GlobalData Plc

Annual report and accounts

For the year ended 31 December 2019

COMPANY NO. 03925319

Contents

Reliance on this document

Our Business Review on pages 5 to 19 has been prepared in accordance with the Strategic Report requirements of section 414C of the Companies Act 2006. The intention of this document is to provide information to shareholders and is not designed to be relied upon by any other party or for any other purpose.

Forward-looking statements

This document contains forward-looking statements which are made by the Directors in good faith based on information available to them at the time of approval of this report. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing, anticipated costs savings and synergies and the execution of GlobalData Plc's strategy, are forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including a number of factors outside of GlobalData Plc's control. Any forward-looking statements speak only as of the date they are made, and GlobalData Plc gives no undertaking to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes to events, conditions or circumstances on which any such statement is based.

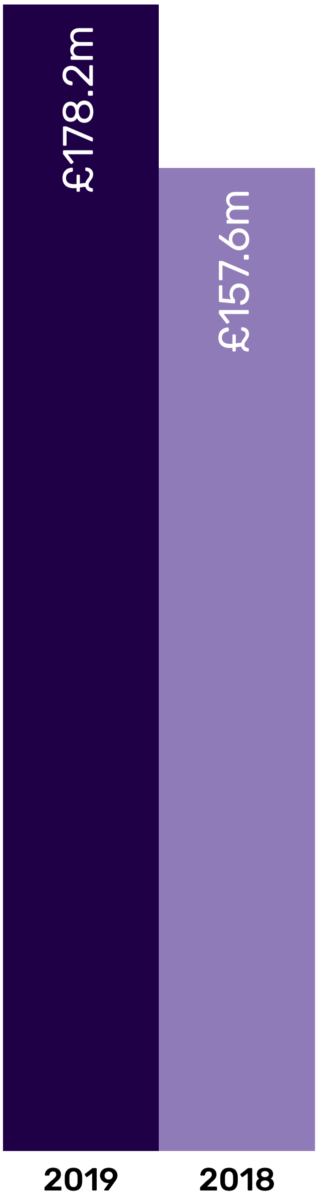
“GlobalData provides high quality proprietary data, analytics, and insights that help support over 4,000 clients make better decisions and decode the future.”

Bernard Cragg, Chairman

Strategic Report

2019 Highlights

Group revenue increased by 13% to £178.2m (2018: £157.6m)



Operational Highlights

- Completed transition to centralised operating model and single platform
- Major product upgrade; enhanced user-experience, functionality, and site performance
- Launches of new, productised data, analytics, and insights
- Significant investment in upgrading core infrastructure and business technologies

Financial Highlights

- Group revenue increased by 13% to £178.2m (2018: £157.6m)
- Organic revenue growth of 7%
- Adjusted EBITDA[1] increased by 38% to £44.6m (2018: £32.2m)
- Improved Adjusted EBITDA margin [1] of 25%, achieved ahead of schedule (2018: 20%)
- Cash generated from operations of £52.4m (2018: £25.1m), 117% of Adjusted EBITDA
- Invoiced forward revenues[3] increased by 5% to £85.1m (2018: £81.4m)
- Statutory profit before tax of £10.2m (2018: loss £7.7m)
- Final dividend of 10.0 pence per share (2018: 7.5 pence); total dividend of 15.0 pence per share, up 36% from the previous year (2018: 11.0 pence)
- Net debt[2] of £55.3m (2018: £64.1m)
- Net total assets of £151.4m (2018: £150.4m)

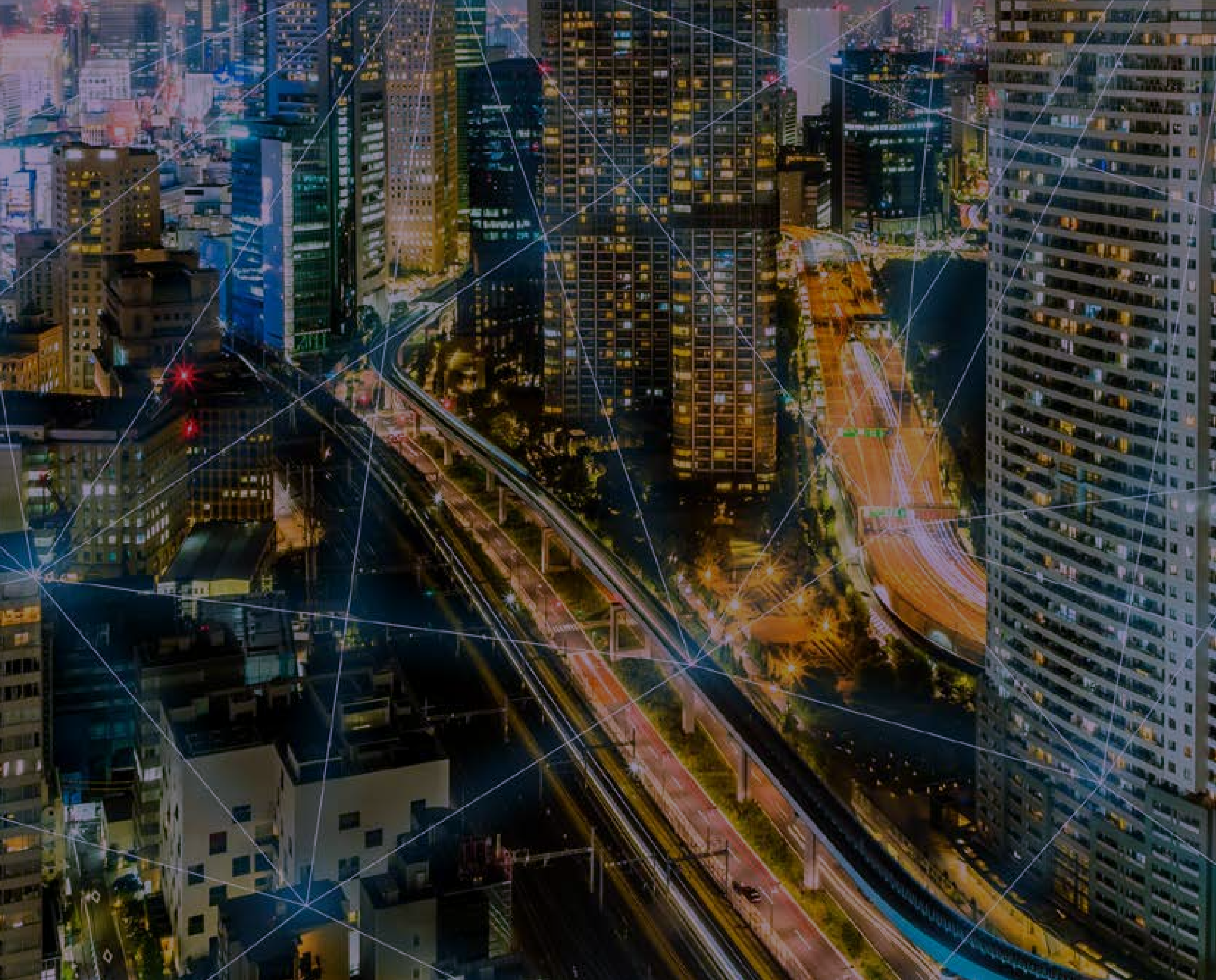
Note 1: Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, adjusted for costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements, impact of foreign exchange contracts and the impact of IFRS16 (Leases). Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue.

Note 2: Net debt: Short and long-term borrowings less cash and cash equivalents.

Note 3: Invoiced forward revenue: Invoiced forward revenue relates to amounts that are invoiced to clients at the statement of financial position date, which relate to future revenue to be recognised over the course of the following 12 months.

“During 2019, we also accelerated our investment into new data science technologies such as artificial intelligence and machine learning, and have started to successfully embed these capabilities across our data and research operations.”

Mike Danson, Chief Executive Officer



Strategic Report

Our Business

PRINCIPAL ACTIVITY

The principal activity of GlobalData Plc and its subsidiaries ('the Group') is the provision of high quality proprietary data, analytics, and insights to clients across multiple sectors.

OUR BUSINESS MODEL

The Group provides high-value proprietary data, analytics, and insights across a breadth of industry markets and functions, on a global scale. We have a clear philosophy of owning our own data and intellectual property, and seek to be a long-term, strategic partner to our clients, by serving their critical activities with a differentiated, "gold standard" offering.

We have completed our transition to a centralised operating model and single platform, which will drive operational efficiencies, as well as enabling greater product scalability and future development opportunities.

The fundamental principle of our business model is to provide our clients subscription access to our proprietary data, analytics, and insights platform, with the offering of ancillary services such as consulting, single copy reports, and events.

Our clients typically subscribe for 12 months' access, which is paid for at the beginning of the contract term. This approach drives the following business model attributes:

- Repeat subscriptions, leading to recurring revenue streams
- Strong incremental margins
- Robust working capital and operational cash flow
- Scalable opportunities

“In 2020, our core focus will be on Sales Excellence and the implementation of best-in-class technologies across our business to improve Client Centricity and Operational Agility.”

Mike Danson, Chief Executive Officer

Strategic Report

Chairman's Statement

We continue to make impressive strides forward on our strategic priorities whilst delivering strong financial results. Our strong business model demonstrates the characteristics that define best in-class Information Services companies.

It has been a particularly transformational year for us. During 2019, we successfully shifted to a centralised operating model and single product platform. From a product perspective, this has involved the integration of over 150 data assets from across our industry verticals, into a unified software platform, which is underpinned by a common taxonomy, shared development resource, and new data science technologies. Ultimately, this allows us to manage our data operations in a far more efficient and scalable way, accelerate our new product development, and create a richer, more powerful proposition for our clients. Not only have I been impressed by the quality and the speed at which we can bring new products and features to market, but I am excited to see this culture of innovation and product excellence drive the business forward in the coming years.

Our revenue growth of 13% delivered earnings growth of 38% at an Adjusted EBITDA level, demonstrating the significant operating leverage opportunity and combined with our strong cash generation, we have proposed an increase in the total dividend for the year of 36% to 15.0 pence. The significant incremental margins and strong operating cash flows demonstrate the strong fundamentals of our business model. The Group's forward invoiced revenue grew year on year by 5%, which was below the underlying revenue growth of 7% for the year reflecting a slight slowdown on sales orders in the latter quarter of 2019. During the second half of the year we restructured some of our sales operations in Europe, which resulted in a reduced sales headcount. We also developed a comprehensive Growth Optimisation Plan, which underpins our 5-year plan and will deliver a range of initiatives across our strategic priorities. Our immediate focus is on Sales Excellence, which includes our aim to increase our sales headcount.

Our Business

GlobalData provides high quality proprietary data, analytics, and insights that help support over 4,000 clients make better decisions and decode the future. The visible and recurring revenue base creates a resilient business model, with subscriptions making up over 75% of revenue. GlobalData's solutions form a critical and embedded resource in our clients' workflows, leading to robust retention of clients.

GlobalData's client base is globally diversified, which reflects globally relevant data assets and gives the Group significant market opportunity.

The Group benefits from significant operating leverage due to a consistent fixed cost and low variable cost model that generates long-term margin expansion in an accelerating revenue growth environment. The operating leverage drives high incremental EBITDA margins of 75-85%+.

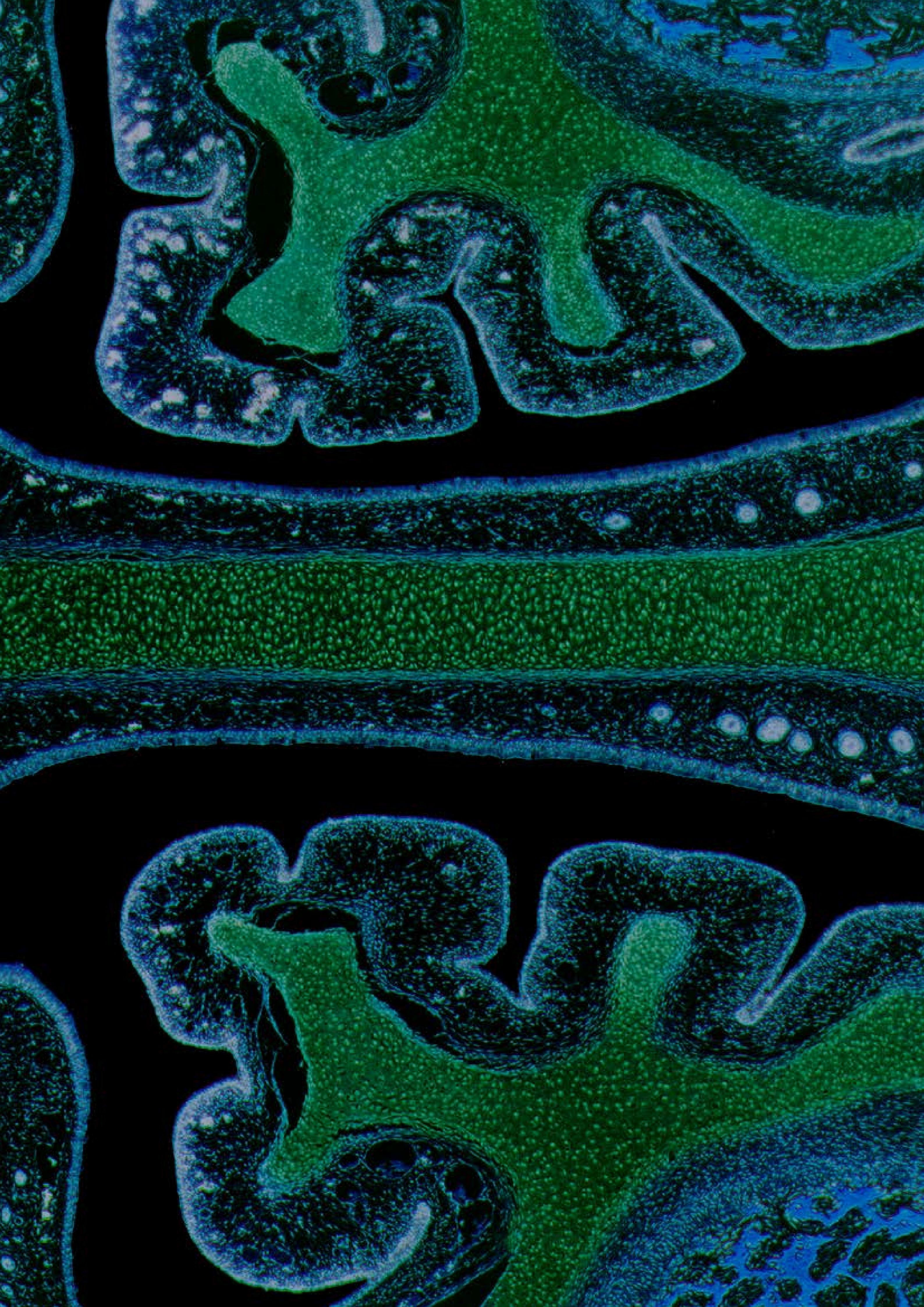
The Group operates a low capital intensity model, with product development and enhancements built into its operating costs. Typically, businesses in this sector spend ~5% of revenue on capex, whereas GlobalData's spend for 2019 was 1.5% (2018: 1%). This coupled with operating cash flows in excess of 100% of Adjusted EBITDA, means that the business is very cash generative.

In summary the Group's recurring revenues, strong operating leverage, high cash generation and capital light business model create a robust free cash flow profile that provides opportunities for acquisitions and dividend growth for shareholders.

Looking Forward

We are an ambitious and highly innovative business and consistent in our objectives. We provide our clients with world-class products and client service, with an ambition to exceed their expectations at every interaction. For our shareholders we aim to provide returns which reflect our reported earnings and long-term prospects.

I am also pleased to announce that we have appointed J.P. Morgan Cazenove as joint corporate broker with immediate effect. Additionally, we are recommending that Deloitte LLP are appointed as auditors of the Group and its subsidiaries for the year ending 31 December 2020. We believe that the appointment of best-in-class advisors aligns with our strategic objectives and ambitions.



Strategic Report

Chairman's Statement

Our Employees

We aim to be an employer of choice providing an enriching and rewarding environment to work in. In another significant year of progress and challenge, our employees have once again been key to our development. The quality, talent and commitment of our colleagues around the world makes GlobalData an exciting and dynamic work environment.

I am pleased these results have been confirmed by the Audit and Remuneration Committees to fulfil the performance condition for the exercise of 1.8 million employee share options.

Dividend

Having regard to the performance, cash generation and future prospects, the Board is pleased to announce a final dividend of 10.0 pence per share (2018: 7.5 pence). The proposed final dividend will be paid on 24 April 2020 to shareholders on the register at the close of business on 27 March 2020. The ex-dividend date will be on 26 March 2020. The proposed final dividend increases the total dividend for the year to 15.0 pence per share (2018: 11.0 pence), an increase of 36%.

Board Changes

I am pleased to confirm that our current CFO, Graham Lilley, has committed to the business long-term and will continue in this role permanently. Graham's experience and strong understanding of our business and business model will be a real asset to the company as we move forward.

Current Trading and Outlook

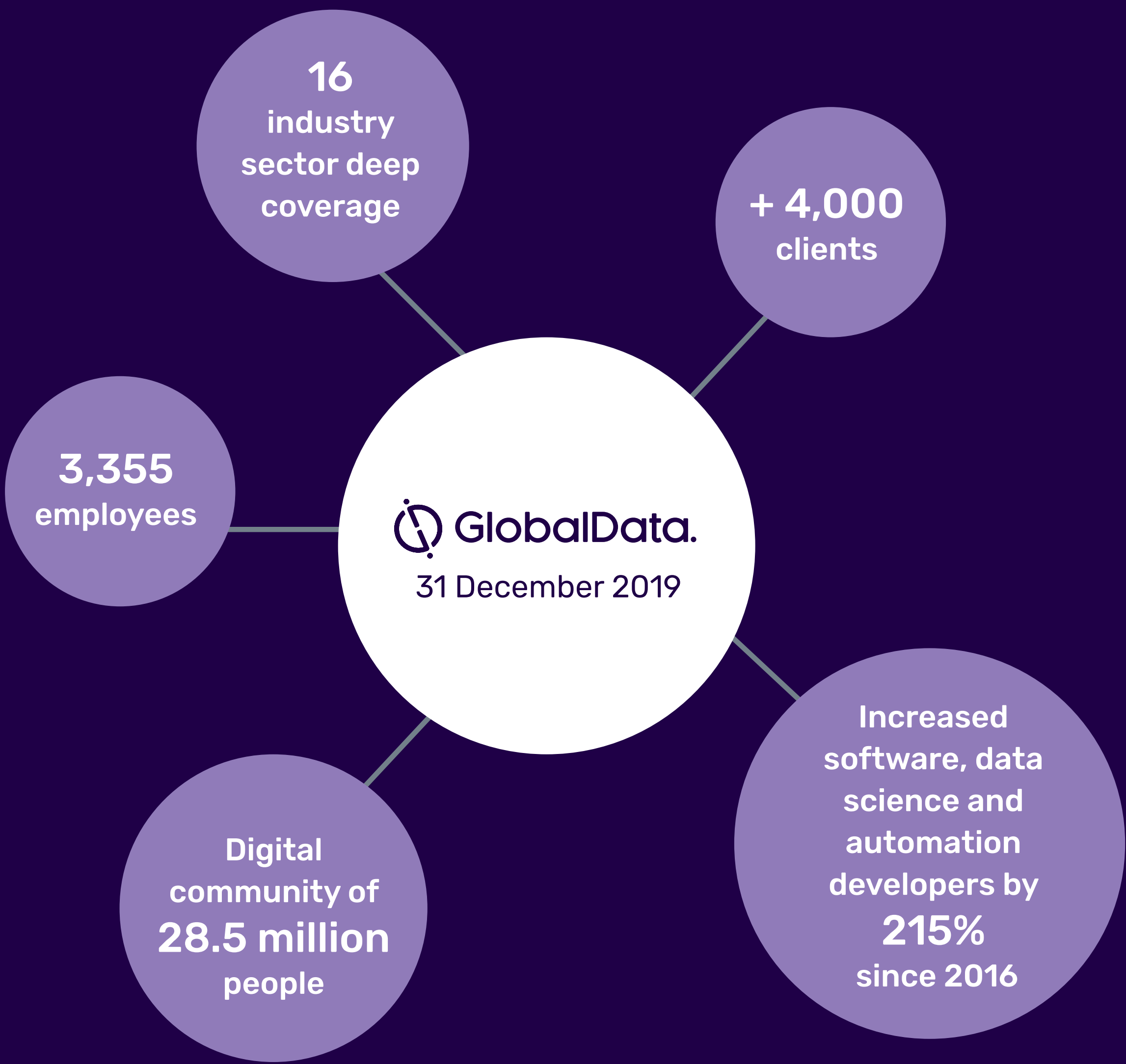
We enter 2020 with the strong fundamentals of our business model, including enhanced revenue visibility, strong margins and cash conversion. The global political and economic environment, including Coronavirus, continues to be uncertain, however we remain confident in our business model and our ability to execute well.

Bernard Cragg
Chairman
2 March 2020

Our Business

GlobalData's mission is to help our clients decode the future to become more successful and innovative, by providing high value data, analytics, and insights. The solutions that we provide are highly proprietary and embedded into our customers' workflows, which drives high customer retention. The Group benefits from significant operating leverage due to a "build once, sell multiple times" business model, which drives significant margin expansion, as demonstrable in the 2019 results.

A snapshot of our Group



Strategic Report

Chief Executive's Report

KEY ACHIEVEMENTS

- **Revenues of £178.2m:** Group revenue has grown by 13%, with underlying organic revenue growth of 7%.
- **Adjusted EBITDA margin improved to 25% (2018: 20%):** The margin improvement is a result of our model being able to deliver revenue growth off a relatively fixed cost base. We have achieved our stated medium term 25% margin target ahead of schedule and it is a strong indication that the model is working and at the point of inflection.
- **Adjusted operating cash flow increased to £52.3m (2018: £30.5m):** Adjusted operating cash flow represented 117% of Adjusted EBITDA.
- **Profit before tax for the year was £10.2m (2018: loss £7.7m):** Strong revenues and operating fundamentals brought the Group into statutory profit.

TRADING REVIEW

Over the past year we have continued to deliver against all of our four strategic priorities, albeit with world-class product our principal focus. Our teams have worked tirelessly to transform our proposition and product capabilities and the significant work that has been completed means that we are well positioned as we enter 2020. We have delivered a strong set of financial results for 2019, finishing ahead of market expectations.

In particular, our shift to a centralised operating model and single product platform, with shared development resources, has been a major achievement. The complexity associated with integrating over 150 data assets from across our industry verticals into a common taxonomy and unified software platform cannot be underestimated. Successfully delivering this – whilst releasing major new launches – is testament to the quality of the people, processes, and technology we have across our product organisation.

As we look forward, the unique opportunities our integrated platform affords us will be central to our strategy and growth plans. This model will allow us to manage our data operations in a far more efficient and scalable way, accelerate new product development activities, and create a richer, more powerful proposition for our clients and users.

During 2019, we also accelerated our investment into new data science technologies such as artificial intelligence and machine learning, and have started to successfully embed these capabilities across our data and research operations. These technologies will enhance the quality, timeliness, and value of the data and insights we provide to our clients, and underpin the next phase of our product development as we search for new ways to help our clients make faster, more informed decisions. We have already started to see the impressive benefits that our single product platform and new technologies provide, with the following major releases delivered in 2019:

- An upgraded technology and digital disruption product, with cross-industry data, analytics, and insights
- A global patents database
- A new Direct Data Services offering, enabling API and Feed-based data consumption
- An enhanced elastic, semantic search capability integrated across our data portfolio

Alongside the new data and technology that we have invested in, we are aware that our deep industry-specific data and insights is the core foundation of our value proposition for many clients. As such, we continue to strive for excellence in the quality and uniqueness of these capabilities, which is evidenced by our renewal rates remaining strong.

As we turn our attention to our go-to-market activities, we are excited by the opportunity we now have to drive additional value in our existing loyal customer base and reach significantly more customers and new users. Today, our customer base remains predominately within the industry sectors in which we operate, but we recognise that the breadth and depth of our industry coverage is a compelling proposition for organisations that require timely intelligence on multiple industries. Therefore, we have restructured some of our sales organisations to better suit the selling of our products into audiences like financial institutions and management consultancies ("Professional Services"), with the objective of addressing the potential for sales in this area.

Whilst it is clear that 2019 has been a busy year and our primary focus has been on transforming our operating model and product organisation to align with our growth strategy, we have also successfully delivered a strong set of financial results.

Strategic Report

Chief Executive's Report

KEY PERFORMANCE INDICATORS

The key performance indicators selected are used by the Executive Directors to monitor the Group's performance and progress.

	Revenue	Adjusted EBITDA	Adjusted EBITDA margin	Net Debt
2019	**£178.2m**	**£44.6m**	**25%**	**£55.3m**
2018	£157.6m	£32.2m	20.5%	£64.1m
% growth	13%	38%	5p.p	(14%)

We have continued to make progress against our KPIs. Revenue, driven by organic growth (7%) and the benefit of acquisitions, has grown by 13% in the year. Due to our relatively fixed cost base, a high flow through of profit has flowed through to Adjusted EBITDA and increased our margin. We now increased our medium-term Adjusted EBITDA margin target to 35%. Our strong operating cash flow has meant that we have reduced our net debt, whilst maintaining a progressive dividend policy and M&A activity.

OUR STRATEGIC PRIORITIES

We have achieved a significant amount since 2016, and have created a unique, scalable business, with a world class product offering. As we enter the next phase of our journey, we believe we are well-positioned to benefit from strong and sustained demand across our end-markets for trusted data, actionable analytics, and forward-looking insights. To realise this opportunity, we recently developed a comprehensive Growth Optimisation Plan, which will deliver a range of key initiatives across our strategic priorities to grow both our top and bottom line.

In 2020, our core focus will be on Sales Excellence and the implementation of best-in-class technologies across our business to improve Client Centricity and Operational Agility.

World Class Products
Enabling our clients to unlock the full value of our recent product development activities is a key objective in 2020, and supports our commitment to creating a "must have" capability integral to the daily lives of our users. This will initially involve continued enhancements to the performance and usability of our core platform, and the development of new, high-value features designed for specific Job Roles and use-cases.

Beyond this, we will continue to explore new opportunities to further utilise our advanced data science technologies to drive greater automation across our research operations, and create higher-value insights from the use of predictive and prescriptive analytics models. We already have a clear pipeline of new, 2020 product launches, which illustrate our commitment to successfully innovating at speed and scale.

Sales Excellence
As our attention shifts towards sales execution, our starting point is establishing the right sales capacity and coverage model, to ensure we have the right number of sales staff, in the right areas. As a global company, we are assessing where to increase our sales operations in line with the market opportunity across both regions and industry segments.

Beyond having the right capacity and coverage model, we are also aligning the skill-sets within our salesforce to the demands of our different target audiences. To do this, we are in the early stages of implementing an "audience-first" approach which consists of establishing sales teams that have specialist expertise in a particular client segment. We believe this will deliver greater productivity in our sales activities, particularly in regards to winning new clients and effectively competing against other providers.

In regards to our commercial model, we are looking to begin a gradual shift towards a seat-based licensing model. We believe that this will provide greater flexibility for clients, provide us with the ability to target specific job roles and client functions, and help to fully commercialise our product investment. Alongside this licensing model, we have also implemented a strict pricing policy and governance framework, which will help to drive increased price realisation and minimal discounting.

Whilst given our centralised operating model, we are also developing a GlobalData "Sales Best Practice Playbook", which will create and standardise the best-practice tools, processes, and training to be provided to our global salesforce. This includes a central sales operations and product marketing team which ensures our teams are finding the right opportunities, at the right time, and pitching the right product, in the right way.

Client Centric
Outstanding client service is a critical component in delivering client satisfaction and improved retention. Our aim is to deliver best in class client service at every point of interaction. We have significantly increased resources focused on first-line response, and continue to explore and adopt new technologies.

Strategic Report

Chief Executive's Report

In 2020, one of our Growth Optimisation initiatives will focus on the development of comprehensive client personas, which will reflect a range of our target buyers and users across our industry verticals. These personas will play a pivotal role in enhancing our ability to create compelling propositions and product capabilities for specific job roles, whilst providing the insight our sales teams need to effectively engage with target prospects. Beyond this, we are also looking to implement a number of processes and technology tools to improve the way we capture feedback from our clients and users.

Operational Agility

Our business model is a relatively simple one: create the content once and leverage sales from that content across multiple formats (subscriptions, reports, bespoke research engagements and events) and geographies. Our centralised operating model, not only brings cost and margin benefits, it also allows the business to be operating in a very agile but consistent manner which drives operational synergies.

Following our recent acquisitions and the relative speed that we have put the Group together over the past three years, we have performed a strategic review of our cost base to ensure investment funds are directed into the right areas of the business. As a result of this we are more confident that we can significantly invest in our products and people without significantly increasing our overall cost base. This operational agility will keep us at the forefront of product development for our clients, whilst delivering progressive margins.

We have previously stated that our medium term Adjusted EBITDA margin target was 25%, which I am pleased to report that we have now achieved in 2019. Whilst this is a clear indication that our business model is working, we do not see this as a ceiling and are now targeting 35% over the next 5-year term.

The progress we have made since we reformed as GlobalData in 2016 has been made possible because of the hard work and commitment of our employees and I would like to express my own and my fellow Board members' appreciation to all our colleagues across the globe.

Today we are well positioned for growth and to continue to deliver data, analytics, and insights into global markets, all of which present opportunities for long-term profitable growth.

