



GlobalData Plc

Annual report & accounts

For the year ended 31 December 2022

www.globaldata.com

COMPANY NO. 03925319

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Reliance on this document

Our Business Review on pages 4 to 25 has been prepared in accordance with the Strategic Report requirements of section 414C(2)(a) 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

2022 Highlights

Key performance metrics

Revenue: +28%

Underlying growth¹: +10%



Operating profit: +47%



Adj. EBITDA²: +34%



Adj. EBITDA margin²: +2p.p.



Statutory profit before tax (PBT): +18%



Earnings per share (EPS): +24%



Adj. EPS³: +20%



Total dividends: +35%



Invoiced Forward Revenue⁴: +24%

Underlying growth: +12%



Net bank debt⁵: +41%



“We have stated publicly that our aim was to achieve annual underlying growth of 10% and to see our Adjusted EBITDA margin mature into the 35-40% range. During the year, we continued our underlying growth momentum and margin progression whilst creating value from our M&A strategy.”

Murray Legg, Chairman

Strategic Report

Financial Highlights

Strong growth in both revenues and profit means we delivered our 'rule of 40' goal

Underlying¹ revenue growth of 10%, underpinned by subscriptions –

81%

of total revenues

Demonstrates the significant opportunity for GlobalData to grow revenue organically, aided by the benefit of acquisitions and currency tailwinds for reported growth of

28%

Adjusted EBITDA² up 34% to **£86.4m** (2021: £64.4m) and Adjusted EBITDA margin² improvement of 2 percentage points to

36%

Continued improvement of Invoiced Forward Revenue⁴ growth of 24% up to

£133.5m

at 31 December 2022 (2021: £107.7m), which includes underlying growth of

12%

– the benefit of acquisitions and currency tailwinds

Statutory PBT grew by £5.8m to **£38.4m** (2021: £32.6m) reflecting an 18% increase on prior year

Operating cash flow grew by 41% to

£85.4m

(2021: £60.5m)

which was

99%

of Adjusted EBITDA (2021: 94%)

Final dividend of

18.3p

up 39% (2021: 13.2p); total dividend of 26.0p, up 35% (2021: 19.3p)

Note 1: Underlying growth: Defined as growth in business excluding impact of movement in exchange rates and adjusts for the proforma results of acquired business.

Note 2: 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 19.

Note 3: Adjusted EPS: Adjusted profit after tax per share (reconciliation between statutory profit and adjusted profit shown on page 19).

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 24.

Note 5: Net bank debt: Short and long-term borrowings (excluding lease liabilities) less cash and cash equivalents.

Strategic Report

2022 Highlights

Delivering on our Growth Optimisation Plan via four key pillars:

- Customer Obsession
- World-Class Product
 - Sales Excellence
 - Operational Agility

Completed refinancing to support future M&A strategy

Customer Obsession remains our number one priority

- Enhanced our client relationships with focused initiatives contributing to improved renewal rates, increased average client value and continued traction with multi-year deals

Continued investment in our World-Class Product, embedding artificial intelligence and machine learning

- Scalable 'One Platform' now covers 20 sectors, delivering must-have critical information
- Our unique platform is ideally positioned to integrate new datasets and verticals

Delivering Operational Agility with continued disciplined approach to cost

Focus on strong Sales Excellence driving results – We start the year with 80% visibility of budgeted revenues for 2023

Immediate value derived following completion of two further strategic acquisitions

- *Media Business Insight* – a new vertical with deep media sector intelligence
- *TS Lombard* – bringing global economic and political research filling a gap in thematic intelligence
- Integrations on track

Current Trading and Outlook

- Entering the new financial year from a position of strength and scope for further margin improvement.
- Set to deliver resilient growth – uncertainty driving demand for our 'gold standard' data, delivered through our One Platform.
- A focused approach to cost management and capital discipline, including mitigating the impact of inflation through advancements in technology and efficiency savings, whilst ensuring the business remains appropriately invested for sustainable growth and systematic M&A activity.
- Clear financial targets for FY23 and beyond:
 - In FY23, at least 10% underlying revenue growth, Adjusted EBITDA margin of 40%.
 - Beyond FY23, platform in place to drive further margin enhancement through organic and inorganic growth.



“Uncertainty drives demand for our business. Our mission critical data is a ‘must-have’ rather than ‘nice to have’ for a wide range of blue-chip corporates, and once embedded, provides all the insight our clients need to navigate a challenging macro backdrop.”

Mike Danson, Chief Executive



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 as at 31 December 2022:



Strategic Report

Our Business

OUR BUSINESS MODEL

The Group provides services 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.

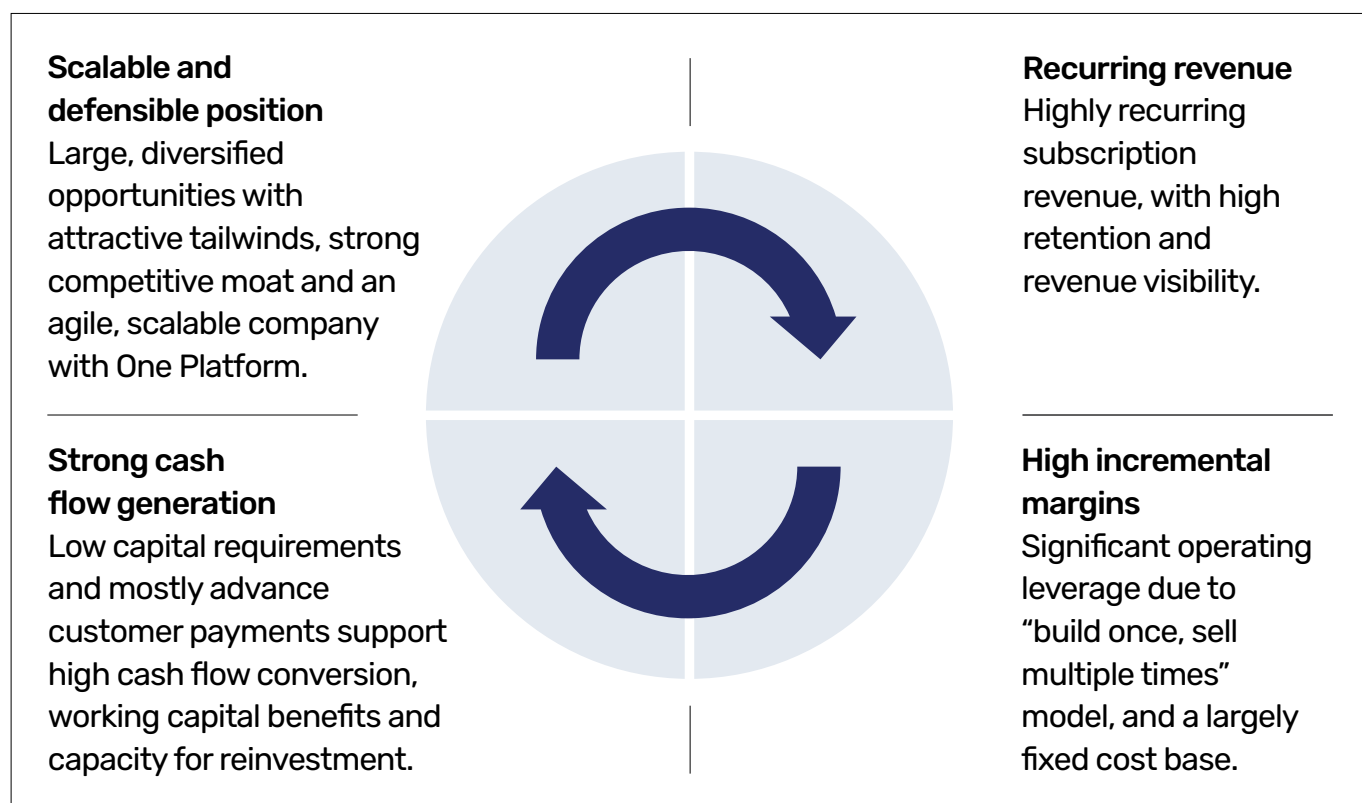
The solutions we provide are highly proprietary and embedded into our customers' workflows, which drives high customer retention. The Group benefits from significant operating leverage due to a "build once, sell multiple times" business model, which drives significant margin expansion.

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

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 our globally relevant data assets and gives the Group significant market opportunity.

The Group assesses potential M&A targets and looks for the same business model fundamentals in its targets, which enables greater alignment and integration opportunities.







Strategic Report

Our Business

CAPITAL ALLOCATION

Our objective is to achieve long-term compounding growth and maximise shareholder returns. The Group looks at resources to deliver growth whilst also maintaining a focus on profitability. We use an investment concept called 'rule of 40' which scores businesses by adding their underlying revenue growth to their Adjusted EBITDA margin. Our ambition is to exceed 50, i.e. 'rule of 50', as follows:



INVESTING IN GROWTH		CAPITAL RETURN	
 <p>Reinvestment</p> <p>The Group benefits from significant operating leverage due to stable fixed costs and a lower variable cost model that generates long-term margin expansion in an accelerating revenue growth environment.</p> <p>Our operating cost base is very agile and has investment embedded within 'business-as-usual' for Customer Obsession, new product development and software and IT enhancements. This agility allows us to direct our resources to focus on underlying growth.</p> <p>We have a low capital intensity model: capital spend typically represents 1-1.5% of revenue (2022: 1.1%, 2021: 0.7% following significant investment in 2020 due to IT investment during the pandemic).</p>	 <p>Acquisitions</p> <p>M&A is a significant growth strategy for our business.</p> <p>Our scalable One Platform infrastructure enables us to efficiently integrate new datasets and content capabilities into our existing vertical offerings or expand our breadth into new vertical markets, enabling the Group to realise synergies and value.</p> <p>Our management team has extensive experience of acquiring and integrating assets and we currently have an active pipeline of businesses that we are assessing and the firepower to execute.</p>	 <p>Dividends</p> <p>The cash generative and high margin nature of our business provides good optionality on capital allocation. As a Board, we feel committing to a progressive dividend policy demonstrates good financial discipline and careful stewardship.</p> <p>We intend to grow dividends in line with Adjusted EBITDA.</p>	 <p>Share Purchase</p> <p>The Company has a policy to try and limit the dilution of its existing shareholders created via the Group's Long-Term Incentive Plans. As at 31 December 2022, the Group had 7.1m options in issue and 5.6m shares held in treasury within the Group's Employee Benefit Trust. This coverage eliminates the immediate dilution of the share options schemes.</p>

The Group uses debt to fund acquisitions and purchase shares for the Employee Benefit Trust and targets an operating leverage of two to three times net leverage, being the multiple of Adjusted EBITDA (including the proforma results of recent acquisitions) compared to net bank debt.

Strategic Report

Our Business

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; and
- effectively find, win, and keep customers.

We want to help our clients to decode the future, make better decisions, and reach more customers. We believe Information and Technology are forces for good.

ONE PLATFORM

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 minimal capital investment, as well as integrate acquisitions quickly and unlock synergies.

GROWTH OPTIMISATION PLAN

We launched our Growth Optimisation Plan in 2020, and our clear focus is on sustainable growth delivered through four key pillars: Customer Obsession, World-Class Product, Sales Excellence and Operational Agility. The key word in this plan is "optimisation", hence we are not reliant on a single area of growth to be successful. We have multiple levers for growth, both in our underlying business and through M&A opportunities.

Customer Obsession

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

World-Class Product


- 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; and
- Consistently lead the market in commercialising new product development and innovation.

Sales 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"; and
- 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; and
- Provide effective portfolio-wide planning, business insight and performance reporting, and governance.

A close-up photograph of a person's hand holding a smartphone. The background is dark with out-of-focus bokeh lights in shades of blue, purple, and yellow. The person's face is partially visible in the upper right corner, looking down at the phone.

“At GlobalData we believe that information and technology are forces for good and our products and solutions can be a catalyst for positive change. For us, a responsible business is all about building a company with great people, creating a positive impact, and helping our customers leverage the proprietary granular data and insight we provide to help understand their business issues and develop long-term sustainable strategies.”

Murray Legg, Chairman

Strategic Report

Chairman's Statement



2022 was a significant year of further development for GlobalData. I would like to thank all my GlobalData colleagues and congratulate them on a strong set of results and continued execution of the Group's strategy. This result is particularly impressive set against a tough macro-economic backdrop. We have stated publicly that our aim was to achieve annual underlying growth of 10% and to see our Adjusted EBITDA margin mature into the 35-40% range and I would therefore like to give further acknowledgement to the team for helping us achieve these goals in 2022.

During the year, we continued our underlying growth momentum and margin progression whilst creating value from our M&A strategy. Over the past 15 months, we have completed four transactions which have added scale and capabilities to the Group. I am pleased with the integration progress made so far, with now only limited integration steps to complete as we enter 2023. Great strides have been made this year to scale and leverage our One Platform, which gives us a significant opportunity to seek out strategic acquisitions and assets which can add further value to the Group and to our clients. With the additional firepower secured to fund our ambitions we will continue to maintain momentum in executing our stated M&A strategy.

Making an impact

In our CEO report, we detail how our Growth Optimisation Plan, launched in 2020 and focused on sustainable growth across several levers, is delivering value. I want to take the opportunity here to highlight that the plan is underpinned by sustainability. This is something the Board and management team are extremely passionate about.

At GlobalData we believe that information and technology are forces for good and our products and solutions can be a catalyst for positive change. For us, a responsible business is all about building a company with great people, creating a positive impact, and helping our customers leverage the proprietary granular data and insight we provide to help understand their business issues and develop long-term sustainable strategies.

In 2022, we invested significant resource into the product and created a real culture of innovation and product development, with a strong focus on quality. We are acutely focused on Customer Obsession and we will be driving forward growth initiatives to further embed our data, insights, tools and workflows into our 4,700+ customers' businesses. The sophistication and breadth of our content enables opportunities beyond the traditional departments that procure Information Services. We intend to get to know our clients better, listen to their business problems and provide the solutions for them to succeed.

Our stakeholders

We have made significant progress in developing our relationships with key stakeholders and have focused on several initiatives to further enhance these. For our clients, we continued to invest in our customer success teams and the usability of the product. It is satisfying to see the impact of this through year-on-year improvements in our renewal rates, which forms much of our growth engine.

I would like to thank the Remuneration Committee for their conscientious review of our Long-Term Incentive Plan (LTIP) programmes. The review resulted in modifications made to ensure key employees are appropriately incentivised through clear, simple and predictable plans. This will undoubtedly ensure there continues to be meaningful collective incentives to drive GlobalData forward and achieve our goals.

We have significantly increased the level of shareholder interaction in the year and increased the availability of Management to meet with shareholders and potential investors, including more one-to-one meetings with investors, a Capital Markets Day in which we discussed the business and its strategy and improving our communications channels with shareholders and the investment community.

Dividend

We are pleased to propose a final dividend of 18.3 pence per share (2021: 13.2 pence), to be paid on 28 April 2023 to shareholders on the register at the close of business on 31 March 2023. The ex-dividend date will be on 30 March 2023. The proposed final dividend increases the total dividend for the year to 26.0 pence per share (2021: 19.3 pence), an increase of 35% in line with growth in Adjusted EBITDA.

We enter 2023 in a strong position and are confident about the outlook ahead.

Murray Legg

Chairman

27 February 2023



“GlobalData enters the new financial year from a position of strength with 80% revenue visibility for FY2023 and scope for further margin improvement. The management team at GlobalData have clear financial targets for the year of at least 10% underlying revenue growth and Adjusted EBITDA margins of 40%.”

Mike Danson, Chief Executive

Strategic Report

Chief Executive's Report



At GlobalData we are on a mission to help our c.4,700 clients to decode the future, make better decisions, and reach more customers. In the last 12 months, clear progress has been made to enhance our position as a leading intelligence and insights platform through sustained underlying momentum and further execution of our M&A strategy.

Uncertainty drives demand for our business. Our mission critical data is a 'must-have' rather than 'nice to have' for a wide range of blue-chip corporates, and once embedded, provides all the insight our clients need to navigate a challenging macro backdrop. We create our intelligence from a deep pool of experts across the globe, including 2,000 analysts and researchers, 250 data scientists and 100 journalists.

Continued momentum in 2022 has been clearly demonstrated through our strong financial and operational performance. Investing for growth throughout 2022, in our people and in our scalable One Platform, which now covers 20 sectors, has enabled the Group to enhance its highly valued, must-have, critical information to a growing global customer base.

We have now reached the next stage of our development; the 'leveraging the platform' phase is where we intend to capitalise on the multiple levers open to us to create growth. As we enter the new financial year, the management team and Board remain focused on delivering long-term, compounding growth and shareholder returns.

UNDERLYING GROWTH

With a continued strong performance throughout the year, I am pleased to report that GlobalData successfully delivered its near-term financial target of at least 10% revenue growth and Adjusted EBITDA margin of 35-40%. In the last five years, subscriptions have grown from approximately 70% of revenues to more than 80%, with margin nearly doubling.

The Group reported revenue of £243.2m (2021: £189.3m), including 10% underlying growth. Operating profit grew by 47% to £56.0m (2021: £38.2m) and Adjusted EBITDA increased by 34% to £86.4m (2021: £64.4m). The growth in Adjusted EBITDA was driven by our strong revenue growth and our ability to control what is a relatively fixed cost base, delivering an Adjusted EBITDA margin of 36%. The Group had a strong finish to the year with underlying Invoiced Forward Revenue growth of 12% at 31 December 2022, with overall growth of 24%.

Traction with our subscription model continued through the year, with improving renewal rates evidenced in both volume and value at 84% (2021: 83%) and 101% (2021: 97%) for our larger clients (>£20k) respectively. We have demonstrated our ability to optimise pricing in 2022 and there remains significant opportunity to continue with price increases and deliver enhanced value for customers, particularly in recently acquired businesses. As a result, with inherently predictable and recurring revenue, the Group enters the new financial year with c.80% revenue visibility for FY2023.

A continued trend is the growth of multi-year deals. Over the last three years, multi-year deals by value have grown from 20% to 39%, which highlights the strength of our product, the criticality of our platform to our customers and the growing resilience of our revenue growth.

PLATFORM IDEALLY POSITIONED TO INTEGRATE NEW DATASETS AND VERTICALS

Our underlying growth is also supported by strategic M&A opportunities. Our scalable platform is ideally positioned to integrate new datasets and content into our existing vertical offering or expand our breadth into new vertical markets. Our M&A strategy is disciplined and systematic, with value creation being a core competence of the Group.

Following completion of the Life Sciences acquisition in November 2021 and LMC in December 2021, we completed two more acquisitions during 2022. We acquired Media Business Insight (MBI) in June 2022, bringing new and unique gold standard datasets across the film, TV and media markets to GlobalData. This, combined with our existing Technology content, provides the Group with a new vertical with deep media sector intelligence and related services while strengthening clients' access to a more comprehensive range of industry expertise.

In September 2022, we announced the completion of the TS Lombard acquisition, which provides global economic and political research to businesses and financial markets to clients across the globe, with a particular strength in China and emerging markets. This move further enables us to sell our full product suite, not only to the asset management industry, but increasingly to other corporates, and it has been integrated onto the GlobalData platform. TS Lombard brings to us a strong team of research analysts and economists who have on-the-ground networks and insights from developed and emerging markets. This addition has helped us to fill a gap in our thematic intelligence offering, allowing us to arm clients with a globally integrated macro story which in times of uncertainty is in increasing demand as clients seek to navigate and make sensible, proactive decisions quickly.

We welcome these new businesses into the GlobalData family. Both represent strategic bolt-on acquisitions of data assets, efficiently complementing our One Platform model and adding value to our global and scalable product.

In August 2022, we agreed a new three-year £410m debt financing facility which will be used to support our long-term growth, including future M&A opportunities.

Strategic Report

Chief Executive's Report

DELIVERING OUR GROWTH OPTIMISATION PLAN

The Growth Optimisation Plan, launched in 2020, is our framework to invest for growth with the aim to be the leading data, analytics, and insights platform for the world's largest industries. As a responsible business, sustainability sits at the heart of our plan and, as a team, GlobalData is a firm believer that our Company can drive positive change and be a force for good through our critical information and technology innovations.

With multiple levers for growth, supplemented with M&A activity, we are delivering on the Plan via four key pillars: Customer Obsession, World-Class Product, Sales Excellence and Operational Agility.

1) Customer Obsession remains our number one priority

Customer Obsession remains our priority and is central to our strategy. It runs through everything we do, and we continue to focus on client needs and on providing unique and innovative solutions. We strive to maintain strong customer relationships and endeavour to build even deeper relationships.

Our ongoing initiatives are aimed at providing clients with world-class solutions delivered with exceptional levels of service. Our focus on top-tier clients is gaining traction, and we continued to increase resources throughout the year, enhanced usability and grew via our top-750 programme.

Usage of our product is aimed at multiple use cases and job functions within an organisation, giving opportunity to expand usage within our existing clients, resulting in more seats taken. This focus meant that Average Client Value improved 13% in 2022 to £47,900 (2021: £42,400).

The net result of our Customer Obsession is improving renewal rates by volume and value, as well as greater levels of profitability. Looking ahead, we remain laser focused on improving in the different areas of Customer Obsession. This should enhance some of our key operational metrics: for example, the volume renewal rate in 2022 for clients paying more than £20,000 p.a. was 84%; a priority is to increase volume renewal rates to over 90% or more over the medium term.

2) Continued investment in our World-Class Product provides a resilient model, geared for growth

We have developed a World-Class Product enabling us to offer our clients 'gold standard' data. Our unique selling point is the intelligence created by more than 800 analysts, 2,000 researchers and 100 journalists in our business. Our One Platform empowers the world's largest 20 industries and is highly scalable. Having invested in our technology stack and enhanced our artificial intelligence powered solutions through the year, we are now able to offer a more personalised experience to our clients.

We continue to invest in our product, to keep it best-in-class and scalable. This is particularly evident in our efforts to optimise the production of our digital content with investments in artificial intelligence and machine learning, which are now truly embedded in our offering.

Our routes to market continue to expand with our multiple media sites. Our media assets provide limited free-to-access insight through to high value, paywalled custom products and continues to prove a powerful go-to-market proposition, driving new customers up the value curve over time.

We are focusing on usability and strong adoption across our entire user base, ensuring that our newly acquired assets integrate efficiently and provide immediate synergies for our business and our clients.

Following the successful integration of the Life Sciences business as well as the LMC integration, we are now on the final stretch to fully integrate our most recent acquisitions of MBI and TS Lombard. We are already seeing the immediate value of these new assets.

TS Lombard has significantly expanded our Thematic Intelligence capability, strengthening our "macro themes" product and making GlobalData a market leader in tech, industry, macro and ESG themes. Through this acquisition, we have also gained exposure to TS Lombard's clients, who are predominantly institutional investors, a market in which we have historically been underrepresented.

The depth of industry verticals we cover, combined with our One Platform approach, provides c.4,700 businesses around the world with mission-critical data to make informed business decisions. As a result, we are seeing improving customer retention, pricing power and an increasing shift to multi-year deals.

3) Acute focus on Sales Excellence is driving results

Our sales teams performed well during 2022, delivering 10% underlying growth in the year and 12% underlying growth in Invoiced Forward Revenue.

Looking ahead, our sales teams have a clear focus on the key levers for growth. Linked to our Customer Obsession initiatives, our ambitious target is to take our volume renewal rate in our larger clients (>£20,000) from 84% to over 90%, through increasing client engagement and enhancing client and user experience. We will also look to embed further AI-driven tools into our renewals workflow, both in terms of helping our clients derive more value from their partnership and also to alert internal teams on the health of our client relationships. Reducing the churn of our existing clients sets a greater platform for growth and de-risks some of the upsell and new business growth levers.

We continue to see a significant opportunity to add greater value to our existing clients, including via sales synergies in acquired businesses. There is also a large white space in the market, for example, where we believe there are 125,000 client opportunities, with significant latent growth in the US and professional services markets.

Strategic Report

Chief Executive's Report

4) Demonstrating Operational Agility with disciplined approach to cost

With an ongoing disciplined approach to cost, we continue to maintain a largely fixed cost base. During the year, as we have invested heavily in advancing our product, we have been able to achieve price increases for our renewing clients as we continue to push more relevant content, in a timely manner and in an increasingly personalised way – just as our clients want it.

In August 2022, GlobalData secured a new three-year £410.0m debt financing facility, providing the Group with additional firepower to execute its M&A growth strategy. This facility matures on 5 August 2025, with an option to extend further by a year. The debt facility comprises a £290.0m term loan, to be used in part to repay existing indebtedness of £229.2m, as well as a Revolving Credit Facility ("RCF") of £120.0m. The RCF is currently undrawn, but will be used to support long-term growth of the business, including M&A.

We thank our existing lenders, who have all extended their support through participation in this issuance, plus our new lenders as we seek to create shareholder value through further strategic acquisitions.

We have a clear capital allocation policy to operate within 2-3x net bank debt leverage, in relation to EBITDA. The Group reviews leverage on a look forward basis and the high degree of visibility it has on its revenue and earnings gives the Group comfort. Furthermore, the free cash flow profile of the business sees the Group de-lever reasonably quickly subject to any additional M&A and share buy-backs.

OUR COLLEAGUES

We have delivered another strong set of results and our success is underpinned by the talent and dedication of our GlobalData team. Investment in enhancing our One Platform and in our people has continued throughout the year and I am confident that through our acute focus on our Growth Optimisation Plan we will celebrate further achievements in 2023 and beyond.

I would like to thank all my GlobalData team and welcome the new colleagues who have joined us and bring a wealth of knowledge via the MBI and TS Lombard acquisitions. Together, we are building a responsible business that invests in its people and our clients' success, delivering highly valued, must-have, critical information to a growing audience.

CURRENT TRADING AND OUTLOOK

As stated in the recent year-end trading update, GlobalData enters the new financial year from a position of strength with 80% revenue visibility for FY2023 and scope for further margin improvement. The business continues to deliver resilient growth. Uncertainty is driving demand for our business, as customers continue to rely on and embed our 'gold standard' data, delivered through our One Platform.

As we enter the new financial year, we maintain a focused approach to cost management and capital discipline, whilst ensuring the business remains appropriately invested for sustainable growth and opportunistic on M&A activity.

The management team at GlobalData have clear financial targets for the year of at least 10% underlying revenue growth and Adjusted EBITDA margins of 40%, which leaves us well positioned to deliver on the 'rule of 50' in the longer term.

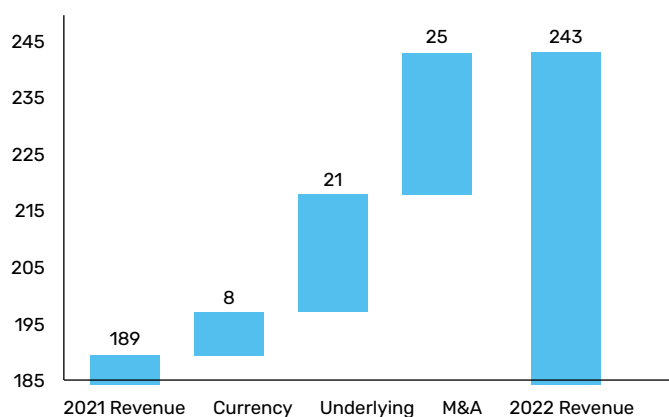


Mike Danson
Chief Executive
27 February 2023

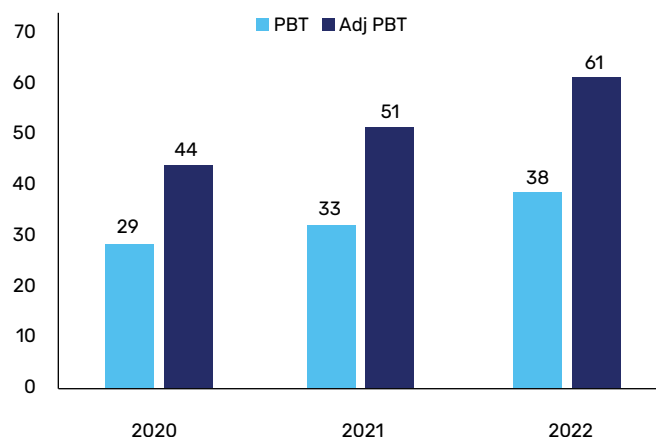
Strategic Report

Chief Financial Officer's Report

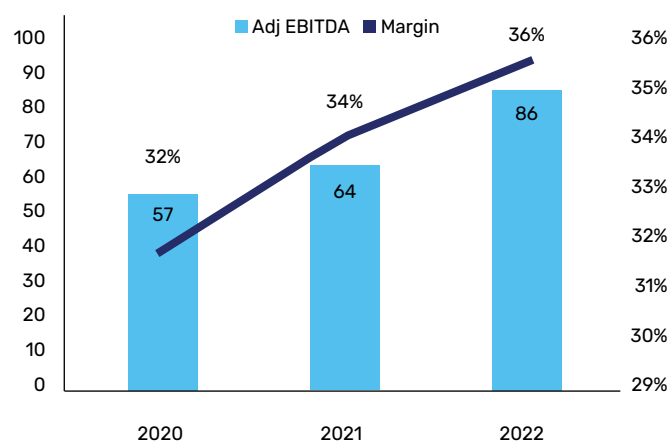
Revenue Growth Bridge (£m)



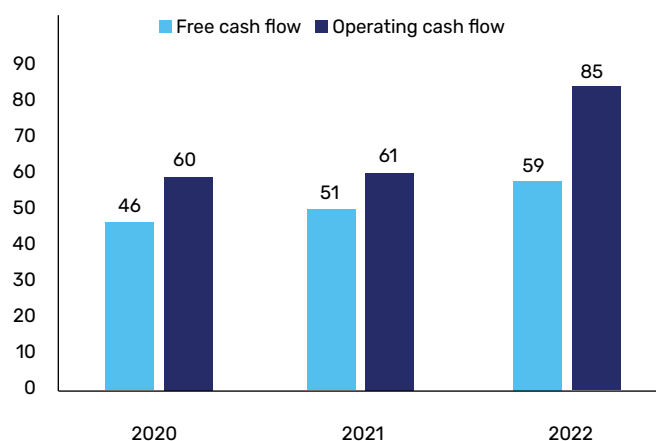
Increasing Profitability (£m)



Adj EBITDA Margin Progression (£m)



Highly Cash Generative (£m)



Explanatory notes

Revenue Growth Bridge: The chart tracks the movement in revenue from 2021 to 2022, categorising into the following areas:

- Currency gains – the Group benefitted from currency movements of £8m in the year, mainly through movements in the USD to GBP conversion.
- Underlying – defined as growth in business excluding impact of movement in exchange rates and adjusts for the proforma results of acquired business.
- M&A – the acquired revenue, according to the previous 12 months prior to acquisition.

Increasing Profitability: The chart tracks the profitability changes from 2020-2022 on both a statutory and adjusted basis. Adjusted profit before tax is reconciled on page 19.

Adjusted EBITDA Margin Progression: 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 19.

Highly Cash Generative: The chart tracks cash generation from 2020-2022 on both a statutory operating cash flow basis and free cash flow basis. Free cash flow is reconciled on page 19.

Strategic Report

Chief Financial Officer's Report



£m	Year ended 31 December 2022	Year ended 31 December 2021
Revenue	243.2	189.3
Operating profit	56.0	38.2
<i>Adjusting items</i>		
Depreciation	6.4	6.8
Amortisation of acquired intangible assets	9.1	5.6
Amortisation of software	1.0	0.9
Share-based payments charge	4.1	9.2
Costs relating to share-based payments scheme	0.9	-
Restructuring and refinancing costs	2.5	1.4
Unrealised operating foreign exchange loss/(gain)	2.5	(0.1)
M&A and contingent consideration costs	3.9	2.4
Adjusted EBITDA	86.4	64.4
Adjusted EBITDA margin ¹	36%	34%
Statutory profit before tax		
	38.4	32.6
Amortisation of acquired intangible assets	9.1	5.6
Share-based payments charge	4.1	9.2
Costs relating to share-based payments scheme	0.9	-
Restructuring and refinancing costs	2.5	1.4
Unrealised operating foreign exchange loss/(gain)	2.5	(0.1)
M&A and contingent consideration costs	3.9	2.4
Adjusted profit before tax	61.4	51.1
Adjusted income tax expense ²	(12.6)	(10.0)
Adjusted profit after tax	48.8	41.1
Cash flow generated from operations		
	85.4	60.5
Interest paid	(14.0)	(3.4)
Income taxes paid	(9.5)	(5.1)
Principal elements of lease payments	(5.9)	(5.8)
Purchase of intangible and tangible assets	(2.7)	(1.3)
Free cash flow	53.3	44.9
Operating cash flow conversion % ³	99%	94%
Free cash flow conversion % ⁴	87%	88%
Earnings attributable to equity holders:		
Basic earnings per share (pence)	27.1	21.9
Diluted earnings per share (pence)	26.2	20.2
Adjusted basic earnings per share (pence)	43.3	36.2
Adjusted diluted earnings per share (pence)	41.9	33.4

¹ Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue. Note 2 discloses the rationale for the adjusting items in detail.

