GlobalData Plc

Annual report & accounts

For the year ended 31 December 2020

www.globaldata.com

COMPANY NO. 03925319

Contents

Reliance on this document

Our Business Review on pages 4 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.

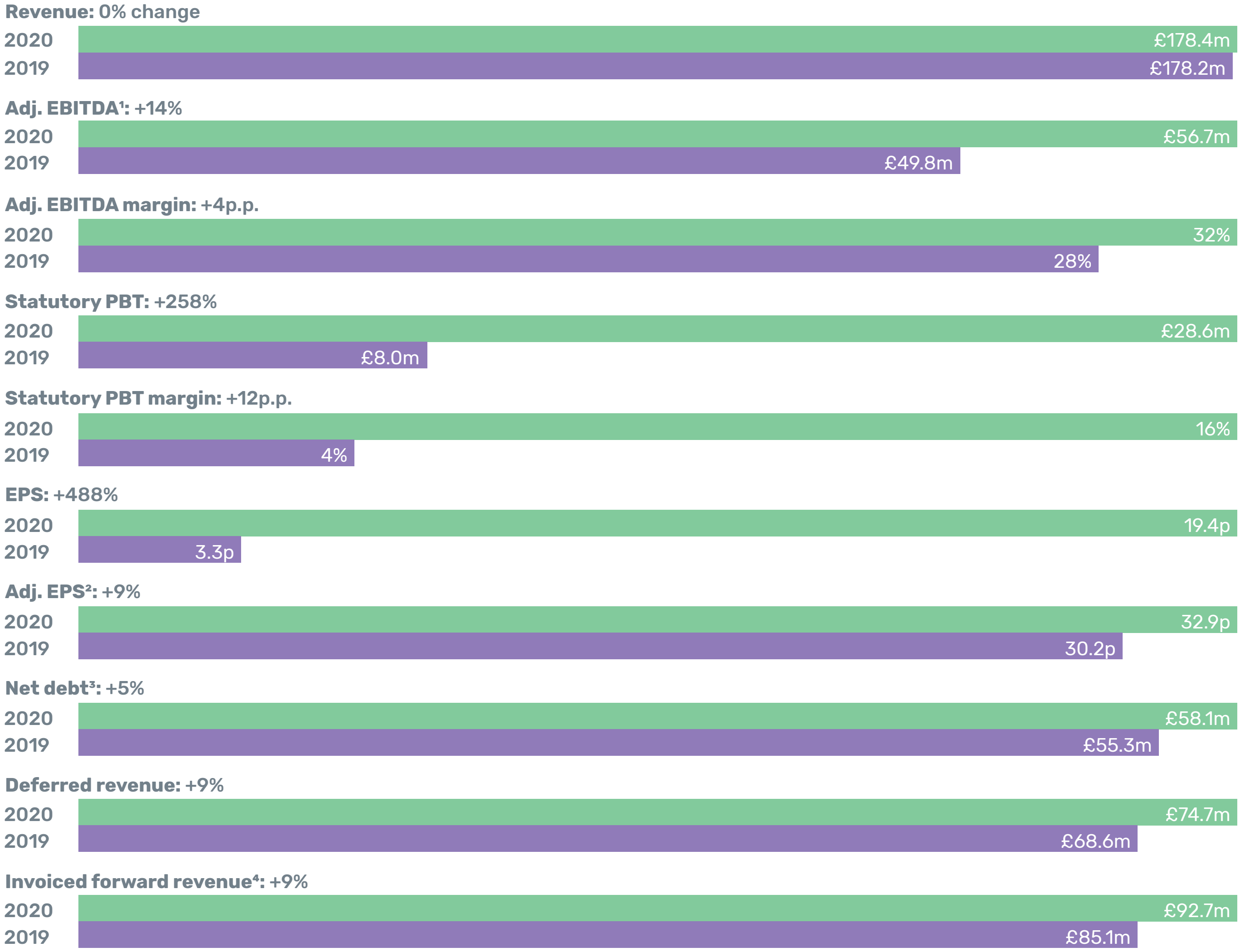
Forward-looking statements

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.

Strategic Report

2020 Highlights

GlobalData's 'One Platform' model delivers significant margin improvement



"GlobalData confronted tough commercial and operational challenges in 2020 as a result of COVID-19. However, our Full Year 2020 results clearly demonstrate that we overcame those challenges and continued to progress GlobalData's strategic development through the year, and we are well placed for a strong 2021."

Mike Danson, Chief Executive Officer

Note 1: Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, adjusted to exclude costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements and the impact of foreign exchange contracts. Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue. This is reconciled to the Statutory operating profit on page 16.

Note 2: Adjusted EPS: Adjusted profit after tax per share (reconciliation between statutory profit and adjusted profit shown on page 16).

Note 3: Net debt: Short and long-term borrowings (excluding lease liabilities) less cash and cash equivalents.

Note 4: 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. This is reconciled to deferred revenue on page 18.

Strategic Report

Financial and Operational Highlights

Adjusted EBITDA[1] up

14%

to £56.7m (2019: £49.8m)

Invoiced forward revenue[2] up 9% to

£92.7m

(2019: £85.1m),

8%

organic growth in invoiced forward revenue

Significant advancement in product and platform; rapid response to customer demand for COVID-19 intelligence

Business as usual maintained throughout 2020

Adjusted EBITDA margin improvement of 4 percentage points to

32%

Final dividend of

11.6p

Up 16% (2019: 10.0p); total dividend of 17.0p, up 13% (2019: 15.0p)

Statutory PBT grew by £20.6m to

£28.6m

(2019: £8.0m)

Cash generated from continuing operations up

13%

to

£59.8m

(2019: £52.8m), 105% of Adjusted EBITDA (2019: 106%)

Subscription revenue up by

7%

(2019: 7%), offset by a decline in event revenue due to COVID-19

Continued investment in Growth Optimisation Plan and execution across strategic priorities

Note 1: Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, adjusted to exclude costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements and the impact of foreign exchange contracts. Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue. This is reconciled to the Statutory operating profit on page 16.

Note 2: 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. This is reconciled to deferred revenue on page 18.

Principal Activity: The principal activity of GlobalData Plc and its subsidiaries ('the Group') is to provide business information in the form of high-quality proprietary data, analytics, and insights to clients in multiple sectors.

Our Mission: To help our clients to decode the future, make better decisions and reach more customers.

Our Vision: To be the leading data, analytics, and insights platform for the world's largest industries.

A snapshot of our Group

16
industry sector deep coverage

+4,400
clients

GlobalData.
31 December 2020

3,472
employees

Strategic Report

Our Business

OUR BUSINESS MODEL

The Group provides service across a breadth of industry markets and functions, on a global scale on 'One Platform'. 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.

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.

Our clients typically subscribe for 12 months' access. This approach drives the following business model attributes:

- **Recurring Revenue** – highly recurring subscription revenue, with high retention and revenue visibility
- **High Incremental Margins** – significant operating leverage due to "build once, sell multiple times" model, and a fixed cost base
- **Strong cash flow generation** – low capital requirements and mostly advance customer payments support high cash flow conversion, working capital benefits and capacity for reinvestment
- **Scalable and defensible position** – large, diversified opportunities with attractive tailwinds, strong competitive moat and an agile, scalable company with one platform.

The visible and recurring revenue base creates a resilient business model, with subscriptions making up over 80% of revenue. The balance of our revenue is made up of ancillary services such as bespoke consulting, single copy reports and events, which all harness our core assets.

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 Adjusted EBITDA margins of 70% – 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 typical spend is 1% – 1.5% (2019: 1.5%; 2018: 1%). During 2020, we had an initiative to further strengthen the Group's software and hardware to protect against cyber risk and to enhance our operational effectiveness in sales technology. Therefore, capital expenditure was £5.0m, which represented 2.8% of revenue. The directors expect capital expenditure to drop back to the 1% – 1.5% range in the medium term. 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.

OUR PURPOSE – WHY DO WE EXIST?

In an increasingly fast-moving, complex, and uncertain world, it's becoming more important for businesses and professionals to:

- successfully predict and navigate the future
- make the right business decisions, at the right time
- effectively find, win and keep customers

We want to help our clients to decode the future, make better decisions and reach more customers.

THE GLOBALDATA ADVANTAGE

GlobalData's One Platform model is the foundation of our strategic advantage and is the result of years of continuous capital investment, targeted acquisitions, and organic development.

Our unified model governs everything we do, from how we develop and manage our products, to our approach to sales and customer success, and supporting business operations.

At its core, this approach integrates our entire universe of unique data, expert analysis, and innovative solutions into One Platform, providing easy access to a complete and comparable view of the world's largest industries.

As a result of our unified model, we can respond rapidly to changing customer needs and market opportunities, and continuously manage and develop products quickly, at scale, with limited capital investment.

GROWTH OPTIMISATION PLAN

In 2019, we established our Growth Optimisation Plan.

Customer Centric
- Develop a trusted, global brand synonymous with delivering exceptional customer value
- Develop a global community of engaged industry professionals
- Maintain a customer-centric culture that informs our strategy, operating model, and business decisions

World-Class Products
- Develop an integrated suite of winning propositions with clear competitive differentiation
- Provide "must-have" capabilities that are integral to our clients and daily lives of professionals
- Consistently lead the market in commercialising new product development & innovation

Commercial Excellence
- Consistently deliver best-in-class sales productivity through targeted campaigns and tailored sales enablement
- Provide new salespeople with the structured on-boarding support required to accelerate "time-to-target"
- Invest in the technology, people, and processes required to deliver exceptional experiences across the customer journey

Operational Agility
- Use our unified operating model and One Platform to create an integrated portfolio greater than the sum of its parts
- Ensure we have the organisational structure, capabilities (e.g. people, process, technology), and high-performance culture to execute
- Provide effective portfolio-wide planning, business insight and performance reporting, and governance.

“We are confident in our ability to progress towards our medium term Adjusted EBITDA margin target of between 35% and 40% and have the ambition to accelerate our organic revenue growth to at least 10% annually.”

Mike Danson, Chief Executive Officer

Strategic Report

Chairman's Statement

Meeting the challenges of 2020

2020 will be remembered as the year of COVID-19, a year in which GlobalData, its business model, its management and its employees were put to the test. As an organisation, GlobalData responded well to the challenge of COVID-19, and I am confident the business is well positioned to grow strongly in 2021.

I want to pay tribute to the resilience of GlobalData's staff and thank everyone for their stalwart efforts during a period of such profound uncertainty. It is to the huge credit of GlobalData's management and staff that they managed to convert a business of around 3,500 office-based workers into one staffed entirely by those same people working from home in a matter of weeks – a remarkable achievement. Perhaps even more remarkable was that the organisation didn't miss a beat during that transition and we were able to maintain "business as usual" throughout 2020.

It is a common theme in this year's Report that we can attribute much of GlobalData's resilient performance in 2020 to our One Platform model. The centralised nature of this operating model means we could adapt our organisation quickly and control our costs effectively as operating circumstances shifted during the year.

The pandemic also stress-tested the effectiveness of our One Platform product development model. Since the formation of GlobalData we have been working to integrate our datasets and to develop a unified software platform – One Platform – in order to manage our data operations more effectively, to accelerate new product development and to create better products for our clients. Our agile One Platform product development approach meant we were first to market with an industry-leading range of COVID-19 data, analytics, and insights, which we were able to deliver rapidly across the GlobalData product portfolio. The threefold increase in the usage of our 'Intelligence Centers', driven by our COVID-19 content, is testimony to the power of the One Platform operating model we have created.

Despite the challenges of managing the business through COVID-19, we continued to push forward with a range of important initiatives within our Growth Optimisation Plan, focusing on Sales Excellence and Customer Service. These – and other initiatives within the Growth Optimisation Plan – will help GlobalData take full advantage of the operational leverage advantages we have created, and to drive the business towards our profitable growth targets for 2025.

In 2020, COVID-19's suppression of economic activity worldwide made meeting our ambitious organic revenue growth targets in 2020 a severe challenge. Given how COVID-19 is transmitted, live events, which usually contribute less than 10% of overall revenues, were disproportionately affected by the slowdown. Against this background, we still achieved a marginal growth in total revenue, which shows the resilience of our business model. We achieved 7% growth in our subscription revenue, which was offset by a 53% decline from events. At a profit before tax (PBT) level we grew profits by £20.6m to £28.6m (2019: £8m) and grew Adjusted EBITDA by 14%, increasing Adjusted EBITDA margins by 4 percentage points, notwithstanding the marginal growth in total revenue, due to the flow-through benefit to margin of the subscription revenue growth.

Our People

We aim to be an employer of choice, providing an enriching and rewarding environment to work in. During the year we continued to keep the development of GlobalData's management team under review. Our objective is to ensure the team has sufficient strength in depth to support the business's growth and evolution in the coming years. Amongst a number of important senior appointments, we were especially pleased to see the promotion of Wayne Lloyd to the new post of Deputy CEO. Based in New York, Wayne will take on global responsibility for GlobalData's sales operations, in addition to his leadership of GlobalData's Americas business.

Unsurprisingly, our top People priority in 2020 has been to support our employees, not just in terms of creating COVID-safe office and home-working conditions but also to sustain their overall well-being. Of the many new initiatives to support our employees, Mike Danson's fortnightly CEO briefing sessions have been a much-valued innovation, which has helped employees feel connected with the business and to understand its progress.

Environmental, Social & Governance

Our Environmental, Social and Governance ("ESG") activities focus on People, Clients, Environment and Social Investment. These activities are key to our efforts to safeguard GlobalData's long-term viability and sustainable growth.

As a primarily digital company our environmental impact is modest for our size. We are nonetheless committed to minimising our impact by embedding sustainability into our decision-making. Because of home-working and the cessation of most business travel, our environmental footprint has been significantly below typical levels.

Our focus on well-being in 2020 extended into our Social Investment activities with our new partnership with UK mental health charity CALM (Campaign Against Living Miserably) which provides vital suicide prevention services. As well as raising money for CALM, teams across GlobalData raised funds for their local food banks and hospitals to help those hit hardest by COVID-19. Including match funding, GlobalData raised over £190,000.

I was pleased to see our growing commitment to excellence in customer service. Our 2020 initiative to understand our clients better provided good intelligence, which will guide how we develop our customer service in 2021 and which I expect to drive improving client renewal rates.

As a Group, we are focused on continuous improvement in our governance arrangements and have made progress during 2020 and continue to do so in 2021. We have established a plan to enhance the independence and skill set within our Board to better comply with the requirements of the UK Corporate Governance Code. To date, we have announced that Murray will succeed me as Chairman of the Group, following the AGM, and together with the appointment of Catherine Birkett, we have a clear progression

Strategic Report

Chairman's Statement

and succession strategy. We are also looking to appoint further independent directors to enhance the capabilities of the Board even further.

Dividend

Having regard to 2020's financial performance, cash generation and future prospects, the Board is pleased to announce a final dividend of 11.6 pence per share (2019: 10 pence). The proposed final dividend will be paid on 23 April 2021 to shareholders on the register at the close of business on 26 March 2021. The ex-dividend date will be on 25 March 2021. The proposed final dividend increases the total dividend for the year to 17.0 pence per share (2019: 15.0 pence), an increase of 13%.

Following the year end, the Directors became aware that the Company had made unlawful distributions in 2018, 2019 and 2020 on account of the fact that it had incorrectly included reserves arising from share based payments, relating to employees of subsidiaries, as distributable and had not filed interim accounts in accordance with section 838 of the Companies Act 2006 to demonstrate sufficient reserves were available for distribution. Therefore, during the period from May 2018 through to January 2021, contributions made to the Employee Benefit Trust, in order to buy back shares to satisfy the employee share options plan, and distributions by way of dividends were unlawful distributions in accordance with section 838 of the Companies Act 2006.

In order to correct the position, the Company will file interim accounts with Companies House in advance of the Annual General Meeting to demonstrate it has sufficient reserves. At the Company's Annual General Meeting, on 20 April 2021, the Company shall propose a resolution to remove any right the Company may have to claim from Directors and Shareholders in respect of the relevant contributions and distributions. The payments deemed to be unlawful during this period were £7.1m in 2018, £18.3m in 2019, £34.8m in 2020 and £0.3m in January 2021. Upstream dividends will be paid in advance of the interim accounts to create additional distributable reserves in the Company and the resolutions, if passed, will regularise the matter.

Board Changes

As announced in January of this year, at our Annual General Meeting in April I shall be stepping down as Chairman of GlobalData Plc and will retire from the Board. I am delighted to welcome Murray Legg as my successor as Non-Executive Chairman. Murray has been a Non-Executive Director and Chair of the Audit Committee since 2016 and has long experience working with major UK companies in a range of sectors, including media.

We announced on 1 March 2021 that we are delighted to have appointed Catherine Birkett to the Board as Independent Non-Executive, effective 13 March 2021. Following the AGM on 20 April 2021, Catherine will succeed Murray Legg as Chair of the Audit Committee.

Catherine is currently the Chief Financial Officer of GoCardless Limited, a high growth fintech business. Prior to that, Catherine has had a distinguished career in senior finance roles, including 14 years as Chief Financial Officer at Interoute Telecommunications Limited, during which time the company grew from a small start-up to one of Europe's fastest growing telecoms providers, with revenues in excess of €700m.

We are planning to add further Non-Executive Directors in the coming months. Our intention is to continue to grow the Board's capabilities in order to enhance the support the Board provides to the business as it evolves.

On a personal note, I would like to thank all our Board members for their kind fellowship over the last 10 years. I am leaving a great team in charge and I feel confident of their individual and collective capabilities to deal with any new challenge as they take the business forward.

Bernard Cragg
Chairman
13 March 2021

"We can attribute much of GlobalData's resilient performance in 2020 to our One Platform model. The centralised nature of this operating model means we could adapt our organisation quickly and control our costs effectively as operating circumstances shifted during the year."

Bernard Cragg, Chairman

"Renewal rates remained strong throughout 2020 and subscription sales gathered momentum through the second half, contributing to subscription revenue growth of 7% for the full year. These positive trends resulted in 9% growth in invoiced forward revenue as at 31 December 2020 to £92.7m."

Mike Danson, Chief Executive Officer

Strategic Report

Chief Executive's Report

GlobalData confronted tough commercial and operational challenges in 2020 as a result of COVID-19. However, our Full Year 2020 results clearly demonstrate that we overcame those challenges and continued to progress GlobalData's strategic development through the year, and we are well placed for a strong 2021.

STRATEGY UPDATE

GlobalData was founded in 2016 with the mission to help our clients decode the future, make better decisions, and reach more customers. In 2020, we continued to consolidate and expand our strategic position as a leading data, insights and analytics platform within the growing information services market.

We benefit from long-term trends that are driving growing demand for our products from organisations of all sizes and types worldwide using data, insights and analytics to maintain their competitive advantage in an increasingly complex, dynamic and unpredictable world.

We have adopted a One Platform operating model, which integrates our data assets, research capabilities and information technology to develop and deliver a portfolio of client solutions and digital community platforms to markets and customers worldwide. This platform also gives us the ability to respond rapidly to changing market conditions and customer needs by developing new solutions at speed and scale, with limited capital investment.

We have clear, accessible paths to organic growth across our core markets and products, as well as the capability to enter new markets and develop new revenue streams. Given the diversified, scalable nature of our business we are confident in our ability to progress towards our medium term Adjusted EBITDA margin target of between 35% and 40% and have the ambition to accelerate our organic revenue growth to at least 10% annually.

We aim to deliver against these targets by implementing a range of growth initiatives in four strategic priority areas: World-Class Products, Sales Excellence, Client Centric, and Operational Agility.

Strategic Priorities - World-Class Products
During the year we continued to make significant advancements in strengthening our "gold standard" capabilities within each individual vertical, including implementing a unified forecasting approach and common data lake across all industries.

We also continued to enhance our cross-vertical use of business fundamentals (e.g. Companies, Deals, News, Macroeconomics), proprietary Thematic Research, and expand our innovative horizontal "Alternative" data and analytics. These capabilities are integrated into our core vertical offering and help to differentiate our products in the marketplace by providing our customers with a richer and more complete intelligence offering.

As we see adoption of our product increase, we remain committed to creating a world-class user experience. Not only does this help our users to gain more value from their Intelligence Center and to work more effectively and efficiently, but it is key to driving subscription renewals. In 2020, we made significant investments in our platform, including introducing a range of new analytics and workflow tools such as our competitive intelligence tool, "build your own report" tools and a new, more advanced content recommendation engine.

In 2020, we redesigned our largest free-to-access digital community platforms and invested in publishing repurposed proprietary data and insight content from our Intelligence Centers. This data-driven journalism and analyst reporting stimulated significant increases in traffic, totalling 65 million unique visitors in 2020. This engagement with millions of professionals globally enhances our brand, drives leads and automated sales, as well as providing an innovative source of proprietary insight.

Strategic Priorities - Sales Excellence
In 2020, we focused on strengthening our existing sales capabilities by recruiting new commercial leadership talent across our Professional Services, Custom Solutions, and Communities Solutions sales teams.

We also invested significantly in creating a best practice sales enablement capability, including the introduction of a new structured salesperson on-boarding programme, which resulted in an average time to first sale of between 4-10 weeks for the cohort of 20 salespeople that were enrolled in Q4 2020.

We also introduced:

- an **enterprise learning management platform** to support structured training pathways designed to improve sales skills, product knowledge, and use of in-role support technology. In particular, this platform supports our ability to train and coach our salesforce continuously and at scale on our evolving product portfolio.

- a **conversation intelligence platform** to analyse thousands of our client calls and meetings in real time to better support coaching and identification of customer and competitor insights.

Strategic Report

Chief Executive's Report

Strategic Priorities - Client Centric

In 2020, we made almost a 100% increase in headcount across our Customer Success teams and set best practice playbooks to scale operations efficiently by standardising our approach to Customer and User on-boarding, training, and ongoing account management, focusing on the key touchpoints across our customer life cycle.

Complementing the above, we also adopted an **in-product customer engagement tool**, which allows us to run targeted campaigns for our Intelligence Center users designed to encourage them to use specific product features. We ran four campaigns in the second half of 2020, each of which engaged an average of 35,000 users, leading to an average of 17% of users increasing their use of the features in the following 30 days. This capability will play an important role in driving awareness and adoption of new product releases.

Strategic Priorities – Operational Agility

We continued to make progress in developing and executing our TechFirst programme and digital workplace strategy, which is designed to help all employees and teams work effectively and efficiently. Our focus in this area meant that during the first part of the year we successfully transitioned the entire organisation to working from home and ensured we continued to operate as "business as usual", with no colleagues being furloughed. We equipped staff with laptops and secure remote access to our IT infrastructure and adapted our offices to meet recommended standards for working, enabling them to remain open throughout the pandemic to those employees who chose to use them. We are fully prepared for a progressive return to a more normal working environment when conditions permit. No material additional costs were incurred in adapting to COVID-19 working conditions.

As part of supporting the well-being of colleagues working remotely, we introduced a Group-wide internal communications programme to keep employees connected to the business and their colleagues. The monthly online information sessions, presented by the Chief Executive, were well received, and our employee feedback survey showed they substantially improved employee understanding of Company goals and strategy as we moved into 2021.

2020 REVIEW

Impact of COVID-19

During the first part of the year, we successfully transitioned the entire organisation to working from home and ensured we continued to operate as "business as usual". We equipped staff with laptops and secure remote access to our IT infrastructure and adapted our offices to meet recommended standards for working, enabling them to remain open throughout the pandemic to those employees who chose to use them.

As we reported in July, the initial impact constrained sales during the first half of the year, particularly in our events activities. Over the full year, revenues from events were approximately 53% lower than 2019. However, this should be seen in the context of the small contribution events make, which was 10% of GlobalData's total revenues in 2019 compared to 5% in 2020. We accelerated development of our digital engagement capabilities and delivered 33 virtual events during the year, 26 of which had been run as live events in 2019. In 2021 we will continue to expand our virtual events programme and we will resume some in-person events when conditions allow. Overall, we expect events – live and virtual – to continue to contribute revenues at a similar level to 2020.

The operational flexibility of the One Platform model allowed us to refocus resources from within our existing cost base to underpin our response to customer demand for insight and to do so without compromising the development roadmap of our core product and platform. We were able to quickly expand our dedicated team covering COVID-19 from 5 to over 200 analysts by April 2020 to provide our customers with the intelligence they needed to understand and analyse the economic, sectoral, market and company-level impacts. Our centralised product management and data science infrastructure – another facet of our One Platform capabilities – allowed us to rapidly develop a suite of new Intelligence Center product capabilities and other products, including over 2,000 analyst briefing reports, over 1,500 sector and company-specific reports, over 900 impact forecasts at market, brand, asset and company level, and more than 50 webinars. We made these products available immediately at no additional cost to our subscription customers, driving Intelligence Center usage to peak in April 2020 at three times prior year usage.

Trading Performance

Revenue – Renewal rates remained strong throughout 2020 and subscription sales gathered momentum through the second half contributing to subscription revenue growth of 7% for the full year. These positive trends resulted in 9% growth in invoiced forward revenue as at 31 December 2020 to £92.7m (2019: £85.1m).

Cost base – During the year we took steps to ensure our cost base remained in line with trading performance while also continuing to invest in Growth Optimisation Plan initiatives vital to driving the business's future development. As part of the management of costs, we slowed down the recruitment of additional sales heads as well as achieving more organic savings such as reduced travel and event hosting facilities' running costs. We only expect a marginal increment in costs going forward as a result of only some of these costs returning on a normalised basis.