Mike Danson
Chief Executive Officer
2 March 2020

Strategic Report

Chief Financial Officer's Report

Continuing operations	2019 £000s	2018 £000s	Movement
Income statement analysis			
Revenue	**178,195**	**157,553**	**13%**
Statutory profit/ (loss) before tax	**10,171**	**(7,664)**	
Depreciation	4,807	742	
Amortisation of software	874	1,165	
Amortisation of acquired intangible assets	16,273	20,422	
Other income	(1,274)	-	
Finance costs	4,692	2,487	
EBITDA[2]	**35,543**	**17,152**	107%
Restructuring costs	763	3,661	
Adjustment for change in accounting policy[4]	(4,021)	-	
Revaluation of short and long-term derivatives	(1,686)	1,150	
Share based payments charge – scheme 1	10,882	5,679	
Share based payments charge – scheme 2	134	-	
Unrealised operating foreign exchange loss	1,405	1,407	
M&A costs	1,544	3,181	
Adjusted EBITDA[1]	**44,564**	**32,230**	38%
Adjusted EBITDA margin[1]	25%	20%	
Cash flow analysis			
Cash flow generated from operations	52,350	25,058	109%
Adjusted operating cash flow[3]	**52,308**	**30,542**	**71%**
Underlying cash flow conversion %[3]	117%	95%	
Adjusted earnings performance			
Adjusted EBITDA[1]	44,564	32,230	
Depreciation	(4,807)	(742)	
Amortisation of software	(874)	(1,165)	
Other income	1,274	-	
Adjustment for change in accounting policy[4]	4,021	-	
Finance costs	(4,692)	(2,487)	
Adjusted Profit Before Tax	**39,486**	**27,836**	42%
Tax (as charged to the income statement)	(3,187)	(3,408)	
Adjusted Profit After Tax	**36,299**	**24,428**	49%
Basic Shares	116,501	109,926	
Diluted Shares	125,733	119,516	
Attributable to equity holders:			
Basic profit/ (loss) per share (pence)	5.99	(10.17)	
Diluted profit/ (loss) per share (pence)	5.55	(10.17)	
Adjusted earnings per share (pence)	31.16	22.22	40%
Adjusted diluted earnings per share (pence)	28.87	20.44	41%

The financial position and performance of the business are reflective of the core financial elements of our business model: visible and recurring revenues, high incremental margins, scalable opportunity and strong cash flows.

Strategic Report

Chief Financial Officer's Report

THE GROUP'S PERFORMANCE THIS YEAR

1. Revenue
Revenues increased by 13% to £178.2m (2018: £157.6m), which reflects underlying organic growth (7%), the benefit of a full year of the Research Views revenues, acquired part way through 2018 (£6.4m) and the acquisition of Aroq Limited (£2.6m) in January 2019. The increase in revenue has been driven by recurring subscription revenues.

2. Profit before tax
The profit before tax for the year was £10.2m (2018: loss £7.7m). The shift to profitability has been driven by strong growth in revenues and EBITDA, but also in part in the reduction in non-cash amortisation of intangible assets, offset by an increase to the non-cash share based payment charge. Prior years have included significantly more costs associated with acquisitions and restructure of the Group, however there has not been significant M&A activity in the year, and the integration work is substantially complete.

The implementation of IFRS 16 in the year reduced profit before tax by £0.3m.

The Group also reviews Adjusted Profit Before Tax to understand the underlying profitability of the Group. The Adjusted Profit Before Tax grew to £39.5m (2018: £27.8m)

3. Cash Generation
The operating cash flow was £52.4m (2018: £25.1m). Excluding the cash costs associated with M&A, restructuring, other exceptional costs and one-off pension payment (£3.6m) and the impact on classification by the implementation of IFRS 16 (£3.7m) the adjusted operating cash flow was £52.3m (2018: £30.5m), which is 117% of Adjusted EBITDA (2018: 95%).

The Group repaid debt of £10.5m and paid dividends of £14.6m. The Group also paid for acquisitions of £8.1m, which were funded under facilities agreed in the previous year.

Capital expenditure was £2.6m in 2019 (2018: £1.6m). This includes £1.1m on software (£0.9m in 2018).

4. Adjusted EBITDA
Adjusted EBITDA increased by 38% to £44.6m (2018: £32.2m). Our Adjusted EBITDA margin increased by 5 percentage points to 25% (2018: 20%). We have established a relatively fixed cost base, meaning that the incremental margin flow through to Adjusted EBITDA margin is strong.

5. Forward invoiced revenue
Forward invoiced revenues grew by 5% from the 31 December 2018 balance of £81m to £85m, reflecting a slight slowdown on sales orders in the latter quarter of 2019. During the second half of the year we restructured some of our sales operations in Europe, which resulted in a reduced sales headcount. Our immediate focus is on Sales Excellence, which includes our aim to increase our sales headcount.

6. Foreign exchange impact on results
The Group derives around 60% of revenues in currencies other than Sterling. The impact of currency movements in the year had a positive impact on revenues of £3.0m (2018: negative £2.0m), which was offset in the consolidated income statement by approximately £2.4m of adverse impact in the Group costs (2018: positive £2.0m), meaning that currency benefitted the Group's profitability by £0.6m (2018: nil). The main driver for the movement was the movements of pound sterling in comparison to US dollar. In 2018 the average rate throughout the year was 1.34 compared to a stronger pound, on average, in 2019 of 1.27.

7. Net Debt:
Net Debt reduced to £55.3m as at 31 December 2019 (2018: £64.1m). This reduction principally reflects strong cash flows, offset by M&A spend of £8.1m, dividends of £14.6m and purchase of own shares of £3.6m.

8. Earnings per share
Basic profit was 5.99 pence per share (2018: loss of 10.17 pence per share). Fully diluted profit per share was 5.55 pence per share (2018: loss of 10.17 pence per share).

On an adjusted basis, the adjusted earnings per share grew from 22.22 pence per share to 31.16 pence, representing 40% growth.

9. Share based payments
The share based payments charge for 2019 has increased from £5.7m to £10.9m (excluding new scheme). The key driver for this increase is the share price performance which has driven up the fair value of the options awarded over the past 18 months. This exceeds the fair value of options of employees that have left.

A new scheme was approved in October for top executives, which has a capacity of 4 million options. 1.4 million options were issued in the year with a total charge of £0.1m.

10. Taxation

The effective tax rate for the year was 31%. The difference to the Current UK rate of 19% principally relates to overseas tax suffered, mainly in the United States and India, as well as some prior year adjustments and expenses not deductible for tax.

11. IFRS 16

The adoption of IFRS 16, effective from 1 January 2019, has resulted in the Group recognising a right-of-use asset and related liability in connection with most former operating leases. The new standard has been applied using the "modified retrospective" transition approach.

The impact on the financial results as at 31 December 2019 is to increase assets by £44.2m and to increase liabilities by £44.5m. The Group has continued to use a consistent measure for Adjusted EBITDA and has therefore excluded the impact of IFRS 16 from this measure.

The reported EBITDA has increased by £4.0m as a result of IFRS 16, with offsetting adjustments in depreciation (£4.0m cost increase), finance costs (£1.5m cost increase) and other income (gain of £1.3m) resulting in an overall reduction in profit before tax of £0.3m. Other income is amounts received on sub-let properties capitalised under IFRS16. More information is provided in Note 2 – Accounting policies.

Currency rate and market risk

The Group's primary objective in managing foreign currency risk is to protect against the risk that the eventual Sterling net cash flows will be affected by changes in foreign currency exchange rates. To do this, the Group enters into foreign exchange contracts that limit the risk from movements in US Dollar, Euro and Indian Rupee exchange rates with Sterling. Whilst commercially and from a cash flow perspective this hedges the Group's currency exposures, it does not meet the requirements for hedge accounting and accordingly any movements in the fair value of the foreign exchange contracts are recognised in the income statement.

As a data and analytics company, we are not currently impacted by cross border tariffs and we do not currently expect the re-negotiation of tariffs to materially impact our business.

Interest rate risk

Interest rate risk is the impact that fluctuations in market interest rates can have on the value of the Group's interest-bearing assets and liabilities and on the interest charge recognised in the income statement. The Group does not manage this risk with the use of derivatives.

Liquidity risk and going concern

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities as they fall due with surplus facilities to cope with any unexpected variances in timing of cash flows. The Group meets its day-to-day working capital requirements through free cash flow. Although the statement of financial position shows net current liabilities (current assets less current liabilities), included in current liabilities is £69m of deferred revenue. Once adjusted, the Group has net current assets of £18m (2018: £20m).

Based on cash flow projections, the Group considers the existing financing facilities to be adequate to meet short-term commitments. The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Group has prepared the Annual Report and Accounts on a going concern basis. The Directors have prepared a Going Concern and Long-Term Viability statement on page 25, within the Strategic Report.

G. C. Lilley

Graham Lilley
Chief Financial Officer
2 March 2020

Note 1: Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements, impact of foreign exchange contracts and the impact of IFRS16 (Leases). Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue.

Note 2: EBITDA: Earnings before interest, tax, depreciation, amortisation and impairment. Includes a non-cash charge of £11.0m for share based payments (2018: £5.7m).

Note 3: Adjusted operating cash flow: Adjusted operating cash flow is cash generated from operations adjusted for exceptional cash items. Underlying cash flow conversion is defined as: Adjusted operating cash flow as a percentage Adjusted EBITDA.

Note 4: Change in accounting policy: Change in accounting policy relates to the impact of adopting IFRS 16, excluded from adjusted EBITDA to allow for comparison with prior periods.

Strategic Report

Principal and Emerging Risks and Uncertainties

GlobalData's mission is to help our clients succeed by decoding the future. Our vision is to become the "Bloomberg of the vertical markets" by being the world's trusted source of strategic industry data, analytics, and insights.

Our Approach to Risk Management

The Group recognises that in order to be successful, we are required to take risks. The Board and the broader Group understand, however, that risks need to be taken in a controlled environment where our approach is one of responsible risk taking in line with the principles, culture, tolerance and appetite as directed by the Board.

As reported last year, the Group created a Risk Management Action Plan (RMAP) on which progress is being made. The RMAP is continually evolving to ensure that the Risk Management Framework is further embedded throughout the organisation.

The Board sets the Group's risk appetite. In doing so, the Board considers our strategic objectives, the Group's principal risks & uncertainties and assesses against the long-term viability of the Group. The Board also considers the views of the Executive Management and Audit Committee as part of its systematic review of internal controls.

The Board

Review and Confirmation
The Board's responsibility is to review and approve the Group's strategy and objectives and determine the Group's appetite for risk and then establish the Group's risk management processes and internal control.

Audit Committee

Challenge and Review
Risks and mitigations reviewed by the Audit Committee and input into the risk management and internal control procedures.

Executive Management Committee

Ongoing Review, control and implementation
There is ongoing review of the internal controls and risk is embedded into the decision making process of the business.

The Audit Committee monitors the adequacy and effectiveness of internal control and risk management systems and ensures that a robust assessment of the principal risks facing the Group has been undertaken.

Our approach to identifying the principal risks

The principal risks and uncertainties identified in the Report are those categories of risk which are considered by the Board to be material to the Group's strategic development and future prospects as well as Group operations. The risk categories have not materially changed since the last year, however the Board have assessed how the risks have evolved over the year and have documented the change in impact and development of mitigation where applicable.

The principal risks and uncertainties reported are not the only risks facing the business, but are those which the Board consider to be material to the Group.

Strategic Report

Principal and Emerging Risks and Uncertainties

The Directors consider that the principal and emerging risks and uncertainties facing the Group are:

Business and strategic risks:

Risk Description	Potential Impact	Mitigation
Product The success of the Group is dependent on the quality and relevance of our products.	Our vision to become the world's trusted source of strategic industry data, analytics, and insights means that our content must be of the highest quality to help our clients be successful. A reduction in quality could result in a loss of reputation resulting in a loss of revenues from new and renewable business.	One of our key strategic priorities is World Class products. The Executive Management Committee regularly review renewal and usage rates of our products which is a key indicator of quality. In order to ensure the highest quality, we: • Have a robust data integrity platform and processes. • Have a clear process for ensuring and checking integrity and quality of our content. • Continue to invest in recruiting and retaining high quality analysts and researchers. • We are continually developing innovative solutions which enhance both the content quality and our client's user interface experience. • Engage external consultants to review quality control procedures.
People and Succession The Group is a people-based business; failure to attract or retain key employees could seriously impede future growth.	Failure to recruit or retain key staff could lead to reduced innovation and progress in the business.	The Group actively manages its talent and ensures that there are succession plans for its Board and Executive Management Committee. • The Group operates a competitive remuneration package, with competitive commission and incentive schemes. • Experienced management team with a robust on-boarding programme for sales people which allows talented and motivated employees to flourish. • Long-term incentive schemes with over 100 senior management participants. • The introduction of a new long-term incentive plan to retain the top level of the executive throughout the next 5-year plan.
Competition and Clients The Group operates in highly competitive yet fragmented markets.	Loss of market share due to changing markets and reduced financial performance arising from competitive threats.	The Group operates across a range of industry verticals and across the globe, therefore it has a broad range of clients and competitors. One of Group's unique selling points is not only the breadth of its coverage, but also depth. Therefore, it has to ensure that the depth of industry content is competitive and comparable to its competition in that sector. • The Group routinely reviews the competitive landscape to identify potential threats and acquisition opportunities. • We constantly monitor new technology capabilities and innovation to ensure that our products are always contemporary and relevant, which allows us to respond to new competitive threats as they arise. • Our data sets and technology platforms are both unique and difficult to replicate. • We aim to embed our products and service in client organisations thereby increase switching costs. • We provide improved and best in class client support thereby improving customer satisfaction and retention.

Principal and Emerging Risks and Uncertainties

Business and strategic risks (continued):

Risk Description	Potential Impact	Mitigation
Economic and Global Political Changes The Group's businesses operate in three key geographic markets namely Europe, North America and Asia Pacific.	Economic and political uncertainty could lead to a reduction or delay in client spending on the services offered by the Group and/ or restriction on the Group's ability to trade in certain jurisdictions.	The Group provides high quality data and analytics services, which are embedded in the day-to-day operations of our clients. In times of uncertainty, we aim to provide clarity and insight. When economic and political uncertainty lead to financial uncertainty, we have the following mitigations: • Management of headcount and overheads. • Visibility of revenue through invoiced revenue and renewable contracts. • We operate across multiple industry sectors and therefore are not reliant on one industry. • We operate in different geographies and therefore operate in a balanced portfolio of markets. *Brexit* The Group continues to monitor the impact of the UK's exit from the European Union. We continue to expect that the majority of the impact will be indirect. As a data and analytics company, we are not currently impacted by cross border tariffs and we do not expect the re-negotiation of tariffs to impact our business, however we monitor the impact of political change and how this affects the Group.
Acquisition and Disposal Risk	The failure to successfully identify and integrate key acquisitions could lead to loss of profits, inefficient business processes, inconsistent corporate culture and weakened brand.	M&A has been a significant part of the strategy and growth of the Group and moving forwards, M&A will continue to play a key role in our strategy. Therefore, the rigour and the diligence that goes into first the selection of targets and then the acquisition and integration of business is key to our strategic success. • All acquisitions are subject to rigorous due diligence and operational review, the findings of which are presented to the main Board as part of the supervision and approval process. • Where necessary external advisors with either technical and/or local knowledge are engaged. • For smaller acquisitions, a separate investment committee, with delegated responsibility from the Board, review the diligence process.
How the business and strategic risks have changed:	The Global economic and political uncertainly continues to increase and is becoming a constant theme, despite some level of clarity around Brexit in the United Kingdom. In terms of delivering against our strategic objectives, internal execution remains the main area of risk and ensuring that our product proposition is right for our clients and that we are getting our sales messages to those clients continues to be our main focus.	

Principal and Emerging Risks and Uncertainties

Operational risks:

Risk Description	Potential Impact	Mitigation
Financial	The Group's reporting currency is Pounds Sterling. Given the Group's significant international operations, fluctuations in currency exchange rates can affect the Group's consolidated results. As a Global Group we are subject to many forms of direct and indirect taxation and because of the many territories we are active within, tax law and compliance is a complex area.	A significant mitigation is the natural hedge we have from our global operations. We generate around 60% of revenues from currencies other than Sterling, which is predominantly US Dollar whilst around 40% of costs are derived from non-Sterling currencies, which are all primarily linked to movements of US Dollar. The net cash flow exposure is then managed by entering into foreign exchange contracts that limit the risk from movements in US Dollar, Euro and Indian Rupee exchange rates with Sterling. The Group does not fully mitigate its exposure to currency movements and around 20% of its net currency cash flow is unhedged each quarter. The Group's treasury position is a recurring agenda item for the Board and Audit Committee. We engage a big four firm for tax advice and utilise their global network to both plan our tax exposure and manage compliance across the world. We make full and transparent returns in each jurisdiction and work collaboratively to ensure accurate submissions are made.
Loss, misuse or theft of proprietary, employee or customer data	Loss of our proprietary content and data could diminish the value that we derive from our intellectual property.	We have an obligation to protect the data we hold, whether that is customer or employee data. Loss and/ or misuse of this data could result in a loss of reputation, and regulatory sanctions or fines. Controls are in place to prevent the loss/ misuse of data in the Group: • Segmented networks protect client data. • Third party services used to detect potential breaches of employee information.
IT, cyber and systems failure	Significant operational or client disruption caused by a major IT disaster or cyber-attack. There is a risk of financial loss through successful phishing or whaling attacks or other cyber infiltration.	IT, cyber and systems failures continue to be a major area of focus for the Group and the Group is part way through a significant upgrade to its IT infrastructure. Key mitigations and controls for the Group: • Business continuity plans have been implemented across the Group, including disaster recovery programmes, and plans to minimise business disruption. • Product and sales infrastructure hosted by external third parties with adequate security protocols. • IT Infrastructure is managed by third party providers with 24-hour management and monitoring with back up and disaster protocols. • The Group regularly reviews its cyber security and website security protocols, and has undergone a review from an external third party. • External consultancy engaged to help with design and implementation of IT security and protections.
Regulatory Compliance	The Group may be subject to regulations restricting its activities or effecting changes in taxation.	The majority of the Group's operations are based in the United Kingdom, United States of America and India. Appropriate advisors are employed in all geographies to ensure the Group remains compliant with local laws and regulations. The Group has policies in place for anti-money laundering, anti-bribery policy and data protection and privacy that have been distributed amongst staff.
How the operational risks have changed:	The Group views the risk of cyber-attacks to be a continual threat and looks to continually develop our security and response procedures to protect the Group against such threats. We do not consider that the other areas of operational risk have changed materially in the year, however we continue to monitor each closely and engage with experts to ensure we are ready for any change of circumstance should it arise.	

Going Concern and Viability

Going concern

The Group meets its day-to-day working capital requirements through free cash flow. Based on cash flow projections, the Group considers the existing financing facilities to be adequate to meet short-term commitments. Although the Group's current liabilities exceed its current assets, the deferred revenue balance is a large contributing factor. Deferred revenue is not a liability where there is an expected cash outflow. If this is excluded, the Group is in a net current assets position.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Group has prepared the Annual Report and Accounts on a going concern basis.

Long Term Viability

The Directors have formally assessed the viability of the Group to December 2024 as part of the 5-year plan, taking account of the Group's current position, its cash flows and the potential impact of the principal risks as outlined on pages 22 to 24 of this Annual Report. The Board considers this period as an appropriate review period as it offers a medium term view and gives actions and strategy sufficient time to review against.

The 5-year plan has been built on the basis that the Group continues to achieve its current renewal rates and wins new business at a consistent rate. Our cost base is relatively fixed and predictable and as such we have assumed modest cost growth. The cash flow assumptions follow our business model of our clients being invoiced in advance of the subscription start date and suppliers and employees are paid within 30 days and at the end of the month respectively.

The 5-year plan has been subject to stress testing, the results of which show significant headroom in cash and facility terms. The Group also has strong headroom in relation to the financial covenants in place and no breach is forecast.

The Group's prospects are assessed primarily through the annual budgeting process. Detailed plans are prepared by the Executive Management Committee and are presented to the Board at the annual away day, which allows a deep dive into various areas of the business and gives opportunity for input and scrutiny by the Board which ensures alignment with the overall Group strategy. Progress against the plan is presented to the Board throughout the year, commenting on performance and any newly identified risks. The individual plans are then consolidated into an overall Group plan.

As noted on page 7 of the Annual Report, our business model has strong fundamental attributes; significant recurring and visible revenue streams, strong incremental margins, robust working capital and operational cash flow and scalable opportunity.

The Board feels that the Group's four strategic priorities give the appropriate focus to protect the business from risks, threats and uncertainties as well as giving the agility to pursue opportunities as they arise and to capitalise on the business model attributes. The focus on being client centric, developing world class products, sales excellence and operational agility are the correct focuses aligned with the Group's Mission and Vision.

Given the opportunity within the Group's markets, the Board believe internal execution to be the single greatest risk against its 5-year plan. The Group recognises the key mitigations to protect the Group from this as set out in its principal risks on page 22.

The Group has a combined facility of £100m with The Royal Bank of Scotland, HSBC and Bank of Ireland. The Board have reviewed cash flows until 2024 which demonstrate ability to trade with headroom on its facilities and to meet ongoing repayments of the term loan. There is a remaining £16.5m to draw on the facility.

The Board are satisfied that the current financial position of the Group, its significant visibility on revenues and other business model fundamentals provide a stable platform for the Group to pursue its mission and vision for the Group. The Board are confident that in pursuing the four stated strategic priorities will protect business interests against threats and allow the Group to pursue opportunities that will drive growth.

Mike Danson
Chief Executive, approving the Strategic Report on behalf of the Board
2 March 2020

Directors' Report

The Directors

Bernard Cragg
Chairman

Bernard Cragg is Chairman of GlobalData Plc. Bernard qualified with Price Waterhouse as a chartered accountant before joining Carlton Communications becoming Chief Financial Officer and Finance Director. Bernard was the Chairman of Datamonitor Plc and during his time there he was an integral part of the executive team that oversaw the rapid growth of the business and its eventual successful sale to Informa in 2007.

Mike Danson
Chief Executive

Mike Danson founded Datamonitor Plc, an online information company, in 1990. In 2000, Datamonitor completed its flotation on the London Stock Exchange and was sold to Informa for £502m in 2007. GlobalData acquired the Datamonitor Financial, Datamonitor Consumer, MarketLine and Verdict businesses from Informa Plc in 2015.

Graham Lilley
Chief Financial Officer

Graham joined the Group in 2011 and progressed through to Group Finance Director before becoming Chief Financial Officer in January 2018. Graham started his career at PricewaterhouseCoopers, where he qualified as a Chartered Accountant and subsequently joined Datamonitor when it was part of the Informa Group. Graham's involvement and experience in data subscription businesses provides a valuable view on financial performance and understanding of the business model.

Directors' Report

The Directors

Murray Legg
Non-Executive Director

Murray Legg is a Chartered Accountant with over 35 years of audit and advisory experience gained with PricewaterhouseCoopers in the UK where he held a variety of senior management, governance and client roles. As a partner he spent 15 years auditing and advising a number of major UK companies whose operations covered a broad range of industry sectors. Murray is currently also a Non-Executive Director of Sutton and East Surrey Water Plc.

Peter Harkness
Non-Executive Director

Peter Harkness has more than 33 years' experience as a Director or Chairman of several successful businesses, predominantly in the media sector. In addition to leading a number of private equity deals, Peter has also spent a total of 18 years as a Non-Executive Director of 5 quoted companies, including Walker Greenbank Plc and Chrysalis VCT Plc, and has twice been a Plc Chairman. Peter was a Non-Executive Director of Datamonitor until its sale to Informa and was chairman of the Butler Group until its sale to Datamonitor. Peter has also undertaken Board roles in the Third Sector and is currently chair of a charitable trust which manages arts and sports facilities in Gloucestershire. Peter's experience and understanding of the media and information subscription sector is an excellent asset for the GlobalData Board, particularly how we sell and the selling process.

Annette Barnes
Non-Executive Director

Annette joined the Board in February 2017. In her Executive Career, Annette was most recently Managing Director of Wealth & Mass Affluent for Lloyds Banking Group and CEO of Lloyds Bank Private Banking Limited. Prior to that, Annette was Managing Director of Bank of Scotland (Retail). Annette has over 30 years of Financial Services experience, working for Lloyds Banking Group, Bank of America, MBNA Europe Bank Ltd and NWS Bank Ltd. Annette is also a Non-Executive Director of Old Mutual Wealth Limited, Old Mutual Wealth Life & Pensions Limited and Leeds Building Society. Annette's prior experience has given her an excellent understanding of Technology, product channels to meet customer needs, Operational Management and Risk Management.

Andrew Day
Non-Executive Director

Andrew David Day, is currently employed as Group Chief Data Officer for Pepper Financial Services Group where he is responsible for driving the adoption of data, analytics and machine learning across the group businesses to drive positive commercial and customer outcomes. Prior to joining Pepper, Andrew was Group Chief Data Officer at J Sainsbury Plc, Business Intelligence Director at News UK and General Manager of Business Intelligence at Telefonica. With over 25 years' experience of commercially orientated data and analytics experience, Andrew has a successful track record for implementing transformational data driven change across a number of industry sectors.

Directors' Report

Corporate Governance Report

The Board has set out its responsibility for preparing the Annual Report and Accounts on page 43. The Board consider the Annual Report and the Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

The Board is committed to the highest standards of corporate governance and has adopted all requirements of the UK Corporate Governance Code that are applicable to it as a 'smaller company' (defined in the UK Corporate Governance Code as being a company below the FTSE 350). The UK Corporate Governance Code is publicly available at: www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code

Details of GlobalData's corporate governance practices are publicly available on its website www.globaldata.com.

Responsibility for governance matters lies with the Board, which is accountable to shareholders and wider stakeholders for the activities of the Group.

Board Leadership and Company Purpose
The Group is led by the Board. The Executive Directors meet regularly with Investors to discuss the performance and governance of the Group and any feedback is communicated and distributed to the wider Board. The Chair of the Remuneration and Audit Committees make themselves available to discuss with Investors annually at the AGM.

The Board assess the basis on which the company generates and preserves value over the long-term and have prepared a long-term viability statement on page 25, which considers the 5-year plan. The Board considers the opportunities and threats to the business model and assessment is made on how the Group's strategy is aligned to addressing the Group's mission and protecting the sustainability of the business. The regular challenge and governance provided by the Board keeps the Executive Management Committee and the entire organisation united in achieving the Group goals.

The Board have recognised within the long-term viability statement that culture is an important aspect of its four strategic priorities which ultimately drives the Group towards its Mission. The Group is a diverse, global business but we aim to have a common tone across the organisation. We promote agility, innovation, hard work and ethical behaviours underpinned by our framework of ethical codes. We invest in our employees' training and development with clear progression and career plans that allow our colleagues to flourish. We deliver consistent training, communication and policy across the Group and within different work groups. We recognise that it is advantageous to promote differing cultures within different functions of the organisation which all contribute to the overall culture of the business, for example we have implemented a reward structure within our sales teams which is consistent across the globe and is aimed to get the best out of sales teams, but the reward structures elsewhere in the business differ dependent on performance metrics.

The Company operates a "VOICES" network, which is an employee group working together to drive positive change for GlobalData. We encourage our employees to share their feedback and ideas on the issues that matter to them and their colleagues. This group is the platform to gather and discuss feedback, suggest ideas for improvement, and help to implement them. The results of the initiatives led by VOICES is published to colleagues on the internal intranet. Our colleagues can also raise concerns in confidence and anonymously via our whistleblowing hotline, which is monitored by the Senior Independent Non-Executive Director. The Directors believe that the VOICES and whistleblowing forums give the Board sufficient insight of the view of the workforce and that representation on the Board is not currently required.

The Group operates an intranet, which every employee has access to. On the intranet the employees have access to policies and procedures and it is also used to communicate company events, activities and regular corporate updates from the CEO.

The Directors have set out its wider stakeholder analysis. The Board view renewal rates and payment statistics for a high level view on the health of client and supplier engagement, but will also have deep dives into engagement through discussion with commercial managers.

Division of Responsibilities
The Board is made up of two Executive Directors and five Non-Executive Directors. The Executive Directors who have served during the year are Mike Danson and Graham Lilley.

The Chairman is responsible for the running of the Board and together with the Board members, determining the strategy of the Group. The Chief Executive is responsible for the running of the Group's business.

The Code requires that the Chairman should, on appointment, meet the independence criteria set out in code. During the year, Bernard served as a Non-Executive Chairman, however on appointment and during 2019 he cannot be considered independent as he participates in the Company's employee share option scheme. The Board considers his participation in the employee share option scheme (with vesting targets based on time rather than Company performance) does not influence the Chairman's independence of character and judgement within the meaning of the code nor does it influence him or the Board in the proper discharge of their duties and the operation of the business of the Group. The Code also requires that the Chairman should not remain in post beyond nine years. Bernard was appointed to the role of Chairman in July 2009 and hence can not be considered independent on the basis that he has been in role beyond the nine years. The Board is planning for the succession of Bernard in his role as Chairman.

Our Non-Executive team comprises Peter Harkness, the Senior Independent Director, Annette Barnes, Andrew Day and Murray Legg.

Peter Harkness has served on the Board as Non-Executive Director since 25 June 2009. The Board and the Nominations Committee have specifically considered Peter's independence and is of the opinion that length of service is not necessarily a complete or accurate measure of a Director's independence. Given Peter's position on the Nominations Committee, he abstained from these discussions. In the Board's opinion, Peter continues to fulfil the requirements of acting as an independent Director and he is an important member of the team with experience of the Group's operations and history over his term which is a key asset in assisting the executives in delivering the Group's strategy. In his role as Senior Independent Director, Peter also acts as a sounding board for the Chairman.