² Adjusted income tax expense represents the statutory income tax expense adjusted for the tax effect on adjusting items. In addition, the adjusted income tax expense includes the effect of any tax rate changes. Adjusted income tax expense has been reconciled on page 23.

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

⁴ Free cash flow conversion is defined as: Free cash flow generated from operations; being cash flow generated from operations less interest paid, income taxes paid and purchase of intangible and tangible assets; divided by Adjusted profit before tax.

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 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 internally we review the results of the Group using these measures. 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.

FINANCIAL KEY PERFORMANCE INDICATORS

The financial KPIs below are used, in addition to statutory reporting measures, by the Executive Directors to monitor the Group's performance and progress. These KPIs are used to measure progress against strategy, the strength of the business and long-term prospects for our stakeholders.

	Revenue	Invoiced Forward Revenue	Adjusted EBITDA	Adjusted EBITDA margin	Net bank debt
2022	£243.2m	£133.5m	£86.4m	36%	£249.6m
2021	£189.3m	£107.7m	£64.4m	34%	£177.6m
% reported growth	28%	24%	34%	2p.p.	41%
% underlying growth	10%	12%	36%	2p.p.	41%

The Group delivered on its ambition to achieve at least 10% underlying revenue growth and achieve margin of 35-40% and now sets its target on exceeding 40% margin.

The platform economics of our business model meant that a significant proportion of the underlying revenue growth filtered through to Adjusted EBITDA without material incremental cost of sale. This therefore gave the Group a significantly improved margin from 34% to 36%, achieving our previous margin range target.

In addition to the underlying performance of the business, the deployed debt also brought in two further acquisitions to the Group, MBI and TS Lombard. These additions also contributed to the revenue growth and increased profitability in the year.

OPERATIONAL KEY PERFORMANCE INDICATORS

The operational key performance indicators ("KPIs") below are used by the Directors to monitor the quality of revenue growth and understand underlying performance. Our operational KPIs are:

Value Renewal Rate – this is calculated by dividing the total subscription sales value closed in the year compared with subscription value available for renewal (based upon prior year value).

Volume Renewal Rate – this is calculated by dividing the total volume of subscription sales closed in the year compared with subscription volume available for renewal.

Average Client Value – this is calculated using the total value of sales across our clients and showing an average value.

Our operational KPIs reference sales orders rather than revenue and therefore impact both revenue recognised in the year as well as Invoiced Forward Revenue.

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As at 31 December 2022, the total number of clients (>£5,000 spend) was 4,735 (2021: 4,732).

	Clients >£20,000			All Clients (above £5,000)		
	Value renewal rate	Volume renewal rate	Average client value	Value renewal rate	Volume renewal rate	Average client value
2022	101%	84%	£75,100	99%	78%	£47,900
2021	97%	83%	£72,900	95%	75%	£42,400
Movement	4p.p.	1p.p.	3%	4p.p.	3p.p.	13%

Strong performance in underlying operational KPIs helped deliver 10% underlying growth. We improved our Group volume renewal rates by 3 percentage points to 78% compared with 2021. The Group also demonstrated strong pricing power, as well as a good performance in selling more licences and product to its existing client base. The additional value meant that the value renewal rate for the Group was 99% compared with 95% in 2021, with a particularly strong performance in our larger client base.

THE GROUP'S PERFORMANCE THIS YEAR

1. Revenue

Revenue grew by 28% to £243.2m, driven largely from underlying growth of 10% and aided by revenue from recent M&A and the benefit of currency gains (2021: £189.3m). On an underlying basis, subscriptions (representing 81% of revenue (2021: 81%)) grew by 10% underpinned by improving renewal rates, strong pricing and client contract growth as well as new business wins.

2. Profit before tax

Profit before tax for the year grew by £5.8m to £38.4m (2021: £32.6m), which partly reflects the operating leverage which has driven Adjusted EBITDA to grow by £22.0m to £86.4m (2021: £64.4m), offset with increases in finance and other operating costs.

£m	Year ended 31 December 2022	Year ended 31 December 2021	Change %
Revenue	243.2	189.3	+28%
Operating costs	(156.8)	(124.9)	+26%
Adjusted EBITDA	86.4	64.4	+34%
Depreciation	(6.4)	(6.8)	-6%
Amortisation of acquired intangible assets	(9.1)	(5.6)	+63%
Amortisation of software	(1.0)	(0.9)	+11%
Share-based payments charge	(4.1)	(9.2)	-55%
Costs relating to share-based payment schemes	(0.9)	-	+100%
Refinancing costs	(1.9)	(0.2)	+850%
Restructuring costs	(0.6)	(1.2)	-50%
Revaluation loss on short and long-term derivatives	(0.6)	(0.9)	-33%
Unrealised operating foreign exchange losses	(1.9)	1.0	+290%
M&A costs	(2.9)	(2.4)	+21%
Contingent consideration	(1.0)	-	+100%
Finance costs	(17.6)	(5.6)	+214%
Profit before tax	38.4	32.6	+18%

Strategic Report

Chief Financial Officer's Report

Adjusted EBITDA

Adjusted EBITDA increased by 34% to £86.4m (2021: £64.4m). The growth in Adjusted EBITDA was driven by our strong revenue growth and our ability to control what is a relatively fixed cost base.

We have an established operating cost base and given the economics of our platform business, which sees limited incremental cost of sale, our overall margin increased by 2 percentage points to 36% (2021: 34%).

Adjusting items

Adjusting items grew by £4.5m in total, with some significant individual movements of note:

- The amortisation charge for acquired intangibles has increased by £3.5m to £9.1m (2021: £5.6m). This is reflective of intangible assets acquired as part of the four business combinations over the past 15 months and resulting increases in amortisation.
- The share-based payment charge has decreased from £9.2m to £4.1m, largely due to the vesting of Scheme 1 in August 2022, which carried no charge in 2022.

The charge for 2022 included IFRS2 costs for Schemes 2 and 4 including the modification noted in the Remuneration Report on page 61. The modification was effective from 30 November 2022 and therefore only had an impact of £0.5m increase in charge in the year. It is expected that the charge will increase in future years because of the modification.

- M&A costs grew year on year, reflecting continued M&A transactions in 2022.

Finance costs

Finance costs have increased by 214% to £17.6m (2021: £5.6m) which is inclusive of a non-cash IFRS9 charge of £2.1m (2021: £0.8m) and IFRS16 leases interest of £1.3m (2021: £1.5m). The cash paid in interest in 2022 was £14.0m (2021: £3.4m).

This reflects the increase in average drawn debt in 2022 compared with 2021, which funded the M&A activity over the past 15 months and purchase of own shares, in addition to the increase in interest rates.

Finance costs are calculated on drawn debt based upon on a margin range of 275–375bps, dependent on Group net leverage, plus SONIA (Sterling Overnight Index Average rate). The Group entered into a swap arrangement on SONIA on 21 October 2022 amid the backdrop of rising rates. The arrangement fixed SONIA at 4.9125% over the remaining life of the term loan. Further information on the interest rate hedge is given on page 110. Undrawn debt carries interest at one third of the prevailing margin.

Leases

Within our operating costs, depreciation in relation to right-of-use assets was £4.7m (2021: £5.0m). Other income, in relation to sub-let income on right-of-use assets was £0.1m (2021: £0.4m). Our net finance costs include interest of £1.3m in relation to lease liabilities (2021: £1.5m).

3. Foreign exchange impact on results

The Group derives around 60% of revenues in currencies other than Sterling, compared with around 40% of its cost base. The impact of currency movements in the year increased revenue by £7.9m, which mainly reflected Sterling weakness against US Dollar (average rate: 2022: 1.25, 2021: 1.38), with £6.0m currency benefit also reflected in Invoiced Forward Revenue. Cost inflation as a result of currency movements fully offset the gain in the year and impacted the results by £8.8m. The full impact of currency on Adjusted EBITDA was a reduction of £0.9m.

£m	Revenue	Operating costs ¹	Adjusted EBITDA	Margin	Invoiced Forward Revenue
As reported	243.2	(156.8)	86.4	36%	133.5
<i>Add back currency movements</i>					
US Dollar	(8.1)	6.8	(1.3)		(6.0)
Euro	0.3	-	0.3		-
Other	(0.1)	2.0	1.9		-
Constant currency	235.3	(148.0)	87.3	37%	127.5
2021 - as reported	189.3	(124.9)	64.4	34%	107.7
<i>Constant currency growth</i>	<i>24%</i>	<i>18%</i>	<i>36%</i>	<i>3.p.p.</i>	<i>18%</i>

¹ Operating costs excluding adjusting items.

Strategic Report

Chief Financial Officer's Report

4. Taxation

The Group's effective income tax rate (ETR) for the reporting period is 20.6% which exceeds the statutory UK income tax rate of 19.0%. The major components impacting the income tax expense are higher tax rates in certain overseas jurisdictions where the Group operates, specifically the United States and India (increase to ETR), incurring expenses that are non-deductible for tax purposes (increase to ETR) and the remeasurement of deferred tax assets to 25.0% to recognise the change in UK tax rate from 1 April 2023 (decrease to ETR).

Key factors that may impact the Group's future tax charge as a percentage of underlying profits are the mix of profits and losses between the jurisdictions in which the Group operates and the corresponding tax rates in those territories, the impact of non-deductible expenditure and non-taxable income and the utilisation (with a corresponding reduction in cash tax payments) of previously unrecognised deferred tax assets.

Reconciliation of statutory income tax charge to adjusted income tax charge is presented below:

£m	Year ended 31 December 2022	Year ended 31 December 2021
Statutory income tax charge	7.9	7.7
Amortisation of acquired intangible assets	1.8	0.9
Share-based payments charge	0.8	1.5
Costs relating to share-based payment schemes	0.2	-
Restructuring and refinancing costs	0.4	0.1
Unrealised operating foreign exchange loss/(gain)	0.5	(0.2)
Corporate tax rate change	1.3	(0.6)
Movement in unrecognised deferred tax	(0.3)	0.6
Adjusted income tax charge	12.6	10.0

5. Earnings per share

Basic EPS was 27.1 pence per share (2021: 21.9 pence per share). Fully diluted profit per share was 26.2 pence per share (2021: 20.2 pence per share).

Adjusted earnings per share grew from 36.2 pence per share to 43.3 pence per share, representing 20% growth.

6. Dividends

We are pleased to propose a final dividend of 18.3 pence per share (2021: 13.2 pence), to be paid on 28 April 2023 to shareholders on the register at the close of business on 31 March 2023. The ex-dividend date will be on 30 March 2023. The proposed final dividend increases the total dividend for the year to 26.0 pence per share (2021: 19.3 pence), an increase of 35%.

7. Cash generation

Cash generated from operations grew by 41% to £85.4m (2021: £60.5m), representing 99% of Adjusted EBITDA (2021: 94%). We would normally expect operating cash flow to be in excess of 100% of Adjusted EBITDA and if we add back one-off cash costs in the year (restructuring, refinancing and M&A), cash flow conversion is 103%.

Capital expenditure was £2.7m in 2022 (2021: £1.3m), including £1.7m on software (2021: £0.5m). Capital expenditure represented 1.1% of revenue (2021: 0.7%).

Total cash flows from operating activities was £61.9m (growth of £9.9m from 2021), which represented 111% of operating profit (2021: 136%), with an increase in interest paid of £10.6m to £14.0m being the main reason for the lower conversion rate. During the year, the Group paid out £23.6m in dividends (2021: £20.4m).

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Short- and long-term borrowings increased by £83.4m to £283.6m as at 31 December 2022 (2021: £200.2m). The debt drawn was focused on two main areas of expenditure:

- **M&A** – The Group purchased MBI and TS Lombard during 2022 for a combined cash consideration of £32.9m. In addition, £0.7m was paid in relation to the target working capital adjustment for LMC, which completed in 2021. The cash costs of acquisitions are set out on page 131.
- **Purchase of shares through Employee Benefit Trust** – The Group purchased 5.3m shares for its employee LTIP for net consideration of £66.6m. The Employee Benefit Trust held 5.6m shares as at 31 December 2022, to satisfy options in issue of 7.1m.

8. Net bank debt:

Net bank debt increased to £249.6m as at 31 December 2022 (2021: £177.6m). The increase principally reflects strong operating cash flows, offset by M&A activity of £33.6m, contributions to the Employee Benefit Trust to buy back shares of £66.6m, dividends of £23.6m and capital expenditure of £2.7m.

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

£m	2022	2021
Short- and long-term borrowings (note 20)	283.6	200.2
Cash	(34.0)	(22.6)
Net bank debt	249.6	177.6

9. Invoiced Forward Revenue

Invoiced Forward Revenue grew by 24% to £133.5m from the 31 December 2021 balance of £107.7m, reflecting good momentum on sales orders during 2022 (underlying growth of 12%) and the impact of acquisitions. Invoiced Forward Revenue is a major component of our significant revenue visibility for the forthcoming year.

£m	2022	2021
Deferred revenue (note 19)	104.0	81.4
Amounts not due/subscription not started at 31 December	29.5	26.3
Invoiced Forward Revenue	133.5	107.7

10. Intangible assets

Intangible assets have increased by £32.4m during the year, from £347.7m as at 31 December 2021 to £380.1m as at 31 December 2022. The majority of the increase relates to the two acquisitions made during the year of MBI and TS Lombard in which the Group recognised goodwill and intangible assets on acquisition of £24.9m and £15.1m respectively. Offsetting against these increases was an amortisation charge for the year of £10.1m (2021: £6.5m), which represented an increase of 55% reflecting the acquisitions made over the past 15 months.

11. Trade receivables

Net trade receivables as at 31 December 2022 were £54.4m, representing 29% growth compared with the 31 December 2021 balance of £42.3m, the impact of the acquired companies and sales growth mainly driving the increase.

Strategic Report

Chief Financial Officer's Report

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 and Euro exchange rates with Sterling. Due to the Group's operations in India, the Group also enters into foreign exchange contracts that limit the risk from movements in US Dollars with the Indian Rupee exchange rate. While 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. Furthermore, the company is continuing to monitor the Inclusive Framework Project established by the OECD, including Pillar One (determining where tax should be paid and on what basis) and Pillar Two (the design of a system that ensures multinational enterprises pay a minimum level of tax), which is expected to move into an implementation phase during 2023. However, the application thresholds will be aimed at the very largest companies, and therefore the rules are unlikely to impact the Group.

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. On 21 October 2022, GlobalData Plc (the parent company) entered into an interest rate swap arrangement to fix the floating element of the interest rate (based upon SONIA) to a fixed rate of 4.9125%. The Group has applied hedge accounting in accordance with IFRS9 (Financial Instruments); as such any gains or losses on the interest rate swap, to the extent that they are effective, are recognised directly within other comprehensive income of both the Group and the parent company.

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 £104.0m of deferred revenue that represents future income earnings. Excluding deferred revenue, the Group has net current assets of £56.4m (2021: £27.8m).

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 38, within the Strategic Report.



Graham Lilley
Chief Financial Officer
27 February 2023

Strategic Report

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 three years, our approach to risk management has matured, developing over time to better serve the needs of a fast-growing business.

The Group Risk Management has three key components:

- *A Risk Appetite Statement:* This provides a high-level indication of how much risk GlobalData is willing to take, accept or tolerate in achieving its strategic goals and objectives. The Board sets the Group's risk appetite and reviews it at least annually. 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.
- *A three lines of defence model on internal controls (first line: functions that own and manage risk; second line: functions that oversee and specialise in compliance; third line: independent assurance):* The model details the key internal controls, policies and assurance the Group has in its risk management processes, as well as those accountable and responsible for their operation.
- *Our risk management processes and tools:* These include an Annual Risk Assessment, assessment of internal controls and review of the control environment. The Board also considers the views of the Senior Leadership Team 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. While 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 considers 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.

Strategic Report

Principal and Emerging Risks and Uncertainties

Annual Risk Assessment

At least annually, the Senior Leadership Team reviews the Group's principal risks and performs a risk assessment. The assessment considers both the existing principal risks as well as potential emerging risks of the Group. The assessment looks at both the likelihood of a risk event occurring and the impact that would have on the Group and the controls and mitigations the Group has in place.

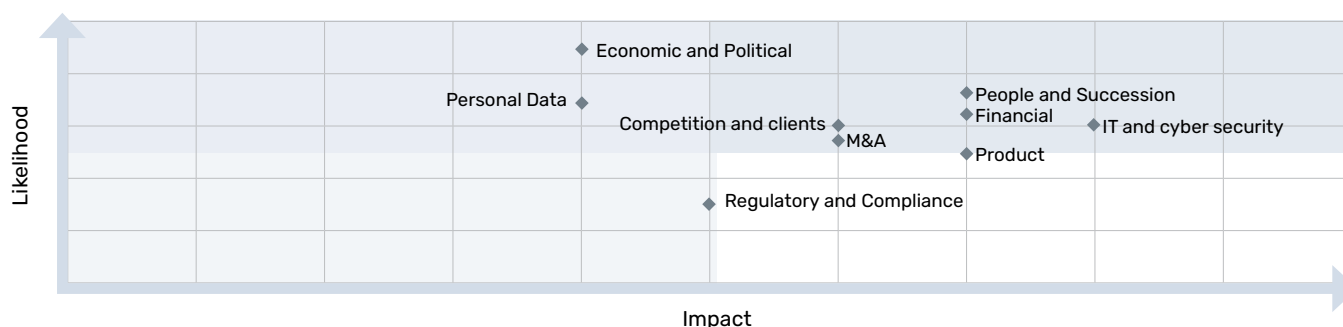
The assessment as at 31 December 2022 has concluded that there are no new principal risks that have emerged during the year, however the Board has acknowledged the increased risk around the macro-economic situation and considerations and actions have been documented in the below analysis of principal risks.

We are a data and analytics company in which our products are created and distributed digitally. Our carbon footprint is considerably smaller than those of many other companies of our size. Therefore, we have concluded that environmental factors do not represent a principal risk to our business.

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:

Gross risk likelihood and impact:



Key: Link to Growth Optimisation Plan ("G.O.P"): 1. Customer Centric, 2. World-Class Product, 3. Sales Excellence, 4. Operational Efficiency

Business and Strategic Risks:

Risk Description	Link to G.O.P.	Potential Impact	Key Mitigations and Controls	Assessment
Product: The success of the Group is dependent on the quality and relevance of our products.	1, 2	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 lead to a loss of reputation resulting in a loss of revenues from new and renewable business.	<ul style="list-style-type: none"> Regular product and research planning meetings consolidate client feedback, competitive positioning and new product development to ensure relevance and drive innovation. Standard Process Manuals set out consistent research and publishing procedures, which focus on quality and accuracy and are continually reviewed for best practice. Internal Quality team independently checks compliance against Standard Process Manuals. External audit of Standard Process Manual compliance. Internal production targets are set relating to metrics such as timeliness and monitored against performance metrics. Review of KPI metrics such as renewal rates and customer numbers giving an indication of customer satisfaction and product quality. 	Overall The product is very well diversified and offers significantly more breadth than rival products. The Group continually looks for innovation to enhance capability and client experience. We have effective quality and process controls in operation. Risk Movement Stable.

Strategic Report

Principal and Emerging Risks and Uncertainties

Business and Strategic Risks (continued):

Risk Description	Link to G.O.P.	Potential Impact	Key Mitigations and Controls	Assessment
<p>People and Succession: The Group is a people-based business; failure to attract or retain key employees could seriously impede future growth.</p>	1,2,3,4	Failure to recruit or retain key employees could lead to reduced innovation and progress in the business.	<p>The Group actively manages its talent and ensures that there are succession plans for its Board and Senior Leadership Team.</p> <ul style="list-style-type: none"> The Group operates a competitive remuneration package, with competitive commission and Long-Term Incentive Plans to attract and retain key employees. Robust on-boarding programme for all new employees covering both corporate and role specific content. Experienced management team with regular review of succession plans at Board and Senior Leadership Team level. Employee engagement initiatives through Employee Resource Groups and engagement with employee focused Non-Executive Director. Annual appraisal process for all employees which allows the Group to evaluate performance and competence. The process demonstrates to employees that the Group is invested in their growth and development with both positive feedback and well communicated development feedback leading to improved morale, enthusiasm and performance. 	<p>Overall We have continued to maintain a stable senior management team and launched a number of employee engagement initiatives.</p> <p>Market conditions have, however, continued to make the recruitment and retention of junior roles in sales and research and analysis more challenging.</p> <p>Risk Movement Stable.</p>
<p>Competition and Clients: The Group operates in highly competitive yet fragmented markets.</p>	1,3	Loss of market share due to changing markets and reduced financial performance arising from competitive threats.	<p>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 its depth. Therefore, it has to ensure that the depth of industry content is competitive and comparable to its competition in that sector.</p> <ul style="list-style-type: none"> 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 increasing switching costs. We provide improved and best-in-class client support, thereby improving customer satisfaction and retention. 	<p>Overall The first of our Growth Optimisation Pillars is Customer Obsession and we continue to focus on exceeding our clients' expectations. We have continued to invest in our customer success teams and the usability of the product and have consequently seen an improvement in year-on-year renewal rates.</p> <p>Risk Movement Stable.</p>

Strategic Report

Principal and Emerging Risks and Uncertainties

Business and Strategic risks (continued):

Risk Description	Link to G.O.P.	Potential Impact	Key Mitigations and Controls	Assessment
<p>Economic and Global Political Changes: The Group's businesses operate in three key geographic markets, namely Europe, North America and Asia Pacific.</p>	1,4	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.	<p>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.</p> <p>When economic and political uncertainty lead to financial uncertainty, we have the following mitigations:</p> <ul style="list-style-type: none"> • Wage inflation is manageable with careful allocation of resources and additional employee benefits (LTIP and competitive sales commission schemes), in addition to funding through advancements in technology and efficiency savings. • We have mitigated the risk of rising interest rates by entering into an interest rate swap which fixes the floating (SONIA) element of the interest rate on the £290.0m term loan to a fixed rate of 4.9125%. • The Group is not reliant on significant external supply chain with energy costs representing less than 1% of the total cost base and therefore limited exposure to the current energy cost crisis. • Visibility of revenue through invoiced revenue and renewable contracts. • Strong pricing power in 2022 and continued price increase trajectory. • We operate across multiple industry sectors and therefore are not reliant on one industry by having good sector diversity. • Criticality and positioning of data (uncertainty drives demand). <p>We operate in different geographies and therefore operate in a balanced portfolio of markets.</p>	<p>Overall We are a global business operating in multiple sectors, which means our risk is spread across multiple economies and industries. Although the macro-economic situation in 2022 has led to increased risk across the Group, in most areas the Group has mitigations to limit the risk to financial performance.</p> <p>Risk Movement Increase in risk due to current macro-economic situation.</p>
<p>Acquisition and Disposal Risk</p>	1,2,4	The failure to successfully identify and integrate key acquisitions could lead to loss of profits, inefficient business processes, inconsistent corporate culture and weakened brand.	<p>M&A is a key pillar of Group strategy.</p> <ul style="list-style-type: none"> • We engage with external advisers to help us identify and engage with strategic targets. • We have an internal team dedicated to M&A that meets regularly to discuss prospects, pipeline, progress of transactions and post-acquisition integration activities. • All acquisitions are subject to rigorous financial, tax and legal due diligence (both internal and with the aid of external advisers) and operational review. A final business case including a future financial forecast is 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 review the diligence process. • 100-day post acquisition plan to provide a consistent and robust integration playbook. • As a Board, annual review of the capital allocation strategy is performed to ensure funding is available for M&A. 	<p>Overview During periods of high M&A activity, which has been the case in both 2021 and 2022, the execution and integration risk is inherently high. There are however robust and effective controls and processes in place to mitigate these risks.</p> <p>Risk Movement Stable.</p>

Strategic Report

Principal and Emerging Risks and Uncertainties

Operational risks:

Risk Description	Link to G.O.P.	Potential Impact	Key Mitigations and Controls	Assessment
<p>Financial</p>	4	<p>The Group's debt financing is subject to interest rate risk, with the bank's margin applied to SONIA (Sterling Overnight Index Average rate). Movement in SONIA would cause variability in interest payments.</p> <p>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.</p> <p>High levels of inflation rates can increase costs across the Group.</p> <p>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.</p>	<p>The Group actively manages its financial risks:</p> <ul style="list-style-type: none"> We have mitigated the risk of rising interest rates by entering into an interest rate swap which fixes the floating (SONIA) element of the interest on the £290.0m term loan to a fixed rate of 4.9125%. This eliminates the Group's risk to future fluctuations in interest rates. A significant mitigation to the risk of currency fluctuations 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, while 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 managed by entering into foreign exchange contracts that limit the risk from movements in US Dollar, Euro and Indian Rupee exchange rates with Sterling. Contracts are entered into in line with our Board-approved treasury policy (the policy is to hedge throughout the year at 20% per quarter for a period of 12 months out, so that in each quarter we enter with 80% of our net cash flow hedged). The Group operates a focused approach to cost management, including mitigating the impact of inflation. As a Group we have a relatively low percentage of external supplier spend compared to the costs attributable to payroll and related costs and would look to mitigate increases in these through advancements in technology and efficiency savings, hence we do not see any significant risk from this area (also see Economic and Global Political Changes). We have an internal tax and treasury team with a remit to continually monitor and review tax and treasury matters of the Group. 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. The Group has a Related Party Committee, a separate subcommittee of the Audit Committee, which monitors the controls in place to identify related party transactions. The Committee also authorises the type and nature of each transaction, ensuring that each transaction is entered into on an arm's length basis. 	<p>Overview</p> <p>Although the current macro environment has led to an increased risk through volatility in interest rates, fluctuations in currency exchange rates and rising inflation, the group has in place policies and procedures to actively manage these risks.</p> <p>During the year we have continued to actively reduce some of the related party relationships and shared services arrangements, evidenced in a reduction of both the volume and value of transactions during 2022. The Group will continue to aim to reduce these further in 2023 and beyond.</p> <p>Risk Movement</p> <p>The risk profile has increased due to the current macro-economic situation, specifically in relation to interest rates and currency fluctuations, however the Group has demonstrated active management of these risks in the year.</p>

Strategic Report

Principal and Emerging Risks and Uncertainties

Operational risks (continued):

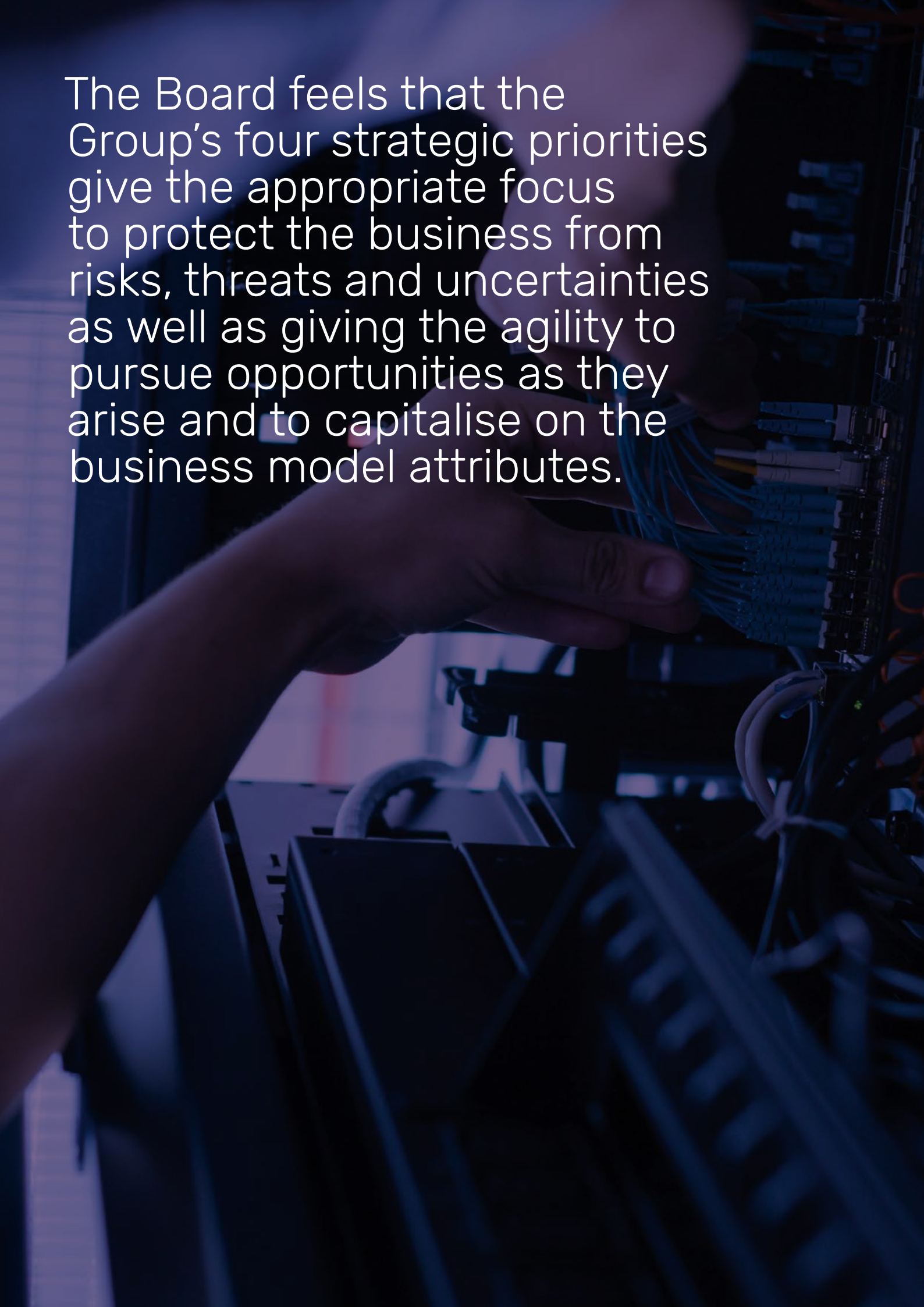
Risk Description	Link to G.O.P.	Potential Impact	Key Mitigations and Controls	Assessment
Personal Data	1,4	The loss/theft or misuse of personal data of employees, clients and others could cause significant harm to our key stakeholders and could lead to regulatory and reputational loss.	<p>We have an obligation to protect the data we hold, both client, employee and other stakeholder data. Loss and/or misuse of this data could result in a loss of reputation, regulatory sanctions and/or fines.</p> <p>Collecting first-party data plays a crucial role in delivering a better and scalable commercial proposition for the Group and driving the future business proposition. The Group operates robust controls around this.</p> <ul style="list-style-type: none"> The Data Privacy steering committee, led by the Chief Financial Officer, provides continuous monitoring of data and privacy developments, adoption of best practice and advice across the Group. This Group consists of information security, data protection, commercial, legal and external advisers. In conjunction with the Data Privacy steering committee the Group's legal department monitors laws and regulations surrounding the use and management of data. Regular health checks are performed across all sites to ensure compliance with policies and procedures. Data Privacy policy and GDPR forms part of the mandatory annual employee training. IT, Cyber and Systems controls to prevent unauthorised access. 	<p>Overview</p> <p>Whilst most of the data held by the Group is industry, market, and economic data, the loss and/or misuse of the personal data of employees, clients and other stakeholders could cause significant harm. The Group does however have processes and controls in place, including annual training, to protect this data which are being continually reviewed and enhanced throughout the year.</p> <p>Risk Movement</p> <p>Stable.</p>

Strategic Report

Principal and Emerging Risks and Uncertainties

Operational risks (continued):

Risk Description	Link to G.O.P.	Potential Impact	Key Mitigations and Controls	Assessment
<p>IT, Cyber and Systems Failure</p>	1,4	<p>Significant operational or client disruption caused by a major IT disaster or cyber-attack.</p> <p>There is a risk of financial loss through successful phishing or whaling attacks or other cyber infiltration.</p>	<p>IT, Cyber and Systems failures continue to be a major area of focus for the Group. Key mitigations and controls for the Group:</p> <ul style="list-style-type: none"> • Continuous and proactive monitoring of the cyber-threat landscape, including regular external review of cyber security and website security protocols. • Internal Information Security team supported by external consultancy who are engaged to help with the design and implementation of IT security. • Business continuity plans are in place 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. • Performance of automated vulnerability scans of externally exposed enterprise assets. • Automated backups, including maintenance and protection of back-up and recovery data. • Periodic external penetration tests on Group websites. • Extensive information security policies communicated to all employees as part of the mandatory Information Security Awareness training. All policies are also available on the Group intranet site. 	<p>Overview</p> <p>We continue to focus on ensuring that we implement and design best-practice, effective controls for our IT systems.</p> <p>IT and Cyber controls have continued to be enhanced and improved throughout the year; however, we recognise that cyber threats including Distributed Denial-of-Service (DDoS) attacks, malware and hacking are an ever-increasing threat and will continue to be a constant area of focus given the sophistication of attackers.</p> <p>Risk Movement Stable.</p>
<p>Regulatory Compliance</p>	4	<p>The Group may be subject to regulations restricting its activities or effecting changes in taxation.</p>	<p>GlobalData is committed to complying with all laws and regulations that apply to the Group.</p> <ul style="list-style-type: none"> • 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. • As part of GlobalData's commitment to following best practices in employee conduct, information security and data protection, all employees and contractors are required to complete training at least annually to improve awareness of the Code of Conduct and information security issues. The training requires a declaration that the Code of Conduct will be adhered to and refers to other key Group policies including anti-money laundering, anti-bribery policy, whistleblowing and data protection and privacy. All global policies are available to all employees on the Group's intranet site. 	<p>Overview</p> <p>There has been no change to the risk level and the Group operates an annual mandatory Code of Conduct training incorporating other key compliance policies.</p> <p>Risk Movement Stable.</p>

A person's hands are shown connecting network cables to a server rack in a data center. The scene is dimly lit with a blue tint, and the focus is on the hands and the cables. The text is overlaid on the left side of the image.