Balance sheet - In 2020 we completed the refinancing of our debt facility, providing £145.5m of committed facility and a further £75m uncommitted accordion facility. While our strategic focus is on exploiting GlobalData's organic growth opportunities, these new arrangements provide us with resources of more than £140m with which to take up acquisition opportunities as they arise.

Strategic Report

Chief Executive's Report

KEY PERFORMANCE INDICATORS

The key performance indicators below are used, in addition to statutory reporting measures, by the Executive Directors to monitor the Group's performance and progress.

	Revenue	Invoiced Forward Revenue	Adjusted EBITDA	Adjusted EBITDA margin	Net Debt
2020	**£178.4m**	**£92.7m**	**£56.7m**	**32%**	**£58.1m**
2019	£178.2m	£85.1m	£49.8m	28%	£55.3m
% growth	0%	9%	14%	4p.p.	5%

We have continued to make progress against these KPIs. As noted above, subscription revenue growth of 7% has been offset by a 53% decline in events revenue. The subscription growth has benefited only very marginally from a small acquisition made in the year.

Due to the relatively stable cost base created by our One Platform model, the business's profitability growth remains strong, and in 2020 our margin improved towards our medium term Adjusted EBITDA margin target of between 35% and 40% as a result of year-on-year organic cost savings.

Dividend

Having regard to 2020's financial performance, cash generation and future prospects, the Board is pleased to announce a final dividend of 11.6 pence per share (2019: 10.0 pence). The proposed final dividend will be paid on 23 April 2021 to shareholders on the register at the close of business on 26 March 2021. The ex-dividend date will be on 25 March 2021. The proposed final dividend increases the total dividend for the year to 17.0 pence per share (2019: 15.0 pence), an increase of 13%.

Outlook for 2021

A resilient performance in 2020 and the tailwinds that continue to drive information services sector growth have given us a strong strategic, operating and financial position from which to grow in 2021.

Underpinned by our strong invoiced forward revenue position of £92.7m at the start of the new financial year and sales growth, we look forward to strong organic revenue growth and continued margin improvement in 2021. We acknowledge the continuing economic impact of COVID-19, particularly in physical events, but we are confident in our model and now have a lesser exposure to event revenues as we move forward. We are confident that we will continue to fulfil the strategic ambitions set out in our Growth Optimisation Plan.

People

I want to thank all my GlobalData colleagues for their impressive achievements in progressing the business while simultaneously responding and adapting to the effects of a global pandemic. It is a measure of the commitment and capabilities of GlobalData's people that our entire organisation pivoted seamlessly to home-working with no interruption to our normal business activity. We look forward with great optimism that worldwide vaccination programmes will enable a gradual return to normal working patterns over the course of 2021.

Board

Earlier in the year we announced that Bernard Cragg would be stepping down as Chairman at the Annual General Meeting in April. I would like to thank Bernard for his considerable years of service to GlobalData and wish him well for the future.

I am delighted that Murray Legg will take on the role of Non-Executive Chairman at the Annual General Meeting, and on 1 March 2021 we also announced the appointment of Catherine Birkett to the Board as independent Non-Executive, effective 13 March 2021. Following the AGM on 20 April 2021, Catherine will succeed Murray Legg as Chair of the Audit Committee.

We are planning to add further Non-Executive Directors in the coming months. Our intention is to continue to grow the Board's capabilities in order to enhance the support the Board provides to the business as it evolves.

Mike Danson
Chief Executive Officer
13 March 2021

Strategic Report

Chief Financial Officer's Report

£m	Year Ended 31 December 2020	Year Ended 31 December 2019 *Restated*[1]
Revenue	**178.4**	**178.2**
Operating profit	**33.0**	**12.7**
Adjusting items		
Depreciation	7.0	4.8
Amortisation of acquired intangible assets	10.7	16.3
Amortisation of software	1.1	0.9
Share based payments charge	4.2	10.9
Restructuring and refinancing costs	0.6	0.8
Costs of settlement of pension liabilities	-	2.2
Revaluation gain on short and long-term derivatives	(0.3)	(1.7)
Unrealised operating foreign exchange (gain)/loss	(0.3)	1.4
M&A costs	0.7	1.5
Adjusted EBITDA	**56.7**	**49.8**
Adjusted EBITDA margin[2]	32%	28%

Statutory Profit Before Tax	**28.6**	**8.0**
Amortisation of acquired intangible assets	10.7	16.3
Share based payments charge	4.2	10.9
Restructuring and refinancing costs	0.6	0.8
Costs of settlement of pension liabilities	-	2.2
Revaluation gain on short and long-term derivatives	(0.3)	(1.7)
Unrealised operating foreign exchange (gain)/ loss	(0.3)	1.4
M&A costs	0.7	1.5
Adjusted Profit Before Tax	**44.2**	**39.4**
Income Tax Expense	(6.0)	(4.2)
Adjusted Profit After Tax	**38.2**	**35.2**

Cash flow analysis

Cash flow generated from operations	**59.8**	**52.8**
Cash flow conversion %[3]	105%	106%

Earnings performance

Profit After Tax	**22.6**	**3.8**
Adjusted Profit After Tax	**38.2**	**35.2**
Basic Shares (millions)	116.2	116.5
Diluted Shares (millions)	124.8	125.7
Attributable to equity holders:		
Basic earnings per share (pence)	19.4	3.3
Diluted earnings per share (pence)	18.1	3.0
Adjusted basic earnings per share (pence)	32.9	30.2
Adjusted diluted earnings per share (pence)	30.6	28.0

1 The restatement is in relation to the accounting treatment of the Pension buy-in, classification of other income and correction of understated prior year tax expense as disclosed in note 1.

2 Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue. Note 2 discloses the rationale for the adjusting items in detail.

3 Cash flow conversion is defined as: Cash flow generated from continuing operations divided by Adjusted EBITDA.

Strategic Report

Chief Financial Officer's Report

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. The Directors use statutory profit measures to assess business performance but also believe that Adjusted EBITDA and Adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and we review the results of the Group using these measures internally.

THE GROUP'S PERFORMANCE THIS YEAR

1. Revenue

Overall revenue for the year was marginally ahead of the previous year at £178.4m (2019: £178.2m). Revenue performance included 7% growth in subscription revenue (which represents 83% of total revenue compared to 78% in 2019). The growth in subscriptions was driven by strong renewal rates, and together with strong new business momentum in the second half also drove the invoiced forward revenue growth as at 31 December 2020.

However, the impact of COVID-19 on our ability to deliver physical events meant that events revenue was a drag on our overall results. Events revenues declined by £9.6m year on year, representing a 53% reduction. Events revenue has typically accounted for around 10% of Group revenue, but moving forward we expect this number to be nearer 5% of Group revenue with more focus on digital delivery.

2. Profit before tax

Profit before tax for the year grew by £20.6m to £28.6m (2019: £8.0m), which partly reflects the operating leverage which has driven Adjusted EBITDA to grow by £6.9m to £56.7m (2019: £49.8m) and reductions in other operating costs.

Adjusted EBITDA

Adjusted EBITDA increased by 14% to £56.7m (2019: £49.8m). The growth in Adjusted EBITDA was achieved despite our relatively modest overall revenue growth, meaning our margins were significantly expanded (4 percentage points to 32% (2019: 28%). This is reflective of our ability to control our cost base. Savings made in 2020 related to lower events costs, salesperson commissions and travel expenses. We expect only some of these costs to return on a normalised basis.

Other operating costs

Further to the improved Adjusted EBITDA performance, there was a decline in other operating costs, which contributed to an overall increase in statutory profit (Adjusting Items are disclosed in note 7). Notable variances included:

- restructuring, M&A and refinancing costs have declined by £1.0m to £1.3m, reflecting reduced M&A activity over the past year (2019: £2.3m);
- the non-recurring nature of the pension settlement of £2.2m during 2019, meaning nil cost in 2020;
- the share based payment charge has dropped from £10.9m to £4.2m in 2020 (a decline of £6.7m). The expectation was that the target for the 2010 share option scheme would be fully satisfied during 2020, but due to the COVID-19 impact on events revenue, the target was not met. We now expect the target to be met in 2021, meaning that the charge in 2020 has reduced due to a "true up" exercise on the cost during 2020 and the fair value of each option to be spread over an additional year (in line with IFRS2). Further details on share based payments can be found in note 24; and
- the amortisation charge for acquired intangibles has declined by £5.6m to £10.7m (2019: £16.3m). This is reflective of assets becoming fully amortised and no significant M&A activity adding further intangible assets to the Group.

Leases

Within our operating costs, depreciation in relation to right-of-use assets was £5.6m (2019: £4.0m). Other income, in relation to sub-let income on right-of-use assets was £1.3m (2019: £1.3m). Our net finance costs include interest of £1.7m in relation to lease liabilities (2019: £1.6m).

3. Cash Generation

Cash generated from continuing operations grew by 13% to £59.8m (2019: £52.8m) representing 105% of Adjusted EBITDA (2019: 106%), reflecting the fact that COVID-19 has not had a significant impact on the Group's working capital cycles.

Capital expenditure was £5.0m in 2020 (2019: £2.7m), including £1.5m on software (2019: £1.1m). The uplift reflects significant investment into the Group's computer hardware and cyber security systems. We expect that normal capital expenditure levels will return in 2021.

Total cash flows from operating activities was £51.0m (growth of £9.0m from 2019), which represented 155% of operating profit (2019: 331%).

Short and long-term borrowings increased by £9.3m (inclusive of a £5.3m repayment) to £75.8m as at 31 December 2020 (2019: £66.5m). However, the average debt drawn position throughout 2020 was lower than in 2019, which is reflected in the lower interest payments in the year.

Chief Financial Officer's Report

During the year, the Group paid out £18.0m in dividends. As part of its treasury policy to cover the requirement of its share options schemes from market purchases, the Group bought back £23.7m of shares through the Group's Employee Benefit Trust.

4. Net Debt
Net debt increased to £58.1m as at 31 December 2020 (2019: £55.3m). This increase principally reflects strong cash flows, offset by contributions to the Employee Benefit Trust to buy back shares of £23.7m, dividends of £18.0m and an increase in capital expenditure to £5.0m.

The Group defines Net Debt as short and long-term borrowings (note 20) less cash and cash equivalents. The amount excludes items related to leases.

£m	2020	2019
Short and long-term borrowings (note 20)	75.8	66.5
Cash	(17.7)	(11.2)
Net Debt	**58.1**	**55.3**

5. Invoiced forward revenue
Invoiced forward revenues grew by 9% from the 31 December 2019 balance of £85.1m to £92.7m, reflecting good momentum on sales orders in the latter quarter of 2020.

Invoiced forward revenue is a major component of our significant revenue visibility for the forthcoming year, and when combined with other contracted (but not invoiced) revenue, and our expected return from renewals during 2021, we have visibility on £156m of revenue for 2021 as at 1 January 2020 (1 January 2019: £144m), a 9% increase.

£m	2020	2019
Deferred revenue (note 19)	74.7	68.6
Amounts not due/subscription not started at 31 December	18.0	16.5
Invoiced forward revenue	**92.7**	**85.1**

Invoiced forward revenue includes £1.0m as at 31 December 2020, which is in relation to Progressive Content Limited, a company acquired in the year. Excluding this, the organic invoiced forward revenue was £91.7m, growth of 8%.

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 slightly positive impact on revenues of £0.3m (2019: positive £3.0m), which was offset in the Consolidated Income Statement by approximately £0.6m adverse impact on costs (2019: adverse £2.4m), meaning that currency adversely affected the Group's profitability by £0.3m (2019: benefit £0.6m). The main driver for the movement was the fluctuation throughout the year of Pound Sterling in comparison to US Dollar. In 2019 the average rate throughout the year was 1.27 compared to an average rate of 1.28 in 2020.

7. Earnings per share
Basic EPS was 19.4 pence per share (2019: 3.3 pence per share). Fully diluted profit per share was 18.1 pence per share (2019: 3.0 pence per share).

On an adjusted basis, the adjusted earnings per share grew from 30.2 pence per share to 32.9 pence, representing 9% growth.

8. Dividends
Having regard to 2020's financial performance, cash generation and future prospects, the Board is pleased to announce a final dividend of 11.6 pence per share (2019: 10.0 pence). The proposed final dividend will be paid on 23 April 2021 to shareholders on the register at the close of business on 26 March 2021. The ex-dividend date will be on 25 March 2021. The proposed final dividend increases the total dividend for the year to 17.0 pence per share (2019: 15.0 pence), an increase of 13%.

Following the year end, the Directors became aware that the Company had made unlawful distributions in 2018, 2019 and 2020 on account of the fact that it had incorrectly included reserves arising from share based payments, relating to employees of subsidiaries, as distributable and had not filed interim accounts in accordance with section 838 of the Companies Act 2006 to demonstrate sufficient reserves were available for distribution. Therefore, during the period from May 2018 through to January 2021, contributions made to the Employee Benefit Trust, in order to buy back shares to satisfy the employee share options plan, and distributions by way of dividends were unlawful distributions in accordance with section 838 of the Companies Act 2006.

Chief Financial Officer's Report

In order to correct the position, the Company will file interim accounts with Companies House in advance of the Annual General Meeting to demonstrate it has sufficient reserves. At the Company's Annual General Meeting, on 20 April 2021, the Company shall propose a resolution to remove any right the Company may have to claim from Directors and Shareholders in respect of the relevant contributions and distributions. The payments deemed to be unlawful during this period were £7.1m in 2018, £18.3m in 2019, £34.8m in 2020 and £0.3m in January 2021. Upstream dividends will be paid in advance of the interim accounts to create additional distributable reserves in the Company and the resolutions, if passed, will regularise the matter.

9. Taxation
The Group's effective tax rate for the year was 21%. This is higher than the current UK rate of 19%, which is broadly due to overseas tax suffered, mainly in the United States and India. There are a number of factors that will affect the Group's future total tax charge as a percentage of underlying profits, including the mix of profits and losses between the jurisdictions in which the Group operates. A normalised effective tax rate is currently expected to be between 20% and 25%.

Financial Risk Management
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, the Group elects not to apply 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 renegotiation 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.

The London Interbank Offer Rate (LIBOR) will be phased out and transitioned to other risk-free rates at the end of 2021. Management are aware of this change and are actively engaged with relevant counterparties to ensure the Group is not significantly affected.

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, being operations generated cash (with no external financing required). Although the Statement of Financial Position shows net current liabilities (current assets less current liabilities), included in current liabilities is £75m of deferred revenue, which the Group views as representing future income earnings potential. Once adjusted for deferred revenue the Group has net current assets of £29m (2019: £18m).

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 30, within the Strategic Report.

G. C. Lilley

Graham Lilley
Chief Financial Officer
13 March 2021

Principal and Emerging Risks and Uncertainties

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 Group provides services across a breadth of industry markets and functions, on a global scale and on One Platform. 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.

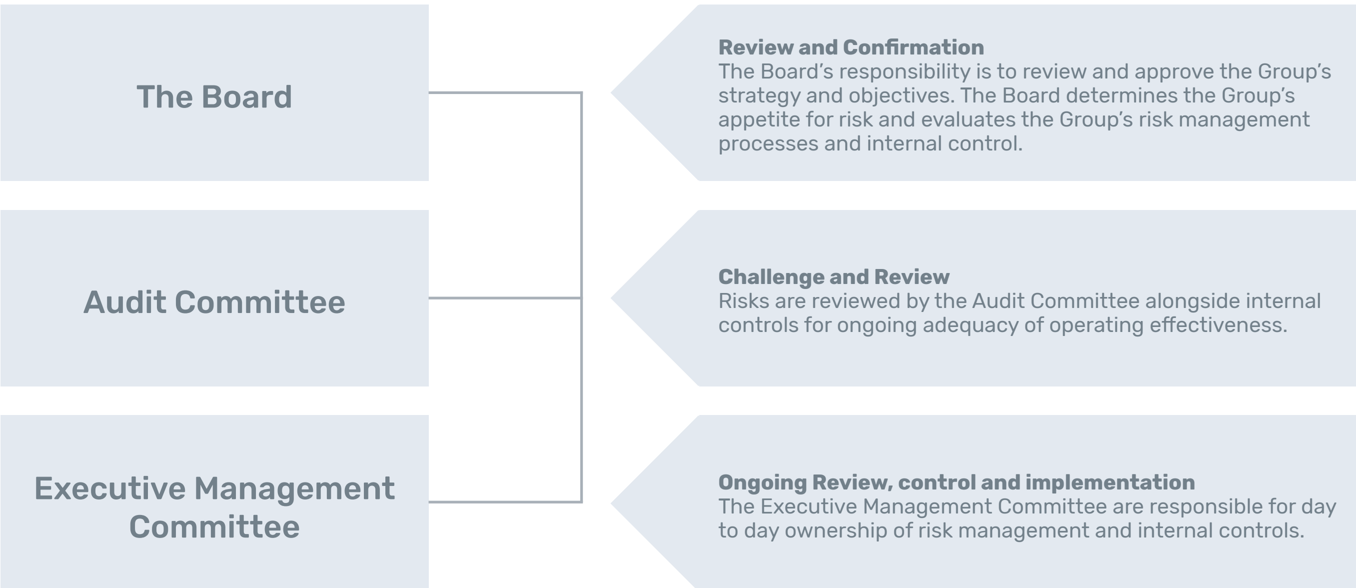
Our Approach to Risk Management

The Group recognises that in order to be successful, we are required to take risks. However, risks need to be taken in a controlled environment. Our approach is one of responsible risk taking in line with the principles, culture, tolerance and appetite as directed by the Board. Over the past two years, our approach to risk management has matured, developing over time to better serve the needs of a fast-growing business. That said, as a Board we are committed to continue to drive forward our Risk Management processes to enable:

- the safeguarding of the Group's assets
- effective decision-making
- embed risk management considerations and foster accountability for risk 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 and 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 below chart reflects the roles and responsibilities within our risk management processes.



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, performance and future prospects as well as Group operations. Whilst the categories have not materially changed since our last Annual Report, the risk factors have evolved and we have set out in the report how these have changed in the year. In setting out the principal risks, the Board consider the net impact of mitigations and controls in place.

The identified principal risks are not the only risks facing the business but are considered to have a material impact on the business, and therefore are the focus of discussion at Board and Audit Committee meetings.

Principal and Emerging Risks and Uncertainties

Impact of COVID-19 on principal risks
The COVID-19 pandemic during 2020, and continuing into 2021, has presented the Group with opportunities (e.g. the COVID-19 content and audience engagement) as well as affecting the way the Group operates.

COVID-19 has impacted the assessment of principal risks across the Group, particularly around the continuation of "business as usual" and operating outside of the office environment. The Group has demonstrated the resilience of its model and ability to operate, despite office closures and the wider economic impact. The Board believes that the COVID-19 pandemic has given rise to new risk factors within our existing principal risks, but does not equate to a principal risk on its own. The assessment of principal risks highlights where we believe COVID-19 has had an impact.

Principal Risks
The principal risks and uncertainties reported are not the only risks facing the business, but are those which the Board considers to be material to the Group. The Directors consider that the principal and emerging risks and uncertainties facing the Group are::

Business and strategic risks:

Risk Description	Potential Impact	Mitigations and Controls	How the business and strategic risks have changed
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 process • have a clear process for checking the integrity and quality of our content, with external assurance on our quality procedures • 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 • we monitor our customer usage metrics and actively seek feedback from our clients in order to improve the services and customer experience.	The uncertainty in our markets as a result of COVID-19 has meant that our clients have needed data and insight to aid their decision-making. COVID-19 has allowed us to showcase our One Platform agility to give our clients timely and relevant insight when they need it. Our attention to quality has not changed and we have adapted our processes and controls to cope with remote working.
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 • monitoring of succession plans at Board, Executive and team levels • monitoring of employee satisfaction surveys, particularly so during the pandemic in 2020 • 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 five-year plan.	Remote working has provided its challenges, but we quickly adapted and increased our focus on our employees' well-being and their ability to perform their roles remotely. We have adapted our on-boarding programmes to be effective in remote scenarios and conducted online. We have promoted Wayne Lloyd to Deputy CEO to enhance our leadership of the sales teams and add depth to our existing succession plans.

Principal and Emerging Risks and Uncertainties

Business and strategic risks (continued):

Risk Description	Potential Impact	Mitigations and Controls	How the business and strategic risks have changed
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 the Group's unique selling points is not only the breadth of its coverage, but also depth. Therefore, it has to ensure 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 monitor our customer usage metrics and actively seek feedback from our clients in order to improve the services and customer experience • 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 datasets and technology platforms are both unique and difficult to replicate • we aim to embed our products and services in client organisations thereby increase switching costs • we provide improved and best-in-class client support thereby improving customer satisfaction and retention.	Our unique position as a multi-sector information services provider has enabled us to leverage our different sector expertise to provide our clients with unrivalled in-depth analysis of COVID-19 on their markets. Our clients are demanding more and we are in a strong position to meet their needs. Because we are not particularly exposed to one single economic sector, it has protected our financial performance and allowed us to deliver robust and resilient results.
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.	COVID-19 has impacted our events revenue in the year, but our core revenues have grown. We continue to consider the wider macroeconomic picture, but our cross-sector revenue streams give us some sector specific protection. Brexit has not significantly impacted the Group. We continue to monitor potential impacts.
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 advisers with either technical and/or local knowledge are engaged • for smaller acquisitions, a separate investment committee with delegated responsibility from the Board reviews the diligence process • for acquisitions with related parties, a separate related party committee will also review the diligence process.	COVID-19 has slowed M&A activity in 2020. However, we continue to look for strategic M&A to increase our offering and enhance scale.

Strategic Report

Principal and Emerging Risks and Uncertainties

Operational risks:

Risk Description	Potential Impact	Mitigation	How the business and strategic risks have changed
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 has an agreed foreign exchange hedging policy set by the Board. The policy is to hedge throughout the year at 20% per quarter for a period of 12 month out, so that in each quarter we enter with 80% of our cash flow hedged. The policy 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. For related party transactions, a separate subcommittee of the Audit Committee has been established to monitor the controls that identify related party transactions and to authorise the type and nature of each transaction. The committee also regulates the arms-length nature of each agreement.	Although the volatility of the currency markets increased in 2020 (with the effect of COVID-19, US presidential election and Brexit negotiations), we have maintained our policy of quarterly hedging of our currency cash flows. We have enhanced our corporate team during 2020 with new Tax, Treasury and Legal departments established. This has allowed us to enhance our existing internal controls and introduce new processes to mitigate risk.
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, including segmented networks to protect client data and third party services used to detect potential breaches of employee information. The Board and executive continue to monitor laws and regulations that surround the use and management of data.	No data adequacy decision was made as part of the Brexit deal and a four-month transition period was agreed. We continue to follow the guidelines of GDPR and will adapt our approach were necessary.

Principal and Emerging Risks and Uncertainties

Operational risks (continued):

Risk Description	Potential Impact	Mitigation	How the business and strategic risks have changed
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. 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, protections and outsourced CISO (Chief Information Security Officer) service.	During 2020 we invested significant capital funds to enhance our IT hardware and cyber protection around the Group. While this does not reduce the chances of an attack, it reduces the risk of the attack being successful and our ability to defend and react to any attack.
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 advisers 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, whistleblowing and data protection and privacy that have been distributed amongst staff and are available on the Group's intranet.	There has been no change in risk level, and the Group continues to operate its employee education for anti-money laundering, anti-bribery policy and data protection and privacy. Refresher information was sent to employees in Q4 and a programmatic approach to training will be taken in 2021 and beyond.

“We benefit from long-term trends that are driving growing demand for our products from organisations of all sizes and types worldwide using data, insights, and analytics to maintain their competitive advantage in an increasingly complex, dynamic and unpredictable world.”

Mike Danson, Chief Executive Officer

Strategic 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 explains how the Directors discharge their duties.

As noted in the Corporate Governance Report (pages 34 to 39), 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 a decision can be made that best promotes the success of the Company and considers the impact on the wider stakeholder group.

The Group has identified its stakeholder group and analysed each stakeholder based upon their level of interest in GlobalData and their level of power/influence on the Group. The Directors review this analysis and monitor the levels of engagement with each stakeholder and build in feedback and stakeholder considerations into the governance and decision-making process.

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.

A good example of this in action is when potential acquisitions are considered. The Directors and Executive Management team will look at financial forecasts, due diligence reports on the product, strategic fit and meetings with key personnel to understand the cultural fit and the implementation of the 100-day plan for integration. This insight will be collectively reviewed to ensure that the long-term impact of the acquisition is positive not only for the Group, but also for our clients (enhancing our capability and offering), our employees and shareholders.

The Group has a five-year plan, which is a financial plan supported by a Growth Optimisation Plan and has a number of KPIs linked to stakeholders. KPIs such as renewal rates give us insight into customer satisfaction and KPIs such as invoiced forward revenue, revenue and earnings growth are key for our shareholders, banks and our employees. This plan is reviewed regularly to benchmark our performance. Strategy is reviewed in detail each year, at the Board Away Day, and this strategic thinking is intrinsic to future decision-making.

(b) The interests of the Company's employees
The Directors actively consider the interests of employees in major decisions. People is a regular agenda item at Board meetings, where attrition rates, reasons for leaving and employee satisfaction are discussed. 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. As disclosed on page 34, during 2020, the Group was not in compliance with provision 5 of the Corporate Governance Code; however, this is being addressed in 2021.