The Board is planning for the succession of Peter (and Bernard as Chairman) to retain the balance of independent Directors in line with the UK Corporate Governance Code, and further enhance the Boards' knowledge, experience and skillset.

The Non-Executive Directors' shareholdings are detailed in the Directors' Interests table on page 32 of the report. The Board has determined that all the independent Non-Executive Directors are independent and that their shareholding in the Company does not affect their independence. As noted above, the Chairman is not considered independent and has a material shareholding.

In 2019, the Board met 12 times during the year and there is a formal schedule of matters reserved for the consideration of the Board. The Board is responsible to the shareholders for the proper management of the Group. The Board sets and monitors the Group strategy, reviewing trading performance, ensuring adequate funding, examining development possibilities and formulating policy on key issues. The Board is also responsible for monitoring the current and emerging risk and control environment, and has set out its approach to risk on pages 22 to 24. The board confirm it has completed a robust assessment of the Group's emerging and principal risks during the year.

The Non-Executive Directors have the opportunity to meet without the Executive Directors in order to discuss the performance of the Board, its committees and individual Directors.

The Company Secretary ensures that the Board and its committees are supplied with papers to enable them to consider matters in good time for meetings and to enable them to discharge their duties. Procedures are in place for the Directors in the furtherance of their duties to take independent professional advice, if necessary at the Company's expense.

Composition, Succession and Evaluation

The Board has established a Nomination Committee to lead the process for appointments and manage succession plans for its executives. The committee is comprised of two Executive Directors and two Non-Executive Directors, with the casting vote going to Peter Harkness, the Non-Executive Chair of the Nominations Committee. Where the Nominations Committee uses an external search agency to appoint a member of the Board, it is disclosed in the Annual Report. No new appointments were made during the year.

The Group benefits from the diversity and variety of its workforce and is fully committed to maintaining and encouraging diversity, including the composition of the Board. The Board is currently made up of 6 male Directors and 1 female and the Executive Management Committee had 9 male employees and 1 female employee serve during the year.

All Directors are required to stand for re-election every year. The terms and conditions of appointment of the Non-Executive Directors are available for inspection at our registered office.

The Board conducts an annual evaluation process, which involves the performance appraisal of both the Executive and Non-Executive members of the Board. The review is undertaken by all Directors via an online survey on the overall performance of the Board during the year, which is fed back and debated at the annual Away Day, which then drives the actions and objectives of the Board for the forthcoming year.

Individual Directors are appraised by virtue of their role within the Board, whereby the Chairman appraises the Chief Executive and the Non-Executive Directors, the Chief Executive appraises the Chief Financial Officer and the entire Board appraise the Chairman which is delivered by the Senior Non-Executive Director.

As a 'smaller company' (defined in the UK Corporate Governance Code as being a company below the FTSE 350) the Board have decided that the internal evaluation conducted in the year is sufficient and that external facilitation of the Board performance review is not necessary in this financial period.

Corporate Governance Report

Audit, Risk and Internal Control

The Board has established Audit, Nomination and Remuneration Committees with mandates to deal with specific aspects of its business. The table below details the membership and attendance of individual Directors at Board and committee meetings held during the year ended 31 December 2019.

Board meetings during the year:

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings				
Bernard Cragg	12	N/A	N/A	1
Mike Danson	12	N/A	N/A	1
Graham Lilley	12	N/A	N/A	N/A
Murray Legg	12	4	2	1
Peter Harkness	12	4	3	1
Annette Barnes	11	4	3	N/A
Andrew Day	12	4	3	N/A

The Audit Committee is comprised of the Chairman Murray Legg, Peter Harkness, Annette Barnes and Andrew Day. Murray Legg is a Chartered Accountant with recent and relevant financial experience.

The Committee met four times in the year with the external auditors in attendance.

The Committee is responsible for:

- monitoring the integrity of the financial statements and any formal announcements relating to the company's financial performance, and reviewing significant financial reporting judgements contained in them;
- providing advice on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy;
- reviewing the company's internal financial controls and internal control and risk management systems;
- considering annually whether there is a need for an internal audit function and reporting its view and findings to the Board;
- conducting the tender process and making recommendations to the Board, about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity;
- reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements; and
- developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required.

The Audit Committee discharges its responsibilities through receiving reports from management and advisers, working closely with the auditors, carrying out and reviewing risk assessments and taking counsel where appropriate in areas when required to make a judgement.

The Board has overall responsibility for the Group's system of internal controls and for monitoring its effectiveness. Such a system is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The internal controls are considered within the Risk and Uncertainties section of the Strategic Report on pages 22 to 24.

The Directors review the effectiveness of the Group's system of internal controls. This review extends to all controls including financial, operational, compliance and risk management. Formal risk review is a regular Board agenda item.

The key controls in place have been reviewed by the Board and comprise the following:

- The preparation of comprehensive annual budgets and business plans integrating both financial and operational performance objectives, with an assessment of the associated business and financial risks. The overall Group budget and business plan is subject to approval by the Board.
- Weekly sales reports are produced and reviewed by management.

Directors' Report

Corporate Governance Report

- Monthly management accounts are prepared and reviewed by the Board. This includes reporting against key performance indicators and exception reporting.
- An organisational structure with formally defined lines of responsibility. Authorisation limits have been set throughout the Group.
- The monthly preparation and review of balance sheet control account reconciliations.

Remuneration
The Remuneration Committee comprises the Chairman Peter Harkness, Murray Legg, Annette Barnes and Andrew Day. The Remuneration Committee is responsible for determining the service contract terms, remuneration and other benefits of the Executive Directors, details of which are set out in the Remuneration Report on pages 40 to 42. The terms of reference of the Remuneration Committee are available for inspection on request.

Going concern
The Group meets its day-to-day working capital requirements through free cash flow. Based on cash flow projections, the Group considers the existing financing facilities to be adequate to meet short-term commitments.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Group has prepared the Annual Report and Accounts on a going concern basis.

Long Term Viability
The Directors have set out a long-term viability statement on page 25 of the Strategic report.

Shareholder relationships
The Company operates a corporate website at www.globaldata.com where information is available to potential investors and shareholders.

The Board will use the Annual General Meeting to communicate with shareholders and seek their participation. The Notice of the Annual General Meeting will be circulated more than 21 working days prior to the meeting.

The Directors' interests are disclosed on page 32, which includes the shareholding of Mike Danson who owns 79,028,349 shares, representing 66.8% of the total share capital. There are no other individual shareholders owning more than 10% of the company's issued share capital.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all its issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Board Terms of Reference, copies of which are available on request.

The Company has authority to purchase its own shares. The authority limits the maximum number of shares which can be purchased to approximately 5% of the Company's current issued share capital. The authority is proposed each year as a resolution at the company's AGM for shareholders to vote on.

Employee policies
The Group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the factors affecting the performance of the Group. This is achieved through formal and informal meetings.

The Group benefits from the diversity and variety of its workforce and is fully committed to maintaining and encouraging diversity. It is the Group's policy to give full and fair consideration to the employment of disabled persons, the continuing employment of employees becoming disabled, and to the full development of the careers of disabled employees, having regard to their particular abilities.

The Group does not discriminate on the grounds of gender, race, disability, sexuality, religion, philosophical belief, political belief, trade union membership or age as guided by the Equality Act 2010.

Directors' Report

Corporate Governance Report

At 31 December 2019, the Group employed the following number of employees of each gender:

	2019	2018
	No.	No.
Male	2,000	2,011
Female	1,355	1,232
	3,355	**3,243**

Health and safety
It is the policy of the Group to conduct all business activities in a responsible manner, free from recognised hazards and to respect the environment, health and safety of our employees, customers, suppliers, partners, neighbours and the community at large.

Political donations
The Group has not made any political donations during the year.

Supplier payments policy
It is the Group's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with agreed terms and conditions. At 31 December 2019 the Group had 69 days purchases outstanding (2018: 71 days).

Subsequent events
There are no subsequent events.

Financial instruments
Use of financial instruments and exposure to various financial risks has been discussed within the Strategic Report (page 24).

Future developments
Future developments have been discussed within the Strategic Report (page 9).

Directors' Interests
Details of the Company's share capital are set out in note 23 to the financial statements. As at 2 March 2020, Mike Danson had a beneficial interest of 66.8 per cent of the issued ordinary share capital of the Company. No other person has notified any interest in the ordinary shares of the Company, in accordance with AIM Rule 17.

The interests of the Directors as at 2 March 2020 in the ordinary shares of the Company were as follows:

	Number of ordinary shares
Bernard Cragg	390,000
Mike Danson	79,028,349
Murray Legg	23,000
Peter Harkness	70,000

Directors' Report

Directors' Section 172(1) Statement

The Board acknowledges its responsibility under section 172(1) of the Companies Act 2006 and below sets out the key processes and considerations that demonstrate how the Directors promote the success of the Company.

The below statement sets out the requirements of the Act, section 172(1), and note how the Directors discharge their duties.

As noted in the Corporate Governance Report (pages 28 to 32), the Board meet monthly with papers circulated in advance to allow the Directors to fully understand the performance and position of the Group, alongside matters arising for decision. Each decision that is made by the Directors is supported by papers which analyse the possible outcomes so that an educated decision can be made based upon the likely impact on the Group, so a decision can be made which best promotes the success of the Company and considers the impact on the wider stakeholder group. Factors (a) to (f) below, are all taken into account during the decision making process.

(a) The likely consequences of any decision in the long term
Supporting each decision, the Board are given access to management papers which set out the potential outcome of decisions. The papers include diligence on the financial impact via forecasts, as well as non-financial factors and how the decision fits with the strategy of the Group.

The Group has a 5-year plan, which is a financial plan supported by a Growth Optimisation Plan, which is reviewed regularly to benchmark performance and achievements against. Strategy is reviewed in detail each year at the Board Away Day and this strategic thinking is intrinsic to future decision making processes. Where appropriate, the Board will delegate responsibility to a sub-committee of Directors for areas such as M&A, property and risk.

(b) The interests of the Company's employees
The Directors actively consider the interest of employees in all major decisions. People is a regular agenda item at Board meetings where attrition rates, reasons for leaving and employee satisfaction are discussed. As discussed on page 28, the Company operates a "VOICES" network, which is an employee group within GlobalData. Feedback and ideas are shared with the Board, which are considered and actions are taken as a result.

The Group also operates an LTIP for around 100 of the Group's employees to encourage employee engagement in promoting the success of the Company and maximising shareholder return.

(c) The need to foster the Company's business relationships with suppliers, customers and others
The Directors have identified the stakeholders of the Group and review regularly to ensure adequate communication and engagement is ongoing with each group. The review of the stakeholder map, which maps the influence and interest of our stakeholders, is used as a guide when decisions need to be made. The stakeholder map is reviewed at least annually.

One of the Group's stated Strategic Priorities is to be customer centric and this is harboured through quality account management and customer service processes. Page 14, within the Chief Executives Report, discusses how the Group and its Board address the customer centric priority and page 22 notes the mitigations that are in place from a risk perspective to ensure we control our relationship with our clients. Client retention rates are also monitored on a monthly basis. Our standard payment terms are zero days ahead of the contract start and we monitor the average debtor days, which were 95 days at the end of 2019 (2018: 115).

Whilst the majority of our cost base is people, we maintain strong working relationships with our suppliers and continually monitor supplier payment days. For key suppliers we perform diligence around their working practices and ethics as well as their financial stability and viability.

(d) The impact of the Company's operations on the community and environment
The Group takes its responsibility within the community and wider environment seriously and acknowledge that more can be done. However, our Environmental, Social and Governance report on page 35 sets out the key themes that are considered by the Board. GlobalData is a global company and has based itself in strategic locations for the long term. Therefore, in making decisions about the properties, as an example, the Board reviewed community and environmental issues when approving proposals.

The Company has a relatively low carbon footprint, but acknowledges improvements can always be made and the Directors encourage video calling rather than air travel. The Group also looks to engage local communities through charity work, particularly focussing on charities in the education and learning space.

Directors' Report

Directors' Section 172(1) Statement

(e) The desirability of the company maintaining a reputation for high standards of business conduct
The Directors and the Company are committed to high standards of business conduct and governance. The Group has fully adopted the UK Corporate Governance Code despite there being options for more reduced codes for companies on AIM.

One of our stated strategic priorities is World Class Products, which is primarily aimed at best in class products, but the Directors believe the wider reputational and cultural conduct is a big part of product reputation.

Where there is a need to seek advice on particular issues, the Board will seek advice from its lawyers and nominated advisors to ensure the consideration of business conduct, and its reputation is maintained.

(f) The need to act fairly between members of the Company
The Directors regularly meet with investors and give equal access to all investors and potential investors. Through its advisors, the Directors seek and obtain feedback from meeting with the investors and incorporate feedback into its decision making processes.

Directors' Report

Environmental, Social and Governance

Environmental, Social and Governance ("ESG") matters are a key part of our strategy, and for us at GlobalData it is about safeguarding long-term viability and sustainable growth for the Company, our people, our clients and our shareholders.

When GlobalData was formed in early 2016 we recognised that how we engage with our people, clients, business partners, the wider community and environment is fundamental to the Group's success. The Group is committed to focussing on creating and maintaining positive long-term relationships with our broad base of stakeholders.

Sustainability Themes
For us at GlobalData, our sustainability activities are focused around four key themes:

Our People
Our commitment to our people remains paramount as we recognise that the motivation, creativity and engagement of our people is critical to the Group's success. We aim to be an employer of choice and one where our people feel respected, rewarded and engaged. Our success and future success depends on GlobalData being able to attract and retain the right talent and we operate a "VOICES" network, which is an employee group working together to drive positive change for GlobalData.

The Group benefits from the diversity and variety of its workforce and is fully committed to maintaining and encouraging diversity, including the composition of the Board. The Board is currently made up of 6 male Directors and 1 female and the Executive Management Committee had 9 male employees and 1 female employee serve during the year.

At GlobalData we encourage our people to be actively involved in our strategy and product, as well as ongoing corporate development. This has enabled the Group to maintain a level of agility and the ability to plan, design and launch product enhancements in relatively short time frames.

Areas of focus:
- Strong internal training scheme
- Enhanced benefits packages available
- Annual performance reviews and internal movement
- Diversity in geographies, languages and experience
- Staff social and charity events, team building across groups and geographies.

Directors’ Report

Environmental, Social and Governance

Our Clients
Our data, analytics, and insight help our clients to “decode the future”. Our data and analytical insight allows our clients contextualise the competitive landscape they operate within, helping them make better informed and timelier decisions.

We are continually focused on the quality of our data, analytics, and insights so that our clients can trust our products and professional integrity at every point of interaction.

Areas of focus:

- Trust in our data
- Integrity of our research methodologies
- Ethical standards
- Privacy and data protection

The Group takes data security very seriously. The risks and mitigating controls around cyber and data security are outlined on page 24 of the Annual Report.

Social Investment
Social Investment allows GlobalData to contribute to the success of charities and organisations; we help to ensure that they can achieve their aims in a sustainable, long-term way.

Areas of focus:

- Social engagements to raise money for selected charities
- Helping our communities to access basic and improved education

Environment
We are a data and analytics company in which our products are created and distributed digitally. Our carbon footprint is considerably smaller than for many other companies of our size. Despite the structural benefits that we have as a digital company, we are committed to minimising the impact of our operations on the environment.

Areas of focus:

- Energy waste reduced through smart office lighting systems
- Travel and accommodation policies encourage carbon offsetting and minimising the Group’s carbon footprint
- Focus on modern business practices such as video and virtual meetings to reduce the need to travel

Directors’ Report

Audit Committee Report

As Chairman of the Audit Committee I am pleased to present our report to you for 2019.

Key Activities of the Audit Committee
The Audit Committee assists the Board in setting Governance standards and has specific responsibility over financial controls, financial reporting and audit effectiveness. In 2019, specifically, the Audit Committee has:
- Reviewed the integrity of the financial statements of the Group and any formal announcements relating to financial performance;
- Conducted a review of the Annual Report and Accounts to confirm that it was fair, balanced and understandable;
- Reviewed the significant financial judgements made in the year (including the consideration of the implications of IFRS 16 (New lease accounting standard));
- Reviewed the effectiveness of the Group’s internal controls and risk management framework;
- Considered the integrity of the Group’s relationship with the external auditors and the effectiveness of the audit process; and
- Conducted an Audit Tender process for the Group Audit for the year ended 31 December 2020.

During the year the Audit Committee met on four occasions and I am satisfied that we were presented with papers of good quality and in a timely fashion.

The Committee comprises only independent Non-Executive Directors and consists of the Chairman Murray Legg, Peter Harkness, Annette Barnes and Andrew Day.

The integrity of financial reporting
We reviewed the integrity of the financial statements and all formal announcements relating to financial performance during 2019. As part of the review, we engaged in discussion with the external auditors on whether significant areas of judgement and significant risks were adequately evaluated, reported and disclosed.

During 2019, we focused upon the following areas:
- Assessing the impact of IFRS16 ‘Leases’, which was effective 1 January 2019;
- Fair value review of AROQ Limited;
- Review of the appropriateness of the Adjusted EBITDA measure reported for 2019, including the Employee Share Award Target and adjustments made to reported EBITDA;
- The Group’s going concern status and its long term-viability;
- Review of impairment calculations; and
- Review of continuing enhancements to the finance function and IT security.

Fair, balanced and understandable
On behalf of the Board, the Committee reviewed the 2019 Annual Report and Financial Statements to ensure that they provide a fair, balanced and understandable reflection of the Group, its performance, position and future prospects.

As part of the review, the Committee considered whether:
- There are any material or sensitive omissions from the narrative
- The narrative is a true and balance reflection of events and performance in the year
- There is consistency throughout the Annual Report and Financial Statements
- There is a clear explanation of key performance indicators and their link to performance and strategy.

In the view of the Committee, the Annual Report is fair, balanced and understandable in accordance with the requirements of the UK Corporate Governance Code.

Audit Committee Report

Significant Financial Estimates and Judgements:

Issue	Consideration of estimation or judgement
Valuation of acquired intangibles	Although the Aroq Limited acquisition represented a smaller acquisition than in previous years, the intangible assets acquired are material to the Group. The Committee reviewed the purchase price allocation calculations and concluded that both the application and methodology were consistent with previous acquisitions and the assumptions used were reasonable.
Recoverability of deferred tax assets	The Committee reviewed management's assessment of recoverability of deferred tax assets. The assessment was made with reference to Board approved forecasts of future taxable profits. The Committee concluded that a reasonable approach had been taken.
Share based payments	The Committee reviewed the calculation and assumptions used in calculating the share based payments charge. The valuation of new awards in 2019 was conducted by an external consultant and the Committee considered this report when concluding that the share based payments charge contains reasonable assumptions (such as expected employee churn, Black-Scholes assumptions) were fair and reasonable.
Provision for doubtful debts	The Committee reviewed the overall process for identifying both specific doubtful debts and lifetime expected credit losses, and are comfortable with the approach taken.
Carrying value of goodwill and acquired intangible assets	The impairment test for the carrying value of goodwill and acquired intangible assets requires forward looking value-in-use calculations that involve assumptions and judgements by the management team. The Audit Committee sought to review these calculations and challenge the assumptions contained within, particularly around future revenue growth assumptions and discount rate used. The Committee concluded that a reasonable approach had been taken and that assumptions and judgements were reasonably based.
IFRS 16 Lease Accounting	IFRS 16 is a new standard effective for the first time in 2019. Therefore, the Committee read papers from the senior management team and ensured that management took care when deciding upon the application of IFRS 16 and again ensured that the assumptions used in the lease accounting methodology were fair and reasonable.
Segmental reporting	The Committee reviewed segmental disclosures and ensured that they were in line with what was reviewed by the Chief Operating Decision Makers (the Executive Board) when assessing and reviewing performance. The Committee concluded that disclosures in the Annual Report and Accounts were consistent.
Defined benefit pension asset	The Committee reviewed a paper setting out the accounting options available in relation to the treatment of the buy-in of the defined benefit pension scheme, and concluded that management's assessment was reasonable.
Allocation of Cash Generating Units	The Committee reviewed management's assessment of the cash generating units. The CGU's identified are all part of the data, analytics, and insights segment, which can all be traced back to acquisitions over recent years, for which management are still able to identify specific cash flows.
Adjusted performance measures (APMs)	The Committee reviewed the Strategic Report and the financial statements contained within the Annual Report and Accounts to ensure that APMs were not given undue prominence over statutory numbers and that adjustments made to get to the APMs were both consistent with previous years and that the adjustments gave the reader a clearer understanding of the underlying performance of the business. The Committee is satisfied that the Accounts give a balance and fair view of performance and APMs are presented in a consistent and clear manner, so that they contribute to the reader's overall understanding of the accounts and the business performance.

Directors' Report

Audit Committee Report

The effectiveness of internal controls and risk management framework

The Committee has a clear process for identifying, evaluating and managing risk. Significant risks faced by the Group are documented in the Group's risk register and considered regularly. The external auditors include a review of the Group's risk register in their audit approach.

External Auditor

In order to maintain the independence of the external auditors, the Board has determined that non-audit work will not be offered to the external auditors unless there are clear efficiencies and value added benefits to the Group.

The Audit Committee annually reviews the remuneration received by the auditors for audit services and non-audit work. Their audit and non-audit fees are set, monitored and reviewed throughout the year (see note 6 of the financial statements). The non-audit fees in the year were not material in the context of the overall fee and the Committee deemed that no conflict existed between such audit and non-audit work.

Grant Thornton UK LLP have been the Auditor for the Group since the acquisition of TMN Group Plc in 2009 and were also the Auditor of TMN Group Plc prior to that date. As a Group we are aiming to adhere to, and uphold the best standards in corporate governance. Therefore, the Committee is not recommending the reappointment of Grant Thornton UK LLP for 2020. Furthermore, the Committee has conducted a thorough and rigorous tender process which is noted below and because of the length of Grant Thornton's current tenure the Committee did not invite the firm to tender for the year ended 31 December 2020.

During the year, Grant Thornton has attended each Audit Committee meeting and presented its findings reports for the interim and full year results as well as planning memorandums. The Committee meets with the External Auditor without the presence of management at least once a year. The Committee are satisfied that Grant Thornton's appropriate level of challenge, their focused reporting and their discussions with both management and the Committee in planning and concluding their work has safeguarded an effective audit. I would like to take this opportunity to thank them for their input over the course of the last 10 years.

The Audit Committee has considered the need for a separate internal audit function and notes that there are some elements of internal audit that are currently outsourced, including specific agreed upon controls reviews in our Indian businesses but due to the size of the Group and procedures in place to monitor both trading performance and internal controls, it was concluded the costs of an entire separate internal audit department would outweigh the benefits. The Audit Committee and Board are continually assessing the need for additional assurance procedures within the Group.

Audit Tender

The Group has adopted the Competition and Markets Authority Order (CMA Order) and will rotate audit firms at least every 10 years. As a result of this decision, the Group undertook a full tender process in respect of external audit services in compliance with FRC guidance on best practice, in particular ensuring independence in respect of potential audit firms, for the year ending 31 December 2020. The existing external audit firm, Grant Thornton, was not invited to re-tender.

We approached a range of firms including the 'big four' and mid-tier firms (except for the incumbent) to express their interest. Interested firms were subsequently requested to complete a detailed Request for Proposal (RFP). Following the responses to the RFP, a shortlist of two firms was decided upon to take through to a full tender process.

During the tender process, each firm was given access to members of the group's executive and non-executive Board, as well as senior management and a data room. The tendering firms were judged against objective criteria determined in advance of the process, together with the findings and conclusions of published inspection reports on the audit firms. Whilst the Committee appreciated the quality of the proposals presented by all the tendering firms, it considered that the submission and team from Deloitte LLP (Deloitte) best met the criteria that the Committee had predefined. It therefore recommended to the Board that Deloitte be appointed as the company's auditor commencing with the audit of the financial year ending 31 December 2020.

To ensure a smooth transition from Grant Thornton, Deloitte attended the Audit Committee meeting on 14th February 2020.

The Committee confirms that there are no contractual obligations which restrict the choice of external auditor.

Murray Legg
Chairman of the Audit Committee
2 March 2020

Directors' Report

Directors' Remuneration Report

Unaudited information
The Remuneration Committee

I am pleased to present the Remuneration Committee's report to you for 2019.

The 2016 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 consists of the Chairman Peter Harkness, Murray Legg, Annette Barnes and Andrew Day, all of whom are independent Non-Executive Directors.

Key activities of the Remuneration Committee
The key activities of the Remuneration Committee consist of:
- Reviewing the Group Remuneration Policy, ensuring continued effectiveness
- Reviewing salaries for Executive and Non-Executive Directors and senior employees
- Review and approval of long-term incentive plans
- Approving awards under the Group's long-term incentive plans

Directors' remuneration policy
The Board is responsible for setting the Group's policy on Directors' remuneration and the Remuneration Committee decides on the remuneration package of each Executive Director.

The primary objectives of the Group's policy on executive remuneration are that it should be structured so as to attract and retain executives of a high calibre with the skills and experience necessary to develop the Company successfully and, secondly, to reward them in a way which encourages the creation of value for the shareholders. The performance measurement of the Executive Directors and the determination of their annual remuneration package is undertaken by the Remuneration Committee. No Director is involved in setting their own remuneration.

The main elements of the Executive Directors' remuneration are:
- Basic annual salary - The salaries of the Executive Directors are reviewed annually and reflect the executives' experience, responsibility and the Group's market value.
- Bonus - Based upon performance.
- Other benefits - Other benefits include medical cover and car allowances.
- Share based payments - Full details of the share option scheme operated by the Group are set out in note 24.

Non-Executive Directors' remuneration
All Non-Executive Directors have letters of appointment with the Company and their remuneration is determined by the Board, having considered the level of fees in similar companies.

Directors' service agreements
It is the Group's policy that Directors should not have service agreements with notice periods capable of exceeding 12 months. The existing service agreements have neither fixed terms nor contractual termination payments but do have fixed notice periods. The details of the service agreements of the Directors as at 2 March 2020 are:

	Contract date	Notice period
Bernard Cragg	12 April 2016	3 months
Mike Danson	1 October 2008	12 months
Graham Lilley	1 November 2018	12 months
Murray Legg	23 February 2016	3 months
Peter Harkness	25 June 2009	1 month
Annette Barnes	24 January 2017	3 months
Andrew Day	24 January 2017	3 months

Directors' Remuneration Report

Audited Information

Directors' emoluments

	Basic salary	Share based payment	Other benefits	2019 total	2018 total
	£000s	£000s	£000s	£000s	£000s
Bernard Cragg	150	748	-	**898**	150
Mike Danson	-	-	35	**35**	50
Graham Lilley	200	299	-	**499**	167
Murray Legg	40	-	-	**40**	40
Peter Harkness	40	-	-	**40**	40
Annette Barnes	30	-	-	**30**	30
Andrew Day	30	-	-	**30**	30

The other benefits consist of company cars and health insurance cover.

Share options

Amounts charged to the income statement:

	2019	2018
	£000s	£000s
Long-term incentive plan	10,882	5,679
Senior long-term incentive plan	134	-
	11,016	**5,679**

Long-term Incentive Plan

The Group created a share option scheme during the year ended 31 December 2010 and granted the first options under the scheme on 1 January 2011 to certain employees. Each option granted converts to one ordinary share on exercise. A participant may exercise their options subject to employment conditions and EBITDA targets being met.

On account of the previous EBITDA target (£32 million) being met in 2018, 2.1m options were exercised during March 2019 at a strike price of £6. The remuneration impact of this on Directors has been shown in the above table.

During the period the Group purchased an aggregate amount of 467,400 shares at a total market value of £3,602,000. The purchased shares will be held in treasury and in the Group's Employee Benefit Trust for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

As at 31 December 2019, Graham Lilley had 150,000 share options in issue (2018: 200,000) and Bernard Cragg had 125,000 share options in issue (2018: 250,000). Further details are given in note 24. No other Directors as at 31 December 2019 had share options.

In order for the remaining options to be exercised, the Group's earnings before interest, taxation, depreciation and amortisation, as adjusted by the Remuneration Committee for significant or one-off occurrences, must exceed targets of £41 million and £52 million respectively (2018: £32 million, £41 million and £52 million respectively).

The total charge recognised for the scheme during the year ended 31 December 2019 was £11.0 million (2018: £5.7 million). The awards of the scheme are settled with ordinary shares of the Company.

The Remuneration Committee received notification from the Audit Committee that the quality of Adjusted EBITDA in 2019 of £44.6 million was sufficient to satisfy the next target of £41 million. The employees who have share options dependent on the meeting of the £41 million target will therefore get the opportunity to exercise their options following the publication of the results, resulting in 1.8 million shares being exercisable on publication of the Annual Report and Accounts.

Directors' Remuneration Report

Senior Long-term Incentive Plan

In October 2019, the Remuneration Committee approved a new long-term incentive scheme consisting of 4 million options for shares for approximately 20 senior employees. In designing the scheme, the committee considered advice from h2glenfern and CooperCavendish. The purpose of the Plan is to align the interests of employees and shareholders, to motivate participants to improve shareholder returns and to retain the services of our key employees in the longer-term.

The scheme permits the option holders to exercise 100% of their options immediately after the announcement of the financial results for the year ended 31 December 2024, subject to the Group achieving 101.3% shareholder return over the period from 22 October 2019. The deemed price for the start of the scheme is £8.30.

During 2019 the Remuneration Committee awarded 1.4 million options under this scheme. A charge of £0.1m has been made to the income statement. Further details are given in note 24.

