Independent Auditor's report to the members of Informa PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Informa PLC 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 2018 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Balance Sheets;
- the Consolidated Cash Flow Statement;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the related notes 1 to 42 to the Consolidated Financial Statements; and
- the related notes 1 to 12 to the Parent Company Financial Statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union. 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • the valuation of intangible assets acquired through the business combination with UBM; • the recoverability of the carrying value of goodwill and intangible assets; and • the timing of revenue recognition. In 2017, we identified the phased implementation of the Group's SAP system as a key audit matter. This is no longer a key audit matter in 2018, as the implementation is substantially complete and deficiencies identified in 2017 have been remediated. In 2017, we identified a key audit matter in relation to the identification and valuation of intangible assets and associated goodwill in business combinations; we continue to consider this a key audit matter, which in 2018, is specifically in relation to the acquisition of UBM.
Materiality	The audit materiality that we agreed with the Audit Committee for the current year was £27.0 million. This represents 5% of statutory pre-tax profit adjusted for impairment charges and amortisation of intangible assets acquired in business combinations. The increase in materiality over the prior year materiality figure (£22.0 million) reflects the inclusion of the post-combination results of UBM, acquired on 15 June 2018.
Scoping	Following the UBM combination, we have reassessed the audit scope for the enlarged Group, in order to reflect the business operations, finance function structure, and geographic scope of UBM. Similar to Informa, UBM's finance function is primarily structured through shared service centres in each region. We performed full scope audits or specified audit procedures at the principal business units within the enlarged Group's shared service centres in the UK, USA, China, Hong Kong and Singapore. These in-scope locations represent the principal business units within the Group's operating divisions and account for 73% (2017: 72%) of the Group's revenue and 78% (2017: 74%) of the Group's adjusted operating profit.
Significant changes in our approach	Our planned audit approach was discussed with the Audit Committee in May 2018, prior to the UBM combination. Following the combination in June 2018 and our appointment as auditor to the enlarged Group, our audit plan was revised. The most significant changes to our audit plan were in relation to: • an increase in audit materiality to reflect UBM's post-acquisition contribution to the Group's results; • the inclusion of a number of new components in our audit scope to incorporate UBM's primary regional finance functions; • the identification of a key audit matter in relation to valuation of intangible assets acquired through the UBM business combination; • the identification of a controls approach for the legacy-UBM business, which included a controls-reliant audit approach for the purchase-to-pay cycle; and • the extension of our analytics approach to legacy-UBM components. Our revised audit plan was discussed with the Audit Committee in November 2018; there have been no significant changes in our approach since then.

Conclusions relating to going concern, principal risks and viability statement

Going concern

We have reviewed the directors' statement in Note 2 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

We considered as part of our risk assessment the nature of the Group, its business model and related risks including where relevant the impact of Brexit, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

Principal risks and viability statement

Based solely on reading the directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the directors' assessment of the Group's and the company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to:

- the disclosures on pages 64 to 72 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation on page 63 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; or
- the directors' explanation on pages 73 to 75 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to report whether the directors' statement relating to the prospects of the Group required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

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.

The valuation of intangible assets acquired through the business combination with UBM	
Key audit matter description	On 15 June 2018, Informa acquired 100% of the issued share capital of UBM plc for £4.2 billion. The key audit matter identified relates to the valuation of the acquired intangible assets and, in particular, to the appropriateness of the assumptions used in the valuation methodology. This includes the revenue and contribution forecasts used in the model, and the acquisition model assumptions such as customer retention rates, royalty rates, discount rates and expected lives over which projections are forecast. Management have engaged independent valuation specialists to assist with the valuation of acquired intangible assets, which primarily relate to trade names and customer relationships. Provisionally, £2,315.7 million of intangible assets have been recognised in relation to the UBM combination. Management discusses the policies and procedures around business combinations in Note 2, and discloses business combinations in Note 18 to the Consolidated Financial Statements. In Note 3, the valuation of intangible assets acquired in business combinations is identified by management as a critical accounting judgement. This judgement area is also referred to within the Audit Committee report on page 107.
How the scope of our audit responded to the key audit matter	We assessed the design and implementation of controls around the valuation of intangible assets in the UBM combination, including management's review controls around the work of the valuation specialists. Our procedures to respond to this key audit matter included the following: • We engaged Deloitte internal valuation specialists to assist in testing the key assumptions used within the valuation process. Our specialists reviewed the valuation approaches applied for reasonableness, and benchmarked the input assumptions, including discount rates and customer retention rates, to external data. • Our valuation specialists also considered the appropriateness of the valuation model methodology against applicable standards and accepted valuation practices. • We tested the underlying revenue and contribution forecasts used in the valuation model by challenging the growth assumptions within the 3-year-plan on a Group-wide basis as well as for a sample of individual events, based on historical performance, and our understanding of developments within the business and the wider industry.
Key observations	We reported to the Audit Committee that out audit procedures were performed satisfactorily and we did not identify any material exceptions as a result of our audit procedures. We note that management has elected to show the fair value amounts within Note 18 as provisional as permitted by IFRS 3 for finalisation within 12 months of the acquisition date.

The recoverability of the carrying value of goodwill and intangible assets

Key audit matter description

The Group has expanded significantly through acquisition. As at 31 December 2018, total goodwill and intangible assets were stated at £6,257.3 million and £3,910.3 million respectively (2017: £2,608.2 million and £1,701.4 million respectively). The UBM combination resulted in an additional £3,470.0 million goodwill and £2,315.7 million intangible assets being recognised.

Where goodwill exists, accounting standards require that management perform an annual impairment test, computing the "recoverable amount" based on the higher of "value in use" and "fair value less costs to sell". The recoverable amount is then compared to the balance sheet carrying value of each cash generating unit or group of cash generating units (CGU). This same impairment test is required for intangible assets where indicators of potential impairment have been identified. This year management have performed their impairment assessment in respect of goodwill on a divisional basis by aggregating the CGUs at the divisional level, reflecting the level at which they monitor goodwill.

To perform its impairment review, management prepares forecasts for three years, using the budget for year one and the strategic plan for years two and three, and then applies a terminal value beyond year three using growth factors and discount rates applicable for each CGU. The selection of the growth rates and the discount rate assumptions requires judgement and is fundamental to this audit risk. Management engages independent expert valuation advisers to assist in deriving appropriate long-term growth rates and discount rates.

We considered the recoverability of the carrying value of goodwill and intangible assets as a key audit matter for two reasons:

- the significant amount of audit resources and effort applied in respect of testing the impairment review of goodwill and intangible assets. This reflects the significance of the carrying value of goodwill and intangible assets on the Group balance sheet; and
- we identified a significant risk of material misstatement in respect of two specific CGUs. The carrying value of these CGUs at the date of the impairment review was £44.8 million and £56.8 million respectively. The assessment that led to the identification of these CGUs as being at significant risk of material misstatement focussed on performance against budget in 2018 and the prior year and where the level of headroom relative to the carrying value is small.

Management discusses the policies and processes followed in respect of the impairment review in Notes 2 and 16 to the Consolidated Financial Statements, and impairment of assets is identified as a key source of estimation uncertainty in Note 3. This key source of estimation uncertainty is also referred to within the Audit Committee report on page 107.

How the scope of our audit responded to the key audit matter

We audited management's impairment review for goodwill and other intangible assets using a range of audit procedures. The audit procedures that we performed with respect to all CGUs included the following:

Assessing management's methodology:

- obtaining an understanding of the basis of preparation of the forecasts and impairment review, and assessing the design and implementation of key controls within the impairment review process;
- assessing recent forecasting accuracy against actual performance;
- assessing the impairment review of goodwill at both an individual CGU, and an aggregation of CGUs, basis for this year, reflecting 2018 being a transition year in terms of the approach taken by management to the goodwill impairment review;
- involving our internal valuation specialists to assess the appropriateness of the key assumptions including the discount rates and long-term growth rates prepared by management's expert valuation adviser; and
- considering the reasonableness of sensitivities applied by management and reperforming this sensitivity analysis.

Assessing the cash flow forecasts:

- determining whether the 2019 forecast performance for each CGU was consistent with the budgets adopted by management and approved by the Board of Directors;
- assessing the appropriateness of short-term forecasts for each CGU against historical performance to assess the reasonableness of the budgets; and
- determining whether the growth rates selected by management were reasonable, in line with the requirements of accounting standards and reflected industry trends. We involved our internal valuations specialists in these procedures.

The incremental audit procedures that we performed in respect of the two CGUs that we identified as being at a significant risk of material misstatement were:

- assessing the design and implementation of key controls within the budget preparation and review process in relation to these specific CGUs;
- further challenging the cash flow forecasts used within the impairment model based on our understanding of the business and developments within the year, discussions with finance and divisional management, and external industry information;
- further considering historical forecasting accuracy by comparing actual performance to budgets over a 5-year lookback period;
- performing breakeven analysis to identify the period over which the CGU's carrying value would be recovered by forecast cash flows; and
- performing further sensitivity analyses on the impairment model for the two CGUs identified, based on historical performance against budget.

Key observations

We reported to the Audit Committee that the audit response procedures were performed satisfactorily and that the assumptions management had applied in their impairment review were reasonable.

The timing of revenue recognition

Key audit matter description

The specific nature of the risk of material misstatement in revenue recognition varies across the Group’s revenue streams and operating divisions. We identified a risk in relation to the cut-off of revenue and whether the release of deferred revenue is allocated appropriately; this was identified as an area of potentially fraudulent management manipulation, as required by auditing standards.

In respect of the events revenue stream, within the **Global Exhibitions**, **Knowledge & Networking** and UBM divisions, customers are generally billed in advance and a key risk in revenue recognition is that revenue from events and conferences might be recognised in the wrong period, particularly if events are held close to year-end.

In respect of subscriptions revenue within the **Academic Publishing**, **Business Intelligence** and UBM divisions, we identified a risk that the deferral and release of subscription revenues does not appropriately match the subscription period in customer contracts.

In **Academic Publishing**, for the unit sales revenue stream, we identified a key risk relating to sales cut-off, being that revenue for books or e-books is not recognised in line with the agreed delivery terms, and that expected post year end returns are not appropriately provided for.

The Group’s revenue recognition accounting policies are disclosed in Note 2 to the Consolidated Financial Statements with an analysis by revenue stream and by segment in Notes 5 and 6 respectively.

How the scope of our audit responded to the key audit matter

We confirmed our understanding of each of the divisions’ business models and our understanding of the principles set out in customer contracts and the sales process. We then confirmed our understanding of the design and implementation of controls by performing sample transaction walkthroughs of the revenue recording process, from order processing to invoice production through to cash collection. These procedures enabled us to design and perform substantive audit procedures to respond to each of the specific risks of material misstatement we identified.