The Board feels that the Group's four strategic priorities give the appropriate focus to protect the business from risks, threats and uncertainties as well as giving the agility to pursue opportunities as they arise and to capitalise on the business model attributes.

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 43 to 49), the Board meets 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, monitor the levels of engagement with each stakeholder and build 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 is given access to management papers that set out impact analysis surrounding decision-making. 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 primary example of this is the process by which acquisitions are considered by the Board. The Directors, the Senior Leadership Team, including the M&A team prepare a pack of information that considers: Commercial diligence and analysis of strategic fit; financial and tax diligence on the target (including review of forecast and projections); and legal and compliance diligence. The team will set out the 100-day plan for integration and discuss risks with the Board. This will be consolidated alongside external advice obtained through the process and will be 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. In forming a view of whether to approve any M&A, the Board will review this information and consider the views of internal management sponsors (particularly around the commercial rationale, the likelihood of synergies being achieved and the bandwidth to execute), as well as feedback that is received from our bankers, Nominated Adviser ("NOMAD") and brokers. If there are any challenges identified during this process, the Board will seek management to look at remedies and mitigations to be put in place prior to the transaction completing. The Board will then satisfy itself that the mitigations appropriately address the identified issue and the cost of which are not prohibitive to the deal proceeding.

The Group has a 5-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 and average client value give us insight into customer satisfaction and pricing power of the product and KPIs such as Invoiced Forward Revenue, revenue and earnings growth are key for our shareholders, banks and our employees. By understanding the drivers behind these KPIs the Board is able to take a view on whether the wider strategy is effective or whether more focus is needed on areas such as product development, pricing or client services. The insight gives the Board a clear view on the growth levers that will determine if the 5-year plan is achievable or whether actions need to be taken to achieve it.

The plan is reviewed regularly to benchmark our performance. Strategy is discussed at the monthly Board meetings and reviewed in detail each year, at the Board Away Day. 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 because 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.

The Group holds regular Chief Executive Information Sessions for all colleagues around the globe. The content of these sessions, held by video conference, is aimed at keeping our workforce aligned with our vision, mission and strategy and delivers key strategic updates and initiatives as well as the overall aim to increase the level of employee engagement.

Strategic Report

Directors' Section 172(1) Statement

The Group operates a series of Employee Resource Groups ("ERGs") which encourage our people to join forums which discuss a series of topics that help us gain their feedback and help them shape the direction of the company and its values. We have 5 ERGs: Gender Balance, Race and Ethnicity ('EmBRACE'), LGBTQ+ Allies ('PRIDE'), which are all focused on our Diversity, Equity and Inclusion, plus Philanthropy and Social & Leisure.

To ensure that the Board has a communication channel to the ERGs, Annette Barnes attends some of the ERG meetings throughout the year in her capacity as our designated workforce Non-Executive Director. Feedback and themes of the meetings are then fed back into the wider Board, which is invaluable in assessing the culture, talent and leadership of the business.

The designated workforce Non-Executive Director role has the aim of forging closer relationships between the Board and the workforce. In addition to Annette's involvement in the ERGs, Annette also provides independent oversight of the whistleblowing hotline, providing a useful insight into employee matters. Given Annette's role as Remuneration Chair and her links to employees, the Board does not believe that workforce representation on the Board is required.

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 and 2 female Directors.

The Senior Leadership Team has 14 male employees and 3 female employees and is a truly global committee, which represents the diverse nature of our Group. The Committee is made up of 11 members from the UK, 2 from India, 2 from the US, 1 from Canada 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 Chief Executive Information Sessions during 2022. 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 Group's key stakeholders and review, at least annually, to ensure there is sufficient communication and engagement. The review of the stakeholder map, which assesses the influence and interests of our stakeholders, is used to guide our decision-making processes. The key initiatives and developments for each stakeholder group during the year are summarised below:

Our People

- Continuation of regular Chief Executive Information Sessions to all our global colleagues.
- Annual individual performance reviews, with opportunity for upward as well as downward feedback and links from personal objectives to Group strategy.
- Launch of Employee Resource Groups in 2022 to replace VOICES (previous initiative) to give our people a forum to get involved in shaping the culture and strategy of the business. These Groups are attended by Chair of the Remuneration Committee, to ensure communication channels to and from the Board are effective.
- Increased focus on employee learning and development in the year, with introduction of a more structured and widespread programme.
- Group-wide internal intranet, with news, policies and resources.

Shareholders and investment community

During the past 12 months we have actively increased the level of communication and interaction with our shareholders and investment community following feedback.

- Increased the number of one-to-one meetings with our shareholders and investment community, both following our half year and full year results and meetings outside the 'normal results cycle'.
- We held a capital markets day on both 27 January 2022 and 24 January 2023. These forums gave investors the opportunity to review the Group strategy in detail, ask questions of management and see demonstrations of the product.
- We increased the amount of coverage with research analysts, and now have 5 analysts covering GlobalData (previously 3).
- Appointed Numis as additional broker and FTI Consulting as an Investor Relations agency. The Group has also launched an enhanced Investor Relations website.
- Feedback regarding the Group's corporate governance arrangements and disclosure was received from a number of shareholders in advance of the Annual General Meeting held in April 2022. These queries were responded to in a timely manner and included proposed actions to remedy the feedback noted.
- When considering the target modifications to the LTIP, there was engagement with larger shareholders on the matter.

Strategic Report

Directors' Section 172(1) Statement

Clients

- Customer Obsession is now the Group's number one priority in the Growth Optimisation Plan.
- 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 16, within the Chief Executive's Report, discusses how the Group and its Board address the Customer Obsession priority, and page 28 notes the controls that we have in place to ensure we maintain strong relationships and partnerships with our clients.
- We have initiated a collaborative initiative with our top tier clients globally, involving relationship managers, sales account managers, customer service, analysts and consultants to embed deeper relationships with our key customers. The initiative has involved more meetings with our clients as well as using technology to understand their needs in greater depth.
- As an information services company, we want to be a catalyst for positive change for the markets and customers we serve. Both within and in front of the paywall, we are providing data-led insight into key areas of ESG. We recognise that ESG is strategically important to all of our clients, and because of the significant amount of data we collect and analyse, we are creating a vast ecosystem of ESG intelligence across our industries.
- Our standard payment terms are zero days ahead of the contract start and we monitor the average debtor days, which were 62 days in 2022 (2021: 56).
- We have a continued focus on product quality, innovation and giving our clients timely insights in an ever-evolving world.

Banks

- We refinanced our debt during the year, which involved an enlargement of our bank group.
- We maintain a strong relationship with each of our lead banks and we regularly meet with each of the banks to discuss financing strategy.
- We present financial information to the wider banking group through quarterly management information packs and one-to-one meetings.
- The banks set our financial covenants for the bank debt, which we monitor and forecast against each month to the Board. The covenant test thresholds are taken into account when making any financial decision, to ensure compliance.

Auditors

- We appointed Deloitte LLP as auditors for 2020 following a decision to rotate audit firms in line with best practice. We went through an extensive first-year audit process to enable Deloitte to fully understand our business, its processes, people and controls and feedback from the first and second year audits has been fed into the audit approach for 2022 and beyond.
- Management meets regularly with the audit team throughout the year to discuss company performance, transactions and strategy. The Chair, Audit Committee Chair and Chief Executive also regularly meet with the audit partner and senior team.
- Feedback from the audit process, particularly around internal controls is used by the Board to drive action and decide upon priority areas in the annual risk and controls review.

Suppliers

- While 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.
- For all new suppliers we use an onboarding form, which documents our code of conduct and key policies around data privacy, modern slavery and compliance.

(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 ("ESG") Report on page 50 sets out the key themes that are considered by the Board.

Our strategy is underpinned by ESG factors and ESG is integral to everything that we do. It is the foundation of our company and provides the platform for creating a successful and sustainable company for the long term. As a company, we understand that it is mutually beneficial to consider all of our stakeholders (our colleagues, our communities, our customers). We believe that information and technology are both powerful enablers of a successful transition towards a more sustainable society.

For the year ended 31 December 2022, we have reported energy intensity metrics for our UK companies on page 52. The Company has a relatively low carbon footprint because of the nature of its operations; however, acknowledges improvements can always be made.

Strategic Report

Directors' Section 172(1) Statement

We are working towards reporting against both GRI (global sustainability reporting standards) and SASB (Sustainability Accounting Standards Board standards) and have joined the Science Based Targets initiative. GlobalData is committed to Business Ambition for 1.5°C and is part of the UN-backed campaign *Race to Zero*. For more details see www.sciencebasedtargets.org/companies-taking-action. During the year we have engaged with an energy consulting firm to better understand the full Group emissions, to understand where we can make a material difference and then to set a public target and roadmap. We expect to publish this later in the year.

As well as the consulting project aimed at setting our emission strategy across scope 1, 2 and 3, we have also been continually pursuing areas for improvement. For example we have replaced all lighting in our headquarters with LED lighting, which we expect will deliver estimated savings of 51 MWh per annum, and we have moved all energy accounts to 100% renewable (where we have a direct relationship with the energy providers).

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.

As a company, we have charity partners across the globe, with a particular focus on charities that help with mental well-being, education and empowering women in education.

(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.

GlobalData has improved its governance arrangements and reporting over the past three years. During the year:

- We have reviewed areas in the UK Corporate Governance Code in which we were not compliant and have taken actions against each. There is a table of actions and outcomes on page 43 to demonstrate this. The Group is currently non-compliant with provisions 40 and 41, being that the Remuneration Committee had not engaged with employees and shareholders when setting remuneration. Reflecting that the CEO does not receive a salary, this only therefore is applicable to the CFO. During the year, the Board did engage with large shareholders with regard to modifying the targets of the LTIP to significant shareholders. If there were any concerns raised, the Board would have factored this into the decision-making process.
- We have a skilled and diverse Board of Directors, which was enhanced in 2021 with the appointments of Catherine Birkett and Julien Decot as well as the appointment of independent Chairman Murray Legg.
- We have embedded an enhanced Enterprise Risk Management Framework across the Group, with an emphasis on internal controls around data privacy, data quality, cyber security and our other principal risks. The review of risk, alongside the risk appetite for the Group, guide the Board on where more focus and investment is needed. In particular, the risk appetite statement gives the Board a good framework when looking at any matter for the Company, as it appropriately frames the risk and ensures a proportionate response to it.
- NOMAD provides annual training on Directors' responsibilities, AIM listed rules and MAR (Market Abuse Regulation).
- Where there is a need to seek advice on particular issues, the Board will seek advice from its lawyers and NOMAD to ensure the consideration of business conduct and the Company's reputation is maintained.

(f) The need to act fairly between members of the Company

The Directors regularly meet with investors and give equal access to all investors and potential investors. Through its advisers, the Directors seek and obtain feedback from meeting with the investors and incorporate feedback into the Group's decision-making processes.

The Group's capital allocation policy is set out on page 10, which sets out the strategy on capital allocation including investment, dividend and share buy-back policies.

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, but will make decisions on share buy-back in reference to its cash flow and distributable reserves position. As at 31 December 2022, there were 7.1 million share options outstanding and the Company had 5.6 million shares in treasury against these options.

Strategic Report

Going Concern and Viability

Going concern

The Group has closing cash of £34.0m as at 31 December 2022 (2021: £22.6m) and net bank debt of £249.6m (31 December 2021: net bank debt of £177.6m), being cash and cash equivalents less short- and long-term borrowings, excluding lease liabilities. The Group has an outstanding term loan of £290.0m which is syndicated with 12 lenders. As at 31 December 2022, the Group had undrawn RCF of £120.0m which is syndicated with 13 lenders. The Group's banking facilities are in place until August 2025, at which point the Group will be required to renew or extend its financing arrangements as discussed in the long-term viability section below. The Group has generated £85.4m in cash from operations during 2022.

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. The Directors have modelled a number of worst-case scenarios to consider their potential impact on the Group's results, cash flow and loan covenant forecast. Key assumptions built into the scenarios focus on revenue and cost growth. 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. The plausible downside scenarios modelled were as follows: (i) revenue growth in 2023 being 10% lower than expectation (ii) cost growth in line with the current UK rate of inflation and (iii) both scenarios combined. There remains headroom on the covenants under each scenario and cash remained in excess of the 31 December 2022 balance of £34.0m in all months.

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 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 2027 as part of the 5-year plan, taking account of the Group's current position, its cash flows and the potential impact of the principal risks as outlined on pages 26 to 32 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 5-year plan has been built on the basis that the Group continues to achieve consistent revenue growth. The 2023 budget is the basis for the plan. Our cost base is relatively fixed and predictable and as such we have assumed modest cost growth. The cash flow assumptions follow our business model of our clients being invoiced in advance of the subscription start date and suppliers and employees are paid within 30 days and at the end of the month respectively.

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

The Group's prospects are assessed primarily through the annual budgeting process. Detailed plans are prepared by the Senior Leadership Team and are presented to the Board at the Annual Away Day, which allows a deep dive into various areas of the business and provides the 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 9 of the Annual Report, our business model has strong fundamental attributes, being significant recurring and visible revenue streams, strong incremental margins, robust working capital and operational cash flow and scalable opportunity.

The Board feels that the Group's four strategic priorities give the appropriate focus to protect the business from risks, threats and uncertainties as well as giving the agility to pursue opportunities as they arise and to capitalise on the business model attributes. The focus on being Client Centric, developing World-Class Products, Sales Excellence and Operational Agility are the correct focuses aligned with the Group's mission and vision.

The Board believes internal execution to be the single greatest risk against its 5-year plan. The Group recognises the key mitigations to protect the Group from this as set out in its Principal Risks on page 28.

Strategic Report

Going Concern and Viability

The Group has a fully drawn down term loan of £290.0m and an available undrawn RCF facility of £120.0m with a syndicate of banks. The Group's banking facilities are in place until August 2025, at which point the Group will be required to renew or extend its financing arrangements. The Group has to date had a very supportive banking syndicate (as indicated by the successful renegotiation of the finance facilities in August 2022). As such the Directors do not believe there will be any issues in renegotiating the loan facilities in the future when necessary. On the basis that refinancing is possible on similar terms to the existing facilities, the Board has reviewed forecast cash flows until 2027 which demonstrate the ability to trade with headroom on its facilities.

The Board is 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. The Board is 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

This report was approved by the Board of Directors on 27 February 2023 and signed on its behalf by Mike Danson, Chief Executive

Directors' Report

The Directors

The Directors who served the Group during the year and up to the date of signing were:



Murray Legg
Non-Executive
Chairman

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.



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 Plc.



Annette Barnes
Non-Executive
Director

**Senior
Independent
Director, Chair
of Remuneration
Committee**

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

Directors' Report

The Directors



Catherine Birkett
Non-Executive
Director

Chair of Audit Committee

Catherine is Chief Financial Officer for GoCardless, a global leader in Account-to-Account payments, leading three funding rounds and driving growth in excess of 40% a year. Before joining GoCardless in 2018, Catherine was Chief Financial Officer for one of Europe's fastest-growing telecoms providers, Interoute, where she took the business from \$20m to \$800m in turnover over 16 years, leading equity and debt raises, including an inaugural high yield debt issue. While there, she also completed 10 acquisitions, including one for a business half the size of Interoute, before overseeing a successful exit of the business in May 2018.



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 more than 20 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.




Andrew Day
Non-Executive
Director

Alongside his Non-Executive role at GlobalData, Andrew is a Non-Executive and advisor to a range of technology and data companies including AIScout, VSN International and Data Leaders. Over the course of his career, Andrew has held a range of executive level roles including Group Chief Data Officer at Pepper Financial Services, Group Chief Data Officer for J Sainsbury Plc, Business Intelligence Director at News UK and General Manager of Business Intelligence at Telefonica. With over 30 years of experience in commercially orientated data and analytics, Andrew has a successful track record for implementing transformational data-driven change across a number of industry sectors.



Julien Decot
Non-Executive
Director

Julien is a veteran technology executive with more than 20 years' experience in Silicon Valley and Europe across multiple senior roles in major technology companies including Amazon.com, eBay, Skype, Facebook and Intuit. He joined Skype in 2007, where he built the team in charge of Strategy, Business Development and Corporate Development. Prior to joining Facebook, he founded a mobile messaging company called TextMe, which reached 40m users and is now a profitable and successful business. He joined Facebook in 2016 to lead Platform Partnerships for EMEA. Since 2022, he has been leading International Business Development and Strategy for Intuit. Julien holds a BA in Finance from ESCP Europe in Paris, as well as an MBA from UC Berkeley.

A group of diverse people in a meeting. In the foreground, a woman with curly hair wearing a white and black striped shirt looks towards the camera. In the background, another woman with her hand on the first woman's shoulder looks towards the right. The scene is dimly lit with a blue and purple color palette.

We recognise that it is advantageous to promote different cultures within different functions of the organisation which all contribute to the overall culture of the business.

Directors' Report

Corporate Governance Report

The Board has set out its responsibility for preparing the Annual Report and Accounts on page 71. The Board considers 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), with the exception of the provisions listed below.

Throughout 2022 there have been some instances of non-compliance with the Code. These are listed below, together with the remedial action taken and position as at 27 February 2023:

Non-compliance with the Code	Remediation taken	Compliant for the full year ended 31 December 2022	Compliant as at 27 February 2023
Until February 2022, the Company did not have a policy in respect of post-employment shareholding requirements and as a result did not comply with provision 36 of the Code.	In February 2022 the company implemented a Group Remuneration Policy, which sets out rules on shareholding and post-employment shareholding requirements. See Remuneration Report on page 65.	x	✓
In non-compliance with provisions 40 and 41 of the UK Corporate Governance Code, the Remuneration Committee had not engaged with employees and shareholders when setting remuneration.	The remuneration of the Executive Directors has not been set following engagement with shareholders and employees. Our Chief Executive does not receive a salary and therefore the review by our Remuneration Committee only relates to the role of CFO and the Senior Leadership Team. The Committee feels that its review of relevant benchmarks when setting remuneration for the CFO is appropriate. However, should there be any material change to the remuneration arrangements of the Executive Directors it will seek to consult with key institutional shareholders.	x	x
In non-compliance with provision 24 of the UK Corporate Governance Code, the Non-Executive Chairman, Murray Legg, was also a member of the Audit Committee during 2022.	Murray has worked within the audit and advisory sector for more than 35 years and as such provides a valuable source of financial knowledge and experience to the Audit Committee. Up to April 2021, Murray was the Chair of the Audit Committee, and remained a member of the Committee during 2022 despite stepping down as Chair to provide a period of support to the incumbent Audit Committee Chair, Catherine Birkett. Murray stepped down from the Audit Committee on 21 February 2023.	x	✓

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 lie with the Board, which is accountable to shareholders and wider stakeholders for the activities of the Group.

Directors' Report

Corporate Governance Report

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 Chairs of the Remuneration and Audit Committees make themselves available to discuss with investors annually at the AGM.

The Board assesses the basis on which the Company generates and preserves value over the long term and has prepared a long-term viability statement on page 38, which considers the 5-year plan. The Board considers the opportunities and threats to the business model and assessment is made on how the Group's strategy is aligned to addressing the Group's mission and protecting the sustainability of the business. The regular challenge and governance provided by the Board keeps the Senior Leadership Team and the entire organisation united in achieving the Group goals.

The Board recognises 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 different cultures within different functions of the organisation which all contribute to the overall culture of the business. For example in recent years we have implemented a reward structure within our sales teams which is consistent across the globe and is aimed at getting the best out of sales teams, but the reward structures elsewhere in the business differ dependent on performance metrics.

During April 2022, the Company set up five company-sponsored and employee-driven groups to ensure that employees with shared characteristics, experiences and interests have a platform and relaxed space to voice their opinions, learn about diversity and inclusion challenges, and guide organisational practice and the prioritisation of initiatives. These groups are named Employee Resource Groups ('ERGs') and cover five areas: Gender Balance, Race and Ethnicity ('EmbRACE'), LGBTQ+ Allies ('PRIDE'), which are all focused on our Diversity, Equity and Inclusion, plus Philanthropy and Social & Leisure. We encourage our employees to share their feedback and ideas on the issues that matter to them and their colleagues. The ERGs act as a platform to gather and discuss feedback, suggest ideas for improvement, and help to implement them. Each group is led by passionate advocates with an executive sponsor from our Senior Leadership Team and have also been attended by Annette Barnes, our dedicated Non-Executive Director for workforce engagement. Updates from the initiatives led by the individual ERGs are published to colleagues on the internal intranet. The role of designated Non-Executive Director for employees has the aim of forging closer relationships between the Board and the workforce. This role includes being involved with the ERGs and reviewing any feedback from the whistleblowing hotline, providing a useful insight into employee matters. Due to these responsibilities within the role of Remuneration Chair and its links to employees, the Board does not believe that workforce representation on the Board is required.

Our colleagues can also raise concerns in confidence and anonymously via our whistleblowing hotline, which is facilitated via an independent company, with any whistleblowing reports notified to our Group HR Director and the Senior Independent Non-Executive Director.

The Group operates an intranet, which every employee has access to. The intranet publishes Company policies and procedures, and it is also used to communicate Company events, activities and regular corporate updates from the Chief Executive.

The Directors have set out its wider stakeholder analysis in the Directors' Section 172(1) Statement. The Board views renewal rates (which are published in the Chief Financial Officer's Report) 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 six 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, Murray Legg; the Senior Independent Director, Annette Barnes; Andrew Day; Catherine Birkett; Julien Decot and Peter Harkness.

All the Non-Executive Directors are considered independent, with the exception of Peter Harkness, who is not considered to be independent under the definition of the Code due to time served as a Director. However, the Board believes Peter is independent of mind and brings valuable experience to the Company. With effect from 20 April 2021, Peter Harkness was no longer a member of the Audit and Remuneration Committees.

Directors' Report

Corporate Governance Report

The Non-Executive Directors' shareholdings are detailed in the Directors' Interests table on page 49 of the report. The Board has determined that the Non-Executive Directors are independent and that their shareholding in the Company does not affect their independence.

In 2022, the Board met 11 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 26 to 32. The Board confirms that it has completed a robust assessment of the Group's principal and emerging 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.

The Board has procedures that require Directors to notify the Chairman and Company Secretary of all new external interests and any actual or perceived conflicts of interest that may affect their role as a Director of the Company. As part of this process, the Board considers each conflict situation separately according to the particular situation and in conjunction with the Company's Articles.

Composition, Succession and Evaluation

The Nominations Committee was established to lead the process for appointments and manage succession plans for its executives. The committee is comprised of one Executive Director and three Non-Executive Directors, including the Chairman. The Board is committed to ensuring that the Nominations Committee always consists of a majority of Independent Non-Executive Directors, but where there is an equal number of Independent and Non-Independent members the casting vote is made by the Independent Chair. The casting vote going to Murray Legg, the Non-Executive Chair of the Nominations Committee. Where the Nominations Committee uses an external search agency to appoint a member of the Board, it is disclosed in the Annual Report. 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 role of the Nominations Committee is to:

- be responsible for identifying and nominating for the Board's approval, candidates from a wide range of backgrounds to fill Board vacancies as and when they arise;
- consider proposals for the reappointment or promotion of Directors and also any proposal for their dismissal, retirement, non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment;
- before the Board makes any appointment, evaluate the balance of skills, experience, independence, knowledge and diversity on the Board, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- for the appointment of a Chairman, prepare a job specification, including the time commitment expected, and require a proposed chairman to disclose other significant commitments to the Board before appointment and disclose any changes to the Chairman's commitments to the Board as they arise;
- ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings and the induction process; and
- keep under review the number of external directorships held by each Director.

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 2 female Directors and the Senior Leadership Team had 14 male employees and 3 female employees serve during the year.

All Directors are required to stand for re-election every year. The terms and conditions of the appointment of the Non-Executive Directors are available for inspection at our registered office. Prior to recommending reappointments at the AGM, the Board considers whether each Non-Executive Director continues to be independent and to appropriately challenge Management, as well as each other, in Board and Committee meetings. Following review, the Board has reaffirmed that each Non-Executive Director is able to offer an external perspective on the business, is able to constructively challenge and scrutinise activities, is independent in character and judgement, and has the required experience necessary to perform their role as an independent Director.

Directors' Report

Corporate Governance Report

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, and 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 appraises the Chairman which is delivered by the Senior Independent Non-Executive Director.

The Nominations Committee periodically reviews succession plans for the Board and Senior Management, with plans prepared on an immediate, medium and long-term basis.

As 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 evaluation is not necessary in this financial period.

On 21 February 2023 the Nominations Committee met and confirmed all Non-Executive Directors continue to be independent, with the exception of Peter Harkness, who is not considered to be independent under the definition of the Code due to time served as a Director. However, the Committee continues to consider Peter to be independent of mind and noted the valuable experience he brings to the Group.

Audit, Risk and Internal Control

The Board has established Audit, Nomination, Related Party Transactions 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 2022.

Board meetings during the year:

	Board	Audit Committee	Remuneration Committee	Nominations Committee*	Related Party Transactions Committee
Number of meetings					
Murray Legg	11	3	4	-	2
Mike Danson	11	-	-	-	-
Graham Lilley	11	-	-	-	-
Annette Barnes	11	4	5	-	2
Peter Harkness	11	-	-	-	-
Andrew Day	11	4	4	-	2
Catherine Birkett	11	4	-	-	2
Julien Decot	11	-	5	-	-

* Committee met 21 February 2023

During 2022 the Audit Committee comprised of the Chair Catherine Birkett, Murray Legg, Annette Barnes and Andrew Day. Catherine Birkett is a Chartered Accountant with recent and relevant financial experience. On 21 February 2023 Murray Legg stepped down from the Audit Committee and is being replaced by Julien Decot.

The Audit Committee met four times in the year with the external auditors in attendance. The CEO and CFO attend the meetings by invitation.

The Audit Committee is responsible for:

- Monitoring the integrity of the financial statements and any formal announcements relating to the Group'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 Group's position and performance, business model and strategy;
- Reviewing the Group'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;

Directors' Report

Corporate Governance Report

- Reviewing and monitoring the external auditor's independence and objectivity;
- Reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements; and
- Developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required.

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

The Board has overall responsibility for the Group's system of internal controls and for monitoring its effectiveness. Such a system is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The internal controls are considered within the Principal and Emerging Risks and Uncertainties section of the Strategic Report on pages 26 to 32.

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 reviewed by the Board during the year 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 KPIs 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; and
- Regular review of IT and cyber security controls and enhancements.

The Board, in conjunction with the Audit Committee, reviewed the Annual Report and Accounts for the year ended 31 December 2022 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 Chair Annette Barnes, Murray Legg, Andrew Day and Julien Decot. The Remuneration Committee is responsible for determining the service contract terms, remuneration and other benefits of the Executive Directors and reviewing senior team members' remuneration on an annual basis, details of which are set out in the Directors' Remuneration Report on pages 59 to 69. The terms of reference of the Remuneration Committee are available for inspection on request.

As part of Annette's role as Remuneration Committee Chair, she has undertaken the role of designated Non-Executive for the workforce. This role involves a close working relationship with the Group HR Director and the ERGs. Engagement with the workforce spans a range of items including culture, remuneration and well-being. The Board see this as an important duty to drive positive actions.

To date, in non-compliance with provisions 40 and 41 of the UK Corporate Governance Code, the remuneration of the Executive Directors has not been set following engagement with shareholders and employees. Specific engagement with colleagues relating to executive remuneration has not taken place due to there being no material changes during the period. The remuneration of the Executive Directors has been set as outlined in the Remuneration Policy which addresses the requirements of provision 40 with the exception disclosed above. The Committee feels that its review of relevant benchmarks when setting Executive remuneration is appropriate. The Board did engage with large shareholders when deciding to modify the targets of the Group's LTIP. Should there be any material change to the Remuneration arrangements of the Executive Directors in the future the Remuneration Committee will seek to consult with key stakeholders.

Related Party Transactions

The Related Party Transactions (RPT) Committee comprises the Chairman Murray Legg, Catherine Birkett, Annette Barnes and Andrew Day. The Committee met twice during 2022. 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 that are at arm's length and reasonable.

Directors' Report

Corporate Governance Report

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 38 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 AGM to communicate with shareholders and seek their participation, as well as one-to-one results presentations with investors at each full year and interim results announcement. The Group also held a Capital Markets Day for its institutional investors, brokers and research analysts on 27 January 2022 and on 24 January 2023 to give an update on strategy. 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 49, which includes the shareholding of Mike Danson, who owns 71,135,516 shares as at 27 February 2023, representing 60.1% of the total share capital. There are no other individual shareholders owning more than 10% of the company's issued share capital.

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

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

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

The Company has the authority to purchase its own shares. The authority limits the maximum number of shares that 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. As part of Group communications we hold regular Chief Executive Information Sessions, which are video conference meetings attended by all Group employees. These meetings are used as a forum to keep our colleagues up to date with performance, strategy and other corporate communication. Annette Barnes' role as workforce designated Non-Executive also helps 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.

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

Directors' Report

Corporate Governance Report

As at 31 December 2022, the Group employed the following number of employees of each gender:

	2022	2021
	No.	No.
Male	2,009	2,066
Female	1,643	1,558
	3,652	3,624

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 current year or prior 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 2022, average creditor days were 38 days (2021: 46 days).

Subsequent Events

There are no subsequent events.

Dividends

These are disclosed within the Strategic Report on page 13.

Financial Instruments

Use of financial instruments and exposure to various financial risks has been discussed within the Strategic Report (page 25).

Future Developments

Future developments have been discussed within the Chief Executive's Report on page 17.

Directors' Interests

Details of the Company's share capital are set out in note 24 to the financial statements. As at 27 February 2023, Mike Danson had a beneficial interest of 60.1% 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 27 February 2023 in the ordinary shares of the Company were as follows:

	Number of ordinary shares
Mike Danson	71,135,516
Peter Harkness	77,500
Murray Legg	23,000
Graham Lilley	15,000

As at 31 December 2022, Graham Lilley had 375,000 share options in issue (2021: 400,000), comprised of 75,000 vested options from Scheme 1 (which were exercised in full on 13 January 2023), and 300,000 options within Scheme 2.

Directors' Indemnities

To the extent permitted by English law and the Articles, the Directors are granted an indemnity from the Group in respect of liability arising from, or in connection with, the execution of their powers, duties and responsibilities as a Director of the Company and any of its subsidiaries. The indemnity would not provide coverage where the Director is proved to have acted fraudulently or dishonestly. The Group purchases and maintains Directors' and Officers' insurance cover against certain legal liabilities and the costs of claims in connection with any act or omission by its Directors and Officers in the execution of their duties.

Directors' Report

Environmental, Social and Governance

Environmental, Social and Governance ("ESG") matters are a key part of our strategy, and the Board is focused on safeguarding long-term viability and sustainable growth for the Group, our people, our clients, our environment and communities as well as our shareholders.

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.