By order of the Board

Peter Harkness
Chairman of the Remuneration Committee
2 March 2020

Directors’ Report

Statement of Directors’ responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Strategic Report, the Directors’ Report and the Group and the parent Company financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors
A resolution required by section 515(1A) of the Companies Act 2006 will be proposed to shareholders at the Annual General Meeting which will seek to appoint Deloitte LLP.

Disclosure of information to auditors
The Directors confirm that: so far as each Director is aware, there is no relevant audit information of which the Group’s auditors are unaware, and the Directors have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and establish that the Group’s auditors are aware of that information.

Annual General Meeting
The Annual General Meeting will be held on 21 April 2020 at John Carpenter House, John Carpenter Street, London EC4Y 0AN at 10am.

On behalf of the Board

Mike Danson
Chief Executive
2 March 2020

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

OPINION

Our opinion on the financial statements is unmodified

We have audited the financial statements of GlobalData Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Company Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the Consolidated and Company Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group and company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE IMPACT OF UNCERTAINTIES ARISING FROM THE UK EXITING THE EUROPEAN UNION ON OUR AUDIT

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.

CONCLUSIONS RELATING TO GOING CONCERN, PRINCIPAL RISKS AND VIABILITY STATEMENT

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the disclosures in the annual report set out on page 21 that describe the principal risks, procedures to identify emerging risks and an explanation of how they are being managed or mitigated (including the impact of Brexit);
- the directors' confirmation, set out on page 21 of the annual report that they have completed a robust assessment of the principal and emerging risks facing the group (including the impact of Brexit), including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement, set out on page 25 of the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the group and parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statements relating to going concern and the prospects of the group that would be required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) if the parent company was a premium listed company is materially inconsistent with our knowledge obtained in the audit; or

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

- the directors' explanation, set out on page 25 of the annual report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.
- In our evaluation of the directors' conclusions, we considered the risks associated with the group's business model, including effects arising from Brexit, and analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.
- 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 will continue in operation.

GrantThornton

Overview of our audit approach

- Overall group materiality: £884,000, which represents 0.5% of the Group's forecasted revenue at the planning stage of the audit.
- We performed full scope audit procedures on the financial information of components in the UK, USA and United Arab Emirates and specified audit procedures on the financial information of other components in the UK and in India.
- Key audit matters were identified for the Group as:
    - Revenue recognition;
    - Impairment of intangible assets;
    - IFRS 16 'Leases' implementation; and
    - Management override of controls.
- Key audit matter identified for the parent company as:
    - Impairment of investments.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter - Group	How the matter was addressed in the audit - Group

Revenue recognition
The Group enters into a high volume of revenue transactions and contracts are entered into which span the 31 December 2019 year end. There is a risk 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, or is not in accordance with the requirements of IFRS 15 'Revenue from Contracts with Customers'. There are therefore inherent complexities in relation to the recognition of revenue.
We therefore identified revenue recognition as a significant risk, which was one of the most significant assessed risks of material misstatement.
	Our audit work included, but was not restricted to:
	• An assessment of the internal control environment relating to revenue recognition. This involved assessing the design and implementation of relevant controls in the revenue business cycle relevant to the audit as well as testing the operating effectiveness of these relevant controls. We tested the operating effectiveness of relevant controls through inquiry, observation and inspection, covering segregation of duties across multiple teams, multiple databases, reconciliations over these databases as well as evidence of approvals.
	• We performed substantive testing on a sample of revenue transactions throughout the year across each of the significant revenue streams to evaluate whether revenue is recognised in accordance with the contract terms, having considered the requirements of IFRS 15 and the commercial substance of the contracts. In addition:
	  • the occurrence of revenue was tested by obtaining signed customer contracts, ensuring that a service was provided by checking the online subscription platform to ensure the customers had access and verifying that the delivery of the products had occurred;
	  • we tested whether revenue was recognised in accordance with the group's revenue accounting policies;
	  • we tested whether revenue was recognised in the correct period by checking evidence that verifies when the service was delivered or product was sold; and
	  • for a sample of revenue contracts, we tested management's recognition of income by recalculating revenue recorded with reference to the contractual arrangements.

Independent Auditor’s Report

Independent Auditor’s Report to the Members of GlobalData Plc

Key Audit Matter - Group	How the matter was addressed in the audit - Group
	The Group’s accounting policy on revenue recognition is shown in note 2(d) to the consolidated financial statements and related disclosures are included in note 4. **Key observations** Our audit testing did not identify any material deficiencies in the operating effectiveness of relevant controls that would have required us to expand the nature or scope of our planned detailed testing work. We have not noted any significant issues with respect to the recognition of revenue through the audit work undertaken.
Impairment of intangible assets A significant, material balance on the consolidated statement of financial position is intangible assets of £250.1 million, including goodwill of £216.8 million as detailed in Note 13. The recoverability of goodwill and acquired intangible assets is dependent on expected future cash flows from cash generating units (CGUs). In accordance with International Accounting Standard 36 ‘Impairment of Assets’ (‘IAS 36’), goodwill is subject to an annual impairment test. Other intangible assets are subject to an impairment test when there is an indication that the asset may be impaired. The process for measuring and recognising impairment under IAS 36 is complex and judgemental. Management identified that Energy and Construction CGUs in particular have limited headroom, and we therefore identified impairment of intangible assets as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • An assessment of the methodology and the internal control environment relating to the intangible assets impairment review. • Challenging the identification of cash generating units identified by management with reference to the guidance set out in IAS 36. • Ensuring the inclusion of assets within each CGU was appropriate and in accordance with IAS 36 (including the inclusion of IFRS 16 Right-of-Use assets). • On the basis management calculate recoverable amount as being value in use, testing the accuracy of management’s forecasting through comparison of historical budgets and growth rates to actual performance and growth rates. • We challenged other key assumptions such as discount rates (where we used an internal expert), long term growth rates and sensitivities used. • Testing the mathematical accuracy of the impairment calculations. • Challenging management on the inputs into the Energy and Construction CGUs, including how the CGUs correlate to historical performance as well as the accuracy of the forecasts. • Evaluating the disclosures related to impairment tests. The group’s accounting policy on impairment of intangible assets is shown in note 2 to the consolidated financial statements and related disclosures are included in note 13. **Key observations** Based on our audit work there was sufficient headroom in the value in use calculations. There was limited headroom in the value in use calculations relating to the Construction and Energy cash generating units but following the audit work performed we concur with management’s assessment that there is no material impairment of intangible assets.
IFRS 16 ‘Leases’ implementation IFRS 16 has been adopted by the Group for the first time in the current year. Management has elected to adopt the modified retrospective approach to transitioning to the new standard, i.e. the Group applies the standard prospectively from 1 January 2019. This has had an impact on the Group statement of financial position of £44.7 million reflecting the right-of-use assets and a corresponding lease liability of £44.6 million. The adoption also has an impact of £0.3 million on the consolidated income statement. As the change in accounting policy has such a significant, material impact on the financial statements, as well as being complex and requiring significant judgements, we identified IFRS 16 implementation as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Assessing the accounting policy and disclosures for compliance with the financial reporting framework, including IFRS 16. • An assessment of the methodology and the internal control environment relating to the application of IFRS 16. • Testing the arithmetical accuracy and integrity of management’s IFRS 16 model by checking the consistency of the formulas and agreeing inputs to supporting documentation, including lease agreements. • Testing the completeness and accuracy of the population of leases disclosed by management and lease payments made in the year. • Using our internal valuation experts to assess the reasonableness of the discount rate applied to right-of-use assets. The group’s accounting policy on leased assets is shown in note 2 to the consolidated financial statements and related disclosures are included in note 3. **Key observations** Based on the audit work performed, we noted an incorrect application of the UK incremental borrowing rate to overseas leases. Management have corrected this in the financial statements and used country specific rates. Following this adjustment, no material misstatements were noted on the application of IFRS 16 in the year.

Independent Auditor's Report to the Members of GlobalData Plc

<table>
<tr><th>Key Audit Matter - Group</th><th>How the matter was addressed in the audit - Group</th></tr>
<tr><td>Management override of controls
Under ISA (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', for all of our audits we are required to consider the risk of management override of controls.

There is also a risk that users have inappropriate access rights which allow them to override controls. Due to the unpredictable nature of this risk we are required to assess it as a significant risk and we identified it as one of the most significant assessed risks of material misstatement.</td><td>Our audit work included, but was not restricted to:
• Undertaking specific procedures relating to this risk that are required by ISA (UK) 240. This included profiling journal entries and focusing on unusual items. We tested a sample of journal entries by tracing the journal entries to source documentation and testing whether the journals were appropriately approved, posted to the correct account codes and in the correct periods, and tested whether they were valid transactions.
• Evaluating the key judgements and assumptions in management's estimates and testing for significant transactions outside the normal course of business.
• Undertaking detailed testing of related party transactions to understand the nature of the transactions and movements from the prior year.
• Assessing the impact of heightened access rights in the accounting system over the relevant controls identified in a number of business cycles. Re-assessing the audit risk scoping over classes of transactions and account balances.
• Engaging our technology audit and forensic specialist teams to carry out detailed testing of IT general / application controls over the accounting system and other databases as well as testing relevant audit trails and audit logs.
• Undertaking additional audit procedures, including;
• testing the manual reconciliations between other platforms and the accounting system;
• additional substantive testing across revenue, expenditure and payroll transactions; and
• testing additional specific journal entries.

Key observations
We identified a significant deficiency in the design of user access rights as a number of individuals in the finance team had heightened user access rights. Based on the additional audit work performed we did not identify any material misstatements.</td></tr>
<tr><th>Key Audit Matter – Parent company</th><th>How the matter was addressed in the audit - Parent company</th></tr>
<tr><td>Impairment of investments
A significant, material balance on the parent company's statement of financial position is investments in Group undertakings of £186,137,000 as detailed in Note 6 in the notes to the Company financial statements. The recoverability of these assets is dependent on expected future cash flows from cash generating units (CGUs).

Investments are subject to an impairment test when there is an indication that they may be impaired. The process for measuring and recognising impairment under IAS 36 is complex and judgemental. We therefore identified impairment of investments as a significant risk, which was one of the most significant assessed risks of material misstatement.</td><td>Our audit work included, but was not restricted to:
• Challenging the methodology and assumptions used by management in conducting the impairment review. This also includes challenging management on their identification of cash generating units with reference to the guidance set out in IAS 36.
• Comparing the recoverable amount of each of the cash generating units to the carrying value of the investment held by the parent company.
• Testing the mathematical accuracy of the impairment calculations.
• Challenging the forecasts prepared by management by comparing them to historic performance and growth rates, understanding the key drivers of revenue and comparing these to market expectations. We challenged other key assumptions in the value in use calculations for investments such as discount rates, long term growth rates and sensitivities used by recalculating the discount rates and benchmarking against industry data, where available.
• Evaluating the disclosures related to impairment tests.

The company's accounting policy on impairment of investments is shown in note 2 to the Company financial statements and related disclosures are included in note 6.

Key observations
We found no errors in the calculations we tested. Based on our audit work there was significant headroom in the value in use calculation and hence we concur with management's assessment that there is no material impairment of investments.</td></tr>
</table>

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

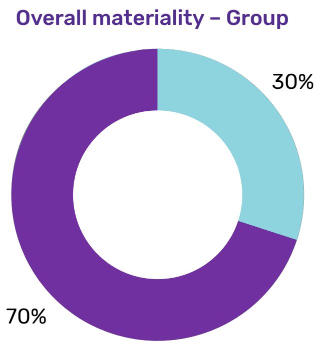
OUR APPLICATION OF MATERIALITY

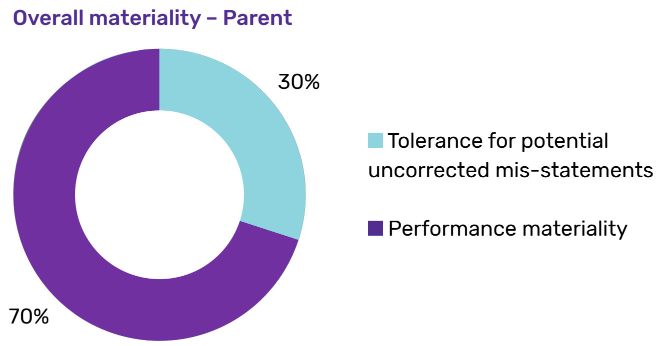
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality measure	Group	Parent company
Financial statements as a whole	Materiality was set at £884,000, which was 0.5% of the forecasted revenue at the planning stage of the audit. This benchmark is considered the most appropriate as it is a key performance indicator used by the directors to report to investors on the financial performance of the Group. Materiality for the current year is lower than the level determined for the year ended 31 December 2018 to reflect the change in the applied benchmark from 3.5% of adjusted EBITDA for the year ended 31 December 2018 to 0.5% of revenue for the current year. Determining materiality involves the exercise of professional judgement. Factors relating to where the Group is in its life cycle and items on which users attention is focused on has led to a change in the benchmark to revenue.	Materiality was initially determined using 2% of total assets, but was capped at £619,000, which represents 70% of Group materiality, being the materiality used for the parent company as a component in the group audit. We consider this benchmark to be most appropriate as the parent company is a holding company therefore users would be most interested in its asset base. Materiality for the current year is lower than the level determined for the year ended 31 December 2018, which reflects the capping at 70% of Group materiality, which was lower this year.
Performance materiality used to drive the extent of our testing	70% of financial statement materiality.	70% of financial statement materiality.
Specific materiality	We have determined a lower level of specific materiality for directors' remuneration and related party transactions.	We have determined a lower level of specific materiality for directors' remuneration and related party transactions.
Communication of misstatements to the audit committee	£44,200 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£31,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.





Independent Auditor’s Report

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AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit approach was a risk-based approach founded on a thorough understanding of the group’s business, its environment and risk profile and in particular included:

- Evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality;
- Evaluating the design and implementation of controls over key financial systems identified as part of our risk assessment. This included gaining an understanding of the general IT controls, the accounts production process and the controls addressing critical accounting matters identified in our risk assessment;
- There have been no significant changes to the scoping of the audit of the key components in the current year Group audit from the scope of that of the prior year;
- The Group is predominately based within the UK and comprises a parent company and a number of UK components which are centrally managed and controlled;
- There are a number of overseas components. The audit work on the financial information of the UK and overseas components in respect of the group audit was performed by the Group audit team. We performed full scope audit procedures on the financial information of components in the UK, USA and United Arab Emirates, as well as specified audit procedures on the financial information of other components in the UK and in India; and
- Our Group audit scoping ensures we have attained coverage on full scope and specified audit procedures of 97% of Group revenues, 88% of Group profit before tax and 98% of Group total assets. The remaining balances were tested analytically using Group materiality.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable – the statement given on page 37 by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group’s performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting – the section set out on pages 37 to 39 does not appropriately address matters communicated by us to the audit committee; or
- Directors’ statement of compliance with the UK Corporate Governance Code set out on page 28 to 32 – the parts of the directors’ statement that would be required under the Listing Rules relating to the company’s compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) if the parent company was a premium listed company do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements..

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

MATTERS ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 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

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the statement of directors' responsibilities set out on page 43, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors 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 FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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.

Grant Thornton UK LLP

Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
2 March 2020

Consolidated Income Statement

	Notes	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Continuing operations			
Revenue	5	178,195	157,553
Cost of sales		(106,751)	(98,153)
Gross profit		**71,444**	**59,400**
Administrative expenses		(26,262)	(27,094)
Losses on trade receivables	17	(2,278)	(1,983)
Other expenses	7	(29,315)	(35,500)
Operating profit / (loss)	6	**13,589**	**(5,177)**
Analysed as:			
Adjusted EBITDA[1]		**44,564**	**32,230**
Items associated with acquisitions and restructure of the Group	7	(2,307)	(6,842)
Other adjusting items	7	(10,735)	(8,236)
Adjustment for change in accounting policy (IFRS 16)	3	4,021	-
EBITDA[2]		**35,543**	**17,152**
Amortisation		(17,147)	(21,587)
Depreciation		(4,807)	(742)
Operating profit/ (loss)		**13,589**	**(5,177)**
Other income	3	1,274	-
Finance costs	10	(4,692)	(2,487)
Profit/ (loss) before tax from continuing operations		**10,171**	**(7,664)**
Income tax expense	11	(3,187)	(3,408)
Profit/ (loss) for the year from continuing operations		**6,984**	**(11,072)**
Loss for the year from discontinued operations		-	(1,255)
Profit/ (loss) for the year		**6,984**	**(12,327)**
Attributable to:			
Equity holders of the parent		6,984	(12,434)
Non-controlling interest		-	107
Earnings/ (loss) per share attributable to equity holders from continuing operations:	12		
Basic profit/ (loss) per share (pence)		5.99	(10.17)
Diluted profit/ (loss) per share (pence)		5.55	(10.17)
Loss per share attributable to equity holders from discontinued operations:			
Basic loss per share (pence)		-	(1.14)
Diluted loss per share (pence)		-	(1.14)
Total basic profit/ (loss) per share (pence)		5.99	(11.31)
Total diluted profit/ (loss) per share (pence)		5.55	(11.31)

The accompanying notes form an integral part of this financial report.

[1] We define Adjusted EBITDA as EBITDA adjusted for costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements, impact of foreign exchange contracts and the impact of IFRS16 (Leases). See note 7 of the financial statements for details. We present Adjusted EBITDA as additional information because we understand that it is a measure used by certain investors and because it is used as the measure of Group profit or loss. However, other companies may present Adjusted EBITDA differently. EBITDA and Adjusted EBITDA are not measures of financial performance under IFRS and should not be considered as an alternative to operating profit or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measure of performance derived in accordance with IFRS.

[2] EBITDA is defined as earnings before interest, tax, depreciation, amortisation and impairment.

Consolidated Statement of Comprehensive Income

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Profit/ (loss) for the year	6,984	(12,327)
Other comprehensive income		
Items that will be classified subsequently to profit or loss:		
Net exchange (losses)/ gains on translation of foreign entities	(7)	988
Items that will not be classified subsequently to profit or loss:		
Re-measurement of pension liabilities and assets (note 26)	(1,315)	-
Other comprehensive (loss)/ gain, net of tax	(1,322)	988
Total comprehensive gain/ (loss) for the year	**5,662**	**(11,339)**

Attributable to:		
Equity holders of the parent	5,662	(11,446)
Non-controlling interest	-	107

The accompanying notes form an integral part of this financial report.

Consolidated Statement of Financial Position

	Notes	31 December 2019 £000s	31 December 2018 £000s
Non-current assets			
Property, plant and equipment	14	47,364	1,314
Intangible assets	13	250,135	258,492
Trade and other receivables	28	1,850	2,775
Deferred tax assets	18	8,652	6,709
		308,001	**269,290**
Current assets			
Trade and other receivables	17	45,751	51,324
Short-term derivative assets	16	908	529
Cash and cash equivalents		11,232	6,268
		57,891	**58,121**
Total assets		**365,892**	**327,411**
Current liabilities			
Trade and other payables	19	(96,036)	(92,660)
Short-term borrowings	20	(6,000)	(6,000)
Short-term lease liabilities	15	(3,910)	-
Current tax payable		(1,897)	(5,204)
Short-term derivative liabilities	16	(101)	(1,408)
Short-term provisions	22	(90)	(364)
		(108,034)	**(105,636)**
Non-current liabilities			
Long-term provisions	22	(491)	(437)
Deferred tax liabilities	18	(4,773)	(6,571)
Long-term lease liabilities	15	(40,730)	-
Long-term borrowings	20	(60,488)	(64,341)
		(106,482)	**(71,349)**
Total liabilities		**(214,516)**	**(176,985)**
Net assets		**151,376**	**150,426**
Equity			
Share capital	23	184	184
Share premium account	23	725	200
Treasury reserve	23	(11,017)	(19,142)
Other reserve	23	(37,128)	(37,128)
Merger reserve	23	163,810	163,810
Foreign currency translation reserve	23	791	798
Retained profit		34,011	41,704
Equity attributable to equity holders of the parent		**151,376**	**150,426**

These financial statements were approved by the Board of Directors on 2 March 2020 and signed on its behalf by:

Bernard Cragg
Chairman

Mike Danson
Chief Executive

Company Number 03925319
The accompanying notes form an integral part of this financial report.

Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Treasury reserve	Other reserve	Merger reserve	Foreign currency translation reserve	Retained profit	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 January 2018	**173**	**200**	**(2,289)**	**(37,128)**	**66,481**	**(190)**	**56,744**	**83,991**	**-**	**83,991**
(Loss)/ profit for the year	-	-	-	-	-	-	(12,434)	**(12,434)**	107	**(12,327)**
Other comprehensive income:										
Net exchange gain on translation of foreign entities	-	-	-	-	-	988	-	**988**	-	**988**
Total comprehensive loss for the year	-	-	-	-	-	988	(12,434)	**(11,446)**	107	**(11,339)**
Transactions with owners:										
Acquisition of entity with non-controlling interest	-	-	-	-	-	-	-	**-**	546	**546**
Acquisition of non-controlling interest	-	-	-	-	-	-	(579)	**(579)**	(653)	**(1,232)**
Issue of share capital	11	-	-	-	97,329	-	-	**97,340**	-	**97,340**
Excess deferred tax on share based payments	-	-	-	-	-	-	1,404	**1,404**	-	**1,404**
Dividends	-	-	-	-	-	-	(9,110)	**(9,110)**	-	**(9,110)**
Share buy back	-	-	(16,853)	-	-	-	-	**(16,853)**	-	**(16,853)**
Share based payments charge	-	-	-	-	-	-	5,679	**5,679**	-	**5,679**
Balance at 31 December 2018	**184**	**200**	**(19,142)**	**(37,128)**	**163,810**	**798**	**41,704**	**150,426**	**-**	**150,426**
Profit for the year	-	-	-	-	-	-	6,984	**6,984**	-	**6,984**
Other comprehensive income:										
Re-measurement of pension liabilities and assets	-	-	-	-	-	-	(1,315)	**(1,315)**	-	**(1,315)**
Net exchange loss on translation of foreign entities	-	-	-	-	-	(7)	-	**(7)**	-	**(7)**
Total comprehensive profit for the year	**-**	**-**	**-**	**-**	**-**	(7)	5,669	**5,662**	**-**	**5,662**
Transactions with owners:										
Share buy back	-	-	(3,602)	-	-	-	-	**(3,602)**	-	**(3,602)**
Dividends	-	-	-	-	-	-	(14,590)	**(14,590)**	-	**(14,590)**
Vesting of share options	-	525	11,727	-	-	-	(12,252)	**-**	-	**-**
Share based payments charge	-	-	-	-	-	-	11,016	**11,016**	-	**11,016**
Excess deferred tax on share based payments	-	-	-	-	-	-	2,464	**2,464**	-	**2,464**
Balance at 31 December 2019	**184**	**725**	**(11,017)**	**(37,128)**	**163,810**	**791**	**34,011**	**151,376**	**-**	**151,376**

The accompanying notes form an integral part of this financial report.

Consolidated Statement of Cash Flows

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Cash flows from operating activities (continuing operations)		
Profit/ (loss) for the year from continuing operations	6,984	(11,072)
Adjustments for:		
Depreciation	4,807	742
Amortisation	17,147	21,587
Other Income	(1,274)	-
Finance costs	4,692	2,487
Taxation recognised in profit or loss	3,187	3,408
Share based payments charge	11,016	5,679
Payment to defined benefit pension scheme	(1,315)	-
Decrease in trade and other receivables	6,607	1,606
Increase/ (decrease) in trade and other payables	2,769	(729)
Revaluation of short and long-term derivatives	(1,686)	1,150
Movement in provisions	(584)	200
Cash generated from operating activities (continuing operations)	**52,350**	**25,058**
Interest paid (continuing operations)	(3,014)	(2,173)
Income taxes paid (continuing operations)	(7,797)	(2,255)
Net cash from operating activities (continuing operations)	**41,539**	**20,630**
Net decrease in cash and cash equivalents from discontinued operations	-	(912)
Total cash flows from operating activities	**41,539**	**19,718**
Cash flows from investing activities (continuing operations)		
Acquisitions	(8,132)	(4,607)
Purchase of property, plant and equipment	(1,560)	(724)
Purchase of intangible assets	(1,058)	(890)
Net cash used in investing activities (continuing operations)	**(10,750)**	**(6,221)**
Net decrease in cash and cash equivalents from discontinued operations	-	(235)
Total cash flows used in investing activities	**(10,750)**	**(6,456)**
Cash flows from financing activities (continuing operations)		
Repayment of borrowings	(10,500)	(14,408)
Proceeds from borrowings	6,425	30,473
Principal elements of lease payments	(3,557)	-
Loan fees	-	(285)
Acquisition of own shares	(3,602)	(16,853)
Dividends paid	(14,590)	(9,110)
Total cash used in financing activities (continuing operations)	**(25,824)**	**(10,183)**
Net increase in cash and cash equivalents	**4,965**	**3,079**
Cash and cash equivalents at beginning of year	6,268	2,952
Effects of currency translation on cash and cash equivalents	(1)	237
Cash and cash equivalents at end of year	**11,232**	**6,268**

The accompanying notes form an integral part of this financial report.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Nature of operations
The principal activity of GlobalData Plc and its subsidiaries (together 'the Group') is the provision of high quality proprietary data, analytics, and insights to clients across multiple sectors.

GlobalData Plc ('the Company') is a company incorporated in the United Kingdom and listed on the Alternative Investment Market (AIM). The registered office of the Company is John Carpenter House, John Carpenter Street, London, EC4Y 0AN. The registered number of the Company is 03925319.

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments. These financial statements have been prepared in accordance with the accounting policies detailed below. The accounting policies have been applied consistently throughout the Group.

These financial statements are presented in Pounds Sterling (£), which is also the functional currency of the Company. These financial statements have been approved for issue by the Board of Directors.

In 2019 the Group has adopted new guidance for the recognition of leases (see note 3). The new standard has been applied using the "modified retrospective" transition approach. There is no adjustment to the opening balance of retained earnings for the current period however reclassifications arising from the new standard have been recognised in the opening balances as at 1 January 2019. Prior periods have not been restated, as permitted under the specific transitional provisions in the standard. Accordingly the Group is not required to present a third statement of financial position as at that date.

Critical accounting estimates and judgements
The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in detail below.

<u>Key sources of estimation of uncertainty</u>
Valuation of acquired intangibles
Management identified and valued acquired intangible assets on acquisitions that were made during the periods disclosed in the financial statements. Management has applied judgements in identifying and valuing intangible assets separate from goodwill that consist of assessing the value of software, brands, intellectual property rights and customer relationships. The Board have a policy of engaging professional advisors on acquisitions with a purchase price greater than £10m to advise and assist in calculating intangible asset values. The Group consistently applies the following methodologies for each class of identified intangible:
- Customer relationships – Net present value of future cash flows
- Intellectual Property – Cost to recreate the asset
- Brands – Royalty relief method

Assumptions are made on the useful life of an intangible and if shortened, would increase the amortisation charge recognised in the income statement. The identified intangibles are set out in note 13.

There are a number of assumptions in estimating the present value of future cash flows including management's expectation of future revenue, renewal rates for subscription customers, costs, timing and quantum of future capital expenditure, long-term growth rates and discount rates.

Taxation
The Group has recognised a deferred income tax asset in its financial statements, which requires judgement for determining the extent of its recoverability at each statement of financial position date. The Group assesses recoverability with reference to Board approved forecasts of future taxable profits. These forecasts require the use of assumptions and estimates. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. A deferred tax asset additionally exists in relation to the temporary tax and accounting difference in relation to the share based payment scheme. Additional disclosures on the calculation of share based payments are provided in note 24.

The Group has recognised an accrual of £1.0m in its financial statements in relation to the Wayfair sales tax ruling. On 21 June 2018, The United States Supreme Court ruled that states can mandate that businesses without a physical presence collect and remit sales taxes on transactions in the state. The accrual represents sales tax not collected and remitted and an estimate of associated penalties and interest.

Share based payments
The Group operates two share based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options and awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified existing conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The significant judgements involved in calculating the share based payments charge are:
- Scheme 1: the fair value at the date of grant which is determined by using the Black-Scholes model, the senior management retention rate which is determined with reference to historical churn and the estimated vesting periods which are determined with reference to the Group's forecasted EBITDA.
- Scheme 2: the fair value at the date of grant which is determined by using the Monte Carlo model and the senior management retention rate which is determined with reference to historical churn. The use of the Monte Carlo model and calculation of the associated input parameters requires judgement, therefore management obtained professional advice to assist in determining the fair value of the awards granted.

Additional disclosures on the calculation of share based payments are provided in note 24.

Provision for doubtful debts
The Group is required to judge when there is sufficient objective evidence to require the impairment of individual trade receivables. It does this on a specific basis with reference to of the age of the relevant receivables, external evidence of the credit status of the customer entity and the status of any disputed amounts. The Group will also review the previous payment profile of the customer and liaise with the customers' management team before concluding on whether a provision is required. In addition, the Group recognises lifetime expected credit losses for trade receivables which are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the trade receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The provision for doubtful debts and the ageing of overdue trade receivables are included in note 17 to the financial statements. Additional disclosures on the assumptions behind the provision are provided in note 21 within the section on credit risk.

Carrying value of goodwill and other intangibles
The carrying value of goodwill and other intangibles is assessed at least annually to ensure that there is no need for impairment. Performing this assessment requires management to estimate future cash flows to be generated by the related cash generating unit, which entails making judgements including the expected rate of growth of sales, margins expected to be achieved, the level of future capital expenditure required to support these outcomes and the appropriate discount rate to apply when valuing future cash flows. See note 13 for further details on intangibles and goodwill.