2020 has been a challenging year for us all, and GlobalData has adapted well to the ever-changing circumstances of the COVID-19 pandemic. Our top priority throughout the year has been ensuring the safety and well-being of our employees, while keeping our business running as smoothly as possible. We worked hard to ensure that all of our global employees were set up to work from home in time with local government guidance in each country. However, for those who felt they were unable to do so effectively or preferred being in a focused environment away from distractions, we were able to keep some of our larger offices open and functional (in a COVID-secure compliant way) to provide an alternative in the interests of employee well-being.

We conducted a pulse survey to gain valuable feedback on how well staff felt they had adapted to remote working. In addition to gathering feedback on areas of improvement, the survey focused on productivity, communication with line managers and employee well-being. The overall response was very positive, with 90% of employees surveyed stating they felt they had transitioned to remote working well. In response, we;

- introduced fortnightly CEO briefing sessions, to keep employees engaged and informed on key global developments around COVID-19 and group strategy;
- conducted employee surveys to ensure we were kept focus on well-being;
- launched a number of well-being and charity initiatives, which sought to drive engagement and bring people together remotely; and
- made resources on managing physical and mental health accessible to employees globally.

Directors’ Section 172(1) Statement

There were some concerns raised from the survey, particularly around how we communicate with our colleagues. In response, we introduced fortnightly CEO briefing sessions and covered areas around job security and GlobalData’s response to COVID-19. These sessions were designed to keep employees engaged and informed on key global developments, company strategy and product launches.

We also launched a number of well-being and charity initiatives, which sought to drive engagement and bring people together remotely. These included bi-weekly fitness and yoga classes run by a qualified trainer, virtual Zoom quizzes, and globally accessible resources on managing physical and mental health during lockdown.

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.

The Executive Management Committee had 8 male employees and 2 female employees serve during the year and is a truly global committee, which represents the diverse nature of our Group. The Committee is made up of 6 members from the UK, 2 members from India, 1 from the US and 1 from Australia.

At GlobalData we encourage our people to be actively involved in our strategy, product, and ongoing corporate development, which has been enhanced through the CEO briefings during 2020. 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.

(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 and reviewed at least annually. The key initiatives and developments for each stakeholder group during the year are summarised below:

Our People
- We introduced fortnightly CEO briefing sessions.
- We conducted employee surveys and acted on insights focusing on well-being and made resources on managing physical and mental health accessible to employees globally.

Shareholders
- We expanded our broker and analyst coverage in response to investor feedback of limited research and coverage of our results and prospects available.
- We increased the number of investor meetings throughout the year.

Clients
- The Group is firmly focused on operating as a customer-centric organisation and this is harboured through quality account management, customer service processes and review of customer feedback and renewal rates. Page 14, within the Chief Executive’s Report, discusses how the Group and its Board address the customer-centric priority, and page 22 notes the controls that we have in place to ensure we maintain strong relationships and partnerships with our clients.
- Our standard payment terms are zero days ahead of the contract start and we monitor the average debtor days, which were 60 days at the end of 2020 (2019: 59).
- During the year we completed an initiative to understand our clients better, focusing on different client personas that use and interact with our products. Following this initiative, we received good intelligence and feedback, which we are building into our customer service plans for 2021.
- Continued focus on product quality, innovation and giving our clients timely insights in an ever-evolving world.

Banks
- During the year we refinanced our debt with an amendment and restatement of existing facilities. This increased our total facilities to £145.5m, plus a further uncommitted accordion facility of £75m. This demonstrates the strong relationships we have with our banking group.
- We meet with each of the banks (NatWest Group, HSBC and Bank of Ireland) at least annually and present financial information to them through monthly management information packs.

Auditors
- We appointed Deloitte LLP as auditors for 2020 following a decision to rotate audit firms in line with best practice. We have gone through an extensive first year audit process to enable Deloitte to fully understand our business, its processes, people and controls.

Directors' Section 172(1) Statement

Suppliers

- 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.
- We have enhanced the technologies we use in our operations significantly during the year, and as such have forged strong relationships with these providers. This has been particularly important as we try and embed and link our technologies together for operating efficiencies.

(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 acknowledges that more can be done. Our Environmental, Social and Governance report on pages 40 to 43 sets out the key themes that are considered by the Board.

For the year ended 31 December 2020, we have reported energy intensity metrics for our UK companies on pages 40 to 41. The Company has a relatively low carbon footprint because of the nature of its operations but acknowledges improvements can always be made. As a result of the pandemic, 2020 is a difficult baseline to judge energy performance. However, it has shown that real opportunities exist within the Group to change the way we operate, and importantly in a way that has a positive impact on the environment. The Group is therefore committed to considering its impact on the environment when making strategic decisions on its office space and travel polices for its employees. The Group will look to reduce energy consumption through more flexible working arrangements and further utilisation of technology in its working practices (such as video conferencing). The Directors will continue to monitor the Group's energy consumption through 2021 and will begin to set targets in energy reduction and efficiencies, but until then will look to reduce its energy consumption at every opportunity.

GlobalData is a global company and has based itself in strategic locations for the long term. Within each community in which we operate, we try to engage with local issues and, in particular, look to make positive contributions to those communities.

Together, with our colleagues, we were able to raise over £190,000 for numerous food banks and our charity partners around the globe, including in San Francisco, CA, Boston MA, Australia, India, Africa and here in the UK. In light of challenges around well-being, the Group also formed a new partnership with UK charity CALM (Campaign Against Living Miserably). This mental health charity gave us a fantastic opportunity to combine our well-being initiatives with fundraising.

(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.

During the year, the Directors established a subcommittee of the Audit Committee to review Related Party Transactions. The subcommittee is made up of independent Directors and meets to consider any transactions and agreements with related parties to ensure that all shareholder and stakeholder interests are taken into account and that the highest standards of governance are upheld. Related party balances are disclosed in note 28.

Where there is a need to seek advice on particular issues, the Board will seek advice from its lawyers and Nominated Adviser ("NOMAD") to ensure the consideration of business conduct, and its reputation is maintained. During the year we appointed JP Morgan as our NOMAD and broker, as well appointing HSBC and Panmure Gordon as joint brokers. Together with the appointment of Deloitte LLP, we believe we have world-class advisers who will be trusted advisers along our growth journey.

(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 advisers, the Directors seek and obtain feedback from meeting with the investors and incorporate feedback into its decision-making processes.

The Group has a stated dividend policy, whereby the growth of each dividend payment will primarily be matched to the corresponding growth in Adjusted EBITDA (pre-lease accounting) for the relevant period. Adjusted EBITDA is judged to be an appropriate driver as it aligns the day-to-day operations and cash flow of the company and is a metric widely used by our sector to evaluate company performance. The use of Adjusted EBITDA therefore aligns the operational decision-making of the Directors and the Executive Management Committee to the objective of maximising return for shareholders.

The Directors also take into account other profitability and balance sheet metrics, including statutory measures when considering proposed dividends, as well as ensuring the Company has sufficient distributable reserves, cash and covenant headroom to make the dividend.

Directors' Section 172(1) Statement

The Group operates share incentive plans for its employees. The Group uses free cash flow to buy back shares, via its Employee Benefit Trust, to limit the dilutive effect this has on existing shareholders. Each year the company proposes an ordinary resolution at its AGM to grant it authority to buy back up to 10% of its shareholding each year, but will make decisions on share buy back in reference to its cash flow and distributable reserves position. As at 31 December 2020, there were 9.9 million share options outstanding and the company had 2.1 million shares in treasury against these options.

As explained in note 3 to the Company financial statements, following the year end, the Directors became aware that the Company had made unlawful distributions in 2018, 2019 and 2020 on account of the fact that it had incorrectly included reserves arising from share based payments, relating to employees of subsidiaries, as distributable and had not filed interim accounts in accordance with section 838 of the Companies Act 2006 to demonstrate sufficient reserves were available for distribution. Therefore, during the period from May 2018 through to January 2021, contributions made to the Employee Benefit Trust, in order to buy back shares to satisfy the employee share options plan, and distributions by way of dividends were unlawful distributions in accordance with section 838 of the Companies Act 2006.

In order to correct the position, the Company will file interim accounts with Companies House in advance of the Annual General Meeting to demonstrate it has sufficient reserves. At the Company's Annual General Meeting, on 20 April 2021, the Company shall propose a resolution to remove any right the Company may have to claim from Directors and Shareholders in respect of the relevant contributions and distributions. The payments deemed to be unlawful during this period were £7.1m in 2018, £18.3m in 2019, £34.8m in 2020 and £0.3m in January 2021. Upstream dividends will be paid in advance of the interim accounts to create additional distributable reserves in the Company and the resolutions, if passed, will regularise the matter.

Going Concern and Viability

Going concern

The Group has closing cash of £17.7m as at 31 December 2020 and net debt of £58.1m (31 December 2019: net debt of £55.3m), being cash and cash equivalents less short and long-term borrowings, excluding lease liabilities. The Group has outstanding loans of £75.8m which are syndicated with NatWest Group, HSBC and Bank of Ireland. The Group has a further facility to draw upon of £65m RCF plus a further uncommitted accordion facility of £75m. The Group's current banking facilities are in place until April 2023. The Group has generated £59.8m in cash from operations during 2020.

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 announcement of the Financial Statements. The Directors recognise that the COVID-19 pandemic does create risks and uncertainties (as discussed within the Strategic Report), and in response to this have modelled a number of scenarios to consider the potential impact of COVID-19 on the Group's results, cash flow and loan covenant forecast. Key assumptions built into the scenarios focus on new business growth rates, events revenue and directly attributable cost savings. There remains headroom on the covenants under each scenario. In addition to performing scenario planning, the Directors have also conducted stress testing of the business's forecasts and, taking into account reasonable downside sensitivities (acknowledging that such risks and uncertainties exist), the Directors are satisfied that the business is expected to operate within its facilities.

Through our normal business practices we are in regular communication with our lenders and are satisfied they will be in a position to continue supporting us for the foreseeable future.

The Directors therefore consider the strong balance sheet, with good cash reserves and working capital along with group financing arrangements, provide ample liquidity. Accordingly, the Directors have prepared the Financial Statements on a going concern basis.

Long Term Viability

The Directors have formally assessed the viability of the Group to December 2025 as part of the five-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 20 to 25 of this Annual Report. The Directors 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. 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 five-year plan has been built on the basis that the Group continues to achieve consistent revenue growth. The 2021 budget is the basis for the plan, which includes the current anticipated impact of COVID-19 on the Group's results. 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 five-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 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 providing 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.

Excluding COVID-19, the Board believes internal execution to be the single greatest risk against its five-year plan. The Group recognises the key mitigations to protect the Group from this as set out in its principal risks on page 21.

Strategic Report

Going Concern and Viability

The Group has a committed facility of £145.5m (plus a further £75m uncommitted accordion facility) with NatWest Group, HSBC and Bank of Ireland. The current drawdown on the facilities is £76.7m as at 31 December 2020. The Group's banking facilities are in place until April 2023, at which point the group will be required to renew or extend its financing arrangements. The directors expect this to be possible given their experience of accessing finance and the resilience of the business model. On the basis that refinancing is possible on similar terms to the existing facilities, the Board have reviewed forecast cash flows until 2025 which demonstrate the ability to trade with headroom on its facilities and to meet ongoing repayments of the term loan.

The Board are satisfied that the current financial position of the Group, its significant visibility on revenues and other business model fundamentals provides 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, this 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
13 March 2021

Directors' Report

The Directors

Bernard Cragg
Chairman

Bernard Cragg is Chairman of GlobalData Plc. Bernard qualified with PricewaterhouseCoopers 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 Plc 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 Plc 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 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 24 years auditing and advising 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 35 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 19 years as a Non-Executive Director of five 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 Plc and was chairman of the Butler Group until its sale to Datamonitor. Peter has also undertaken Board roles in the Third Sector. 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 Ltd. 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 Limited 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 Telefónica. 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.

Corporate Governance Report

The Board has set out its responsibility for preparing the Annual Report and Accounts on page 50. 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 throughout the year 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) except for the following:

- As a result of the Chairman's time served as a Director, and his participation in the employee share option scheme (with vesting targets based on time rather than Company performance) along with the Senior Independent Director's time served with the Company, they are not considered to be independent under provisions 9, 10 and 19 of the Code. The reason for these deviations from the Code is discussed further on page 35.
- During 2020 the Company did not engage with the workforce using a method prescribed by the Code. The Company is therefore in non-compliance of provision 5 of the Code; see below for details on how this will be addressed in 2021.
- The Company does not have a policy in respect of post-employment shareholding requirements and as a result does not comply with provision 36 of the Code.
- In non-compliance with provisions 40 and 41 of the UK Corporate Governance Code, the Remuneration Committee has not engaged with employees and shareholders when setting remuneration; the reason for these deviations from the Code is discussed further on page 38.

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 Annual General Meeting.

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 30, which considers the five-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 are 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. Moving into 2021, in order to align with the requirements of the UK Corporate Governance Code (to date the Group has not been in compliance with provision 5), the Chair of the Remuneration Committee will become the designated Non-Executive Director for employees and will look to forge closer relationships between the Board and the workforce. This role will include being involved with the VOICES network and reviewing feedback from the whistleblowing hotline, which will be a useful insight into employee matters. Because of this revision to the role of Remuneration Chair and its links to employees, the Board do not believe that workforce representation on the Board is required.

Directors' Report

Corporate Governance Report

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 in the Directors' Section 172(1) Statement. The Board views renewal rates and payment statistics for a high-level view on the health of client and supplier engagement, but also has 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, approving the strategy of the Group. The Chief Executive is responsible for developing the Group's strategy and operational management of the business.

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

The Board acknowledge that because of Bernard's time served as a Director, and his participation in the employee share option scheme (with vesting targets based on time rather than Company performance), along with Peter's time served with the company, they are not considered to be independent under the Code. The Group is therefore in non-compliance of provisions 9, 10 and 19. The Board and the Nominations Committee have specifically considered Bernard's and Peter's independence and are of the opinion that length of service is only one measure by which independence is assessed, and having evaluated the contribution of both Directors during the year, consider that they have demonstrated independence in practice. Furthermore, nor does it consider Bernard's participation in the employee share scheme to 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.

However, the Board is committed to ensuring compliance with the Code and upholding the best standards of governance. The Board is, therefore, actively addressing this matter to ensure future compliance with the Code.

As announced in January 2021, Bernard will stand down in his role as Chairman and resign from the Board following the AGM on 20 April 2021. He will be succeeded in the Chairman role by Murray Legg, who has been on the Board as an independent Non-Executive Director since 2016.

On 1 March 2021, we also announced the plan to appoint Catherine Birkett as an independent Non-Executive to the Board, effective 13 March 2021. Catherine is currently the Chief Financial Officer of GoCardless Limited, a high growth fintech business. Prior to that, Catherine has had a distinguished career in senior finance roles, including 14 years as Chief Financial Officer at Interoute Telecommunications Limited, during which time the company grew from a small start-up to one of Europe's fastest growing telecoms providers, with revenues in excess of €700m. Catherine will succeed Murray Legg as Chair of the Audit Committee following the AGM.

The Board will also look to add further independent directors in the coming months, with a focus on enhancing the skill set of the Board. In particular, we will be looking for candidates with backgrounds in financial markets, data and information services as well as experience within a high growth organisation.

The Non-Executive Directors' shareholdings are detailed in the Directors' Interests table on page 39 of the report. As noted above, the Chairman is not considered independent and has a material shareholding. The Board has determined that the other Non-Executive Directors are independent and that their shareholding in the Company does not affect their independence.

In 2020, 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 20 to 25. The board confirms that 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.

All members of the Board have access to the Company Secretary, who is responsible for advising the Board on all governance matters. 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. 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. Responsibility for the appointment and removal of the Company Secretary is held by the Board as a whole.

Composition, Succession and Evaluation

The Nomination Committee was established to lead the process for appointments and manage succession plans for its executives. The committee is comprised of one Executive Director, five Non-Executive Directors, including the Chairman, with the casting vote going to Murray Legg, the Non-Executive Chair of the Nominations Committee. The role of Non-Executive Nomination Committee Chair was passed from Peter Harkness to Murray Legg in September 2020. The Board is committed to ensuring that the Nomination Committee always consists of a majority of Non-Executive Directors. 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; however, the Company has announced the appointment of Catherine Birkett in March 2021. An independent external search agency was engaged to assist with the appointment and it is currently assisting with the appointment of 2 new Non-Executive Directors. When making new appointments, the Board takes into consideration other demands on Directors' time and external appointments by any members of the Board require prior approval to confirm no conflicts of interest or significant demands on time.

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 8 male employees and 2 female employees 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, which then drives the actions and objectives of the Board.

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

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 2020.

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	4	1
Peter Harkness	12	4	4	1
Annette Barnes	11	3	4	1
Andrew Day	12	4	4	1

Directors' Report

Corporate Governance Report

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

The Audit 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
- viewing 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
- 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 Principal and Emerging Risks and Uncertainties section of the Strategic Report on pages 20 to 25.

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
- 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.

The Board, in conjunction with the Audit Committee, reviewed the 2020 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.

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 47 to 49. The terms of reference of the Remuneration Committee are available for inspection on request.

As noted on page 35, Peter is not independent under the rules of the Code. Whilst the Board do not consider Peter's tenure to impair his independence or objectivity, it does acknowledge compliance with the code as a priority. Peter is continuing as a Non-Executive director, but will stand down as the Chair of the Remuneration Committee as of 13 March 2021 and will be replaced in this role by Annette Barnes.

Directors' Report

Corporate Governance Report

As part of Annette's new role as Remuneration Committee Chair, she will also undertake the role of designated Non-Executive for the workforce. The role will involve a close working relationship with the Group HR Director and the "VOICES" network. Engagement with the workforce will span a range of items including culture, remuneration and well-being. The Board see this as an important step to drive positive actions.

To date, in non-compliance with provisions 40 and 41 of the UK Corporate Governance Code, the Committee has not engaged with employees and shareholders when setting remuneration, because it is considered sufficient by the Committee to review benchmark reports when setting executive remuneration.

Related Party Transactions
During 2020, the Board approved the creation of a Related Party Transaction (RPT) Committee. The RPT Committee comprises of the Chairman Murray Legg, Peter Harkness, Annette Barnes and Andrew Day. The Committee met once during 2020, and also in January 2021. The Committee ensures that there are adequate controls in place to provide assurance that any transaction which is or may be a related party transaction in nature is conducted on terms which are arms length and reasonable.

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 30 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 uses 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 clear days prior to the meeting.

The Directors' interests are disclosed on page 39, which includes the shareholding of Mike Danson who owns 76,828,349 shares, representing 64.9% 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 2006 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 10% 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. Moving forward, Annette's role as employee designated Non-Executive will help to increase engagement between the Board and the wider workforce.

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.

Directors' Report

Corporate Governance Report

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.

At 31 December 2020, the Group employed the following number of employees of each gender:

	2020 No.	2019 No.
Male	2,014	2,000
Female	1,458	1,355
	3,472	**3,355**

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. During 2020, average creditor days were 46 days (2019: 69 days).

Subsequent Events

These are disclosed within the Post Balance Sheet Events note (note 29).

Financial Instruments

Use of financial instruments and exposure to various financial risks has been discussed within the Strategic Report (page 23).

Future Developments

Future developments have been discussed within the Chief Executive's Report on page 15.

Directors' Interests

Details of the Company's share capital are set out in note 23 to the Group financial statements. As at 13 March 2021, Mike Danson had a beneficial interest of 64.9 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 13 March 2021 in the ordinary shares of the Company were as follows:

	Number of ordinary shares
Bernard Cragg	290,000
Mike Danson	76,828,349
Murray Legg	23,000
Peter Harkness	70,000

In addition to the above, Bernard Cragg had 125,000 share options outstanding as of 31 December 2020. These share options are not dependent on performance criteria and vested on 31 January 2021 but have not been exercised.

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. Furthermore, we understand ESG is an emerging theme for our clients so we are offering more and more insight and data to help our clients understand the ESG metrics that will help them make long-term strategic decisions, with the impact on the environment, their communities and stakeholders as a main focus.

We continue to recognise 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 focusing on creating and maintaining positive long-term relationships with our broad base of stakeholders.

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.

The Group is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only that come under the operational control boundary. Therefore, energy use and emissions are aligned with financial reporting for the UK subsidiaries and exclude the non-UK based subsidiaries that would not qualify under the 2018 Regulations in their own right.

Streamlined Energy and Carbon Reporting ("SECR") requires that large unquoted companies disclose their emissions related to fuel used in personal/hire cars on business use (including fuel for which the organisation reimburses its employees following claims for business mileage). Under the GHG Protocol Corporate Accounting and Reporting Standard these emissions fall under scope 3 (category 6) and have been grouped under the heading of "Business Travel".

The energy data was collated from a mix of supplier and landlord invoices along with mileage claims related to business travel. These records provided a near-continuous record of electricity, natural gas and business travel by the Group for the reporting period.

This energy data was converted to carbon emissions using emission factors provided by the Department of Business, Energy & Industrial Strategy that relate to the beginning of each respective reporting year. The associated emissions are divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity and heat (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

Estimations and Benchmarks

The electricity and natural gas energy use was compiled predominantly from meter readings and invoices, with some pro-rating to match the reporting period. Where energy has been recharged by landlords on a fiscal basis, energy consumption has been based on deemed rates. Benchmark data has been used in relation to serviced office space where energy is included within the rental fee.

Breakdown of energy consumption used to calculate emissions (kWh)

	2020 kWh
Electricity (grid)	1,033,265
Natural gas	462,549
Heat	50,160
Business travel	9,798
Total gross energy consumed	**1,555,772**

Directors' Report

Environmental, Social and Governance

Breakdown of emissions associated with the reported energy use (tCO_2e)

	2020 tCO_2e
Scope 1	
Natural gas	85
Scope 2	
Electricity (grid)	241
Heat	9
Scope 3	
Business travel	2
Total gross emissions	**337**

Intensity Ratios

Our chosen carbon intensity ratio is gross tonnes of carbon dioxide equivalent emissions per million pounds (£m) of revenue.

Intensity ratio between January 2020 and December 2020

	2020
Tonnes of CO_2e per £m	**2.71**

Our activities are split between energy used in buildings and for business travel. As a consequence we have also chosen to report gross tonnes of carbon dioxide equivalent emissions per 1,000 metres squared of office space for emissions related to buildings, and gross tonnes of carbon dioxide equivalent emissions per 1,000 miles travelled for emissions related to business travel.

Intensity ratio between January 2020 and December 2020 – Buildings

	2020
Tonnes of CO_2e per 000 m^2 Gross Internal Area (GIA)	**48.3**

Intensity ratio between January 2020 and December 2020 – Business Travel

	2020
Tonnes of CO_2e per 1,000 miles	**0.276**

Energy efficiency action during current financial year

The management of resources and the need to embed sustainability is an important issue for the Group. Energy consumption was expected to be significantly below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from March 2020 onwards. From this date the offices were closed to most staff.

A further result of health precautions has seen the greater implementation of video conferencing for staff. The emission savings resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

The Group is committed to ensuring that it operates in the most energy efficient way possible. Whilst it is difficult to set targets in the first year of adoption of these metrics, especially in a year when it is difficult to establish a real baseline, the Group will focus on its impact on energy consumption when decisions are being made. For example, we are currently actively reviewing our office footprint and whether we need to operate in the same way going forward and whether we can reduce the space, and as a result energy consumption, needed to run the business effectively.

The Directors believe that environmental risk factors are emerging for the Group, but are not a principal risk to the Group.

Directors' Report

Environmental, Social and Governance

Social

Social Investment allows GlobalData to contribute to the success of charities and organisations in all of the communities that we operate within; we help to ensure that they can achieve their aims in a sustainable, long-term way and encourage our employees to get involved as much as they can.

During 2020 we formed a new partnership with UK charity CALM (Campaign Against Living Miserably). This partnership with a mental health charity gave us a fantastic opportunity to combine our well-being initiatives with fundraising for vital suicide prevention services.

Teams across all of our regions got involved in fundraising for local food banks and hospitals, to help those hit hardest by the effects of the pandemic. Including match funding, GlobalData was able to raise over £190,000 for numerous food banks and charities that were in even greater need during the COVID-19 pandemic.

Governance

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

As a result of our commitment to governance and compliance with the Code, we are in the process of updating our Board membership. We announced in January that Bernard will stand down in his role as Chairman and resign from the Board following the AGM on 20 April 2021. He will be succeeded in the Chairman role by Murray Legg, who has been on the Board as an independent Non-Executive Director since 2016.

The Board is planning further succession in its team of Non-Executives. Following Murray's appointment as Chairman (after the AGM on 20 April 2021), we have announced that Catherine Birkett will succeed Murray as Audit Committee Chair.

We are also aiming to appoint two further Non-Executives to further enhance the Board's knowledge, experience and skill set.

As part of the Group's commitment to continuous improvements in governance standards; the Group appointed Deloitte as auditors during 2020, as well as JP Morgan as our Nominated Advisers. The Directors believe that working with our new auditors and advisers, together with the appointment of Charles Strickland as Group General Counsel and Company Secretary, will help the Group achieve its pursuit of excellence in governance in the years to come.

“During 2020, we formed a partnership with mental health charity CALM, which gave us a fantastic opportunity to combine our well-being initiatives with fundraising for vital suicide prevention services.”