The procedures we performed across the entities within our audit scope included the following:

- In relation to events revenue:
  - we performed detailed testing of a sample of transactions, obtaining invoices, payments, exhibitor contracts and evidence of event occurrence to determine whether revenue was recognised at the appropriate time; and
  - we used data analytics techniques to identify the revenue and cost profile of all events in the year, comparing this to the calendar of events and testing occurrence by reference to third party sources.
- In relation to subscriptions revenue:
  - we performed detailed testing of a sample of subscription transactions, obtaining and reviewing the relevant order confirmations and contracts to validate whether revenue was appropriately recorded across the term; and
  - we used data analytics techniques to recalculate the deferred revenue in relation to subscription revenue for contracts spanning the year end.
- In relation to unit sales revenue:
  - we performed detailed testing of a sample of transactions close to year end, examining supporting documentation to determine whether revenue recognition criteria has been met and whether the revenue has been appropriately recognised in the period or deferred at the period end.

Key observations

We reported to the Audit Committee that our audit procedures were performed satisfactorily.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality 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	£27.0 million (2017: £22.0 million)	£10.8 million (2017: £11.0 million)
Basis for determining materiality	Our materiality is based on a percentage of statutory pre-tax profit adjusted for impairment charges and amortisation of intangible assets acquired in business combinations. £27.0 million represents 5% of this measure (2017: 5%). £27.0 million represents 9.2% of statutory profit before tax (2017: 8.3%) and 4.2% of reported adjusted profit before tax (2017: 4.5%).	Materiality is capped at 40% of Group materiality (2017: 50%), which equates to 0.1% of net assets (2017: 0.3% of net assets).
Rationale for the benchmark applied	We adjust for impairment charges and amortisation of intangible assets acquired in business combinations to use a profit measure also used by analysts, and because profits adjusted for these items more closely align with current cash flows.	Net assets is typically considered an appropriate benchmark for materiality as the parent company is a holding company, but given the quantum of the net assets on the parent company balance sheet we have limited materiality to 40% of Group materiality.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.3 million (2017: £1.1 million), 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.

An overview of the scope of our audit

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. Following the UBM combination, we have reassessed the audit scope for the enlarged Group, in order to reflect the business operations, finance function structure, and geographic scope of UBM. Similar to Informa, UBM's finance function is primarily structured through shared service centres in each region.

Based on that assessment, we performed full scope or specified audit procedures at the principal business units within the legacy-Informa shared service centres in Colchester (UK), Sarasota, Florida (USA), Cleveland, Ohio (USA) and Singapore. We also performed full scope or specified audit procedures at the principal business units within the legacy-UBM business in Kent (UK), New York (USA), Shanghai (China), Hong Kong, and Singapore. The parent company is located in the UK and audited directly by the Group audit team.

The in-scope locations (those at which a full scope audit or specified audit procedures were performed as part of the Group audit) represent 73% (2017: 72%) of the Group's revenue and 79% (2017: 74%) of the Group's adjusted operating profit. The Group audit team directly audit the entirety of the Group's goodwill and acquired intangible assets. Our audit work at all the locations in the Group audit scope was executed to a materiality of up to £14.9 million, and therefore not exceeding 55% of Group materiality of £27.0 million.

	Revenue	Adjusted operating profit
Full audit scope	65%	68%
Specified audit procedures	8%	10%
Review at Group level	27%	22%
	100%	100%

Strategic Report
Governance
Financial Statements

At the Group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement in the aggregated financial information of the remaining components not subject to audit.

IT specialists within the Group team tested the Group’s two main ERP systems, SAP ECC (legacy-Informa) and Oracle (legacy-UBM), centrally. We tested the design, implementation and operating effectiveness of key controls within the legacy-UBM purchase-to-pay cycle and relied on these controls in the execution of our audit procedures.

The Group audit team continued to follow a programme of planned visits that has been designed so that the Senior Statutory Auditor or a designate visits each of the locations in the Group audit scope at least once every two years and the most significant of them at least once a year. In the course of the 2018 audit, visits were undertaken to all of the audit locations identified above with the exception of Cleveland, Ohio (USA), which was visited in 2017 and 2016. For each component, we included the component audit team in our team briefings, 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 support and direct their audit approach. We also attended (either in person or dial in) local audit close meetings with local management, performed on-site or remote reviews of their working papers, and reviewed their reporting to us of the findings from their work.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

- fair, balanced and understandable – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group’s position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit Committee reporting – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- directors’ statement of compliance with the UK Corporate Governance Code – the parts of the directors’ statement required under the Listing Rules relating to the company’s compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

We have nothing to report in respect of these matters.

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.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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, our procedures included the following:

- enquiring of management, internal audit, and the Audit Committee, including obtaining and reviewing supporting documentation, concerning the Group's 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 related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team including significant component audit teams and involving relevant internal specialists, including tax, valuations, pensions, IT, and analytics specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud; and
- obtaining an understanding of the legal and regulatory framework that the Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Group. The key laws and regulations we identified that have a direct effect on the determination of the financial statements are the UK Companies Act, Listing Rules, pensions legislation and tax legislation. Other key laws and regulations which could have a material effect on the financial statements include GDPR, anti-bribery legislation and anti-money laundering regulations.

Audit response to risks identified

As a result of performing the above procedures, we identified the timing of revenue recognition as a key audit matter. The key audit matters section of our report explains this matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

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 relevant laws and regulations discussed described as having a direct effect on the financial statements above;
- 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 reviewing internal audit reports; 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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 of 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.

Matters on which we are required to report by exception

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.**
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 or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.	**We have nothing to report in respect of these matters.**

Other matters

Auditor tenure

Following the recommendation of the Audit Committee, we were reappointed by the members at the AGM on 24 May 2018 to audit the financial statements for the year ending 31 December 2018. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 15 years, covering the years ending 2004 to 2018. The most recent external audit tender was finalised in June 2016.

Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

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.

Anna Marks FCA

Senior statutory auditor

For and on behalf of Deloitte LLP
Statutory Auditor
London

6 March 2019

Financial Statements

Consolidated Income Statement
for the year ended 31 December 2018

	Notes	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m	Adjusted results 2017 (restated)[1] £m	Adjusting items 2017 (restated)[1] £m	Statutory results 2017 (restated)[1] £m
Continuing operations							
Revenue	5	**2,369.5**	**–**	**2,369.5**	1,756.8	–	1,756.8
Net operating expenses	7	**(1,638.4)**	**(368.9)**	**(2,007.3)**	(1,211.9)	(200.2)	(1,412.1)
Operating profit/(loss) before joint ventures and associates		**731.1**	**(368.9)**	**362.2**	544.9	(200.2)	344.7
Share of results of joint ventures and associates	20	**1.0**	**–**	**1.0**	–	–	–
Operating profit/(loss)		**732.1**	**(368.9)**	**363.2**	544.9	(200.2)	344.7
Profit/(loss) on disposal of subsidiaries and operations	21	**–**	**1.1**	**1.1**	–	(17.4)	(17.4)
Investment income	11	**7.0**	**1.2**	**8.2**	0.2	–	0.2
Finance costs	12	**(89.4)**	**(1.0)**	**(90.4)**	(59.3)	–	(59.3)
Profit/(loss) before tax		**649.7**	**(367.6)**	**282.1**	485.8	(217.6)	268.2
Tax (charge)/credit	13	**(116.2)**	**55.7**	**(60.5)**	(103.0)	148.0	45.0
Profit/(loss) for the year		**533.5**	**(311.9)**	**221.6**	382.8	(69.6)	313.2
Attributable to:							
– Equity holders of the Company	15	**519.8**	**(311.9)**	**207.9**	380.4	(69.6)	310.8
– Non-controlling interests	37	**13.7**	**–**	**13.7**	2.4	–	2.4
Earnings per share							
– Basic (p)	15	**49.4**		**19.7**	46.2		37.7
– Diluted (p)	15	**49.2**		**19.7**	46.0		37.6

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2018

	Notes	2018 £m	2017 (restated)[1] £m
Profit for the year		**221.6**	313.2
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (loss)/gain on defined benefit pension schemes	34	**(14.3)**	14.2
Tax credit/(charge) relating to items that will not be reclassified to profit or loss	22	**1.3**	(4.2)
Total items that will not be reclassified subsequently to profit or loss		**(13.0)**	10.0
Items that may be reclassified subsequently to profit or loss:			
Recycling of exchange gains arising on disposal of foreign operations		**–**	(3.7)
Exchange gain/(loss) on translation of foreign operations		**224.6**	(183.5)
Exchange (loss)/gain on net investment hedge debt		**(91.3)**	56.7
Loss on derivative hedges		**(22.4)**	–
Total items that may be reclassified subsequently to profit or loss		**110.9**	(130.5)
Other comprehensive income/(expense) for the year		**97.9**	(120.5)
Total comprehensive income for the year		**319.5**	192.7
Total comprehensive income attributable to:			
– Equity holders of the Company		**303.3**	190.3
– Non-controlling interests		**16.2**	2.4

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Strategic Report

Governance

Financial Statements

Consolidated Statement of Changes in Equity for the year ended 31 December 2018

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings (restated)[1] £m	Total (restated)[1] £m	Non-controlling interests £m	Total equity (restated)[1] £m
At 1 January 2017	0.8	905.3	74.0	(1,570.8)	2,777.3	2,186.6	1.2	2,187.8
IFRS 15 restatement	–	–	–	–	(1.2)	(1.2)	–	(1.2)
At 1 January 2017 – as restated	0.8	905.3	74.0	(1,570.8)	2,776.1	2,185.4	1.2	2,186.6
Profit for the year (restated)[1]	–	–	–	–	310.8	310.8	2.4	313.2
Recycling of exchange gains arising on disposal of foreign operations	–	–	(3.7)	–	–	(3.7)	–	(3.7)
Exchange loss on translation of foreign operations	–	–	(183.5)	–	–	(183.5)	–	(183.5)
Exchange gain on net investment hedge debt	–	–	56.7	–	–	56.7	–	56.7
Actuarial gain on defined benefit pension schemes	–	–	–	–	14.2	14.2	–	14.2
Tax relating to components of other comprehensive income	–	–	–	–	(4.2)	(4.2)	–	(4.2)
Total comprehensive income for the year	–	–	(130.5)	–	320.8	190.3	2.4	192.7
Dividends to Shareholders	–	–	–	–	(162.2)	(162.2)	–	(162.2)
Dividends to non-controlling interests	–	–	–	–	–	–	(2.0)	(2.0)
Share award expense	–	–	–	5.4	–	5.4	–	5.4
Own shares purchased	–	–	–	(0.9)	–	(0.9)	–	(0.9)
Transfer of vested LTIPs	–	–	–	(2.1)	2.1	–	–	–
Non-controlling interest (NCI) arising from purchase of subsidiary	–	–	–	–	–	–	(1.1)	(1.1)
Acquisition of NCI	–	–	–	0.1	–	0.1	–	0.1
NCI adjustment arising from disposal	–	–	–	(0.4)	–	(0.4)	10.8	10.4
At 31 December 2017 (restated)[1]	0.8	905.3	(56.5)	(1,568.7)	2,936.8	2,217.7	11.3	2,229.0
Profit for the year	**–**	**–**	**–**	**–**	**207.9**	**207.9**	**13.7**	**221.6**
Exchange gain on translation of foreign operations	**–**	**–**	**222.1**	**–**	**–**	**222.1**	**2.5**	**224.6**
Exchange loss on net investment hedge debt	**–**	**–**	**(91.3)**	**–**	**–**	**(91.3)**	**–**	**(91.3)**
Loss arising on derivative hedges	**–**	**–**	**(22.4)**	**–**	**–**	**(22.4)**	**–**	**(22.4)**
Actuarial loss on defined benefit pension schemes	**–**	**–**	**–**	**–**	**(14.3)**	**(14.3)**	**–**	**(14.3)**
Tax relating to components of other comprehensive income	**–**	**–**	**–**	**–**	**1.3**	**1.3**	**–**	**1.3**
Total comprehensive income for the year	**–**	**–**	**108.4**	**–**	**194.9**	**303.3**	**16.2**	**319.5**
Dividends to Shareholders	**–**	**–**	**–**	**–**	**(201.8)**	**(201.8)**	**–**	**(201.8)**
Dividends to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(8.6)**	**(8.6)**
Share award expense	**–**	**–**	**–**	**8.1**	**–**	**8.1**	**–**	**8.1**
Issue of share capital	**0.5**	**–**	**–**	**3,546.8**	**–**	**3,547.3**	**–**	**3,547.3**
Own shares purchased	**–**	**–**	**–**	**(3.5)**	**–**	**(3.5)**	**–**	**(3.5)**
Transfer of vested LTIPs	**–**	**–**	**–**	**(3.9)**	**3.9**	**–**	**–**	**–**
NCI arising from purchase of subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**176.8**	**176.8**
Adjustment to NCI arising from exercise of put option	**–**	**–**	**–**	**(4.3)**	**–**	**(4.3)**	**(2.3)**	**(6.6)**
At 31 December 2018	**1.3**	**905.3**	**51.9**	**1,974.5**	**2,933.8**	**5,866.8**	**193.4**	**6,060.2**

