benefit Trust ("EBT") on behalf of employees for a holding period of three years. Movement in own shares held by this EBT:

	2019	2018
At 1 January	-	-
New shares purchased	1,876,652	-
Vesting of free shares	(1,175,566)	-
At 31 December	**701,086**	-

The market value of these shares as at 31 December 2019 was £2.8 million (2018: £nil). The cost of these shares as at 31 December 2019 was £nil (2018: £nil).

24. Dividends

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

	2019		2018	
	£ million	Pence per share	£ million	Pence per share
Amounts recognised as distributions to equity shareholders				
Final dividend for the year-ended 31 December 2017	–	–	15.2	3.8
Interim dividend for the year-ended 31 December 2018	–	–	7.6	1.9
Final dividend for the year ended 31 December 2018	15.7	3.9	–	–
Interim dividend for the year ended 31 December 2019	7.2	1.8	–	–
Dividend paid	**22.9**	**5.7**	22.8	5.7

After the reporting date, the Board recommended, subject to shareholder approval, a final dividend of 4.0 pence per ordinary share from distributable reserves. The final dividend is not included in the consolidated statement of financial position as a liability at 31 December 2019.

25. Subsidiary and related undertakings

Full details of the subsidiaries, associates and joint ventures of Ascential plc at 31 December 2019 are set out in Note 6 to the parent financial statements.

26. Related party transactions

The aggregate value of transactions and outstanding balances with related party entities are as follows:

(£ million)	Transaction value		Balance outstanding at 31 December	
	2019	2018	**2019**	2018
Asian Advertising Festival (Spikes Asia) Pte Limited				
Dividends received	**0.5**	0.4	**–**	–
Recharges costs	**0.1**	0.1	**–**	–
Profit share	**0.1**	0.2	**0.1**	0.2
Motivate Publishing FZ LLC				
Profit share	**0.1**	0.1	**0.1**	0.1
Huajia Textile Product Development (Shanghai) Co Ltd				
Convertible loan*	**(2.1)**	–	**2.0**	4.4
CTIC WGSN China Limited				
Dividends received	**0.5**	–	**–**	–
Profit share	**0.4**	0.6	**–**	0.9
Shanghai Coloro Technology Co. Limited				
Share of losses	**(0.2)**	–	**-**	–
Jumpshot Inc				
Share of losses	**(0.5)**	–	**-**	–
Licencing revenue	**0.8**	–	**–**	–
Purchases of data	**(0.2)**	–	**–**	–

*The option to convert the loan into equity in a new associated company was exercised in part in the second half of 2019. The balance outstanding shown is the remaining balance outstanding on the loan.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

27. Leases

The results for the year ending 31 December 2018 have been restated for the initial application of IFRS 16. The impact on the continuing consolidated financial statements is shown below. Discontinued operations have not been restated for the impact of IFRS 16.

(£ million)	2019	2018
Consolidated statement of financial position		
Non-current assets		
Right of use assets	**21.6**	23.3
Deferred tax assets	**0.3**	0.3
Investment property	**2.1**	2.7
Current assets		
Trade and other receivables	**(0.9)**	(1.2)
Current liabilities		
Trade and other payables	**2.3**	3.0
Lease liabilities	**(9.4)**	(9.0)
Non-current liabilities		
Lease liabilities	**(17.4)**	(20.4)
Net liabilities and adjustment to retained earnings on initial application of IFRS 16	**(1.4)**	(1.3)

(£ million)	2019	2018
Operating profit	**8.5**	6.6
Depreciation	**(7.3)**	(5.4)
Finance costs	**(1.3)**	(1.2)
Loss for the year	**(0.1)**	–
Cash generated from operations	**9.0**	7.7
Cash flow from financing activities	**(9.0)**	(7.7)
Net change in cash and cash equivalents	**–**	–

Leases as lessee

The Group leases commercial office space and photocopiers. Previously, these leases were classified as operating leases under IAS 17. Information about leases for which the Group is a lessee is presented below.

Right of use assets

Right of use assets are presented as a separate line item on the statement of financial position and tabulated below.