Founded on 5 pillars, ESG is at the heart of who we are and what we do:

Our Company	Our People	Our Clients	Our Environment	Our Communities
We strive to establish strong governance which highlights our core values	Our colleagues and the inclusive culture they evolve in is key to the success of our organisation	The intelligence we provide our clients with to drive growth, positive social and environmental impact through their business	Our effort to limit any negative impact on the environment	The support we provide to charitable organisations globally

Our Company

The Board is committed to achieving the highest standards of corporate governance. The Group is working towards full adoption of the UK Corporate Governance Code. Responsibility for governance matters lies with the Board, which is accountable to shareholders and wider stakeholders for the activities of the Group. We are also working towards reporting our ESG activities/performance against GRI standards and SASB.

GlobalData has improved its governance arrangements and reporting over the past three years. During the year we have:

- Reviewed areas in the UK Corporate Governance Code in which we were not compliant and have taken actions against each. There is a table of actions and outcomes on page 43 to demonstrate this; good progress has been made compared with the previous year;
- Enhanced our reporting on remuneration matters, as well as enhancing engagement with shareholders;
- Enhanced the engagement with our people through Employee Resource Groups, with a clear link to the Board;
- Continued to reduce the amount of related party transactions and set clear targets of reduction in this area, which we have placed enhanced governance procedures over; and
- Embedded an enhanced Enterprise Risk Management Framework across the Group at the end of the previous year and have continued to progress towards a more mature control environment.

Our People

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

The Group does not discriminate on the grounds of gender, race, disability, sexuality, religion, philosophical belief, political belief, trade union membership or age as guided by the Equality Act 2010. Overall, our gender balance remains relatively consistent with the previous year.

% Female	As at 31 December 2022	As at 31 December 2021	Change
Board	25%	25%	-
Senior Leadership Team	18%	20%	-2 p.p.
Group Colleagues	45%	43%	+2 p.p.

Directors' Report

Environmental, Social and Governance

During the year:

- We launched our new Group Values:
 - **Courage** - We courageously guide our customers and the markets we serve, to a more successful, sustainable future. We are committed, trustworthy, and resilient when making a positive difference.
 - **Curiosity** - The world is always changing and so are we. We have a curiosity for opportunities to innovate and do things better, with an appetite for experimentation and thinking differently.
 - **Collaboration** - We work together and combine our powerful resources to provide clarity in a complex world. We believe in the collective power of data, technology, expertise and collaborative relationships to succeed.
- We launched our five Employee Resource Groups, replacing VOICES, with over 180 colleagues as members:
 - Gender Balance
 - Race and Ethnicity ('EmbRACE')
 - LGBTQ+ Allies ('PRIDE')
 - Philanthropy
 - Social & Leisure
- Our Graduate and Internship programmes continue to grow and develop and include a greater breadth of job roles in the organisation.
- We are also launching some professional development initiatives including mentoring programmes and funded learning and development.

Our Clients

Customer Obsession is our number one strategic priority and we continue to focus on client needs and on providing unique and innovative solutions. We strive to maintain strong customer relationships and endeavour to build even deeper relationships. We have a number of ongoing initiatives with the aim of increasing engagement with our clients.

Our ongoing initiatives are aimed at providing clients with world-class solutions delivered with exceptional levels of service. Our focus on top-tier clients is gaining traction, and we continued to increase resources throughout the year, enhanced usability and grew via our top-750 programme.

The net result of our Customer Obsession is an improved renewal by volume and value, as well as greater levels of profitability. Looking ahead, we remain laser focused on improving in the different areas of Customer Obsession. This should enhance some of our key operational metrics: for example, the volume renewal rate in 2022 for clients paying more than £20,000 p.a. was 84%; a priority is to increase volume renewal rates to over 90% or more over the medium term.

Our Environment

As a data and analytics company, our products are created and distributed digitally. This means our carbon footprint is considerably smaller than those of many other companies of our size. However, 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 ("GHG") 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 GHG emissions are for those assets owned or controlled within the UK only as defined by 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. This includes 7 offices, 1 company-owned vehicle and the mandatory inclusion of scope 3 business travel in employee-owned or rental vehicles (grey fleet).

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Briar (Briar Consulting Engineers Limited).

Electricity and gas consumption were based on invoice records, with some pro-rata estimations to fill minor gaps. For two fully serviced offices, some energy consumption has been estimated based on CIBSE TM46 benchmarks due to lack of data. Mileage expense claims were used to calculate energy and emissions from company-owned vehicles and grey fleet. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).

Directors' Report

Environmental, Social and Governance

Streamlined Energy and Carbon Reporting (SECR) requires disclosure of 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".

Breakdown of Energy Consumption Used to Calculate Emissions (kWh)

	2022	2021
	kWh	kWh
Purchased electricity	1,126,345	1,026,836
Gas	553,111	496,830
Heat	50,160	50,160
Transport fuel	15,167	3,403
Total gross energy consumed	1,744,783	1,577,229

Breakdown of Emissions Associated with the Reported Energy Use (tCO₂e)

	2022	2021
	tCO ₂ e	tCO ₂ e
Scope 1		
Gas	101.0	91.0
Transport – company-owned vehicles	0.2	0.1
Scope 2		
Purchased electricity (location based)	217.8	218.0
Heat	9.2	9.0
Scope 3		
Transport – Business travel in employee-owned vehicles	3.6	0.7
Total gross emissions	331.8	318.8

Intensity Ratios

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

	Year ended 31 December 2022	Year ended 31 December 2021
Tonnes of CO ₂ e per £m of revenue	2.09	2.44

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.

Buildings

	Year ended 31 December 2022	Year ended 31 December 2021
Tonnes of CO ₂ e per 1,000 m ² Gross Internal Area (GIA)	44.4	45.5

Business Travel

	Year ended 31 December 2022	Year ended 31 December 2021
Tonnes of CO ₂ e per 1,000 miles	0.275	0.270

Directors' Report

Environmental, Social and Governance

Energy Efficiency Action During Current Financial Year

The Group continues to review energy consumption across all locations and has implemented the following energy efficiency actions this year:

- Office lights at the London headquarters have been changed to LED lighting, delivering an estimated 51 MWh of electricity savings per annum;
- Energy contracts are moving over to 100% renewable energy certified contracts where possible. Given the energy crisis this year, some expiring accounts have temporarily remained on short-term contracts with existing suppliers, but will be reviewed and moved over when possible and where necessary; and
- Employees are regularly consulted regarding the ESG initiatives that have been started at GlobalData and are made aware of the opportunities they have to support these initiatives. This is particularly since the publication of the 2022 Impact Report.

It is encouraging to see that some of the actions taken have made a positive impact within energy intensity ratios. Whilst the overall energy consumption has increased, as a result of acquisitions and the 2021 comparative period being largely a hybrid year of colleagues working from home, it is pleasing to see the intensity per £m revenue decrease but moreso the energy per m2 of office space. As is consistent with our operating model of a relatively fixed cost base, we would not expect to have to increase the energy consumption significantly to deliver more revenue and therefore we would always expect to see the ratio against revenue to improve as revenue grows. However, the CO₂e per 1,000 m2 ratio does provide a metric of how we are working to make our offices more energy efficient.

The management of resources and the need to embed sustainability is an important issue for the Group. We are working towards reporting against both GRI (global sustainability reporting standards) and SASB (Sustainability Accounting Standards Board standards) and have joined the Science Based Targets initiative. GlobalData is committed to Business Ambition for 1.5°C and is part of the UN-backed campaign *Race to Zero*. For more details see www.sciencebasedtargets.org/companies-taking-action.

Given our commitment to the Business Ambition for 1.5°C initiative, we are working on a fully costed and actionable plan to fulfil our commitment on climate change. Going forward we will publish details of this plan and report against our progress towards it.

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

Our Communities

As a company, we have charity partners across the globe, with a particular focus on charities that help with mental well-being, education and empowering women in education. During the year we supported the following charities and communities:

- PHIN – A local school and residential facility in Hyderabad for hearing impaired children. PHIN supports around 120 young people.
- Sai Seva Sangh – Sai Seva Sangh was established in August 1988 to provide education to underprivileged children, free shelter to old age and impoverished women, and with a special needs school for differently-abled rural children.
- Seva Bharathi – Runs multiple skills development programmes to help underprivileged women and children to become more self-reliant.
- Continued to support PEAS (Promoting Equality in African Schools) and CALM (Campaign Against Living Miserably).

We will continue to work with our charity partners and are now offering a volunteer programme to our colleagues to enable them to get more involved directly in our communities as well as our usual fundraising efforts.

Directors' Report

Audit Committee Report

Audit Committee - snapshot

Members, attendance and number of meetings:

The Committee comprises four independent Non-Executive Directors and consists of myself, Catherine Birkett, as Chair, Murray Legg, Annette Barnes and Andrew Day. The composition of the Committee as at 31 December 2022 and throughout the year was not in compliance with provision 24 of the UK Corporate Governance Code as Murray Legg is the Non-Executive Chairman of the Group. Murray has worked within the audit and advisory sector for more than 35 years and as such provides a valuable source of financial knowledge and experience to the Audit Committee. Up to April 2021, Murray was the Chair of the Audit Committee, and remained a member of the Committee during 2022 despite stepping down as Chair to provide a period of support to myself and the rest of the Committee. Murray stepped down from the Committee on 21 February 2023 and Julien Decot became a member of the Committee on the same date.

I am satisfied that the Audit Committee has a good balance of experience and expertise and is appropriately independent of the operations of the business. During the year the Audit Committee met on four occasions. I am satisfied that the committee were presented with papers of good quality and in a timely fashion.

Name	Details	No. of meetings attended
Catherine Birkett	Member since April 2021 (Chair since April 2021)	4
Murray Legg	Member since February 2016	3
Annette Barnes	Member since February 2017	4
Andrew Day	Member since February 2017	4

Terms of Reference

The Committee operates within the mandate as agreed by the Board. The Terms of Reference of the Audit Committee are available for inspection upon request.

Areas of responsibility

The Audit Committee assists the Board in setting governance standards and has specific responsibility over financial controls, financial reporting and audit effectiveness. Specifically, the Audit Committee has the delegated responsibilities for the following:

- To monitor the integrity of the Group's Financial Reporting;
- To review and monitor the Group's internal financial controls and internal control and risk management processes;
- To make recommendations to the Board on the appointment, reappointment and removal of the Company's external auditor and approve the remuneration of the external auditor;
- To review and monitor the external auditor's independence and objectivity (including processes to review non-audit services) and the effectiveness of the audit process; and
- To report to the Board on how it discharges its responsibilities.

Key actions in 2022

In 2022, the Audit Committee has been focused on:

- Monitoring the integrity of the Group's Financial Reporting, ensuring the report is fair, balanced and understandable;
- Review of the financial performance in 2021, including looking at the quality of earnings, and ultimately making a recommendation to the Remuneration Committee that the final target for Scheme 1 had been met;
- Following the launch of the Risk Management Framework in 2022, ensured that the framework was active and reviewed, with Management, the internal controls and risk assessment;
- Reviewed in detail the risks associated with Cyber and the macro-economic challenges; and
- Reviewed the external assurance obtained by the Group and considered the need for further assurance, including internal audit.

Key priorities in 2023

- Review of the financial performance of the Group;
- Continue to monitor and review control environment and IT systems;
- Continue to apply robust scrutiny on M&A integration, ensuring new acquisitions are quickly onboarded into our control environment; and
- Review of overseas operations, particularly new areas that have been acquired through M&A.

Directors' Report

Audit Committee Report



Dear Shareholders

On behalf of the Audit Committee, I am pleased to present the Audit Committee report to you for the financial year ended 31 December 2022.

The report will consider four main areas: the integrity of financial reporting, the effectiveness of internal controls and risk management framework, significant financial estimations and judgements, and the external auditor.

The Integrity of Financial Reporting

We reviewed the integrity of the financial statements and all formal announcements relating to financial performance during 2022. As part of the review, we challenged Management on whether significant areas of judgement and significant risks were adequately evaluated, reported and disclosed.

As well as the integrity, we also considered whether the report gives 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 and statements;
- The narrative is a true and balanced reflection of events and performance in the year;
- There is consistency throughout the Annual Report and Accounts; 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.

The Effectiveness of Internal Controls and Risk Management Framework

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.

During the year, the Committee has assessed the documentation and review that has taken place with regard to the Group's internal controls and risk management procedures, in line with the policies set out in the Group's Risk Management Framework. The Group's approach to internal controls is to follow a three lines of defence model and the Committee is satisfied, in the main, with the control design as well as the policies and procedures in place. The Committee is satisfied that the review of internal controls and risk assessment were carried out in a robust manner.

It was noted in the previous Audit Committee report for the year ended 31 December 2021 that the Committee recognised that there were some actions required to remediate some IT control deficiencies and improve some manual controls, specifically within the revenue business process. During 2022, the finance team have implemented additional controls around the revenue process and made further improvements to the IT control environment. The Committee recognises that deficiencies remain in these areas and note that the Group is continuing to improve its systems, processes and controls as it grows.

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 business and independent penetration testing of our websites, but due to the size of the Group and procedures in place to monitor both trading performance and internal controls, it was concluded that an entirely separate internal audit department was not required. The Audit Committee and Board are continually assessing the need for additional assurance procedures within the Group.

Directors' Report

Audit Committee Report

Significant Financial Estimates and Judgements

Issue	Consideration of estimation or judgement
Valuation of acquired intangible assets	The Committee reviewed the purchase price allocation calculations and assumptions used in the allocations and concluded that both the application and methodology were consistent with previous acquisitions and the assumptions used were reasonable.
Share-based payments	The Committee reviewed the calculation and assumptions used in calculating the share-based payments charge, in particular the methodology and assumptions used in the modification (described in the Directors' Remuneration Report on page 61). The valuation work of the modification and of new awards granted was conducted by an external consultant and the Committee considered this report when concluding that the share-based payments charge contains fair and reasonable assumptions (such as expected employee churn and Black-Scholes assumptions).
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 test the models used. The Audit Committee was satisfied with the conclusions reached by Management.
Allocation of Cash-Generating Units	<p>The Committee reviewed Management's analysis of cash-generating units ("CGUs") and assessed its conclusion that there were 4 CGUs as at the date of the intangible asset impairment review (30 September), namely: Data, Analytics and Insights, Media Business Insights, LMC and TS Lombard. The Committee noted that the Group's strategy is to fully integrate acquisitions into the platform, along with sales teams, product teams and central costs. As a result of this strategy to create a unique single platform for Data, Analytics, and Insights, it is reasonable to conclude that once an acquisition integration programme has fully completed, the asset and associated cash flows would consolidate into the Data, Analytics and Insights CGU.</p> <p>In previous years MEED was classified as an individual CGU due to having separately identifiable cash flows and financial results. However, Management has provided papers, which the Committee has reviewed, showing that MEED is now fully integrated into the GlobalData platform and cash flows are now integrated with the wider CGU. Therefore, there is no longer a separate CGU for MEED. The Committee has carefully considered the views and assumptions of Management and agree with its conclusion.</p> <p>The 3 other CGUs are all recent acquisitions. The Committee notes it is the intention of Management to fully integrate these into the platform, and whilst large parts are complete, they were still considered to be separate CGUs as at the review date.</p>
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, that adjustments made to get to the APMs were 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 Annual Report and 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 reader's overall understanding of the accounts and the business performance.

Directors' Report

Audit Committee Report

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).

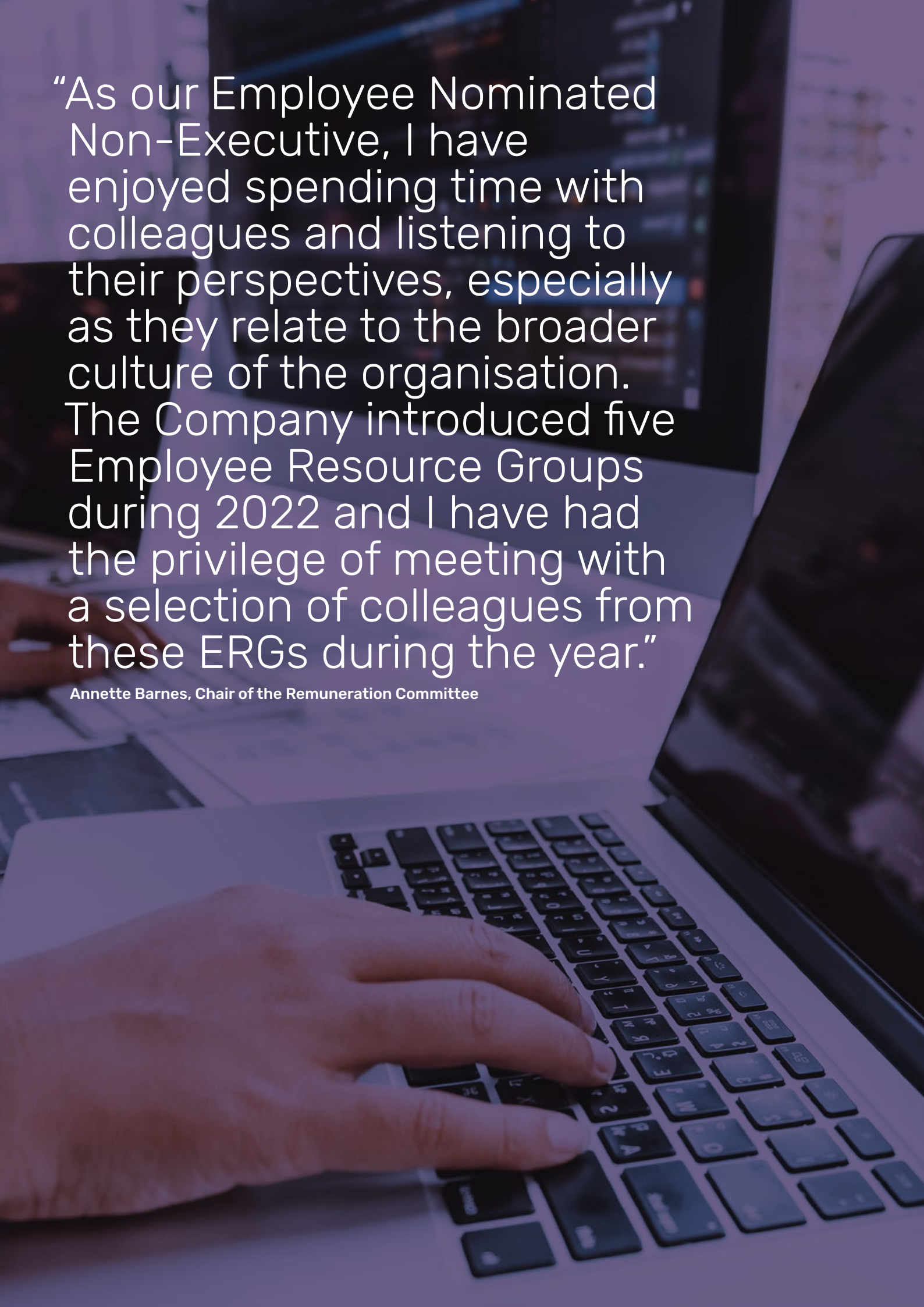
The Group has adopted the Competition and Markets Authority Order (CMA Order) and will rotate audit firms at least every 20 years and tender at least every 10 years. 2022 was Deloitte LLP's (Deloitte) third year as Group auditor.

The Committee has reviewed the effectiveness of the audit and audit team and recommends the reappointment of Deloitte for 2023. 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 Committee confirms that there are no contractual obligations that restrict the choice of external auditor.



Catherine Birkett
Chair of the Audit Committee
27 February 2023

A close-up photograph of a person's hand typing on a laptop keyboard. The scene is dimly lit, with a blueish-purple tint. The background shows a laptop screen displaying some data or charts, and another laptop is visible to the right. The text is overlaid on the left side of the image.

“As our Employee Nominated Non-Executive, I have enjoyed spending time with colleagues and listening to their perspectives, especially as they relate to the broader culture of the organisation. The Company introduced five Employee Resource Groups during 2022 and I have had the privilege of meeting with a selection of colleagues from these ERGs during the year.”

Annette Barnes, Chair of the Remuneration Committee

Directors' Report

Directors' Remuneration Report

Unaudited information

Remuneration Committee - snapshot

Members, attendance and number of meetings:

The Committee comprises four independent Non-Executive Directors and consists of myself, Annette Barnes, as Chair, Murray Legg, Julien Decot and Andrew Day.

The composition of four independent Non-Executive Directors on the Committee as at 31 December 2022 is compliant with the provisions of the UK Corporate Governance Code. I am satisfied that the Remuneration Committee has a good balance of experience and expertise and is appropriately independent of the operations of the business.

During the year the Remuneration Committee met on five occasions. I am satisfied that the committee was presented with papers of good quality and in a timely fashion.

Name	Details	No. of meetings attended
Annette Barnes	Member since February 2017 (Chair since April 2021)	5
Murray Legg	Member since February 2016	4
Julien Decot	Member since April 2021	5
Andrew Day	Member since February 2017	4

Terms of Reference

The Committee operates within the mandate as agreed by the Board. The Terms of Reference of the Remuneration Committee are available for inspection upon request.

Areas of responsibility

The Remuneration Committee has the delegated responsibility for setting and agreeing the strategy for Executive Director remuneration and overseeing remuneration strategy and culture for the Group. The key activities of the Remuneration Committee are:

- Setting remuneration policy for Executive Directors;
- Setting remuneration for the Chair and Executive Director(s) and reviewing senior team members' remuneration on an annual basis;
- Approving any awards and vestings made under Long-Term Incentive Plan (LTIP) schemes; and
- Reviewing broader workforce remuneration principles and alignment with culture.

Key actions in 2022

During 2022, the Remuneration Committee has been focused on:

- The vesting process for LTIP Scheme 1 options;
- Reviewing existing LTIP schemes, to ensure that they continue to meet their originally stated objectives for all stakeholders. In addition, beginning the process of assessing an appropriate LTIP scheme for the CEO;
- Listening to the views of colleagues through the colleague-led Employee Resource Groups (ERGs); and
- Enhancing governance and reporting on Remuneration and People Policies across the Group.

Priorities for 2023

During 2023, the Remuneration Committee will focus on:

- Enhancing links to the wider workforce population, including ongoing discussions with the colleague-led ERGs;
- Finalisation of an appropriate LTIP scheme for the CEO; and
- Review of industry best practices relating to remuneration, ensuring that our policies and processes remain appropriate for our growing business.

Directors' Report

Directors' Remuneration Report

Dear Shareholders,

On behalf of the Remuneration Committee, I am pleased to present the Remuneration Committee report to you for the financial year ended 31 December 2022.

The report contains three main sections: 1) Remuneration Committee Update 2) Remuneration policy report and 3) Annual remuneration report.

REMUNERATION COMMITTEE UPDATE

The key focuses of the Committee during 2022 have been: To ensure an appropriate vesting mechanism for LTIP Scheme 1 participants; To undertake a review of the Group's existing LTIP arrangements to ensure that all performance targets and scheme structures are appropriately aligned to the schemes' originally stated objectives; Continuing the assessment of an appropriate LTIP scheme for the CEO; Listening to colleagues' feedback as Employee Resource Groups were established; and Continuing to further enhance governance and reporting relating to remuneration and people policies across the Group.

I was pleased to report in my 2021 Directors' Remuneration Report that LTIP Scheme 1 achieved the stated performance target of £52m Adjusted EBITDA excluding the impact of IFRS16 (£58.6m Actual) with the Full Year 2021 results. Whilst the majority of participants chose to exercise their options (4.5m options), holders of the remaining 2.0m options chose to defer their exercise, as allowable under the scheme rules. The Committee approved that the remaining 2.0m options can be exercised by participants at any point before August 2033, subject to compliance with the Company's Share Dealing Code. LTIP Scheme 1 is now closed.

During the year, the Committee determined that a review of LTIP Schemes 2 and 4 would be appropriate, to ensure that their current structure would continue to achieve their originally stated objectives, which are to:

- Act as a real incentive for colleagues and achieve long term retention of the company's key talent
- Be aligned to key performance conditions, which reflect the underlying performance of the company.

Throughout the review process, the Committee consulted with our NOMAD, Legal Adviser, a Remuneration Adviser, Scheme participants and a number of key shareholders, to ensure that any changes made to existing LTIP Schemes 2 and 4 would be appropriate for all stakeholders. In addition, the core precepts of clarity, simplicity, risk, proportionality, alignment to culture and predictability of remuneration schemes from the Corporate Governance Code were considered as part of the review. The review identified that the following three elements of the Corporate Governance Code would benefit from changes to Schemes 2 and 4 (all references to EBITDA within the Directors' Remuneration Report refer to 'Adjusted EBITDA' as defined on page 5):

- **Clarity** – The Committee recognises that the LTIP Schemes need to reflect the underlying performance of the Company, therefore, EBITDA would be a far clearer metric to reflect company performance than Total Shareholder Return ('TSR'), which can be influenced by factors beyond our control.
- **Simplicity** – The Committee believes that aligning scheme performance conditions to EBITDA and introducing a phased vesting for Scheme 2 would simplify the current schemes for all stakeholders and would enable the schemes to achieve their originally stated objectives.
- **Predictability** – In order to act as a real incentive for colleagues, the Committee believes that option holders must be able to understand and influence the target outcome and the use of EBITDA is a clear metric that all participants understand and can determine their own contribution to. The Committee also believes that option holders must be able to sell or retain any vested shares from these schemes (in line with the Scheme rules and the Share Dealing Code) at a time of their choosing. Creating multiple, smaller tranches of options rather than one large tranche would enable this.

Directors' Report

Directors' Remuneration Report

The below table summarises the changes that the Committee have made to LTIP Schemes 2 and 4, in order to achieve their originally stated objectives.

	Scheme 2 (2019)	Scheme 4 (2021)
Old basis for target	The award will vest if the compounded annual growth (CAGR) in the Group's TSR performance over the five-year performance period (ending March 2025) is equal to or exceeds 16% per annum (100% vest).	The award will vest if the compounded annual growth (CAGR) in the Group's TSR performance over the five-year performance period (measured in the February following year end) meets the below vesting criteria: <ul style="list-style-type: none"> - If TSR achieves 6% compounded over 2022-2024 (10% vest) - If TSR achieves 16% compounded over 2022-2025 (20% vest) - If TSR achieves 16% compounded over 2022-2026 (70% vest)
New basis for target	The awards will vest based upon the following proportions if EBITDA targets are met, as measured in the year end results for the below years: <ul style="list-style-type: none"> - 2023 £100m EBITDA (25% Vest) - 2024 £110m EBITDA (25% Vest) - 2025 £125m EBITDA (25% Vest) - 2026 £145m EBITDA (25% Vest) 	The awards will vest based upon the following proportions if EBITDA targets are met, as measured in the year end results for the below years: <ul style="list-style-type: none"> - 2023 - Not Applicable - 2024 £110m EBITDA (10% Vest) - 2025 £125m EBITDA (20% Vest) - 2026 £145m EBITDA (70% Vest)

In introducing the above amendments to LTIP Schemes 2 and 4, the Committee considered the following:

- That the total time period that both schemes have been/will continue to be in existence will exceed 5+ years.
- That the proposed EBITDA targets have been calculated to align with the prior 16% CAGR TSR targets, starting with the base EBITDA in 2019 of £49.8m and applying a comparable growth rate compounded over the revised vesting schedule (further uplifted to add in acquisitions completed in the period since 2019).
- For Scheme 2, that the changes were appropriate for all stakeholders. It should be noted that in moving the vesting percentages from 100% in one tranche, to be split evenly (25% each) over four tranches and the measurement dates moved from March 2025 alone to the years ending 2023, 2024, 2025 and 2026, the Weighted Average Life of options for Scheme 2 participants has moved from 2 years to 2.8 years. This change accelerated 25% of the potential vesting forward by one year and moved 50% back by two years. Whilst the Weighted Average Life of options has moved from 2 years to 2.8 years, the propensity to vest some of the award earlier and the ability to vest part of the award (versus all or nothing) provides a better balance over the total life of the scheme. As a result, the Remuneration Committee believes this to be an appropriate balance for option holders and shareholders.
- For Scheme 4, the Committee determined that the vesting percentages (at 10%, 20% and 70%) and the measurement dates (years ending 2024, 2025 and 2026) remain appropriate. As a result, the Weighted Average Life of remaining options on Scheme 4 was unchanged.

The share-based payments charge has been disclosed by scheme on page 67.

During 2022, the Committee also commenced the assessment of an appropriate LTIP scheme for the CEO, which the Committee will continue to evaluate during 2023.

Directors' Report

Directors' Remuneration Report

During the year, as our Employee Nominated Non-Executive, I have enjoyed spending time with colleagues and listening to their perspectives, especially as they relate to the broader culture of the organisation. The Company introduced five Employee Resource Groups (ERGs) during 2022 (as noted below) and I have had the privilege of meeting with a selection of colleagues from these ERGs during the year:

- Gender Balance
- Race and Ethnicity ('EmBRACE')
- LGBTQ+ Allies ('PRIDE')
- Philanthropy
- Social & Leisure

The key themes from each meeting that I attended were shared with the Committee and the Board. Key takeaways for this year have been that:

- Our colleagues are delighted that the ERGs have been established and they provide an excellent forum for idea sharing across the Group. They also provide a mechanism for cross-team/country working and learning, and provide a feedback mechanism to the Board.
- The Group's focus on colleague development continues to be important and the recent introduction of LinkedIn Learning as a tool for colleagues is valued, with more to do on this in 2023.
- Whilst we have a strong culture within GlobalData, our recently introduced new values (Courage, Curiosity, Collaboration) require further embedding across the organisation.
- Recognising that the ERG forums are relatively new, each ERG will continue to hone its remit, resources and areas of focus during 2023.

We have continued our progress towards enhanced governance and reporting on remuneration and people policies across the Group. Of particular focus this year has been the introduction of our hybrid working policy, which has further solidified our learnings from COVID-19, helped us to continue delivery of our business targets and supported our colleagues. We are very conscious that the Cost of Living Crisis is having a significant impact across the UK and our colleagues are also impacted, therefore, a number of targeted pay reviews have been conducted for our lowest paid colleagues. Significant colleague discussions happened during the year, including through regular CEO communication sessions. Specific engagement with colleagues relating to executive remuneration has not taken place due to there being no material changes during the period.

In the previous year, we implemented a new Remuneration Policy. We have included a review of compliance against the policy, in which we have noted full compliance during 2022. Please refer to page 65, for further detail.

At the AGM in April 2022, we included, for the first time, an advisory resolution to accept the Directors' Remuneration Report. This was included to give Shareholders a platform to register any concerns with the focus areas noted within the Directors' Remuneration Report. The AGM results, in relation to remuneration, have been presented in the Directors' Remuneration Report as well as commentary addressing any points of feedback, including subsequent actions taken by the Committee and the Board.

Directors' Report

Directors' Remuneration Report

REMUNERATION POLICY REPORT

Remuneration Policy – overview

Purpose - The Executive Remuneration Policy aims to set out the policies and principles related to the elements of remuneration considered for Executive pay. It also sets out the oversight and guidance the Remuneration Committee gives on aligning Executive, senior management and the broader workforce's pay to the company's performance and strategy.

Principles - The policy has been implemented with the following key principles:

- Remuneration policies and practices are designed to support strategy and promote long-term sustainable success.
- Directors can exercise independent judgement and discretion when authorising remuneration outcomes.
- The Remuneration Committee has delegated responsibility for determining the policy for Executive Director remuneration and setting remuneration for the Chair and Executive Directors.
- It is the intention of the policy to set remuneration which:
 - has clarity and is transparent
 - has a simple structure, without undue complexity
 - does not invite undue risk to the business
 - is predictable in outcome
 - is proportional to the delivery of strategy and long term performance of the business
 - aligns to the culture of the business and its core values.
- Similar principles to those applied to Executive Directors are taken into account by the CEO when setting the remuneration and benefits of senior managers (which are reviewed annually by the Committee) and other colleagues.

Responsibilities - The Remuneration Committee is responsible for determining the service contract terms, remuneration and other benefits of the Executive Directors. The Committee is chaired by myself, Annette Barnes (an Independent Non-Executive Director), supported by 3 Non-Executive Directors: Andrew Day, Julien Decot and Murray Legg.

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.

Directors' Report

Directors' Remuneration Report

The elements of remuneration that could be offered to Executive Directors are defined in the table below. Currently, only our Chief Financial Officer receives Executive remuneration.