Directors' Report

Audit Committee Report

As Chairman of the Audit Committee I am pleased to present our report to you for 2020.

Following the announcement in January that I will step up and succeed Bernard Cragg as Independent Chairman of the Group following the AGM on 20 April, I will also step down as Chair of the Audit Committee at that time. I am pleased that the Group has announced the appointment of Catherine Birkett as Independent Director and will also succeed me in the role of Audit Committee Chair following the forthcoming AGM.

I welcome Catherine to the Board and I am confident that she will maintain the standards of the Audit Committee and continue to provide independent challenge and rigour to the audit and financial reporting processes.

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 2020, specifically, the Audit Committee has:

- conducted a review of the Annual Report and Accounts and Interim Statements to confirm that it was fair, balanced and understandable;
- reviewed the significant financial judgements made in the year; and
- reviewed the effectiveness of the Group's internal controls and risk management framework for both financial and non-financial controls.

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 2020. As part of the review, we challenged management on whether significant areas of judgement and significant risks were adequately evaluated, reported and disclosed.

The Committee has considered in detail the prior year restatements disclosed in note 1 to the financial statements, which have been identified by our new Auditors. All of the restatements are of a technical nature and have had no impact on the Group's Adjusted EBITDA metric for the year ended 31 December 2019 and an impact of £0.2m on net assets as at 31 December 2019.

The Committee also notes that the unlawful distribution, disclosed in note 3 of the Company financial statements, results from the incorrect classification of share based payment awards to employees of subsidiaries and the fact that we did not file interim accounts to demonstrate that sufficient reserves were available. The Committee notes that the Company had the means to regularise the issues identified on each occasion and highlights that the Company's procedures for approval of distributions have now been strengthened, including annual external guidance and assurance.

Fair, balanced and understandable
On behalf of the Board, the Committee reviewed the 2020 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 balanced reflection of events and performance in the year;
- there is consistency throughout the Annual Report and Financial Statements; and
- there is a clear explanation of key performance indicators, their link to performance and strategy and equal prominence of statutory performance measures.

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.

Directors' Report

Audit Committee Report

Significant Financial Estimates and Judgements:

Issue	Consideration of estimation or judgement
Unlawful distributions	Following the post year end discovery of unlawful distributions, the Committee reviewed the legal and financial advice that the company received. It is satisfied that the legal regularisation of the deed of release, following resolution at the AGM will bring all parties to the position they were intended to be in and that the filing of interim accounts in advance of the AGM gives the company sufficient headroom to satisfy the final dividend on 23 April. The Committee understands the nature of the breach and procedures for the approval of distributions have now been strengthened.
Share based payments	The Committee reviewed the calculation and assumptions used in calculating the share based payments charge. The valuation of new awards 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. During December the Remuneration Committee approved the replacement of some share options into a new scheme. The management paper concluded that in substance, the new options issued were to replace existing share options under comparable terms for the option holder. Management therefore concluded that a modification treatment was appropriate. The impact of this judgement, whilst being immaterial to 2020, would have a material impact on 2021 and is therefore considered a significant judgement. The Audit Committee was satisfied that the conditions for modification were met and documented.
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 the impairment review had been completed in line with the provisions of IAS36 and that management had used a range of sensitivities to stress tests the models used. The Audit Committee were satisfied with conclusions reached by management.
Segmental reporting	The Committee reviewed management assumptions when reviewing segmental disclosures. In its review, the Audit Committee considered the requirements of IFRS 8 ("Operating Segments") and ensured that they were in line with what was reviewed by the Chief Operating Decision Makers (the Executive Board). The Committee is satisfied that the One Platform centralised business model is a differentiator from some of the Group's peers, and that a single reportable segment is an appropriate conclusion given the nature of the Group's operations.
Allocation of Cash Generating Units	The Committee reviewed management's analysis of cash generating units ("CGU's") and assessed its conclusion that there are 2 CGU's (previously 8). The Committee concluded that it was a reasonable conclusion that significant integration of the Group's recent acquisitions has led to all assets generating cash inflows for the wider business, covering all subject matter areas. The exception to this is MEED, which continues to be classified as an individual CGU due to having separately identifiable cash flows and financial results.
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 balanced and fair view of performance and APMs are presented in a consistent and clear manner, so that they contribute to the readers overall understanding of the accounts and the business performance.

Audit Committee Report

The effectiveness of internal controls and risk management framework
The Committee has a clear process for identifying, evaluating and managing risk. During the year, the Directors did a 'stock-take' of internal control documentation around the Group (financial and non-financial). The Committee were satisfied that, whilst there were inconsistencies in format, each of the principal risks were addressed in the design of the controls. 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 only where such work is permitted under the Financial Reporting Council's Ethical Standard.

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). Upon appointment there were some ongoing tax services from the Deloitte India team, which were ceased in November 2020. We are satisfied that this engagement did not impair the independence and are satisfied that these services have ceased. 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.

The Group has adopted the Competition and Markets Authority Order (CMA Order) and will rotate audit firms at least every 20 years and tender at least every 10 years. As a result of this decision, the Group undertook a full tender process during 2019 in respect of external audit services in compliance with FRC guidance on best practice, in particular ensuring independence in respect of potential audit firms. The previously engaged external audit firm, Grant Thornton, was not invited to re-tender.

Following the tender process, the Board and Audit Committee considered that the submission and team from Deloitte LLP (Deloitte) best met the criteria that the Committee had predefined. As such, Deloitte were appointed as the company's auditor commencing with the audit of the financial year ending 31 December 2020.

The Committee recommends the reappointment of Deloitte for 2021. We believe that their independence, their objectivity and the effectiveness of the external audit is strong. This is safeguarded through their continuing challenge, their focused reporting and their discussions with both management and the Audit Committee in planning and concluding their work.

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.

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

Murray Legg

Murray Legg
Chairman of the Audit Committee
13 March 2021

Directors' Report

Directors' Remuneration Report

Unaudited information
The Remuneration Committee

I am pleased to present the Remuneration Committee's report to you for 2020.

The 2018 Corporate Governance Code recommends that the Remuneration Committee comprises at least three independent Non-Executive Directors, and is chaired by one of these Directors. During 2020, the Remuneration Committee consisted of the Chairman Peter Harkness, Murray Legg, Annette Barnes and Andrew Day. Under the rules of the Code, my length of service deems me to be non-independent. We are striving for continuous improvement in our governance arrangements at GlobalData and to that end, I will be stepping down as the Chair of the Remuneration Committee as of 13 March 2021 and handing over to Annette Barnes.

Annette has been a Non-Executive at GlobalData since 2017 and has a strong skill set to succeed me as Chair, and I am confident that we will continue the good progress we have made on remuneration and talent management within the Group. As part of her role with the Remuneration Committee, Annette will also take on the role as designated Non-Executive Director for employees.

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 consist of travel expenses to head office
- **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 13 March 2021 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	Bonus	Share based payment	Other benefits	2020 total	2019 total
	£000s	£000s	£000s	£000s	£000s	£000s
Bernard Cragg	150	1	-	1	**152**	898
Mike Danson	-	-	-	-	**-**	35
Graham Lilley	200	50	609	-	**859**	499
Murray Legg	40	-	-	-	**40**	40
Peter Harkness	40	1	-	-	**41**	40
Annette Barnes	30	-	-	5	**35**	30
Andrew Day	30	-	-	1	**31**	30

The other benefits consist of travel expenses to head office. Share based payment represents equity settled income received on the vesting of share options in the year.

Share Options

Amounts charged to the Income Statement:

	2020	2019
	£m	£m
Long-term incentive plan	2.9	10.8
Senior long-term incentive plan	1.4	0.1
	4.3	**10.9**

Long-Term Incentive Plans

The Group operates three separate share options plans:

- **2010 Scheme**
  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.

  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 and excluding the impact of IFRS16, must exceed the remaining target of £52m (2019: £41m and £52m respectively). The scheme expired to new entrants on 31 December 2020, but each grant expires 10 years from the date of grant.

  Due to the Adjusted EBITDA target for Tranche 2b (£41m) being met in the year ended 31 December 2019, 1.8m options were exercised during May 2020 at a strike price of £12.20. The remuneration impact of this on the Directors' has been shown in the above table.

  The Remuneration Committee noted that due to the impact of COVID-19, the Group failed to meet the final target of £52m Adjusted EBITDA (pre IFRS16) during 2020. Under normal circumstances 892,000 shares would have expired as at 1 January 2011, being 10 years from date of grant.

  However, due to the impact that COVID-19 has had on the events revenue, the Remuneration Committee believes it is fair to replace those 892,000 shares and extend the target period by an additional year. The Group has accounted for this under the modification principle, further details in note 24.

- **Chairman's Scheme**
  During 2016, when the Chairman carried out an executive role, Bernard Cragg was awarded 250,000 share options. These are time based options, rather than being dependent on the Group meeting any performance targets. 125,000 of these options vested and were exercised in 2019 and the remaining 125,000 vested on 31 January 2021 but have not been exercised.

Directors' Remuneration Report

- **2019 Scheme**
  In October 2019 the Group created the 2019 share option scheme and granted the first options under the scheme on 31 October 2019. Each option granted converts to one ordinary share on exercise. 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.

During 2020 the Remuneration Committee awarded 1.6m options under this scheme (2019: 1.4m). A charge of £1.4m (2019: £0.1m) has been made to the Income Statement. Further details are given in note 24.

During the period the Group purchased an aggregate amount of 2,102,250 shares at a total market value of £23.7m. 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 2020, Graham Lilley had 400,000 share options in issue (2019: 150,000), which included 100,000 share options in the 2010 scheme and 300,000 in the 2019 scheme. Bernard Cragg had 125,000 share options in issue in the Chairman's scheme (2019: 125,000). Further details are given in note 24.

No other Directors as at 31 December 2020 had share options.

In non-compliance with provision 36 of the UK Corporate Governance Code, there is currently no formal post-employment shareholding requirement in place. The Remuneration Committee will seek to address this area of non-compliance during 2021.

The total charge recognised for the schemes during the year ended 31 December 2020 was £4.2m (2019: £10.9m). The awards of the scheme are settled with ordinary shares of the Company.

In May 2020, 1.8m outstanding share options held by GlobalData employees vested in accordance with the Adjusted EBITDA target being satisfied under Tranche 2b 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 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.

By order of the Board

Peter Harkness
Chairman of the Remuneration Committee
13 March 2021

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 are required to prepare the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 to reappoint Deloitte LLP as auditors to the Company will be proposed at the Annual General Meeting.

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 20 April 2021 at John Carpenter House, John Carpenter Street, London EC4Y 0AN at 10am.

On behalf of the Board

Mike Danson
Chief Executive
13 March 2021

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

Report on the audit of the financial statements

1. OPINION

In our opinion the financial statements of GlobalData Plc (the 'parent company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company statement of cash flows;
- the related notes 1 to 29 to the consolidated financial statements; and
- the related notes 1 to 15 to the parent company financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

2. 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 Financial Reporting Council's (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.

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

3. SUMMARY OF OUR AUDIT APPROACH

Key audit matters	The key audit matters that we identified in the current year for the Group were: • the accuracy of revenue recognition; • the determination of cash generating units for assessing the recoverability of the carrying value of goodwill and intangible assets; • the modification of the share based payment long-term incentive plan; and • distributions made other than in compliance with the Companies Act (parent company only).
Materiality	Our materiality was based upon profit before tax adjusted to exclude the amortisation of acquired intangible assets, as we have determined this to be an important metric to the users of the financial statements. The materiality that we used for the Group financial statements was £1,500,000, representing 3.8% of profit before tax adjusted to exclude the amortisation of acquired intangible assets. We also considered a number of other benchmarks when determining materiality, including revenue, profit before tax and Adjusted EBITDA. We highlight that the materiality used of £1,500,000 represents 0.8% of revenue, 5.2% of profit before tax and 2.6% of Adjusted EBITDA.
Scoping	We performed full-scope audits or an audit of specified balances and transactions of the principal entities within the Group, comprising the Group's operations within the UK, the US, India and the United Arab Emirates. These in-scope locations represent the key trading entities within the Group and account for 92% of Group revenue, 88% of profit before tax adjusted to exclude the amortisation of acquired intangible assets, and 99% of Group net assets. The year ended 31 December 2020 is our first year as auditor of the Group.

4. CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Consideration of the cash held by the group of £17.7m, net debt of £58.1m and further committed borrowing facility of £65m, in the context of the operating cash flow needs of the group
- Assessment and sensitivity of the headroom on the group's cash flow forecasts including the assumptions within the one-year detailed budget
- Evaluation of the group's borrowing covenants and review of the scenarios which could lead to a covenant breach and evaluation of whether any of those scenarios are reasonably possible
- Consideration of management's assumptions on the forecast cash flows of the group in relation to the global economic uncertainty as a result of the impact of the Covid-19 pandemic
- Assessment of the suitability of the model used by the group to forecast cash flows, including testing of clerical accuracy of the model
- Assessment of the historical accuracy of cash flow forecasts prepared by management.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Members of GlobalData Plc

5. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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 which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters 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.

5.1. Accuracy of revenue recognition

Key audit matter description	The specific nature of the risk of material misstatement in revenue recognition varies across the Group's revenue streams, with total group revenue of £178.4m (2019: £178.2m). The main source of revenue for the group is subscription revenue for data, analytics and insights as set out by management in the Strategic Report and note 5 to the consolidated financial statements. Management's accounting policy is to recognise subscription revenue evenly over the period of the contractual term as the performance obligations are satisfied evenly over the term of subscription. Revenue recognised over time represents 84% of consolidated revenue. Due to the complexity of the manual intervention required in releasing revenue to the consolidated income statement, we identified a significant risk due to fraud or error in relation to the accuracy of revenue recognition. The Group's revenue recognition accounting policies are disclosed in note 2 to the consolidated financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the Group's business model and our understanding of the principles set out in customer contracts and the sales process. We obtained an understanding of relevant controls over the sales process from ordering to cash collection, including those related to the releasing of revenue from deferred revenue. The procedures we performed across the entities within our audit scope included the following: • We used data analytics procedures to recalculate management's revenue release and the deferred revenue balance recorded at the year end, to address the incremental risk arising from the manual nature of management's release. • We obtained evidence to determine whether a sample of variances that were identified through our data analytics were correctly accounted for; this included performing tests of detail to corroborate management's explanations by reviewing third-party documentation. • We performed tests of detail of the accuracy, occurrence and completeness for a sample of revenue transactions, obtaining and reviewing relevant customer contracts and fulfilment data to assess whether revenue was appropriately recorded across the term. • We obtained confirmation from a sample of customers with master service agreements to confirm whether all agreements and side agreements were accounted for by the management.
Key observations	Based on the audit procedures performed, we concluded that revenue in respect of subscriptions was appropriately recorded across the term.

Independent Auditor's Report to the Members of GlobalData Plc

5.2. The determination of cash generating units for assessing the recoverability of the carrying value of goodwill and intangible assets

Key audit matter description	The Group has expanded significantly through acquisition and as at 31 December 2020 had goodwill and intangibles of £242m (2019: £250m). Where goodwill exists, IAS 36 requires that management perform an annual impairment assessment to compare the balance sheet carrying value of each cash generating unit ('CGU') to the higher of fair value less costs to sell and value in use. During the year the group undertook an assessment of its CGUs that resulted in reducing the number from eight in 2019 to two in 2020. Management's conclusion was based on the integration of the acquisitions into the group and the creation of a single platform for data, analytics and insight which is used to generate cash inflows. Our initial risk assessment identified a significant risk in relation to two historical CGUs, Energy and Construction, which in the past have had lower levels of headroom within management's impairment assessment. As a result of management's CGU reassessment, the Energy and Construction CGUs were combined with five other previously separate CGUs into the Data, Analytics and Insights CGU. The Data, Analytics and Insights CGU had headroom of £854m at 31 December 2020 as shown in note 13 to the consolidated financial statements. IAS 36:72 makes clear that CGUs should be identified consistently from period to period for the same asset or types of assets, unless a change is justified. Consequently we identified a significant risk relating to whether management's reassessment was in line with the requirements of IAS 36. The risk has been pinpointed to this reassessment as, incorrect aggregation of CGUs may result in the potential understatement of required impairments in goodwill and intangible assets, particularly in a macro-economic environment that is more uncertain as a result of the Covid-19 pandemic. Management's rationale for the reassessment, based on the integration of the assets in the group onto a single platform, is disclosed in note 13 to the consolidated financial statements.
How the scope of our audit responded to the key audit matter	We evaluated management's CGU assessment for goodwill and other intangibles using a range of audit procedures. These included the following: • Obtaining an understanding of the Group's asset base and how it is used to generate separable cash flows. • Obtaining an understanding of management's control to review the assessment of CGUs. • Challenging management's impairment review applying the previously identified CGUs to understand if this would have identified impairments. • Assessing whether management's determination of CGUs complies with the requirements of IAS36:72. • Assessing the adequacy of the group's disclosure of its CGUs in light of the requirements of IAS36.
Key observations	Based on the audit procedures performed we concluded that the determination by management of their CGUs accords with the requirements of IAS 36.

Independent Auditor's Report to the Members of GlobalData Plc

5.3. The modification of the share based payment long-term incentive plan

Key audit matter description	In December 2020, the group's remuneration committee granted replacement share options in the company's 2010 Long Term Incentive Plan ("LTIP") to participants whose options were due lapse in January 2021. This was due to the failure to meet a non-market EBITDA target condition within the original performance period. The reason the non-market conditions were not met was deemed by the remuneration committee to be because of the impact of Covid-19 on EBITDA in 2020. IFRS 2 specifically deals with the situation when new equity instruments are granted to an employee in connection with the cancellation of existing equity instruments, however it does not address the accounting treatment where the original options are due to lapse. Consequently there is a judgement as to whether the award is a modification of the existing share options or an issuance of new options, the conclusion of which would materially impact the financial statements. Management concluded that the replacement options are a modification to the existing share options granted, as detailed in the audit committee report and notes 1 and 24 to the consolidated financial statements. The impact of this judgement is that the original grant date fair value of the share options has been recognised over the extended estimated vesting date of the end of 2021, which is when the normalised EBITDA target is forecast to be met.
How the scope of our audit responded to the key audit matter	We assessed management's determination that the award is a modification, rather than a new grant, by: • Obtaining an understanding of the nature of the long term incentive plan and the original terms of the share based payments made to employees. • Obtaining and reviewing the 2020 remuneration committee meeting minutes where the new options were reviewed and approved. • Assessing whether the rationale that Covid-19 impacted the achievement of the normalised EBITDA target was a reasoned judgement by reference to pre-Covid 19 budgets and 2020 actual business performance • Evaluating whether the terms of the new awards are the same as the original awards, to the same participants and for the same number of share options. • Evaluating whether the fair value of the new awards is comparable with the original awards at the date of modification. • Reviewing management's accounting paper and considering against the requirements of IFRS 2.
Key observations	Based on the audit procedures performed, we concluded that management's determination that the option grants were a modification of existing options was reasonable.

Independent Auditor's Report to the Members of GlobalData Plc

5.4. Distributions made other than in compliance with the Companies Act (parent company only)

Key audit matter description	It was identified during the current year audit that across the period 2018-2021 GlobalData plc issued distributions in the form of dividends and contributions to its Employee Benefit Trust for which there were not sufficient distributable reserves within the relevant accounts. We identified this non-compliance with the Companies Act 2006 as a key audit matter because of its significance in directing the efforts of the audit team, in the context of the parent company audit, and because of the size of the amounts involved. Section 838 of the Companies Act provides that a public company may pay a dividend out of its distributable profits as shown in the last accounts circulated, or if they do not show significant distributable profits, interim accounts must be filed. Whilst management presented interim accounts to the directors which demonstrated sufficient distributable reserves, these were not filed at Companies House. Also, the interim accounts incorrectly included reserves arising from share based payments, relating to employees of subsidiaries, as distributable. The total amount of unlawful distributions is £60m across the period 2018-2021. The Board of Directors have approved a plan to pay dividends from subsidiary entities to GlobalData PLC and to file interim accounts with Companies House to remediate the matter, as detailed on pages 10, 18, 29 and 44 of the Annual Report, notes 23 and 28 to the consolidated financial statements and note 3 to the company only financial statements. Further, at the Annual General Meeting a resolution will be proposed to remove any right the company may have to claim against the directors and shareholders in respect of the unlawful distributions made.
How the scope of our audit responded to the key audit matter	We obtained management's analysis of the distributable reserves and distributions performed by management and tested the accuracy and completeness of the underlying data. We recalculated the value of the unlawful distributions identified by management. We obtained and reviewed management's correspondence with external legal advisors and considered whether it was consistent with the requirements of the Companies Act 2006 and that the underlying accounting assumptions were appropriate. We inspected evidence to support the timing and quantum of distributions made by the Company and the Interim accounts presented to the directors. We reviewed the disclosure which management prepared in relation to this matter within the Annual Report and considered its consistency with the fact pattern of our audit work.
Key observations	Based on the audit procedures performed, we concluded that management's disclosures within the financial statements reflect fairly the substance of the unlawful distributions.

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

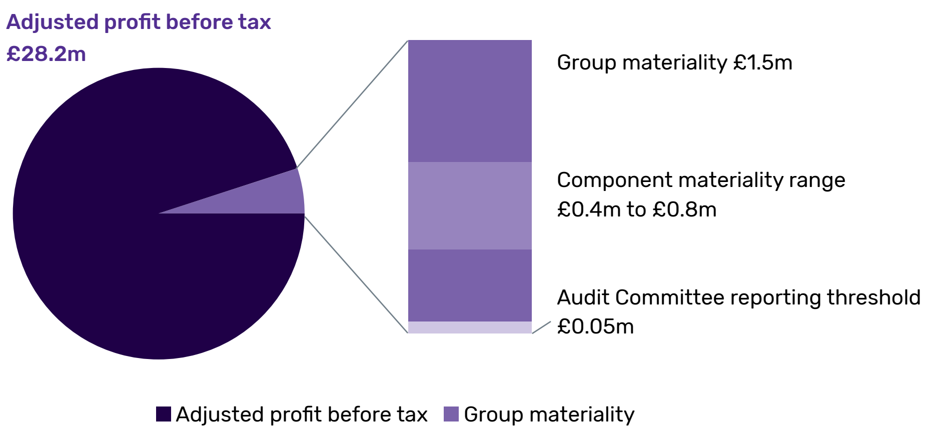
6. OUR APPLICATION OF MATERIALITY

6.1. 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 both in planning the scope of our audit work and in evaluating the results of our work.

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

	Group financial statements	Parent company financial statements
Materiality	£1,500,000	£525,000
Basis for determining materiality	We used profit before tax, adjusted to exclude the amortisation of acquired intangible assets, as our basis for materiality. The materiality that we used for the group financial statements was £1,500,000, representing 3.8% of profit before tax excluding amortisation of acquired intangible assets.	Parent company materiality equates to 2% of net assets, which has been capped at 50% of Group performance materiality.
Rationale for the benchmark applied	We considered a range of measures, including revenue, profit before tax, adjusted EBITDA and profit before tax, adjusted to exclude the amortisation of acquired intangible assets. We used profit before tax adjusted to exclude the amortisation of acquired intangible assets as the amortisation has a significant impact on profit before tax and was subject to specific audit procedures. Its exclusion resulted in a materiality level that was more reflective of the profit generation of the Group before such acquisition-related charges. We used a profit before tax based measure rather than adjusted EBITDA as the latter is less closely aligned to measures calculated in accordance with generally accepted accounting principles. We highlight that a materiality of £1,500,000, represents 0.8% of revenue, 5.2% of profit before tax and 2.6% of adjusted EBITDA.	Net assets is typically considered an appropriate benchmark for materiality as the parent company predominantly holds investments in trading subsidiaries.



6.2. Performance materiality
We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% of Group materiality	70% of parent company materiality
Basis and rationale for determining performance materiality	In forming our consideration of the level of performance materiality we considered: • the quality of the control environment; • the nature, volume and size of misstatements (corrected and uncorrected) in the previous audit; • that this was a first-year audit and the consequential impact on our ability to forecast misstatements; • prior period errors found in the current year; and • management's willingness to correct errors that were identified by the audit team.	

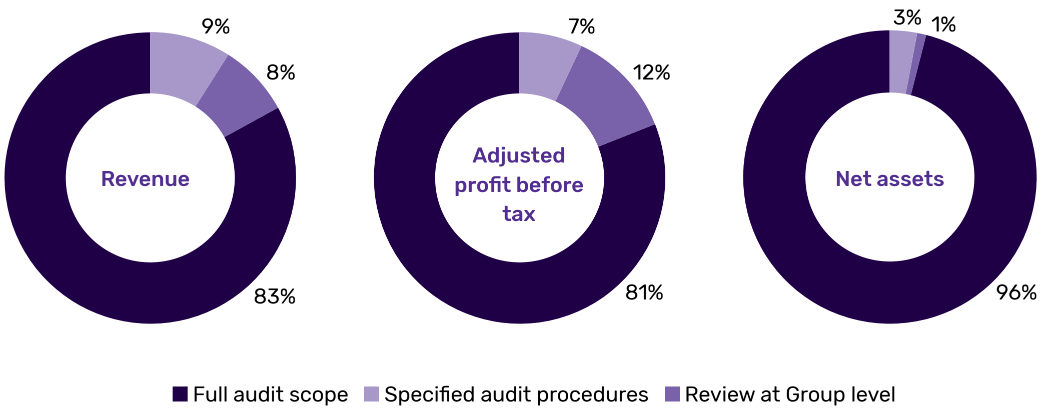
6.3. Error reporting threshold
We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £50,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. AN OVERVIEW OF THE SCOPE OF OUR AUDIT

7.1. Identification and scoping of components
Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls and assessing the risks of material misstatement at the group level. Our component selection was based on the selection of material balances and components, with additional consideration of whether, at an aggregated level, we had reduced the risk of material misstatement to an acceptably low level.