(£ million)	Right of use assets
Cost	
At 1 January 2019	**–**
Recognition of right of use-assets on initial application of IFRS 16	43.1
Adjusted balance at 1 January 2019	43.1
Additions	6.8
De-recognition of right of use assets*	(0.9)
Effect of movements in exchange rates	(1.0)
At 31 December 2019	**48.0**
Depreciation	
At 1 January 2019	**–**
Recognition of right of use assets on initial application of IFRS 16	(19.9)
Adjusted balance at 1 January 2019	(19.9)
Depreciation	(7.3)
De-recognition of right of use assets	0.3
Effect of movements in exchange rates	0.5
At 31 December	**(26.4)**
Net book value	
At 31 December 2019	**21.6**
At 31 December 2018	–

*Derecognition of the right of use assets during 2019 is as a result of negotiating an early termination of a contract.

Extension options

Some property leases contain extension options after the non-cancellable contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise these options, and if so, the optional period is included within the lease term and therefore the calculation of the lease liability. The Group reassesses whether is it reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise all the extension options, would result in an increase in lease liability of £5.0 million.

Leases as lessor

On transition to IFRS 16, the Group has reassessed the classification of sub-leases of certain properties which were all classified as operating leases under IAS 17 and they have been classified as finance leases. The Group has therefore recognised the net investment in the sub-lease within investment property. The following table sets out a maturity analysis of the lease receivables, showing the undiscounted lease payments to be received after the reporting date.

(£ million)	**2019**	2018
Less than one year	**1.1**	1.0
One to two years	**1.0**	1.1
Two to three years	**0.2**	0.9
Three to four years	**–**	0.2
Total undiscounted lease receivable	**2.3**	3.2
Unearned finance income	**(0.2)**	(0.5)
Net investment in the lease	**2.1**	2.7

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

The net investment in the lease is presented within Investment property in the statement of financial position. The following presents the reconciliation of the investment property:

(£ million)	2019	2018
Balance at 1 January	2.7	–
Recognition of investment property on initial application of IFRS 16	–	3.2
Adjusted balance at 1 January	**2.7**	**3.2**
Additions	–	0.2
Payments	(0.7)	(1.0)
Interest	0.1	0.3
Balance at 31 December	**2.1**	**2.7**

28. Commitment and contingencies

Contracted commitments for assets under construction including software at 31 December 2019 totalled £0.4 million (2018: £0.2 million).

29. Financial instruments and financial risk management

Information about the Group's objectives, policies and processes for measuring and managing risk, the Group's exposure to the risks arising from financial instruments, and the Group's management of capital is disclosed below.

A. Market risk

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from future commercial transactions to which the Group is already committed, recognised assets and liabilities and net investments in foreign operations.

Foreign currency movements impact on the consolidated income statement together with its cash flow profile and leverage ratio position. The impact depends on whether there is a surplus or deficit in each currency from operating activities together with the interest and finance charge in those currencies. The Group's policy is to protect its cash flow and leverage ratio position by maintaining a proportion of currency debt in proportion to its currency earnings to obtain natural offsets.

Net debt by currency was as follows:

	2019			2018	
	Interest rate caps	Cash and borrowings	Total	Cash and borrowings	Total
Pounds Sterling	–	(45.8)	(45.8)	63.2	63.2
US Dollars	0.2	(38.2)	(38.0)	(37.1)	(37.1)
Euros	0.1	(97.7)	(97.6)	(141.7)	(141.7)
Other currencies	–	10.8	10.8	5.8	5.8
Total	**0.3**	**(170.9)**	**(170.6)**	**(109.8)**	**(109.8)**

For each 1% movement in the euro to pounds sterling exchange rate has a circa £1.5 million (2018: £1.5 million) impact on the carrying value of borrowings. Each 1% movement in the US Dollar to pounds Sterling exchange rate has a circa £0.7 million (2018: £0.8 million) impact on the carrying value of borrowings.

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

(£ million)	2019 Revenue	2019 Adjusted EBITDA	2018 Revenue	2018 Adjusted EBITDA
Increase in revenue/Adjusted EBITDA if:				
Sterling weakens by 1% against US Dollar in isolation	1.9	0.8	1.5	0.7
Sterling weakens by 1% against Euro in isolation	1.2	0.8	1.0	0.7

b) Cash flow and interest rate risk
Interest rate risk arises from medium and long-term borrowings to the extent that the underlying debt instruments are not at fixed rates of interest.