Lease accounting – incremental borrowing rate
IFRS 16 "Leases" requires lease payments to be discounted using the lessee's incremental borrowing rate. The Group's incremental borrowing rate, as at the date of adoption of IFRS 16, has been based on the existing revolving credit facility margin (2.75% as at 1 January 2019) plus a local government bond yield (comparable to the lease term remaining and hence specific to each lease) less a secured loan discount of 0.5% (India being the exception where no secured loan discount has been assumed). Management have taken the view that specific costs of borrowing should be applied to each lease as this reflects the different economic conditions within each geography and hence is more representative of the funding facilities available in those countries.

Critical accounting judgements

Segmental reporting

IFRS 8 "Operating Segments" requires the segment information presented in the financial statements to be that which is used internally by the chief operating decision maker to evaluate the performance of the business and to decide how to allocate resources. The Group has identified the Executive Directors as its chief operating decision maker. Data, analytics and insight is provided to customers via multiple channels by a dedicated content team that is centrally managed by Research Directors who report directly to the Executive Directors. Data, analytics and insight is therefore considered to be the operating segment of the Group.

Defined benefit pension

As part of the acquisition of Research Views Limited and its subsidiaries, the Group acquired a defined benefit pension scheme. As at 31 December 2019 the defined benefit obligation was equal to the fair value of the plan assets. On 16 December 2019 the Group entered into an irrevocable agreement to sell the pension scheme to Just Retirement Limited ("Just"). The agreement involved the purchase of a qualifying insurance policy pre year end at a cost to GlobalData Plc of £1.3m. This has been measured at the amount of the related defined benefit obligation as required by IAS 19. Final buy-out is expected to take place within six to 12 months. Management have considered the accounting options available and believe that the buy-in represents an asset transaction. As such, the re-measurement cost has been recognised within the statement of comprehensive income.

Allocation of Cash-Generating-Units

IAS 36 'Impairment of Assets' requires that assets be carried on the statement of financial position at no more than their recoverable amount. An asset or cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows and is impaired when its carrying amount exceeds its recoverable amount. The CGUs that management have identified are all part of the data, analytics, and insights segment, which can all be traced back to acquisitions over recent years and for which management are still able to identify specific cash flows.

Going concern

The Group meets its day-to-day working capital requirements through free cash flow. Based on cash flow projections the Group considers the existing financing facilities to be adequate to meet short-term commitments.

The finance facilities were issued with debt covenants which are measured on a quarterly basis. There have been no breaches of covenants in the year ended 31 December 2019. Management have reviewed forecasted cash flows and there is no indication that there will be any breach in the next 12 months.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Group has prepared the annual report and financial statements on a going concern basis.

2. ACCOUNTING POLICIES

a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiary undertakings.

- Subsidiaries are those entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the Group's accounting policies.
- The results and cash flows relating to a business are included in the consolidated income statement and the consolidated statement of cash flows from the date of acquisition or are excluded from the date of disposal as appropriate.

b) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

c) Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation.

d) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and comprises amounts derived from services performed by the Group during the year in the normal course of business net of discounts, VAT and sales taxes, and provisions for cancellations and non-payment.

- Subscription income for online services, data and analytics is normally received at the beginning of the services and is therefore recognised as a contract liability, "invoiced forward revenue", on the statement of financial position. Revenue is recognised evenly over the period of the contractual term as the performance obligations are satisfied evenly over the term of subscription.
- Revenue from single copy reports are recognised upon delivery. The client pays for a single static report and the company meets its contract obligation at the point in time the report is delivered to the client.
- Revenue from the provision of bespoke research services is recognised once contractual performance obligations have been delivered. Bespoke projects can have a single or series of different deliverables from reports, presentations or delivery of data workbooks. Revenue is recognised as each different contractual obligation within the series is satisfied.
- Event revenue is recognised when the event is held in line with the contract obligations.
- Other revenue is recognised in reference to performance obligations as contracted.

Where amounts have been invoiced in advance of services performed and the amounts are due, this is included within invoiced forward revenue as a contract liability. Similarly, if the Group satisfies a performance obligation before it receives the consideration or is contractually due the Group recognises a contract asset within accrued income in the statement of financial position.

The Group has recognised the incremental costs (for example commission) of obtaining sales contracts as an expense when incurred given the amortisation period of the contract revenue is one year or less.

e) Property, plant and equipment

Property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight line basis over the estimated useful life of an asset and is applied to the cost less any residual value. The asset classes are depreciated over the following periods:

- Fixtures, fittings and equipment – over three to five years
- Leasehold improvements – over three to ten years

The useful life, the residual value and the depreciation method are reassessed at each reporting date.

Where there is an indication of impairment, the carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell the asset then the asset is impaired and its value reduced.

f) Intangible assets

Goodwill

Goodwill is recognised to the extent that it arises through a business combination and represents the difference between the consideration transferred and the fair value of net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to appropriate cash generating units (those expected to benefit from the business combination) and is tested annually for impairment. In testing for impairment, the recoverable amount of a CGU based on value-in-use calculations is compared to the carrying value of goodwill. These calculations use post-tax cash flow projections based on five-year financial budgets approved by management. Cash flows beyond the five year period are extrapolated using estimated long term growth rates. Any impairment losses in respect of goodwill are not reversed.

Acquired intangible assets

Acquired intangible assets include software, customer relationships, brands and intellectual property (IP) rights. Intangible assets acquired in material business combinations are capitalised at their fair value as determined by reference to the methodologies, judgements and policies disclosed on page 56. Intangible assets are amortised on a straight-line basis over their estimated useful lives of three to 15 years for brands, customer relationships and IP rights. Amortisation and impairment charges are accounted for within the other expenses category within the income statement. Within note 7, the Group separates out amortisation of acquired intangibles from other group amortisation charges.

Computer software and websites

Non-integral computer software purchases are capitalised at cost as intangible assets. The Group also capitalises development costs associated with new products in accordance with the development criteria prescribed within IAS 38 “Intangible Assets”. These costs are amortised over their estimated useful lives of three years. Costs associated with implementing or maintaining computer software programmes are recognised as an expense. Amortisation and impairment charges are accounted for within the administrative costs category within the income statement.

Impairment of intangible assets

Goodwill is not subject to amortisation but is reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

g) Taxation
Tax expense recognised in the income statement for the year comprises the sum of current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using rates substantively enacted at the reporting date, and any adjustments to the tax payable in respect of previous years.

Deferred taxation is provided in full on temporary differences between the carrying amount of the assets and liabilities in the financial statements and the tax base. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is determined using the tax rates that have been enacted or substantially enacted by the reporting date, and are expected to apply when the deferred tax liability is settled or the deferred tax asset is realised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is not provided on temporary differences arising on the initial recognition of goodwill or on assets and liabilities other than in a business combination.

Tax is recognised in the income statement, except where it relates to items recognised as other comprehensive income, in which case it is recognised in the statement of other comprehensive income, and tax which related to items recognised in equity is recognised in equity.

h) Foreign currencies
The results are presented in Pounds Sterling (£) which is the presentation currency of the Company and Group.

Foreign currency transactions are translated into Sterling at the rates of exchange ruling at the date of the transaction, and if still in existence at the year end the balance is retranslated at the rates of exchange ruling at the reporting date. Differences arising from changes in exchange rates during the year are taken to the income statement.

The assets and liabilities of entities with a functional currency other than Sterling are expressed in Sterling using exchange rates prevailing on the reporting date. Income and expense items and cash flows are translated at the average exchange rates for the period and exchange differences arising are recognised in other comprehensive income. Additionally, opening reserves of entities with a functional currency other than Sterling are stated at the rate prevalent at the date of acquisition and differences arising are recognised in other comprehensive income. Such translation differences are recognised in the income statement in the period in which a foreign operation is disposed of.

i) Pensions
The Group contributes to defined contribution pension schemes. Contributions to these schemes are charged to the income statement as incurred.

The Group also operates a small defined benefit scheme, inherited from the Research Views Limited acquisition in 2018. The scheme is closed for future accrual. The cost of providing this benefit is determined using the Projected Unit Credit Method, with actuarial valuations carried out on a triennial basis. Net interest is calculated by applying a discount rate to the opening net defined benefit liability or asset and shown in finance costs, and the administration costs are shown as a component of operating expenses. Actuarial gains and losses are recognised in full in the period in which they occur, outside of the consolidated income statement and in the consolidated statement of comprehensive income. The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans.

j) Provisions
A provision is recognised in the statement of financial position when the Group has a legal obligation or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle that obligation, and a reliable estimate of the amount can be made. Provisions are discounted if the time value of money is material.

k) Leases

As described in note 1, the Group has applied IFRS 16 using the modified retrospective approach with effect from 1 January 2019 and therefore comparative information has not been restated. Comparative information is therefore still reported under IAS 17 and IFRIC 4.

The Group leases offices around the world. Rental contracts are typically made for fixed periods but may have termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Accounting policy applicable before 1 January 2019:

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership do not transfer to the lessee are charged to the income statement on a straight line basis over the period of the lease. Rental income from sub-leasing property space is recognised on a straight line basis over the period of the relevant lease.

Accounting policy applicable from 1 January 2019:

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets the following criteria:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Group has the right to direct the use of the identified asset throughout the period of use.

At the lease commencement date, the Group recognises the lease as a right-of-use asset and a corresponding liability on the statement of financial position. The right-of-use assets have been included in property, plant and equipment.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the lease specific incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The liability is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or the income statement if the right-of-use asset is already reduced to zero.

Termination options are included in a number of property leases across the Group. These options are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a termination option. Periods after termination options are only included in the lease term if the termination option is reasonably certain not to be exercised.

The Group has elected to account for short term leases and leases of low-value assets using the practical expedients. Payments associated with short term leases and leases of low-value assets are recognised on a straight line basis as an expense in the income statement. Short term leases are leases with a term of 12 months or less. Low-value assets comprise IT and copying equipment with a value of less than £5,000.

The Group sub-leases a number of properties in the UK, however all of the risks and rewards of ownership have not been transferred to the lessee and therefore the Group recognises the head lease asset as a right-of-use asset and recognises the rental income on the sub-lease operating lease contracts as other income.

l) Financial instruments
The Group has derivative and non-derivative financial instruments which comprise foreign currency contracts, receivables, cash, loans and borrowings and trade payables.

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

In the periods presented, all of the Group's non-derivative financial assets are classified as amortised cost. Financial assets are measured at amortised cost if the assets meet the following conditions:
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Classification and initial measurement of financial liabilities
Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Cash
Cash comprises cash balances and highly liquid call deposits. Bank overdrafts that form an integral part of the Group's cash management are included as a component of cash for the purpose of the statement of cash flows.

Derivative financial instruments
The Group uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. Derivatives are measured at fair values and any movement in fair value is recognised in the income statement.

Receivables
Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

A specific provision will be raised for trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

In determining the provision, the Group also applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the trade receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at an effective interest rate.

When a trade receivable is considered uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision are recognised in the income statement.

Trade and other payables
Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using a weighted average method.

n) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

Borrowing costs, being interest and other costs incurred in connection with the servicing of borrowings, are recognised as an expense when incurred.

o) Share based payments

The Group operates two share based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense in the income statement. The total amount to be expensed is determined by reference to the fair value of the options granted (fair value at the date of grant determined using the Black-Scholes model for scheme 1 and the Monte Carlo method for scheme 2), excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options and awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified existing conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to the share based payments reserve within equity.

p) Dividends

Dividends on the Group's ordinary shares are recognised as a liability in the Group's financial statements, and as a deduction from equity, in the period in which the dividends are declared. Where such dividends are proposed subject to the approval of the Group's shareholders, the dividends are only declared once shareholder approval has been obtained.

q) Equity

Share capital is determined using the nominal value of shares that have been issued. Premiums received on the initial issuing of share capital are credited to share premium account. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings includes all current and prior period results as disclosed in the income statement.

r) Employee Benefit Trust

The assets and liabilities of the Employee Benefit Trust have been included in the Group's financial statements because the Employee Benefit Trust is controlled by the Group.

The cost of purchasing own shares held by the Employee Benefit Trust are shown as a deduction in arriving at total shareholders' equity.

s) Other Income

Other income represents rental income on sub-lease property contracts.

3. NEW OR REVISED STANDARDS OR INTERPRETATIONS

This report has been prepared based on the accounting policies detailed in the Group's financial statements for the year ended 31 December 2019 and is consistent with the policies applied in the previous year, except for the new standard now effective, IFRS 16.

a) New Standards adopted as at 1 January 2019

IFRS 16 'Leases'
This note explains the impact of the adoption of IFRS 16 'Leases' on the Group's financial statements and discloses the new accounting policy that has been applied from 1 January 2019.

IFRS 16 replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related liability in connection with all former operating leases with the exception of those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new standard has been applied using the "modified retrospective" transition approach. There is no adjustment to the opening balance of retained earnings for the current period however reclassifications arising from the new standard have been recognised in the opening balances as at 1 January 2019. Prior periods have not been restated, as permitted under the specific transitional provisions in the standard.

For contracts in place at 1 January 2019, the Group has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as leases under IAS 17 and IFRIC 4.

The Group has elected to measure the right-of-use assets at 1 January 2019 at an amount equal to the lease liability, adjusted for any prepaid or accrued lease payments that existed at the date of transition. The liabilities were measured at the present value of the remaining lease payments, discounted using the weighted average incremental borrowing rate, ranging between 2.0% and 7.4% based on the length of the remaining lease.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

The Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

The following is a reconciliation of total operating lease commitments at 31 December 2018 (as disclosed in the financial statements to 31 December 2018) to the lease liabilities recognised at 1 January 2019:

	£000s
Total operating lease commitments disclosed at 31 December 2018	**41,684**
Recognition exemptions at 1 January 2019:	
- Leases with remaining lease term of less than 12 months	(1,789)
Leases committed to at 31 December 2018 but not commenced at 1 January 2019	(1,915)
Commitments not meeting the definition of a right-of-use asset	(26)
Operating lease liabilities before discounting	**37,954**
Discounted using incremental borrowing rate	(5,792)
Operating lease liabilities	**32,162**
Reasonably certain extension options - discounted	3,923
Total lease liabilities recognised under IFRS 16 at 1 January 2019	**36,085**

Of which are:	
- Current lease liabilities	2,428
- Non-current lease liabilities	33,657

At 1 January 2019 the recognised right-of-use assets all relate to Property. Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16. This assessment identified one onerous lease contract requiring an adjustment to the right-of-use asset at the date of initial application.

The Group sub-leases a number of properties in the UK, however all of the risks and rewards of ownership have not been transferred to the lessee and therefore the Group recognises the head lease asset as a right-of-use asset and recognises the rental income on the sub-lease operating lease contracts as other income.

The adoption of IFRS 16 has impacted the following items:

Impact on Statement of Financial Position	As at 1 January 2019		As at 31 December 2019[1]	
	Assets £000s	Liabilities £000s	Assets £000s	Liabilities £000s
Gross right-of-use assets and lease liabilities	**36,085**	**(36,085)**	**44,767**	**(45,093)**
Adjustment for onerous lease provision	(50)	-	(22)	-
Prepaid rent	-	506	-	540
Accrued rent	-	(60)	-	(87)
Right-of-use assets and lease liabilities[2]	**36,035**	**(35,639)**	**44,745**	**(44,640)**
Provisions	-	50	-	22
Prepayments	(506)	-	(540)	-
Accruals	-	60	-	87
Total impact on assets/ (liabilities)	**35,529**	**(35,529)**	**44,205**	**(44,531)**

[1] Balances as at 31 December 2019 are inclusive of leases commencing in the 12 months to 31 December 2019
[2] As presented in the consolidated statement of financial position

The adoption of IFRS 16 on 1 January 2019 had a nil impact on the net assets of the Group due to applying the modified retrospective approach: assets = liabilities. As at 31 December 2019 lease liabilities of £44.6m do not match the value of the right-of-use assets due to the depreciation charge in the period being lower than the lease repayments (net of interest charges) and the allocation of rent prepayments and accruals to the liabilities.

A reconciliation of the value of right-of-use assets and lease liabilities from 1 January 2019 to 31 December 2019 is presented below:

	Right-of-use assets £000s	Lease liabilities £000s
Right-of-use assets and lease liabilities as at 1 January 2019	**36,035**	**(35,639)**
Additions (note 14)	12,724	(12,724)
Disposals (note 14)	(61)	64
Depreciation (note 14)	(4,008)	-
Foreign currency retranslation	55	7
Lease interest (note 10)	-	(1,543)
Lease payments (note 20)		4,801
Dilapidation costs recognised within provisions (note 22)		387
Increase in rent prepayments	-	34
Increase in rent accruals	-	(27)
Right-of-use assets and lease liabilities as at 31 December 2019	**44,745**	**(44,640)**

Current lease liabilities	(3,910)
Non-current lease liabilities	(40,730)
Total lease liabilities as at 31 December 2019	**(44,640)**

Impact on Income Statement:

	Gain/ (Cost)	12 months to 31 December 2019 £000s
Administrative costs[1]	Gain	4,021
Impact on EBITDA		**4,021**
Depreciation	(Cost)	(4,008)
Sub-lease income	Gain	1,274
Finance costs	(Cost)	(1,543)
Impact on Profit before tax	**(Cost)**	**(256)**

[1] Net rental costs and dilapidation provision charges no longer charged through Administrative expenses

Prior to the adoption of IFRS 16 rental payments were charged to the income statement on a straight-line basis net of rental income received on sub-lease contracts. Under IFRS 16 rental charges in the income statement are replaced with depreciation on the right-of-use asset and interest charges on the lease liability. The adoption of IFRS 16 therefore gives rise to a net cost of £0.3m in the 12 months to 31 December 2019, reflecting depreciation and interest charges of £5.6m being £0.3m higher than the net rental charges which would have been incurred prior to the adoption of the new standard. At EBITDA level, the adoption of IFRS 16 gives a benefit of £4.0m being the elimination of the rental charges, net of the rental income. The effect on earnings per share as at 31 December 2019 is a reduction of less than 0.22 pence.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- Reliance on historic assessments as to whether leases are onerous
- Account for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short term leases and expense on a straight line basis over the remaining lease term
- Account for leases of low value assets on a straight line basis and not recognise as a right-of-use asset
- Exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Termination options are included in a number of property leases contracts across the Group. Management have assumed that no termination options will be taken. Variable lease payments (fixed annual percentage increases) are also included in a number of leases. Management have factored these future lease cash flows into the valuation of the lease liability and right-of-use asset.

b) International Financial Reporting Standards ("Standards") in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IFRS 3: Business Combinations (issued on 22 October 2018 and effective for periods on or after 1 January 2020)
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018 and effective for periods on or after 1 January 2020)

Neither of the above standards are effective and therefore have not been applied in the financial statements. It is anticipated that there will be minimal impact on the financial statements from the adoption of these new and revised standards.

4. SEGMENTAL ANALYSIS

The principal activity of GlobalData Plc and its subsidiaries (together 'the Group') is to provide high quality proprietary data, analytics, and insights to clients across multiple sectors.

IFRS 8 "Operating Segments" requires the segment information presented in the financial statements to be that which is used internally by the chief operating decision maker to evaluate the performance of the business and to decide how to allocate resources. The Group has identified the Executive Directors as its chief operating decision maker. Data, analytics and insight is provided to customers through multiple channels by a dedicated content team that is centrally managed by Research Directors who report directly to the Executive Directors. Data, analytics and insight is therefore considered to be the operating segment of the Group.

The performance of the data, analytics, and insights segment is presented to the Executive Directors on a monthly basis, which assists the Board in their strategic decision making. Performance of the business is mainly assessed by reference to analysing the performance of individual sales teams which guides operational decision making. The product cost is managed and assessed independently and outside of the sales reviews, however the overall performance of the Group is reviewed on a Group wide basis, all of which falls under the segment of data, analytics, and insights. Margins are only considered at Group level.

A reconciliation of Adjusted EBITDA to profit/ (loss) before tax from continuing operations is set out below:

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Data, analytics, and insights	178,195	157,553
Total Revenue	**178,195**	**157,553**
Adjusted EBITDA	**44,564**	**32,230**
Other expenses (see note 7)	(29,315)	(35,500)
Depreciation	(4,807)	(742)
Amortisation (excluding amortisation of acquired intangible assets)	(874)	(1,165)
Other income	1,274	-
Effect of change in accounting policy – IFRS16	4,021	-
Finance costs	(4,692)	**(2,487)**
Profit/ (loss) before tax from continuing operations	**10,171**	**(7,664)**

Other income is amounts received on sub-let properties capitalised under IFRS16.

Geographical analysis

Our primary geographical markets are serviced by our global sales teams which are organised as Europe, US and Asia Pacific by virtue of the team location. The below disaggregated revenue is derived from the geographical location of our customer rather than the team structure the Group is organised by.

From continuing operations

Year ended 31 December 2019	UK	Europe	Americas[1]	Asia Pacific	MENA[2]	Rest of World	Total
	£000s	£000s	£000s	£000s	£'000	£000s	£000s
Revenue from external customers	27,658	49,424	62,035	17,674	14,997	6,407	178,195

Year ended 31 December 2018	UK	Europe	Americas[1]	Asia Pacific	MENA[2]	Rest of World	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Revenue from external customers	25,322	42,848	54,263	14,967	14,662	5,491	157,553

[1] Americas includes revenue to the United States of America of £58.5m (2018: £51.4m)

[2] Middle East & North Africa

Intangible assets held in the US and Canada were £21.5m (2018: £23.2m), of which £19.7m related to Goodwill (2018: £18.1m). Intangible assets held in the UAE were £15.9m (2018: £17.5m) of which £11.4m related to Goodwill (2018: £11.4m). All other non-current assets are held in the UK. The largest customer represented less than 2% of the Group's consolidated revenue.

5. REVENUE

The Group generates revenue from services provided over a period of time such as recurring subscription and other services which are deliverable at a point in time such as reports, events and custom research.

Subscription income for online services, data and analytics (typically 12 months) is normally received at the beginning of the services and is therefore recognised as a contract liability, “invoiced forward revenue”, on the statement of financial position. Revenue is recognised evenly over the period of the contractual term as the performance obligations are satisfied evenly over the term of subscription.

The revenue on services delivered at a point in time is recognised when our contractual obligation is satisfied, such as delivery of a static report or delivery of an event. The obligation on these types of contracts is a discrete obligation, which once met satisfies the Group performance obligation under the terms of the contract.

Any invoiced contracted amounts which are still subject to performance obligations and where the payment has been received or is contractually due, is recognised within invoiced forward revenue at the statement of financial position date. Typically, the Group receives settlement of cash at the start of each contract and standard terms are zero days. Similarly, if the Group satisfies a performance obligation before it receives the consideration or is contractually due the Group recognises a contract asset within accrued income in the statement of financial position.

	Revenue recognised in the Consolidated Income Statement		Invoiced Forward Revenue recognised within the Consolidated Statement of Financial Position	
	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s	As at 31 December 2019 £000s	As at 31 December 2018 £000s
Services transferred:				
Over a period of time	138,945	116,807	57,527	55,490
Immediately on delivery	39,250	40,746	11,084	11,670
Total	**178,195**	**157,553**	**68,611**	**67,160**

As subscriptions are typically for periods of 12 months the majority of invoiced forward revenue held at 31 December will be recognised in the income statement in the following year. As at 31 December 2019 £0.8m (2018: £1.1m) of the invoiced forward revenue balance will be recognised beyond the next 12 months.

In instances where the Group enters into transactions involving a range of the Group’s services, for example a subscription and custom research, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

6. OPERATING PROFIT/ (LOSS)

Operating profit/ (loss) is stated after the following expenses relating to continuing operations:

	Year ended 31 December 2019	Year ended 31 December 2018
	£000s	£000s
Depreciation of property, plant and equipment	4,807	742
Amortisation of intangible assets	17,147	21,587
Loss on foreign exchange	1,008	365
Operating lease expense – land and buildings	1,126	4,746
Operating lease expense – other	18	41
Auditor’s remuneration	576	383

Auditor’s remuneration:

	Year ended 31 December 2019	Year ended 31 December 2018
	£000s	£000s
Audit of the Company's and the consolidated financial statements	104	83
Audit of subsidiary companies' financial statements	424	263
Audit-related assurance services	45	34
Other non-audit services	3	3
	576	**383**

7. OTHER EXPENSES

	Year ended 31 December 2019	Year ended 31 December 2018
	£000s	£000s
Restructuring costs	763	3,661
M&A costs	1,544	3,181
Items associated with acquisitions and restructure of the Group	**2,307**	**6,842**
Share based payments charge – scheme 1	10,882	5,679
Share based payments charge – scheme 2	134	-
Revaluation of short and long-term derivatives	(1,686)	1,150
Unrealised operating foreign exchange loss	1,405	1,407
Amortisation of acquired intangibles	16,273	20,422
Total other expenses	**29,315**	**35,500**

Over the past three years the Group has undergone significant M&A activity, particularly the acquisition of Research Views Limited in 2018, therefore costs associated with the M&A have been adjusted from Adjusted EBITDA.

Furthermore, the Group’s M&A and expansion meant the Group underwent some significant restructuring, principally as a result of the Research Views Limited acquisition, but also to remove duplicated costs from prior acquisitions and to align the Group’s cost base to its strategy and needs going forward.

The adjustments made are as follows:

- The M&A costs relate to due diligence and corporate finance activity.
- Restructuring costs relates to redundancies and other restructuring.
- The share based payments charges relate to the share option schemes (see note 24).
- The revaluation of short and long-term derivatives relates to movement in the fair value of the short and long-term derivatives detailed in note 16.
- Unrealised operating foreign exchange losses relate to non-cash exchange losses made on operating items.

8. PARTICULARS OF EMPLOYEES

Employee benefit expense
From continuing operations

	Year ended 31 December 2019	Year ended 31 December 2018
	£000s	£000s
Wages and salaries	89,586	90,218
Social security costs	6,214	5,200
Pension costs	1,630	1,208
Share based payments charge (note 24)	11,016	5,679
	108,446	**102,305**

Pension costs represents payments made into defined contribution schemes.

Number of employees
The average monthly number of persons, including Executive Directors, employed by the Group during the year was as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
	No.	No.
Researchers and analysts	2,507	2,400
Sales and admin	788	919
	3,295	**3,319**

9. KEY MANAGEMENT COMPENSATION

	Year ended 31 December 2019	Year ended 31 December 2018
	£000s	£000s
Short-term employee benefits	3,338	2,812
Long-term employee benefits	102	76
Share based payments	1,290	1,113
	4,730	**4,001**

Long-term employee benefits comprise of payments made into the employee's defined contribution pension schemes.

Information regarding Directors' remuneration, share options and bonuses are set out in the Directors' Remuneration Report on pages 40 to 42.