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Consolidated Balance Sheet
as at 31 December 2018

	Notes	2018 £m	2017 (restated)[1] £m
Non-current assets			
Goodwill	16	**6,237.3**	2,608.2
Other intangible assets	17	**3,882.0**	1,701.4
Property and equipment	19	**70.4**	31.8
Investments in joint ventures and associate	20	**19.1**	1.5
Other investments	20	**5.1**	4.6
Deferred tax assets	22	**22.0**	9.0
Retirement benefit surplus	34	**4.5**	–
Other receivables	23	**6.3**	0.1
Derivative financial instruments	24	**1.5**	–
		10,248.2	4,356.6
Current assets			
Inventory	25	**50.9**	54.1
Trade and other receivables	23	**402.7**	326.1
Current tax asset		**15.9**	25.4
Cash and cash equivalents	28	**168.8**	54.9
Assets classified as held for sale	26	**79.5**	–
		717.8	460.5
Total assets		**10,966.0**	4,817.1
Current liabilities			
Borrowings	29	**(200.8)**	(303.0)
Current tax liabilities		**(96.2)**	(30.5)
Provisions	30	**(63.4)**	(25.1)
Trade and other payables	31	**(443.0)**	(296.6)
Deferred income		**(701.2)**	(462.5)
Derivative financial instruments	24	**(10.1)**	–
Liabilities directly associated with assets classified as held for sale	26	**(16.1)**	–
		(1,530.8)	(1,117.7)
Non-current liabilities			
Borrowings	29	**(2,626.2)**	(1,125.0)
Derivative financial instruments	24	**(27.0)**	–
Deferred tax liabilities	22	**(620.3)**	(251.0)
Retirement benefit obligation	34	**(37.5)**	(23.6)
Provisions	30	**(30.1)**	(33.0)
Non-current tax liabilities		**–**	(11.1)
Trade and other payables	31	**(33.9)**	(26.7)
		(3,375.0)	(1,470.4)
Total liabilities		**(4,905.8)**	(2,588.1)
Net assets		**6,060.2**	2,229.0
Equity			
Share capital	35	**1.3**	0.8
Share premium account	35	**905.3**	905.3
Translation reserve		**51.9**	(56.5)
Other reserves	36	**1,974.5**	(1,568.7)
Retained earnings		**2,933.8**	2,936.8
Equity attributable to equity holders of the parent		**5,866.8**	2,217.7
Non-controlling interest		**193.4**	11.3
Total equity		**6,060.2**	2,229.0

1. 2017 restated for implementation of IFRS 15 (see Note 4).

These financial statements were approved by the Board of Directors and authorised for issue on 6 March 2019 and were signed on its behalf by

Stephen A. Carter
Group Chief Executive

Gareth Wright
Group Finance Director

Strategic Report
Governance
Financial Statements

Financial Statements
Consolidated Cash Flow Statement
for the year ended 31 December 2018

	Notes	2018 £m	2017 £m
Operating activities			
Cash generated by operations	33	**635.0**	531.2
Income taxes paid		**(82.4)**	(45.3)
Interest paid		**(66.3)**	(52.0)
Net cash inflow from operating activities		**486.3**	433.9
Investing activities			
Interest received		**2.1**	0.2
Purchase of property and equipment	19	**(23.4)**	(14.7)
Proceeds on disposal of property and equipment		**0.4**	1.0
Purchase of intangible software assets		**(30.2)**	(52.2)
Product development costs additions		**(6.2)**	(13.1)
Purchase of intangibles related to titles, brands and customer relationships		**(21.0)**	(30.7)
(Costs)/proceeds on disposal of other intangible assets related to titles and brands		**(3.2)**	5.2
Acquisition of subsidiaries and operations, net of cash acquired	18	**(593.6)**	(193.2)
Acquisition of non-controlling interests	18	**(5.3)**	–
Acquisition of investment		**(0.5)**	(0.5)
Proceeds from disposal of subsidiaries and operations		**7.4**	14.4
Net cash outflow from investing activities		**(673.5)**	(283.6)
Financing activities			
Dividends paid to Shareholders	14	**(201.9)**	(162.0)
Dividends paid to non-controlling interests	14	**(8.6)**	(2.0)
Dividend paid in settlement of UBM acquisition liability	14	**(59.0)**	–
Proceeds from EMTN bond issuance	27	**872.7**	–
Repayment of loans	27	**(1,179.4)**	(1,292.1)
New loan advances	27	**644.0**	1,070.8
Repayment of private placement borrowings	27	**(101.5)**	(159.7)
New private placement borrowings	27	**313.6**	406.4
Borrowing fees paid	27	**(10.0)**	(0.7)
Cash inflow from other loan receivables		**–**	0.2
Cash inflow/(outflow) from the issue/purchase of shares		**2.0**	(0.9)
Net cash inflow/(outflow) from financing activities		**271.9**	(140.0)
Net increase in cash and cash equivalents		**84.7**	10.3
Effect of foreign exchange rate changes		**(8.0)**	(2.3)
Cash and cash equivalents at beginning of the year	28	**48.2**	40.2
Cash and cash equivalents at end of the year	28	**124.9**	48.2

Reconciliation of Movement in Net Debt
for the year ended 31 December 2018

	Notes	2018 £m	2017 £m
Increase in cash and cash equivalents in the year (including cash acquired)	27	**84.7**	10.3
Cash flows from net drawdown of borrowings and derivatives associated with debt instruments	27	**(539.4)**	(24.9)
Increase in net debt resulting from cash flows		**(454.7)**	(14.6)
Borrowings acquired with UBM plc	27	**(702.6)**	–
Other non-cash movements including foreign exchange	27	**(151.5)**	126.9
(Increase)/decrease in net debt in the year		**(1,308.8)**	112.3
Net debt at beginning of the year	33	**(1,373.1)**	(1,485.4)
Net debt at end of the year	33	**(2,681.9)**	(1,373.1)

Notes to the Consolidated Financial Statements for the year ended 31 December 2018

1. General information

Informa PLC (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales with registration number 08860726. The address of the registered office is 5 Howick Place, London, SW1P 1WG. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

The Consolidated Financial Statements as at 31 December 2018 and for the year then ended comprise those of the Company and its subsidiaries and its interests in joint ventures and associates (together referred to as the Group).

These financial statements are presented in pounds sterling (GBP), the functional currency of the Parent Company, Informa PLC. Foreign operations are included in accordance with the policies set out in Note 2.

2. Significant accounting policies

Basis of accounting

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union and therefore comply with Article 4 of the EU International Accounting Standards (IAS) Regulations.

The Directors have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements. Further detail is contained in the Strategic Review on page 73.

The Consolidated Financial Statements have been prepared on the historical cost basis, except for derivative financial instruments and hedged items which are measured at fair value. The principal accounting policies adopted are set out below, all of which have been consistently applied to all periods presented in the Consolidated Financial Statements.

Basis of consolidation

The Consolidated Financial Statements incorporate the accounts of the Company and all its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The results of subsidiaries acquired or sold are included in the Consolidated Financial Statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of acquired subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-Group transactions, balances, income and expense are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity and consist of the amount of those interests at the date of the original business combination plus their share of changes in equity since that date.

Joint ventures are joint arrangements in which the Group has the rights to the net assets through joint control with a third party. Joint operations arise where there is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control, and where the joint operators have rights to the assets and obligations for the liabilities relating to the arrangement. Associates are undertakings over which the Group exercises significant influence, usually from 20–50% of the equity voting rights, in respect of the financial and operating policies.

The Group accounts for its interests in joint ventures and associates using the equity method. Under the equity method, the investment in the joint venture or associate is initially measured at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture or associate since the acquisition date. The income statement reflects the Group's share of the results of operations of the entity. The statement of comprehensive income includes the Group's share of any other comprehensive income recognised by the joint venture or associate. Dividend income is recognised when the right to receive the payment is established. Where an associate or joint venture has net liabilities, full provision is made for the Group's share of liabilities where there is a constructive or legal obligation to provide additional funding to the associate or joint venture.

2. Significant accounting policies (continued)

Foreign currencies

Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the rates ruling at that date. These translation differences are included in net operating expenses in the Consolidated Income Statement.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The balance sheets of foreign subsidiaries are translated into pounds sterling at the closing rates of exchange. The income statement results are translated at an average exchange rate, recalculated for each month between that month's closing rate and the equivalent for the preceding month.

Foreign exchange differences arising from the translation of opening net investments in foreign subsidiaries at the closing rate are taken directly to the translation reserve. In addition, foreign exchange differences arising from retranslation of the foreign subsidiaries' results from monthly average rate to closing rate are also taken directly to the Group's translation reserve. Such translation differences are recognised in the Consolidated Income Statement in the financial year in which the operations are disposed of. The translation movement on matched long-term foreign currency borrowings, qualifying as hedging instruments under IFRS 9 *Financial Instruments*, are also taken directly to the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the acquisition closing rate.