The Group has entered into interest rate caps to convert a portion of its bank borrowings from fully floating to capped rates to mitigate this risk. As at 31 December 2019, the total notional amount of outstanding interest rate caps to which the Group is committed is £165.2 million (2018: £115.2 million). The fair value of the interest rate caps as at 31 December 2019 was £0.3m (2018: £nil).

These interest rate caps are measured at fair value through profit or loss and are Level 2 financial instruments. These derivative instruments were not traded in an active market and the fair value is determined by using third party valuations based on forward yield curves. This technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates. All significant inputs required to fair value an instrument are observable.

In the year ended 31 December 2019, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's finance costs for the year ended 31 December 2019 would have increased or decreased by £1.4 million (2018: £1.4 million).

The effective annual interest rate for year ended 31 December 2019 was 1.9% (2018: 2.3%).

B. Credit risk
Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The maximum exposure to credit risk at the reporting date is the fair value of the financial assets in the consolidated balance sheet as disclosed below.

a) Treasury-related credit risk
The Group has treasury policies in place which manage the concentration of risk with individual bank counterparties. Each counterparty has an individual limit determined by their long-term and short-term ratings by Standard & Poor's and Moody's as well as their individual five-year Credit Default Swap price. As at 31 December 2019, cash and cash equivalents totalled £111.7 million (2018: £182.0 million), of which 87% (2018: 97%) was held with banks or financial institutions with long-term ratings of A-/A3 or better or short-term ratings of A-1/P-1.

In accordance with the Group's treasury policies and exposure management practices, counterparty credit exposure limits are monitored and no individual exposure is considered significant in the ordinary course of treasury management activity. The Company does not expect any significant losses from non-performance by these counterparties.

b) Trading risk
Risk arises principally from payment default by customers. The general policy of the Group is not to risk assess all new customers and so retail credit risk information has not been included in these consolidated financial statements. The Company does not, however, expect any significant losses in respect of receivables that have not been provided for as shown in Note 17.

C. Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity in the form of sufficient cash or funding from adequate credit facilities to meet such liabilities under both normal and stressed conditions.

The Group's major banking facilities in place as of 31 December 2019 are detailed below:

	Facility		Drawn			
(£ million)	Local currency	£	Local currency	£	Final maturity	Interest
As at 31 December 2019						
Facility A	**£66.0**	**66.0**	**£66.0**	**66.0**	**Feb-21**	**LIBOR plus 1.5%**
Facility B	**$96.0**	**72.7**	**$96.0**	**72.7**	**Feb-21**	**LIBOR plus 1.5%**
Facility C	**€171.0**	**145.1**	**€171.0**	**145.1**	**Feb-21**	**LIBOR plus 1.5%**
Revolving credit facility	**£95.0**	**95.0**	**–**	**–**	**Feb-21**	**LIBOR plus 1.25%**
Total facilities		**378.8**		**283.8**		
As at 31 December 2018						
Facility A	£66.0	66.0	£66.0	66.0	Feb-21	LIBOR plus 1.75%
Facility B	$96.0	75.1	$96.0	75.1	Feb-21	LIBOR plus 1.75%
Facility C	€171.0	153.0	€171.0	153.0	Feb-21	LIBOR plus 1.75%
Revolving credit facility	£95.0	95.0	–	–	Feb-21	LIBOR plus 1.5%
Total facilities		389.1		294.1		

The Group's undrawn facilities totalled £95.0 million (2018: £95.0 million) and represented the unutilised balance on the revolving credit facility which matures in 2021. Refer to Note 30 for detail on new facilities.

The Group is required to adhere to a net leverage ratio covenant which is measured at December and June. The covenant ratio fell to 3.5x in June 2019 where it will remain until maturity of the facilities. The Group operated within this covenant limit during 2019.

The Group has a margin ratchet on its interest rate based on the leverage position reported in its semi-annual covenant compliance certificate. Due to the leverage ratio reducing below 2.0x at the annual compliance certificate for 31 December 2018, the margins were reduced by 0.25% from April 2019 and these remained unchanged for the remainder of 2019.