Element	Purpose and link to strategy	Operation	Maximum Opportunity
Base Salary	Is payable in cash spread over 12 monthly payments. It is set at an appropriate level, based on benchmark data, to attract and retain management of a high calibre with the necessary skills and credentials required to deliver a sustainable business model and drive shareholder returns.	Base salaries are normally reviewed annually but may be reviewed at other times if the Committee considers this appropriate. In determining base salary levels and any salary increase, consideration is given to: <ul style="list-style-type: none"> the individual's experience and the performance of the Group and the individual; salary levels at other companies of a similar size and complexity; and the pay levels and increases for other employees in the Group. 	While there is no maximum salary level, salary increases will generally be in line with increases awarded to other colleagues in the Group.
Benefits	Provide Executive Directors with market-competitive benefits consistent with the role.	The Committee's Policy is to set benefits at an appropriate level, taking into account the market benchmarks and benefits offered to the wider workforce. Executive Directors can currently receive private health insurance and life assurance as standard benefits, which is broadly in line with senior roles within the Senior Leadership Team.	The overall level of benefits will depend on the cost of providing individual items and the individual's circumstances. For any all-employee share plans which may be offered in the future, the maximum participation levels will be the same as any maximum applicable to other employees (and consistent with any relevant tax limits).
Pension	To enable the Company to offer market-competitive remuneration through the provision of additional retirement benefits.	Executive Directors are eligible for defined employer contribution funding to the GlobalData Pension Plan, payments into a personal fund and/or a cash allowance in lieu of pension. Pension arrangements are aligned with those offered to senior roles within the Senior Leadership Team.	In accordance with provision 38 of the Corporate Governance Code, the aggregate value of any annual pension contributions and cash allowance for each of the Executive Directors will be in line with the maximum employer pension contribution available to the majority of the workforce.
Annual Bonus Plan	Rewards Executive Directors for delivery of defined measures set annually by the Board. Relevant performance metrics are selected to focus on improvements in short term annual performance and can be financial and non-financial targets.	Annual bonus is a cash award of up to 20% of base salary focused on specific performance metrics relevant to each year. In certain circumstances the Committee will have the discretion to reduce the size ("malus") or require the repayment ("clawback") of the bonus following receipt by the Executive Director.	The minimum annual bonus is 0% of salary, if performance falls below expected standards. The maximum annual bonus opportunity is typically 20% of salary, payable in cash.
Long-Term Incentive Plan (LTIP)	Designed to reward delivery of shareholder value in the medium-to-long term.	The Remuneration Committee can award share options on any of our active LTIPs. The Committee will take into account market conditions and incentives of the wider workforce, ensuring that UK Corporate Governance Code and Investment Association Principles are considered. Full details of the share option scheme operated by the Group are set out in note 25.	No maximum, but the Committee will consider benchmark data and consult with shareholders on material awards.

Directors' Report

Directors' Remuneration Report

Shareholding Guidelines

In line with provision 36 of the UK Corporate Governance Code and as outlined in last year's report, the Committee included a policy on Executive Director shareholding requirements both during and post-employment, within the Remuneration policy.

The policy states that all Executive Directors should hold 100% of their base salary in shares within five years of appointment and hold 100% of their base salary in shares for one year post-employment and 50% for two years post-employment. As at 27 February 2023, the CFO held 15,000 shares with approximate value of £195,000, which equates to ~78% of salary. Given that the policy was implemented during 2022, the Committee is satisfied that he is working towards this criteria. The CEO's holding was 60.1% as at 27 February 2023.

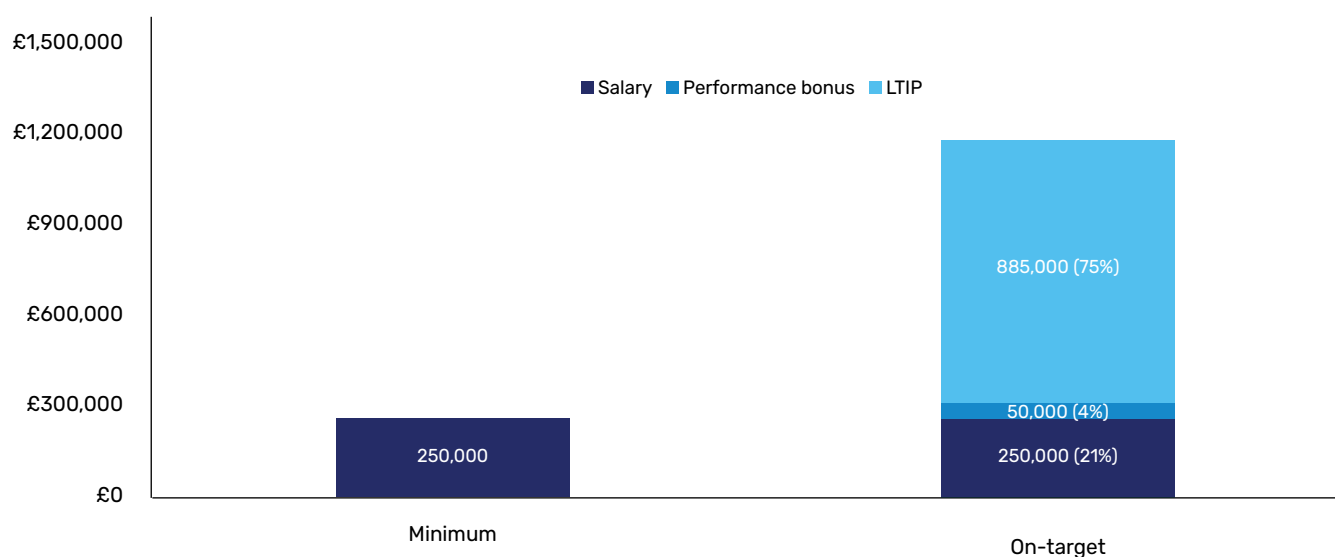
Malus and Clawback

Malus and clawback provisions will apply to the Annual Bonus Plan and Long-Term Incentive Plan for a period of at least two years after payment or vesting. Circumstances in which malus and clawback may be applied include a material misstatement of the Company's financial accounts, fraud or gross misconduct on the part of the award-holder or an error in calculating the award vesting outcome. Participants in the performance-related bonus and LTIP are required to acknowledge their understanding and acceptance of the malus and clawback provisions as a pre-condition to participating in these plans. The Committee is satisfied that the malus and clawback provisions are appropriate and enforceable.

Pay for Performance Scenarios

The charts below provide an illustration of the potential future reward opportunities for the CFO in 2023, and the potential split between the different elements of remuneration under two different performance scenarios: 'Minimum' and 'On-target'.

- The 'Minimum' scenario reflects base salary (i.e. fixed remuneration) which is the only element of the CFO's remuneration packages not linked to performance. The total Minimum scenario is £250,000.
- The 'On-target' scenario reflects target thresholds being met to trigger 100% of annual bonus payment as well as the share options due to vest in 2023. Share options are valued at the fair value used to calculate the share-based payments charge for the tranche related to 2023 performance (£11.80). The total On-target scenario is £1,185,000. If the share price were to rise by 50% to £17.70 in the next financial year, the On-target scenario would total £1,627,500.



Operation of Remuneration policy

The Remuneration Policy operated as intended during the year, in terms of both remuneration performance and quantum. The policy has been subject to an annual review, with no changes deemed necessary at this time. The Remuneration Committee has proactively chosen not to apply discretion to any Executive Director Remuneration elements or outcomes during the year.

Directors' Report

Directors' Remuneration Report

ANNUAL REMUNERATION REPORT

The CFO's salary was increased on 1 March 2021 from £200,000 per annum to £250,000 per annum. The increase followed a market benchmark review, by the Remuneration Committee, of salaries for CFOs in similar sized companies where it was determined that his salary was below market norms and should be adjusted accordingly. The increase also reflected his extended responsibilities including, but not limited to, having responsibility for risk management within the Group.

In addition, his salary has been reviewed for 2023. As his base salary and total compensation continue to benchmark appropriately, no increase was proposed. The Remuneration Committee have reviewed the CFO's eligibility for a bonus award for 2022 based upon financial and individual performance and have approved 100% (£50,000) of the award. The minimum financial performance target of £82m EBITDA (excluding the acquisition of MBI and TS Lombard) was achieved.

Non-Executive Directors' remuneration

All Non-Executive Directors (NEDs) have letters of appointment with the Company. The remuneration of NEDs is determined by the Board, and that of the Chairman, determined by the Remuneration Committee. No Director is involved in setting their own remuneration. NED fees have been subject to a market benchmarking review for 2023 (previously conducted in 2021) and consider both the time commitment and responsibilities of the role. The review determined that the GlobalData Chairman's basic salary was out of market having regard to the size of the Group and responsibilities of the role. The Committee agreed to increase the Chairman's basic salary from £100,000 to £120,000 for 2023. Whilst still out of market, the Committee felt that restraint was appropriate in the current climate. Aligned to market insight and time commitments, the NED basic salary will increase from £50,000 to £55,000. The Remuneration Chair Fee, recognising that she is also the Senior Independent Director (SID), will increase from £10,000 to £15,000.

Element	Purpose and link to strategy	Operation	Maximum Opportunity
Chairman and Non-Executive Directors' Fees	The fees are set to attract and retain high calibre individuals by offering market-competitive fees, considering the time that is required to fulfil the relevant role.	Fees are reviewed periodically. The Chairman of the Board is paid a consolidated fee to reflect all the duties associated with the position. The Non-Executive Directors receive a base fee reflecting their duties on the Board and memberships of any Committees. The Chairs of Board Committees are eligible for an additional fee, reflecting the additional time and expertise required. The Chairman and Non-Executive Directors are covered under the Group accident and travel policy as it relates to work on behalf of the Company. Expenses in line with Company policy will be reimbursed and the Company will pay any tax incurred, as necessary.	There is no prescribed individual maximum but the fee levels will reflect prevailing market practice and salary increases across the Group. The maximum annual aggregate fee for all Non-Executive Directors is as set out in the Company's Articles of Association, but may increase or decrease if the Articles of Association are amended to reflect such a change.

AGM result and outcomes

The following table shows the non-binding result of the vote to receive and approve the Remuneration Report for the 2021 financial year at the 2022 AGM.

	Remuneration Report votes	% votes
For	82,867,638	85%
Against	14,758,064	15%
Withheld	238,800	0%
Total Votes Cast	97,864,502	

Although the resolution was passed and the votes against did not exceed 20%, the Committee noted that the vote against was believed to be in relation to missing disclosure on the reasons behind the CFO pay increase on 1 March 2021. In response to this, the Committee wrote to the shareholders who raised this as a concern and also remedied the lack of the disclosure at the earliest communication, which was the interim results on 1 August 2022. Disclosure has also been added to this Annual Report to clarify the rationale behind the salary increase.

Directors' Report

Directors' Remuneration Report

Long-Term Incentive Plans

Total amounts charged to the income statement:

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Scheme 1	-	6.3
Scheme 2	3.3	2.9
Scheme 4	0.8	-
	4.1	9.2

Movement of share options held by the CFO in 2022:

	Scheme 1 No.	Scheme 2 No.	Total No.
Number of options brought forward	100,000	300,000	400,000
Exercised 11 August 2022	(25,000)	-	(25,000)
Closing number of options	75,000	300,000	375,000

The CFO exercised the 75,000 options in Scheme 1 post year end, on 13 January 2023. The CEO had no share option awards in either Scheme 1, 2 or 4 brought forward or carried forward as at 31 December 2022.

During the year the Group's Employee Benefit Trust purchased an aggregate amount of 5.3m shares at a total market value of £66.6m (representing 4.5% of the total share capital). The purchased shares are held in the Trust for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plans. The following table assumes vesting occurs in full.

Vesting Schedule	2023 No.	2024 No.	2025 No.	2026 No.	2027 No.	Total No.
Scheme 1*	997,227	997,226	-	-	-	1,994,453
Scheme 2	-	840,000	840,000	840,000	840,000	3,360,000
Scheme 4	-	-	171,600	343,200	1,201,200	1,716,000
Total	997,227	1,837,226	1,011,600	1,183,200	2,041,200	7,070,453
Shares held in trust	(997,227)	(1,837,226)	(1,011,600)	(1,183,200)	(543,772)	(5,573,025)
Net dilution	-	-	-	-	1,497,428	1,497,428

*The remaining share options in Scheme 1 can be exercised anytime until August 2033 and therefore for the purposes of this analysis we have assumed they will be exercised over the next two years.

The net dilution of 1,497,428 shares represents 1.3% of issued share capital.

The total charge recognised for the schemes during the year ended 31 December 2022 was £4.1m (2021: £9.2m). The awards of the scheme are settled with ordinary shares of the Company.

Directors' Report

Directors' Remuneration Report

Directors' emoluments *Audited information*

Year ended 31 December 2022	Basic salary	Committee Chair fees	Bonus	Share-based payment	Other benefits	Total	Total Fixed	Total Variable
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Murray Legg (Chairman)	100	-	-	-	-	100	100	-
Mike Danson	-	-	-	-	-	-	-	-
Graham Lilley	250	-	50	316	3	619	251	368
Annette Barnes (SID)	50	10	-	-	3	63	60	3
Peter Harkness	50	-	-	-	-	50	50	-
Andrew Day	50	-	-	-	2	52	51	1
Catherine Birkett	50	15	-	-	1	66	66	-
Julien Decot	50	-	-	-	1	51	51	-

Year ended 31 December 2021	Basic salary	Committee Chair fees	Bonus	Share-based payment	Other benefits	Total	Total Fixed	Total Variable
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Bernard Cragg ¹	47	-	-	1,902	-	1,949	47	1,902
Murray Legg	85	5	-	-	-	90	90	-
Mike Danson	-	-	-	-	-	-	-	-
Graham Lilley	242	-	-	-	1	243	243	-
Annette Barnes	50	8	-	-	-	58	58	-
Peter Harkness	50	2	-	-	-	52	52	-
Andrew Day	50	-	-	-	1	51	51	-
Elizabeth Pritchard ²	10	-	-	-	-	10	10	-
Catherine Birkett ³	41	10	-	-	1	52	52	-
Julien Decot ⁴	34	-	-	-	1	35	35	-

¹ Relates to a 4 month period

² Relates to a 10 week period

³ Relates to a 10 month period

⁴ Relates to an 8 month period

As at 31 December 2022, Graham Lilley had 375,000 share options in issue (2021: 400,000) of which 75,000 had vested from Scheme 1 and the remaining 300,000 are in Scheme 2. Further details are given in note 25. No other Executive Directors as at 31 December 2022 had share options.

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

Directors' Report

Directors' Remuneration Report

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 27 February 2023 are:

	Contract date	Notice period
Murray Legg	23 February 2016	3 months
Mike Danson	1 October 2008	12 months
Graham Lilley	5 April 2021	12 months
Annette Barnes	24 January 2017	3 months
Peter Harkness	12 April 2016	3 months
Andrew Day	24 January 2017	3 months
Catherine Birkett	1 March 2021	3 months
Julien Decot	30 April 2021	3 months

By order of the Board



Annette Barnes

Chair of the Remuneration Committee
27 February 2023



“As a responsible business, sustainability sits at the heart of our plan and, as a team, GlobalData is a firm believer that our Company can drive positive change and be a force for good through our critical information and technology innovations.”

Mike Danson, Chief Executive

Directors' Report

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

The Directors are responsible for preparing the Annual Report and the 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 United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have chosen to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- State whether applicable accounting standards 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 corporate and financial information included on 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. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Annual General Meeting

The Annual General Meeting will be held on 25 April 2023 at John Carpenter House, John Carpenter Street, London EC4Y 0AN at 10am.

Approved by the Board and signed on its behalf by



Mike Danson
Chief Executive
27 February 2023

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 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements 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 statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows;
- the related notes 1 to 28 to the consolidated financial statements; and
- the related notes 1 to 13 to the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable with United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none">• the accuracy of subscription revenue recognition;• the determination of cash generating units ("CGUs") for the purposes of reviewing goodwill and intangibles for impairment;• the valuation of intangible assets acquired in business combinations. <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"> Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	<p>The materiality that we used for the group financial statements was £3,000,000 (2021: £1,700,000), equating to 6.1% (2021: 5%) of profit before tax adjusted to exclude the amortisation of acquired intangible assets.</p>
Scoping	<p>We performed full scope audits or audits of specified balances and transactions of the principal entities within the group, comprising the group's operations within the UK, the USA, India and the United Arab Emirates. These in-scope locations represent the key trading entities within the group and account for 89% of group revenue, 91% of profit before tax and 96% of group net assets.</p>
Significant changes in our approach	<p>We have removed the key audit matter disclosed in the prior year audit report in relation to the recoverability of goodwill and intangible assets in the MEED CGU. MEED is no longer a standalone CGU and has been merged with the Data, Analytics and Insights (DA&I) CGU, therefore the impairment of assets in the MEED CGU is no longer a key audit matter.</p> <p>We have identified the reassessment of CGUs as a new key audit matter in the current year.</p> <p>The key audit matter reported in the prior year audit report in relation to the valuation of intangibles acquired in business combinations remains, however, this now relates to the current year acquisitions of MBI Holdings Limited and TSL Research Group Limited.</p>

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

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 £34m, net debt of £273m and further undrawn facilities of £120m, in the context of the operating cash flow needs of the group;
- consideration of the expiry date of the group's borrowing facilities, which mature at the end of April 2025, and whether there is any current evidence to indicate that a renewal of those facilities may not occur;
- 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;
- assessment of the suitability of the model used by the group to forecast cash flows, including testing of clerical accuracy of the model; and
- assessment of the historical accuracy of cash flow forecasts.

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.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

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 subscription revenue recognition

Key audit matter description	<p>The specific nature of the risk of material misstatement in revenue recognition varies across the Group's revenue streams, with total group revenue of £243.2m (2021: £189.7m).</p> <p>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 81% of consolidated revenue.</p> <p>Due to the complexity of the manual calculations and reliance on spreadsheets 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 arising from such manual adjustments. The Group's revenue recognition accounting policies are disclosed in note 2 to the consolidated financial statements.</p>
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Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

<p>How the scope of our audit responded to the key audit matter</p>	<p>We obtained an understanding of the Group's business model and terms 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.</p> <p>The procedures we performed across the entities within our audit scope included the following:</p> <ul style="list-style-type: none"> • we obtained an understanding of relevant controls in relation to revenue recognition and tested the controls relating to the reconciliation of the sales system to the accounting system and review of approved orders not yet invoiced; • we used data analytics procedures to recalculate the subscription revenue recognised in the year and the deferred revenue balance recorded at the year end, to identify variances where actual recorded revenue differed from the recalculated amount and then subjected such amounts to further testing procedures on a sample basis; • we obtained evidence to determine whether a sample of variances which 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; and • we performed tests of detail of the accuracy, occurrence and completeness for a sample of revenue transactions, through obtaining and reviewing relevant customer contracts and fulfilment data to assess whether revenue was appropriately recorded.
<p>Key observations</p>	<p>We made control recommendations to the Audit Committee to further reduce the number of variances identified.</p> <p>Based on the audit procedures performed we concluded that revenue from subscriptions was not materially misstated.</p>

5.2. Determination of CGUs for the purposes of reviewing goodwill and intangibles for impairment

<p>Key audit matter description</p>	<p>The group has performed an assessment of its cash generating units ("CGUs") during the year to 31 December 2022, resulting in the assets previously identified as the MEED CGU, now being included within the Data, Analytics and Insights ("DA&I") CGU. This is because management consider the further integration of MEED into the group means that it is no longer possible to identify separate cashflows. As a result, MEED and DA&I are not generating independent cash inflows and the assets should be recognised as a single CGU.</p> <p>IAS 36 requires that CGUs should be identified consistently from period to period for the same assets or type of assets unless a change is justified. Consequently, we identified a risk relating to whether management's reassessment was in line with the requirements of IAS 36 as an incorrect aggregation of the two CGUs may result in the potential understatement of required impairments in goodwill and intangible assets.</p> <p>Management's rationale for the reassessment, based on the integration of the assets in the group onto a single platform, is disclosed in the audit committee report on page 56 and in note 13 to the consolidated financial statements.</p>
<p>How the scope of our audit responded to the key audit matter</p>	<p>We evaluated management's CGU assessment for goodwill and other intangibles using a range of audit procedures. These included the following:</p> <ul style="list-style-type: none"> • We understood management's controls relating to the identification of cash generating units; • We assessed whether management's determination of CGUs complies with the requirements of IAS 36; • We challenged management's impairment assessment applying the previously identified CGUs to understand if this would have identified impairment; • We assessed the adequacy of the group's disclosure of its CGUs in light of the requirements of IAS 36.
<p>Key observations</p>	<p>We are satisfied and concur with management's conclusion of integrating the MEED CGU into the DA&I CGU, that management's assessment complies with the requirements of IAS 36 and that no impairment would have been identified when applying the previously identified CGUs.</p> <p>We consider the disclosure in note 13 to comply with the requirements of IAS 36.</p>

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

5.3. The valuation of intangible assets acquired in business combinations

Key audit matter description	<p>During the year the group made two significant acquisitions as disclosed in the Strategic Report and note 27 of the financial statements:</p> <ul style="list-style-type: none">On 9 June 2022 the group completed the acquisition of MBI Holdings Limited for consideration paid of £22.9m.On 31 August 2022, the group completed the acquisition of TSL Research Group Limited with consideration paid of £13.3m. <p>Management engaged a third party expert to assist them with the determination and valuation of intangible assets acquired.</p> <p>We identified these acquisitions as a key audit matter because of their size in the context of group materiality and the judgements associated with the valuation of intangible assets accounted for in accordance with IFRS 3 Business Combinations.</p>
How the scope of our audit responded to the key audit matter	<p>We assessed the identification and valuation of assets acquired in business combinations. Our procedures included:</p> <ul style="list-style-type: none">engaging with internal valuation specialists to evaluate management's valuation of intangible assets acquired during the transactions.performing procedures to evaluate the competence, capabilities and objectivity of management's third-party expert used to complete the purchase price allocation exercise.assessing whether management identified and recognised all intangible assets acquired within the transactions through gaining an understanding of the acquired businesses.inspecting a combination of historical internal and external evidence to assess the assumptions used by management within their valuations, including a critical assessment of the valuation methods used to value the different assets recognised, and to assess their compliance with the accounting standards.assessing the appropriateness of the useful lives of the acquired assets recorded by management to ensure that they were appropriately reflected the expected period of generation of future economic benefits from the use of the acquired assets.reviewing the disclosure which management has made in relation to these acquisitions within the financial statements and considered its consistency with the fact pattern of our audit work.
Key observations	<p>Based on the audit procedures performed, we concluded that management's identification and valuation of intangible assets within the acquisitions, and their associated disclosures within the financial statements, are appropriate.</p>

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

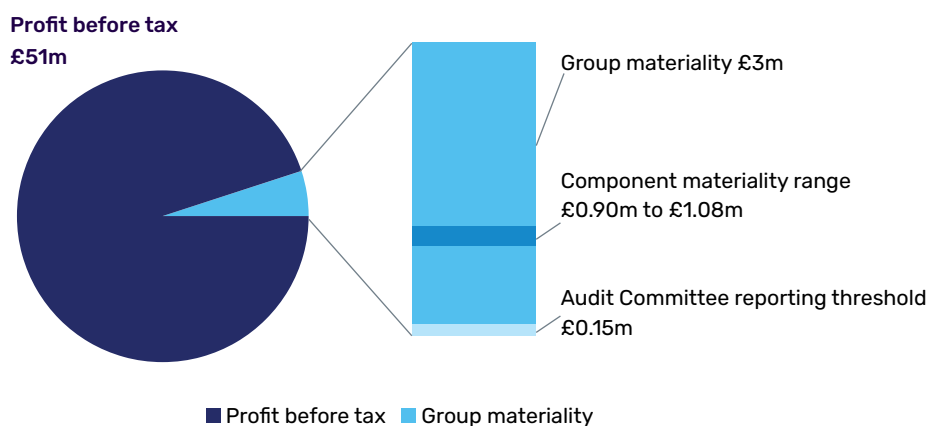
6. OUR APPLICATION OF MATERIALITY

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	£3,000,000 (2021: £1,700,000)	£900,000 (2021: £715,000)
Basis for determining materiality	Group materiality equates to 6.1% (2021: 5%) of profit before tax, adjusted to exclude the amortisation of acquired intangible assets, as our basis for materiality.	Parent company materiality equates to 2% (2021: 2%) of net assets, which has been capped at 50% (2021: 50%) of group performance materiality.
Rationale for the benchmark applied	<p>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.</p> <p>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.</p> <p>We highlight that a materiality of £3,000,000 has increased compared with the prior year as the business has grown in size. Materiality represents 1.2% of revenue, 7.7% of profit before tax and 3.5% of adjusted EBITDA.</p>	<p>Net assets are typically considered an appropriate benchmark for materiality as the parent company predominantly holds investments in trading subsidiaries.</p> <p>Materiality has increased compared to 2021 as the size of the business has grown.</p>



Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

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	60% (2021: 60%) of group materiality	70% (2021: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered our past experience of the group and our risk assessment, including our assessment of the group's control environment and the value and volume of corrected and uncorrected misstatements identified during the prior year audit, as well as the likelihood of these recurring in the current year.	In determining performance materiality, we considered our past experience of the group and our risk assessment, including our assessment of the group's control environment and the value and volume of corrected and uncorrected misstatements identified during the prior year audit, as well as the likelihood of these recurring in the current year.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £150,000 (2021: £85,000), 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, USA, India and the United Arab Emirates. We have also performed analytical procedures on insignificant entities in the group.

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 89% of Revenue, 91% of profit before tax and 96% of net assets.



Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

7.2. Our consideration of the control environment

In assessing the control environment of the Group, we identified four relevant IT systems. We tested the general IT controls of two of these: the main accounting system and the revenue system; and we obtained an understanding of the general IT controls in respect of the accounts payable and payroll systems. As described in the Audit Committee Report on page 55, management made improvements to the IT control environment during the year, however, some of the deficiencies identified in the prior year remained at the year end. Accordingly, consistent with the prior year, and in line with our audit plan, we did not rely on IT controls and extended the scope of our substantive audit procedures in response to the identified deficiencies.

We also obtained an understanding of the relevant controls associated with the revenue process, the financial reporting process and process for making accounting estimates. We tested the design and implementation of relevant controls in relation to the revenue process and note that, as discussed in the Audit Committee report on page 55, management implemented a number of new controls in respect of subscription revenue during the year. As noted above, we adopted a data analytics-based substantive testing approach to subscription revenue and did not plan to rely on controls in this area.

7.3. Our consideration of climate-related risks

In planning our audit, we made enquiries of management to understand the extent of the potential impact of climate change risk on the group's financial statements.

As disclosed in note 1, management concluded that there was no material impact on the financial statements. Our evaluation of this conclusion included challenging key judgements and estimates in areas where we considered that there was greatest potential for climate change impact.

We also considered the consistency of the climate change disclosures included in the Strategic Report on page 52 with the financial statements and our knowledge from our audit.

7.4. 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 2022 (2021: one) and we were in regular contact with them throughout the year. The group team conducted the audit of MEED, a component based in the United Arab Emirates.

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 close meeting 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 the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

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.

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 design 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 either as a result of fraud or error;
- results of our enquiries of management, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- 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;
 - 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; and
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, IT, and share based payment specialists 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 organisation for fraud and identified the greatest potential for fraud in the accuracy of subscription 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 framework 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.

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

11.2. Audit response to risks identified

As a result of performing the above, we identified accuracy of subscription revenue recognised as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

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.

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. CORPORATE GOVERNANCE STATEMENT

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified [set out on page 48];
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate [set out on page 48];
- the directors' statement on fair, balanced and understandable [set out on page 43];
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks [set out on page 45];
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems [set out on page 47]; and
- the section describing the work of the audit committee [set out on page 46].

Independent Auditor's Report

Independent Auditor's Report to the Members of GlobalData Plc

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

14.1. 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.

14.2. 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.

15. 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
27 February 2023

“Our scalable platform is ideally positioned to integrate new datasets and content into our existing vertical offering or expand our breadth into new vertical markets.”

Mike Danson, Chief Executive



Consolidated Income Statement

	Notes	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Continuing operations			
Revenue	5	243.2	189.3
Operating expenses	6	(186.6)	(150.8)
Losses on trade receivables	6	(0.7)	(1.2)
Other income		0.1	0.9
Operating profit		56.0	38.2
Net finance costs	10	(17.6)	(5.6)
Profit before tax		38.4	32.6
Income tax expense	11	(7.9)	(7.7)
Profit for the year		30.5	24.9
Attributable to:			
Equity holders of the parent		30.5	24.9
Earnings per share attributable to equity holders:			
Basic earnings per share (pence)	12	27.1	21.9
Diluted earnings per share (pence)	12	26.2	20.2
<i>Reconciliation to Adjusted EBITDA¹:</i>			
Operating profit		56.0	38.2
Depreciation		6.4	6.8
Amortisation of software		1.0	0.9
Adjusting items	7	23.0	18.5
Adjusted EBITDA¹		86.4	64.4

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

¹ 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

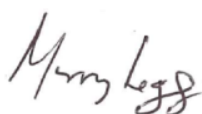
	Notes	Year ended 31 December 2022	Year ended 31 December 2021
		£m	£m
Profit for the year		30.5	24.9
Other comprehensive income			
<i>Items that will be classified subsequently to profit or loss when specific conditions are met:</i>			
Cash flow hedge – effective portion of changes in fair value	16	(3.9)	-
Net exchange loss on translation of foreign entities	24	(0.4)	(0.5)
Other comprehensive loss, net of tax		(4.3)	(0.5)
Total comprehensive income for the year		26.2	24.4
Attributable to:			
Equity holders of the parent		26.2	24.4

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

Consolidated Statement of Financial Position

	Notes	31 December 2022 £m	31 December 2021 £m
Non-current assets			
Property, plant and equipment	14	31.0	35.3
Intangible assets	13	380.1	347.7
Net investment in sub lease		-	0.1
Deferred tax assets	18	2.3	2.1
		413.4	385.2
Current assets			
Trade and other receivables	17	62.7	51.2
Current tax receivable		0.6	-
Short-term derivative assets	16	0.9	0.6
Cash and cash equivalents		34.0	22.6
		98.2	74.4
Total assets		511.6	459.6
Current liabilities			
Trade and other payables	19	(137.3)	(114.3)
Short-term borrowings	20	-	(5.0)
Short-term lease liabilities	15	(5.4)	(4.1)
Current tax payable		(1.7)	(4.2)
Short-term derivative liabilities	16	(1.3)	(0.3)
Short-term provisions	23	(0.1)	(0.1)
		(145.8)	(128.0)
Net current liabilities		(47.6)	(53.6)
Non-current liabilities			
Long-term provisions	23	(1.3)	(0.7)
Deferred tax liabilities	18	(4.1)	-
Long-term derivative liabilities	16	(3.9)	(0.1)
Long-term lease liabilities	15	(24.6)	(29.3)
Long-term borrowings	20	(283.6)	(195.2)
		(317.5)	(225.3)
Total liabilities		(463.3)	(353.3)
Net assets		48.3	106.3
Equity			
Share capital	24	0.2	0.2
Treasury reserve	24	(70.8)	(66.6)
Other reserve	24	(44.3)	(44.3)
Cash flow hedge reserve	24	(3.9)	-
Foreign currency translation reserve	24	(0.7)	(0.3)
Retained profit		167.8	217.3
Equity attributable to equity holders of the parent		48.3	106.3

These financial statements were approved by the Board of Directors on 27 February 2023 and signed on its behalf by:



Murray Legg
Chairman



Mike Danson
Chief Executive

Company number 03925319.