Based on that assessment we performed full scope or an audit of specified balances and transactions on the principal trading entities within the UK, India and the United Arab Emirates.

The in-scope locations (those at which a full scope audit or an audit of specified balances and transactions was performed as part of a group audit) represent 92% of Revenue, 92% of profit before tax adjusted to exclude intangible amortisation and 99% of net assets.



Independent Auditor’s Report to the Members of GlobalData Plc

7.2. Working with other auditors

We used one component audit team in India during the audit of the financial statements for the year ended 31 December 2020 and we were in regular contact with them throughout the year. We overcame the challenges in component oversight that arose as a result of the travel restrictions brought about by the COVID-19 pandemic through regular status calls with senior audit personnel including the component partner.

We held team briefings for the component audit team, to discuss the Group risk assessment and audit instructions, to confirm their understanding of the business and to discuss their local risk assessment. Throughout the audit we maintained regular contact in order to direct and supervise their audit approach. We virtually attended their audit planning and close meetings with local management, performed technology-enabled remote reviews of their working papers and reviewed their reporting to us on the findings of their work.

8. OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of our audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

9. RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors’ responsibilities statement, 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.

10. 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 FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

11. EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance, including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur as a result of either fraud or error;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified, having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance including the dividends that were made otherwise than in accordance with the Companies Act 2006 (see page 10 of the Strategic Report)
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, IT, and share based payments, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the group for fraud and identified the greatest potential for fraud in the accuracy of revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation in the jurisdictions in which the Group operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified two key audit matters related to the potential risk of fraud or non-compliance with laws and regulations being:

1) The risk related to the accuracy of revenue released during the year due to the manual intervention that exists in the processing of such transactions. Our procedures to respond to this risk are set out in section 5.1 above.

2) The risk related to the distributions made other than in compliance with the Companies Act (parent company only). Our procedures to respond to this risk are set out in section 5.4 above.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report to the Members of GlobalData Plc

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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.

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

13. MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the 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.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. 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.

Jon Young FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
13 March 2021

Consolidated Income Statement

	Notes	Year ended 31 December 2020	Year ended 31 December 2019 *Restated*[1]
		£m	£m
Continuing operations			
Revenue	5	178.4	178.2
Operating expenses	6	(145.4)	(164.5)
Losses on trade receivables	6	(1.3)	(2.3)
Other income		1.3	1.3
Operating profit		**33.0**	**12.7**
Net finance costs	10	(4.4)	(4.7)
Profit before tax		**28.6**	**8.0**
Income tax expense	11	(6.0)	(4.2)
Profit for the year		**22.6**	**3.8**
Attributable to:			
Equity holders of the parent		22.6	3.8
Earnings per share attributable to equity holders:			
Basic earnings per share (pence)	12	19.4	3.3
Diluted earnings per share (pence)	12	18.1	3.0

Reconciliation to Adjusted EBITDA[2]*:*			
Operating profit		**33.0**	**12.7**
Depreciation		7.0	4.8
Amortisation of software		1.1	0.9
Adjusting items	7	15.6	31.4
Adjusted EBITDA[2]		**56.7**	**49.8**

The accompanying notes form an integral part of these financial statements.

[1]***Restatement***

The comparative year's results have been restated:

- to include other income above operating profit, reflecting that the income is in relation to operations. This change has had no effect on profit before tax and Adjusted EBITDA for the comparative year.
- to charge the re-measurement of the pension liabilities arising on the pension buy-in as a cost through the Income Statement of £2.2m. Previously the net re-measurement of assets and liabilities was reported through the Statement of Comprehensive Income. The restatement has no impact on the Adjusted EBITDA of the prior year.
- to increase the income tax expense by £1.0m, reflecting that the tax deduction in relation to the exercise of share options during 2019 was inappropriately recognised within the Income Statement but should have been recognised directly in equity.

Full disclosure included within note 1.

[2] We define Adjusted EBITDA as EBITDA adjusted to exclude costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements and the impact of foreign exchange contracts. We present Adjusted EBITDA as additional information because it is used internally as a key indicator to assess financial performance. 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. Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue.

Consolidated Statement of Comprehensive Income

	Year ended 31 December 2020	Year ended 31 December 2019 *Restated*[1]
	£m	£m
Profit for the year	22.6	3.8
Other comprehensive income		
Items that will be classified subsequently to profit or loss:		
Net exchange losses on translation of foreign entities	(0.6)	-
Items that will not be classified subsequently to profit or loss:		
Re-measurement of pension assets	-	0.9
Other comprehensive (loss)/ gain, net of tax	(0.6)	0.9
Total comprehensive income for the year	**22.0**	**4.7**
Attributable to:		
Equity holders of the parent	22.0	4.7

The accompanying notes form an integral part of these financial statements.

[1]The comparative year has been restated in relation to the treatment of the pension buy-in and tax expense relating to the exercise of share options during 2019; full disclosure included within note 1.

Consolidated Statement of Financial Position

	Notes	31 December 2020	31 December 2019
			Restated[1]
		£m	£m
Non-current assets			
Property, plant and equipment	14	43.5	47.4
Intangible assets	13	242.0	250.1
Trade and other receivables	28	0.9	1.9
Deferred tax assets	18	5.4	8.7
		291.8	**308.1**
Current assets			
Trade and other receivables	17	44.9	45.8
Current tax receivable		1.6	-
Short-term derivative assets	16	1.2	0.9
Cash and cash equivalents		17.7	11.2
		65.4	**57.9**
Total assets		**357.2**	**366.0**
Current liabilities			
Trade and other payables	19	(100.2)	(96.1)
Short-term borrowings	20	(5.0)	(6.0)
Short-term lease liabilities	15	(4.1)	(3.9)
Current tax payable		(1.6)	(1.7)
Short-term derivative liabilities	16	(0.1)	(0.1)
Short-term provisions	22	(0.2)	(0.1)
		(111.2)	**(107.9)**
Net current liabilities		**(45.8)**	**(50.0)**
Non-current liabilities			
Long-term provisions	22	(0.5)	(0.5)
Deferred tax liabilities	18	(1.2)	(4.8)
Long-term lease liabilities	15	(35.8)	(40.7)
Long-term borrowings	20	(70.8)	(60.5)
		(108.3)	**(106.5)**
Total liabilities		**(219.5)**	**(214.4)**
Net assets		**137.7**	**151.6**
Equity			
Share capital	23	0.2	0.2
Share premium account	23	0.7	0.7
Treasury reserve	23	(21.4)	(11.0)
Other reserve	23	(37.1)	(37.1)
Merger reserve	23	163.8	163.8
Foreign currency translation reserve	23	0.2	0.8
Retained profit		31.3	34.2
Equity attributable to equity holders of the parent		**137.7**	**151.6**

These financial statements were approved by the Board of Directors on 13 March 2021 and signed on its behalf by:

Bernard Cragg
Chairman

Mike Danson
Chief Executive

Company Number 03925319

The accompanying notes form an integral part of these financial statements.

[1]The comparative year has been restated for the treatment of the pension buy-in and tax expense relating to the exercise of share options during 2019; full disclosure included within note 1.

Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Treasury reserve	Other reserve	Merger reserve	Foreign currency translation reserve	Retained profit *Restated*[1]	Equity attributable to equity holders of the parent
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2019	**0.2**	**0.2**	**(19.2)**	**(37.1)**	**163.8**	**0.8**	**41.7**	**150.4**
Profit for the year *(Restated)*[1]	-	-	-	-	-	-	3.8	**3.8**
Other comprehensive income:								
Re-measurement of pension assets	-	-	-	-	-	-	0.9	**0.9**
Net exchange gain on translation of foreign entities	-	-	-	-	-	-	-	-
Total comprehensive profit for the year	-	-	-	-	-	-	4.7	**4.7**
Transactions with owners:								
Share buy back	-	-	(3.5)	-	-	-	-	**(3.5)**
Dividends	-	-	-	-	-	-	(14.6)	**(14.6)**
Vesting of share options	-	0.5	11.7	-	-	-	(12.2)	**-**
Share based payments charge	-	-	-	-	-	-	10.9	**10.9**
Deferred tax on share based payments	-	-	-	-	-	-	3.7	**3.7**
Balance at 31 December 2019	**0.2**	**0.7**	**(11.0)**	**(37.1)**	**163.8**	**0.8**	**34.2**	**151.6**
Profit for the year	-	-	-	-	-	-	22.6	**22.6**
Other comprehensive income:								
Net exchange loss on translation of foreign entities	-	-	-	-	-	(0.6)	-	**(0.6)**
Total comprehensive profit for the year	-	-	-	-	-	(0.6)	22.6	**22.0**
Transactions with owners:								
Share buy back	-	-	(23.7)	-	-	-	-	**(23.7)**
Dividends	-	-	-	-	-	-	(18.0)	**(18.0)**
Vesting of share options	-	-	13.3	-	-	-	(13.3)	**-**
Share based payments charge	-	-	-	-	-	-	4.2	**4.2**
Deferred tax on share based payments	-	-	-	-	-	-	1.6	**1.6**
Balance at 31 December 2020	**0.2**	**0.7**	**(21.4)**	**(37.1)**	**163.8**	**0.2**	**31.3**	**137.7**

The accompanying notes form an integral part of these financial statements.

[1]The comparative year has been restated in relation to the treatment of the pension buy-in and tax expense relating to the exercise of share options during 2019; full disclosure included within note 1.

Consolidated Statement of Cash Flows

Continuing operations	Year ended 31 December 2020	Year ended 31 December 2019 Restated[1]
Cash flows from operating activities	£m	£m
Profit for the year	22.6	3.8
Adjustments for:		
Depreciation	7.0	4.8
Amortisation	11.8	17.2
Finance costs	4.4	4.7
Taxation recognised in profit or loss	6.0	4.2
Share based payments charge	4.2	11.0
Re-measurement of pension assets	-	0.9
Decrease in trade and other receivables	1.5	5.7
Increase in trade and other payables	2.5	2.8
Revaluation of short and long-term derivatives	(0.3)	(1.7)
Movement in provisions	0.1	(0.6)
Cash generated from continuing operations	**59.8**	**52.8**
Interest paid (continuing operations)	(2.4)	(3.0)
Income taxes paid (continuing operations)	(6.4)	(7.8)
Total cash flows from operating activities	**51.0**	**42.0**
Cash flows from investing activities (continuing operations)		
Acquisitions	(1.0)	(8.2)
Cash received from repayment of loans	0.9	0.9
Purchase of property, plant and equipment	(3.5)	(1.6)
Purchase of intangible assets	(1.5)	(1.1)
Total cash flows used in investing activities	**(5.1)**	**(10.0)**
Cash flows from financing activities (continuing operations)		
Repayment of borrowings	(5.3)	(10.5)
Proceeds from borrowings	15.0	6.4
Loan refinancing fee	(0.7)	-
Acquisition of own shares	(23.7)	(3.5)
Principal elements of lease payments	(6.1)	(5.0)
Dividends paid	(18.0)	(14.6)
Total cash flows used in financing activities	**(38.8)**	**(27.2)**
Net increase in cash and cash equivalents	**7.1**	**4.8**
Cash and cash equivalents at beginning of year	11.2	6.3
Effects of currency translation on cash and cash equivalents	(0.6)	0.1
Cash and cash equivalents at end of year	**17.7**	**11.2**

The accompanying notes form an integral part of these financial statements.

[1]***Restatement***

The comparative year's statement of cash flows has been restated:

- to reduce operating profit by £2.2m for the year ended 31 December 2019 and increase the re-measurement of pension assets by the same amount reflecting a change to the accounting treatment of the pension buy-in (Adjusted EBITDA remains unaffected);
- to reduce profit for the year by £1.0m and increase taxation expense by the same amount reflecting incorrect treatment of taxation on exercise of share options in 2019;
- to recognise principal elements of lease payments gross, not net of sub-lease income;
- to reclassify cash received from the repayment of loans into investing activities.

Full disclosure included within note 1.

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 to provide business information in the form of high quality proprietary data, analytics, and insights to clients in 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 accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the IASB.

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.

Restatements
On 16 December 2019 the Group entered into an irrevocable agreement to sell the defined benefit pension scheme of World Market Intelligence Limited, a subsidiary of the Group, to Just Retirement Limited ("Just") through a two-step buy-out transaction under which all risks in relation to the scheme are transferred to Just. The first step of the transaction involved the acquisition of a qualifying insurance policy that will cover the future pension obligations of the scheme (the "buy-in" step), at cash cost to the Group of £1.3m subject to an adjusting payment on completion. The buy-out step, which will see the transfer of the scheme liabilities to the insurer, was completed on 22 February 2021. This transaction has been accounted for as a settlement. A charge of £2.2m has been recognised as a settlement cost, being the difference between the amount paid and the liability at the settlement date. The prior year income statement has been restated to reflect this loss of £2.2m in the income statement.

Previously, the loss of £2.2m was recognised in other comprehensive income offset by the reversal of an asset ceiling, recorded to limit the pension surplus able to be recognised under IFRS, in the amount of £0.9m. As such, an overall entry of £1.3m was recognised in other comprehensive income in the prior year. The reversal of the asset ceiling of £0.9m through other comprehensive income is not impacted by the restatement as this may not offset any loss recorded in the income statement in respect of this transaction. This adjustment has increased operating expenses by £2.2m and reduced operating profit and profit before tax by the same amount. Basic earnings per share reduced from 6.0 pence to 4.1 pence and diluted earnings per share from 5.6 pence to 3.8 pence (excludes the impact of the tax restatement detailed below). The adjustment had no impact on the Group's net assets as at 31 December 2019 and no impact on the Group's Adjusted EBITDA.

The comparative period results have also been restated to reclassify other income from below operating profit to above operating profit. Other income is comprised of sub-lease rental income related to the operations of the business and, as such, has been reclassified above operating profit. The restatement has increased operating profit for the year ended 31 December 2019 by £1.3m. Profit before tax, net assets and earnings per share are unaffected for the comparative period.

In the comparative period, a tax deduction in relation to the exercise of share options in 2019 was fully recognised in the income statement and the prior period results have been restated to correctly recognise an element of this directly in equity because the amount of the accrued tax deduction exceeded the amount of the related cumulative remuneration expense and this excess should therefore be recognised directly in equity in accordance with IAS 12. At the same time, the comparative period tax expense has been updated for other prior year errors, predominantly errors identified in the Group's US tax returns, which have subsequently been refiled. These changes have had no effect on profit before tax and Adjusted EBITDA for the comparative year but the income tax expense has increased by £1.0m, the taxation credit on share based payments within equity has increased by £1.2m and current tax payable has reduced by £0.2m. These changes have reduced both basic and diluted earnings per share by 0.8 pence for the year ended 31 December 2019.

The cash flow statement for the prior period has also been restated to recognise principal elements of lease payments gross of sub-lease rental income. Sub-lease rental income was incorrectly netted off against principal elements of lease payments and has been reclassified to total cash flows from operating activities. The restatement has increased the principal elements of lease payments by £1.3m for the year ended 31 December 2019. Total cash flows from operating activities has increased by the same amount.

The cash flow statement for the prior period has additionally been restated to reclassify £0.9m cash received from the repayment of loans from operating cash flows to investing cash flows.

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.

Key sources of estimation uncertainty
Management have performed an assessment and have concluded that there are no key sources of estimation uncertainty.

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 Chief Executive Officer (CEO) as its chief operating decision-maker.

The Group maintains a centralised operating model and single product platform ('One Platform'), which is underpinned by a common taxonomy, shared development resource, and new data science technologies. The fundamental principle of the GlobalData 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. The vast majority of data sold by the Group is produced by a central research team which produces data for the Group as a whole. The team reports to one central individual, the Managing Director of the India operation, who reports to the Group CEO. Data, analytics, and insights is therefore considered to be the operating segment of the Group. Segmental reporting disclosures are provided in note 4.

The Group profit or loss is reported to the CEO on a monthly basis and consists of earnings before interest, tax, depreciation, amortisation, central overheads and other adjusting items (as detailed in note 7). The CEO also monitors revenue within the operating segment.

The Group considers the use of a single operating segment to be appropriate due to:
- the CEO reviewing profit or loss at the Group level;
- utilising a centralised operating model;
- being an integrated solutions-based business, rather than a portfolio business.

Identification 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. Management have identified two CGUs, being Data, Analytics, and Insights and MEED (an indirect subsidiary of the Group based in the United Arab Emirates). Full disclosure is provided in note 13.

Replacement Share Options
As detailed in note 24, the Remuneration Committee noted that due to the impact of COVID-19, the Group failed to meet the final share option target within Scheme 1 of £52m Adjusted EBITDA (pre IFRS 16) during 2020. Under normal circumstances 892,000 shares would have expired as at 1 January 2021, being 10 years from date of grant. However, due to the impact that COVID-19 has had on the events business, the Remuneration Committee believes it is fair to replace those 892,000 shares and extend the target period by an additional year. The Group has accounted for this under the modification principles of IFRS 2, Share Based Payments. The replacement share options were clearly documented as replacement options, the option holders received the same quantity of options, and at the same exercise price, and the vesting target of £52m is equal to the previous target. Therefore, because of these considerations the Directors believe a modification treatment to be appropriate.

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 2020. Management have reviewed forecast 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 on 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 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) 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/credit notes.

- 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, "deferred 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.
- Events 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 deferred 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.

d) 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:

- freehold buildings – over 50 years;
- fixtures, fittings and equipment – over 3 to 5 years;
- leasehold improvements – over 3 to 10 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.

e) 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. The Board have a policy of engaging professional advisers 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.

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 administrative costs 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).

f) 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. Specifically, and in line with the application of IAS 12 presentation to share based payments, tax deductions (current or deferred) up to the IFRS 2 cumulative remuneration expense are recognised in the income statement as the tax is viewed as linked to the remuneration event. However, tax deductions (current or deferred) in excess of the IFRS 2 cumulative remuneration expense are recognised in equity as the tax is viewed as linked to an equity item.

g) 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.

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

The Group also operated a small defined benefit scheme, inherited from the Research Views Limited acquisition in 2018. The scheme was closed for future accrual. The cost of providing this benefit was determined using the Projected Unit Credit Method, with actuarial valuations carried out on a triennial basis. Net interest was 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 were recognised in full in the period in which they occurred, 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 was limited to the present value of any economic benefits available in the form of refunds from the plans.

i) 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.

j) Leases
The Group leases offices around the world, plus a small number of motor vehicles. 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.

For any new contracts entered into, 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 re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the liability is re-measured, 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.

k) 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.

Impairment of trade receivables

The Group recognises lifetime expected credit losses (ECL) for trade receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Additionally, as part of the IFRS 9 model being used, the Group recognises some provisions at 100% of the receivable balance based on the age of the relevant receivables, external evidence of the credit status of the customer entity and the status of any disputed amounts. The carrying amount is reduced by the ECL through the use of a provision account. 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 consolidated 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 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.

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 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.

n) 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.

o) 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.

p) 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.

q) Other income

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

r) Presentation of non-statutory alternative performance measures

The Directors believe that Adjusted EBITDA, Adjusted EBITDA margin, Adjusted profit before tax, Adjusted profit after tax and Adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and we review the results of the Group using these measures internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measures of profit.

Adjustments are made in respect of:

Share based payments	Share based payment expenses are excluded from Adjusted EBITDA as they are a non-cash charge, the awards are equity-settled and their effect on shareholders' returns is already reflected in diluted earnings per share measures.
Restructuring, M&A and refinancing costs	The Group considers these items of expense as exceptional and excludes them from Adjusted EBITDA where the nature of the item, or its size, is not related to the core underlying trading of the Group so as to assist the user of the financial statements to better understand the results of the core operations of the Group and allow comparability of underlying results.
Amortisation of acquired intangible assets	The amortisation charge for those intangible assets recognised on business combinations is excluded from Adjusted EBITDA since they are non-cash charges arising from investment activities. These acquisitions were investment decisions that took place at different times over several years, and so the associated amortisation does not reflect the current trading performance of the Group. This is a common adjustment made by acquisitive information service businesses and therefore consistent with peers.
Revaluation of short and long-term derivatives	Gains and losses are recognised within Adjusted EBITDA when they are realised in cash terms and therefore we exclude such non-cash movements arising from fluctuations in exchange rate, which may not reflect the underlying performance of the Group, and which better aligns Adjusted EBITDA to the cash performance of the business.
Unrealised operating foreign exchange gain/loss	

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 2020 and is consistent with the policies applied in the previous year, except for the following new standards. The new standards which are effective during the year (and have had a minimal impact on the financial statements) are:

- Amendments to IFRS 3: Definition of Business (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);
- Amendments to IAS 1 and IAS 8: Definition of Material (issued in October 2018 and effective for periods on or after 1 January 2020);
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (issued in September 2019 and effective for periods on or after 1 January 2020).

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 16: Covid-19-Related Rent Concessions (effective for periods on or after 1 June 2020);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective for periods on or after 1 January 2021).

Neither of the above standards are effective and therefore they 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 business information in the form of high-quality proprietary data, analytics, and insights to clients in 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 Chief Executive Officer (CEO) as its chief operating decision-maker.

The Group maintains a centralised operating model and single product platform ('One Platform'), which is underpinned by a common taxonomy, shared development resource, and new data science technologies. The fundamental principle of the GlobalData 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. The vast majority of data sold by the Group is produced by a central research team, which produces data for the Group as a whole. The team reports to one central individual, the Managing Director of the India operation, who reports to the Group CEO. Data, analytics, and insights is therefore considered to be the operating segment of the Group.

The Group profit or loss is reported to the Chief Executive Officer on a monthly basis and consists of earnings before interest, tax, depreciation, amortisation, central overheads and other adjusting items. The Chief Executive Officer also monitors revenue within the operating segment.

The Group considers the use of a single operating segment to be appropriate due to:
- the CEO reviewing profit or loss at the Group level;
- utilising a centralised operating model;
- being an integrated solutions-based business, rather than a portfolio business.

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

	Year ended 31 December 2020 £m	Year ended 31 December 2019 *Restated* £m
Adjusted EBITDA	**56.7**	**49.8**
Adjusting items (see note 7)	(15.6)	(31.4)
Depreciation	(7.0)	(4.8)
Amortisation (excluding amortisation of acquired intangible assets[1])	(1.1)	(0.9)
Finance costs	(4.4)	(4.7)
Profit before tax	**28.6**	**8.0**

[1] Amortisation of acquired intangible assets included in Adjusting items above

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 customers rather than the team structure the Group is organised by.

From continuing operations

Year ended 31 December 2020	UK	Europe	Americas[1]	Asia Pacific	MENA[2]	Rest of World	Total
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	26.3	49.7	62.8	19.2	13.1	7.3	**178.4**

Year ended 31 December 2019	UK	Europe	Americas[1]	Asia Pacific	MENA[2]	Rest of World	Total
	£m	£m	£m	£m	£m	£m	£m
Revenue from external customers	27.7	49.4	62.0	17.7	15.0	6.4	**178.2**

[1] Americas includes revenue to the United States of America of £59.7m (2019: £58.5m)

[2] Middle East & North Africa

Intangible assets held in the US and Canada were £21.1m (2019: £21.5m), of which £19.7m related to Goodwill (2019: £19.7m). Intangible assets held in the UAE were £14.3m (2019: £15.9m) of which £11.4m related to Goodwill (2019: £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 subscriptions 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, "deferred 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 deferred 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		Deferred revenue recognised within the Consolidated Statement of Financial Position	
	Year ended 31 December 2020	Year ended 31 December 2019	As at 31 December 2020	As at 31 December 2019
	£m	£m	£m	£m
Services transferred:				
Over a period of time	149.1	138.9	64.2	57.5
Immediately on delivery	29.3	39.3	10.5	11.1
Total	**178.4**	**178.2**	**74.7**	**68.6**

As subscriptions are typically for periods of 12 months, the majority of deferred revenue held at 31 December will be recognised in the income statement in the following year. As at 31 December 2020 £1.1m (2019: £0.8m) of the deferred 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

Operating profit is stated after the following expenses relating to continuing operations:

	Year ended 31 December 2020 £m	Year ended 31 December 2019 *Restated* £m
Cost of sales	101.0	106.8
Administrative costs	44.4	57.7
	145.4	**164.5**
Losses on trade receivables	1.3	2.3
Total operating expenses	**146.7**	**166.8**

Included within other administrative costs are the following expenses:

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Depreciation of property, plant and equipment	7.0	4.8
Amortisation of intangible assets	11.8	17.2
(Gain)/loss (including realised and unrealised) on foreign exchange	(0.3)	2.4
Short-term and low-value lease expenses	0.7	1.1
Auditor's remuneration	0.6	0.5

Auditor's remuneration:

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Audit of the Company's and the consolidated financial statements	0.4	0.1
Audit of subsidiary companies' financial statements	0.2	0.4
	0.6	**0.5**

7. ADJUSTING ITEMS

	Year ended 31 December 2020 £m	Year ended 31 December 2019 *Restated* £m
Restructuring costs	0.4	0.8
M&A costs	0.7	1.5
Refinancing costs	0.2	-
Costs of settlement of pension liabilities (note 1)	-	2.2
Share based payment charge	4.2	10.9
Revaluation gain on short and long-term derivatives	(0.3)	(1.7)
Unrealised operating foreign exchange (gain)/loss	(0.3)	1.4
Amortisation of acquired intangibles	10.7	16.3
Total adjusting items	**15.6**	**31.4**

The adjustments made are as follows:

- Restructuring relates to a £0.1m charge incurred in relation to the pension buy-in transaction, a £0.2m charge incurred in relation to restructuring and £0.1m of fees incurred in relation to the Employee Benefit Trust.
- The M&A costs relate to deferred consideration payments in respect to two acquisitions made in 2018, CHM Research Limited and Competenet Inc.
- Refinancing costs represent £0.2m and are in relation to the refinancing activity completed in May 2020.
- Costs of settlement of pension liabilities reflects a charge of £2.2m in relation to the buy-in of the World Market Intelligence Limited defined benefit pension scheme. The scheme came into the Group as part of the acquisition of Research Views Limited and subsidiaries (World Market Intelligence Limited being a subsidiary of Research Views Limited) in 2018; the charge is therefore reflected as an adjusting item given it has arisen as part of M&A activity and relates to a corporate transaction to transfer the defined benefit obligations to a third party.
- The share based payments charge is in relation to the two share based compensation plans (detailed in note 24) 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).
- 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 (gains)/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 2020 £m	Year ended 31 December 2019 £m
Wages and salaries	91.5	89.6
Social security costs	6.6	6.2
Pension costs	1.6	1.6
Share based payments charge (note 24)	4.3	10.9
	104.0	**108.3**

Termination costs incurred during the year amounted to £0.4m (2019: £0.1m).