The following is an analysis of the contractual undiscounted cash flows from continuing operations payable under financial and derivative liabilities:

(£ million)	Less than one month	Between one and three months	Between three and twelve months	In one to two years**	In two to five years***	In more than five years	Total
At 31 December 2019							
Non-derivative financial liabilities							
Borrowings	**–**	**–**	**–**	**283.8**	**–**	**-**	**283.8**
Interest payments on borrowings	**0.5**	**0.9**	**4.0**	**0.8**	**–**	**-**	**6.2**
Trade payables, accruals and other payables	**77.6**	**–**	**–**	**–**	**–**	**-**	**77.6**
Lease liabilities	**0.5**	**2.2**	**7.4**	**7.3**	**9.4**	**6.3**	**33.1**
Deferred and contingent consideration	**0.1**	**22.1**	**44.2**	**36.6**	**11.1**	**-**	**114.1**
Derivative financial liabilities							
Derivative contracts - receipts	**–**	**–**	**(0.3)**	**–**	**–**		**(0.3)**
Total	**78.7**	**25.2**	**55.3**	**328.5**	**20.5**	**6.3**	**514.5**
At 31 December 2018, restated*							
Non-derivative financial liabilities							
Borrowings	–	–	–	–	294.1	-	294.1
Interest payments on borrowings	0.6	1.2	5.4	7.7	1.2	-	16.1
Trade payables, accruals and other payables	75.9	–	–	–	–	-	75.9
Lease liabilities	0.4	2.0	8.1	8.6	14.0	7.2	40.3
Deferred and contingent consideration	5.0	22.5	4.6	49.0	24.5	-	105.6
Total	81.9	25.7	18.1	65.3	333.8	7.2	532.0

* Trade payables, accruals and other payables and Lease liabilities are restated for initial application of IFRS 16 (see Note 27).

The financial and derivative liabilities are shown in the period in which they are due to be repaid. The interest payments on borrowings due in less than one month represent the actual interest due, while the interest due greater than one month is an estimate based on current interest rates and exchange rates. Cash flows in respect of borrowings represent contractual payments under the Group's lending facilities in place as at 31 December 2019. Borrowings as disclosed in Note 21 are stated net of unamortised arrangement fees of £1.2 million as at 31 December 2019 (2018: £2.3 million).

Both contingent consideration and acquisition-related employment costs are based on the future performance of the acquired business to which they relate. Performance is assessed using forecast profits and the current three-year plan which is updated annually. Forecasts are inherently a source of management estimation, resulting in a range of outcomes. As disclosed in the 2018 Annual Report, the Flywheel Digital earnout is contingent on results for the financial years 2019 to 2021 and is payable in 2020 to 2022. The Flywheel Digital earnout is subject to a contractual maximum and the remaining consideration which is dependent on the results in 2020 and 2021 is capped at £280 million. A one percent increase in results in 2020 and 2021 would result in an additional payment of around £2.0 million.

Undiscounted future payments (£ million)	**2019**	2018
Contingent consideration	**82.6**	74.7
Acquisition related employment costs to the extent to which they are accrued at 31 December	**30.8**	25.7
Deferred consideration which is not impacted by performance	**0.7**	5.2
Deferred and contingent consideration	**114.1**	105.6
Anticipated future payments on acquisition-related employment costs	**14.2**	16.8
Deferred and contingent consideration including anticipated future payments on acquisition-related employment costs	**128.3**	122.4

D. 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 shareholders through the optimisation of the debt to equity balance. The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent comprising capital, reserves and retained earnings. The Group's policy is to borrow centrally to meet anticipated funding requirements. These borrowings, together with cash generated from the operations, are on-lent or contributed as equity to subsidiaries at market-based interest rates and on commercial terms and conditions.