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

Consolidated Statement of Changes in Equity

	Notes	Share capital	Share premium account	Treasury reserve	Other reserve	Merger reserve	Foreign currency translation reserve	Cash flow hedge reserve	Retained profit	Equity attributable to equity holders of the parent
		£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2021		0.2	0.7	(21.4)	(37.1)	163.8	0.2	-	31.3	137.7
Profit for the year		-	-	-	-	-	-	-	24.9	24.9
Other comprehensive income:										
Net exchange loss on translation of foreign entities		-	-	-	-	-	(0.5)	-	-	(0.5)
Total comprehensive income for the year		-	-	-	-	-	(0.5)	-	24.9	24.4
Transactions with owners:										
Share buy-back	24	-	-	(46.5)	-	-	-	-	-	(46.5)
Dividends	24	-	-	-	-	-	-	-	(20.4)	(20.4)
Vesting of share options	25	-	-	1.3	-	-	-	-	(1.3)	-
Bonus issue of shares	24	171.0	-	-	(7.2)	(163.8)	-	-	-	-
Capital reduction	24	(171.0)	(0.7)	-	-	-	-	-	171.7	-
Share-based payments charge	25	-	-	-	-	-	-	-	9.2	9.2
Tax on share-based payments	11	-	-	-	-	-	-	-	1.9	1.9
Balance at 31 December 2021		0.2	-	(66.6)	(44.3)	-	(0.3)	-	217.3	106.3
Profit for the year		-	-	-	-	-	-	-	30.5	30.5
Other comprehensive income:										
Cash flow hedge – effective portion of changes in fair value	16	-	-	-	-	-	-	(3.9)	-	(3.9)
Net exchange loss on translation of foreign entities		-	-	-	-	-	(0.4)	-	-	(0.4)
Total comprehensive income for the year		-	-	-	-	-	(0.4)	(3.9)	30.5	26.2
Transactions with owners:										
Share buy-back	24	-	-	(66.6)	-	-	-	-	-	(66.6)
Dividends	24	-	-	-	-	-	-	-	(23.6)	(23.6)
Vesting of share options	25	-	-	62.4	-	-	-	-	(62.4)	-
Share-based payments charge	25	-	-	-	-	-	-	-	4.1	4.1
Tax on share-based payments	11	-	-	-	-	-	-	-	1.9	1.9
Balance at 31 December 2022		0.2	-	(70.8)	(44.3)	-	(0.7)	(3.9)	167.8	48.3

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

Consolidated Statement of Cash Flows

		Year ended 31 December 2022	Year ended 31 December 2021
	Notes	£m	£m
Cash flows from operating activities			
Profit for the year		30.5	24.9
Adjustments for:			
Depreciation	14	6.4	6.8
Amortisation	13	10.1	6.5
Gain on disposal of property, plant and equipment	14	-	(0.2)
Impairment of goodwill	13	-	0.4
Net finance costs	10	17.6	5.6
Taxation recognised in profit or loss	11	7.9	7.7
Share-based payments charge	25	4.1	9.2
Increase in trade and other receivables	22	(9.2)	(3.2)
Increase in trade and other payables	22	17.2	2.2
Revaluation of short- and long-term derivatives	16	0.6	0.9
Increase/(decrease) in provisions	23	0.2	(0.3)
Cash generated from operations		85.4	60.5
Interest paid		(14.0)	(3.4)
Income taxes paid		(9.5)	(5.1)
Total cash flows from operating activities		61.9	52.0
Cash flows from investing activities			
Acquisitions	27	(33.6)	(97.7)
Cash received from repayment of loans	28	0.9	0.9
Proceeds from disposal of property, plant and equipment	14	-	0.6
Purchase of property, plant and equipment	14	(1.0)	(0.8)
Purchase of intangible assets	13	(1.7)	(0.5)
Total cash flows used in investing activities		(35.4)	(97.5)
Cash flows from financing activities			
Repayment of borrowings	20	(2.5)	(5.0)
Settlement of loan	20	(229.2)	-
Proceeds from borrowings	20	321.0	129.0
Loan refinancing fee	20	(8.0)	(0.4)
Acquisition of own shares	24	(66.6)	(46.5)
Principal elements of lease payments	20	(5.9)	(5.8)
Dividends paid	24	(23.6)	(20.4)
Total cash flows (used in)/from financing activities		(14.8)	50.9
Net increase in cash and cash equivalents		11.7	5.4
Cash and cash equivalents at beginning of year		22.6	17.7
Effects of currency translation on cash and cash equivalents		(0.3)	(0.5)
Cash and cash equivalents at end of year		34.0	22.6

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

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 (England & Wales) and listed on the Alternative Investment Market (AIM), therefore is publicly owned and limited by shares. 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 United Kingdom adopted international accounting standards and with International Financial Reporting Standards as issued by the IASB.

The financial statements have been prepared on the historical cost basis, except for derivative financial instruments, which are measured at fair value. These financial statements have been prepared in accordance with the accounting policies detailed below. The accounting policies have been applied consistently throughout the Group and throughout the year.

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.

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. Climate-related risks did not have a material impact on the financial statements.

Key sources of estimation uncertainty

Carrying value of goodwill and other intangibles

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

Management has undertaken sensitivity analysis, taking into consideration the impact of 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:

Cash-generating unit	Revenue growth falls by*	Discount rate rises by*
Data, Analytics and Insights	(17.0%)	36.8%
LMC	(2.9%)	2.0%
Media Business Insights ("MBI")	(2.4%)	3.7%
TS Lombard	(1.8%)	2.1%

*percentage points

No indication of impairment was noted from Management's review; there is headroom in each CGU. Management acknowledges the sensitivity of the revenue growth and discount rate assumptions applied to the LMC, MBI and TS Lombard CGUs; however, Management is comfortable with these assumptions and will continue to monitor performance regularly for any indicators of future impairment loss.

Management recognises that the 2% cost growth assumption is lower than the current rate of inflation; however, the Group operates a focused approach to cost management, including mitigating the impact of inflation through advancements in technology and efficiency savings and has a strong track record of achieving this. Therefore, Management considers the assumption to be reasonable.

Notes to the Consolidated Financial Statements

Critical accounting judgements

Identification of Cash-Generating Units

IAS36 '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. As at the date of the impairment review (30 September 2022), Management made the judgement that the Group had four CGUs, being Data, Analytics and Insights, LMC, MBI and TS Lombard. In previous years, the Group had identified MEED (a subsidiary based in the United Arab Emirates) as an individual CGU; however, during the course of 2022 and prior to the date of the impairment review, the MEED cash inflows were fully integrated into the Data, Analytics and Insights CGU. In making this judgement Management has determined that the assets acquired as part of the original acquisition of MEED are no longer generating cash flows that are separately identifiable. The cash flows, in addition to being generated by the acquired assets of MEED, are also now being generated from the assets acquired across many of the Group's historic acquisitions. Likewise, the Data, Analytics and Insights cash inflows are also now being generated in part by the MEED assets. Management therefore concluded that this level of consolidation and integration does not make it possible for MEED to meet the definition of a separately identifiable CGU as required by IAS36. Full disclosure is provided in note 13.

Going concern

The Group meets its day-to-day working capital requirements through free cash flow. The Group has closing cash of £34.0m as at 31 December 2022 and net bank debt of £249.6m (31 December 2021: net bank debt of £177.6m), being cash and cash equivalents less short and long-term borrowings, excluding lease liabilities. The Group has an outstanding term loan of £290.0m which is syndicated with 12 lenders. As at 31 December 2022, the Group had undrawn RCF of £120.0m which is syndicated with 13 lenders. The Group's banking facilities are in place until August 2025, at which point the Group will be required to renew or extend its financing arrangements. The Group has generated £85.4m in cash from operations during 2022. 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 2022. Management has 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 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. The Directors have modelled a number of worst-case scenarios to consider their potential impact on the Group's results, cash flow and loan covenant forecast. Key assumptions built into the scenarios focus on revenue and cost growth. In addition to performing scenario planning, the Directors have also conducted stress testing of the Group'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. The plausible downside scenarios modelled were as follows: (i) revenue growth in 2023 being 10% lower than expectation (ii) cost growth in line with the current UK rate of inflation and (iii) both scenarios combined. There remains headroom on the covenants under each scenario and cash remained in excess of the 31 December 2022 balance of £34.0m in all months.

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 financing arrangements, provide ample liquidity. Accordingly, the Directors have prepared the financial statements on a going concern basis.

Notes to the Consolidated Financial Statements

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. Contingent consideration which has been determined to be a remuneration cost is expensed to the income statement.

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 invoiced at the beginning of the services and is therefore recognised as a contract liability, "deferred revenue", in 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 is recognised upon delivery. The client pays for a single static report and the company meets its contract obligation at the point in time the report is delivered to the client.
- Revenue from the provision of bespoke research services is recognised once contractual performance obligations have been delivered. Bespoke projects can have a single or series of different deliverables from reports, presentations or delivery of data workbooks. Revenue is recognised as each different contractual obligation within the series is satisfied.
- Event revenue is recognised when the event is held in line with the contract obligations.
- Other revenue is recognised in reference to performance obligations as contracted.
- 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.

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.

d) Property, plant and equipment

Property, plant and equipment is stated at historic cost, including any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, 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:

- Right-of-use assets: shorter of lease term and useful life;
- Freehold buildings: over 50 years;
- Fixtures, fittings 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 are reassessed at each reporting date.

Notes to the Consolidated Financial Statements

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 forecasts; year one being based upon Board approved budgets, with growth assumptions applied for years two to five. 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 and databases. Intangible assets acquired in material business combinations are capitalised at their fair value. The Board has 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 when determining the fair value at the date of acquisition for each class of identified intangible:

- Customer relationships: net present value of future cash flows;
- Intellectual property and databases: cost to recreate the asset; and
- Brands: royalty relief method.

Intangible assets are amortised on a straight-line basis over their estimated useful lives of 3 to 20 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 IAS38 "Intangible Assets". These costs are amortised on a straight-line basis over their estimated useful lives of 3 years. Amortisation and impairment charges are accounted for within the administrative costs category within the income statement. Costs associated with implementing or maintaining computer software programs are recognised as an expense.

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.

Notes to the Consolidated Financial Statements

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 IAS12 to share-based payments, tax deductions (current or deferred) up to the IFRS2 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 IFRS2 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 the functional currency of the entity 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.

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than Sterling are retranslated to 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. 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.

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; and
- The Group has the right to direct the use of the identified asset throughout the period of use.

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

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

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

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

Notes to the Consolidated Financial Statements

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, interest rate swaps, 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 IFRS15, 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 at 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; and
- 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, 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. 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 interest rates and foreign currency exchange rates.

Interest rate swaps are measured at fair values and any movement in fair value is recognised directly in other comprehensive income, to the extent that they are effective, with the ineffective portion being recognised in the income statement.

In order to qualify for hedge accounting, the Group is required to document prospectively the economic relationship between the item being hedged and the hedging instrument. The Group is also required to demonstrate an assessment of the economic relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an ongoing basis. This effectiveness testing is re-performed periodically to ensure that the hedge has remained, and is expected to remain, highly effective. Hedge accounting is discontinued when a hedging instrument is derecognised (e.g. through expiry or disposal), or no longer qualifies for hedge accounting.

Foreign currency forward contract derivatives are measured at fair values and any movement in fair value is recognised in the income statement.

Notes to the Consolidated Financial Statements

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. The carrying amount is reduced by the ECL through the use of a provision account. When a trade receivable is considered uncollectable, 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 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 both Schemes 2 and 4), 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 is shown as a deduction in arriving at total shareholders' equity.

q) Other income

Other income represents rental income on sub-lease property contracts and research & development tax credits.

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.

Notes to the Consolidated Financial Statements

Adjustments are made in respect of:

Share-based payments and associated costs	Share-based payment expenses are excluded from Adjusted EBITDA as they are a non-cash charge, the awards are equity-settled and the Directors believe they result in a level of charge that would distort the user's view of the core trading performance of the Group.
Restructuring, M&A (including contingent consideration) and refinancing costs	The Group excludes these costs from Adjusted EBITDA where the nature of the item, or its size, is not related to the core underlying trading of the Group. This is 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 and impairment 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 historical investment activities. Any impairment charges recognised in relation to these intangible assets are also excluded from Adjusted EBITDA. This is a common adjustment made by acquisitive information service businesses and is 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 non-cash movements arising from fluctuations in exchange rate as these may not reflect the underlying performance of the Group, which better aligns Adjusted EBITDA with 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 2022 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 IAS16: Property, Plant and Equipment (effective for periods beginning on or after 1 January 2022);
- Amendments to IAS37: Provisions, Contingent Liabilities and Contingent Assets (effective for periods beginning on or after 1 January 2022); and
- Amendments to IFRS3: Business Combinations (effective for periods beginning on or after 1 January 2022).

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 IAS1: Presentation of Financial Statements (effective for periods beginning on or after 1 January 2023);
- Amendments to IAS8: Accounting Policies, Changes in Accounting Estimates and Errors (effective for periods beginning on or after 1 January 2023); and
- Amendments to IAS12: Income Taxes (effective for periods beginning on or after 1 January 2023).

The above standards are not yet effective and therefore have not been applied in the financial statements. It is anticipated that there will be minimal impact on the financial statements from the adoption of these revised standards.

Notes to the Consolidated Financial Statements

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.

IFRS8 "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 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 with 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 central research team reports to one central individual, the Managing Director of the India operation, who reports to the Group Chief Executive. '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 on a monthly basis and consists of earnings before interest, tax, depreciation, amortisation, central overheads and other adjusting items. The Chief Executive also monitors revenue within the operating segment.

The Group considers the use of a single operating segment to be appropriate due to:

- The Chief Executive reviewing profit or loss at the Group level;
- Utilising a centralised operating model;
- Being an integrated solutions based business, rather than a portfolio business; and
- The M&A strategy of the Group being to fully integrate within the One Platform.

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

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Adjusted EBITDA	86.4	64.4
Restructuring costs	(0.6)	(1.2)
M&A costs	(2.9)	(2.4)
Contingent consideration	(1.0)	-
Refinancing costs	(1.9)	(0.2)
Share-based payment charge	(4.1)	(9.2)
Costs relating to share-based payment schemes	(0.9)	-
Revaluation loss on short and long-term derivatives	(0.6)	(0.9)
Unrealised operating foreign exchange (losses)/gains	(1.9)	1.0
Amortisation of acquired intangibles	(9.1)	(5.6)
Depreciation	(6.4)	(6.8)
Amortisation (excluding amortisation of acquired intangible assets)	(1.0)	(0.9)
Finance costs	(17.6)	(5.6)
Profit before tax	38.4	32.6

Notes to the Consolidated Financial Statements

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 2022	UK £m	Europe £m	Americas ¹ £m	Asia Pacific £m	MENA ² £m	Rest of World £m	Total £m
Revenue from external customers	36.0	64.7	91.4	27.2	16.6	7.3	243.2

Year ended 31 December 2021	UK £m	Europe £m	Americas ¹ £m	Asia Pacific £m	MENA ² £m	Rest of World £m	Total £m
Revenue from external customers	27.8	51.8	67.8	21.0	13.9	7.0	189.3

1. Americas includes revenue from the United States of America of £86.7m (2021: £65.7m)

2. Middle East & North Africa

Intangible assets held in the US and Canada were £33.4m (2021: £34.3m), of which £29.1m related to goodwill (2021: £29.1m). Intangible assets held in the UAE were £12.8m (2021: £13.6m) of which £11.4m related to goodwill (2021: £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 invoiced at the beginning of the services and is therefore recognised as a contract liability, "deferred revenue", in 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 are 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 2022	Year ended 31 December 2021	As at 31 December 2022	As at 31 December 2021
	£m	£m	£m	£m
Services transferred:				
Over a period of time	196.5	156.9	91.6	73.1
At a point in time	46.7	32.4	12.4	8.3
Total	243.2	189.3	104.0	81.4

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 2022, £1.1m (2021: £0.4m) of the deferred revenue balance will be recognised beyond the next 12 months. In the year ended 31 December 2022 the Group recognised revenue of £81.0m (2021: £74.1m) that was included in the deferred revenue balance at the beginning of the period.

Notes to the Consolidated Financial Statements

As at 31 December 2022, the total non-cancellable obligations within deferred revenue to fulfil revenue amounted to £104.0m (2021: £81.4m). As at the same date, the total non-cancellable obligations within Invoiced Forward Revenue to fulfil revenue amounted to £133.5m (2021: £107.7m).

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 2022	Year ended 31 December 2021
	£m	£m
Cost of sales	125.7	101.8
Administrative costs	60.9	49.0
	186.6	150.8
Losses on trade receivables	0.7	1.2
Total operating expenses	187.3	152.0

Included within other administrative costs are the following expenses:

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Depreciation of property, plant and equipment	6.4	6.8
Amortisation of intangible assets	10.1	6.5
Loss/(gain) (including realised and unrealised) on foreign exchange	2.7	(0.9)
Auditor's remuneration	1.0	0.9

Auditor's remuneration:

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Audit of the Company's and the consolidated financial statements	0.5	0.4
Audit of the subsidiary companies' financial statements	0.5	0.5
Total auditor's remuneration	1.0	0.9

Notes to the Consolidated Financial Statements

7. ADJUSTING ITEMS

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Amortisation of acquired intangibles	9.1	5.6
Share-based payment charge	4.1	9.2
M&A costs	2.9	2.4
Refinancing costs	1.9	0.2
Unrealised operating foreign exchange loss/(gain)	1.9	(1.0)
Contingent consideration	1.0	-
Costs relating to share-based payments scheme	0.9	-
Restructuring costs	0.6	1.2
Revaluation loss on short and long-term derivatives	0.6	0.9
Total adjusting items	23.0	18.5

The adjustments made are as follows:

- The share-based payments charge is in relation to the share-based compensation plans (detailed in note 25) 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. The original fair value on grant date is charged to the income statement based upon the Monte-Carlo method. Following modification on 30 November 2022, an additional charge for the beneficial modification was determined by the Black-Scholes method (more detail is contained within note 25).
- The M&A costs consist of professional fees incurred in both performing due diligence relating to potential acquisition targets and performing completion activities in relation to acquisitions made during the year in addition to redundancy costs in relation to group integration projects.
- Refinancing costs consist of legal fees incurred in relation to (i) the extension of the previously held term loan and RCF by one year (completed during June 2022) and (ii) the arrangement of the new loan facility which was drawn down upon during August 2022.
- Unrealised operating foreign exchange losses and gains relate to non-cash exchange losses and gains made on operating items.
- The contingent consideration amounts relate to payments due to the previous owners of MBI and TS Lombard between 2023 and 2025. These have been treated as remuneration costs due to their being contingent upon the former owners remaining as employees of the Group at the time of payment.
- Costs relating to share-based payments scheme consist of employer taxes borne as a result of the vesting of the final tranche of Scheme 1 during the year, and professional fees incurred in advice obtained relating to the restructure of existing schemes.
- Restructuring relates to professional fees incurred in relation to group reorganisation projects.
- 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.

Notes to the Consolidated Financial Statements

8. PARTICULARS OF EMPLOYEES

Employee benefit expense

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Wages and salaries	115.4	95.9
Social security costs	8.2	6.7
Pension costs	2.1	1.7
Share-based payments charge (note 25)	4.1	9.2
	129.8	113.5

Termination costs incurred during the year amounted to £0.2m (2021: £0.3m).

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 2022	Year ended 31 December 2021
	No.	No.
Researchers and analysts	3,004	2,914
Sales and admin	718	676
	3,722	3,590

There were no persons employed by the Company during the year (2021: nil).

9. KEY MANAGEMENT COMPENSATION

Key management is defined as Directors plus all members of the Group's Senior Management Team. In the year ended 31 December 2022, key management consisted of 24 employees (2021: 19 employees).

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Short-term employee benefits	4.9	3.1
Post-employment benefits	0.1	0.1
Share-based payments	2.2	2.4
	7.2	5.6

Post-employment benefits are comprised of payments made into the employees' defined contribution pension schemes.

Information regarding Directors' remuneration, share options and bonuses are set out in the Directors' Remuneration Report on pages 59 to 69.

The increase in key management compensation for the year ended 31 December 2022 reflects a restructuring of the management team, previously referred to as the Executive Management Committee, to a larger Senior Leadership Team.

Notes to the Consolidated Financial Statements

10. NET FINANCE COSTS

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Loan interest cost	16.4	4.0
Lease interest cost	1.3	1.5
Other interest cost	0.1	0.1
Other interest income	(0.2)	-
	17.6	5.6

11. INCOME TAX

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Income statement		
Current income tax:		
Current income tax	(10.6)	(10.7)
Adjustments in respect of prior years	(0.3)	0.6
	(10.9)	(10.1)
Deferred income tax:		
Relating to origination and reversal of temporary differences	0.9	2.4
Effect of change in tax rates	1.3	(0.6)
Adjustments in respect of deferred tax of previous years	1.1	-
Movement in unrecognised deferred tax	(0.3)	0.6
	3.0	2.4
Total income tax expense in income statement	(7.9)	(7.7)

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Recognised in statement of changes in equity		
Corporation tax income on share options exercised	4.4	0.4
Deferred tax (expense)/income on share-based payments	(2.5)	1.5
Total tax income recognised directly in equity	1.9	1.9

Included within 'Adjustments in respect of deferred tax of previous years' is a deferred tax income amount totalling £1.4m relating to options held by US participants of the Group's share option schemes. Following the Scheme 1 vesting event during August 2022, additional tax analysis was undertaken in conjunction with professional advisers, and it was determined that the Group should benefit from a current tax deduction in the US at the time US participants exercise their options. A prior year adjustment has therefore been included, through both the income statement (£1.4m tax income) and equity (£2.1m tax income), to recognise a deferred tax asset in accordance with international accounting standards with respect to US options outstanding as at 31 December 2021. Most of the deferred tax asset to which the prior year adjustment relates is subsequently reversed during the year ended 31 December 2022, through both the income statement (£1.4m) and equity (£1.8m), to match the current tax deduction claimed during the period.

Notes to the Consolidated Financial Statements

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

	Year ended 31 December 2022	Year ended 31 December 2021
	£m	£m
Profit before tax	38.4	32.6
Tax at the UK corporation tax rate of 19% (2021: 19%)	(7.3)	(6.2)
Effects of:		
Non-taxable income for tax purposes	0.2	0.2
Non-deductible expenses for tax purposes	(1.3)	(1.0)
Effect of tax rates in overseas jurisdictions	(1.3)	(1.0)
Overseas tax	-	(0.3)
Effect of change in tax rates	1.3	(0.6)
Adjustments in respect of current income tax of previous years	0.8	0.6
Movement in unrecognised deferred tax	(0.3)	0.6
	(7.9)	(7.7)

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 2022	Year ended 31 December 2021
Earnings per share attributable to equity holders from continuing operations:		
Basic		
Profit for the period attributable to ordinary shareholders of the parent company (£m)	30.5	24.9
Weighted average number of shares (no' m)	112.7	113.5
Basic earnings per share (pence)	27.1	21.9
Diluted		
Profit for the period attributable to ordinary shareholders of the parent company (£m)	30.5	24.9
Weighted average number of shares (no' m)	116.6	123.0
Diluted earnings per share (pence)	26.2	20.2

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

	Year ended 31 December 2022	Year ended 31 December 2021
	No' m	No' m
Basic weighted average number of shares, net of shares held in treasury reserve	112.7	113.5
Share options in issue at end of period, net of shares not paid up	3.9	9.5
Diluted weighted average number of shares	116.6	123.0

Notes to the Consolidated Financial Statements

13. INTANGIBLE ASSETS

	Software £m	Customer relationships £m	Brands £m	IP rights and database £m	Goodwill £m	Total £m
Cost						
As at 1 January 2021	12.2	44.0	16.1	50.2	227.7	350.2
Additions: Business combinations	0.7	11.8	0.1	25.2	75.4	113.2
Additions: Separately acquired	0.4	-	-	0.1	-	0.5
Reclassification to PPE	(0.5)	-	-	-	-	(0.5)
Fair value adjustment	-	-	-	-	(0.4)	(0.4)
As at 31 December 2021	12.8	55.8	16.2	75.5	302.7	463.0
Additions: Business combinations	0.9	9.5	10.0	2.4	19.2	42.0
Additions: Separately acquired	1.7	-	-	-	-	1.7
Fair value adjustment	-	-	-	-	0.1	0.1
As at 31 December 2022	15.4	65.3	26.2	77.9	322.0	506.8
Amortisation						
As at 1 January 2021	(9.9)	(28.8)	(10.7)	(48.3)	(10.5)	(108.2)
Additions: Business combinations	(0.5)	-	-	-	-	(0.5)
Impairment	-	-	-	-	(0.4)	(0.4)
Charge for the year	(0.9)	(3.8)	(0.6)	(1.2)	-	(6.5)
Reclassification to PPE	0.3	-	-	-	-	0.3
As at 31 December 2021	(11.0)	(32.6)	(11.3)	(49.5)	(10.9)	(115.3)
Additions: Business combinations	(0.8)	-	-	(0.5)	-	(1.3)
Charge for the year	(1.1)	(5.2)	(0.9)	(2.9)	-	(10.1)
As at 31 December 2022	(12.9)	(37.8)	(12.2)	(52.9)	(10.9)	(126.7)
Net book value						
As at 31 December 2022	2.5	27.5	14.0	25.0	311.1	380.1
As at 31 December 2021	1.8	23.2	4.9	26.0	291.8	347.7

Additions as a result of business combinations in the year have been disclosed in further detail in note 27. The £0.5m cost and £0.3m amortisation reclassification to PPE in the prior year relates to items previously categorised as software, however on further review during 2021 Management identified that they relate to IT hardware and as such have reclassified the balances (see note 14).

The Group has capitalised £1.5m of internally generated intangible assets (2021: £0.4m). As at 31 December 2022, the net book value of internally generated intangible assets is £1.9m (2021: £0.4m).

Notes to the Consolidated Financial Statements

As at 31 December 2022, 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
Infinata	0.7	3 years	-	-	-	-
MEED	1.4	2 years	-	-	-	-
AROQ	0.5	6 years	-	-	-	-
Research Views	4.6	2-8 years	-	-	-	-
GlobalData	0.4	<1 year	3.0	8 years	-	-
Global Ad Source	0.1	11 years	-	-	-	-
Verdict	-	-	1.2	5 years	-	-
Progressive Content	0.3	5 years	-	-	0.6	3 years
Life Sciences	3.8	9 years	-	-	9.0	10 years
LMC	6.6	1-11 years	0.1	1 year	13.6	9 years
MBI	5.2	5-10 years	9.1	20 years	0.4	5 years
TS Lombard	3.9	10-13 years	0.6	20 years	1.4	5 years
Total carrying value	27.5		14.0		25.0	

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 and intangible assets as at 30 September each year 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 year's 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 IAS36, 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 is of the opinion that since acquisition and through being integrated and further developed within the Group, the acquired intangible assets of the Group 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. This represents the Group's main CGU, named 'Data, Analytics and Insights'. The most recent acquisitions made by the Group (LMC, MBI and TS Lombard) are yet to be integrated into the main CGU, therefore as at the date of the impairment review (30 September 2022), the Group had four CGUs. Management recognises 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. Management has 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. In previous years, the Group had identified MEED (a subsidiary based in the United Arab Emirates) as an individual CGU; however, during the course of 2022 and prior to the date of the impairment review, the MEED cash inflows were fully integrated into the Data, Analytics and Insights CGU. In making this judgement Management has determined that the assets acquired as part of the original acquisition of MEED are no longer generating cash flows that are separately identifiable. The cash flows, in addition to being generated by the acquired assets of MEED, are also now being generated from the assets acquired across many of the Group's historic acquisitions. Likewise, the Data, Analytics and Insights cash inflows are also now being generated in part by the MEED assets. Management therefore concluded that this level of consolidation and integration does not make it possible for MEED to meet the definition of a separately identifiable CGU as required by IAS36.

Overall, within the impairment review performed as at 30 September 2022, the Group had sufficient headroom on the carrying value of goodwill and intangible assets, with the CGUs having the following headroom: Data, Analytics and Insights: £1,219.6m, LMC: £16.0m, MBI: £8.2m and TS Lombard: £3.7m.

Notes to the Consolidated Financial Statements

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 2023, with revenue and cost increases to cover the period 2024–2027. Revenue growth rates applied from 2024 onwards are based on forecast five-year compounded annual growth rates (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 from 2024 onwards are based upon the Bank of England long-term inflation 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.

Across all CGUs, a terminal value calculation has been determined post 2027 using a growth rate of 2% in accordance with long-term inflation forecasts.

The key assumptions are set out below:

	Increase in revenue (for years 1 to 5)		Increase in costs (for years 1 to 5)		Pre-tax discount rate		Terminal growth rate	
	2022	2021	2022	2021	2022	2021	2022	2021
Data, Analytics and Insights	7.44%	7.00%	2.00%	2.00%	11.9%	8.52%	2.00%	2.00%
LMC	7.94%	-	2.00%	-	12.2%	-	2.00%	-
MBI	5.19%	-	2.00%	-	15.1%	-	2.00%	-
TS Lombard	8.47%	-	2.00%	-	12.1%	-	2.00%	-

Management has undertaken sensitivity analysis taking into consideration the impact of 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:

Cash-generating unit	Revenue growth falls by*	Discount rate rises by*
Data, Analytics and Insights	(17.0%)	36.8%
LMC	(2.9%)	2.0%
MBI	(2.4%)	3.7%
TS Lombard	(1.8%)	2.1%

*percentage points

No indication of impairment was noted from Management’s review; there is headroom in each CGU. Management acknowledges the sensitivity of the revenue growth and discount rate assumptions applied to the LMC, MBI and TS Lombard CGUs; however, Management is comfortable with these assumptions and will continue to monitor performance regularly for any indicators of future impairment loss.

Management recognises that the 2% cost growth assumption is lower than the current rate of inflation; however, the Group operates a focused approach to cost management, including mitigating the impact of inflation through advancements in technology and efficiency savings and has a strong track record of achieving this. Therefore, Management considers the assumption to be reasonable.

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.

Notes to the Consolidated Financial Statements

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Fixtures, fittings & equipment	Leasehold improvements	Total
	£m	£m	£m	£m
Cost				
As at 1 January 2021	48.1	10.6	1.7	60.4
Additions: Business combinations	-	0.5	-	0.5
Additions: Separately acquired	2.5	0.7	0.1	3.3
Reclassification from intangibles	-	0.5	-	0.5
Disposals	(7.4)	(4.5)	-	(11.9)
As at 31 December 2021	43.2	7.8	1.8	52.8
Additions: Business combinations	-	0.3	-	0.3
Additions: Separately acquired	0.6	0.7	0.3	1.6
Foreign currency retranslation	0.8	0.1	-	0.9
Disposals	(0.4)	(0.2)	-	(0.6)
As at 31 December 2022	44.2	8.7	2.1	55.0
Depreciation				
As at 1 January 2021	(9.0)	(7.6)	(0.3)	(16.9)
Additions: Business combinations	-	(0.5)	-	(0.5)
Charge for the year	(5.0)	(1.6)	(0.2)	(6.8)
Reclassification from intangibles	-	(0.3)	-	(0.3)
Disposals	2.5	4.5	-	7.0
As at 31 December 2021	(11.5)	(5.5)	(0.5)	(17.5)
Additions: Business combinations	-	(0.2)	-	(0.2)
Charge for the year	(4.7)	(1.5)	(0.2)	(6.4)
Foreign currency retranslation	(0.4)	(0.1)	-	(0.5)
Disposals	0.4	0.2	-	0.6
As at 31 December 2022	(16.2)	(7.1)	(0.7)	(24.0)
Net book value				
As at 31 December 2022	28.0	1.6	1.4	31.0
As at 31 December 2021	31.7	2.3	1.3	35.3

The £0.5m cost and £0.3m depreciation reclassification to PPE in the prior year relates to items previously categorised as software, however on further review during 2021 Management identified that they relate to IT hardware and as such have reclassified the balances (see note 14).

Notes to the Consolidated Financial Statements

Included in the net carrying amount of property, plant and equipment as at 31 December 2022 are right-of-use assets as follows:

	Buildings £m
Cost	
As at 1 January 2022	43.2
Additions: Separately acquired	0.6
Foreign currency retranslation	0.8
Disposals	(0.4)
As at 31 December 2022	44.2
Depreciation	
As at 1 January 2022	(11.5)
Charge for the year	(4.7)
Foreign currency retranslation	(0.4)
Disposals	0.4
As at 31 December 2022	(16.2)
Net book value	
As at 31 December 2022	28.0
As at 31 December 2021	31.7

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 in 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 2022 £m	31 December 2021 £m
Current lease liabilities	5.4	4.1
Non-current lease liabilities	24.6	29.3
	30.0	33.4

The table below describes the nature of the Group'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 buildings	24	0-11 years	3.0 years	-	2
Motor vehicles	1	0-1 years	0.4 years	-	-

Notes to the Consolidated Financial Statements

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2022 were as follows:

As at 31 December 2022	Within one year	One to five years	After five years	Total
	£m	£m	£m	£m
Lease payments	6.0	14.3	15.0	35.3
Finance charges	(1.0)	(2.7)	(1.6)	(5.3)
Net present values	5.0	11.6	13.4	30.0

As at 31 December 2021	Within one year	One to five years	After five years	Total
	£m	£m	£m	£m
Lease payments	5.4	16.8	17.8	40.0
Finance charges	(1.3)	(3.2)	(2.1)	(6.6)
Net present values	4.1	13.6	15.7	33.4

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 was £nil (2021: £nil).

At 31 December 2022 the Group was committed to short-term leases and the total commitment at that date was £0.1m (2021: £0.1m).

At 31 December 2022 the Group had not committed to any leases which had not yet commenced, excluding those recognised as a lease liability.