10. FINANCE INCOME AND COSTS

	Year ended 31 December 2019	Year ended 31 December 2018
	£000s	£000s
Bank interest	(7)	76
Loan interest	3,112	2,514
Lease interest	1,543	-
Other interest	44	(103)
	4,692	**2,487**

11. INCOME TAX

Income statement	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Current income tax:		
Current income tax	(5,181)	(4,379)
Adjustments in respect of prior years	(67)	56
	(5,248)	(4,323)
Deferred income tax:		
Excess of depreciation over capital allowances on property, plant and equipment and intangible assets	8	(281)
Deferred tax on acquired intangibles	2,230	3,126
Other short term timing differences	103	-
Deferred tax movement on losses	(1,355)	(1,878)
Change in corporate tax rate	-	(214)
Deferred tax on share based payments	1,434	(107)
Adjustments in respect of prior years	(359)	269
	2,061	915
Total income tax expense in income statement	**(3,187)**	**(3,408)**

The tax charge is reconciled to the standard corporation tax rate applicable in the UK as follows:

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Profit/ (loss) on ordinary activities before tax	10,171	(7,664)
Tax at the UK corporation tax rate of 19% (2018: 19%)	(1,932)	1,456
Effects of:		
Adjustments in respect of prior years	(426)	324
Adjustments in respect of prior years – share based payments	-	(1,031)
Withholding tax not recoverable	(455)	-
Income not taxable	278	1,178
Timing differences for which deferred tax is not provided	-	17
Movement in deferred tax not recognised	(106)	(2,624)
Permanent difference on IFRS2 charge	(210)	(139)
Tax adjustment relating to IFRS2 dealt with through the OCI	1,144	-
Expenses not deductible for tax	(435)	(1,711)
Overseas tax not at standard rate	(586)	(664)
Change in deferred tax rate	(459)	-
Change in corporate tax rate	-	(214)
	(3,187)	**(3,408)**

12. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders of the parent company divided by the weighted average number of shares in issue during the year. The Group also has share options schemes in place and therefore the Group has calculated the dilutive effect of these options. The below table shows earnings per share for both continuing and discontinued operations:

	Year ended 31 December 2019	Year ended 31 December 2018
Continuing operations		
Basic		
Profit/ (loss) for the period attributable to ordinary shareholders (£000s)	6,984	(11,072)
Less: non-controlling interest	-	107
Profit/ (loss) for the period attributable to ordinary shareholders of the parent company (£000s)	6,984	(11,179)
Weighted average number of shares (000s)	116,501	109,926
Basic profit/ (loss) per share (pence)	5.99	(10.17)
Diluted		
Profit/ (loss) for the period attributable to ordinary shareholders (£000s)	6,984	(11,072)
Less: non-controlling interest	-	107
Profit/ (loss) for the period attributable to ordinary shareholders of the parent company (£000s)	6,984	(11,179)
Weighted average number of shares* (000s)	125,733	109,926
Diluted profit/ (loss) per share (pence)	5.55	(10.17)
Discontinued operations		
Basic		
Loss for the period attributable to ordinary shareholders of the parent company (£000s)	-	(1,255)
Weighted average number of shares (000s)	116,501	109,926
Basic loss per share (pence)	-	(1.14)
Diluted		
Loss for the period attributable to ordinary shareholders of the parent company (£000s)	-	(1,255)
Weighted average number of shares* (000s)	125,733	109,926
Diluted loss per share (pence)	-	(1.14)
Total		
Basic		
Profit/ (loss) for the period attributable to ordinary shareholders (£000s)	6,984	(12,327)
Less: non-controlling interest	-	107
Profit/ (loss) for the period attributable to ordinary shareholders of the parent company (£000s)	6,984	(12,434)
Weighted average number of shares (000s)	116,501	109,926
Basic profit/ (loss) per share (pence)	5.99	(11.31)
Diluted		
Profit/ (loss) for the period attributable to ordinary shareholders (£000s)	6,984	(12,327)
Less: non-controlling interest	-	107
Profit/ (loss) for the period attributable to ordinary shareholders of the parent company (£000s)	6,984	(12,434)
Weighted average number of shares* (000s)	125,733	109,926
Diluted profit/ (loss) per share (pence)	5.55	(11.31)

** Where the share options in issue are anti-dilutive in respect of the diluted loss per share calculation in 2018, the options have not been included in the calculation.*

Reconciliation of basic weighted average number of shares to the diluted weighted average number of shares:

	31 December 2019 No'000s	31 December 2018 No'000s
Basic weighted average number of shares, net of shares held in Treasury reserve	116,501	109,926
Share options in issue at end of year, net of shares not paid up	9,232	9,590
Diluted weighted average number of shares	**125,733**	**119,516**

13. INTANGIBLE ASSETS

	Software £000s	Customer relationships £000s	Brands £000s	IP rights and Database £000s	Goodwill £000s	Total £000s
Cost						
As at 1 January 2018	8,682	32,755	12,439	26,885	128,234	**208,995**
Additions: Business Combinations	371	9,921	3,268	21,465	94,120	**129,145**
Additions: Separately Acquired	890	-	-	-	-	**890**
Fair value adjustment	(177)	(65)	-	-	406	**164**
Foreign currency retranslation	7	-	-	-	-	**7**
Disposals	(48)	-	-	(1,287)	-	**(1,335)**
As at 31 December 2018	9,725	42,611	15,707	47,063	222,760	**337,866**
Additions: Business Combinations	-	967	329	1,896	4,462	**7,654**
Additions: Separately Acquired	1,058	-	-	-	-	**1,058**
Fair value adjustment	-	-	-	-	88	**88**
Foreign currency retranslation	(65)	(15)	(5)	(20)	1	**(104)**
As at 31 December 2019	**10,718**	**43,563**	**16,031**	**48,939**	**227,311**	**346,562**
Amortisation						
As at 1 January 2018	(6,868)	(16,656)	(3,887)	(21,676)	(9,360)	**(58,447)**
Additions: Business Combinations	(199)	-	-	-	-	**(199)**
Charge for the year	(1,115)	(4,197)	(4,280)	(11,343)	(652)	**(21,587)**
Impairment of goodwill	-	-	-	-	(535)	**(535)**
Fair value adjustment	85	-	-	-	-	**85**
Foreign currency retranslation	(14)	(2)	(6)	(4)	-	**(26)**
Disposals	48	-	-	1,287	-	**1,335**
As at 31 December 2018	(8,063)	(20,855)	(8,173)	(31,736)	(10,547)	**(79,374)**
Charge for the year	(824)	(4,252)	(1,423)	(10,648)	-	**(17,147)**
Foreign currency retranslation	56	14	4	20	-	**94**
As at 31 December 2019	**(8,831)**	**(25,093)**	**(9,592)**	**(42,364)**	**(10,547)**	**(96,427)**
Net book value						
As at 31 December 2019	**1,887**	**18,470**	**6,439**	**6,575**	**216,764**	**250,135**
As at 31 December 2018	1,662	21,756	7,534	15,327	212,213	258,492

Additions as a result of business combinations in the year have been disclosed in further detail in note 27.

As at 31 December 2019, the carrying value and remaining amortisation period of the significant Customer relationships, Brands and IP rights and database assets were as follows:

	Customer relationships		Brands		IP rights and Database	
	Carrying Value	Remaining Amortisation	Carrying Value	Remaining Amortisation	Carrying Value	Remaining Amortisation
	£'000	Period	£'000	Period	£'000	Period
Current Analysis	821	3 years	-	-	-	-
Infinata	1,264	6 years	-	-	-	-
MEED	3,572	5 years	357	1 year	475	1 year
AROQ	870	9 years	-	-	1,264	2 years
Research Views	7,576	4-10 years	-	-	4,553	1 years
GlobalData	3,892	3 years	4,190	11 years	-	-
Verdict	-	-	1,893	11 years	-	-

Impairment tests for goodwill and intangible assets

Goodwill and intangibles are allocated to the cash generating unit (CGU) that is expected to benefit from the use of the asset.

The Group tests goodwill at each reporting date for impairment and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount of a CGU is determined based on value in use calculations. These calculations use post-tax cash flow projections based on five year financial budgets approved by management. Cash flows beyond the five year period are extrapolated using estimated long term growth rates.

The Group operates within a single operating segment, being data, analytics, and insights. However, in accordance with IAS 36, Impairment of assets, the Group has to consider impairment indicators for goodwill and intangible assets on the value of the cash generating units. The cash generating units identified are Healthcare, Technology, Consumer, Construction, Energy, Financial Services, MEED and Communities which can all be traced back to acquisitions over recent years, for which management are still able to identify specific cash flows. MEED and Communities are newly created CGUs in the year. In the prior year MEED was part of the Construction CGU and Communities was part of the Technology CGU. The change aligns to the financial management reporting structure within the Group. Management have recalculated the 2018 value in use and headroom on the current year CGUs and no indications of impairment were identified.

Overall, the Group has significant headroom on its goodwill and intangibles carrying value and the assumptions used in the assessment are of an insensitive nature.

Assumptions

The recoverable amounts of the CGUs are determined from value in use calculations, which are based on the cash flow projections for each CGU. Value in use projections are based on Board approved revenue and cost forecasts, which cover the period 2020 - 2024.

The discount rate is derived by calculating weighted average costs of equity and debt. The rate reflects appropriate adjustments relating to market risk and risk factors of each CGU.

A terminal value calculation has been determined post 2024 using a prudent growth rate of 2% in accordance with the OECD long term forecast.

The key assumptions are set out below:

	Increase in revenue (for years 1 to 5)		Increase in costs (for years 1 to 5)		Discount rate		Terminal growth rate	
	2019	2018	2019	2018	2019	2018	2019	2018
Consumer	6.50%	3.00%	2.00%	2.00%	10.93%	9.69%	2.00%	2.00%
Technology	2.78%	3.00%	2.00%	2.00%	10.93%	9.69%	2.00%	2.00%
Healthcare	8.29%	3.00%	2.00%	2.00%	10.93%	9.69%	2.00%	2.00%
Construction	3.08%	7.00%	2.00%	2.00%	10.93%	9.69%	2.00%	2.00%
Energy	5.00%	7.00%	2.00%	2.00%	10.93%	9.69%	2.00%	2.00%
Financial Services	4.29%	3.00%	2.00%	2.00%	10.93%	9.69%	2.00%	2.00%
MEED	2.98%	3.00%	2.00%	2.00%	9.63%	9.69%	2.00%	2.00%
Communities	2.38%	3.00%	2.00%	2.00%	12.12%	9.69%	2.00%	2.00%

The value in use for each CGU is summarised below.

All values in the table are in £ million

	Goodwill	Other Intangible assets	Tangible assets	Right of Use Assets	Total Carrying Value	Value-in-use	Headroom
Consumer	38.6	7	0.8	12.6	59	260.8	201.8
Technology	16.9	1	0.2	3.8	21.9	44.9	23.00
Healthcare	76.8	13.5	0.5	9.7	100.5	387.8	287.3
Construction	24.5	2.8	0.1	1.9	29.3	32.1	2.8
Energy	29.2	2.9	0.2	2.7	35	36.7	1.7
Financial Services	15.3	1.4	0.1	1.8	18.6	38.9	20.3
MEED	11.4	4.6	0.1	2.4	18.5	49.6	31.1
Communities	4	0.1	0.5	9.9	14.5	55.7	41.2
Total	**216.7**	**33.3**	**2.5**	**44.8**	**297.3**	**906.5**	**609.2**

Management has undertaken sensitivity analysis taking into consideration the impact on key impairment test assumptions arising from a range of possible future trading and economic scenarios on each CGU. The following individual scenarios would need to occur before impairment is triggered within the Group:

	Revenue Growth Falls To	Discount Rate Rises To
Consumer	(4.9%)	36.6%
Technology	(0.9%)	20.0%
Healthcare	(6.3%)	32.4%
Construction	2.3%	11.8%
Energy	4.6%	11.3%
Financial Services	(2.2%)	20.1%
MEED	(3.6%)	22.0%
Communities	(2.4%)	40.1%

No indication of impairment was noted from management's review, there is headroom in each CGU. Management acknowledge the sensitivity of the assumptions applied to the Construction and Energy CGUs however management are comfortable with these assumptions and will continue to monitor performance regularly for any indicators of future impairment loss.

Amortisation

Amortisation for purchased intangible assets is accounted for within the administrative costs category within the income statement. Amortisation for acquired intangible assets is accounted for within other expenses within the income statement.

14. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings £000s	Fixtures, fittings & equipment £000s	Motor vehicles £000s	Leasehold Improvements £000s	Total £000s
Cost					
As at 1 January 2018	-	5,735	-	293	**6,028**
Additions: Business Combinations	-	585	-	3	**588**
Additions: Separately Acquired	-	575	-	149	**724**
Foreign currency retranslation	-	10	-	4	**14**
Disposals	-	(1)	-	-	**(1)**
As at 31 December 2018	-	6,904	-	449	**7,353**
Adjustment on transition to IFRS 16	36,035	-	-	-	**36,035**
Additions: Business Combinations	532	122	-	-	**654**
Additions: Separately Acquired	12,704	1,045	19	516	**14,284**
Foreign currency retranslation	29	(92)	-	(3)	**(66)**
Disposals	(99)	(210)	-	-	**(309)**
As at 31 December 2019	**49,201**	**7,769**	**19**	**962**	**57,951**
Depreciation					
As at 1 January 2018	-	(4,692)	-	(93)	**(4,785)**
Additions: Business Combinations	-	(491)	-	(3)	**(494)**
Charge for the year	-	(703)	-	(39)	**(742)**
Foreign currency retranslation	-	(17)	-	(2)	**(19)**
Disposals	-	1	-	-	**1**
As at 31 December 2018	-	(5,902)	-	(137)	**(6,039)**
Additions: Business Combinations	(50)	(54)	-	-	**(104)**
Charge for the year	(4,015)	(733)	(3)	(56)	**(4,807)**
Foreign currency retranslation	28	88	-	2	**118**
Disposals	38	207	-	-	**245**
As at 31 December 2019	**(3,999)**	**(6,394)**	**(3)**	**(191)**	**(10,587)**
Net book value					
As at 31 December 2019	**45,202**	**1,375**	**16**	**771**	**47,364**
As at 31 December 2018	-	1,002	-	312	1,314

Included in the net carrying amount of property, plant and equipment as at 31 December 2019 are right-of-use assets as follows:

	Buildings £000s	Motor Vehicles £000s	Total £000s
Cost			
As at 1 January 2019	36,035	-	**36,035**
Additions: Separately Acquired	12,705	19	**12,724**
Disposals	(99)	-	**(99)**
Foreign currency retranslation	28	-	**28**
As at 31 December 2019	**48,669**	**19**	**48,688**
Depreciation			
As at 1 January 2019	-	-	**-**
Charge for the period	(4,005)	(3)	**(4,008)**
Disposals	38	-	**38**
Foreign currency retranslation	27	-	**27**
As at 31 December 2019	**(3,940)**	**(3)**	**(3,943)**
Net book value			
As at 31 December 2019	**44,729**	**16**	**44,745**
As at 1 January 2019	36,035	-	**36,035**

15. LEASES

The Group has leases for office buildings and motor vehicles. With the exception of short term leases and leases of low value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 14).

Lease liabilities are presented in the statement of financial position as follows:

	31 December 2019 £000s
Current lease liabilities	3,910
Non-current lease liabilities	40,730
	44,640

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the statement of financial position:

	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with termination options
Office building	23	1 – 15 years	5 years	-	5
Motor vehicle	1	3 years	3 years	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2019 were as follows:

	Within 1 year £000s	1 to 5 years £000s	After 5 years £000s	Total £000s
Lease payments	5,658	23,604	25,634	54,896
Finance charges	(1,748)	(4,967)	(3,541)	(10,256)
Net present values	**3,910**	**18,637**	**22,093**	**44,640**

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. The expense relating to payments not included in the measurement of the lease liability is as follows:

	31 December 2019 £000s
Short-term leases	1,126
Leases of low value assets	18
	1,144

At 31 December 2019 the Group was committed to short-term leases and the total commitment at that date was £217,000.

At 31 December 2019 the Group had not committed to any leases which had not yet commenced excluding those recognised as a lease liability.

The Group sub-lets certain areas of its property portfolio. As at 31 December 2019, the Group had contracts with sub-tenants for the following future minimum lease rentals:

	31 December 2019 £000s	31 December 2018 £000s
Land and Buildings		
Within 1 year	1,274	824
Within 1 to 2 years	1,274	824
Within 2 to 3 years	1,274	824
Within 3 to 4 years	1,274	824
Within 4 to 5 years	1,274	769
Over 5 years	6,578	3,204
	12,948	**7,269**

16. DERIVATIVE ASSETS AND LIABILITIES

	31 December 2019 £000s	31 December 2018 £000s
Short-term derivative assets	908	529
Short-term derivative liabilities	(101)	(1,408)
Net derivative asset/ (liability)	**807**	**(879)**

Classification is based on when the derivatives mature. The fair values of derivatives are expected to impact the income statement over the next year, dependant on movements in the fair value of the foreign exchange contracts. The movement in the year was a £1,686,000 credit to the income statement (2018: charge of £1,150,000).

The Group uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. Forward exchange contracts have been entered into which has committed the below amount of currency to be paid in exchange for Sterling:

	Euro €'000	US Dollar $'000
Expiring in the year ending:		
31 December 2020	7,590	25,600

Forward exchange contracts have been entered into which has committed the below amount of currency to be paid in exchange for Indian Rupees:

	Sterling £'000	US Dollar $'000
Expiring in the year ending:		
31 December 2020	550	9,800

17. TRADE AND OTHER RECEIVABLES

	31 December 2019 £000s	31 December 2018 £000s
Trade receivables	37,414	43,594
Prepayments	4,356	3,329
Other receivables and accrued income	3,056	3,563
Related party receivables (note 28)	925	838
	45,751	**51,324**

The contractual value of trade receivables is £43.7m (2018: £47.7m). Their carrying value is assessed to be £37.4m (2018: £43.6m) after assessing recoverability. The contractual value and the carrying value of other receivables are considered to be the same.

Amounts owed by related parties are repayable on demand and are non-interest bearing.

The ageing analysis of net trade receivables is as follows:

	31 December 2019 £000s	31 December 2018 £000s
Not overdue	32,092	33,021
Not more than 3 months overdue	4,431	5,718
More than 3 months but not more than 1 year	891	4,855
	37,414	**43,594**

The ageing analysis of trade receivables which have been impaired is as follows:

	31 December 2019	31 December 2018
Specific credit losses provision:	£000s	£000s
Not overdue	116	7
Not more than 3 months overdue	441	-
More than 3 months	4,451	3,254
	5,008	**3,261**

IFRS 9 – Expected credit loss provision:	31 December 2019 £000s	31 December 2018 £000s
Not overdue	153	100
Not more than 3 months overdue	159	103
More than 3 months	997	649
	1,309	**852**

The contractual amounts of the Group's trade receivables are denominated in the following currencies:

	31 December 2019 £000s	31 December 2018 £000s
Pounds Sterling	16,864	20,816
US Dollar	21,667	22,739
Euro	3,900	3,649
Australian Dollar	1,300	503
	43,731	**47,707**

Movement on the Group's loss allowance for trade receivables is as follows:

	31 December 2019 £000s	31 December 2018 £000s
Opening loss allowance	4,113	2,245
Increase in loss allowance recognised in income statement:		
- Expenses: losses on trade receivables	2,278	1,983
- Revenue: credit note	617	358
Increase in loss allowance charged against invoice forward revenue[1]	1,428	-
Receivables written off during the year as uncollectable	(2,119)	(473)
Closing loss allowance	**6,317**	**4,113**

[1] Within the Consolidated Statement of Financial Position

The creation and release of the loss allowance for trade receivables have been included within Administrative expenses in the consolidated income statement. Provisions are created and released on a specific customer level on a monthly basis when management assesses for possible impairment. In addition, the Group recognises lifetime expected credit losses which are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at 31 December 2019 is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. Before accepting any new customer, the Group uses a credit scoring system to assess the potential customer's credit quality. The trade receivables outstanding at year end have acceptable credit scores. The largest customer represented less than 2% of the Group's consolidated revenue. Further details on credit risk have been disclosed within note 21.

18. DEFERRED INCOME TAX

	31 December 2019 £000s	31 December 2018 £000s
Balance brought forward	138	1,933
Created upon acquisition of subsidiary	(784)	(3,629)
Credited to profit and loss account (continuing operations)	2,420	1,129
Prior year adjustment	(359)	(464)
Deferred tax recognised directly in reserves in relation to share based payments	2,464	1,383
Change in rate	-	(214)
Balance carried forward	**3,879**	**138**

The provision for deferred taxation consists of the tax effect of temporary differences in respect of:

Intangible assets purchased	(4,773)	(6,570)
Fixed asset timing differences	122	127
Deferred tax on share based payments	7,536	4,263
Trading losses	994	2,318
Balance carried forward	**3,879**	**138**

	31 December 2019 £000s	31 December 2018 £000s
Deferred tax asset	8,652	6,709
Deferred tax liability	(4,773)	(6,571)
Net position	**3,879**	**138**

As at 31 December 2019, the utilisation of the deferred tax asset relating to tax losses is dependent on future taxable profits of approximately £5.8m and is subject to compliance with taxation authority requirements. The Group has continued to recognise these deferred tax assets as it is probable that there will be available taxable profits to offset these losses based on current forecasts and recent taxable profits in certain subsidiaries. As at 31 December 2019 the Group has losses for which no deferred tax asset has been recognised of £13.3m. These tax losses may be available to be carried forward to offset against future taxable income. However, their utilisation is contingent on the relevant subsidiaries producing taxable profits over a significant period of time and is subject to compliance with the relevant taxation authority requirements. As at 31 December 2019 these subsidiaries have not made a taxable profit and there is not convincing other evidence that sufficient taxable profit will be available in the future.

19. TRADE AND OTHER PAYABLES

	31 December 2019 £000s	31 December 2018 £000s
Trade payables	9,566	8,809
Other taxation and social security	1,061	1,747
Invoiced forward revenue	68,611	67,160
Accruals	16,798	14,944
	96,036	**92,660**

All amounts are short-term. The carrying values are considered to be a reasonable approximation of fair value.

20. BORROWINGS

	31 December 2019 £000s	31 December 2018 £000s
Short-term lease liabilities	3,910	-
Short-term borrowings	6,000	6,000
Current liabilities	**9,910**	**6,000**
Long-term lease liabilities	40,730	-
Long-term borrowings	60,488	64,341
Non-current liabilities	**101,218**	**64,341**

The changes in the Group's borrowings can be classified as follows:

	Short-term borrowings £000s	Long-term borrowings £000s	Short-term lease liabilities[1] £000s	Long-term lease liabilities[1] £000s	Total £000s
1 January 2019	6,000	64,341	-	-	**70,341**
Adoption of IFRS 16	-	-	1,983	33,656	**35,639**
Revised 1 January 2019	**6,000**	**64,341**	**1,983**	**33,656**	**105,980**
Cash-flows:					
- Repayment	(6,000)	(4,500)	(4,801)	-	**(15,301)**
- Proceeds	-	6,425	-	-	**6,425**
Non-cash:					
- Loan fee amortisation	-	222	-	-	**222**
- Lease additions	-	-	3,435	9,289	**12,724**
- Lease liabilities[2]	-	-	1,435	(357)	**1,078**
- Reclassification	6,000	(6,000)	1,858	(1,858)	**-**
As at 31 December 2019	**6,000**	**60,488**	**3,910**	**40,730**	**111,128**

[1] Amounts are net of rental prepayments and accruals
[2] Represents lease interest, dilapidations and movement on lease liability accruals and prepayments

Term loan and RCF

In April 2017, the Group refinanced its debt position. The facility consists of a £30.0m term loan to replace the previous facilities held with The Royal Bank of Scotland. This is repayable in quarterly instalments over 5 years, with total repayments due in the next 12 months of £6.0m. The outstanding balance as at 31 December 2019 was £13.5m (31 December 2018: £19.5m).

The Group also has a revolving capital facility (RCF) of £70.0m. As at 31 December 2019, the Group had drawn down £53.5m against the RCF.

In addition to the drawn down facilities there is a letter of credit against the facility of £10.3m which has been provided to the Employee Benefit Trust (EBT). This is in place in relation to a potential tax liability which management have assessed to be remote in likelihood of being paid. As such, a provision has not been recognised in the consolidated statement of financial position.

These facilities have been provided by The Royal Bank of Scotland, HSBC and Bank of Ireland.

Interest is charged on the term loan and drawn down RCF at a rate of 2.25% over the London Interbank Offered Rate.

Borrowings can be reconciled as follows:

	31 December 2019 £000s	31 December 2018 £000s
Lease liabilities	44,640	-
Term loan	13,500	19,500
RCF	53,498	51,573
Capitalised fees, net of amortised amount	(510)	(732)
	111,128	**70,341**

21. FINANCIAL ASSETS AND LIABILITIES

The Group is exposed to foreign currency, interest rate, liquidity, credit and equity risks. Each of these risks, the associated financial instruments and the management of those risks are detailed below.

The Group's financial instruments are classified under IFRS, all at amortised costs, as follows:

	31 December 2019 £000s	31 December 2018 £000s
Non-current assets		
Related party receivables	1,850	2,775
	1,850	**2,775**
Current assets		
Cash	11,232	6,268
Trade receivables	37,414	43,594
Other receivables and accrued income	3,056	3,563
Related party receivables	925	838
	52,627	**54,263**
Current liabilities		
Trade payables	(9,566)	(8,809)
Short-term borrowings	(6,000)	(6,000)
Other taxation and social security	(1,061)	(1,747)
Accruals	(16,798)	(14,944)
	(33,425)	**(31,500)**
Non-current liabilities		
Long-term borrowings	(60,488)	(64,341)
	(60,488)	**(64,341)**

The Group's financial instruments are classified under IFRS, at fair value, as follows:

	31 December 2019 £000s	31 December 2018 £000s
Current assets		
Short-term derivative assets	908	529
	908	**529**
Current liabilities		
Short-term derivative liabilities	(101)	(1,408)
	(101)	**(1,408)**

Maturity analysis

	Less than 1 month £000s	1 to 3 months £000s	3 months to 1 year £000s	1 to 5 years £000s	Total £000s
Non-current assets					
Related party receivables	1,850	-	-	-	**1,850**
Current assets					
Cash	11,232	-	-	-	**11,232**
Short-term derivative assets	9	281	618	-	**908**
Trade receivables	25,657	10,279	1,465	13	**37,414**
Other receivables and accrued income	-	3,056	-	-	**3,056**
Related party receivables	925	-	-	-	**925**
Current liabilities					
Short-term borrowings	-	(2,009)	(6,029)	-	**(8,038)**
Short-term derivative liabilities	(12)	(53)	(36)	-	**(101)**
Trade accounts payable	(3,089)	(6,477)	-	-	**(9,566)**
Accruals	-	(16,798)	-	-	**(16,798)**
Other taxation and social security	-	(1,061)	-	-	**(1,061)**
Non-current liabilities					
Long-term borrowings	-	-	-	(63,120)	**(63,120)**
	36,572	**(12,782)**	**(3,982)**	**(63,107)**	**(43,299)**

The long-term borrowing's contractual features are detailed in note 20 and it is not expected that those loans will be repaid within a year or until replaced with equivalent debt or equity financing. The debt shown in the table above is inclusive of the projected interest payments in accordance with IFRS 7 (interest on short and long-term borrowings £4,670,000).

Reclassifications
There have been no reclassifications between financial instrument categories during the years ended 31 December 2019 and 31 December 2018.

Fair value of financial instruments
Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2019, the only financial instruments measured at fair value were derivative financial assets/liabilities and these are classified as Level 2.

Type of Financial Instrument at Level 2	Measurement technique	Main assumptions	Main inputs used
Derivative assets and liabilities	Present-value method	Determining the present value of financial instruments as the current value of future cash flows, taking into account current market exchange rates	Observable market exchange rates

Cash, trade receivables and trade accounts payable
The carrying amounts of these balances are approximately equivalent to their fair value because of the short term to maturity.

Market risk
The Group is exposed to market risk primarily from changes in foreign currency exchange rates and interest rates.

Currency risk
The Group's primary objective in managing foreign currency risk is to protect against the risk that the eventual Sterling net cash flows will be adversely affected by changes in foreign currency exchange rates. Due to the Group's operations in India, the Group has entered into foreign exchange contracts that limit the risk from movements in US Dollars and Sterling with the Indian Rupee exchange rate. The Group additionally enters into foreign exchange contracts that limit the risk from movements in US Dollars and Euros with Sterling.

The Group's exposure to foreign currencies arising from financial instruments is:

31 December 2019	USD	EUR	Other	Total
	£000s	£000s	£000s	£000s
Exposures				
Cash	4,229	562	4,120	**8,911**
Short and long-term derivative assets/ (liabilities)	621	207	(22)	**806**
Trade receivables	21,667	3,900	1,300	**26,867**
Trade accounts payable	(297)	-	(202)	**(499)**
Net exposure	**26,220**	**4,669**	**5,196**	**36,085**

31 December 2018	USD	EUR	Other	Total
	£000s	£000s	£000s	£000s
Exposures				
Cash	3,749	690	2,326	**6,765**
Short and long-term derivative assets/ (liabilities)	(1,278)	(129)	467	**(940)**
Trade receivables	22,739	3,649	503	**26,891**
Trade accounts payable	(114)	1	(154)	**(267)**
Net exposure	**25,096**	**4,211**	**3,142**	**32,449**

Forecast sales and purchases in foreign currencies have not been included in the table above as they are not financial instruments.

As at 31 December a movement of 10% in Sterling would impact the income statement as detailed in the table below:

	10% decrease		10% increase	
	2019	2018	2019	2018
	£000s	£000s	£000s	£000s
Impact on Net earnings before income tax:				
USD	2,913	2,788	(2,384)	(2,281)
EUR	519	468	(424)	(383)
	3,432	**3,256**	**(2,808)**	**(2,664)**

This analysis assumes a movement in Sterling across all currencies and only includes the effect of foreign exchange movements on financial instruments. All other variables remain constant.

Interest rate risk

The Group is exposed to interest rate risk on its overdraft and the outstanding syndicated loans and also lease liabilities. The Group does not manage this risk with the use of derivatives. No other liabilities accrue interest. The table below shows how a movement in interest rates of 100 basis points would impact the income statement based on the additional interest expense for the year then ended:

	100 basis point decrease		100 basis point increase	
	2019	2018	2019	2018
	£000s	£000s	£000s	£000s
Impact on:				
Net earnings before income tax	1,111	703	(1,111)	(703)

This analysis assumes all other variables remain constant.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its financial liabilities.

The Group's main source of financing for its working capital requirements is free cash flow.

The Group's exposure to liquidity risk arises from trade accounts payable and syndicated loans. All contractual cash flows from trade accounts payable are the same as the carrying value of the liability due to their short-term nature.

At 31 December 2019, the Group has a revolving credit facility of £53.5m and a £30.0m term loan (of which £13.5m is outstanding as at 31 December 2019). See note 20 for further details.

Credit risk

In the normal course of its business, the Group incurs credit risk from cash and trade and other receivables. The Group's financial instruments do not have significant concentration of risk with any related parties.

£54.5m of the Group's assets are subject to credit risk (31 December 2018: £57.6m). The Group does not hold any collateral over these amounts. See note 17 for further details of the Group's receivables.

The Group operates a credit risk management process within the finance and credit control teams. The process starts prior to a contract being entered into, whereby factors such as company size, location and payment history are taken into account before the contract is signed. Following the commencement of contract, which are usually signed on a zero day payment policy unless other agreements are reached, the credit control team will monitor debt in reference to the due date. When the credit control team start to assess that the debt is becoming more of a credit risk (usually around 90 days after due date or sooner if escalated) it is then escalated to our internal debt recovery team. At this point the debt recovery team will review on a debt-by-debt basis taking into consideration:

- The responses received back from the client
- Internal responses from the client service and account management team
- The status of the transfer of services, such as delays and disputes
- A re-assessment of credit worthiness

The debt recovery team and credit manager will then decide whether an impairment is made, but the team will continue to pursue the debt and also use means such as legal advice to further advance the process. In cases such as contract errors or delivery disputes, whereby we are either at fault or a commercial decision to appease the client has been made, credit notes are issued.