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 2020 No.	Year ended 31 December 2019 No.
Researchers and analysts	2,640	2,507
Sales and admin	743	788
	3,383	**3,295**

9. KEY MANAGEMENT COMPENSATION

Key management is defined as Directors plus all members of the Group's Executive Management Committee. In the year ended 31 December 2020, key management consisted of 17 employees (2019: 16 employees).

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Short-term employee benefits	3.0	3.3
Post-employment benefits	0.1	0.1
Share based payments	1.4	1.3
	4.5	**4.7**

Post-employment benefits comprise 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 47 to 49.

10. NET FINANCE COSTS

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Loan interest cost	2.8	3.1
Lease interest cost	1.7	1.6
Other interest cost	-	0.1
Other interest income	(0.1)	(0.1)
	4.4	**4.7**

11. INCOME TAX

Income statement	Year ended 31 December 2020 £m	Year ended 31 December 2019 *Restated* £m
Current income tax:		
Current income tax	(6.7)	(6.0)
Adjustments in respect of prior years	0.4	0.2
	(6.3)	(5.8)
Deferred income tax:		
Relating to origination and reversal of temporary differences	(1.1)	2.1
Effect of change in tax rates	0.1	-
Adjustments in respect of deferred tax of previous years	(0.1)	(0.4)
Movement in unrecognised deferred tax	1.4	(0.1)
	0.3	1.6
Total income tax expense in income statement	**(6.0)**	**(4.2)**

Recognised in statement of changes in equity	Year ended 31 December 2020 £m	Year ended 31 December 2019 *Restated* £m
Corporation tax income on share options exercised	1.3	0.8
Deferred tax income on share based payments	0.3	2.9
Total tax income recognised directly in equity	**1.6**	**3.7**

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

	Year ended 31 December 2020 £m	Year ended 31 December 2019 *Restated* £m
Profit on ordinary activities before tax	28.6	8.0
Tax at the UK corporation tax rate of 19% (2019: 19%)	(5.4)	(1.5)
Effects of:		
Non-taxable income for tax purposes	0.1	0.3
Non-deductible expenses for tax purposes	(0.7)	(1.1)
Movement in share based payments	0.2	(0.1)
Deferred tax on unremitted earnings in the Group's subsidiaries	(1.1)	-
Effect of tax rates in overseas jurisdictions	(0.9)	(0.6)
Overseas tax	-	(0.4)
Effect of change in deferred tax rates	0.1	(0.5)
Adjustments in respect of current income tax of previous years	0.3	(0.2)
Movement in unrecognised deferred tax	1.4	(0.1)
	(6.0)	**(4.2)**

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 period. The Group also has a share options scheme in place and therefore the Group has calculated the dilutive effect of these options.

	Year ended 31 December 2020	Year ended 31 December 2019 *Restated*
Earnings per share attributable to equity holders from continuing operations:		
Basic		
Profit for the period attributable to ordinary shareholders of the parent company (£m)	22.6	3.8
Weighted average number of shares (no' m)	116.2	116.5
Basic earnings per share (pence)	19.4	3.3
Diluted		
Profit for the period attributable to ordinary shareholders of the parent company (£m)	22.6	3.8
Weighted average number of shares (no' m)	124.8	125.7
Diluted earnings per share (pence)	18.1	3.0

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

	Year ended 31 December 2020 No' m	Year ended 31 December 2019 No' m
Basic weighted average number of shares, net of shares held in Treasury reserve	116.2	116.5
Share options in issue at end of period, net of shares not paid up	8.6	9.2
Diluted weighted average number of shares	**124.8**	**125.7**

13. INTANGIBLE ASSETS

	Software	Customer relationships	Brands	IP rights and database	Goodwill	Total
	£m	£m	£m	£m	£m	£m
Cost						
As at 1 January 2019	9.7	42.6	15.7	47.1	222.8	337.9
Additions: Business Combinations	-	1.0	0.3	1.8	4.4	7.5
Additions: Separately Acquired	1.1	-	-	-	-	1.1
Fair value adjustment	-	-	-	-	0.1	0.1
Foreign currency retranslation	(0.1)	-	-	-	-	(0.1)
As at 31 December 2019	10.7	43.6	16.0	48.9	227.3	346.5
Additions: Business Combinations	-	0.4	-	1.3	0.4	2.1
Additions: Separately Acquired	1.5	-	-	-	-	1.5
Foreign currency retranslation	-	-	0.1	-	-	0.1
As at 31 December 2020	**12.2**	**44.0**	**16.1**	**50.2**	**227.7**	**350.2**
Amortisation						
As at 1 January 2019	(8.1)	(20.9)	(8.2)	(31.6)	(10.5)	(79.3)
Charge for the year	(0.8)	(4.2)	(1.4)	(10.8)	-	(17.2)
Foreign currency retranslation	0.1	-	-	-	-	0.1
As at 31 December 2019	(8.8)	(25.1)	(9.6)	(42.4)	(10.5)	(96.4)
Charge for the year	(1.1)	(3.7)	(1.1)	(5.9)	-	(11.8)
As at 31 December 2020	**(9.9)**	**(28.8)**	**(10.7)**	**(48.3)**	**(10.5)**	**(108.2)**
Net book value						
As at 31 December 2020	**2.3**	**15.2**	**5.4**	**1.9**	**217.2**	**242.0**
As at 31 December 2019	1.9	18.5	6.4	6.5	216.8	250.1

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

The Group has not capitalised any internally generated intangible assets (2019: nil). As at 31 December 2020, the net book value of internally generated intangible assets is nil (2019: nil).

As at 31 December 2020, 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
	£m	Period	£m	Period	£m	Period
Current Analysis	0.5	2 years	-	-	-	-
Infinata	1.1	5 years	-	-	-	-
MEED	2.9	4 years	-	-	-	-
AROQ	0.8	8 years	-	-	0.7	1 year
Research Views	6.6	3-10 years	-	-	-	-
GlobalData	2.7	2 years	3.8	10 years	-	-
Global Ad Source	0.2	13 years	-	-	0.1	1 year
Verdict	-	-	1.6	7 years	-	-
Progressive Content	0.4	7 years	-	-	1.1	4 years
Total carrying value	**15.2**		**5.4**		**1.9**	

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 the next financial years' budget with growth rates applied to generate a five-year forecast. 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 CGUs. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Management have previously identified 8 CGUs, being Healthcare, Technology, Consumer, Construction, Energy, Financial Services, MEED, and Communities, which can all be traced back to acquisitions over recent years. Management are now of the opinion that since acquisition and through being integrated and further developed within the Group, these assets all contribute to generating cash inflows for the wider business, covering all subject matter areas. All subject matters are accessible through the single operating platform ('One Platform'), and all products include access to a thin layer of information spanning across all markets and subjects. The exception to this is MEED, which continues to be classified as an individual CGU due to having separately identifiable cash flows and financial results. Management have therefore identified 2 CGUs, being 'Data, Analytics, and Insights' and MEED. Management recognise that this approach is different to the conclusion reached regarding the segmental reporting rationale of the Group; however, this is appropriate because the IFRS criteria for identifying segments and CGUs differ. There are no historical or current impairment charges as a result of this change, and no impairment loss would have arisen in the current year under the previous CGU approach. Management have considered whether events should be classified as a separate CGU, but have concluded that this is a route to market with the same underlying Data, Analytics, and Insights product. If management had concluded that events was a CGU, no impairment loss would have arisen in the current year.

Overall, the Group has significant headroom on its goodwill and intangibles carrying value, with the Data, Analytics, and Insights CGU having headroom of £854.4m and the MEED CGU having headroom of £5.2m.

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 budgets for 2021, with revenue and cost increases to cover the period 2022-2025. Revenue growth rates are based on five forecast year CAGR which are based upon management's expectation of performance over this period. These rates are comparable with or lower than historic growth performance. Cost increases are based upon the OECD long-term forecast.

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 2025 using a 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	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Data, Analytics, & Insights	5.67%	-*	2.00%	2.00%	9.80%	-*	2.00%	2.00%
MEED	2.98%	2.98%	2.00%	2.00%	9.08%	9.63%	2.00%	2.00%

*Comparative rates for increase in revenue and discount rate are not provided for the Data, Analytics, & Insights CGU given 2020 is the first year of reporting.

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 by	Discount rate rises to
Data, Analytics, & Insights	(11.8%)	36.1%
MEED	(1.2%)	11.4%

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 MEED CGU; however, management are comfortable with these assumptions and will continue to monitor performance regularly for any indicators of future impairment loss.

Amortisation

Amortisation and impairment charges are accounted for within the administrative costs category within the income statement. Within note 7, the Group separates out amortisation of acquired intangibles from other Group amortisation charges.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Fixtures, fittings & equipment	Leasehold Improvements	Total
	£m	£m	£m	£m
Cost				
As at 1 January 2019	-	6.9	0.5	**7.4**
Right-of-use asset recognition	36.0	-	-	**36.0**
Additions: Business Combinations	0.5	0.1	-	**0.6**
Additions: Separately Acquired	12.7	1.1	0.5	**14.3**
Foreign currency retranslation	0.1	(0.1)	-	**-**
Disposals	(0.1)	(0.2)	-	**(0.3)**
As at 31 December 2019	49.2	7.8	1.0	**58.0**
Additions: Business Combinations	-	0.2	-	**0.2**
Additions: Separately Acquired	0.3	2.8	0.7	**3.8**
Foreign currency retranslation	(0.5)	(0.1)	-	**(0.6)**
Disposals	(0.9)	(0.1)	-	**(1.0)**
As at 31 December 2020	**48.1**	**10.6**	**1.7**	**60.4**
Depreciation				
As at 1 January 2019	-	(5.9)	(0.1)	**(6.0)**
Additions: Business Combinations	-	(0.1)	-	**(0.1)**
Charge for the year	(4.0)	(0.7)	(0.1)	**(4.8)**
Foreign currency retranslation	-	0.1	-	**0.1**
Disposals	-	0.2	-	**0.2**
As at 31 December 2019	(4.0)	(6.4)	(0.2)	**(10.6)**
Additions: Business Combinations	-	(0.2)	-	**(0.2)**
Charge for the year	(5.7)	(1.2)	(0.1)	**(7.0)**
Foreign currency retranslation	0.1	0.1	-	**0.2**
Disposals	0.6	0.1	-	**0.7**
As at 31 December 2020	**(9.0)**	**(7.6)**	**(0.3)**	**(16.9)**
Net book value				
As at 31 December 2020	**39.1**	**3.0**	**1.4**	**43.5**
As at 31 December 2019	45.2	1.4	0.8	47.4

Included in the net carrying amount of property, plant and equipment as at 31 December 2020 are right-of-use assets as follows:

	Buildings £m
Cost	
As at 31 December 2019	48.7
Additions: Separately Acquired	0.3
Disposals	(0.9)
Foreign currency retranslation	(0.5)
As at 31 December 2020	**47.6**
Depreciation	
As at 31 December 2019	(4.0)
Charge for the period	(5.6)
Disposals	0.6
Foreign currency retranslation	0.1
As at 31 December 2020	**(8.9)**
Net book value	
As at 31 December 2020	**38.7**
As at 31 December 2019	44.7

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 2020 £m	31 December 2019 £m
Current lease liabilities	4.1	3.9
Non-current lease liabilities	35.8	40.7
	39.9	**44.6**

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	20	0 – 13 years	4.5 years	0	4
Motor vehicle	1	2 – 3 years	2.4 years	0	0

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2020 were as follows:

As at 31 December 2020	Within 1 year £m	1 to 5 years £m	After 5 years £m	Total £m
Lease payments	5.6	20.9	21.8	48.3
Finance charges	(1.5)	(4.1)	(2.8)	(8.4)
Net present values	**4.1**	**16.8**	**19.0**	**39.9**

As at 31 December 2019	Within 1 year £m	1 to 5 years £m	After 5 years £m	Total £m
Lease payments	5.7	23.6	25.6	54.9
Finance charges	(1.8)	(5.0)	(3.5)	(10.3)
Net present values	**3.9**	**18.6**	**22.1**	**44.6**

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. The expense relating to payments not included in the measurement of the lease liability is as follows:

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Short-term and low-value lease expenses	0.7	1.1
	0.7	**1.1**

At 31 December 2020 the Group was committed to short-term leases and the total commitment at that date was £0.1m (2019: £0.2m).

At 31 December 2020 the Group had not committed to any leases that 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 2020, the Group had contracts with sub-tenants for the following future minimum lease rentals:

	31 December 2020 £m	31 December 2019 £m
Land and Buildings		
Within 1 year	1.3	1.3
Within 1 to 2 years	1.3	1.3
Within 2 to 3 years	1.3	1.3
Within 3 to 4 years	1.3	1.3
Within 4 to 5 years	1.3	1.3
Over 5 years	5.3	6.6
	11.8	**13.1**

16. DERIVATIVE ASSETS AND LIABILITIES

	31 December 2020	31 December 2019
	£m	£m
Short-term derivative assets	1.2	0.9
Short-term derivative liabilities	(0.1)	(0.1)
Net derivative asset	**1.1**	**0.8**

Classification is based on when the derivatives mature. The fair values of derivatives are expected to impact the income statement over the next year, dependent on movements in the fair value of the foreign exchange contracts. The movement in the year was a £0.3m credit to the income statement (2019: credit of £1.7m).

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
	€m	$m
Expiring in the year ending:		
31 December 2021	9.7	29.1

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

	Sterling	US Dollar
	£m	$m
Expiring in the year ending:		
31 December 2021	0.5	13.0

17. TRADE AND OTHER RECEIVABLES

	31 December 2020	31 December 2019
	£m	£m
Trade receivables	36.2	37.4
Prepayments	5.3	4.4
Other receivables	1.1	1.9
Accrued income	1.4	1.2
Related party receivables (note 28)	0.9	0.9
	44.9	**45.8**

The contractual value of trade receivables is £42.3m (2019: £43.7m). Their carrying value is assessed to be £36.2m (2019: £37.4m) after assessing recoverability. The contractual value and the carrying value of other receivables are considered to be the same.

The amounts owed by related parties relate to a loan that is repayable in annual instalments and is interest bearing, as detailed in note 28.

The ageing analysis of net trade receivables is as follows:

	31 December 2020	31 December 2019
	£m	£m
Not overdue	29.8	32.1
Not more than 3 months overdue	6.0	4.4
More than 3 months but not more than 1 year	0.4	0.9
	36.2	**37.4**

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

	31 December 2020	31 December 2019
	£m	£m
Not overdue	0.4	0.2
Not more than 3 months overdue	1.1	0.6
More than 3 months	4.6	5.5
	6.1	**6.3**

The impaired receivables of £6.1m comprises an expected credit loss provision of £3.9m (2019: £5.1m) and credit note provision of £2.2m (2019: £1.2m).

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

	31 December 2020	31 December 2019
	£m	£m
Pounds Sterling	18.4	16.4
US Dollar	18.8	21.9
Euro	3.4	3.7
Australian Dollar	1.1	0.9
Other	0.6	0.8
	42.3	**43.7**

Movement on the Group's loss allowances for trade receivables are as follows:

	31 December 2020	31 December 2019
	£m	£m
Opening expected credit loss allowance	5.1	3.3
Increase in loss allowance	1.3	2.3
Receivables written off during the year as uncollectable	(2.5)	(0.5)
Closing expected credit loss allowance	**3.9**	**5.1**

	31 December 2020	31 December 2019
	£m	£m
Opening credit note provision	1.2	0.8
Increase in credit note provision recognised in revenue	0.4	0.6
Increase in credit note provision charged against deferred revenue	1.3	1.4
Credit notes raised during the year	(0.7)	(1.6)
Closing credit note provision	**2.2**	**1.2**

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 (within the ECL provision) which are estimated using a provision matrix 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.

In calculating the ECL provision, an estimate was made by management to apply an appropriate uplift to the ECL rate to take into account forecast market conditions, including the expected impact of COVID-19. Management reviewed the Group's trade receivables balances outstanding by industry, in order to calculate an uplift rate which reflected the weighted average forecast risk levels present within the range of industries relevant to the trade receivables balance. The ECL uplift rate calculated overall was 3.87%. If the ECL uplift rate were increased to 5%, this would have had an impact on the ECL provision of £0.2m.

Details of the provision matrix are presented below:

31 December 2020

Days	0-30	31-60	61-90	91-120	121-150	150-365	365+	Total
Net Exposure (£m)	7.3	1.0	0.4	0.1	0.1	0.2	0.1	9.2
ECL Rate	5.0%	8.1%	13.7%	22.2%	32.2%	30.0%	100.0%	
Provision (£m)	0.4	0.1	0.0	0.0	0.0	0.1	0.1	**0.7**

31 December 2019

Days	0-30	31-60	61-90	91-120	121-150	150-365	365+	Total
Net Exposure (£m)	7.5	1.8	0.5	0.6	0.2	0.4	0.6	11.6
ECL Rate	2.4%	4.3%	7.4%	14.7%	29.4%	59.2%	100.0%	
Provision (£m)	0.2	0.1	0.0	0.1	0.1	0.2	0.6	**1.3**

Net exposure presented in the above tables consists of gross debtors, net of specific customer provisions and unreleased deferred revenue.

The maximum exposure to credit risk at 31 December 2020 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 2020 £m	31 December 2019 *Restated* £m
Balance brought forward	3.9	0.1
Tax income during the period recognised in profit or loss	0.3	1.6
Tax income during the period recognised directly in equity	0.3	2.9
Deferred taxes acquired in business combinations	(0.3)	(0.7)
Balance carried forward	**4.2**	**3.9**

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

Accelerated depreciation for tax purposes	(0.1)	0.1
Deferred tax on unremitted earnings in the Group's subsidiaries	(1.1)	-
Losses available for offsetting against future taxable income	1.0	1.0
Share based payments	7.7	7.5
Business combinations	(3.7)	(4.7)
Other temporary differences	0.4	-
Balance carried forward	**4.2**	**3.9**

	31 December 2020 £m	31 December 2019 £m
Deferred tax asset	5.4	8.7
Deferred tax liability	(1.2)	(4.8)
Net position	**4.2**	**3.9**

The Group has tax losses of £6.3m (2019: £13.3m) that are available for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group; they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax-planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, profit would increase by £1.3m (2019: £2.7m).

The temporary differences associated with investments in the Group's overseas subsidiaries for which a deferred tax liability has not been recognised (i.e. excluding the temporary differences relating to a deferred tax liability already recognised) in the periods presented aggregate to £9.7m (2019: £17.7m). The Group has determined that the undistributed profits of these subsidiaries will not be distributed in the forseeable future.

There are no income tax consequences attached to the payment of dividends in either 2020 or 2019 by the Group to its shareholders.

19. TRADE AND OTHER PAYABLES

	31 December 2020 £m	31 December 2019 £m
Trade payables	8.6	9.6
Other taxation and social security	2.1	1.1
Deferred revenue	74.7	68.6
Accruals	14.8	16.8
	100.2	**96.1**

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

20. BORROWINGS

	31 December 2020 £m	31 December 2019 £m
Short-term lease liabilities	4.1	3.9
Short-term borrowings	5.0	6.0
Current liabilities	**9.1**	**9.9**
Long-term lease liabilities	35.8	40.7
Long-term borrowings	70.8	60.5
Non-current liabilities	**106.6**	**101.2**

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

	Short-term borrowings £m	Long-term borrowings £m	Short-term lease liabilities[1] £m	Long-term lease liabilities[1] £m	Total £m
1 January 2019	**6.0**	**64.3**	**2.0**	**33.7**	**106.0**
Cash flows:					
- Repayment	(6.0)	(4.5)	(4.8)	-	(15.3)
- Proceeds	-	6.4	-	-	6.4
Non-cash:					
- Loan fee amortisation	-	0.3	-	-	0.3
- Lease additions	-	-	3.4	9.3	12.7
- Lease liabilities[2]	-	-	1.4	(0.4)	1.0
- Reclassification	6.0	(6.0)	1.9	(1.9)	-
31 December 2019	**6.0**	**60.5**	**3.9**	**40.7**	**111.1**
Cash flows:					
- Repayment	(5.3)	-	(6.1)	-	**(11.4)**
- Proceeds	-	15.0	-	-	**15.0**
- Loan fees paid	-	(0.7)	-	-	**(0.7)**
Non-cash:					
- Loan fee amortisation until modification date	-	0.1	-	-	**0.1**
- Fair value adjustments since modification	-	0.2	-	-	**0.2**
- Lease additions	-	-	0.3	-	**0.3**
- Lease liabilities[2]	-	-	1.6	(0.5)	**1.1**
- Reclassification	4.3	(4.3)	4.4	(4.4)	**-**
As at 31 December 2020	**5.0**	**70.8**	**4.1**	**35.8**	**115.7**

[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 May 2020, the Group announced that it had agreed to increase its current banking facilities with NatWest Group, HSBC and Bank of Ireland, extending the current maturity to April 2023 (previously April 2022). The new arrangements increase the total committed facility to £145.5m (previously £100m), plus a further uncommitted accordion facility of £75m. The committed facility comprises a term loan of £50m and a revolving credit facility (RCF) of £95.5m.

The term loan is repayable in quarterly instalments, with total repayments due in the next 12 months of £5.0m. The outstanding term loan balance as at 31 December 2020 is £46.3m, with a fair value in accordance with IFRS 9 of £45.6. As at 31 December 2020, the Group had drawn down £30.5m of the RCF, with a fair value in accordance with IFRS 9 of £30.2m. Interest is charged on the term loan and drawn down RCF at a rate of 2.5% over the London Interbank Offered Rate.

In accordance with IFRS 9, Management have performed a comparison of the fair value of the new debt with the old debt to determine whether there has been a substantial modification requiring derecognition. The assessment concluded that there has not been a substantial modification; the difference between the fair value of the new debt with the old debt was £0.0m.

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 cost, as follows:

	31 December 2020 £m	31 December 2019 £m
Non-current assets		
Related party receivables	0.9	1.9
	0.9	**1.9**
Current assets		
Cash	17.7	11.2
Trade receivables	36.2	37.4
Other receivables	1.1	1.9
Related party receivables	0.9	0.9
	55.9	**51.4**
Current liabilities		
Trade payables	(8.6)	(9.6)
Short-term borrowings	(5.0)	(6.0)
Accruals	(14.8)	(16.8)
	(28.4)	**(32.4)**
Non-current liabilities		
Long-term borrowings	(70.8)	(60.5)
	(70.8)	**(60.5)**

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

	31 December 2020 £m	31 December 2019 £m
Current assets		
Short-term derivative assets	1.2	0.9
	1.2	**0.9**
Current liabilities		
Short-term derivative liabilities	(0.1)	(0.1)
	(0.1)	**(0.1)**

Maturity analysis

31 December 2020	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
	£m	£m	£m	£m	£m
Non-current assets					
Related party receivables	-	-	-	0.9	**0.9**
Current assets					
Cash	17.7	-	-	-	**17.7**
Short-term derivative assets	0.1	0.5	0.6	-	**1.2**
Trade receivables	19.6	13.2	3.4	-	**36.2**
Other receivables	-	1.1	-	-	**1.1**
Related party receivables	0.9	-	-	-	**0.9**
Current liabilities					
Short-term borrowings	-	(1.8)	(5.2)	-	**(7.0)**
Short-term derivative liabilities	-	(0.1)	-	-	**(0.1)**
Trade accounts payable	(3.9)	(4.7)	-	-	**(8.6)**
Accruals	-	(14.8)	-	-	**(14.8)**
Non-current liabilities					
Long-term borrowings	-	-	-	(73.2)	**(73.2)**
	34.4	**(6.6)**	**(1.2)**	**(72.3)**	**(45.7)**

31 December 2019	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
	£m	£m	£m	£m	£m
Non-current assets					
Related party receivables	1.9	-	-	-	**1.9**
Current assets					
Cash	11.2	-	-	-	**11.2**
Short-term derivative assets	-	0.3	0.6	-	**0.9**
Trade receivables	25.6	10.3	1.5	-	**37.4**
Other receivables	-	1.9	-	-	**1.9**
Related party receivables	0.9	-	-	-	**0.9**
Current liabilities					
Short-term borrowings	-	(2.0)	(6.0)	-	**(8.0)**
Short-term derivative liabilities	-	(0.1)	-	-	**(0.1)**
Trade accounts payable	(3.1)	(6.5)	-	-	**(9.6)**
Accruals	-	(16.8)	-	-	**(16.8)**
Non-current liabilities					
Long-term borrowings	-	-	-	(63.1)	**(63.1)**
	36.5	**(12.9)**	**(3.9)**	**(63.1)**	**(43.4)**

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 £4.4m (2019: £4.7m)).