Business combinations

The acquisition of subsidiaries and other asset purchases that are assessed as meeting the definition of a business under the rules of IFRS 3 *Business Combinations* are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. If the accounting for business combinations involves provisional amounts, which are finalised in a subsequent reporting period during the 12-month measurement period as permitted under IFRS 3, restatement of these provisional amounts may be required in the subsequent reporting period. Acquisition and integration costs incurred are expensed and included in adjusting items in the Consolidated Income Statement.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Put option arrangements that allow non-controlling interest Shareholders to require the Group to purchase the non-controlling interest are treated as derivatives over equity instruments and are initially recognised at fair value within derivative financial liabilities, with a corresponding charge directly to equity. Interest rate swaps, forward exchange contracts, put options over non-controlling interests and other derivatives are classified as financial assets or financial liabilities at fair value through profit or loss and are measured at each reporting date at fair value. Changes in the fair values are included in profit or loss within financing income/expense unless the instrument has been designated as a hedging instrument.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is classified as a financial liability that is within the scope of IFRS 9 will be recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. On an acquisition by acquisition basis, the Group recognises any non-controlling interest either at fair value (under the full goodwill method) or at the proportionate share of the acquiree's identifiable net assets. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the acquisition closing rate. This is then revalued at the year end rate with any foreign exchange difference taken directly to the translation reserve.

Disposal
At the date of a disposal, or loss of control, joint control or significant influence over a subsidiary, joint venture or associate, the Group derecognises the assets (including goodwill) and liabilities of the entity, with the carrying amount of any non-controlling interest and any cumulative translation differences recorded in equity. The fair value of consideration including the fair value of any investment retained is recognised. The consequent profit or loss on disposal that is not disclosed as a discontinued operation is recognised in profit and loss within "profit or loss on disposal of subsidiaries and operations".

Equity transactions
Where there is a change of ownership of a subsidiary without a change of control, the difference between the consideration and the relevant share of the carrying amount of net assets acquired or disposed of the subsidiary is recorded in equity. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the amount at which the non-controlling interests are adjusted and the fair value of the consideration is recognised directly in equity.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 *Revenue from Contracts with Customers* provides a single, principles-based five-step model to be applied to all sales contracts. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods, services and construction contracts previously included in IAS 11 *Construction Contracts* and IAS 18 *Revenue*. The major change is the requirement to identify and assess the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue.

Revenue
Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, and provisions for returns and cancellations.

Subscription income for online services, information and journals is normally received in advance and is therefore deferred and recognised evenly over the term of the subscription.

Revenue from exhibitions, trade shows, conferences and learning events, together with attendee fees and event sponsorship, is recognised when the event is held, with advance receipts recognised as deferred income in the Balance Sheet. Transaction prices for performance obligations are fixed within contracts and for example relate to an event attendee ticket or exhibition stand. Where material, transaction prices and discounts are appropriately allocated between performance obligations based on the market price of products.

Unit sales revenue is recognised on the sale of books and related publications when title passes, depending on the terms of the sales agreement. The performance obligations for subscription and unit sales revenue streams are distinct within customer contracts. The performance obligations are to deliver goods, deliver subscription contracts over time, or provide access to databases either on a one-off basis or over a period of time. If access is indefinite then revenue is recognised at the point access is provided. Transaction prices for performance obligations are fixed within contracts and each book or journal has a value and each subscription has a value. A provision is recognised for future returns and is debited against revenue for subscriptions and unit sales. The cost of processing returns is immaterial.

Marketing and advertising services revenues are recognised on issue of the related publication, over the period of the advertising subscription or over the period when the marketing service is provided. The performance obligations are distinct, being events held or publications issued. Transaction prices for performance obligations are fixed within contracts and recognised in line with the performance obligations.

2. Significant accounting policies (continued)

Revenue relating to barter transactions is recorded at fair value and recognised in accordance with the Group's revenue recognition policies. Expenses from barter transactions are recorded at fair value and recognised as incurred. Barter transactions typically involve the trading of advertisements and trade show space in exchange for services provided at events.

Due to the nature of the business, there is an immaterial value of transaction price allocated to unsatisfied performance obligations and there are no material contract assets or liabilities arising on work performed in order to deliver performance obligations.

Pension costs and pension scheme arrangements

Certain Group companies operate defined contribution pension schemes for colleagues. The assets of the schemes are held separately from the individual companies. The pension cost charge associated with these schemes represents contributions payable and is charged as an expense when incurred.

The Group also operates funded defined benefit schemes for colleagues. The cost of providing these benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at regular intervals. There is no service cost due to the fact that these schemes are closed to future accrual. Net interest is calculated by applying a discount rate to the opening net defined benefit liability or asset and shown in finance costs, and the administration costs are shown as a component of operating expenses. Actuarial gains and losses are recognised in full in the period in which they occur, outside of the Consolidated Income Statement and in the Consolidated Statement of Comprehensive Income.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Share-based payments

The Group issues equity-settled share-based payments to certain colleagues. These are measured at fair value at date of grant. An expense is recognised to spread the fair value of each award over the vesting period on a straight line basis, after allowing for an estimate of the share awards that will actually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate.

For awards under the Long-Term Incentive Plan (LTIP), where the proportion of the award is dependent on the level of total shareholder return, the fair value is measured using a Monte Carlo model of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations. Where the proportion of the award is dependent on earnings per share performance conditions, which are non-market-based measures, the fair value is remeasured at each reporting date to reflect updates for expected or actual performance. For awards issued under ShareMatch, the fair value is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. For cash-settled share-based payments, a liability is recognised over the vesting period, with the fair value remeasured at each reporting date and any changes recognised in the Consolidated Income Statement.

Own shares are deducted in arriving at total equity and represent the cost of the Company's Ordinary Shares acquired by the Employee Share Trust (EST) and ShareMatch in connection with certain of the Group's colleague share schemes.

Interest income

Interest income is recognised on an accruals basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxation

The tax expense represents the sum of the current tax payable and deferred tax. Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

A current tax provision is recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax nor accounting profit.

Deferred tax is calculated for all business combinations in respect of intangible assets and properties. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the Consolidated Income Statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Group is a multinational group with tax liabilities arising in many geographic locations. This inherently leads to complexity in the Group's tax structure. Therefore, the calculation of the Group's current tax liabilities and tax expense necessarily involves a degree of estimation and judgement in respect of items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The resolution of issues is not always within the control of the Group and issues can, and often do, take many years to resolve.

Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the income statement and tax payments. The final resolution of certain of these items may give rise to material profit and loss and/or cash flow variances. Any difference between expectations and the actual future liability will be accounted for in the period identified.

Goodwill

Goodwill arising on the acquisition of subsidiary companies and businesses is calculated as the excess of the fair value of purchase consideration over the fair value of identifiable assets and liabilities acquired at the date of acquisition. It is recognised as an asset at cost, assessed for impairment at least annually and subsequently measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed. Fair value measurements are based on provisional estimates and may be subject to amendment within one year of the acquisition in line with IFRS 3 *Business Combinations*, resulting in an adjustment to goodwill.

2. Significant accounting policies (continued)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs), as determined by the Executive Directors, which are expected to benefit from the combination. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. In 2018, the Group revised the approach to impairment testing of goodwill to reflect a change in the level at which goodwill is monitored. This reflects the completion of the Group's 2014-2017 *Growth Acceleration Plan* in which the operating structure of the business changed to four market facing Operating Divisions plus the UBM Division, with monitoring of goodwill now undertaken at the segment level representing an aggregation of CGUs rather than at the individual CGU level. As 2018 is the year of change in the approach for goodwill impairment testing we have undertaken testing at both the former CGU level and the new segment level. Where an impairment test is performed, the carrying value is compared with the recoverable amount which is the higher of the value in use and the fair value less costs to sell. Value in use is the present value of future cash flows and is calculated using a discounted cash flow analysis based on the cash flows of the CGU compared with the carrying value of that CGU, including goodwill. The Group estimates the discount rates as the risk-adjusted cost of capital for the particular CGUs. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. At each reporting date, the Group reviews the composition of its CGUs to reflect the impact of changes to cash inflows associated with reorganisations of its reporting structure.

On disposal of a business which includes all or part of a CGU, any attributable goodwill is included in the calculation of the profit or loss on disposal.

Intangible assets

Intangible assets are initially measured at cost. For intangible assets acquired in business combinations, cost is calculated based on the Group's valuation methodologies (Note 17). These assets are amortised over their estimated useful lives on a straight line basis, as follows:

Book lists	20 years[1]
Journal titles	20 years[1]
Brands and trademarks	5–30 years
Customer relationships databases and intellectual property	5–30 years
Non-compete agreements	1–3 years
Software	3–10 years
Product development	3–5 years

1. Or licence period if shorter.

Software which is not integral to a related item of hardware is included in intangible assets. Capitalised internal-use software costs include external direct costs of materials and services consumed in developing or obtaining the software, and payroll and other direct costs for employees who devote substantial time to the project. Capitalisation of these costs ceases when the project is substantially complete and available for use. These costs are amortised on a straight line basis over their expected useful lives.

Product development expenditure is capitalised as an intangible asset only if all of certain conditions are met, with all research costs and other development expenditure being expensed when incurred. The capitalisation criteria are:

- an asset is created that can be separately identified, and which the Group intends to use or sell;
- it is technically feasible to complete the development of the asset for use or sale;
- it is probable that the asset will generate future economic benefit; and
- the development cost of the asset can be measured reliably.

The expected useful lives of intangible assets are reviewed annually. The Group does not have any intangible assets with indefinite lives (excluding goodwill).

Property and equipment
Property and equipment is recorded at cost less accumulated depreciation and provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of property and equipment on a straight line basis over the estimated useful lives of the assets. Freehold land is not depreciated. The rates of depreciation on other assets are as follows:

Freehold buildings	50 years
Leasehold land and buildings	Over life of the lease
Equipment, fixtures and fittings	3–15 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement.

Assets classified as held for sale
Non-current assets or disposal groups are classified as held for sale if: their carrying amount will be recovered principally through sale, rather than continuing use; they are available for immediate sale; and the sale is highly probable. A disposal group consists of assets that are to be disposed of, by sale or otherwise, in a single transaction together with the directly associated liabilities.

Goodwill arising from business combinations is included for CGUs which are part of the disposal group.

On initial classification as held for sale, non-current assets or components of a disposal group are remeasured at the lower of their carrying amount and fair value less costs to sell. Any impairment on a disposal group is first allocated to goodwill and then to remaining assets and liabilities on a pro-rata basis. Impairment on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment.

No amortisation or depreciation is charged on non-current assets (including those in disposal groups) classified as held for sale.

Assets classified as held for sale are disclosed separately on the face of the Consolidated Balance Sheet and classified as current assets or liabilities, with disposal groups being separated between assets held for sale and liabilities held for sale.

Impairment of tangible and intangible assets
At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Significant accounting policies (continued)

Investments in joint ventures and associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results and assets and liabilities of associates and joint ventures are accounted for under the equity method and stated in the Balance Sheet at cost adjusted for post-acquisition changes in the Group's share of net assets, less any impairments in value.

Other investments

Other investments are entities over which the Group does not have significant influence (where the Group holds less than 20% interest in the voting interests of the entity). Other investments are classified as assets held at fair value through profit and loss, with changes in fair value reported in the income statement.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and expenses incurred in bringing the inventory to its present location and condition. Net realisable value represents the estimated selling price less marketing and distribution costs expected to be incurred. Pre-publication costs are included in inventory, representing costs incurred in the origination of content prior to publication. These are expensed systematically, reflecting the expected sales profile over the estimated economic lives of the related products (typically over one to five years).