The Group sub-lets certain areas of its property portfolio. As at 31 December 2022, the Group had contracts with sub-tenants for the following future minimum lease rentals:

	31 December 2022	31 December 2021
	£m	£m
Office buildings		
Within one year	0.1	0.2
Within one to two years	0.1	0.2
Within two to three years	0.1	0.2
Within three to four years	0.1	0.2
Within four to five years	0.1	0.2
Over five years	-	1.1
	0.5	2.1

Notes to the Consolidated Financial Statements

16. DERIVATIVE ASSETS AND LIABILITIES

	31 December 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
	£m	£m	£m	£m
Cash flow hedges:				
- Interest rate swaps	-	(3.9)	-	-
Held-for-trading*:				
- Forward foreign currency contracts	0.9	(1.3)	0.6	(0.4)
Total	0.9	(5.2)	0.6	(0.4)
<i>Current:</i>	0.9	(1.3)	0.6	(0.3)
<i>Non-current:</i>	-	(3.9)	-	(0.1)

*Derivatives which do not meet the tests for hedge accounting under IFRS9 or which are not designated as hedging instruments are referred to as 'held-for-trading'.

The Group uses derivative financial instruments to reduce its exposure to fluctuations in both interest rates and foreign currency exchange rates. The Group does not use derivatives for speculative purposes. All derivatives are undertaken for risk management purposes. Classification is based on when the derivatives mature.

The Group entered into an interest rate swap on 21 October 2022, with an effective date of 30 September 2022 based on a notional amount of £290.0m, which aligns to the current term loan draw down (note 20). The agreement is to swap, on a quarterly basis, a floating rate of interest (GBP SONIA) for a fixed rate of 4.9125%. The fixed interest is payable quarterly on the last business day of each of March, June, September and December through to 5 August 2025.

Hedging instrument	Carrying value	Financial statement line item	Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period	Nominal amount of hedging instrument
Interest rate swap	£3.9m liability	Long-term derivative liabilities	N/A – hedge 100% effective	£290.0m

Given the same interest rate benchmark (GBP SONIA) is used in the hedging instrument (the swap) and the hedged item (the term loan), and the payments are settled at the same date each quarter, there is an effective economic relationship between the hedging instrument and the hedged item. The total £290.0m swap is designated as a hedge of the total £290.0m term loan, therefore, a 1:1 hedge ratio has been established on a current notional basis.

The following potential sources of hedge ineffectiveness have been identified:

- Credit risk - A change in the credit risk of the Group or the counterparty to the interest rate swap; and
- Critical terms - The possibility of changes to the critical terms of the hedged item such that they no longer match those of the hedging instrument.

The interest rate swap meets the definition of a derivative in accordance with IFRS9. Changes in fair value of derivative financial instruments that are designated, and effective, cash flow hedges of forecast transactions are recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The cumulative amount recognised in other comprehensive income and accumulated in equity is reclassified into the consolidated income statement out of other comprehensive income in the same period when the hedged item is recognised in profit or loss. The hedge has remained effective for the full financial year, therefore the Group has recognised the full fair value loss of £3.9m within the statement of other comprehensive income during the year (2021: nil).

Notes to the Consolidated Financial Statements

In accordance with the requirements of IFRS 7, certain additional information about hedge accounting is disaggregated by risk type and hedge designation type in the table below:

Cash Flow Hedge Reserve – Interest Rate Risk	31 December 2022	31 December 2021
	£m	£m
Balance brought forward	-	-
Change in fair value of hedging instrument recognised in OCI	(3.9)	-
Balance carried forward	(3.9)	-

The maturity dates of the interest rate swap are as follows:

	Interest Rate Swap
	£m
Within one year	(0.8)
Between one and two years	(1.6)
Between two and three years	(1.5)
Between three and four years	-
Between four and five years	-
Beyond five years	-
	(3.9)

Forward foreign currency contracts are not designated as hedges, therefore changes in fair value are recognised in the income statement. The movement in relation to forward foreign currency contracts in the year was a £0.6m debit to the income statement (2021: debit of £0.9m).

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

	Euro	US Dollar
	€m	\$m
Expiring in the year ending:		
31 December 2023	10.1	43.8

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

	US Dollar
	\$m
Expiring in the year ending:	
31 December 2023	0.5

Notes to the Consolidated Financial Statements

17. TRADE AND OTHER RECEIVABLES

	31 December 2022	31 December 2021
	£m	£m
Trade receivables	54.4	42.3
Prepayments	5.3	5.1
Other receivables	1.2	1.4
Accrued income	1.8	1.5
Related party receivables (note 28)	-	0.9
	62.7	51.2

The contractual value of trade receivables is £57.9m (2021: £46.8m). Their carrying value is assessed to be £54.4m (2021: £42.3m) after assessing recoverability. The contractual value and the carrying value of other receivables are considered to be the same. The opening trade receivables balance as at 1 January 2021 was £36.2m.

The amounts owed by related parties related to a loan which was repayable in annual instalments and was interest bearing, as detailed in note 28. The amount outstanding as at 31 December 2021 of £0.9m represented the final repayment which was repaid in full on 31 January 2022.

The ageing analysis of net trade receivables is as follows:

	31 December 2022	31 December 2021
	£m	<i>Restated</i> £m
Not overdue	25.5	22.7
Overdue by up to one month	15.7	11.5
More than one month but not more than three months overdue	9.5	6.7
More than three months but not more than one year overdue	3.7	1.4
	54.4	42.3

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

	31 December 2022	31 December 2021
	£m	<i>Restated</i> £m
Not overdue	-	0.3
Overdue by up to one month	0.1	0.3
More than one month but not more than three months overdue	0.6	0.5
More than three months overdue	2.8	3.4
	3.5	4.5

The impaired receivables of £3.5m comprises an expected credit loss provision of £3.4m (2021: £3.7m) and credit note provision of £0.1m (2021: £0.8m).

The comparative year's ageing analysis has been restated to correctly reflect the appropriate ageing categories.

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

	31 December 2022	31 December 2021
	£m	£m
Pounds Sterling	21.5	18.1
US Dollar	30.4	23.0
Euro	4.0	3.9
Australian Dollar	0.3	0.7
Other	1.7	1.1
	57.9	46.8

Notes to the Consolidated Financial Statements

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

	31 December 2022	31 December 2021
	£m	£m
Opening expected credit loss allowance	3.7	3.9
Increase in loss allowance	0.7	1.2
Expected credit loss allowance acquired in business combinations	0.2	-
Receivables written off during the year as uncollectable	(1.2)	(1.4)
Closing expected credit loss allowance	3.4	3.7

	31 December 2022	31 December 2021
	£m	£m
Opening credit note provision	0.8	2.2
Increase in credit note provision recognised in revenue	0.4	0.2
Credit notes raised during the year	(1.1)	(1.6)
Closing credit note provision	0.1	0.8

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 rising inflation levels. The ECL rate calculated overall was 2.63%. If the ECL rate was increased to 5%, this would have had an impact on the ECL provision of £0.7m.

Details of the provision matrix are presented below:

31 December 2022

Days	0-30	31-60	61-90	91-120	121-150	151-365	365+	Total
Net exposure (£m)	8.8	2.9	1.5	1.1	0.9	1.9	0.7	17.8
ECL rate	4.1%	5.2%	9.2%	25.9%	40.5%	67.9%	100.0%	
Provision (£m)	0.4	0.2	0.1	0.3	0.4	1.3	0.7	3.4

31 December 2021

Days	0-30	31-60	61-90	91-120	121-150	151-365	365+	Total
Net exposure (£m)	8.2	1.4	1.1	0.6	0.4	3.4	0.1	15.2
ECL rate	5.6%	11.8%	20.2%	31.1%	46.4%	67.6%	100.0%	
Provision (£m)	0.5	0.2	0.2	0.2	0.2	2.3	0.1	3.7

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

The maximum exposure to credit risk at 31 December 2022 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.

Notes to the Consolidated Financial Statements

18. DEFERRED INCOME TAX

	31 December 2022	31 December 2021
	£m	£m
Balance brought forward	2.1	4.2
Tax income during the period recognised in profit or loss	3.0	2.4
Tax (expense)/income during the period recognised directly in equity	(2.5)	1.5
Deferred taxes acquired in business combinations	(4.4)	(6.0)
Balance carried forward	(1.8)	2.1

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

Accelerated depreciation for tax purposes	(0.7)	(0.2)
Losses available for offsetting against future taxable income	2.8	0.9
Share-based payments	6.8	10.4
Business combinations - revaluations of intangible assets to fair value	(13.4)	(9.4)
Business combinations - revaluations of other assets to fair value	(0.1)	(0.1)
Other temporary differences	2.8	0.5
Balance carried forward	(1.8)	2.1

	31 December 2022	31 December 2021
	£m	£m
Deferred tax asset	2.3	2.1
Deferred tax liability	(4.1)	-
Net position	(1.8)	2.1

The Finance Act 2021 increased the UK corporation tax rate from 19% to 25% effective 1 April 2023 for companies with profits in excess of £250,000. The Group's deferred tax assets and liabilities have therefore been remeasured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The effect of this remeasurement during the period has been recognised in both profit or loss (£1.3m tax income) and directly in equity (£0.4m tax income).

Deferred tax assets have not been recognised in respect of £4.6m (2021: £5.6m) of tax 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 at the UK's pending statutory income tax rate of 25%, the profit would increase by £1.1m (2021: £1.1m based on a rate of 19%).

The temporary differences associated with investments in the Group's overseas subsidiaries for which a deferred tax liability has not been recognised in the period presented aggregate to £30.5m (2021: £28.3m). The Group is in a position to control the timing of the reversal of these temporary differences and determined it is probable that they will not reverse in the foreseeable future.

There are no income tax consequences attached to the payment of dividends in either 2022 or 2021 by the Group to its shareholders.

Notes to the Consolidated Financial Statements

19. TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021
	£m	£m
Trade payables	11.2	11.1
Other taxation and social security	3.1	2.9
Deferred revenue	104.0	81.4
Accruals	19.0	18.9
	137.3	114.3

All amounts are short-term. The carrying values are considered to be a reasonable approximation of fair value. The opening deferred revenue balance as at 1 January 2021 was £74.7m.

20. BORROWINGS

	31 December 2022	31 December 2021
	£m	£m
Short-term lease liabilities	5.4	4.1
Short-term borrowings	-	5.0
Current liabilities	5.4	9.1
Long-term lease liabilities	24.6	29.3
Long-term borrowings	283.6	195.2
Non-current liabilities	308.2	224.5

Notes to the Consolidated Financial Statements

The changes in the Group'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 2021	5.0	70.8	4.1	35.8	115.7
Cash flows:					
- Repayment	(5.0)	-	(5.8)	-	(10.8)
- Proceeds	-	129.0	-	-	129.0
- Loan fees paid	-	(0.4)	-	-	(0.4)
Non-cash:					
- Interest expense	-	0.8	-	-	0.8
- Lease additions	-	-	2.4	-	2.4
- Lease liabilities ²	-	-	0.6	(3.7)	(3.1)
- Reclassification	5.0	(5.0)	2.8	(2.8)	-
As at 31 December 2021	5.0	195.2	4.1	29.3	233.6
Cash flows:					
- Repayment	(2.5)	-	(5.9)	-	(8.4)
- Proceeds	-	321.0	-	-	321.0
- Loan fees paid	-	(8.0)	-	-	(8.0)
- Settlement of loan	-	(229.2)	-	-	(229.2)
Non-cash:					
- Interest expense	-	2.1	-	-	2.1
- Lease additions	-	-	0.6	-	0.6
- Lease liabilities ²	-	-	1.5	0.4	1.9
- Reclassification	(2.5)	2.5	5.1	(5.1)	-
As at 31 December 2022	-	283.6	5.4	24.6	313.6

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

On 5 August 2022, the Group successfully completed a refinancing of external debt facilities. This resulted in settlement of the previously drawn-down position of £229.2m and draw down on the new term loan facility of £290.0m on 9 August 2022, increasing cash reserves of the Group. The settlement of the previously held loan qualified as a substantial modification and therefore, in accordance with IFRS9, the previous loan was derecognised from the statement of financial position resulting in a credit to the income statement of £2.8m.

The new facilities have been arranged to cover a period of three years. There are no fixed periodic capital repayments, with the full balance being due for settlement when the facilities expire in August 2025. If the Group needs further debt funding in order to support M&A activity, the new facility includes a £120.0m revolving credit facility (RCF). The term loan is syndicated between 12 lenders and the RCF is syndicated between 13 lenders.

As at 31 December 2022, the Group had fully drawn down the term loan of £290.0m. The Group is yet to draw down the available RCF facility of £120.0m. Due to offsetting of loan fees paid as part of the refinancing process, the term loan is held on the statement of financial position with a value of £283.6m.

Interest is currently charged on the term loan at a rate of 3.25% over the Sterling Overnight Index Average rate (SONIA) and is payable at the end of each calendar quarter. As disclosed within note 16, the Group entered into an interest rate swap during October 2022, with an effective date of 30 September 2022 based on a notional amount of £290.0m, which aligns to the current term loan draw down. The agreement is to swap, on a calendar quarter basis, SONIA for a fixed rate of 4.9125%.

Notes to the Consolidated Financial Statements

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, at amortised cost, as follows:

	31 December 2022	31 December 2021
	£m	£m
<i>Current assets</i>		
Cash	34.0	22.6
Trade receivables	54.4	42.3
Other receivables	1.2	1.4
Accrued income	1.8	1.5
Related party receivables	-	0.9
	91.4	68.7
<i>Current liabilities</i>		
Trade payables	(11.2)	(11.1)
Short-term borrowings	-	(5.0)
Accruals	(19.0)	(18.9)
	(30.2)	(35.0)
<i>Non-current liabilities</i>		
Long-term borrowings	(283.6)	(195.2)
	(283.6)	(195.2)

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

	31 December 2022	31 December 2021
	£m	£m
<i>Current assets</i>		
Short-term derivative assets	0.9	0.6
	0.9	0.6
<i>Current liabilities</i>		
Short-term derivative liabilities	(1.3)	(0.3)
	(1.3)	(0.3)
<i>Non-current liabilities</i>		
Long-term derivative liabilities	(3.9)	(0.1)
	(3.9)	(0.1)

Notes to the Consolidated Financial Statements

Maturity analysis

31 December 2022	Less than one month	One to three months	Three months to one year	One to five years	Total
	£m	£m	£m	£m	£m
<i>Current assets</i>					
Cash	34.0	-	-	-	34.0
Short-term derivative assets	-	0.3	0.6	-	0.9
Trade receivables	25.5	25.2	3.7	-	54.4
Other receivables	-	1.2	-	-	1.2
Accrued income	1.8	-	-	-	1.8
<i>Current liabilities</i>					
Short-term derivative liabilities	(0.1)	(0.8)	(0.4)	-	(1.3)
Trade payables	(9.2)	(2.0)	-	-	(11.2)
Accruals	-	(19.0)	-	-	(19.0)
<i>Non-current liabilities</i>					
Long-term derivative liabilities	-	(0.4)	(0.4)	(3.1)	(3.9)
Long-term borrowings	-	(5.5)	(17.2)	(317.7)	(340.4)
	52.0	(1.0)	(13.7)	(320.8)	(283.5)

31 December 2021	Less than one month	One to three months	Three months to one year	One to five years	Total
	£m	£m	£m	£m	£m
<i>Current assets</i>					
Cash	22.6	-	-	-	22.6
Short-term derivative assets	-	0.2	0.4	-	0.6
Trade receivables	22.7	15.8	3.8	-	42.3
Other receivables	-	1.4	-	-	1.4
Accrued income	-	1.5	-	-	1.5
Related party receivables	0.9	-	-	-	0.9
<i>Current liabilities</i>					
Short-term borrowings	-	(3.0)	(8.9)	-	(11.9)
Short-term derivative liabilities	-	(0.2)	(0.1)	-	(0.3)
Trade payables	(7.5)	(3.6)	-	-	(11.1)
Accruals	-	(18.9)	-	-	(18.9)
<i>Non-current liabilities</i>					
Long-term borrowings	-	-	-	(203.8)	(203.8)
Long-term derivative liabilities	-	-	-	(0.1)	(0.1)
	38.7	(6.8)	(4.8)	(203.9)	(176.8)

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 IFRS7 (interest on short and long-term borrowings of £56.8m (2021: £15.5m)).

Notes to the Consolidated Financial Statements

Reclassifications

There have been no reclassifications between financial instrument categories during the years ended 31 December 2022 and 31 December 2021.

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 which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2022, the only financial instruments measured at fair value were derivative financial assets/liabilities (both interest rate swaps and forward foreign currency contracts) 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 and observable forecast GBP SONIA curves	Observable market exchange rates and observable forecast GBP SONIA curves

There are no amounts of collateral held as security in respect of the derivative financial instruments.

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 (SONIA 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 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 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.

Notes to the Consolidated Financial Statements

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

31 December 2022	US Dollar	Euro	Other	Total
	£m	£m	£m	£m
Exposures				
Cash	7.8	1.5	6.6	15.9
Short- and long-term derivative assets/ (liabilities)	(0.2)	(0.2)	-	(0.4)
Trade receivables	30.4	4.0	2.0	36.4
Trade accounts payable	(1.6)	-	(0.2)	(1.8)
Net exposure	36.4	5.3	8.4	50.1

31 December 2021	US Dollar	Euro	Other	Total
	£m	£m	£m	£m
Exposures				
Cash	8.2	1.7	5.0	14.9
Short- and long-term derivative assets/ (liabilities)	-	0.2	-	0.2
Trade receivables	23.0	3.9	1.2	28.1
Trade accounts payable	(0.9)	-	(0.1)	(1.0)
Net exposure	30.3	5.8	6.1	42.2

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 (reflecting a significant but reasonably plausible scenario) would impact the income statement as detailed in the table below:

	10% decrease		10% increase	
	2022	2021	2022	2021
	£m	£m	£m	£m
Impact on profit before income tax:				
US Dollar	4.1	3.4	(3.3)	(2.8)
Euro	0.6	0.6	(0.5)	(0.5)
	4.7	4.0	(3.8)	(3.3)

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

Interest rate risk

The Group is exposed to interest rate risk on its overdraft and the outstanding syndicated loans. The Group manages the risk of increases to the floating element of interest charged on its term loan (SONIA) through use of an interest rate swap. No other liabilities accrue interest. The table below shows how a movement in interest rates of 100 basis points (reflecting a significant but reasonably plausible scenario) would impact the income statement based on the additional interest expense for the year then ended:

	100 basis point decrease		100 basis point increase	
	2022	2021	2022	2021
	£m	£m	£m	£m
Impact on:				
Net earnings before income tax	-	2.0	-	(2.0)

This analysis assumes all other variables remain constant.

The balance of £nil in 2022 reflects that the Group entered into an interest rate swap on 21 October 2022; full disclosure is presented in note 16. If the Group had not entered into the swap and was still exposed to interest rate risk an increase in interest rates of 100 basis points would give rise to an additional interest expense of £2.8m, likewise a reduction in interest rates of 100 basis points would reduce interest expense by £2.8m for the year ended 31 December 2022.

Notes to the Consolidated Financial Statements

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 2022, the Group has a term loan of £290.0m and an available but as yet undrawn RCF of £120.0m. See note 20 for further details.

Credit risk

In the normal course of its business, the Group is exposed to credit risk from cash and trade and other receivables. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Trade receivables consist of a large number of customers, spread across diverse industries and geographic markets, and the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has adopted an approach of assessing factors such as counterparty size, location and payment history as a means of mitigating the risk of financial loss from defaults. The Group defines default as the debt being deemed completely unrecoverable.

A total of £91.4m of the Group's assets are subject to credit risk (31 December 2021: £68.7m). The Group does not hold any collateral over these amounts. See note 17 for further details of the Group's receivables.

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, as shown below, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The other classes within trade and other receivables do not contain impaired assets.

The write-off history, including 2022, is shown as below:

	2022	2021	2020	2019	2018	2017	2016
Revenue (£m)	243.2	189.3	178.4	178.2	157.6	118.6	100.0
Provision added for bad debt (£m)	1.1	1.4	1.7	2.9	2.4	0.8	0.9
% of revenue	0.5%	0.7%	1.0%	1.6%	1.5%	0.7%	0.9%

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 rising inflation levels.

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.

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 24 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.

Notes to the Consolidated Financial Statements

22. CASH FLOW FROM MOVEMENT IN WORKING CAPITAL

The following table reconciles the movement in statement of financial position balances to the movement presented in the consolidated statement of cash flows for receivables and payables.

2022	Trade and other receivables (note 17)	Trade and other payables (note 19)
	£m	£m
At 31 December 2022	62.7	(137.3)
At 31 December 2021	51.2	(114.3)
Consolidated Statement of Financial Position movement	(11.5)	23.0
MBI acquisition (note 27)	2.7	(3.5)
TS Lombard acquisition (note 27)	0.7	(2.3)
Related party loan repayment (note 28)	(0.9)	-
Tax related adjustments	(0.2)	-
Movement as shown in Consolidated Statement of Cash Flows	(9.2)	17.2

2021	Trade and other receivables (note 17)	Trade and other payables (note 19)
	£m	£m
At 31 December 2021	51.2	(114.3)
At 31 December 2020	44.9	(100.2)
Consolidated Statement of Financial Position movement	(6.3)	14.1
Life Sciences acquisition	1.1	(2.1)
Life Sciences deferred bonuses	-	(1.0)
LMC acquisition	2.4	(5.6)
LMC deferred bonuses	-	(3.9)
Related party loan repayment	(0.9)	-
Deferred consideration payment CHM Research Limited	-	0.6
Deferred consideration payment Competenet	-	0.4
Tax related adjustments	0.5	(0.3)
Movement as shown in Consolidated Statement of Cash Flows	(3.2)	2.2

Notes to the Consolidated Financial Statements

23. PROVISIONS

The movement in the provisions is as follows:

	Dilapidations Right-of-use assets	Dilapidations Other	Total
	£m	£m	£m
At 1 January 2021	0.4	0.3	0.7
Increase in provision	0.1	-	0.1
Utilised	-	(0.1)	(0.1)
Business combination additions	-	0.1	0.1
At 31 December 2021	0.5	0.3	0.8
Increase in provision	0.1	0.7	0.8
Release of unutilised provision	(0.1)	(0.1)	(0.2)
At 31 December 2022	0.5	0.9	1.4
<i>Current:</i>	-	0.1	0.1
<i>Non-current:</i>	0.5	0.8	1.3

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 year to 11 years. Due to the nature of the obligations, there is a good degree of certainty over the amount and timing of the expected cash flows. There is no expectation of reimbursement in relation to these obligations.

24. EQUITY

Share capital

Authorised, allotted, called up and fully paid:

	31 December 2022		31 December 2021	
	No'000	£000s	No'000	£000s
Ordinary shares (1/14 th pence)	118,303	84	118,303	84
Deferred shares of £1.00 each	100	100	100	100
Total authorised, allotted, called up and fully paid	118,403	184	118,403	184

Share purchases

During the year the Group's Employee Benefit Trust purchased an aggregate amount of 5,274,462 shares (representing 4.5% of the total share capital), each with a nominal value of 1/14th pence, at a total market value of £66.6m. The purchased shares will be held for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

During the year, a total of 4,503,327 shares (representing 3.8% of the total share capital), each with a nominal value of 1/14th pence, which were held by the Group's Employee Benefit Trust were utilised as a result of the vesting of the final tranche of Scheme 1 share options (at a total market value of £57.0m), as disclosed in note 25.

The maximum number of shares (each with a nominal value of 1/14th pence) held by the Employee Benefit Trust (at any time during the year ended 31 December 2022) was 6,068,381 (representing 5.1% of the total share capital).

The purchase of shares by the trust is to limit the eventual dilution to existing shareholders. As at 31 December 2022, based upon the restructured vesting schedules (see note 25), no dilution is forecast until 2027.

Notes to the Consolidated Financial Statements

Vesting schedule	2023 No.	2024 No.	2025 No.	2026 No.	2027 No.	Total No.
Scheme 1*	997,227	997,226	-	-	-	1,994,453
Scheme 2	-	840,000	840,000	840,000	840,000	3,360,000
Scheme 4	-	-	171,600	343,200	1,201,200	1,716,000
Total	997,227	1,837,226	1,011,600	1,183,200	2,041,200	7,070,453
Shares held in trust	(997,227)	(1,837,226)	(1,011,600)	(1,183,200)	(543,772)	(5,573,025)
Net dilution	-	-	-	-	1,497,428	1,497,428

*The remaining share options in Scheme 1 can be exercised anytime until August 2033 and therefore for the purposes of this analysis we have assumed they will be exercised over the next two years.

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 bank debt, which includes borrowings (note 20) and cash and cash equivalents, and equity.

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

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

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

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

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

Dividends

The final dividend for 2021 was 13.2 pence per share and was paid in April 2022. The total dividend for the current year is 26.0 pence per share, with an interim dividend of 7.7 pence per share paid on 7 October 2022 to shareholders on the register at the close of business on 9 September 2022, and a final dividend of 18.3 pence per share will be paid on 28 April 2023 to shareholders on the register at the close of business on 31 March 2023. The ex-dividend date will be on 30 March 2023.

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.

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

Foreign currency translation reserve

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

Cash flow hedge reserve

The cash flow hedge reserve contains the fair valuation movements arising from revaluation of interest rate swaps. Changes in fair value of derivative financial instruments that are designated, and effective, cash flow hedges of forecast transactions are recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The cumulative amount recognised in other comprehensive income and accumulated in equity is reclassified into the consolidated income statement out of other comprehensive income in the same period when the hedged item is recognised in profit or loss.

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25. SHARE-BASED PAYMENTS

Scheme 1 - fully vested and closed to new participants

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.

Each of the awards were subject to vesting criteria set by the Remuneration Committee. As disclosed in the 2021 annual report and accounts, the final vesting target of £52m Adjusted EBITDA (excluding the impact of IFRS16) was met in the financial year ending 31 December 2021 and therefore the final tranche of Scheme 1 options vested during 2022. Scheme 1 is now therefore closed.

The total charge recognised for the scheme during the 12 months to 31 December 2022 was £nil (2021: £6.3m).

The Remuneration Committee approved the vesting of the final tranche of Scheme 1 on 11 August 2022. The awards of the scheme were settled with ordinary shares of the Company. Whilst the majority of participants chose to exercise their options (4.5m options), holders of the remaining 2.0m options chose to defer their exercise, as allowable under the scheme rules. As a result of the final tranche of options vesting during the year, £62.4m was transferred from the Group's treasury reserve to retained earnings of which £58.6m is distributable. The weighted average price of the exercised options at the date of exercise was £13.85 per share.

Reconciliation of movement in the number of options is provided below. No new grants were awarded during 2022.

	Option exercise price (pence)	Remaining life (years)	Number of options
31 December 2021	1/14th	0.0	6,547,557
Exercised	1/14th	N/A	(4,503,327)
Forfeited	1/14th	N/A	(49,777)
31 December 2022	1/14th	0.0	1,994,453

The options carried forward as at 31 December 2022 are both outstanding and exercisable. The maximum term of the remaining options outstanding is 10 years, ending in August 2033.

Schemes 2 and 4

During the year, the Remuneration Committee reviewed the structure of the targets for Schemes 2 and 4 against the original objectives of the scheme. As set out in detail within the Remuneration report on page 61, the Committee determined it appropriate to change the methodology of targets from a Total Shareholder Return (TSR) basis to an EBITDA basis.

In order to account for the restructure, management firstly calculated the fair value of each scheme based upon both the existing TSR targets and the proposed new EBITDA targets. The valuation date was determined as 30 November 2022, being the date the change was verbally communicated to option holders.

- TSR basis - The fair values of Schemes 2 and 4 were calculated as at 30 November 2022, based upon the remaining performance period and existing TSR targets. The fair values of each individual tranche were determined using the Monte Carlo method, using the inputs; valuation date and share price, vesting dates, expected term, risk free rate, dividend yield and volatility.
- EBITDA basis - The fair values of Schemes 2 and 4 were calculated as at 30 November 2022, based upon the remaining performance period and proposed EBITDA targets. The fair values of each individual tranche were determined using the Black-Scholes model, using the inputs; valuation date and share price, exercise price, vesting dates, risk free rate, and volatility.

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Management then determined whether or not it considered the modification to be a beneficial modification. Whilst it concluded that the targets were calculated based upon a comparable compounded growth rate when compared to the original vesting targets, for accounting purposes it was deemed a beneficial modification based upon:

- The significant increase in the fair value of per share moving from market vesting to non-market vesting target criteria, as at 30 November 2022 when the changes were communicated to employees;
- The extension of the vesting period for Scheme 2 was partly offset by splitting the target into four vesting targets, one of which was brought forward from the original vesting period; and
- Scheme 2 option holders now have four opportunities to participate, compared with a single “hit or miss” target under the old basis for target.

As Management determined a beneficial modification, the delta of the fair values as at 30 November (being the difference in the fair values of each tranche using the two target models) has been charged to the income statement, spread over the remaining vesting period for each tranche, from valuation date of 30 November 2022, in accordance with IFRS2. In calculating this spreading of charge, Management also applied a churn assumption, based upon historical employee churn data.

Scheme/Tranche	Fair value 30 November – TSR target basis (£ per grant)	Fair value 30 November – EBITDA target basis (£ per grant)
Scheme 2		
Tranche 1	3.80	11.79
Tranche 2	3.80	11.43
Tranche 3	3.80	11.09
Tranche 4	3.80	10.76
Scheme 4		
Tranche 1	4.44	11.43
Tranche 2	1.84	11.09
Tranche 3	1.71	10.76

The below table summarises the detail of the targets under the old and new structures.

	Scheme 2 (2019)	Scheme 4 (2021)
Old basis for target	The award will vest if the compounded annual growth (CAGR) in the Group’s TSR performance over the five-year performance period (ending March 2025) is equal to or exceeds 16% per annum (100% vest).	The award will vest if the compounded annual growth (CAGR) in the Group’s TSR performance over the five-year performance period (measured in the February following year end) meets the below vesting criteria: - If TSR achieves 6% compounded over 2022-2024 (10% vest) - If TSR achieves 16% compounded over 2022-2025 (20% vest) - If TSR achieves 16% compounded over 2022-2026 (70% vest)
New basis for target	The awards will vest based upon the following proportions if Adjusted EBITDA targets are met, as measured in the year end results for the below years: - 2023 £100m Adj EBITDA (25% Vest) - 2024 £110m Adj EBITDA (25% Vest) - 2025 £125m Adj EBITDA (25% Vest) - 2026 £145m Adj EBITDA (25% Vest)	The awards will vest based upon the following proportions if Adjusted EBITDA targets are met, as measured in the year end results for the below years: - 2023 – Not Applicable - 2024 £110m Adj EBITDA (10% Vest) - 2025 £125m Adj EBITDA (20% Vest) - 2026 £145m Adj EBITDA (70% Vest)

The change to Scheme 2 rules has resulted in the remaining life of the scheme being extended from March 2025 to March 2027.

Within both Schemes 2 and 4, each option granted converts to one ordinary share on exercise.

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Scheme 2 - 2019 scheme

The following assumptions were used in the valuation under the old performance criteria:

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%	2.0
Award 2	7 May 2020	£4.62	0.0714p	0%	2.0
Award 3	25 May 2020	£5.50	0.0714p	0%	2.0
Award 4	23 June 2020	£6.12	0.0714p	0%	2.0
Award 5	22 September 2020	£6.35	0.0714p	0%	2.0
Award 6	17 November 2020	£7.12	0.0714p	0%	2.0
Award 7	23 March 2021	£5.15	0.0714p	0%	2.0

The following assumptions were used in the valuation under the new performance criteria and vesting periods:

Award tranche	Award 1	Award 2	Award 3	Award 5	Award 7
Grant date	31/10/19	07/05/20	25/05/20	22/09/20	23/03/21
Group achieves £100m EBITDA by 31 March 2024	25% vest	25% vest	25% vest	25% vest	25% vest
Fair value at modification date	£11.79	£11.79	£11.79	£11.79	£11.79
Risk-free interest rate	3.169%	3.169%	3.169%	3.169%	3.169%
Estimated forfeiture rate	9%	9%	9%	9%	9%
Remaining contractual life	1.25	1.25	1.25	1.25	1.25
Group achieves £110m EBITDA by 31 March 2025	25% vest	25% vest	25% vest	25% vest	25% vest
Fair value at modification date	£11.43	£11.43	£11.43	£11.43	£11.43
Risk-free interest rate	3.240%	3.240%	3.240%	3.240%	3.240%
Estimated forfeiture rate	15%	15%	15%	15%	15%
Remaining contractual life	2.25	2.25	2.25	2.25	2.25
Group achieves £125m EBITDA by 31 March 2026	25% vest	25% vest	25% vest	25% vest	25% vest
Fair value at modification date	£11.09	£11.09	£11.09	£11.09	£11.09
Risk-free interest rate	3.201%	3.201%	3.201%	3.201%	3.201%
Estimated forfeiture rate	20%	20%	20%	20%	20%
Remaining contractual life	3.25	3.25	3.25	3.25	3.25
Group achieves £145m EBITDA by 31 March 2027	25% vest	25% vest	25% vest	25% vest	25% vest
Fair value at modification date	£10.76	£10.76	£10.76	£10.76	£10.76
Risk-free interest rate	3.241%	3.241%	3.241%	3.241%	3.241%
Estimated forfeiture rate	25%	25%	25%	25%	25%
Remaining contractual life	4.25	4.25	4.25	4.25	4.25

Awards 4 and 6 had been forfeited at the time of modification. For all options noted within the table above, the exercise price per option is 0.0714p (equivalent to 1/14th pence) and the expected dividend yield is 3.06%, which has been assumed to be paid throughout the performance period. The volatility used within the calculations was 26.87% which was determined by calculating the Group's observed historical volatility over a period equal to the time until the end of the assumed maturity date. The initial share price used in the calculations was £12.25.