Reclassifications
There have been no reclassifications between financial instrument categories during the years ended 31 December 2020 and 31 December 2019.

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 that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2020, 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, trade accounts payable and borrowings
The carrying amounts of cash, trade receivables and trade payables are approximately equivalent to their fair value because of the short term to maturity. In the case of borrowings, the floating rate of interest (LIBOR plus margin) allows the carrying value to approximate to fair value.

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 Pounds 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 Pounds Sterling.

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

31 December 2020	USD	EUR	Other	Total
	£m	£m	£m	£m
Exposures				
Cash	4.2	0.7	5.0	**9.9**
Short and long-term derivative assets/(liabilities)	1.1	-	-	**1.1**
Trade receivables	18.9	3.4	0.7	**23.0**
Trade accounts payable	(0.3)	-	(0.5)	**(0.8)**
Net exposure	**23.9**	**4.1**	**5.2**	**33.2**

31 December 2019	USD	EUR	Other	Total
	£m	£m	£m	£m
Exposures				
Cash	4.2	0.6	4.1	**8.9**
Short and long-term derivative assets/ (liabilities)	0.6	0.2	-	**0.8**
Trade receivables	21.7	3.9	1.3	**26.9**
Trade accounts payable	(0.3)	-	(0.2)	**(0.5)**
Net exposure	**26.2**	**4.7**	**5.2**	**36.1**

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	
	2020	2019	2020	2019
	£m	£m	£m	£m
Impact on profit before income tax:				
USD	2.6	2.9	(2.2)	(2.4)
EUR	0.4	0.5	(0.4)	(0.4)
	3.0	**3.4**	**(2.6)**	**(2.8)**

This analysis assumes a movement in Pounds 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	
	2020	2019	2020	2019
	£m	£m	£m	£m
Impact on:				
Net earnings before income tax	0.8	1.1	(0.8)	(1.1)

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 2020, the Group has a revolving credit facility of £30.5m and a £50.0m term loan (of which £46.2m is outstanding as at 31 December 2020). 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.

£56.8m of the Group's assets are subject to credit risk (31 December 2019: £53.3m). 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 is 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; and
- a reassessment 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 2020, is shown as below:

	2020	2019	2018	2017	2016	2015	2014
Revenue (£m)	**178.4**	**178.2**	**157.6**	**118.6**	**100.0**	**60.5**	**63.2**
Provision added for bad debt (£m)	1.7	2.9	2.4	0.8	0.9	0.8	2.3
% of revenue	1.0%	1.6%	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 end and half year, 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	Total
	£m	£m	£m	£m
At 1 January 2019	0.2	-	0.6	0.8
Increase in provision	-	0.4	0.1	0.5
Utilised	(0.1)	-	(0.1)	(0.2)
Release of unutilised provision	(0.1)	-	(0.4)	(0.5)
At 31 December 2019	-	0.4	0.2	0.6
Increase in provision	-	-	0.1	0.1
At 31 December 2020	**-**	**0.4**	**0.3**	**0.7**
Current:	-	0.1	0.1	0.2
Non-current:	-	0.3	0.2	0.5

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, over a period of less than one to 14 years.

23. EQUITY

Share capital

Allotted, called up and fully paid:

	31 December 2020		31 December 2019	
	No'000	£000s	No'000	£000s
Ordinary shares (1/14th pence)	118,303	**84**	118,303	**84**
Deferred shares of £1.00 each	100	**100**	100	**100**
Total allotted, called up and fully paid	**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 2,102,250 shares at a total market value of £23.7m. 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 May 2020, 1.8m outstanding share options held by GlobalData employees vested in accordance with the Adjusted EBITDA target being satisfied under Tranche 2b 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 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; and
- 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 2006 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 2019 was 10.0p per share and was paid in June 2020. The total dividend for the current year is 17.0 pence per share, with an interim dividend of 5.4 pence per share paid on 2 October 2020 to shareholders on the register at the close of business on 28 August 2020. A final dividend of 11.6 pence per share will be paid on 23 April 2021 to shareholders on the register at the close of business on 26 March 2021. The ex-dividend date will be on 25 March 2021.

Following the year end, the Directors became aware that the Company had made unlawful distributions in 2018, 2019 and 2020 on account of the fact that it had incorrectly included reserves arising from share based payments, relating to employees of subsidiaries, as distributable and had not filed interim accounts in accordance with section 838 of the Companies Act 2006 to demonstrate sufficient reserves were available for distribution. Therefore, during the period from May 2018 through to January 2021, contributions made to the Employee Benefit Trust, in order to buy back shares to satisfy the employee share options plan, and distributions by way of dividends were unlawful distributions in accordance with section 838 of the Companies Act 2006.

In order to correct the position, the Company will file interim accounts with Companies House in advance of the Annual General Meeting to demonstrate it has sufficient reserves. At the Company's Annual General Meeting, on 20 April 2021, the Company shall propose a resolution to remove any right the Company may have to claim from Directors and Shareholders in respect of the relevant contributions and distributions. The payments deemed to be unlawful during this period were £7.1m in 2018, £18.3m in 2019, £34.8m in 2020 and £0.3m in January 2021. Upstream dividends will be paid in advance of the interim accounts to create additional distributable reserves in the Company and the resolutions, if passed, will regularise the matter.

Share premium
Proceeds received in addition to the nominal value of shares issued have been included in the share premium account.

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 represents the cost of shares held 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's 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 Pounds 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 Adjusted 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%	0.0
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
Award 25	14 February 2020	£12.500	0.0714p	0%	1.0
Award 26	23 March 2020	£9.080	0.0714p	0%	1.0
Award 27	23 June 2020	£13.910	0.0714p	0%	1.0
Award 28	22 September 2020	£14.260	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 the remaining target of £52m in any one year before the end of the period in which the options are exercisable, which is generally 10 years from the date of the grant (£52m target excludes the impact of IFRS 16).

The Remuneration Committee noted that due to the impact of COVID-19, the Group failed to meet the final target of £52m Adjusted EBITDA (pre-IFRS 16) during 2020. Under normal circumstances, 892,000 shares would have expired as at 1 January 2021, being 10 years from date of grant. However, due to the impact that COVID-19 has had on the events business, the Remuneration Committee believes it is fair to replace those 892,000 shares and extend the target period by an additional year. The Group has accounted for this under the modification principles of IFRS 2, Share Based Payments.

The replacement share options were clearly documented as replacement options; the same option holders received the same quantity of options, and at the same exercise price, and the vesting target of £52m is equal to the previous target. Therefore, because of these considerations, the Directors believe a modification treatment to be appropriate.

	Group Achieves £10m Adjusted EBITDA	Group Achieves £32m Adjusted EBITDA	Group Achieves £41m Adjusted EBITDA[1]	Group Achieves £52m Adjusted EBITDA[1]
Awards 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 25	N/a	N/a	N/a	100% Vest
Award 26	N/a	N/a	N/a	100% Vest
Award 27	N/a	N/a	N/a	100% Vest
Award 28	N/a	N/a	N/a	100% Vest

Note 1: Excluding the impact of IFRS 16

Award 11 relates to options awarded to Chairman Bernard Cragg during 2016. These do not carry any performance obligations and vest at a point in time; 125,000 options vested on 31 January 2019 and the remaining 125,000 vested on 31 January 2021 but have not been exercised.

The total charge recognised for the scheme during the twelve months to 31 December 2020 was £2.8m (2019: £10.8m). The awards of the scheme are settled with ordinary shares of the Company.

During the period, the Group purchased an aggregate amount of 2,102,250 shares at a total market value of £23.7m. 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 2019	1/14th	8,853,882
Granted	1/14th	253,750
Exercised	1/14th	(1,847,712)
Forfeited	1/14th	(319,083)
31 December 2020	1/14th	**6,940,837**

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
31 December 2020	**6,940,837**	**1/14th**	**1.0**

In May 2020, 1.8m outstanding share options held by GlobalData employees vested in accordance with the Adjusted EBITDA target being satisfied under Tranche 2b 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 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.

Scheme 2 - 2019 scheme
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 with the sum of the average closing price of a share derived from the 'official list' over the period of 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 that 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	£2.02	0.0714p	0%	4.0
Award 2	7 May 2020	£4.62	0.0714p	0%	4.0
Award 3	25 May 2020	£5.50	0.0714p	0%	4.0
Award 4	23 June 2020	£6.12	0.0714p	0%	4.0
Award 5	22 September 2020	£6.35	0.0714p	0%	4.0
Award 6	17 November 2020	£7.12	0.0714p	0%	4.0

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 twelve months to 31 December 2020 was £1.4m (2019: £0.1m). 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 2019	1/14th	1,400,000
Granted	1/14th	1,625,000
31 December 2020	**1/14th**	**3,025,000**

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
31 December 2020	**3,025,000**	**1/14th**	**4.00**

25. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2020 (2019: £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 defined benefit pension scheme of World Market Intelligence Limited, a subsidiary of the Group, to Just Retirement Limited ("Just") through a two-step buy-out transaction under which all risks in relation to the scheme are transferred to Just. The first step of the transaction involved the acquisition of a qualifying insurance policy that will cover the future pension obligations of the scheme (the "buy-in" step), at cash cost to the Group of £1.3m subject to an adjusting payment on completion. The buy-out step, which will see the transfer of the scheme liabilities to the insurer, was completed on 22 February 2021. This transaction has been accounted for as a settlement. A charge of £2.2m has been recognised as a settlement cost, being the difference between the amount paid and the liability at the settlement date. The prior year income statement has been restated to reflect this loss of £2.2m in the income statement.

Previously, the loss of £2.2m was recognised in other comprehensive income offset by the reversal of an asset ceiling, recorded to limit the pension surplus able to be recognised under IFRSs, in the amount of £0.9m. As such, an overall entry of £1.3m was recognised in other comprehensive income in the prior year. The reversal of the asset ceiling of £0.9m through other comprehensive income is not impacted by the restatement as this may not offset any loss recorded in the income statement in respect of this transaction. The Group incurred legal and professional fees of £0.1m 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 2020.

The Group's contribution to the scheme since acquisition was £nil.

The scheme was 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 included:

- 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 2020	31 December 2019
	£m	£m
Opening defined benefit obligation	(4.7)	(5.1)
Interest expense on defined benefit obligation	(0.1)	(0.1)
Benefits paid	0.1	0.9
Past service cost	-	-
Re-measurement	(0.5)	(0.4)
Closing defined benefit obligation	**(5.2)**	**(4.7)**

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

	31 December 2020 £m	31 December 2019 £m
Opening fair value of plan assets	4.7	6.0
Interest income on plan assets	0.1	0.1
Re-measurement	0.5	(1.8)
Contributions paid by the Group	-	1.3
Benefits paid	(0.1)	(0.9)
Closing fair value of scheme assets	**5.2**	**4.7**

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

	31 December 2020 £m	31 December 2019 £m
Defined benefit obligation	(5.2)	(4.7)
Fair value of scheme assets	5.2	4.7
Net defined benefit asset	**-**	**-**

Net interest income of nil (2019: nil) has been incurred on the assets of the scheme in the year with a past service cost of nil (2019: nil). The net loss on re-measurement of scheme assets and obligations is nil (2019: £2.2m).

	31 December 2020 £m	31 December 2019 £m
Re-measurement of obligation	(0.5)	(0.4)
Re-measurement of asset	0.5	(1.8)
Loss recognised in the income statement	**-**	**(2.2)**

The assumptions that 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 2020 % pa	31 December 2019 % pa
Discount rate	1.2%	2.0%
RPI inflation rate	3.2%	3.4%
CPI inflation rate	2.2%	2.4%
Increases to pensions in deferment:		
- Non-GMP* accrued before 6 April 2009	2.2%	2.4%
- Non-GMP* accrued on or after 6 April 2009	2.2%	2.4%
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	88
- Female currently aged 45	91	90

*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 has also changed to leave the net position broadly unchanged.

Change	Increase in assumption	Decrease in assumption
Discount rate by 0.25% p.a.	(3.5%)	3.8%
Inflation by 0.25% p.a.	0.5%	(1.1%)
Increase life expectancy by 1 year	5.5%	(5.4%)

27. ACQUISITIONS

Progressive Content Limited

On 7 May 2020, the Group acquired 100% of the share capital of Progressive Content Limited for cash consideration of £1. The acquisition was made in order to act as a catalyst for new business opportunities and to strengthen and support the existing Group.

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

	Carrying Value	Fair Value Adjustments	Fair Value
	£m	£m	£m
Intangible assets consisting of:			
Customer relationships	-	0.4	**0.4**
Intellectual property and content	-	1.3	**1.3**
Net assets acquired consisting of:			
Cash and cash equivalents	0.1	-	**0.1**
Trade and other receivables	1.1	(0.2)	**0.9**
Trade and other payables	(2.9)	-	**(2.9)**
Deferred tax	-	(0.2)	**(0.2)**
Fair value of net (liabilities)/assets acquired	**(1.7)**	**1.3**	**(0.4)**

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

	Fair Value
	£m
Consideration	-
Plus net liabilities acquired	0.4
Goodwill	**0.4**

In line with the provision of IFRS 3, fair value adjustments may be required within the 12-month period from the date of acquisition. Any fair value adjustments will result in an adjustment to the goodwill balance reported above. 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 70.

The Group incurred legal expenses of £2,000 in relation to the acquisition. In the period from the date of acquisition to 31 December 2020, the trade of Progressive Content Limited generated revenues of £2.2m and loss before tax of £1.7m.

Progressive Content Limited was an entity under common control at the time of acquisition, by virtue of being controlled by Mike Danson. IFRS 3 scopes out combinations of entities under common control. The Group has therefore applied IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and used management judgement in developing and applying an accounting policy that results in information which is reliable and relevant. Management have determined it is most appropriate to follow the principles of IFRS 3 and apply acquisition accounting for acquisitions of entities under common control.

Cash Cost of Acquisitions

The cash cost of acquisitions comprises:

	31 December 2020 £m
Acquisition of Progressive Content Limited:	
Cash consideration	-
Cash acquired as part of opening balance sheet	(0.1)
Deferred consideration payment CHM Research Limited	0.7
Deferred consideration payment Competenet	0.4
	1.0

28. RELATED PARTY TRANSACTIONS

Mike Danson, GlobalData Plc's Chief Executive, owns 64.9% of the Company's ordinary shares as at 13 March 2021. Mike Danson owns a number of businesses that interact with GlobalData Plc. The principal transactions, which are all conducted at 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, including service and management fees, in relation to the buildings owned by Estel Property Investments for the year ended 31 December 2020 was £2.9m (2019: £2.7m). In addition, GlobalData Plc sub-leases office space to other companies owned by Mike Danson. The total sub-lease income for the year ended 31 December 2020 was £1.3m (2019: £1.3m). This is presented as other income on the face of the Consolidated Income Statement.

Corporate support services

Corporate support services are provided to and from other companies owned by Mike Danson, principally finance (payroll services), 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 and headcount for human resources, finance and IT services. The net recharge made from GlobalData Plc to these companies for the year ended 31 December 2020 was £0.4m (2019: £0.6m).

Loan to Progressive Trade Media Limited

As part of the 2016 disposal of non-core B2B print businesses, the Group made a loan to Progressive Trade Media Limited to fund the purchase consideration. This loan is for £4.5m and repayable in 5 instalments, with the next instalment due in January 2022 (fourth instalment received in January 2021). Interest of 2.25% above LIBOR is charged on the loan, with £0.1m charged in the year ended 31 December 2020 (2019: £0.1m).

Revenue contract containing IP sharing clause

In June 2020, the Group entered into a 5-year service contract with NS Media Group Limited, an entity related by virtue of common control. The agreed suite of data services provided to NS Media Group Limited has been contracted on terms equivalent to those that prevail in arm's length transactions. A key clause within the contract enables the Group to retain ownership of all IP internally generated during the contracted period. Similarly, NS Media Group Limited also is entitled to retain and perpetually use the IP generated. In the year ended 31 December 2020, the total revenue generated from this contract was £0.8m, and the net contribution generated was £0.5m. Each year's fixed fees are invoiced annually in advance, except for any variable components, which are invoiced quarterly in advance. In addition to the IP and content, there are other shared costs, such as software development and webinar production with NS Media Group, for which GlobalData received a charge of £0.4m.

As at 31 December 2020, the total balance receivable from NS Media Group Limited was £nil. There is no specific credit loss provision in place in relation to this receivable and the total expense recognised during the period in respect of bad or doubtful debts was £nil.

Directors and Key Management Personnel

The remuneration of Directors is discussed within the Directors' Remuneration Report on page 48.

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:

No trading balances were outstanding at the year end (2019: nil).

Non-Trading Balances

Amounts due in greater than one year:

	31 December 2020	31 December 2019
	£m	£m
Progressive Trade Media Limited	0.9	1.9
	0.9	**1.9**

Amounts due within one year:

	31 December 2020	31 December 2019
	£m	£m
Progressive Trade Media Limited	0.9	0.9
	0.9	**0.9**

The parent company's balances with related parties are disclosed on page 129 of the annual report.

Acquisition

On 7 May 2020, the Group acquired 100% of the share capital of Progressive Content Limited for cash consideration of £1. Because of the common ownership of Mike Danson, this acquisition is a related party transaction under IAS 24. The transaction was overseen by an independent committee of the Board. Further details are given in note 27.

Other

As explained in the financial review and note 23, following the year end the Directors became aware that distributions made from May 2018 through to January 2021 to the Employee Benefit Trust and shareholders (the 'Relevant Contributions') did not comply with the requirements of section 838 of the Companies Act, due to interim accounts not having been filed with Companies House prior to the Relevant Contribution being made.

In order to correct the position, the Company will file interim accounts with Companies House in advance of the Annual General Meeting to demonstrate it has sufficient reserves. At the Company's Annual General Meeting, on 20 April 2021, the Company shall propose a resolution to remove any right the Company may have to claim from Directors and Shareholders in respect of the relevant contributions and distributions. The payments deemed to be unlawful during this period were £7.1m in 2018, £18.3m in 2019, £34.8m in 2020 and £0.3m in January 2021. Upstream dividends will be paid in advance of the interim accounts to create additional distributable reserves in the Company and the resolutions, if passed, will regularise the matter.

29. POST BALANCE SHEET EVENTS

Retirement Benefit Scheme

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. As detailed in note 26, 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-2019 year end) at a cost to GlobalData Plc of £1.3m. Final buy-out took place on 22 February 2021.

Finance Bill 2021

The UK Chancellor announced a number of tax policy measures, as part of the 2021 Budget, which will be included in Finance Bill 2021. In particular, the UK corporation tax rate will remain at 19% until 31 March 2023 and then increase to 25% from 1 April 2023 onwards. As the Bill was not substantively enacted by the balance sheet date, the Group has continued to measure all UK deferred tax at 19%. The impact of the increase in the UK corporation tax rate will be considered further in the reporting period during which the Bill is passed by the House of Commons.

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, focusing operations through its main subsidiaries in its main territories.

All subsidiary undertakings listed below are 100% wholly owned.

Subsidiary undertaking	Principal activity	Country of registration	Registered Address
GlobalData Australia Pty Limited	Data and analytics	Australia	Suite 1608, Exchange Tower, Business Centre, 530 Little Collins Street, Melbourne, 3000, Victoria, Australia
GlobalData Brasil, serviços e informações empresariais Ltda.*	Data and analytics	Brazil	Rua Juranda, 199 – Vila Madalena, Sao Paulo – SP, 05434-000, Brazil
Adfinitum Networks Inc*	Data and analytics	Canada	530 Richmond St West, Suite 300, Toronto, Ontario, M5V 1Y4, Canada
GlobalData Canada Inc*	Data and analytics	Canada	
GlobalData Trading (Shanghai) Co Limited*	Data and analytics	China	Room 368, Area 302, No.211, North Fute Road, Pilot Free Trade Zone, Shanghai, China
AROQ Limited*	Data and analytics	England & Wales	John Carpenter House, John Carpenter Street, London, EC4Y 0AN, United Kingdom
Attentio Research Limited*	Data and analytics		
Canadean Limited	Data and analytics		
CHM Research Limited*	Non-trading		
Current Intelligence and Analysis Limited*	Data and analytics		
Financial News Publishing Limited*	Data and analytics		
GlobalData Holding Limited	Holding company		
GlobalData UK Limited*	Data and analytics		
GlobalData Trustees EBT Limited	Non-trading		
Internet Business Group Limited	Performance advertising		
JBAD Limited*	Non-trading		
Kable Business Intelligence Limited	Data and analytics		
Progressive Content Limited*	Data and analytics		
Progressive Digital Media (Holdings) Limited	Holding company		
Progressive Digital Media Limited	Data and analytics		
Progressive Media Group Limited*	Data and analytics		
Progressive Media UK Limited*	Non-trading		
Progressive Media Ventures Limited*	Holding company		
Progressive Ventures Limited*	Holding company		
Research Views Limited*	Holding company		
Sociable Data Limited*	Data and analytics		
Sportcal Global Communications Limited*	Data and analytics		
Verdict Media Limited*	Data and analytics		
World Market Intelligence Limited*	Data and analytics		
Current Analysis SAS*	Data and analytics	France	133 bis Rue de l'Universite, 75007, Paris, France

Subsidiary undertaking	Principal activity	Country of registration	Registered Address
Attentio Research Centre Private Limited* Digital Insights and Research Private Limited* GD Research Centre Private Limited* Progressive Digital Media Pvt Ltd	Data and analytics Data and analytics Data and analytics Data and analytics	India India India India	3rd - 6th Floors, Jyothi Pinnacle Building, SY No.11, Kondapur Village, Serilingampally Mandal, Ranga Reddy Dist, Hyderabad, Telangana-500081, India
GlobalData Japan KK*	Data and analytics	Japan	Level 3, Sanno Park Tower, 2-11-1 Nagata-cho, Chiyoda-ku, Tokyo, 100-6162, Japan
GD Jersey Holdings Limited*	Holding company	Jersey	44 Esplanade, St Helier, JE4 9WG, Jersey
Canadean Mexico Y Centro America, F. De R.L. De C.V*	Data and analytics	Mexico	Mote Pelvoux, 111-2 Piso Lomas de Chapultepec, Mexico D.F, 11000, Mexico
GlobalData Pte Limited* GlobalData Singapore Pte Limited*	Data and analytics Data and analytics	Singapore Singapore	50, Raffles Place Unit 38-04A, Singapore Land Tower, Singapore 048623
Progressive Media Korea Limited*	Data and analytics	South Korea	24th floor, City Air Tower, Teheranro 87gil 36, Samsung Dong, Gangnam Gu, Seoul, Republic Of Korea (Postcode 06164)
MEED Media FZ LLC*	Data and analytics	United Arab Emirates	Al Thuraya Tower 1, 20th floor, Offices 2002-2008, PO Box 25960, Dubai Media City, Dubai, UAE
Attentio, LLC* Current Analysis, LLC* Global Data Publications, Inc Progressive Digital Media Holdings, LLC* Progressive Digital Media, LLC* World Market Intelligence, LLC*	Data and analytics Data and analytics Data and analytics Holding company Data and analytics Data and analytics	United States of America	441 Lexington Avenue, 2nd Floor, New York, NY, 10017, United States of America

** indirectly held*

Company Statement of Financial Position

	Notes	31 December 2020 £m	31 December 2019 *Restated* £m
Non-current assets			
Property, plant and equipment	5	33.5	35.1
Intangible assets	4	1.3	1.2
Investments	7	191.1	184.0
		225.9	**220.3**
Current assets			
Trade and other receivables	8	208.7	192.2
Corporation tax receivable		7.2	-
Short-term derivative assets	9	0.7	0.7
Cash and cash equivalents		4.2	0.6
		220.8	**193.5**
Total assets		**446.7**	**413.8**
Current liabilities			
Trade and other payables	10	(133.9)	(102.2)
Short-term derivative liabilities	9	(0.1)	(0.1)
Short-term lease liabilities	6	(2.1)	(1.8)
Short-term borrowings	12	(5.0)	(6.0)
		(141.1)	**(110.1)**
Non-current liabilities			
Deferred tax liability	13	(0.2)	-
Long-term provisions	11	(0.2)	(0.2)
Long-term lease liabilities	6	(29.6)	(32.0)
Long-term borrowings	12	(70.8)	(60.5)
		(100.8)	**(92.7)**
Total liabilities		**(241.9)**	**(202.8)**
Net assets		**204.8**	**211.0**
Equity			
Share capital		0.2	0.2
Share premium account		0.7	0.7
Treasury reserve		(21.4)	(11.0)
Other reserve		7.2	7.2
Merger reserve		163.8	163.8
Retained earnings		54.3	50.1
Equity attributable to equity holders		**204.8**	**211.0**

These financial statements were approved by the Board of Directors on 13 March 2021 and signed on its behalf by:

Bernard Cragg
Chairman

Mike Danson
Chief Executive

The accompanying notes form an integral part of these financial statements.