Following the detailed line-by-line review of debts and potential impairment, an overall review will be made for the reasonableness of provision for potential credit write off based upon the write-off as a percentage of revenue which guides management as to the general trend of credit write-off. The write-off history, including 2019, is shown as below

	2019	2018	2017	2016	2015	2014
Revenue	**178,195**	**157,553**	**118,649**	**100,013**	**60,466**	**63,161**
Provision added for bad debt	4,323	2,341	855	912	841	2,280
% of revenue	2.4%	1.5%	0.7%	0.9%	1.4%	3.6%

Management have provided for all debts greater than 1 year, except for instances whereby there is sufficient reasonable grounds of recovery. This will be assessed by the nature of the debts and communication between the Group and the clients involved.

Once the debt recovery team have explored all particular avenues of recovery, including legal advice and professional recovery services and the debt is deemed completely unrecoverable, the amount is fully written off from the debt ledger and from within the provision.

At each year and half end, management will assess for further impairment based upon expected credit loss over and above the specific impairments noted through the year. Management also take into account forward looking information (including macro-economic data) when making this assessment.

The Group considers the current level of its allowance for doubtful debts to be adequate to cover expected credit losses on trade receivables. Bad debt expenses are reported in the income statement.

The Group's financial instruments do not have significant concentration of risk with any related parties.

Equity risk
It is the Group's policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the development of the business. See note 23 for further details of the Group's equity. The impact of the sensitivity analysis noted in the various risk categories above would impact the income statement for the year.

22. PROVISIONS

The movement in the provisions is as follows:

	Onerous leases	Dilapidations Right-of-use assets	Dilapidations Other	Other	Total
	£000s	£000s	£000s	£000s	£000s
At 1 January 2018	63	-	450	88	601
Increase in provision	758	-	140	-	898
Foreign exchange	2	-	13	-	15
Utilised	(582)	-	-	-	(582)
Release of unutilised provision	-	-	(43)	(88)	(131)
At 31 December 2018	241	-	560	-	801
Increase in provision	-	386	129	-	515
Transfer to right of use asset	(50)	-	-	-	(50)
Utilised	(134)	-	(66)	-	(200)
Release of unutilised provision	(57)	-	(428)	-	(485)
At 31 December 2019	**-**	**386**	**195**	**-**	**581**
Current:	-	50	40	-	90
Non-current:	-	336	155	-	491

Onerous leases
Provision has been made for the net present value of future residual leasehold commitments. This provision has been calculated making assumptions on future rental income, market rents, insurance and rates. This provision is expected to be utilised over the period of each specific lease.

Dilapidations
Provision has been made for the net present value of future dilapidations that are owed due to legal or constructive obligations under the Group's operating leases of office premises. The provision is expected to be utilised over the period to the end of each specific lease.

23. EQUITY

Share capital

Allotted, called up and fully paid:

	31 December 2019		31 December 2018	
	No'000	£000s	No'000	£000s
Ordinary shares as at 1 January (1/14th pence)	118,303	**84**	102,346	**73**
Issue of shares: Consideration Research Views Limited	-	**-**	15,957	**11**
Ordinary shares as at 31 December (1/14th pence)	118,303	**84**	118,303	**84**
Deferred shares of £1.00 each	100	**100**	100	**100**
	118,403	**184**	**118,403**	**184**

Share Purchases
As detailed in note 24, during the period the Group's Employee Benefit Trust purchased an aggregate amount of 467,400 shares at a total market value of £3,602,000. The purchased shares will be held for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

In March 2019, 2.1 million outstanding share options held by GlobalData employees vested in accordance with the EBITDA target being satisfied under Tranche 2a and approved by the Remuneration Committee. The Group satisfied all of the share options exercised using the shares held by the Trust. Movements to the Treasury reserve, Share premium account and Retained earnings have arisen on the accounting for the vesting of the options as detailed in the statement of changes in equity. This recognises the fact that no current year expense is incurred, as the vesting of options is a transaction with shareholders only.

Capital management
The Group's capital management objectives are:
- To ensure the Group's ability to continue as a going concern
- To fund future growth and provide an adequate return to shareholders and, when appropriate, distribute dividends

The capital structure of the Group consists of net debt, which includes borrowings (note 20) and cash and cash equivalents, and equity.

The Company has two classes of shares. The ordinary shares carry no right to fixed income and each share carries the right to one vote at general meetings of the Company.

The deferred shares do not confer upon the holders the right to receive any dividend, distribution or other participation in the profits of the Company. The deferred shares do not entitle the holders to receive notice of or to attend and speak or vote at any general meeting of the Company. On distribution of assets on liquidation or otherwise, the surplus assets of the Company remaining after payments of its liabilities shall be applied first in repaying to holders of the deferred shares the nominal amounts and any premiums paid up or credited as paid up on such shares, and second the balance of such assets shall belong to and be distributed among the holders of the ordinary shares in proportion to the nominal amounts paid up on the ordinary shares held by them respectively.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all its issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Board Terms of Reference, copies of which are available on request.

Dividends

The final dividend for 2018 was 7.5p per share and was paid in April 2019. The total dividend for the current year was 15.0 pence per share, with an interim dividend of 5.0 pence per share paid on 3 October 2019 to shareholders on the register at the close of business on 30 August 2019 and a final dividend of 10.0 pence per share will be paid on 24 April 2020 to shareholders on the register at the close of business on 27 March 2020. The ex-dividend date will be on 26 March 2020.

Share Premium

Proceeds received in addition to the nominal value of shares issued have been included in the Share premium account. The increase to the Share premium account in 2019 relates to the vesting of share options (note 24).

Merger reserve

The merger reserve contains the premium on the shares issued in consideration for the purchase of GlobalData Holding Limited in 2016 and the premium on the shares issued in consideration for the purchase of Research Views Limited and its subsidiaries in 2018.

Treasury reserve

The treasury reserve contains shares held in treasury by the Group and in the Group's Employee Benefit Trust for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

Other reserve

Other reserves consist of a reserve created upon the reverse acquisition of the TMN Group Plc in 2009. The parent company reserve differs from this due to the restatement of consolidated reserves at the time of the reverse acquisition. The parent company other reserve was generated in 2008 upon the issue of shares to fund acquisitions.

The disclosures above are for both the Group and the Company.

Foreign currency translation reserve

The foreign currency translation reserve contains the translation differences that arise upon translating the results of subsidiaries with a functional currency other than Sterling. Such exchange differences are recognised in the income statement in the period in which a foreign operation is disposed of.

24. SHARE BASED PAYMENTS

Scheme 1

The Group created a share option scheme during the year ended 31 December 2010 and granted the first options under the scheme on 1 January 2011 to certain senior employees. Each option granted converts to one ordinary share on exercise. A participant may exercise their options subject to employment conditions and EBITDA targets being met. For these options to be exercised the Group's earnings before interest, taxation, depreciation and amortisation, as adjusted by the Remuneration Committee for significant or one-off occurrences, must exceed certain targets. The fair values of options granted were determined using the Black-Scholes model. The inputs used in the model were:

- share price at date of grant
- exercise price
- time to maturity
- annual risk-free interest rate and;
- annualised volatility

The following assumptions were used in the valuation:

Award Tranche	Grant Date	Fair Value of Share Price at Grant Date	Exercise Price (Pence)	Estimated Forfeiture rate p.a.	Weighted Average of Remaining Contractual Life (Years)
Award 1	1 January 2011	£1.089	0.0714p	0%	1.0
Award 3	1 May 2012	£1.866	0.0714p	0%	1.0
Award 4	7 March 2014	£2.550	0.0714p	0%	1.0
Award 6	22 September 2014	£2.525	0.0714p	0%	1.0
Award 7	9 December 2014	£2.075	0.0714p	0%	1.0
Award 8	31 December 2014	£2.025	0.0714p	0%	1.0
Award 9	21 April 2015	£1.980	0.0714p	0%	1.0
Award 10	28 September 2015	£2.420	0.0714p	0%	1.0
Award 11	17 March 2016	£2.380	0.0714p	0%	1.0
Award 12	17 March 2016	£2.380	0.0714p	0%	1.0
Award 13	21 October 2016	£4.300	0.0714p	0%	1.0
Award 14	21 March 2017	£5.240	0.0714p	0%	1.0
Award 15	21 March 2017	£5.240	0.0714p	0%	1.0
Award 16	21 March 2017	£5.240	0.0714p	0%	1.0
Award 17	21 September 2017	£5.540	0.0714p	0%	1.0
Award 18	20 March 2018	£5.910	0.0714p	0%	1.0
Award 19	20 March 2018	£5.910	0.0714p	0%	1.0
Award 20	23 October 2018	£5.270	0.0714p	0%	1.0
Award 21	23 October 2018	£5.270	0.0714p	0%	1.0
Award 22	23 October 2018	£5.270	0.0714p	0%	1.0
Award 23	19 March 2019	£5.860	0.0714p	0%	1.0
Award 24	22 October 2019	£8.189	0.0714p	0%	1.0

Awards 2 and 5 have been fully forfeited.

The estimated forfeiture rate assumption is based upon management's expectation of the number of options that will lapse over the vesting period. The assumptions were determined when the scheme was set up in 2011 and are reviewed annually. Management believe the current assumptions to be reasonable based upon the rate of lapsed options and proximity to the vesting targets.

Each of the awards are subject to the vesting criteria set by the Remuneration Committee. In order for the remaining options to be exercised, the Group's earnings before interest, taxation, depreciation and amortisation, as adjusted by the Remuneration Committee for significant or one-off occurrences, must exceed targets of £41m and £52m respectively (2018: £32m, £41m and £52m respectively).

	Group Achieves £10m EBITDA	Group Achieves £32m EBITDA	Group Achieves £41m EBITDA	Group Achieves £52m EBITDA
Award 1-4	20% Vest	20% Vest	20% Vest	40% Vest
Award 6	N/a	25% Vest	25% Vest	50% Vest
Award 7	N/a	20% Vest	20% Vest	60% Vest
Award 8	N/a	25% Vest	25% Vest	50% Vest
Award 9	N/a	20% Vest	20% Vest	60% Vest
Award 10	N/a	N/a	N/a	100% Vest
Award 12	N/a	17.5% Vest	17.5% Vest	65% Vest
Award 13	N/a	17.5% Vest	17.5% Vest	65% Vest
Award 14	N/a	17.5% Vest	17.5% Vest	65% Vest
Award 15	N/a	12.5% Vest	12.5% Vest	75% Vest
Award 16	N/a	25% Vest	25% Vest	50% Vest
Award 17	N/a	10% Vest	10% Vest	80% Vest
Award 18	N/a	10% Vest	10% Vest	80% Vest
Award 19	N/a	N/a	N/a	100% Vest
Award 20	N/a	N/a	N/a	100% Vest
Award 21	N/a	N/a	14% Vest	86% Vest
Award 22	N/a	N/a	33% Vest	67% Vest
Award 23	N/a	N/a	10% Vest	90% Vest
Award 24	N/a	N/a	N/a	100% Vest

Award 11 relates to options awarded to Chairman, Bernard Cragg during 2016. Half of these options vested on 31 January 2019 and the remaining half will vest on 31 January 2021.

The total charge recognised for the scheme during the twelve months to 31 December 2019 was £10,882,000 (2018: £5,679,000). The awards of the scheme are settled with ordinary shares of the Company.

During the period the Group purchased an aggregate amount of 467,400 shares at a total market value of £3,602,000. The purchased shares will be held in treasury and in the Group's Employee Benefit Trust for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

Reconciliation of movement in the number of options is provided below.

	Option price (pence)	Number of options
31 December 2018	1/14th	10,808,861
Granted	1/14th	736,440
Exercised	1/14th	(2,059,188)
Forfeited	1/14th	(632,231)
31 December 2019	**1/14th**	**8,853,882**

The following table summarises the Group's share options outstanding at each year end:

Reporting date	Options outstanding	Option price (pence)	Remaining life (years)
31 December 2011	5,004,300	1/14th	3.7
31 December 2012	4,931,150	1/14th	4.3
31 December 2013	4,775,050	1/14th	3.3
31 December 2014	8,358,880	1/14th	2.5
31 December 2015	7,557,840	1/14th	2.5
31 December 2016	9,450,183	1/14th	3.2
31 December 2017	10,621,857	1/14th	2.2
31 December 2018	10,808,861	1/14th	1.4
31 December 2019	**8,853,882**	**1/14th**	**1.0**

In March 2019, 2.1 million outstanding share options held by GlobalData employees vested in accordance with the EBITDA target being satisfied under Tranche 2a and approved by the Remuneration Committee at a strike price of £6 per share. The Group satisfied all of the share options exercised using the shares held by the Trust. Movements to the Treasury reserve, Share premium account and Retained earnings have arisen on the accounting for the vesting of the options as detailed in the statement of changes in equity. This recognises the fact that no current year expense is incurred, as the vesting of options is a transaction with shareholders only.

The Remuneration Committee received notification from the Audit Committee that the quality of Adjusted EBITDA in 2019 of £44.6m was sufficient to satisfy the target under Tranche 2b of £41m. The employees who have share options dependent on the meeting of the £41m target will therefore receive the opportunity to vest their options following the publication of the results.

Scheme 2
In October 2019 the Group created and announced a new share option scheme and granted the first options under the scheme on 31 October 2019 to certain senior employees. Each option granted converts to one ordinary share on exercise. A participant may exercise their options subject to employment conditions and performance targets being met. For these options to be exercised the Group's share price must reach certain targets. The fair values of options granted were determined using the Monte Carlo method. The inputs used in the model were:

- grant date
- vesting date
- performance start and end date
- expected term
- risk free rate
- dividend yield
- volatility and;
- share price at date of grant

The awards shall vest based upon the following performance conditions being satisfied:

- 100% of the shares subject to the award will vest provided the compounded annual growth in the Group's TSR performance over the 5-year performance period is equal to or exceeds 16% per annum compounded (the "5-Year TSR Target").
- The 5-Year TSR Target will be measured by taking a base-line price per share of 830p and comparing it to the sum of the average closing price of a share derived from the 'official list' over the period 20 trading days commencing on the business day on which the Group announces its annual results for the period ending 31 December 2024 and all dividends paid during the performance period.

To the extent that the 5-year TSR Target has not been met, the awards will not vest. If any of the events pursuant to the rules covering 'takeovers and other corporate events' occur during the performance period or prior to the vesting date, awards shall vest as follows:

- Where the 5-year TSR Target has been met at the date of the relevant event, 100% of the awards shall vest.
- Where the 5-year TSR Target has not been achieved, but a 16% compound annual TSR has been met over the period from the commencement of the performance period, awards shall vest on a pro-rata basis to reflect the proportion of the performance period which has elapsed, although the Company shall have discretion to waive such time pro-rating if they consider it appropriate.

The following assumptions were used in the valuation:

Award Tranche	Grant Date	Fair Value of Share Price at Grant Date	Exercise Price (Pence)	Estimated Forfeiture rate p.a.	Weighted Average of Remaining Contractual Life (Years)
Award 1	31 October 2019	£3.05	0.0714p	0%	5.0

The estimated forfeiture rate assumption is based upon management's expectation of the number of options that will lapse over the vesting period, and are reviewed annually. Management believe the current assumptions to be reasonable.

The total charge recognised for the scheme during the 12 months to 31 December 2019 was £134,000 (2018: nil). The awards of the scheme are settled with ordinary shares of the Company.

Reconciliation of movement in the number of options is provided below.

	Option price (pence)	Number of options
31 December 2018	1/14th	-
Granted	1/14th	1,400,000
31 December 2019	**1/14th**	**1,400,000**

The following table summarises the Group's share options outstanding at each year end:

Reporting date	Options outstanding	Option price (pence)	Remaining life (years)
31 December 2019	1,400,000	1/14th	5.00

25. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2019 (2018: £nil).

26. RETIREMENT BENEFIT SCHEMES

As a result of the Research Views Limited acquisition in March 2018, the Group has a final salary defined benefit pension scheme, the Progressive Media Markets Limited Pension Scheme.

The scheme operates within the standard UK regulatory framework for employer-sponsored pension schemes. Funding rates are agreed between the scheme's trustees and the Company, based on a prudent assessment of the scheme liabilities. The scheme is no longer open to future accrual, closing on 31 August 2017.

On 16 December 2019 the Group entered into an irrevocable agreement to sell the pension scheme to Just Retirement Limited ("Just"). The buy-in involved the purchase of a qualifying insurance policy pre year end at a cost to GlobalData Plc of £1.3m. This has been measured at the amount of the related defined benefit obligation as required by IAS 19. Final buy-out is expected to take place within six to 12 months. Management have considered the accounting options available and believe that the buy-in represents an asset transaction. As such, the re-measurement cost has been recognised within the statement of comprehensive income.

The Group is expected to incur legal and professional fees of £0.4m in relation to the transaction.

The Trustees are required to carry out an actuarial valuation every three years. An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2019.

The Group's contribution to the scheme since acquisition was £nil. As the scheme is now closed to future accrual, it is not expected that the Group will contribute to the scheme over the accounting year to 31 December 2020.

The scheme is exposed to a number of risks and sensitivities against which the Group has eliminated its exposure through sale of the scheme. The risks and sensitivities include:

- Investment risk: movement of discount rate used against the return from plan assets
- Interest rate risk: decreases/increases in the discount rate used will increase/decrease the defined benefit obligation
- Longevity risk: changes in the estimation of mortality rates of current and former employees.

Changes in the present value of defined benefit obligations are as follows:

	31 December 2019 £000s	31 December 2018 £000s
Opening defined benefit obligation	(5,102)	(5,287)
Interest expense on defined benefit obligation	(130)	(130)
Benefits paid	907	213
Past service cost	-	(51)
Re-measurement	(421)	153
Closing defined benefit obligation	**(4,746)**	**(5,102)**

Changes in the present value of defined benefit assets are as follows:

	31 December 2019 £000s	31 December 2018 £000s
Opening fair value of plan assets	5,993	6,262
Interest income on plan assets	130	154
Re-measurement	(1,785)	(210)
Contributions paid by the Group	1,315	-
Benefits paid	(907)	(213)
Closing fair value of scheme assets	**4,746**	**5,993**

The full value of the closing assets is represented by a bulk annuity contract.

	31 December 2019 £000s	31 December 2018 £000s
Defined benefit obligation	(4,746)	(5,102)
Fair value of scheme assets	4,746	5,993
Net defined benefit asset	**-**	**891**

For the year ended 31 December 2018, the net asset was not recognised on the statement of financial position as the Group does not have an unconditional right to a refund.

Net interest income of nil (2018: £24,000) has been incurred on the assets of the scheme in the year with a past service cost of nil (2018: £51,000). The re-measurement of scheme assets and obligations have been recorded in the Statement of Other Comprehensive Income net of the prior year surplus that was not recognised in the statement of financial position, as displayed below.

	31 December 2019 £000s
Opening net defined benefit asset	891
Re-measurement of obligation	(421)
Re-measurement of asset	(1,785)
Recognised in the Statement of Other Comprehensive Income	**1,315**

The assumptions which have the most significant effect on the result of the IAS 19 valuation for the scheme are those relating to the discount rate, the rates of increases in price inflation and pensions and life expectancy. The main assumptions adopted are:

	31 December 2019	31 December 2018
	%pa	%pa
Discount rate	2.0%	2.8%
RPI inflation rate	3.4%	3.6%
CPI inflation rate	2.4%	2.6%
Increases to pensions in deferment:		
- Non-GMP* accrued before 6 April 2009	2.4%	2.6%
- Non-GMP* accrued on or after 6 April 2009	2.4%	2.5%
Increases to pensions in payment:		
- Pre 88 GMP*	Nil	Nil
- Post 88 GMP*	3.0%	3.0%
- Pre 97 Excess	3.0%	3.0%
- Post 97	3.0%	3.0%
Life expectancy:		
- Male currently aged 65	87	87
- Female currently aged 65	89	89
- Male currently aged 45	88	89
- Female currently aged 45	90	91

*GMP: Guaranteed minimum pension

The value of liabilities depends on the assumptions used, and is sensitive to certain key assumptions. The table below illustrates the impact on the liabilities of a change in each of the assumptions in isolation. Note that given the buy-in, the value placed on the assets will also change to leave the net position broadly unchanged.

Change	Increase in assumption	Decrease in assumption
Discount rate by 0.25% p.a.	(3.5%)	3.6%
Inflation by 0.25% p.a.	0.5%	(0.5%)
Increase life expectancy by 1 year	5.0%	(5.0%)

27. ACQUISITIONS

AROQ Limited
On 4 January 2019, the Group acquired the entire share capital of the AROQ Limited Group for cash consideration of £7.5m. AROQ provides global data, analytics, and insights in the auto, drinks, food and style sectors.

The amounts recognised for each class of assets and liabilities at the acquisition date were as follows:

	Carrying Value Adjustments £000s	Fair Value Adjustments £000s	Fair Value £000s
Intangible assets consisting of:			
Brand	-	329	**329**
Customer relationships	-	967	**967**
Intellectual property and content	-	1,896	**1,896**
Net assets acquired consisting of:			
Property, plant and equipment	550	-	**550**
Cash and cash equivalents	648	-	**648**
Trade and other receivables	780	(97)	**683**
Trade and other payables	(1,495)	-	**(1,495)**
Corporation tax payable	(43)	-	**(43)**
Deferred tax	(33)	(529)	**(562)**
Fair value of net assets acquired	**407**	**2,566**	**2,973**

The goodwill recognised in relation to the acquisition is as follows:

	Fair Value £000s
Consideration	7,532
Less net assets acquired	(2,973)
Goodwill	**4,559**

The goodwill that arose on the combination can be attributed to the assembled workforce, know-how and research methodology. The fair values of the identified intangible assets were calculated in line with the policies detailed on page 56.

The Group incurred legal expenses of £9,000 in relation to the acquisition which were recognised in other expenses. In the period from acquisition to 31 December 2019 the trade of AROQ Limited generated revenues of £2.6m and contribution of £0.7m.

In January 2019, the Group also paid £1.3m for the purchase of the remaining shares held by a minority interest within Sportcal Limited, a subsidiary of the Group. The acquisition was accounted for and the purchase price was accrued for as at 31 December 2018.

Cash Cost of Acquisitions
The cash cost of acquisitions comprises:

	31 December 2019 £000s
Acquisition of AROQ Limited:	
Cash consideration	7,532
Cash acquired as part of opening balance sheet	(648)
Acquisition of Sportcal Minority Shareholding	1,316
Acquisition of Global Ad Source: funds returned	(68)
	8,132

28. RELATED PARTY TRANSACTIONS

Mike Danson, GlobalData Plc's Chief Executive, owns 66.8% of the Company's ordinary shares as at 2 March 2020. Mike Danson owns a number of businesses that interact with GlobalData Plc. The principal transactions, which are all conducted on an arm's length basis, are as follows:

Accommodation
GlobalData Plc rents three buildings from Estel Property Investments Limited, a company wholly owned by Mike Danson. The total rental expense (net of sub-lease income), including service and management fees, in relation to the buildings owned by Estel Property Investments for the year ended 31 December 2019 was £2,719,700 (2018: £2,551,900). In addition, GlobalData Plc sub-leases office space to other companies owned by Mike Danson.

Corporate support services
Corporate support services are provided to and from other companies owned by Mike Danson, principally finance, human resources, IT and facilities management. These are recharged to companies that consume these services based on specific drivers of costs, such as proportional occupancy of buildings for facilities management, headcount for human resources services, revenue or gross profit for finance services and headcount for IT services. The net recharge made from GlobalData Plc to these companies for the year ended 31 December 2019 was £556,100 (2018: £490,400).

Loan to Progressive Trade Media Limited
As part of the 2016 disposal of non-core B2B print businesses to a related party, the Group agreed to issue a loan to Progressive Trade Media Limited to fund the purchase consideration. This loan is for £4.5m and repayable in five instalments, with the next instalment due in January 2021 (third instalment received in February 2020). Interest of 2.25% above LIBOR is charged on the loan, with £87,000 charged in the year ended 31 December 2019 (2018: £117,000).

Directors and Key Management Personnel
The remuneration of Directors is discussed within the Directors' Remuneration Report on pages 40 to 42. Remuneration of key management personnel is detailed in note 9.

Amounts outstanding
The Group has taken advantage of the exemptions contained within IAS 24 - Related Party Disclosures from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation. The amounts outstanding for other related parties were:

Non-Trading Balances
Amounts due in greater than one year:

	31 December 2019	31 December 2018
	£000s	£000s
Progressive Trade Media Limited	1,850	2,775
	1,850	**2,775**

Amounts due within one year:

	31 December 2019	31 December 2018
	£000s	£000s
Progressive Trade Media Limited	925	925
	925	**925**

Trading Balances
Amounts due within one year:

	31 December 2019	31 December 2018
	£000s	£000s
Compelo Group (and subsidiaries)	-	(1)
	-	**(1)**

The Group has right of set off over the trading balances held with companies related by virtue of common ownership by Mike Danson. The parent company's balances with related parties are disclosed on pages 119 and 120 of the annual report.

Principal subsidiary undertakings

The Group has a large number of subsidiaries due to the M&A activities in recent years. The Group is continuing to go through a corporate simplification process to reduce the number of its subsidiaries, focussing operations through its main subsidiaries in its main territories.

Subsidiary undertaking	Country of registration	Holding	%	Principal activity
Adfinitum Networks Inc*	Canada	Ordinary shares	100%	Data and analytics
AROQ Limited*	England & Wales	Ordinary shares	100%	Data and analytics
Attentio Inc*	United States of America	Ordinary shares	100%	Data and analytics
Attentio Research Centre Private Limited*	India	Ordinary shares	100%	Data and analytics
Attentio Research Limited*	England & Wales	Ordinary shares	100%	Data and analytics
Canadean Limited	England & Wales	Ordinary shares	100%	Data and analytics
Canadean Mexico Y Centro America, F. De R.L. De C.V*	Mexico	Ordinary shares	100%	Data and analytics
Current Analysis SAS*	France	Ordinary shares	100%	Data and analytics
Current Analysis, Inc*	United States of America	Ordinary shares	100%	Data and analytics
Digital Insights and Research Private Limited*	India	Ordinary shares	100%	Data and analytics
Financial News Publishing Limited	England & Wales	Ordinary shares	100%	Data and analytics
GD Research Centre Private Limited*	India	Ordinary shares	100%	Data and analytics
GlobalData Australia Pty Limited	Australia	Ordinary shares	100%	Data and analytics
GlobalData Brasil, serviços e informações empresariais Ltda.*	Brazil	Ordinary shares	100%	Data and analytics
GlobalData Canada Inc*	Canada	Ordinary shares	100%	Data and analytics
GlobalData Holding Limited	England & Wales	Ordinary shares	100%	Holding company
GlobalData Japan KK*	Japan	Ordinary shares	100%	Data and analytics
GlobalData Pte Limited*	Singapore	Ordinary shares	100%	Data and analytics
Global Data Publications, Inc*	United States of America	Ordinary shares	100%	Data and analytics
GlobalData Singapore Pte Limited*	Singapore	Ordinary shares	100%	Data and analytics
GlobalData UK Limited*	England & Wales	Ordinary shares	100%	Data and analytics
Internet Business Group Limited	England & Wales	Ordinary shares	100%	Performance advertising
Kable Business Intelligence Limited	England & Wales	Ordinary shares	100%	Data and analytics
MEED Media FZ LLC*	United Arab Emirates	Ordinary shares	100%	Data and analytics
Progressive Digital Media (Holdings) Limited	England & Wales	Ordinary shares	100%	Holding company
Progressive Digital Media Holdings, Inc	United States of America	Ordinary shares	100%	Holding company
Progressive Digital Media Inc	United States of America	Ordinary shares	100%	Data and analytics
Progressive Digital Media Limited	England & Wales	Ordinary shares	100%	Data and analytics
Progressive Digital Media Pvt Ltd	India	Ordinary shares	100%	Data and analytics
Progressive Media Group Limited*	England & Wales	Ordinary shares	100%	Data and analytics
Progressive Media International Middle East FZ LLC*	United Arab Emirates	Ordinary shares	100%	Data and analytics
Progressive Media Korea Limited*	South Korea	Ordinary shares	100%	Data and analytics
Progressive Media Ventures Limited*	England & Wales	Ordinary shares	100%	Holding company
Progressive Ventures Limited*	England & Wales	Ordinary shares	100%	Holding company
Research Views Limited*	England & Wales	Ordinary shares	100%	Holding company
Sociable Data Limited*	England & Wales	Ordinary shares	100%	Data and analytics
Sportcal.com Limited*	England & Wales	Ordinary shares	100%	Non-trading
World Market Intelligence Inc*	United States of America	Ordinary shares	100%	Data and analytics
World Market Intelligence Limited*	England & Wales	Ordinary shares	100%	Data and analytics
World Market Intelligence Pty Limited*	Australia	Ordinary shares	100%	Data and analytics

*indirectly held

Company Statement of Financial Position

	Notes	31 December 2019 £000s	31 December 2018 £000s
Non-current assets			
Property, plant and equipment	5	35,067	873
Intangible assets	4	1,160	933
Investments	7	186,137	175,121
		222,364	**176,927**
Current assets			
Trade and other receivables	8	192,178	169,574
Short-term derivative assets	9	745	-
Cash and cash equivalents		**574**	**-**
		193,497	**169,574**
Total assets		**415,861**	**346,501**
Current liabilities			
Bank overdraft		-	(448)
Trade and other payables	10	(102,216)	(91,134)
Short-term derivative liabilities	9	(73)	(1,408)
Short-term lease liabilities	6	(1,829)	-
Short-term borrowings	12	(6,000)	(6,000)
		(110,118)	**(98,990)**
Non-current liabilities			
Long-term provisions	11	(177)	(199)
Long-term lease liabilities	6	(32,028)	-
Long-term borrowings	12	(60,488)	(64,341)
		(92,693)	**(64,540)**
Total liabilities		**(202,811)**	**(163,530)**
Net assets		**213,050**	**182,971**
Equity			
Share capital		184	184
Share premium account		725	200
Treasury reserve		(11,017)	(19,142)
Other reserve		7,174	7,174
Merger reserve		163,810	163,810
Retained earnings		52,174	30,745
Equity attributable to equity holders		**213,050**	**182,971**

These financial statements were approved by the Board of Directors on 2 March 2020 and signed on its behalf by:

Bernard Cragg
Chairman

Mike Danson
Chief Executive

The accompanying notes form an integral part of this financial report.