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases would be capitalised at their fair value on the inception of the lease and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The corresponding liability to the lessor is included in the Consolidated Balance Sheet as a finance lease obligation. Finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the Consolidated Income Statement.

Operating lease rentals are charged to the Consolidated Income Statement in equal annual amounts on a straight line basis over the lease term. Lease incentives where these are received from the lessor, such as rent-free periods and contributions to leasehold improvements, are treated as a reduction in lease rental expense and spread over the term of the lease.

Rental income from sub-leasing property space is recognised on a straight line basis over the term of the relevant lease.

Financial assets

Financial assets are recognised in the Group's Consolidated Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories: trade and other receivables, and cash at bank and on hand.

Trade and other receivables

Trade receivables and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances with banks and similar institutions. Cash equivalents comprise bank deposits and money market funds, which are readily convertible to known amounts of cash and with a maturity of three months or less and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Cash Flow Statement.

Impairment of financial assets

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

For unlisted shares classified as fair value through profit or loss, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- a probability that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with increased default risk on receivables. A specific provision will also be raised for trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of a provision account. When a trade receivable is considered uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision are recognised in the Consolidated Income Statement.

Financial liabilities and equity instruments issued by the Group

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2. Significant accounting policies (continued)

Borrowings

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs and stated at amortised cost using the effective interest rate method. The amortised cost calculation is revised when necessary to reflect changes in the expected cash flows and the expected life of the borrowings including the effects of the exercise of any prepayment, call or similar options. Any resulting adjustment to the carrying amount of the borrowings is recognised as interest expense in the income statement.

Net debt

Net debt consists of cash and cash equivalents and includes bank overdrafts, borrowings, derivatives associated with debt instruments, and other loan receivables where these are interest bearing and do not relate to deferred consideration arrangements and finance leases.

Debt issue costs

Debt issue costs, including premium payable on settlement or redemption, are accounted for on an accrual basis in the Consolidated Income Statement using the effective interest rate method and added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables

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

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, as set out above, with interest expense recognised on an effective yield basis.

Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The derivative instruments utilised by the Group to hedge these exposures are primarily interest rate swaps and cross currency swaps. The Group does not use derivative contracts for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of a change of fair value of recognised assets and liabilities or firm commitments (fair value hedge);
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair value hedge

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the Consolidated Income Statement relating to the hedged item.

Cash flow hedge
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. The cumulative amount recognised in other comprehensive income 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.

Hedges of net investment in foreign operations
Hedges of net investment in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument in relation to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement. Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss when the hedged item is disposed of.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Consolidated Income Statement as they arise.

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

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Further details of derivative financial instruments are disclosed in Notes 24 and 32.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. Any difference between the amounts previously recognised and the current estimates is recognised immediately in the Consolidated Income Statement.

Restructuring provisions are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to the affected parties or implementation has commenced.

Use of non-Generally Accepted Accounting Principles (GAAP) measures
In addition to the statutory results, adjusted results are prepared for the income statement, including adjusted operating profit and adjusted diluted earnings per share, as the Board considers these non-GAAP measures to be the most appropriate way to measure the Group's performance in a way that is comparable to the prior year.

Adjusted results (Notes 8 and 15)
The Group presents adjusted results (Note 8) and adjusted diluted earnings per share (Note 15) to provide additional useful information on business performance trends to Shareholders. These results are used for performance analysis and incentive compensation arrangements for employees. Adjusted results exclude items that are commonly excluded across the media sector: amortisation and impairment of goodwill and intangible assets relating to businesses acquired and other intangible asset purchases of titles and exhibitions, acquisition and integration costs, profit or loss on disposal of businesses, restructuring costs and other items that in the opinion of the Directors would distort underlying results. The term "adjusted" is not a defined term under IFRSs and may not therefore be comparable to similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit. Refer to Note 8 for details of adjusting items recorded for the year and reconciled to statutory operating profit.

2. Significant accounting policies (continued)

Adoption of new and revised IFRS

Standards and interpretations adopted in the current year

The accounting policies, significant judgements and key sources of estimation adopted in the preparation of the condensed set of Consolidated Financial Statements are consistent with those applied by the Group in its Consolidated Financial Statements for the year ended 31 December 2017 except for the adoption of new standards and interpretations effective as of 1 January 2018 listed below.

- IFRS 9 *Financial Instruments*
- IFRS 15 *Revenue from Contracts with Customers*
- Amendments to IFRS 4: Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts*
- Interpretation IFRIC 22: *Foreign Currency Transactions and Advance Consideration*
- Amendments to IFRS 2: *Classification and Measurement of Share-based Payment Transactions*
- Annual improvements to IFRS Standards 2014-2016 Cycle
- Amendments to IAS 40: *Transfer of Investment Property*

With the exception of IFRS 15, the adoption of these standards and interpretations has not led to any significant changes to the Group's accounting policies or had any other material impact on the financial position or performance of the Group. Following an assessment of the financial impact of the changes required from the adoption of this new standard, there is no material change to the Consolidated Income Statement of the Group. The change only affects the recognition of consultancy revenue within the **Business Intelligence** Division, where we are no longer able to recognise revenue over the course of a contract, but instead must recognise revenue once consultancy performance obligations have been delivered.

The Consolidated Balance Sheet has been adjusted by the requirement to net down the contract liabilities against trade receivables for amounts that have been invoiced but are not yet due, together with the restatement of unbilled income (see Note 4).

The Group adopted IFRS 15 on 1 January 2018 using the "full" retrospective approach. As a result, the prior period results have been restated as detailed in Note 4.

Other amendments to IFRS effective for the period ended 31 December 2018 have no impact on the Group.

Standards and interpretations in issue, but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but have not yet come into effect:

Effective from 1 January 2019:

- IFRS 16 *Leases* – EU endorsed
- Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures* – EU endorsed
- IFRIC 23 *Uncertainty over Income Tax Treatments* – EU endorsed
- Amendments to IFRS 9: *Prepayment Features with Negative Compensation* – EU endorsed
- Annual improvements to IFRS standards 2015-2017 cycle – not yet EU endorsed
- Amendements to IAS 19: *Plan Amendment, Curtailment or Settlements* – not yet EU endorsed

Other items applicable in subsequent periods:

- IFRS 17 *Insurance Contracts* – not yet EU endorsed
- Amendments to References to the *Conceptual Framework in IFRS Standards* – not yet EU endorsed
- Amendment to IFRS 3: *Business Combinations* – not yet EU endorsed
- Amendments to IAS 1 and IAS 8: *Definition of Material* – not yet EU endorsed

The Directors anticipate that the adoption of these standards and interpretations in future periods will not have a material impact on the financial statements of the Group, except as described below in relation to IFRS 16 *Leases*.

IFRS 16 *Leases* (effective for the 2019 financial year) will replace the existing leasing standard, IAS 17 *Leases*. It will treat all leases in a consistent way, eliminating the distinction between operating and finance leases, and require lessees to recognise all leases, except for low value leases and those with a term of less than 12 months, on the Balance Sheet. The most significant effect of the new requirements will be an increase in lease assets and lease liabilities for leases currently categorised as operating leases. The new standard also changes the nature of expenses related to those leases, replacing the straight line operating lease expense with a depreciation charge for the right-of-use lease asset (included within operating costs) and an interest expense on the finance lease liability (included within finance costs).

Adoption of IFRS 16 is expected to result in an increase in assets of between £300m to £320m and a corresponding increase in liabilities of between £300m and £320m as at 1 January 2019. Operating profit for the year ending 31 December 2019 is estimated to increase by between £4m and £6m, being the difference between the lease expense and depreciation, and profit before tax will decrease by between £7m and £9m, reflecting a higher total lease interest expense in the initial years. Profit after tax is estimated to decrease by between £6m and £8m and adjusted diluted earnings per share and diluted earnings per share will decrease approximately between 0.4p and 0.6p. Note 38 provides further information on the Group's operating lease obligations.

There are several practical expedients and exemptions available under IFRS 16. The Group has elected to apply the modified retrospective method of implementation where there is no restatement of the comparative period and using the practical expedient where, at the adoption date, right-of-use lease assets are set to equal the lease liabilities. The Group will exclude leases of low value assets and short-term leases, with a duration of less than 12 months from the application of IFRS 16, with payments for these leases continuing to be expensed directly to the income statement as operating leases. The major classes of leases impacted by the new standard are property and event space leases.

The half-year results for the six months ending 30 June 2019 will include an update on the actual impact of IFRS 16.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical accounting judgements

In addition to the judgement taken by the Group in selecting and applying the accounting policies set out above, the Directors have made the following judgements concerning the amounts recognised in the Consolidated Financial Statements.

Identification of cash generating units (Note 16)

For impairment testing purposes, judgement is used to allocate goodwill to the specific groups of CGUs that are expected to benefit from this goodwill. When there are changes in business structure, judgement is required to identify any changes to the CGU groups, taking account of the lowest level of independent cash inflows being generated, amongst other factors.

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Impairment of assets (Note 16)

Identifying indicators of asset impairment involves estimating future cash flows based on a good understanding of the drivers of value behind the asset. At each reporting period, an assessment is performed to determine whether there are any such indicators of impairment, which involves considering the performance of our businesses, any significant changes to the markets in which we operate, and future forecasts.

3. Critical accounting judgements and key sources of estimation uncertainty continued

The Group has considered a number of assumptions in performing impairment reviews of assets, which can be found in Note 16. The determination of whether assets are impaired requires an estimation of the value in use of the CGU groups to which assets have been allocated, except where a fair value less costs to sell methodology is applied. The value in use calculation requires the Group to estimate the future cash flows expected to arise from each CGU group, using three-year projections and determining a suitable discount rate to calculate present value and the long-term growth rate. The Directors are satisfied that the Group's CGU groups have a value in use in excess of their Balance Sheet carrying value. The sensitivities considered by the Directors for CGUs that have less headroom are described in Note 16.

Valuation of separately identifiable intangible assets (Notes 17 and 18)

To determine the value of separately identifiable intangible assets on a business combination, and deferred tax on these intangibles, the Group is required to make estimates when utilising valuation methodologies. These methodologies include the use of discounted cash flows, revenue forecasts and the estimates for the useful economic lives of intangible assets.

There are significant estimates involved in assessing what amounts are recognised as the estimated fair value of assets and liabilities acquired through business combinations, particularly the amounts attributed to separate intangible assets such as titles, brands, acquired customer lists and associated customer relationships. These estimates impact the amount of goodwill recognised on acquisitions. Any provisional amounts are subsequently finalised within the 12-month measurement period, as permitted by IFRS 3. In 2018, the significant estimates are in relation to the acquisitions of UBM plc and ICON Advisory Group, Ltd.

The Group has built considerable knowledge of these valuation techniques, and for major acquisitions, defined as when consideration is £75m or above, the Group also considers the advice of third party independent valuers to identify and support the valuation of intangible assets arising on acquisition. Details of acquisitions in the year in relation to this are set out in Note 18.