Company profit for the year: £31.3m (2019 restated: £35.2m). The comparative period restatement relates to impairment of investments (note 7).
Company number: 03925319

Company Statement of Changes in Equity

	Share capital £m	Share premium account £m	Treasury reserve £m	Other reserve £m	Merger reserve £m	Retained earnings *(restated)* £m	Total equity £m
Balance at 1 January 2019	**0.2**	**0.2**	**(19.2)**	**7.2**	**163.8**	**30.8**	**183.0**
Profit for the year (*restated*)	-	-	-	-	-	35.2	**35.2**
Transactions with owners:							
Dividends	-	-	-	-	-	(14.6)	**(14.6)**
Share buy back	-	-	(3.5)	-	-	-	**(3.5)**
Vesting of share options	-	0.5	11.7	-	-	(12.2)	**-**
Share based payments charge	-	-	-	-	-	10.9	**10.9**
Balance at 31 December 2019	**0.2**	**0.7**	**(11.0)**	**7.2**	**163.8**	**50.1**	**211.0**
Profit for the year	-	-	-	-	-	31.3	**31.3**
Transactions with owners:							
Dividends	-	-	-	-	-	(18.0)	**(18.0)**
Share buy back	-	-	(23.7)	-	-	-	**(23.7)**
Vesting of share options	-	-	13.3	-	-	(13.3)	**-**
Share based payments charge	-	-	-	-	-	4.2	**4.2**
Balance at 31 December 2020	**0.2**	**0.7**	**(21.4)**	**7.2**	**163.8**	**54.3**	**204.8**

The accompanying notes form an integral part of these financial statements.

The comparative period restatement relates to impairment of investments, full disclosure provided in note 7.

The Company distributable retained deficit as at 31 December 2020 was £13.9m (2019: distributable retained earnings £6.8m) comprising of £54.3m retained earnings and £21.4m treasury reserves which net to £32.9m, of which non-distributable elements are £38.5m share based payment reserve and £8.3m of non-distributable profits. Intra-group dividends will be paid during March 2021 to ensure sufficient distributable reserves are available to pay the final dividend as disclosed in note 3 to the Company accounts.

Company Statement of Cash Flows

	Year ended 31 December 2020	Year ended 31 December 2019 *Restated*
	£m	£m
Cash flows from operating activities		
Profit for the year	31.3	35.2
Adjustments for:		
Dividends received from group undertakings	(28.0)	(36.8)
Depreciation	3.4	3.3
Amortisation	0.7	0.6
Impairment	0.4	3.5
Finance income	(2.0)	(1.3)
Taxation recognised in profit or loss	0.3	-
Movement in provision	-	(0.1)
Revaluation of derivatives	-	(2.1)
Increase in trade and other receivables	(17.0)	(24.6)
Increase in trade and other payables	21.0	12.0
Cash generated from/ (used in) operations	**10.1**	**(10.3)**
Interest received	5.0	1.9
Dividends received from group undertakings	28.0	36.8
Taxation paid	(0.7)	-
Net cash generated from operating activities	**42.4**	**28.4**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1.8)	(0.9)
Purchase of intangible assets	(0.8)	(0.8)
Net cash used in investing activities	**(2.6)**	**(1.7)**
Cash flows from financing activities		
Proceeds from long-term borrowings	15.0	6.4
Loan fees	(0.7)	-
Repayment of borrowings	(5.3)	(10.5)
Acquisition of own shares	(23.7)	(3.5)
Principal elements of lease payments	(3.5)	(3.5)
Dividends paid	(18.0)	(14.6)
Net cash used in financing activities	**(36.2)**	**(25.7)**
Net increase in cash and cash equivalents	**3.6**	**1.0**
Cash and cash equivalents at beginning of year	0.6	(0.4)
Cash and cash equivalents at end of year	**4.2**	**0.6**

The accompanying notes form an integral part of these financial statements.

Restatement

As detailed in note 1 to the Group accounts, the comparative period results have been restated to recognise principal elements of lease payments gross, not net, of sub-lease income.

Additionally, as explained in note 7, the comparative period has been restated due to an impairment of investments.

The Directors have considered the requirements of IAS7: 33 and note that dividends received from group undertakings should be included in cash generated from operating or investing activities. The prior year cash flow has therefore been restated to recognise dividends received from group undertakings of £36.8m within cash generated from operating activities; previously this was recognised as a cash flow from financing activities.

The Directors have also reconsidered the nature of the inter-company cash flows and determined that they represent operating cash flows and not investing cash flows as previously reported. The cash flow statement for the prior period has therefore been restated to reduce cash generated from operations by £13.8m comprising an increase in trade and other receivables of £23.8m and increase in trade and other payables of £10.0m. Cash used in investing activities has decreased by £13.8m.

Notes to the Company Financial Statements

1. GENERAL INFORMATION

Nature of operations
The principal activity of GlobalData Plc is as a holding company of subsidiary entities that are engaged in providing business information in the form of high-quality proprietary data, analytics, and insights to clients in 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 forecast 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. Management have assessed that there are no critical judgements in relation to this Company. 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 investments.

Carrying value of investments
The carrying value of investments are assessed at least annually to ensure that there is no need for impairment. Management have performed an impairment review which entails making judgements including the expected rate of growth of sales, margins expected to be achieved and the appropriate discount rate to apply when valuing future cash flows. The cash flow projections for each statutory entity are based on each statutory entity's 2020 profit before tax (with the exception of the investment held in Progressive Digital Media (Holdings) Limited, discussed below), with growth factors applied to cover the period 2021 - 2025. The discount rate of 8.6% 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 entity. A terminal value calculation has been determined post 2025 using a growth rate of 2% in accordance with the OECD long-term forecast.

The impairment review which has been performed in relation to an investment of £51.3m held in Progressive Digital Media (Holdings) Limited is based upon 2021 budget, due to the events revenue within the underlying trading entity being particularly adversely affected by the COVID-19 pandemic. The calculated headroom of £50.5m is based upon anticipated sales growth between 2022-2025 at a rate of 5.7% each year, this aligns to the sales growth assumption applied within the Group intangible assets impairment review and represents a return to physical event offerings and growth in our online media solutions business. The calculation is most sensitive to a change in the sales growth rate; however, it would require a sales growth rate of below 0.5% before an impairment would arise. Management are comfortable that the assumptions applied within the impairment review are appropriate.

2. ACCOUNTING POLICIES

a) Basis of preparation
The parent company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the IASB.

As permitted by section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

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 2020.

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; and
- 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 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 that 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 derecognised 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 derecognised 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

The Company leases a number of offices in the United Kingdom, plus a small number of motor vehicles. 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.

For any new contracts entered into, 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 re-measured to reflect any reassessment or modification or if there are changes in in-substance fixed payments. When the liability is re-measured, 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 2019 was 10.0p per share and was paid in June 2020. The total dividend for the current year is 17.0p per share, with an interim dividend of 5.4p per share, paid on 2 October 2020 to shareholders on the register at the close of business on 28 August 2020, and a final dividend of 11.6p per share will be paid on 23 April 2021 to shareholders on the register at the close of business on 26 March 2021. The ex-dividend date will be on 25 March 2021.

Following the year end, the Directors became aware that the Company had made unlawful distributions in 2018, 2019 and 2020 on account of the fact that it had incorrectly included reserves arising from share based payments, relating to employees of subsidiaries, as distributable and had not filed interim accounts in accordance with section 838 of the Companies Act 2006 to demonstrate sufficient reserves were available for distribution. Therefore, during the period from May 2018 through to January 2021, contributions made to the Employee Benefit Trust, in order to buy back shares to satisfy the employee share options plan, and distributions by way of dividends were unlawful distributions in accordance with section 838 of the Companies Act 2006.

In order to correct the position, the Company will file interim accounts with Companies House in advance of the Annual General Meeting to demonstrate it has sufficient reserves. At the Company's Annual General Meeting, on 20 April 2021, the Company shall propose a resolution to remove any right the Company may have to claim from Directors and Shareholders in respect of the relevant contributions and distributions. The payments deemed to be unlawful during this period were £7.1m in 2018, £18.3m in 2019, £34.8m in 2020 and £0.3m in January 2021. Upstream dividends will be paid in advance of the interim accounts to create additional distributable reserves in the Company and the resolutions, if passed, will regularise the matter.

4. INTANGIBLE ASSETS

	Computer software £m	Brand £m	Total £m
Cost			
As at 1 January 2019	4.7	0.1	4.8
Additions	0.8	-	0.8
As at 31 December 2019	5.5	0.1	5.6
Additions	0.8	-	0.8
As at 31 December 2020	**6.3**	**0.1**	**6.4**
Amortisation			
As at 1 January 2019	(3.7)	(0.1)	(3.8)
Charge for the year	(0.6)	-	(0.6)
As at 31 December 2019	(4.3)	(0.1)	(4.4)
Charge for the year	(0.7)	-	(0.7)
As at 31 December 2020	**(5.0)**	**(0.1)**	**(5.1)**
Net book value			
As at 31 December 2020	**1.3**	-	**1.3**
As at 31 December 2019	1.2	-	1.2

5. PROPERTY, PLANT AND EQUIPMENT

	Buildings £m	Leasehold improvements £m	Computer equipment £m	Total £m
Cost				
As at 1 January 2019	-	0.3	3.7	4.0
Adjustment on transition to IFRS 16	35.6	-	-	35.6
Additions	1.0	0.4	0.5	1.9
Disposals	(0.1)	-	-	(0.1)
As at 31 December 2019	36.5	0.7	4.2	41.4
Additions	-	0.6	1.2	1.8
As at 31 December 2020	**36.5**	**1.3**	**5.4**	**43.2**
Depreciation				
As at 1 January 2019	-	(0.1)	(3.0)	(3.1)
Charge for the year	(2.9)	-	(0.4)	(3.3)
Disposals	0.1	-	-	0.1
As at 31 December 2019	(2.8)	(0.1)	(3.4)	(6.3)
Charge for the year	(2.7)	(0.1)	(0.6)	(3.4)
As at 31 December 2020	**(5.5)**	**(0.2)**	**(4.0)**	**(9.7)**
Net book value				
As at 31 December 2020	**31.0**	**1.1**	**1.4**	**33.5**
As at 31 December 2019	33.7	0.6	0.8	35.1

Buildings additions relate to recognition of right-of-use assets 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 2020 £m	31 December 2019 £m
Current lease liabilities	2.1	1.8
Non-current lease liabilities	29.6	32.0
	31.7	**33.8**

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised in 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	4-14 years	9 years	0	3
Motor vehicle	1	2-3 years	2-3 years	0	0

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2020 were as follows:

As at 31 December 2020	Within 1 year	1 to 5 years	After 5 years	Total
	£m	£m	£m	£m
Lease payments	3.5	14.2	21.8	39.5
Finance charges	(1.1)	(3.6)	(2.8)	(7.5)
Net present values	**2.4**	**10.6**	**19.0**	**32.0**

As at 31 December 2019	Within 1 year	1 to 5 years	After 5 years	Total
	£m	£m	£m	£m
Lease payments	3.0	14.3	25.3	42.6
Finance charges	(1.2)	(4.0)	(3.5)	(8.7)
Net present values	**1.8**	**10.3**	**21.8**	**33.9**

At 31 December 2020, the Company had not committed to any leases that 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 2020, the Company had contracts with sub-tenants for the following future minimum-lease rentals:

	31 December 2020	31 December 2019
	£m	£m
Land and buildings		
Within 1 year	1.3	1.3
Within 1 to 2 years	1.3	1.3
Within 2 to 3 years	1.3	1.3
Within 3 to 4 years	1.3	1.3
Within 4 to 5 years	1.3	1.3
Over 5 years	5.3	6.6
	11.8	**13.1**

7. INVESTMENTS

	Group undertakings £m
Cost	
As at 1 January 2019	185.5
Share based payments to employees of subsidiaries – scheme 1	10.8
Share based payments to employees of subsidiaries – scheme 2	0.1
As at 31 December 2019	196.4
Share based payments to employees of subsidiaries – scheme 1	2.8
Share based payments to employees of subsidiaries – scheme 2	1.4
Acquisition of subsidiary	2.9
As at 31 December 2020	**203.5**
Impairment	
As at 1 January 2019	(10.3)
Impairment (*restated*)	(2.1)
As at 31 December 2019 ***(restated)*** **and 31 December 2020**	**(12.4)**
Net book value	
As at 31 December 2020	**191.1**
As at 31 December 2019 *(restated)*	184.0

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.

Acquisition of subsidiary
During December 2020, the Group restructured the ownership structure of its US entities. As a result of this, the Company has an increased investment in GlobalData Publications, Inc.

Prior year impairment
Management have previously assessed the value of investments against the cash flows generated by their associated CGU. The approach has been amended for the year ended 31 December 2020 to comply with the requirements of IAS 36. The valuation of investments has now been reviewed on a statutory entity basis, which indicated that investments held in two subsidiaries were impaired in prior years. As detailed within the Company only primary statements, the comparative period results have therefore been amended to book an impairment charge of £2.1m within the income statement and to reduce the investments net book value by the same amount in order to reflect these historic impairments.

Impairment review
Management have performed an impairment review that entails making judgements including the expected rate of growth of sales, margins expected to be achieved and the appropriate discount rate to apply when valuing future cash flows. The cash-flow projections for each statutory entity are based on each statutory entity's 2020 profit before tax, with growth factors applied to cover the period 2021 - 2025. 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 entity. A terminal value calculation has been determined post 2025 using a growth rate of 2% in accordance with the OECD long-term forecast.

Impairment indicators
In addition to the review described above, 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. The assumptions applied within the value-in-use forecasts (revenue, cost and terminal value growth rates and discount rate) are in line with the assumptions disclosed within the intangible asset impairment review in note 13 of the Group accounts.

8. TRADE AND OTHER RECEIVABLES

	31 December 2020	31 December 2019
	£m	£m
Prepayments	1.4	1.9
Other receivables	0.6	1.0
Amounts owed by group undertakings	206.1	188.6
Other taxation and social security	0.6	0.7
	208.7	**192.2**

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 £0.4m in relation to balances owed by group undertakings (2019: £1.4m). Note 14 of the Company accounts gives further details of management's assessment of expected credit loss on inter-company balances.

9. DERIVATIVE ASSETS AND LIABILITIES

	31 December 2020	31 December 2019
	£m	£m
Short-term derivative assets	0.7	0.7
Short-term derivative liabilities	(0.1)	(0.1)
Net derivative asset	**0.6**	**0.6**

Classification is based on when the derivatives mature. The fair values of derivatives are expected to impact the income statement over the next year, dependent on movements in the fair value of the foreign exchange contracts. The movement in the year was nil (2019: credit of £2.1m).

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 Pounds Sterling:

	Euro	US Dollar
Expiring in the year ending:	€m	$m
31 December 2021	9.7	29.1

10. TRADE AND OTHER PAYABLES

	31 December 2020	31 December 2019
	£m	£m
Trade payables	0.9	0.9
Other payables	-	0.4
Accruals	3.4	4.6
Amounts owed to group undertakings	129.6	96.3
	133.9	**102.2**

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
	£m	£m	£m
As at 1 January 2020 and 31 December 2020	**0.1**	**0.1**	**0.2**
Current:	-	-	-
Non-current:	*0.1*	*0.1*	*0.2*

12. BORROWINGS

	31 December 2020	31 December 2019
	£m	£m
Short-term lease liabilities	2.1	1.8
Short-term borrowings	5.0	6.0
Current liabilities	**7.1**	**7.8**
Long-term lease liabilities	29.6	32.0
Long-term borrowings	70.8	60.5
Non-current liabilities	**100.4**	**92.5**

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
	£m	£m	£m	£m	£m
As at 1 January 2019	**6.0**	**64.3**	**2.0**	**33.1**	**105.4**
Cash flows:					
- Repayment	(6.0)	(4.5)	(3.4)	-	(13.9)
- Proceeds	-	6.4	-	-	6.4
Non-cash:					
- Loan fee amortisation	-	0.3	-	-	0.3
- Lease additions	-	-	-	1.0	1.0
- Lease liabilities[2]	-	-	1.2	(0.1)	1.1
- Reclassification	6.0	(6.0)	2.0	(2.0)	-
As at 31 December 2019	**6.0**	**60.5**	**1.8**	**32.0**	**100.3**
Cash flows:					
- Repayment	(5.3)	-	(3.5)	-	(8.8)
- Proceeds	-	15.0	-	-	15.0
- Loan fees paid	-	(0.7)	-	-	(0.7)
Non-cash:					
- Loan fee amortisation until modification date	-	0.1	-	-	0.1
- Fair value adjustments since modification	-	0.2	-	-	0.2
- Lease liabilities[2]	-	-	1.4	-	1.4
- Reclassification	4.3	(4.3)	2.4	(2.4)	-
As at 31 December 2020	**5.0**	**70.8**	**2.1**	**29.6**	**107.5**

[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

All external financing agreements are entered into by the Company, on behalf of the Group. In May 2020, the Group announced that it had agreed to increase its current banking facilities with NatWest Group, HSBC and Bank of Ireland, extending the current maturity to April 2023 (previously April 2022). The new arrangements increase the total committed facility to £145.5m (previously £100m), plus a further uncommitted accordion facility of £75m. The committed facility comprises a term loan of £50m and a revolving credit facility (RCF) of £95.5m.

The term loan is repayable in quarterly instalments, with total repayments due in the next 12 months of £5.0m. The outstanding term loan balance as at 31 December 2020 is £46.3m, with a fair value in accordance with IFRS 9 of £45.6. As at 31 December 2020, the Group had drawn down £30.5m of the RCF, with a fair value in accordance with IFRS 9 of £30.2m. Interest is charged on the term loan and drawn down RCF at a rate of 2.5% over the London Interbank Offered Rate.

In accordance with IFRS 9, we have performed a comparison of the fair value of the new debt with the old, to determine whether there has been a substantial modification requiring derecognition. The assessment concluded that there has not been a substantial modification; the difference between the fair value of the new debt with the old was £0.0m.

13. DEFERRED INCOME TAX

	31 December 2020	31 December 2019
	£m	£m
Balance brought forward	-	-
Tax expense during the period recognised in profit or loss	0.2	-
Balance carried forward	**0.2**	-

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

Accelerated depreciation for tax purposes	0.1	-
Other temporary differences	0.1	-
Balance carried forward	**0.2**	-

	31 December 2020	31 December 2019
	£m	£m
Deferred tax assets	-	-
Deferred tax liability	(0.2)	-
Net position	**(0.2)**	-

14. FINANCIAL ASSETS AND LIABILITIES

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

	31 December 2020 £m	31 December 2019 £m
Current assets		
Cash	4.2	0.6
Other receivables	0.6	1.0
Amounts owed by group undertakings	206.1	188.6
	210.9	**190.2**
Current liabilities		
Trade payables	(0.9)	(0.9)
Other payables	-	(0.4)
Accruals	(3.4)	(4.6)
Amounts owed to group undertakings	(129.6)	(96.3)
Short-term borrowings	(5.0)	(6.0)
	(138.9)	**(108.2)**
Non-current liabilities		
Long-term borrowings	(70.8)	(60.5)
	(70.8)	**(60.5)**

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

	31 December 2020 £m	31 December 2019 £m
Current assets		
Short-term derivative assets	0.7	0.7
	0.7	**0.7**
Current liabilities		
Short-term derivative liabilities	(0.1)	(0.1)
	(0.1)	**(0.1)**

Maturity analysis

31 December 2020	Less than one month £m	One to three months £m	Three months to one year £m	One to five years £m	Total £m
Current assets					
Cash	4.2	-	-	-	**4.2**
Other receivables	-	0.6	-	-	**0.6**
Short-term derivative assets	-	0.4	0.3	-	**0.7**
Amounts owed by group undertakings	-	-	-	206.1	**206.1**
Current liabilities					
Short-term derivative liabilities	-	(0.1)	-	-	**(0.1)**
Trade payables	-	(0.9)	-	-	**(0.9)**
Accruals	-	(3.4)	-	-	**(3.4)**
Short-term borrowings	-	(1.8)	(5.2)		**(7.0)**
Amounts owed to group undertakings	-	-	-	(129.6)	**(129.6)**
Non-current liabilities					
Long-term borrowings	-	-	-	(73.2)	**(73.2)**
	4.2	**(5.2)**	**(4.9)**	**3.3**	**(2.6)**

31 December 2019	Less than one month £m	One to three months £m	Three months to one year £m	One to five years £m	Total £m
Current assets					
Cash	0.6	-	-	-	**0.6**
Other receivables	-	1.0	-	-	**1.0**
Short-term derivative assets	-	0.2	0.5	-	**0.7**
Amounts owed by group undertakings	-	-	-	188.6	**188.6**
Current liabilities					
Short-term derivative liabilities	-	(0.1)	-	-	**(0.1)**
Trade payables	-	(0.9)	-	-	**(0.9)**
Other payables	-	-	(0.4)	-	**(0.4)**
Accruals	-	(4.6)	-	-	**(4.6)**
Short-term borrowings	-	(2.0)	(6.0)	-	**(8.0)**
Amounts owed to group undertakings	-	-	-	(96.3)	**(96.3)**
Non-current liabilities					
Long-term borrowings	-	-	-	(63.1)	**(63.1)**
	0.6	**(6.4)**	**(5.9)**	**29.2**	**17.5**

The long-term borrowings' 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 £4.4m (2019: £4.6m)).

Reclassifications
There have been no reclassifications between financial instrument categories during the year ended 31 December 2020 and year ended 31 December 2019.

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.

£210.9m of the Company's assets are subject to credit risk (31 December 2020: £190.2m). The Company does not hold any collateral over these amounts. Note 8 of the Company accounts gives further details of the Company's receivables, of which £206.1m are amounts receivable from Group undertakings. Amounts receivable by group undertakings are repayable on demand and non-interest bearing, with the exception of £105.8m owed by GlobalData UK Limited and £7.8m owed by Progressive Media Ventures Limited provided to fund acquisitions; these balances are interest bearing at a rate of 5%.

In accordance with IFRS 9, management have made an assessment of the intercompany positions as at 31 December 2020 by reviewing the liquid assets position of the counterparties as at the same date. Management have concluded that, of the £206.1m receivable balance, £86.5m 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 £119.6m, 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 repaying over time, 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 assessed 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 £105.8m 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 the effect of discounting would be immaterial and determined that any expected credit losses would also be immaterial.

15. RELATED PARTY TRANSACTIONS

Directors
The remuneration of the Directors of the Group and Company is set out on page 48 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, including service and management fees, in relation to the buildings owned by Estel Property Investments for the year ended 31 December 2020 was £2.9m (2019: £2.7m). In addition, GlobalData Plc sub-leases office space to other companies owned by Mike Danson. The total sub-lease income for the year ended 31 December 2020 was £1.3m (2019: £1.3m).

Corporate support services
Corporate support services are provided to and from other companies owned by Mike Danson, principally finance (payroll services), 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 and headcount for human resources, finance and IT services. The net recharge made from GlobalData Plc to these companies for the year ended 31 December 2020 was £0.4m (2019: £0.6m).

Amounts outstanding to and from group undertakings
The amounts outstanding from group undertakings were:

	31 December 2020 £m	31 December 2019 £m
Amounts owed by group undertakings:		
GlobalData UK Limited	108.2	112.3
Progressive Digital Media Limited	14.2	17.4
Progressive Digital Media (Holdings) Limited	23.6	24.4
Current Intelligence & Analysis Limited	2.2	2.2
GlobalData Pte Limited	0.9	1.0
GlobalData Holding Limited	36.0	11.3
GlobalData Australia Pty Limited	1.3	1.3
Canadean Limited	1.0	-
GlobalData Brasil, serviços e informações empresariais Ltda.	0.3	0.3
Canadean Mexico Y Centro America, F. De R.L. De C.V	0.4	0.4
Progressive Content Limited	1.4	-
Progressive Media Ventures Limited	9.9	10.0
GlobalData Singapore Pte Limited	2.0	2.0
AROQ Limited	0.3	1.7
World Market Intelligence Limited	3.9	3.8
Research Views Limited	0.5	0.5
	206.1	**188.6**

	31 December 2020 £m	31 December 2019 £m
Amounts owed to group undertakings:		
Internet Business Group Limited	(6.7)	(5.1)
Attentio Research Limited	(4.0)	(0.8)
Progressive Media Group Limited	(97.5)	(75.2)
Globaldata Canada Inc	(0.2)	(0.2)
Global Data Publications, Inc	(9.0)	(4.6)
Progressive Digital Media, LLC	(0.6)	(0.6)
Progressive Digital Media Pvt Limited	(1.6)	(1.8)
Current Analysis, LLC	(3.2)	(2.7)
GlobalData Japan KK	(0.1)	(0.2)
Financial News Publishing Limited	(3.9)	(3.3)
MEED Media FZ LLC	(0.5)	(0.9)
Sociable Data Limited	(0.9)	(0.6)
Sportcal Global Communications Limited	(1.4)	(0.3)
	(129.6)	**(96.3)**

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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