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 believes the current assumptions to be reasonable.

Notes to the Consolidated Financial Statements

The total charge recognised for the scheme during the 12 months to 31 December 2022 was £3.3m (2021: £2.9m). The awards of the scheme will be settled with ordinary shares of the Company.

Reconciliation of movement in the number of options in Scheme 2 is provided below.

	Option exercise price (pence)	Remaining life (years)	Number of options
31 December 2021	1/14th	3.0	3,660,000
Forfeited	1/14th	N/A	(300,000)
31 December 2022	1/14th	2.8	3,360,000

The options carried forward as at 31 December 2022 are both outstanding and exercisable.

Scheme 4 - 2021 scheme

The following assumptions were used in the valuation under the old performance criteria:

Award tranche	Award 1
Grant date	07/03/22
TSR achieves 6% compounded over 2022-2024	10% vest
Fair value at modification date	£4.44
Estimated forfeiture rate	20%
Remaining contractual life	2.25
TSR achieves 16% compounded over 2022-2025	20% vest
Fair value at modification date	£1.84
Estimated forfeiture rate	26%
Remaining contractual life	3.25
TSR achieves 16% compounded over 2022-2026	70% vest
Fair value at modification date	£1.71
Estimated forfeiture rate	31%
Remaining contractual life	4.25

Notes to the Consolidated Financial Statements

The following assumptions were used in the valuation under the new performance criteria:

Award tranche	Award 1
Grant date	07/03/22
Group achieves £110m EBITDA by 31 March 2025	10% vest
Fair value at modification date	£11.43
Risk-free interest rate	3.240%
Estimated forfeiture rate	20%
Remaining contractual life	2.25
Group achieves £125m EBITDA by 31 March 2026	20% vest
Fair value at modification date	£11.09
Risk-free interest rate	3.201%
Estimated forfeiture rate	26%
Remaining contractual life	3.25
Group achieves £145m EBITDA by 31 March 2027	70% vest
Fair value at modification date	£10.76
Risk-free interest rate	3.241%
Estimated forfeiture rate	31%
Remaining contractual life	4.25

For all options noted within the table above, the exercise price per option is 0.0714p (equivalent to 1/14th pence) and the expected dividend yield is 3.06%, which has been assumed to be paid throughout the performance period. The volatility used within the calculations was 26.87% which was determined by calculating the Group's observed historical volatility over a period equal to the time until the end of the assumed maturity date. The initial share price used in the calculations was £12.25.

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 believes the current assumptions to be reasonable.

The total charge recognised for the scheme during the 12 months to 31 December 2022 was £0.8m (2021: £nil). The awards of the scheme will be settled with ordinary shares of the Company.

Reconciliation of movement in the number of options in Scheme 4 is provided below.

	Option exercise price (pence)	Remaining life (years)	Number of options
31 December 2021	1/14th	N/A	-
Granted	1/14th	N/A	1,772,000
Forfeited	1/14th	N/A	(56,000)
31 December 2022	1/14th	3.9	1,716,000

The options carried forward as at 31 December 2022 are both outstanding and exercisable.

26. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 31 December 2021, a subsidiary of GlobalData Plc had ongoing claims with former employees. The potential obligation was categorised as a contingent liability as at 31 December 2021 and as such a liability was not recognised in the financial statements of the Group at that time. During the first half of 2022, these disputes were settled, with a total cost to the group of £0.1m.

There were no contingent liabilities or capital commitments at 31 December 2022.

Notes to the Consolidated Financial Statements

27. ACQUISITIONS

Media Business Insight Holdings Limited

On 9 June 2022 the Group acquired 100% of the share capital of Media Business Insight Holdings Limited ("MBI") for cash consideration of £22.9m. In August 2022, the Group paid a working capital adjustment of £0.3m following finalisation of the completion accounts. MBI and its subsidiaries had a bank balance of £3.5m on the acquisition balance sheet, therefore the net cash cost of the acquisition to the Group was £19.7m. The companies within this group specialise in providing content, insight and events for the creative media industry. In addition, there are a number of contingent consideration payments due for settlement between 2023–2025 up to a maximum amount of £1.6m, which are being recognised as remuneration expenses within the income statement and are disclosed as an adjusting item in note 7.

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:			
Trade names	-	9.4	9.4
Customer relationships	-	5.5	5.5
Database	-	0.4	0.4
Net assets acquired consisting of:			
Property, plant and equipment	0.1	-	0.1
Intangible assets	0.9	(0.8)	0.1
Cash and cash equivalents	3.5	-	3.5
Trade and other receivables	2.8	(0.1)	2.7
Trade and other payables	(4.1)	0.6	(3.5)
Corporation tax	-	(0.5)	(0.5)
Deferred tax	-	(4.0)	(4.0)
Fair value of net assets acquired	3.2	10.5	13.7

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

	Fair value
	£m
Consideration	22.9
Working capital adjustment	0.3
Less net assets acquired	(13.7)
Goodwill	9.5

In line with the provision of IFRS3, fair value adjustments may be made within the 12-month period from the date of acquisition which would 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 92. The amount of goodwill which is expected to be deductible for tax purposes is £nil.

The Group incurred legal and professional expenses of £0.8m in relation to the acquisition. In the period from the date of acquisition to 31 December 2022, the trade of MBI generated revenues of £7.4m and EBITDA of £1.0m. If the acquisition had occurred on 1 January 2022, Group revenue would have been £251.5m and Group Adjusted EBITDA would have been £88.8m.

Notes to the Consolidated Financial Statements

TSL Research Group Limited

On 31 August 2022 the Group acquired 100% of the share capital of TSL Research Group Limited ("TS Lombard") for cash consideration of £13.3m. The group of companies acquired provide economic and political research, with a particular strength in emerging markets. The acquisition provides the Group with further access to the asset management sales channel to sell its full product suite to. In addition, there are a number of contingent consideration payments due for settlement during 2024 to a maximum amount of £3.0m, which are being recognised as remuneration expenses within the income statement and are disclosed as an adjusting item in note 7.

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	-	4.0	4.0
Database	-	1.5	1.5
Trade names	-	0.6	0.6
Net assets acquired consisting of:			
Cash and cash equivalents	0.1	-	0.1
Trade and other receivables	0.7	-	0.7
Trade and other payables	(2.3)	-	(2.3)
Deferred tax	-	(0.3)	(0.3)
Fair value of net (liabilities)/assets acquired	(1.5)	5.8	4.3

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

	Fair value
	£m
Consideration	13.3
Less net assets acquired	(4.3)
Goodwill	9.0

In line with the provision of IFRS3, fair value adjustments may be made within the 12-month period from the date of acquisition which would 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 92. The amount of goodwill which is expected to be deductible for tax purposes is £nil.

The Group incurred legal and professional expenses of £1.1m in relation to the acquisition. In the period from the date of acquisition to 31 December 2022, the trade of TS Lombard generated revenues of £1.7m and EBITDA of £0.1m. If the acquisition had occurred on 1 January 2022, Group revenue would have been £247.1m and Group Adjusted EBITDA would have remained at £86.4m.

Cash Cost of Acquisitions

The cash cost of acquisitions in 2022 comprises:

	31 December 2022
	£m
Acquisition of LMC: Working capital adjustment	0.7
Acquisition of MBI:	
Cash consideration	22.9
Cash acquired	(3.5)
Working capital adjustment	0.3
Acquisition of TS Lombard:	
Cash consideration	13.3
Cash acquired	(0.1)
	33.6

Notes to the Consolidated Financial Statements

28. RELATED PARTY TRANSACTIONS

Mike Danson, GlobalData's Chief Executive, owned 62.5% of the Company's ordinary shares as at 31 December 2022 and 60.1% as at 27 February 2023 and is therefore the Company's ultimate controlling party. Mike Danson owns a number of businesses that interact with GlobalData Plc, largely in part as a result of past M&A transactions (GlobalData Holdings in 2016 and Research Views Limited in 2018).

The Board has put in place an additional control framework to ensure related party transactions are well controlled and managed. Related party transactions are overseen by a subcommittee of the Board. The Related Party Transactions Committee, consisting of 4 Non-Executive Directors and chaired by Murray Legg meets to:

- Oversee all related party transactions;
- Ensure transactions are in the best interests of GlobalData and its wider stakeholders; and
- Ensure all transactions are recorded and disclosed on an arm's length basis.

As noted in the 2021 Annual Report, it is the intention of the Board and Management to reduce and eventually eliminate related party transactions and wind down the service agreements that are currently in place. During 2022 we have continued the progress made in 2021 and now expect to have eliminated all legacy relationships with related parties by 31 December 2023.

During the year, the following related party transactions were entered into by the Group:

Accommodation

During 2021, we eliminated all related party landlord arrangements, following the sale of the John Carpenter and Essex Street properties by the Estel Properties Group to third party landlords, and secondly, the surrender of the Hatton Garden lease by GlobalData. These transactions completed in the first half of 2021 and therefore charges during 2022 were £nil (2021: £0.8m).

In addition, GlobalData Plc sub-let office space to other companies owned by Mike Danson, but this also materially ceased during 2021 with the exception of one property (the related party tenant exited as at 31 December 2022 and therefore no related party property transactions are expected in 2023). The total sub-lease income for the year ended 31 December 2022 was £0.1m (2021: £0.4m).

Corporate support services

In 2022 net corporate support charges of £0.6m were charged to the Group from NS Media Group Limited ("NSMGL"), a related party by virtue of common ownership (2021: £0.2m charge to NSMGL). The corporate support charges principally consist of shared IT support and software development. The IT contracts have been recharged on a consistent basis to the previous year and are determined by headcount. The shared software support is clearly segregated into separate GlobalData and NSMGL teams and the charges are based upon this segregation with a benchmarked mark-up. The Group expects the related contracts to end during 2023, which will result in the elimination of corporate support services transactions. The Group expects that shared software development and support will also cease in 2023.

Loan to Progressive Trade Media Limited

The previous outstanding loan was fully repaid on 31 January 2022 and generated interest income in 2022 of £5,000 (2021: £0.05m). Interest was charged throughout the term of the loan at a rate of 2.25% above LIBOR. The balance at 31 December 2022 is £nil (2021: £0.9m). The loan was specifically entered into in relation to the divestment of non-core print and advertising businesses in 2016 and no further loan relationships are expected.

Revenue contract containing IP sharing clause

The Group entered into a five-year data services agreement with NSMGL in June 2020. The agreed suite of data services provided to NSMGL have been contracted on terms equivalent to those that prevail in arm's length transactions. The Group mutually agreed with NSMGL to terminate this agreement on 1 July 2022 in order to reduce the amount of related party transactions as well as a different strategic direction in NSMGL. The total revenue generated from this contract was £0.4m (2021: £1.4m) and the net contribution generated was £0.2m (2021: £0.8m). The cancellation was in accordance with the contracted terms.

NSMGL also acted as a sales distributor for some GlobalData products. On these transactions they charged agent fees of £0.2m (2021: £0.1m).

Charity donations

During the year the Group paid donations of £0.1m (2021: £nil) to charities in India which were funded by a related party entity, The Danson Foundation (charity reference 1121928). This was a pass-through transaction, with the Group facilitating payment to our charity partners in India.

Notes to the Consolidated Financial Statements

Balances outstanding

As at 31 December 2022, the total balance receivable from NSMGL 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.

The Group has taken advantage of the exemptions contained within IAS24: 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 £nil (2021: £0.9m). There were no other balances owing to or from related parties.

Directors and Key Management Personnel

The remuneration of Directors is disclosed within the Directors' Remuneration Report on page 68.

Notes to the Consolidated Financial Statements

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 and focus operations through its main subsidiaries in its main territories.

The Group owns 100% of the ordinary shares of all subsidiary undertakings listed below with the exception of LMC Automotive (Thailand) Company Limited, which is 49% owned. This entity is being fully consolidated into the Group on the basis that the Group holds majority voting rights for the entity and has exposure to variable returns, therefore Management has assessed that the Group has control over the entity. The listing below shows the subsidiary undertakings as at 31 December 2022:

Subsidiary undertaking	Principal activity	Country of registration	Registered address
GlobalData Australia Pty Limited	Data and analytics	Australia	65A Mitcham Road, Donvale, Victoria 3111, Australia
GlobalData Brasil, serviços e informações empresariais Ltda.*	Data and analytics	Brazil	Rua Tuiuti, 436 Conj 31 - Tatuapé, São Paulo - SP, 03081-003, Brazil
Adfinitum Networks Inc*	Data and analytics	Canada	77 King Street West, Suite 400, Toronto Ontario M5K 0A1, 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
Langbo Economic Research and Consulting (Shenzen) Co Ltd*	Data and analytics	China	Unit 35, 13/f Gem Tower, 1306A, Xizhilang Building, No.2022, Community Center Road, Yuehai St, Nanshan District, Shenzhen, China
LMC Automotive Consulting (Shanghai) Co. Ltd*	Data and analytics	China	Suite 1016J, 10th Floor, Building 1, No. 1728-1746 West Nanjing Road, Jing'an District, Shanghai, China
Lombard Street Research (Asia) Limited*	Data and analytics	China	Unit 4, 16/F, Bonham Trade Centre, 50 Bonham Strand, Sheung Wan, Hong Kong
TS Lombard (Asia) Limited*	Non-trading		

Notes to the Consolidated Financial Statements

Subsidiary undertaking	Principal activity	Country of registration	Registered address
ALF Insight Limited*	Data and analytics		
AROQ Limited*	Non-trading		
Attentio Research Limited*	Data and analytics		
Canadean Limited	Data and analytics		
Current Intelligence and Analysis Limited*	Non-trading		
Financial News Publishing Limited*	Non-trading		
GlobalData Holding Limited	Holding company		
GlobalData Investments Limited*	Non-trading		
GlobalData UK Limited*	Data and analytics		
GlobalData EBT Trustees Limited	Non-trading		
Internet Business Group Limited	Performance advertising		
JBAD Limited*	Non-trading		
Kable Business Intelligence Limited	Non-trading		
LMC Automotive Forecasting Limited*	Data and analytics		
LMC Automotive Limited*	Data and analytics		
LMC International Limited*	Data and analytics		
LMC Oxford Holdings Limited*	Holding company		
LMC Tyre & Rubber Limited*	Data and analytics		
LMCA Holdings Limited*	Holding company	England & Wales	John Carpenter House, John Carpenter Street, London, EC4Y 0AN, United Kingdom
LMCI Holdings Limited*	Data and analytics		
Lombard Street Research Limited*	Data and analytics		
Lombard Street Research Financial Services Limited*	Data and analytics		
Media Business Insight Limited*	Data and analytics		
Media Business Insight Holdings Limited*	Holding company		
Media Business Insight Trustee Limited*	Non-trading		
Progressive Content Limited*	Data and analytics		
Progressive Digital Media (Holdings) Limited	Holding company		
Progressive Digital Media Limited	Data and analytics		
Progressive Media Group Limited*	Non-trading		
Progressive Media Ventures Limited*	Holding company		
Progressive Ventures Limited*	Holding company		
Research Views Limited*	Holding company		
Sociable Data Limited*	Non-trading		
Sportcal Global Communications Limited*	Non-trading		
Trusted Sources Limited*	Non-trading		
Trusted Sources UK Limited*	Data and analytics		
TSL Research Group Limited*	Holding company		
Verdict Media Limited*	Non-trading		
World Market Intelligence Limited*	Data and analytics		
GlobalData France SAS*	Data and analytics	France	133 bis Rue de l'Universite, 75007, Paris, France
GD Research Centre Private Limited*	Data and analytics	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	Tokyo Club Building 11F, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo, Japan

Notes to the Consolidated Financial Statements

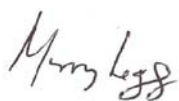
Subsidiary undertaking	Principal activity	Country of registration	Registered address
Canadean Mexico Y Centro America, F. De R.L. De C.V*	Data and analytics	Mexico	Avenida Ejército Nacional 769 Piso 2. Colonia Granada. Alcaldía Miguel Hidalgo. CP 11520. Ciudad de México
GlobalData Poland sp. z o.o*	Data and analytics	Poland	ul. Grzybowska 2/29, 00-131, Warsaw, Poland
GlobalData Pte Limited*	Data and analytics	Singapore	The Executive Centre Singapore, Capital Square, Level 7 Capital Square, 23 Church Street, Singapore 049481
GlobalData Singapore Pte Limited*	Data and analytics	Singapore	133 Cecil Street, #17-01A Keck Seng Tower, Singapore 069535
Progressive Media Korea Limited*	Data and analytics	South Korea	37th Floor, ASEM Tower, 517 Yeongdong-daero, Gangnam Gu, Seoul, Republic of Korea 06164
LMC Automotive (Thailand) Company Limited*	Data and analytics	Thailand	66 Q. House Asoke Building, Room no.1106, 11th floor, Sukhumvit 21 Road, Klongtoeynua, Watthana, Bangkok 10110, Thailand
MEED Media FZ LLC*	Data and analytics	United Arab Emirates	GBS Building, 6th Floor, Dubai Media City, Dubai, United Arab Emirates
Global Data Publications, Inc	Data and analytics	United States of America	441 Lexington Avenue, 2nd Floor, New York, NY, 10017, United States of America
LMC Automotive US Inc*	Data and analytics	United States of America	2285 South Michigan Road, Eaton Rapids, Michigan 48827, United States of America
Lombard Street Research (US), Inc	Data and analytics	United States of America	15 E. North St. Dover, Delaware 19901, United States of America
Media Business Insight, Inc*	Data and analytics	United States of America	6671, Sunset Blvd, Suite 1519, Los Angeles, CA 90028, United States of America

* indirectly held

Company Statement of Financial Position

	Notes	31 December 2022 £m	31 December 2021 £m
Non-current assets			
Property, plant and equipment	5	23.4	26.4
Intangible assets	4	2.0	0.9
Investments	7	205.7	201.6
Deferred tax assets	12	1.5	-
Trade and other receivables	8	210.4	-
		443.0	228.9
Current assets			
Trade and other receivables	8	33.8	196.6
Corporation tax receivable		9.1	5.6
Cash and cash equivalents		0.3	-
		43.2	202.2
Total assets		486.2	431.1
Current liabilities			
Trade and other payables	9	(38.0)	(30.7)
Short-term lease liabilities	6	(2.5)	(1.6)
Short-term borrowings	11	-	(5.0)
		(40.5)	(37.3)
Non-current liabilities			
Long-term derivative liability	11	(3.9)	-
Long-term provisions	10	(0.9)	(0.2)
Long-term lease liabilities	6	(21.2)	(23.8)
Long-term borrowings	11	(283.6)	(195.2)
		(309.6)	(219.2)
Total liabilities		(350.1)	(256.5)
Net assets		136.1	174.6
Equity			
Share capital		0.2	0.2
Treasury reserve		(70.8)	(66.6)
Cash flow hedge reserve		(3.9)	-
Retained earnings		210.6	241.0
Equity attributable to equity holders		136.1	174.6

These financial statements were approved by the Board of Directors on 27 February 2023 and signed on its behalf by:



Murray Legg
Chairman



Mike Danson
Chief Executive

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

Company profit for the year: £51.5m (2021: £27.5m).

Company number 03925319.

Company Statement of Changes in Equity

	Share capital	Share premium account	Treasury reserve	Other reserve	Merger reserve	Cash flow hedge reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2021	0.2	0.7	(21.4)	7.2	163.8	-	54.3	204.8
Total comprehensive income	-	-	-	-	-	-	27.5	27.5
Transactions with owners:								
Dividends	-	-	-	-	-	-	(20.4)	(20.4)
Share buy-back	-	-	(46.5)	-	-	-	-	(46.5)
Vesting of share options	-	-	1.3	-	-	-	(1.3)	-
Bonus issue of shares	171.0	-	-	(7.2)	(163.8)	-	-	-
Capital reduction	(171.0)	(0.7)	-	-	-	-	171.7	-
Share-based payments charge	-	-	-	-	-	-	9.2	9.2
Balance at 31 December 2021	0.2	-	(66.6)	-	-	-	241.0	174.6
Total comprehensive income	-	-	-	-	-	-	51.5	51.5
Other comprehensive income:								
Cash flow hedge – effective portion of changes in fair value	-	-	-	-	-	(3.9)	-	(3.9)
Transactions with owners:								
Dividends	-	-	-	-	-	-	(23.6)	(23.6)
Share buy-back	-	-	(66.6)	-	-	-	-	(66.6)
Vesting of share options	-	-	62.4	-	-	-	(62.4)	-
Share-based payments charge	-	-	-	-	-	-	4.1	4.1
Balance at 31 December 2022	0.2	-	(70.8)	-	-	(3.9)	210.6	136.1

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

The Company distributable retained earnings as at 31 December 2022 was £82.8m (2021: £117.8m), comprising £210.6m retained earnings and £70.8m treasury reserves which net to £139.8m, of which non-distributable elements are £51.9m share-based payment reserve and £5.1m of non-distributable profits.

Note 24 within the Group Accounts provides an explanation of the movements in equity and reserves above for both the Group and the Company.

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 which 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 (England & Wales) and listed on the Alternative Investment Market, therefore is publicly owned and limited by shares. 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 has 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 has assessed that there are no critical judgements or key estimates in relation to this Company.

2. ACCOUNTING POLICIES

a) Basis of preparation

The parent Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council; accordingly, the Company financial statements have been prepared under FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets, certain related party transactions, and certain disclosure requirements in respect of leases.

As permitted by s408 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) Basis of 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 2022 and the additional policies described below.

c) Investments

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

d) Share-based payments

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.

Notes to the Company Financial Statements

3. DIVIDENDS

The final dividend for 2021 was 13.2 pence per share and was paid in April 2022. The total dividend for the current year is 26.0 pence per share, with an interim dividend of 7.7 pence per share paid on 7 October 2022 to shareholders on the register at the close of business on 9 September 2022, and a final dividend of 18.3 pence per share which will be paid on 28 April 2023 to shareholders on the register at the close of business on 31 March 2023. The ex-dividend date will be 30 March 2023.

4. INTANGIBLE ASSETS

	Computer software £m	Brand £m	Total £m
Cost			
As at 1 January 2022	6.1	0.1	6.2
Additions	1.5	-	1.5
As at 31 December 2022	7.6	0.1	7.7
Amortisation			
As at 1 January 2022	(5.2)	(0.1)	(5.3)
Charge for the year	(0.4)	-	(0.4)
As at 31 December 2022	(5.6)	(0.1)	(5.7)
Net book value			
As at 31 December 2022	2.0	-	2.0
As at 31 December 2021	0.9	-	0.9

5. PROPERTY, PLANT AND EQUIPMENT

	Buildings £m	Leasehold improvements £m	Computer equipment £m	Total £m
Cost				
As at 1 January 2022	31.0	1.3	3.2	35.5
Additions	-	-	-	-
As at 31 December 2022	31.0	1.3	3.2	35.5
Depreciation				
As at 1 January 2022	(6.5)	(0.4)	(2.2)	(9.1)
Charge for the year	(2.2)	(0.1)	(0.7)	(3.0)
As at 31 December 2022	(8.7)	(0.5)	(2.9)	(12.1)
Net book value				
As at 31 December 2022	22.3	0.8	0.3	23.4
As at 31 December 2021	24.5	0.9	1.0	26.4

The buildings category all relates to right-of-use assets.

Notes to the Company Financial Statements

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 2022	31 December 2021
	£m	£m
Current lease liabilities	2.5	1.6
Non-current lease liabilities	21.2	23.8
	23.7	25.4

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

	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with termination options
Office buildings	7	2 – 11 years	6 years	-	2
Motor vehicles	1	0 – 1 years	0 – 1 years	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2022 were as follows:

As at 31 December 2022	Within one year	One to five years	After five years	Total
	£m	£m	£m	£m
Lease payments	3.2	10.6	14.9	28.7
Finance charges	(0.7)	(2.7)	(1.6)	(5.0)
Net present values	2.5	7.9	13.3	23.7

As at 31 December 2021	Within one year	One to five years	After five years	Total
	£m	£m	£m	£m
Lease payments	2.5	11.2	17.6	31.3
Finance charges	(0.9)	(2.9)	(2.1)	(5.9)
Net present values	1.6	8.3	15.5	25.4

At 31 December 2022 the Company had not committed to any leases which had not yet commenced, excluding those recognised as a lease liability.

The Company sublets certain areas of its property portfolio. As at 31 December 2022, the Company had contracts with sub-tenants for the following future minimum lease rentals:

	31 December 2022	31 December 2021
	£m	£m
Office buildings		
Within one year	0.1	0.2
Within one to two years	0.1	0.2
Within two to three years	0.1	0.2
Within three to four years	0.1	0.2
Within four to five years	0.1	0.2
Over five years	-	1.1
	0.5	2.1

Notes to the Company Financial Statements

7. INVESTMENTS

	Group undertakings
	£m
Cost	
As at 1 January 2021	203.5
Share-based payments to employees of subsidiaries – Scheme 1	6.3
Share-based payments to employees of subsidiaries – Scheme 2	2.9
Increase in investment in subsidiary	1.3
As at 31 December 2021	214.0
Share-based payments to employees of subsidiaries – Scheme 2	3.3
Share-based payments to employees of subsidiaries – Scheme 4	0.8
As at 31 December 2022	218.1
Impairment	
As at 31 December 2021 and 31 December 2022	(12.4)
Net book value	
As at 31 December 2022	205.7
As at 31 December 2021	201.6

Share-based payments to employees of subsidiaries

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

Impairment review

Management has 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 2022 profit before tax, with growth factors applied to cover the period 2023-2027. 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-2027 using a growth rate of 2% in accordance with long-term inflation forecasts.

Impairment indicators

In addition to the review described above, Management has 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.

Notes to the Company Financial Statements

8. TRADE AND OTHER RECEIVABLES

	31 December 2022	31 December 2021
	£m	£m
Non-current		
Amounts owed by group undertakings	210.4	-
	210.4	-
Current		
Prepayments	0.1	-
Other receivables	-	0.1
Amounts owed by group undertakings	33.2	196.0
Other taxation and social security	0.5	0.5
	33.8	196.6

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.

The Company has reversed impairment provisions totalling £0.6m during the year in relation to balances owed by group undertakings.

Amounts owed by group undertakings are repayable upon demand and outstanding balances contain transactions including the following:

- Loans to group undertakings;
- Inter-company interest receivable;
- Recharge of costs; and
- Cash pooling.

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.

9. TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021
	£m	£m
Trade payables	0.5	0.5
Accruals	3.9	3.3
Amounts owed to group undertakings	33.6	26.9
	38.0	30.7

The Directors consider that 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.

Notes to the Company Financial Statements

10. PROVISIONS

	Dilapidations Right-of-use assets	Dilapidations Other	Total
	£m	£m	£m
As at 1 January 2022	0.1	0.1	0.2
Increase in provision	-	0.7	0.7
As at 31 December 2022	0.1	0.8	0.9
<i>Current:</i>	-	-	-
<i>Non-current:</i>	<i>0.1</i>	<i>0.8</i>	<i>0.9</i>

11. BORROWINGS

	31 December 2022	31 December 2021
	£m	£m
Short-term lease liabilities	2.5	1.6
Short-term borrowings	-	5.0
Current liabilities	2.5	6.6
Long-term lease liabilities	21.2	23.8
Long-term borrowings	283.6	195.2
Non-current liabilities	304.8	219.0

Term loan and RCF

On 5 August 2022, the Company successfully completed on a refinancing of external debt facilities. This resulted in full settlement of the previously drawn-down position of £229.3m and draw down on the new term loan facility of £290.0m on 9 August 2022 resulting in additional cash reserves for the Group. The settlement of the previously held loan qualified as a substantial modification and therefore in accordance with IFRS9, the previous loan was derecognised from the statement of financial position, resulting in a credit to the income statement of £2.8m.

The new facilities have been arranged to cover a period of three years. There are no fixed periodic capital repayments, with the full balance being due for settlement when the facilities expire in August 2025. If the Group needed further debt funding in order to support M&A activity, the new facility has an available revolving credit facility (RCF) to draw down upon totalling £120.0m. The term loan is syndicated between 12 lenders and the RCF is syndicated between 13 lenders.

As at 31 December 2022, the Company had fully drawn down on the term loan of £290.0m. The Company has not drawn down on any of the available RCF facility of £120.0m. Due to offsetting of loan fees paid as part of the refinancing process, the term loan is held on the statement of financial position with a value of £283.6m.

Interest is currently charged on the term loan at a rate of 3.25% over the Sterling Overnight Index Average rate (SONIA) and is payable at the end of each calendar quarter. As disclosed within note 16 to the Group accounts, the Company entered into an interest rate swap during October 2022, with an effective date of 30 September 2022 based on a notional amount of £290.0m, which aligns to the current term loan draw down. The agreement is to swap, on a calendar quarter basis, SONIA for a fixed rate of 4.9125%. The fair value of the hedging instrument as at 31 December 2022 was a liability of £3.9m. The loss incurred has been recognised directly in the statement of changes in equity.

Notes to the Company Financial Statements

12. DEFERRED INCOME TAX

	31 December 2022	31 December 2021
	£m	£m
Balance brought forward	-	(0.2)
Tax income during the period recognised in profit or loss	1.5	0.2
Balance carried forward	1.5	-

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

Other temporary differences	1.5	-
Balance carried forward	1.5	-

	31 December 2022	31 December 2021
	£m	£m
Deferred tax asset	1.5	-
Deferred tax liability	-	-
Net position	1.5	-

The Finance Act 2021 increased the UK corporation tax rate from 19% to 25% effective 1 April 2023 for companies with profits in excess of £250,000. The Company's deferred tax assets and liabilities have therefore been remeasured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

The company has unrecognised tax losses of £0.6m (2021: £0.3m) that are indefinitely available for offsetting against future taxable profits. If the Company were able to recognise all unrecognised deferred tax assets at the UK's pending statutory income tax rate of 25%, the profit would increase by £0.1m (2021: £0.1m based on a rate of 19%).

13. RELATED PARTY TRANSACTIONS

Directors

The remuneration of the Directors of the Group and Company is set out on page 68 in the consolidated accounts of the Group within the Directors Remuneration Report.

Accommodation

During 2021, we eliminated all related party landlord arrangements, following the sale of the John Carpenter and Essex Street properties by the Estel Properties Group to third party landlords, and secondly, the surrender of the Hatton Garden lease by GlobalData. These transactions all completed in the first half of 2021 and therefore charges during 2022 were £nil (2021: £0.8m).

In addition, GlobalData Plc sub-let office space to other companies owned by Mike Danson, but this also materially ceased during 2021 with the exception of one property (the related party tenant exited as at 31 December 2022 and therefore no property transactions are expected in 2023). The total sub-lease income for the year ended 31 December 2022 was £0.1m (2021: £0.4m).

Corporate support services

In 2022 net corporate support charges of £0.4m were charged from NS Media Group Limited ("NSMGL"), a related party by virtue of common ownership (2021: £0.2m charge to NSMGL). The corporate support charges principally consist of shared IT support and software development. The IT contracts have been recharged on a consistent basis to the previous year and are determined by headcount. The shared software support is clearly segregated into separate GlobalData and NSMGL teams and the charges are based upon this segregation with a benchmarked mark-up. The Group expects the related contracts to end in the first half of 2023, which will result in the elimination of corporate support services transactions from the second half of 2023 onwards. The Group expects that shared software development and support will also cease in 2023.

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Company Secretary

Bob Hooper

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Registrars

Link Group

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29 Wellington Street

Leeds

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Bankers

NatWest Group

280 Bishopsgate

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Bankers

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