Contingent consideration (Notes 18 and 30)

When the consideration transferred by the Group in a business combination includes assets or liabilities from a contingent consideration arrangement, it is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. The contingent consideration is based on future business valuations and profit multiples and has been estimated on an acquisition by acquisition basis using available profit forecasts. The higher the profit forecast, the higher the fair value of any contingent consideration (subject to any maximum payout clauses). Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. These adjustments will result in a restatement to previous reported results if the changes relate to amounts arising in previously reported periods.

Measurement of retirement benefit obligations (Note 34)

The measurement of the retirement benefit obligation and surplus involves the use of a number of assumptions. The most significant of these relate to the discount rate, the rate of increase in salaries and pension and mortality assumptions. The most significant scheme is the UBM Pension Scheme (UBMPS). Note 34 details the principal assumptions which have been adopted following advice received from independent actuaries and also provides sensitivity analysis with regards to changes to these assumptions.

4. Restatement

The results for the year ended 31 December 2017 have been restated following the adoption in 2018 of IFRS 15 *Revenue from Contracts with Customers*.

This resulted in the Consolidated Balance Sheet at 31 December 2017 being adjusted for the reclassification of £72.1m of deferred income against trade receivables, for amounts that have been invoiced and where services have not yet been provided and amounts are not yet due, together with the adjustment for unbilled income described below.

There were also restatements to the 2017 income statement from amounts previously recognised on a percentage complete basis. This resulted in reductions of £0.8m to revenue, £0.6m to profit before tax and £0.5m to profit after tax. These adjustments only affected the **Business Intelligence** Division. This resulted in basic earnings per share being restated from 37.8p per share to 37.7p per share, diluted earnings per share being restated from 37.7p to 37.6p and adjusted diluted earnings per share being restated from 46.1p to 46.0p.

Consolidated Balance Sheet: as at 31 December 2017 – restatement

	Previously reported £m	IFRS 15 Adjustments: Percentage complete £m	IFRS 15 Adjustments: Net-down £m	Restated £m
Non-current assets	4,356.6	–	–	4,356.6
Current assets: Trade and other receivables	401.1	(2.9)	(72.1)	326.1
Other current assets	134.4	–	–	134.4
Total assets	4,892.1	(2.9)	(72.1)	4,817.1
Current liabilities: Trade and other payables	(297.2)	0.6	–	(296.6)
Current liabilities: Deferred income	(534.6)	–	72.1	(462.5)
Other current liabilities	(358.6)	–	–	(358.6)
Non-current deferred tax liabilities	(251.6)	0.6	–	(251.0)
Other non-current liabilities	(1,219.4)	–	–	(1,219.4)
Total liabilities	(2,661.4)	1.2	72.1	(2,588.1)
Net assets	2,230.7	(1.7)	–	2,229.0

Consolidated Income Statement: for the year ended 31 December 2017 – restatement

	Previously reported				Restated		
	Adjusted results 2017 £m	Adjusting items 2017 £m	Statutory results 2017 £m	IFRS 15 adjustments 2017 £m	Adjusted results 2017 £m	Adjusting items 2017 £m	Statutory results 2017 £m
Revenue	1,757.6	–	1,757.6	(0.8)	1,756.8	–	1,756.8
Net operating expenses	(1,212.1)	(200.2)	(1,412.3)	0.2	(1,211.9)	(200.2)	(1,412.1)
Operating profit/(loss)	545.5	(200.2)	345.3	(0.6)	544.9	(200.2)	344.7
Profit/(loss) before tax	486.4	(217.6)	268.8	(0.6)	485.8	(217.6)	268.2
Tax (charge)/credit	(103.1)	148.0	44.9	0.1	(103.0)	148.0	45.0
Profit/(loss) for the period	383.3	(69.6)	313.7	(0.5)	382.8	(69.6)	313.2
Earnings per share							
– Basic (p)	46.3		37.8		46.2		37.7
– Diluted (p)	46.1		37.7		46.0		37.6

4. Restatement continued

Segment revenue and results restatement of 2017

The tables below set out the previously reported amounts and restated amounts for each segment for the year ended 31 December 2017:

	Academic Publishing £m	Business Intelligence £m	Global Exhibitions £m	Knowledge & Networking £m	Unallocated £m	Total £m
Revenue						
Previously reported	530.0	384.2	560.4	283.0	–	1,757.6
IFRS 15 restatement	–	(0.8)	–	–	–	(0.8)
Restated	530.0	383.4	560.4	283.0	–	1,756.8
Operating profit/(loss)						
Previously reported	154.1	47.8	126.2	17.2	–	345.3
IFRS 15 restatement	–	(0.6)	–	–	–	(0.6)
Restated	154.1	47.2	126.2	17.2	–	344.7
Adjusted operating profit						
Previously reported	208.0	92.2	201.4	43.9	–	545.5
IFRS 15 restatement	–	(0.6)	–	–	–	(0.6)
Restated	208.0	91.6	201.4	43.9	–	544.9
Segment assets						
Previously reported	1,157.9	1,144.5	1,898.7	558.2	132.8	4,892.1
IFRS 15 net-down adjustment	(16.0)	(30.1)	(20.9)	(7.8)	2.7	(72.1)
IFRS 15 other adjustment	–	(2.9)	–	–	–	(2.9)
Restated	1,141.9	1,111.5	1,877.8	550.4	135.5	4,817.1

5. Revenue

An analysis of the Group's revenue is as follows:

	2018 £m	2017 (restated)[1] £m
Exhibitor	**921.1**	433.2
Subscriptions	**583.1**	566.7
Unit sales	**279.9**	278.0
Attendee	**226.5**	177.2
Marketing and advertising services	**219.2**	182.0
Sponsorship	**139.7**	119.7
Total revenue	**2,369.5**	1,756.8

1. 2017 restated for classification changes including the implementation of IFRS 15 (see Note 4).

6. Business segments

Business segments

The Group has identified reportable segments based on financial information used by the Executive Directors in allocating resources and making strategic decisions. We consider the chief operating decision maker to be the two Executive Directors.

The Group's five identified reportable segments under IFRS 8 *Operating Segments* are as described in the Strategic Report. UBM is a new reportable segment in 2018 following acquisition of the business on 15 June 2018 (see Note 18).

Segment revenue and results

The Group's primary internal income statement performance measures for business segments are revenue and adjusted operating profit. A reconciliation of adjusted operating profit to statutory operating profit and profit before tax is provided below:

Year ended 31 December 2018

	Global Exhibitions £m	Academic Publishing £m	Business Intelligence £m	Knowledge & Networking £m	UBM[2] £m	Total £m
Revenue	575.8	533.2	385.6	261.4	613.5	2,369.5
Adjusted operating profit before joint ventures and associates	200.3	198.4	91.1	39.8	201.5	731.1
Share of adjusted results of joint ventures and associates (Note 20)	(0.2)	–	–	0.1	1.1	1.0
Adjusted operating profit	200.1	198.4	91.1	39.9	202.6	732.1
Intangible asset amortisation[1]	(67.5)	(52.7)	(22.8)	(15.6)	(85.0)	(243.6)
Impairment (Note 17)	(5.7)	–	–	(4.1)	–	(9.8)
Acquisition and integration costs (Note 8)	(2.5)	(0.7)	(1.5)	(0.6)	(83.6)	(88.9)
Restructuring and reorganisation costs (Note 8)	(0.9)	(6.7)	(4.5)	(1.0)	–	(13.1)
Subsequent remeasurement of contingent consideration (Note 8)	2.0	–	7.3	(9.2)	–	0.1
UAE VAT charge (Note 8)	(9.1)	–	–	–	–	(9.1)
GMP equalisation (Note 8)	–	–	(0.3)	(0.2)	(4.0)	(4.5)
Operating profit	116.4	138.3	69.3	9.2	30.0	363.2
Profit on disposal of businesses (Note 21)						1.1
Investment income (Note 11)						8.2
Finance costs (Note 12)						(90.4)
Profit before tax						282.1

1. Excludes acquired intangible product development and software amortisation.
2. UBM segment results are for the post-acquisition period to 31 December 2018 (see Note 18).

Year ended 31 December 2017 (restated)[2]

	Global Exhibitions £m	Academic Publishing £m	Business Intelligence[2] £m	Knowledge & Networking £m	Total £m
Revenue	560.4	530.0	383.4	283.0	1,756.8
Adjusted operating profit before joint ventures and associates	201.4	208.0	91.6	43.9	544.9
Share of adjusted results of joint ventures and associates (Note 20)	–	–	–	–	–
Adjusted operating profit	201.4	208.0	91.6	43.9	544.9
Intangible asset amortisation (Note 17)[1]	(66.7)	(50.1)	(24.0)	(17.0)	(157.8)
Impairment (Note 8)	(0.4)	(2.0)	(3.2)	–	(5.6)
Acquisition and integration costs (Note 8)	(6.7)	(1.5)	(10.2)	(5.6)	(24.0)
Restructuring and reorganisation costs (Note 8)	(1.2)	(0.3)	(7.0)	(4.4)	(12.9)
Subsequent remeasurement of contingent consideration (Note 8)	(0.2)	–	–	0.3	0.1
Operating profit	126.2	154.1	47.2	17.2	344.7
Loss on disposal of businesses (Note 21)					(17.4)
Investment income (Note 11)					0.2
Finance costs (Note 12)					(59.3)
Profit before tax					268.2

1. Excludes acquired intangible product development and software amortisation.
2. 2017 restated for implementation of IFRS 15 (see Note 4).

6. Business segments continued

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Adjusted operating result by operating segment is the measure reported to the Executive Directors for the purpose of resource allocation and assessment of segment performance. Finance costs and investment income are not allocated to segments, as this type of activity is driven by the central Treasury function, which manages the cash positions of the Group.

Segment assets

	31 December 2018 £m	31 December 2017 (restated)[1] £m
Academic Publishing	**1,022.5**	1,141.9
Business Intelligence	**1,127.4**	1,111.5
Global Exhibitions	**1,803.3**	1,877.8
Knowledge & Networking	**517.2**	550.4
UBM	**6,186.7**	–
Total segment assets	**10,657.1**	4,681.6
Unallocated assets	**308.9**	135.5
Total assets	**10,966.0**	4,817.1

1. 2017 restated for implementation of IFRS 15 (see Note 4).