Financial instruments by measurement basis

The carrying amount of financial instruments by category is as follows:

(£ million)	Note	2019	Restated* 2018
Financial assets			
Financial assets at fair value through profit or loss			
Other investments, including derivatives		**1.7**	–
Interest in trade investments designation at fair value through profit or loss on initial recognition	14	**12.3**	0.8
Financial assets not measured at fair value			
Trade receivables	17	**74.3**	64.2
Other receivables	17	**50.0**	29.2
Cash and cash equivalents	18	**111.7**	182.0
Total		**250.0**	276.2
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Contingent consideration	20	**68.4**	59.7
Financial liabilities at amortised cost			
Trade payables	19	**10.6**	10.3
Accruals	19	**24.2**	32.2
Interest accruals	19	**0.4**	0.4
Other payables	19	**42.8**	33.4
Deferred and contingent consideration	20	**34.0**	23.7
Lease liabilities	27	**9.4**	29.4
Borrowings	21	**283.8**	294.1
Total		**473.6**	483.2

* Restated for initial application of IFRS 16 (see Note 27).

The fair value of each category of the Group's financial instruments approximates their carrying value in the Group's consolidated balance sheet. Financial instruments in the category "fair value through profit or loss" are measured in the consolidated balance sheet at fair value. Fair value measurements can be classified in the following hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2019:

	2019				2018			
(£ million)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other investments, including derivatives	**–**	**1.7**	**–**	**1.7**	–	–	–	–
Trade investments	**–**	**–**	**12.3**	**12.3**	–	–	0.8	0.8
Contingent consideration (Note 20)	**–**	**–**	**68.4**	**68.4**	–	–	59.7	59.7

There were no movements between different levels of the fair value hierarchy in the year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

30. Events after the reporting date

Refinancing

On 14 January 2020, the Group entered into a new 5 year multi-currency revolving credit facility ("RCF") of £450 million with an accordion of up to a further £120 million or 150% of EBITDA. The maturity of the facility may be extended at the option of the Group for up to two further one-year terms subject to individual lender approval. The RCF is subject to interest of between 1.20% and 2.50% per annum over LIBOR or EURIBOR as appropriate. The margin increases over a range of 1.00x to 3.25x net debt to EBITDA. The facility covenants include a maximum net leverage of 3.25x with the benefit of an additional 0.5x leverage spikes for relevant acquisitions and a minimum interest cover of 3.00x and are tested semi-annually. Upon completion of the new agreement, capitalised arrangement fees of £1.2m relating to the previous facility will be written off in 2020 as exceptional costs. We expect fees of £3.9 million to be capitalised as part of the new arrangements and these shall be amortised over the expected life of the facility.

Jumpshot

In August 2019, we completed the acquisition of a 35% investment in Jumpshot, Inc., an analytics business providing market leading insights on digital consumer engagement. Cash consideration including subsequent working capital contribution and acquisition expenses totalled £56.2 million. On 30 January 2020, we agreed to sell back our 35% ownership interest in Jumpshot to the majority owner, Avast plc, for cash consideration equivalent to our cost of investment including expenses.

Share repurchase programme

On 20 February 2020, the Board approved a share repurchase programme of up to £120 million.

PARENT COMPANY BALANCE SHEET

As at 31 December

(£ million)	Note	2019	2018
Assets			
Non-current assets			
Investments	6	**452.8**	452.8
Debtors – due after more than one year	7	**0.9**	0.7
		453.7	453.5
Current assets			
Debtors – due within one year	7	**208.6**	148.5
Cash		**-**	0.1
		208.6	148.6
Liabilities			
Current liabilities			
Creditors – due within one year	8	**70.7**	2.1
		70.7	2.1
Net assets		**591.6**	600.0
Equity			
Called-up share capital	9	**4.0**	4.0
Share premium		**1.7**	0.5
Group restructure reserve		**157.9**	157.9
Reserves		**428.0**	437.6
Total equity		**591.6**	600.0

The accompanying notes on pages 157-160 are an integral part of these financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

			Reserves		
(£ million)	Share capital	Share premium	Group restructure reserve	Retained earnings	Total equity
At 1 January 2018	**4.0**	**0.1**	**157.9**	**455.9**	**617.9**
Loss for the year	–	–	–	(1.4)	(1.4)
Issue of new shares	–	0.4	–	–	0.4
Share-based payments	–	–	–	5.7	5.7
Taxation on share-based payments	–	–	–	0.2	0.2
Dividends	–	–	–	(22.8)	(22.8)
At 31 December 2018	**4.0**	**0.5**	**157.9**	**437.6**	**600.0**
Profit for the year	–	–	–	5.5	5.5
Issue of new shares	–	1.2	–	–	1.2
Share-based payments	–	–	–	7.7	7.7
Taxation on share-based payments	–	–	–	0.1	0.1
Dividends	–	–	–	(22.9)	(22.9)
At 31 December 2019	**4.0**	**1.7**	**157.9**	**428.0**	**591.6**