Company number: 03925319

Company Statement of Comprehensive Income

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Administrative expenses	(2,075)	(5,639)
Other income	1,274	-
Finance income	1,260	1,055
Dividends received from group undertakings	36,796	-
Profit/ (loss) before tax	**37,255**	**(4,584)**
Income tax expense	-	-
Profit/ (loss) for the year	**37,255**	**(4,584)**

The accompanying notes form an integral part of this financial report.

Company Statement of Changes in Equity

	Share capital £000s	Share premium account £000s	Treasury reserve £000s	Other reserve £000s	Merger reserve £000s	Retained earnings £000s	Total equity £000s
Balance at 1 January 2018	**173**	**200**	**(2,289)**	**7,174**	**66,481**	**38,760**	**110,499**
Loss for the year	-	-		-		(4,584)	**(4,584)**
Transactions with owners:							
Issue of share capital	11	-	-	-	97,329	-	**97,340**
Dividends	-	-	-	-	-	(9,110)	**(9,110)**
Share buyback	-	-	(16,853)	-	-	-	**(16,853)**
Share based payments charge	-	-	-	-	-	5,679	**5,679**
Balance at 31 December 2018	**184**	**200**	**(19,142)**	**7,174**	**163,810**	**30,745**	**182,971**
Profit for the year	-	-	-	-	-	37,255	**37,255**
Transactions with owners:							
Dividends	-	-	-	-	-	(14,590)	**(14,590)**
Share buyback	-	-	(3,602)	-	-	-	**(3,602)**
Vesting of share options	-	525	11,727	-	-	(12,252)	**-**
Share based payments charge – scheme 1	-	-	-	-	-	10,882	**10,882**
Share based payments charge – scheme 2	-	-	-	-	-	134	**134**
Balance at 31 December 2019	**184**	**725**	**(11,017)**	**7,174**	**163,810**	**52,174**	**213,050**

The accompanying notes form an integral part of this financial report.

Company Statement of Cash Flows

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Cash flows from operating activities		
Profit/ (loss) for the year	37,255	(4,584)
Adjustments for:		
Dividends received from group undertakings	(36,796)	-
Depreciation	3,278	455
Amortisation	584	807
Impairment	1,449	-
Finance income	(1,260)	(1,055)
Other income	(1,274)	-
Movement in provision	(100)	(12)
Revaluation of derivatives	(2,080)	1,553
(Increase)/ decrease in trade and other receivables	(778)	141
Increase in trade and other payables	1,965	2,163
Cash generated from/ (used in) operations	**2,243**	**(532)**
Interest received	1,896	1,368
Net cash generated from operating activities	**4,139**	**836**
Cash flows from investing activities		
Net (outflow)/ inflow from inter-company loans	(13,755)	13,020
Purchase of property, plant and equipment	(919)	(534)
Purchase of intangible assets	(811)	(573)
Net cash (used in)/ generated from investing activities	**(15,485)**	**11,913**
Cash flows from financing activities		
Proceeds from long-term borrowings	6,425	30,473
Loan fees	-	(285)
Repayment of borrowings	(10,500)	(14,408)
Acquisition of own shares	(3,602)	(16,853)
Principal elements of lease payments	(2,161)	-
Dividends received from group undertakings	36,796	-
Dividends paid	(14,590)	(9,110)
Net cash generated from/ (used in) financing activities	**12,368**	**(10,183)**
Net increase in cash and cash equivalents	**1,022**	**2,566**
Cash and cash equivalents at beginning of year	(448)	(3,014)
Cash and cash equivalents at end of year	**574**	**(448)**

The accompanying notes form an integral part of this financial report.

1. GENERAL INFORMATION

Nature of operations
The principal activity of GlobalData Plc is as a holding company of subsidiary entities which are engaged in providing high quality proprietary data, analytics, and insights to clients across multiple sectors.

GlobalData Plc ('the Company') is a company incorporated in the United Kingdom and listed on the Alternative Investment Market. The registered office of the Company is John Carpenter House, John Carpenter Street, London, EC4Y 0AN. The registered number of the Company is 03925319.

Going concern
The Company meets its day-to-day working capital requirements through free cash flow. Based on cash flow projections the Company considers the existing financing facilities to be adequate to meet short-term commitments.

The existing finance facilities were issued with debt covenants, which are measured on a quarterly basis. Management have reviewed forecasted cash flows and there is no indication that there will be any breach in the next 12 months.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Company's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Company has prepared the annual report and financial statements on a going concern basis.

Critical accounting estimates and judgements
The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to carrying value of (i) investments and (ii) amounts owed by group undertakings and provisions for share based payments.

Carrying value of investments
The carrying value of investments are assessed at least annually to ensure that there is no need for impairment. Management are unable to perform this assessment based on estimated future cash flows of the related group undertaking as the cash flows of the subsidiary entities have been intertwined into existing parts of the Group such that it is not possible to identify individual cash flows for those investments. Management have therefore considered it appropriate to perform an impairment assessment at a cash generating unit (CGU) level. Each CGU across the Group can be traced back to acquisitions over recent years, for which management are still able to identify specific cash flows.

Performing this entails making judgements including the expected rate of growth of sales, margins expected to be achieved, the level of future capital expenditure required to support these outcomes and the appropriate discount rate to apply when valuing future cash flows. The cash flow projections for each CGU are based on Board approved revenue and cost forecasts, which cover the period 2020 - 2024. The discount rate is derived by calculating weighted average costs of equity and debt. The rate reflects appropriate adjustments relating to market risk and risk factors of each CGU. A terminal value calculation has been determined post 2024 using a prudent growth rate of 2% in accordance with the OECD long term forecast.

Share based payments

The Group operates two share based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense in the Group income statement. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options and awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified existing conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Group income statement, with a corresponding adjustment to equity. The significant judgements involved in calculating the share based payments charge are:

- Scheme 1: the fair value at the date of grant which is determined by using the Black-Scholes model, the senior management retention rate which is determined with reference to historical churn and the estimated vesting periods which are determined with reference to the Group's forecasted EBITDA.
- Scheme 2: the fair value at the date of grant which is determined by using the Monte Carlo model and the senior management retention rate which is determined with reference to historical churn. The use of the Monte Carlo model and calculation of the associated input parameters requires judgement therefore management obtained professional advice to assist in determining the fair value of the awards granted.

The Company does not directly employ those participating in the share based payments scheme as they are employed by other Group companies. The issue of share incentives by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in Group undertakings is reported with a corresponding increase in shareholders' funds.

2. ACCOUNTING POLICIES

a) Basis of preparation

The parent company financial statements have been prepared in accordance with applicable IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

b) Change to accounting policies

This report has been prepared based on the accounting policies detailed in the Group's financial statements for the year ended 31 December 2019. The Company was impacted by the introduction of IFRS 16, refer to the Group accounting policies for further disclosure.

c) Property, plant and equipment

Property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight line basis over the deemed useful life of an asset and is applied to the cost less any residual value. The asset classes are depreciated over the following periods:

- Computer and equipment – over 3 to 5 years
- Leasehold improvements – over 3 to 10 years

The useful life, the residual value and the depreciation method is assessed annually.

Where there is an indication of impairment, the carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell then the asset is impaired and an impairment loss recognised in profit or loss.

d) Intangible assets

Computer software

Non-integral computer software purchases are capitalised at cost as intangible assets. The Company also capitalises development costs associated with new products in accordance with the development criteria prescribed within IAS 38 "Intangible Assets". These costs are amortised over their estimated useful lives of 3 years. Costs associated with implementing or maintaining computer software programmes are recognised as an expense.

e) Investments

Investments in subsidiaries are stated at cost less any provision for impairment.

f) Taxation
Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using rates substantively enacted at the reporting date, and any adjustments to the tax payable in respect of previous years.

Deferred taxation is provided in full on temporary differences between the carrying amount of the assets and liabilities in the financial statements and the tax base. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is determined using the tax rates that have been enacted or substantially enacted by the reporting date, and are expected to apply when the deferred tax liability is settled or the deferred tax asset is realised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax is recognised in the income statement, except where it relates to items recognised as other comprehensive income, in which case it is recognised in the statement of other comprehensive income.

Tax relating to items recognised in equity is recognised directly in equity.

g) Foreign currencies
The results are presented in Pounds Sterling (£), which is the functional currency of the Company.

Foreign currency transactions are translated into Sterling at the rates of exchange ruling at the date of the transaction, and if still in existence at the year end the balance is retranslated at the rates of exchange ruling at the reporting date. Differences arising from changes in exchange rates during the year are taken to the income statement.

h) Provisions
A provision is recognised in the statement of financial position when the Company has a legal obligation or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle that obligation, and a reliable estimate of the amount can be made. Provisions are discounted if the time value of money is material.

i) Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

j) Dividends
Dividends on the Company's ordinary shares are recognised as a liability in the Company's financial statements, and as a deduction from equity, in the period in which the dividends are declared. Where such dividends are proposed subject to the approval of the Company's shareholders, the dividends are only declared once shareholder approval has been obtained.

k) Financial instruments
The Company has derivative and non-derivative financial instruments which comprise foreign currency contracts, receivables, cash, loans and borrowings, and trade payables.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are de-recognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash comprises cash balances and highly liquid call deposits. Bank overdrafts that form an integral part of the Company's cash management are included as a component of cash for the purpose of the statement of cash flows.

Derivative financial instruments
The Group uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. Derivatives are measured at fair values and any movement in fair value is recognised in the income statement.

Receivables
Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

A specific provision will be raised for trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

In determining the provision, the Group also applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the trade receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at an effective interest rate.

When a trade receivable is considered uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision are recognised in the income statement.

Trade and other payables
Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

l) Borrowings and borrowing costs
Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

Borrowing costs, being interest and other costs incurred in connection with the servicing of borrowings, are recognised as an expense when incurred.

m) Share based payments
The Group operates two share based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense in the Group income statement. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options and awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified existing conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Group income statement, with a corresponding adjustment to equity.

The Company does not directly employ those participating in the share based payments scheme as they are employed by other Group companies. The issue of share incentives by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in Group undertakings is reported with a corresponding increase in shareholders' funds.

n) Leases
As described in note 1 to the Group accounts, the Group has applied IFRS 16 using the modified retrospective approach with effect from 1 January 2019 and therefore comparative information has not been restated. Comparative information is therefore still reported under IAS 17 and IFRIC 4.

The Company leases offices around the world. Rental contracts are typically made for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Accounting policy applicable before 1 January 2019:
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership do not transfer to the lessee are charged to the income statement on a straight line basis over the period of the lease. Rental income from sub-leasing property space is recognised on a straight line basis over the period of the relevant lease.

Accounting policy applicable from 1 January 2019:
For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Company assesses whether the contract meets the following criteria:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Company has the right to direct the use of the identified asset throughout the period of use.

At the lease commencement date, the Company recognises the lease as a right-of-use asset and a corresponding liability on the statement of financial position. The right-of-use assets have been included in property, plant and equipment.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the lease specific incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The liability is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or the income statement if the right-of-use asset is already reduced to zero.

Termination options are included in a number of property leases across the Company. These options are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a termination option. Periods after termination options are only included in the lease term if the termination option is reasonably certain not to be exercised.

The Company has elected to account for short term leases and leases of low-value assets using the practical expedients. Payments associated with short term leases and leases of low-value assets are recognised on a straight line basis as an expense in the income statement. Short term leases are leases with a term of 12 months or less. Low-value assets comprise IT and copying equipment with a value of less than £5,000.

The Company sub-leases a number of properties in the UK however all of the risks and rewards of ownership have not been transferred to the lessee and therefore the Company recognises the head lease asset as a right-of-use asset and recognises the rental income on the sub-lease operating lease contracts as other income.

3. DIVIDENDS

The final dividend for 2018 was 7.5p per share and was paid in April 2019. The total dividend for the current year was 15.0 pence per share, with an interim dividend of 5.0 pence per share paid on 3 October 2019 to shareholders on the register at the close of business on 30 August 2019 and a final dividend of 10.0 pence per share will be paid on 24 April 2020 to shareholders on the register at the close of business on 27 March 2020. The ex-dividend date will be on 26 March 2020.

4. INTANGIBLE ASSETS

	Computer software £000s	Brand £000s	Total £000s
Cost			
As at 1 January 2018	4,080	148	4,228
Additions	573	-	573
As at 31 December 2018	4,653	148	4,801
Additions	811	-	811
As at 31 December 2019	**5,464**	**148**	**5,612**
Amortisation			
As at 1 January 2018	(3,024)	(37)	(3,061)
Charge for the year	(758)	(49)	(807)
As at 31 December 2018	(3,782)	(86)	(3,868)
Charge for the year	(535)	(49)	(584)
As at 31 December 2019	**(4,317)**	**(135)**	**(4,452)**
Net book value			
As at 31 December 2019	**1,147**	**13**	**1,160**
As at 31 December 2018	871	62	933

5. PROPERTY, PLANT AND EQUIPMENT

	Buildings £000s	Leasehold improvements £000s	Computer equipment £000s	Total £000s
Cost				
As at 1 January 2018	-	225	3,201	3,426
Additions	-	114	420	534
As at 31 December 2018	-	339	3,621	3,960
Adjustment on transition to IFRS 16	35,586	-	-	35,586
Additions	1,028	386	533	1,947
Disposals	(99)	-	-	(99)
As at 31 December 2019	**36,515**	**725**	**4,154**	**41,394**
Depreciation				
As at 1 January 2018	-	(67)	(2,565)	(2,632)
Charge for the year	-	(28)	(427)	(455)
As at 31 December 2018	-	(95)	(2,992)	(3,087)
Charge for the year	(2,833)	(44)	(401)	(3,278)
Disposals	38	-	-	38
As at 31 December 2019	**(2,795)**	**(139)**	**(3,393)**	**(6,327)**
Net book value				
As at 31 December 2019	**33,720**	**586**	**761**	**35,067**
As at 31 December 2018	-	244	629	873

Buildings additions relate to recognition of right-of-use asset during the year.

6. LEASES

The Company has leases for office buildings and motor vehicles. With the exception of short term leases and leases of low value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 5).

Lease liabilities are presented in the statement of financial position as follows:

	31 December 2019
	£000s
Current lease liabilities	1,829
Non-current lease liabilities	32,028
	33,857

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on the statement of financial position:

	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with termination options
Office building	7	5-14 years	9 years	-	4
Motor vehicle	1	3 years	3 years	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2019 were as follows:

	Within 1 year	1 to 5 years	After 5 years	Total
	£000s	£000s	£000s	£000s
Lease payments	3,043	14,255	25,285	42,583
Finance charges	(1,213)	(3,974)	(3,539)	(8,726)
Net present values	**1,830**	**10,281**	**21,746**	**33,857**

At 31 December 2019 the Company had not committed to any leases which had not yet commenced excluding those recognised as a lease liability.

The Company sub-lets certain areas of its property portfolio. As at 31 December 2019, the Company had contracts with sub-tenants for the following future minimum lease rentals:

	31 December 2019	31 December 2018
	£000s	£000s
Land and Buildings		
Within 1 year	1,274	824
Within 1 to 2 years	1,274	824
Within 2 to 3 years	1,274	824
Within 3 to 4 years	1,274	824
Within 4 to 5 years	1,274	769
Over 5 years	6,578	3,204
	12,948	**7,269**

7. INVESTMENTS

	Group undertakings £000s
Cost	
As at 1 January 2018	179,719
Share based payments to employees of subsidiaries	5,679
As at 31 December 2018	185,398
Share based payments to employees of subsidiaries – scheme 1	10,882
Share based payments to employees of subsidiaries – scheme 2	134
As at 31 December 2019	**196,414**
Impairment	
As at 31 December 2018 and 2019	**(10,277)**
Net book value	
As at 31 December 2019	**186,137**
As at 31 December 2018	175,121

Share based payments to employees of subsidiaries
The issue of share incentives by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in Group undertakings is reported with a corresponding increase in shareholders' funds.

Impairment indicators
Management have performed an assessment to identify whether there are any indicators of impairment to the investment balances. As the Company's net assets exceeded the Group net assets there is an indication of possible impairment, however sufficient evidence has been obtained to support that there is no impairment as the value in use forecasts have sufficient headroom over the carrying amount of the investments.

8. TRADE AND OTHER RECEIVABLES

	31 December 2019 £000s	31 December 2018 £000s
Prepayments	1,892	1,966
Other receivables	973	1,031
Amounts owed by group undertakings	188,593	166,227
Other taxation and social security	720	350
	192,178	**169,574**

The carrying values are considered to be a reasonable approximation of fair value. The effect of discounting other receivables has been assessed and is deemed to be immaterial to the results.

Following a review of collectability, the Company has impaired a total balance of £1,449,000 in relation to balances owed by group undertakings (2018: nil). Note 13 of the Company accounts gives further details of management's assessment of expected credit loss on intercompany balances.

9. DERIVATIVE ASSETS AND LIABILITIES

	31 December 2019	31 December 2018
	£000s	£000s
Short-term derivative assets	745	-
Short-term derivative liabilities	(73)	(1,408)
Net derivative asset/ (liability)	**672**	**(1,408)**

Classification is based on when the derivatives mature. The fair values of derivatives are expected to impact the income statement over the next year, dependant on movements in the fair value of the foreign exchange contracts. The movement in the year was a credit of £2,080,000 (2018: cost of £1,553,000).

The Group uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. Forward exchange contracts have been entered into which has committed the below amount of currency to be paid in exchange for Sterling:

	Euro	US Dollar
Expiring in the year ending:	€'000	$'000
31 December 2020	7,590	25,600

10. TRADE AND OTHER PAYABLES

	31 December 2019	31 December 2018
	£000s	£000s
Trade payables	921	723
Other payables	397	143
Accruals	4,607	3,301
Amounts owed to group undertakings	96,291	86,967
	102,216	**91,134**

The Directors consider the carrying amount of trade payables approximates to their fair value. The effect of discounting trade and other payables has been assessed and is deemed to be immaterial to the Company's results. Amounts owed to related parties are repayable on demand and non-interest bearing.

11. PROVISIONS

	Dilapidations Right-of-use assets	Dilapidations Other	Total
	£000s	£000s	£000s
At 1 January 2019	-	199	199
Release of provision	-	(116)	(116)
Utilised	-	(35)	(35)
Increase in provision	77	52	129
At 31 December 2019	**77**	**100**	**177**
Current:	-	-	-
Non-current:	*77*	*100*	*177*

12. BORROWINGS

	31 December 2019	31 December 2018
	£000s	£000s
Short-term lease liabilities	1,829	-
Short-term borrowings	6,000	6,000
Current liabilities	**7,829**	**6,000**
Long-term lease liabilities	32,028	-
Long-term borrowings	60,488	64,341
Non-current liabilities	**92,516**	**64,341**

The changes in the Company's borrowings can be classified as follows:

	Short-term borrowings	Long-term borrowings	Short-term lease liabilities[1]	Long-term lease liabilities[1]	Total
	£000s	£000s	£000s	£000s	£000s
As at 1 January 2019	6,000	64,341	-	-	**70,341**
Adoption of IFRS 16	-	-	1,982	33,136	**35,118**
Revised 1 January 2019	**6,000**	**64,341**	**1,982**	**33,136**	**105,459**
Cash flows:					
- Repayment	(6,000)	(4,500)	(3,439)	-	**(13,939)**
- Proceeds	-	6,425	-	-	**6,425**
Non-cash:					
- Loan fee amortisation	-	222	-	-	**222**
- Lease additions	-	-	23	1,026	**1,049**
- Lease liabilities[2]	-	-	1,236	(107)	**1,129**
- Reclassification	6,000	(6,000)	2,027	(2,027)	**-**
As at 31 December 2019	**6,000**	**60,488**	**1,829**	**32,028**	**100,345**

[1] Amounts are net of rental prepayments and accruals
[2] Represents lease interest, dilapidations and movement on lease liability accruals and prepayments

Term loan and RCF
In April 2017, the Group refinanced its debt position. The facility consists of a £30.0m term loan to replace the previous facilities held with The Royal Bank of Scotland. This is repayable in quarterly instalments over five years, with total repayments due in the next 12 months of £6.0m. The outstanding balance as at 31 December 2019 was £13.5m.

In addition to the term loan, the Group also has a revolving capital facility (RCF) of £70.0m. As at 31 December 2019, the Group had a total draw down against the RCF facilities of £53.5m.

In addition to the drawn down facilities there is a letter of credit against the facility of £10.3m which has been provided to the Employee Benefit Trust (EBT). This is in place in relation to a potential tax liability which management have assessed to be remote in likelihood of being paid. As such, a provision has not been recognised in the statement of financial position.

These facilities have been provided by The Royal Bank of Scotland, HSBC and Bank of Ireland.

Interest is charged on the term loan and drawn down RCF at a rate of 2.25% over the London Interbank Offered Rate.

13. FINANCIAL ASSETS AND LIABILITIES

The Company's financial instruments are classified under IFRS, all at amortised costs, as follows:

	31 December 2019 £000s	31 December 2018 £000s
Current assets		
Cash	574	-
Other receivables	973	1,031
Amounts owed by group undertakings	188,593	166,227
	190,140	**167,258**
Current liabilities		
Bank overdraft	-	(448)
Trade payables	(921)	(723)
Other payables	(397)	(143)
Accruals	(4,607)	(3,301)
Amounts owed to group undertakings	(96,291)	(86,967)
Short-term borrowings	(6,000)	(6,000)
	(108,216)	**(97,582)**
Non-current liabilities		
Long-term borrowings	(60,488)	(64,341)
	(60,488)	**(64,341)**

The Company's financial instruments are classified under IFRS, at fair value, as follows:

	31 December 2019 £000s	31 December 2018 £000s
Current assets		
Short-term derivative assets	745	-
	745	-
Current liabilities		
Short-term derivative liabilities	(73)	(1,408)
	(73)	**(1,408)**

Maturity analysis

	Less than 1 month £000s	1 to 3 months £000s	3 months to 1 year £000s	1 to 5 years £000s	Total £000s
Current assets					
Cash	574	-	-	-	**574**
Other receivables	-	973	-	-	**973**
Short-term derivative assets	-	261	484	-	**745**
Amounts owed by group undertakings	-	-	-	188,593	**188,593**
Current liabilities					
Short-term derivative liabilities	-	(37)	(36)	-	**(73)**
Trade payables	-	(921)	-	-	**(921)**
Other payables	-	-	(397)	-	**(397)**
Accruals	-	(4,607)	-	-	**(4,607)**
Short-term borrowings	-	(2,009)	(6,029)	-	**(8,038)**
Amounts owed to group undertakings	-	-	-	(96,291)	**(96,291)**
Non-current liabilities					
Long-term borrowings	-	-	-	(63,120)	**(63,120)**
	574	**(6,340)**	**(5,978)**	**29,182**	**17,438**

The long-term borrowing's contractual features are detailed in note 20 of the Group accounts and it is not expected that those loans will be repaid within a year or until replaced with equivalent debt or equity financing. The debt shown in the table above is inclusive of the projected interest payments in accordance with IFRS 7 (interest on short and long-term borrowings £4,670,000).

Reclassifications
There have been no reclassifications between financial instrument categories during the year ended 31 December 2019 and year ended 31 December 2018.

Please refer to note 21 of the Group accounts on financial assets and liabilities for the Group's exposure to risk.

Credit risk
In the normal course of its business, the Company incurs credit risk from cash and other receivables. The Group has a credit policy that is used to manage this exposure to credit risk, including credit checking prior to contracts being signed.

£190.1m of the Company's assets are subject to credit risk (31 December 2018: £167.3m). The Company does not hold any collateral over these amounts. Note 8 of the Company accounts give further details of the Company's receivables, of which £188.6m are amounts receivable from Group undertakings. Amounts receivable by group undertakings are repayable on demand and non-interest bearing with the exception of £97m owed by GlobalData UK Limited provided to fund acquisitions, these balances are interest bearing at a rate of 5%.

In accordance with IFRS 9 management has made an assessment of the intercompany positions as at 31 December 2019 by reviewing the liquid assets position of the counterparties as at the same date. Management have concluded that of the £188.6m receivable balance, £50.5m is supported with sufficient liquid assets in the associated entities, supporting the conclusion that the liability can be repaid. Management have thus determined that any expected credit losses would therefore be immaterial against these balances.

For the remaining balance of £138.1m the borrowing entities do not have sufficient highly liquid assets to repay the amounts owed, if demanded at the reporting date. Management have therefore considered alternative recovery strategies including both a 'repay over time' strategy and an immediate 'fire sale' of the counterparty's assets. In all instances management determined that the expected trading cash flows from a 'repay over time' scenario and the liquid assets expected to be generated from a fire sale of assets would be sufficient to cover the outstanding intercompany balances. Management have considered what scenarios would lead to a credit loss and consider the likelihood of this to be remote as the value expected to be achieved on a fire sale or through repayments over time far exceed the amounts outstanding. Consequently, the expected credit loss is determined to be immaterial. Any expected credit losses would be limited to the effect of discounting the amounts due, as the effective interest rate is nil, management have concluded that any expected credit losses would be immaterial.

The Company is owed £97m by GlobalData UK Limited which bears interest at 5%. Management have considered a potential fire sale scenario and determined that under this situation cash would be realised within one to six months to settle the amounts due. Management have also reviewed a 'repay over time' strategy and given the time period to realise cash is short under both scenarios, management have assessed that that the effect of discounting would be immaterial and determined that any expected credit losses would also be immaterial.

14. RELATED PARTY TRANSACTIONS

Directors
The remuneration of the Directors of the Group and Company is set out on page 41 in the consolidated accounts of the Group within the Directors' Remuneration Report.

Accommodation
GlobalData Plc rents three buildings from Estel Property Investments Limited, a company wholly owned by Mike Danson. The total rental expense (net of sub-lease income), including service and management fees, in relation to the buildings owned by Estel Property Investments for the year ended 31 December 2019 was £2,719,700 (2018: £2,551,900). In addition, GlobalData Plc sub-leases office space to other companies owned by Mike Danson.

Corporate support services
Corporate support services are provided to and from other companies owned by Mike Danson, principally finance, human resources, IT and facilities management. These are recharged to companies that consume these services based on specific drivers of costs, such as proportional occupancy of buildings for facilities management, headcount for human resources services, revenue or gross profit for finance services and headcount for IT services. The net recharge made from GlobalData Plc to these companies for the year ended 31 December 2019 was £556,100 (2018: £490,400).

Amounts outstanding to and from group undertakings
The amounts outstanding from group undertakings were:

	31 December 2019 £000s	31 December 2018 £000s
Amounts owed by group undertakings:		
Progressive Capital Limited	-	9,989
GlobalData UK Limited	112,241	128,993
Progressive Digital Media Limited	17,399	-
Progressive Digital Media (Holdings) Limited	24,412	981
Current Analysis Inc	-	4,141
Current Intelligence & Analysis Limited	2,223	2,223
SPG Media Group Limited	-	246
GlobalData Pte Limited	1,035	1,177
Globaldata Holdings Limited	11,290	-
CHM Research Limited	21	-
GlobalData Australia Pty Limited	1,309	1,034
GlobalData Brasil, serviços e informações empresariais Ltda.	299	322
Canadean Mexico Y Centro America, F. De R.L. De C.V	405	357
World Market Intelligence Inc	32	-
GlobalData Canada Ltd	-	663
Progressive Media International Middle East FZ LLC	-	628
Progressive Media Ventures Limited	9,986	7,854
Attentio Research Limited	-	2,671
TMN Media Ltd	-	1,495
GlobalData Singapore Pte Limited	1,985	2,135
World Market Intelligence Pty Limited	-	321
AROQ Limited	1,692	-
World Market Intelligence Limited	3,797	814
Research Views Limited	467	183
	188,593	**166,227**

Amounts owed by group undertakings:		
Internet Business Group Limited	(5,116)	(5,270)
Attentio Research Limited	(837)	-
Progressive Media Group Limited	(75,248)	(59,757)
Globaldata Canada Inc	(152)	-
Verdict Media Limited	(24)	(24)
Kable Business Intelligence Limited	-	(2,006)
Cornhill Publications Limited	-	(2,263)
Global Data Publications Inc	(4,646)	(5,182)
Progressive Digital Media Inc	(555)	(2,243)
Progressive Digital Media Pvt Limited	(1,841)	(1,692)
CHM Research Ltd	-	(70)
Canadean Limited	-	(347)
Current Analysis Inc	(2,653)	(1,463)
GlobalData Japan KK	(148)	(456)
Financial News Publishing Limited	(3,268)	(1,831)
ICD Research Limited	-	(878)
MEED Media FZ LLC	(889)	(1,656)
Progressive Media UK Limited	-	(704)
Sociable Data Limited	(599)	(864)
Sportcal Global Communications Limited	(313)	(201)
World Market Intelligence Inc	-	(26)
Attentio Inc	(2)	(34)
	(96,291)	**(86,967)**

None of the transactions with group undertakings incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

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