For the purpose of monitoring segment performance and allocating resources between segments, the Group monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments except for certain centrally held balances and held for sale assets, including some intangible software assets relating to Group infrastructure, balances receivable from businesses sold and taxation (current and deferred). Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

Segment revenue by type

The Group's revenues from its major products and services were as follows:

Year ended 31 December 2018

	Global Exhibitions £m	Academic Publishing £m	Business Intelligence £m	Knowledge & Networking £m	UBM[2] £m	Total £m
Exhibitor	**408.8**	**–**	**–**	**40.6**	**471.7**	**921.1**
Subscriptions	**–**	**282.3**	**286.1**	**–**	**14.7**	**583.1**
Unit sales	**–**	**250.9**	**29.0**	**–**	**–**	**279.9**
Attendee	**61.6**	**–**	**–**	**107.0**	**57.9**	**226.5**
Marketing and advertising services	**63.7**	**–**	**70.5**	**39.4**	**45.6**	**219.2**
Sponsorship	**41.7**	**–**	**–**	**74.4**	**23.6**	**139.7**
Total	**575.8**	**533.2**	**385.6**	**261.4**	**613.5**	**2,369.5**

Year ended 31 December 2017[1]

	Global Exhibitions £m	Academic Publishing £m	Business Intelligence £m	Knowledge & Networking £m	Total £m
Exhibitor	385.9	–	–	47.3	433.2
Subscriptions	–	279.1	287.6	–	566.7
Unit sales	–	250.9	27.1	–	278.0
Attendee	57.5	–	–	119.7	177.2
Marketing and advertising services	71.3	–	68.7	42.0	182.0
Sponsorship	45.7	–	–	74.0	119.7
Total	560.4	530.0	383.4	283.0	1,756.8

1. 2017 restated for classification changes including the implementation of IFRS 15 (see Note 4).
2. UBM segment results are for the post-acquisition period to 31 December 2018 (see Note 18).

Geographic information

The Group's revenue by location of customer and information about its segment assets by geographic location are detailed below:

	Revenue		Segment assets	
	2018 £m	2017 (restated)[1] £m	2018 £m	2017 (restated)[1] £m
UK	**182.2**	**153.1**	7,352.1	1,386.7
Continental Europe	**297.8**	**236.7**	68.2	69.7
North America	**1,135.5**	**939.1**	3,226.0	3,080.9
China (including Hong Kong)	**317.2**	**77.1**	124.6	98.4
Rest of World	**436.8**	**350.8**	195.1	181.4
	2,369.5	**1,756.8**	10,966.0	4,817.1

1. 2017 restated for implementation of IFRS 15 (see Note 4).

No individual customer contributes more than 10% of the Group's revenue in either 2018 or 2017.

7. Operating profit

Operating profit has been arrived at after charging/(crediting):

	Notes	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m	Adjusted results (restated)[1] 2017 £m	Adjusting items (restated)[1] 2017 £m	Statutory results (restated)[1] 2017 £m
Cost of sales		**780.8**	**–**	**780.8**	537.2	–	537.2
Staff costs (excluding adjusting items)	9	**596.8**	**–**	**596.8**	467.8	–	467.8
Amortisation of other intangible assets	17	**42.5**	**243.6**	**286.1**	24.8	157.8	182.6
Impairment – goodwill	8	**–**	**–**	**–**	–	3.4	3.4
Impairment – intangibles	8	**–**	**9.8**	**9.8**	–	2.2	2.2
Depreciation	19	**13.1**	**–**	**13.1**	9.2	–	9.2
Acquisition-related costs	8	**–**	**42.9**	**42.9**	–	4.4	4.4
Integration-related costs[2]	8	**–**	**46.0**	**46.0**	–	19.6	19.6
Restructuring and reorganisation costs	8	**–**	**13.1**	**13.1**	–	12.9	12.9
Subsequent remeasurement of contingent consideration	8	**–**	**(0.1)**	**(0.1)**	–	(0.1)	(0.1)
Operating lease expense							
– Land and buildings	38	**35.0**	**–**	**35.0**	26.7	–	26.7
– Other	38	**1.0**	**–**	**1.0**	1.1	–	1.1
UAE VAT charge	8	**–**	**9.1**	**9.1**	–	–	–
GMP equalisation	8	**–**	**4.5**	**4.5**	–	–	–
Net foreign exchange loss		**7.6**	**–**	**7.6**	4.9	–	4.9
Auditor's remuneration for audit services		**3.2**	**–**	**3.2**	2.1	–	2.1
Other operating expenses		**158.4**	**–**	**158.4**	138.1	–	138.1
Total net operating expenses before joint ventures and associates		**1,638.4**	**368.9**	**2,007.3**	1,211.9	200.2	1,412.1

1. 2017 restated for implementation of IFRS 15 (see Note 4).
2. Integration costs include £3.8m of impairment of other intangible assets.

7. Operating profit continued

Amounts payable to the auditor and its associates, Deloitte LLP, by the Company and its subsidiary undertakings are provided below:

	2018 £m	2017 £m
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	2.4	1.7
Fees payable to the Company's auditor and its associates for other services to the Group:		
Audit of the Company's subsidiaries	0.8	0.4
Total audit fees	3.2	2.1
Fees payable to the Company's auditor for non-audit services comprises:		
Transaction support services	2.6	–
Half-year review	0.2	0.1
Taxation services	–	0.1
Other services	–	0.1
Total non-audit fees[1]	2.8	0.3

1. In addition to these amounts for 2018 there were non-audit fees totalling £1.6m for UBM fees paid to the Company's auditors in the pre-acquisition period from 1 January 2018 to 14 June 2018. These related to £1.5m of spend supporting the development of the global Sales Solution (Salesforce) as part of the Events First Strategy, and the change management of the global marketing model within the Events First Sales and Marketing programme. The remaining £0.1m is related to spend on tax and other services which were concluded in accordance with applicable independence guidelines.

Fees payable to Deloitte LLP and its associates for non-audit services to the Company are included in the consolidated disclosures above.

The Audit Committee approves all non-audit services within the Company's policy. The Audit Committee approved the use of the auditor for transaction support services in relation to the reporting requirements associated with the Company's acquisition of UBM plc, having concluded that the auditor was best placed to perform these services due to its knowledge of the Company and the timescales involved.

The Committee considers that certain non-audit services should be provided by the external auditor, because its existing knowledge of the business makes this the most efficient and effective way for those non-audit services to be carried out. In 2018 the non-audit fees paid to Deloitte, excluding any pre-acquisition Deloitte fees incurred by UBM in 2018, totalled £2.8m (2017: £0.3m), which represented 88% (2017: 14%) of the 2018 audit fee. The majority of non-audit fees in 2018 related to the UBM project where there was £2.6m of accounting services required for the UBM acquisition. In awarding this non-audit work to Deloitte, the Committee took account of Deloitte's knowledge of the Group as auditor, the benefits of Deloitte reviewing the financial data in detail before the announcement, and considered Deloitte able to provide an effective service.

In the prior year, other services relate to services provided by Market Gravity Limited, a training organisation which was acquired by Deloitte on 31 May 2017. Market Gravity Limited was contracted by Informa, prior to the acquisition by Deloitte, to support in delivering the London Tech Week Innovation Mini MBA from 12–16 June. **Knowledge & Networking** engaged Market Gravity Limited for a further three events in 2017.

A description of the work of the Audit Committee is set out in the Corporate Governance Statement on pages 107 to 112 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor. No services were provided under contingent fee arrangements.

8. Adjusting items

The Board considers certain items should be recognised as adjusting items since, due to their nature or infrequency, such presentation is relevant to an understanding of the Group's performance. These items do not relate to the Group's underlying trading and are adjusted from the Group's adjusted operating profit measure. The following charges/(credits) are presented as adjusting items:

	Notes	2018 £m	2017 £m
Intangible amortisation and impairment			
Intangible asset amortisation	17	**243.6**	157.8
Impairment – goodwill	16	**–**	3.4
Impairment – acquisition-related intangible assets	17	**9.8**	2.2
Acquisition costs	7	**42.9**	4.4
Integration costs	7	**46.0**	19.6
Restructuring and reorganisation costs	7		
Redundancy costs		**7.3**	5.7
Reorganisation costs		**0.8**	1.0
Vacant property costs		**5.0**	6.2
Subsequent re measurement of contingent consideration	7	**(0.1)**	(0.1)
UAE VAT charge		**9.1**	–
GMP equalisation charge	34	**4.5**	–
Adjusting items in operating profit		**368.9**	200.2
(Profit)/loss on disposal of subsidiaries and operations	21	**(1.1)**	17.4
Investment income	11	**(1.2)**	
Finance costs	12	**1.0**	–
Adjusting items in profit before tax		**367.6**	217.6
Tax related to adjusting items	13	**(55.7)**	(62.6)
Tax adjusting item for US federal tax reform	13	**–**	(85.4)
Adjusting items in profit for the year		**311.9**	69.6

The principal adjusting items are in respect of:

- intangible asset amortisation – the amortisation charges in respect of intangible assets acquired through business combinations or the acquisition of trade and assets;
- impairment – the Group tests for impairment on an annual basis or more frequently when an indicator exists. Impairment charges are individually disclosed and are excluded from adjusted results;
- acquisition costs are the costs and fees incurred by the Group in acquiring businesses and totalled £42.9m, with £41.1m relating to the UBM plc acquisition and £1.8m for other acquisitions;
- integration costs related to the costs incurred by the Group in integrating share and asset acquisitions. Integration costs totalled £46.0m, with £39.5m relating to the acquisition of UBM plc;
- restructuring and reorganisation costs – these costs are incurred by the Group in business restructuring and operating model changes. These include vacant property costs arising from restructuring activities;
- subsequent remeasurement of contingent consideration is recognised in the year as a charge or credit to the Consolidated Income Statement unless qualifying as a measurement period adjustment arising within one year from the acquisition date;
- following the introduction of Value Added Tax on 1 January 2018 in the UAE the Group identified and reported an underpayment during 2018 and made a correcting payment. In January 2019 the UAE tax authorities assessed a tax penalty of £9.1m in relation to the late payment. The Group is disputing this penalty assessment; however, an amount of £9.1m has been provided for within adjusting items in the year;
- GMP equalisation charge relates to the additional pension liability arising in the UK from the requirement to equalise the guaranteed element of pensions as described in Note 34;
- profit on disposal of subsidiaries and operations – the profit on disposal primarily relates to the £5.4m profit on disposal from the release of indemnity provisions associated with the disposal of PR Newswire that UBM plc completed in 2016, partly offset by the £3.3m loss on disposal of ehi Live, see Note 21 for further details;
- investment income of £1.2m relates to the fair value gain on derivatives relating to the EMTN during the unhedged period (see Note 11);
- finance costs of £1.0m relate to the one-off refinancing costs associated with the UBM plc acquisition (see Note 12); and
- the tax items relate to the tax effect on the items above and are analysed in Note 13.

9. Staff numbers and costs

The monthly average number of persons employed by the Group (including Directors) during the year, analysed by segment, was as follows:

	Number of employees	
	2018	2017
Academic Publishing	**2,205**	2,137
Business Intelligence	**2,338**	2,549
Global Exhibitions	**1,772**	1,519
Knowledge & Networking	**1,241**	1,334
UBM[1]	**2,276**	–
Total	**9,832**	7,539

1. The average number of persons for UBM represents the average number for the period of ownership divided by 12 months. If UBM had been owned for the whole year the average would have been approximately 3,639 and the total for the Group would have been 11,195.

Their aggregate remuneration comprised:

	2018 £m	2017 £m
Wages and salaries	**526.2**	413.3
Social security costs	**46.2**	37.0
Pension costs associated with staff charged to adjusted operating profit (Note 34)	**15.3**	10.6
Share-based payments (Note 10)	**9.1**	6.9
Staff costs (excluding adjusting items)	**596.8**	467.8
Redundancy costs	**7.3**	5.7
GMP equalisation charge (Note 34)	**4.5**	–
	608.6	473.5

The remuneration of Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures* (Note 39). Further information about the remuneration of individual Directors is provided in the audited part of the Remuneration Report on pages 113 to 125.