The accompanying notes on pages 157-160 are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. Corporate information

Ascential plc (the "Company") is a company incorporated in the United Kingdom under the Companies Act 2006 and listed on the London Stock Exchange. The registered office is located at The Prow, 1 Wilder Walk, London W1B 5AP. The registered company number is 09934451. Ascential plc is the parent Company of the Ascential Group (the "Group") and its principal activity is to act as the ultimate holding company of the Group.

2. Company accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued by the Financial Reporting Council.

The Company presents its financial statements under FRS 102 issued by the Financial Reporting Council. As permitted by FRS 102, the Company has taken advantage of the following disclosure exemptions:

- Presentation of a statement of cash flows;
- Disclosure of key management personnel compensation;
- Disclosure of related party transactions between wholly-owned subsidiaries and parents within a group;
- Disclosures required under IFRS 2 "Share-Based Payments" in respect of Group settled share-based payments;
- Disclosures required by IFRS 7 "Financial Instruments: Disclosures";
- Certain disclosures required under IFRS 13 "Fair Value Measurement"; and
- Disclosure of information in relation to new standards not yet applied.

The financial statements have been prepared on a historical cost basis and on the going concern basis.

The Company's financial statements are presented in pounds Sterling being the Company's functional currency.

Going concern

A principal objective of the Group (of which the "Company" is the holding company), is to manage cash and debt to safeguard the Group's ability to continue as a going concern for the foreseeable future. The Group retains sufficient resources to remain comfortably in compliance with the financial covenants of its bank facilities. The Directors have also assessed the Group's prospects and viability over a three-year period. The Directors therefore consider it appropriate to adopt the going concern basis in preparing the financial statements.

3. Income statement

The Company has taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present its income statement. The profit for the year to 31 December 2019 was £5.5 million (2018: loss of £1.4 million).

Fees paid to the auditor during the year for the audit of the Company accounts were £20,000 (2018: £20,000). Fees paid by the Company to the auditor for other services was £nil (2018: £nil).

4. Principal accounting policies

Investments in subsidiaries

Subsidiaries are entities that are directly or indirectly controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The investment in the Company's subsidiaries is recorded at cost less provisions for impairment. Carrying values are reviewed for impairment either annually, or more frequently if events or changes in circumstances indicate a possible decline in carrying values. The Company uses forecast cash flow information and estimates of future growth to assess whether investments are impaired. If the results of operations in a future period are adverse to the estimates used for impairment testing, an impairment may be triggered at that point.

Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Share-based payments

Certain employees of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares. The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions is determined by an external consultant and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet reporting date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in the subsidiary's financial statements with the corresponding credit being recognised directly in equity. In cases where a subsidiary is recharged for the share-based payment expense, no such increase in investment is recognised.

Shares held by the Employee Benefit Trust ("EBT")

The EBT provides for the issue of shares to Group employees under share incentive schemes. The Company has control of the EBT and accounts for the EBT as an extension to the Company in the financial statements. Accordingly, shares in the Company held by the EBT are included in the balance sheet at cost as a deduction from equity.

5. Directors' emoluments

The Company has two employees other than the Directors. Full details of the Directors' remuneration and interests are set out in the Directors' Remuneration Report on pages 91 to 97.

6. Investments

(£ million)	2019	2018
At 1 January	452.8	52.8
Additions	–	400.0
At 31 December	**452.8**	452.8

In the prior year the Company subscribed for 400,000,000 Ordinary £1 shares in Ascential Financing Limited. The consideration for the allotment and issue of these shares comprised full and final settlement of the £400,000,000 loan balance due to the Company.

The Company's subsidiaries and joint ventures are listed below. All subsidiaries are indirectly wholly owned by Ascential plc, with the exception of Ascential financing Limited which is directly owned.

Name	Key
United Kingdom	
Ascential Financing Limited	UK1
Plexus Network Limited	UK1
4C Dormant Limited	UK1
Ascential Information Services Limited	UK1
Ascential Group Limited	UK1
Ascential PrefCo Limited	UK1
Ascential Operations Limited	UK1
CLR Code Limited	UK1
De Havilland Information Services Limited	UK1
Ascential America (Holdings) Limited	UK1
Ascential America Limited	UK1
Flywheel Digital Limited	UK1
Ascential UK Holdings Limited	UK1
Ascential Radio Financing Limited	UK1
Glenigan Limited	UK1
Cornwall Mining Services Limited	UK1

Name	Key
United Kingdom continued	
Groundsure Limited	UK1
Ascential Events (Europe) Limited	UK1
Clavis Insight Limited	UK1
MediaLink Europe Limited	UK1
Edge by Ascential Limited	UK1
Rembrandt Technology Limited	UK1
4C Information Limited	UK1
Siberia Europe Limited	UK1
WGSN Group Limited	UK1
Worth Global Style Network Limited	UK1
WGSN Limited	UK1
BrandView Limited	UK1
ePossibilities Global (Holdings) Limited ePossibilities USA Limited	UK1
The Gunn Report Limited	UK1
WARC Limited	UK1
World Advertising Research Center Limited	UK1

Name	Key
United States	
MediaLink, LLC	US1
Planet Retail (USA) LLC	US1
Money2020, LLC	US1
Flywheel Digital LLC	US2
Siberia LLC	US1
Ascential Inc	US1
France	
Ascential Events France SAS	FR1
Ireland	
Clavis Technology Limited	IR1
Jersey	
Ascential Jersey Financing Limited	JE1
Brazil	
2WH Assessoria Empresarial Ltda	BR1
Ascential Serviços de Informação Ltda	BR1
Mindset Comunicacao Marketing Ltda	BR1
Sistema Use Fashion Comércio de Informações Ltda	BR2
Germany	
WGSN GmbH	GE1
Planet Retail GmbH	GE2

Name	Key
Spain	
WGSN Intelligence España SL	SP1
South Africa	
WGSN (Pty) Limited	SA1
Hong Kong	
Stylesight Limited	HK1
WGSN (Asia Pacific) Limited	HK1
China	
WGSN Business Information Consulting (Shanghai) Company Limited	CH1
Clavis Information Technology (Shanghai) Ltd	CH2
Ascential Events (HangZhou) Company Ltd	CH3
Stylesight Information Technology (Shanghai) Company Limited	CH4
Shenzhen Yimian Network Technology Company Limited	CH5
Turkey	
WGSN Group Trend Forecasting Moda Danişmanlik Hizmetleri Limited Şirketi	TU1
Joint ventures	
Asian Advertising Festival (Spikes Asia) Pte Limited (50% owned)	JV1
CTIC WGSN China Limited (51% owned)	JV2
Shanghai Coloro Technology Company Limited (30% owned)	JV3

Key	Address
UK1	The Prow, 1 Wilder Walk, London W1B 5AP
JE1	44 Esplanade, St Helier, Jersey JE4 9WG
BR1	Rua Tabapuã 841, Conjunto 15, 1º Andar, São Paulo, Brazil 04533-013
BR2	Av. Unisomos, no. 950, Condomínio Padre Rick – 410, São João Batista, City of São Leopoldo, 93022-970, Brazil
US1	2710 Gateway Oaks Drive, Suite 150N, Sacramento, California, CA95833, United States
US2	7 St. Paul Street, Suite 820, Baltimore, Maryland MD 21202 , US
FR1	6 Place du Commandant Maria, Cannes 06400, France
IR1	7th floor, O'Connell Bridge House, D'Olier Street, Dublin 2, Ireland
GE1	Venloer Strasse 310-316, 50823 Cologne, Germany
GE2	Weserstraße 4, 60329 Frankfurt am Main, Germany
SP1	Aribau 175. Piso 1o 1a A 08036 Barcelona, Spain
SA1	Workshop17, 32 Kloof Street Gardens, Cape Town 8000, South Africa
HK1	Suite 3201-03, 32/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong
CH1	Unit 39 of 7/F, No.2, Building 2, 999 Middle Huaihai Road, Xuhui District, Shanghai, PRC
CH2	Room 3301, No. 10 Yu Tong Road, Jing An District, Shanghai, People's Republic of China
CH3	Room 601, 603, 6/F, Building 2, Jiang Ning Tower, 27 Ningtai Road, Ningwei Town, Xiaoshan, Hangzhou, Zhejiang, PRC
CH4	Room 617, 28 Tan Jia Du Road, Putuo District, Shanghai, PRC
CH5	Room 1408, VIA Building, 9966 Shennan Avenue, Yuehai Street, Nanshan District, Shenzhen , Guangdong, PRC
TR1	Cevdetpasa Caddesi, No. 31/7 Bebek, 34342 Istanbul, Turkey
SI1	63 Market Street #09-01, The Bank of Singapore Centre, Singapore 04892
JV1	21 Media Circle, #05-05 Infinite Studios, Singapore 138562
JV2	Floor 5, Building 29, No. 1 Lane 618, Dingyuan Road, Songjiang District, Shanghai, PRC
JV3	Floor 2-4, Building 4, 300 Dingyuan Road, Songjian District, Shanghai, PRC

For the year ended 31 December 2019, the below companies were exempt from the requirement for audit of individual financial statements due to a parental guarantee as per section 479 of the Companies Act 2006. Ascential plc has indirect holdings in these subsidiary undertakings:

- WGSN Group Limited, registration number 8256689
- Rembrandt Technology Limited, registration number 11120186
- Ascential UK Holdings Limited, registration number 537204
- The Gunn Report Limited, registration number 6217950

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

7. Trade and other receivables

(£ million)	2019	2018
Debtors – due within one year		
Amounts due from Group undertakings	**208.4**	148.3
Prepayments	**0.2**	0.2
	208.6	148.5
Debtors – due after more than one year		
Other debtors	**–**	0.1
Deferred tax asset	**0.9**	0.6
	0.9	0.7
Total	**209.5**	149.2

Amounts due from Group undertakings are non-interest bearing, unsecured and repayable on demand.

Deferred tax asset

(£ million)	2019	2018
At 1 January	**0.6**	0.2
Deferred tax credit in equity	**(0.1)**	0.2
Deferred tax credit in income statement for the year	**0.4**	0.2
At 31 December	**0.9**	0.6

The Directors consider that it is more likely than not that there will be sufficient taxable profits in the Group in the future such as to realise the deferred tax asset of the Company and therefore the asset has been recognised in these financial statements.

8. Creditors – due within one year

(£ million)	2019	2018
Amounts due to Group undertakings	**67.6**	–
Trade payables	**0.2**	–
Accruals	**0.5**	0.5
Other taxation and social security	**2.4**	1.6
Total	**70.7**	2.1

Amounts due to Group undertakings are non-interest bearing, unsecured and repayable on demand.

9. Share capital

Refer to Note 23 of the consolidated Group accounts.

10. Dividends

Refer to Note 24 of the consolidated Group accounts.

11. Related party transactions

The Company has taken advantage of the exemption under FRS 102 and therefore has not disclosed related party transactions with wholly owned subsidiaries. The Company has no other related party transactions.

12. Commitments and contingencies

The Company was a guarantor to the Facilities Agreement described in detail in Note 29 and is also a guarantor to the new facility described in Note 30. During the year the Company was a member of the Group cash pooling arrangement. This allows the Group to combine the liquidity of companies within the Group in order to distribute such cash centrally as required. The Company is registered with H.M. Revenue & Customs as a member of the Ascential Group Limited group for Value Added Tax and Pay As You Earn purposes and is therefore jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of their value added tax, income tax and national insurance contributions liabilities.

13. Events after the reporting date

After the reporting date, the Board of Directors proposed a final dividend of 4.0 pence per ordinary share for the year ended 31 December 2019. Refer to Note 30 of the consolidated Group accounts, for details of other non-adjusting reportable events since the year end of 31 December 2019. There were no other reportable events after 31 December 2019.

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Ascential plc
The Prow
1 Wilder Walk
London W1B 5AP

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