	2018 £m	2017 £m
Short-term employee benefits	**4.1**	3.7
Post-employment benefits	**0.3**	0.3
Share-based payments (Note 10)	**2.0**	1.7
	6.4	5.7

10. Share-based payments

The Group recognised total expenses of £9.1m (2017: £6.9m) related to share-based payment transactions in the year ended 31 December 2018 with £7.1m (2017: £4.8m) relating to equity-settled LTIPs, £1.0m (2017: £0.6m) relating to equity-settled ShareMatch and £1.0m (2017: £1.5m) relating to cash-settled awards.

The Group's Long-Term Incentive Plans (LTIP) provide for nil-cost options and have a grant price used in the valuation of the awards equal to the closing share price from the day prior to the grant date. The performance period is three years starting with the year in which the grant is made. LTIP awards are conditional share awards with specific performance conditions. To the extent that they are met or satisfied then awards will be exercisable following the end of the relevant performance period. LTIP allocations are equity-settled and will lapse if the colleague leaves the Group before an LTIP grant is exercisable, unless the employee meets certain eligibility criteria.

Long-Term Incentive Plans

The 2018 LTIP award was granted on 22 March 2018, with the 2017 LTIP award granted on 15 March 2017 and the 2016 LTIP award granted on 17 March 2016. The performance conditions for each of these awards to Executive Directors are relative total shareholder return (TSR for FTSE 51–150 constituents, excluding financial services and commodities), earnings per share (EPS) and compound annual growth rate (CAGR).

The movement during the year is as follows:

	2018 Number of options	2017 Number of options
Outstanding at 1 January	**2,931,757**	2,897,323
LTIPs granted in the year	**2,354,031**	1,223,006
LTIPs exercised in the year	**(161,878)**	(279,035)
LTIPs lapsed in the year	**(51,020)**	(909,537)
Outstanding at 31 December	**5,072,890**	2,931,757
Exercisable awards included in outstanding number at 31 December	**1,182,939**	414,227

The TSR award components of the LTIPs were valued using a Monte Carlo simulation model. The inputs into the Monte Carlo simulation model for the LTIP performance conditions are:

	Share price at grant date[1]	Expected volatility	Expected life (years)[2]	Risk-free rate
8 September 2014	£4.77	20.0%	3	0.9%
13 February 2015	£4.86	21.0%	3	0.8%
17 March 2016	£6.37	20.4%	3	0.6%
15 March 2017	£6.52	20.0%	3	0.1%
22 March 2018	£7.19	19.1%	3	0.9%

1. Share price at grant restated for bonus element of 2016 rights issue.
2. From 1 January of year in which grant was made.

In order to satisfy share awards granted under the LTIP, the share capital would need to be increased by 4,508,800 shares (2017: 2,543,639 shares) taking account of the 564,091 shares (2017: 388,118 shares) held in the Employee Share Trust (Note 36). The Company will satisfy the awards either through the issue of additional share capital or the purchase of shares as needed on the open market. The weighted average share price during the year was £7.40 (2017: £6.81).

Expected volatility was determined by calculating the historical volatility of the Group's share price over one, two and three years back from the date of grant. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

10. Share-based payments continued

ShareMatch (Share Incentive Plan)

In June 2014, the Company launched ShareMatch, a global Share Incentive Plan (tax qualifying in the UK), under which eligible colleagues can invest up to the limit of £1,800 per annum in the Company's shares. The Scheme includes a matching element, whereby for every one share purchased by the colleague, the Company will award the participant one matching share. Matching shares are subject to forfeiture if the purchased shares are withdrawn from the Scheme within three years of purchase or if the colleague leaves the Group, unless the reason for leaving is due to restructuring or retirement. In addition, both the purchased and matching shares are eligible to receive any dividends payable by the Company, which are reinvested in more shares. Employee subscriptions can be made on a monthly or one-off lump sum basis and matching shares are purchased on a monthly basis, through a UK Trust. Further details are set out in the remuneration section of the financial statements.

	2018 ShareMatch Number of share awards	2017 ShareMatch Number of share awards
Outstanding at 1 January	**273,560**	141,814
Purchased in the year	**178,148**	147,785
Transferred to participants in the year	**(39,896)**	(16,039)
Outstanding at 31 December	**411,812**	273,560

11. Investment income

	2018 £m	2017 £m
Interest income on bank deposits	**3.8**	0.2
Fair value gain on financial instruments through the income statement	**3.2**	–
Investment income before adjusting items	**7.0**	0.2
Adjusting item: fair value gain on derivatives associated with EMTN borrowings	**1.2**	–
Total investment income	**8.2**	0.2

12. Finance costs

	Note	**2018 £m**	2017 £m
Interest expense on borrowings and loans[1]		**87.6**	58.1
Interest cost on pension scheme net liabilities	34	**1.1**	1.1
Total interest expense		**88.7**	59.2
Fair value loss on financial instruments through the income statement		**0.7**	0.1
Financing costs before adjusting items		**89.4**	59.3
Adjusting item: financing expense associated with UBM plc acquisition[2]		**1.0**	–
Total financing expense		**90.4**	59.3

1. Included in interest expense above is the amortisation of debt issue costs of £2.5m (2017: £2.2m).
2. The adjusting item for finance income relates to a £1.0m charge related to the amortisation of the fees associated with the UBM plc Revolving Credit Facility that was repaid in June 2018.

13. Taxation

The tax charge/(credit) comprises:

	2018 £m	2017 (restated)[1] £m
Current tax:		
UK	40.5	30.7
Continental Europe	13.4	(0.6)
US – excluding US federal tax reform	(7.9)	3.4
US – charge arising from US federal tax reform	–	9.2
China (including Hong Kong)	26.2	3.9
Rest of World	9.3	4.3
Current year	81.5	50.9
Deferred tax:		
Current year	(21.0)	(0.9)
Credit arising from US federal tax reform	–	(94.6)
Credit arising from UK Corporation Tax rate change	–	(0.4)
Total deferred tax	(21.0)	(95.9)
Total tax charge/(credit) on profit on ordinary activities	60.5	(45.0)

1. 2017 restated for implementation of IFRS 15 (see Note 4).

The tax adjusting items within the Consolidated Income Statement relates to the following:

	Notes	Gross 2018 £m	Tax 2018 £m	Gross 2017 £m	Tax 2017 £m
Amortisation of other intangible assets	8	(243.6)	55.2	(157.8)	58.6
Deferred tax charge arising from revised treatment of certain non-UK intangible assets		–	–	–	(3.1)
Benefit of goodwill amortisation for tax purposes only		–	(15.1)	–	(12.7)
Impairment of goodwill and intangibles	8	(9.8)	2.1	(5.6)	–
Acquisition and integration related costs	8	(88.9)	9.6	(24.0)	9.3
Restructuring and reorganisation costs	8	(13.1)	2.9	(12.9)	3.8
Subsequent remeasurement of contingent consideration	8	0.1	–	0.1	–
UAE VAT charge	8	(9.1)	–	–	–
GMP equalisation charge	8	(4.5)	0.8	–	–
Profit/(loss) on disposal of subsidiaries and operations	21	1.1	–	(17.4)	6.3
Investment income	8	1.2	–	–	–
Finance costs	8	(1.0)	0.2	–	–
Deferred tax credit on intangible assets arising from UK Corporation Tax rate change	22	–	–	–	0.4
Tax on adjusting items		(367.6)	55.7	(217.6)	62.6
Tax adjusting item for US federal tax reform		–	–	–	85.4
Total tax adjusting items		(367.6)	55.7	(217.6)	148.0

The current and deferred tax are calculated on the estimated assessable profit for the year. Taxation is calculated in each jurisdiction based on the prevailing rates of that jurisdiction. US federal tax reform refers to the Tax Cuts and Jobs Act enacted in December 2017.

13. Taxation continued

The total tax charge/(credit) for the year can be reconciled to the accounting profit as follows:

	2018		2017 (restated)[1]	
	£m	%	£m	%
Profit before tax	282.1		268.2	
Tax charge at effective UK statutory rate of 19.0% (2017: 19.25%)	53.6	19.0	51.6	19.3
Non-deductible impairments	–	–	1.1	0.4
Other non-deductible expenses and similar items	8.0	2.8	2.0	0.7
Different tax rates on overseas profits	10.1	3.6	(3.5)	(1.3)
Adjustments for prior years	(6.1)	(2.2)	(3.0)	(1.1)
Adjustments to deferred tax on intangible assets	–	–	(0.8)	(0.3)
Acquisitions and disposals related items	12.6	4.5	(0.7)	(0.3)
Benefits from financing structures	(4.7)	(1.7)	(1.4)	(0.5)
Tax incentives and foreign tax credits	(2.4)	(0.9)	(4.6)	(1.7)
Movements in deferred tax not recognised	1.8	0.6	0.1	–
Deferred tax credit arising from UK Corporation Tax rate change	–	–	(0.4)	(0.1)
Non-taxable income	(6.8)	(2.4)	–	–
Net movement in provisions for uncertain tax positions	(5.6)	(2.0)	–	–
Net tax credit arising from US federal tax reform	–	–	(85.4)	(31.9)
Tax charge/(credit) and effective rate for the year	60.5	21.3	(45.0)	(16.8)

1. 2017 restated for implementation of IFRS 15 (see Note 4).

In addition to the income tax charge to the Consolidated Income Statement, a tax credit of £1.3m (2017: charge of £4.2m) has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

Current tax liabilities include £57.4m (2017: £12.2m) in respect of provisions for uncertain tax positions. In 2017 the European Commission announced that it would be opening a State Aid investigation into the UK's Controlled Foreign Company regime and in particular the exemption for group finance companies. Like many UK-based multinational companies, the Group has made claims in relation to this exemption and will potentially have an additional tax liability if a negative State Aid decision is upheld. The maximum amount that could become payable by the Group in relation to this matter is £37.2m. As part of the acquisition accounting relating to contingent liabilities, an amount of £8.0m has been provided in relation to UBM companies. We do not currently believe it is probable that we will ultimately have to make a payment in respect of this issue and therefore have not provided for any additional liabilities.

14. Dividends

	2018 Pence per share	2018 £m	2017 Pence per share	2017 £m
Amounts recognised as distributions to equity holders in the year:				
Final dividend for the year ended 31 December 2016	–	–	13.04p	107.4
Interim dividend for the year ended 31 December 2017	–	–	6.65p	54.8
Final dividend for the year ended 31 December 2017	13.80p	113.6	–	–
Interim dividend for the year ended 31 December 2018	7.05p	88.2	–	–
	20.85p	201.8	19.69p	162.2
Proposed final dividend for the year ended 31 December 2018 and actual dividend for the year ended 31 December 2017	14.85p	185.8	13.80p	113.7

On 28 June 2018 a special dividend payment of £59.0m was made to the former Shareholders of UBM plc, settling a dividend liability agreed to be paid prior to the acquisition date.

As at 31 December 2018, £0.1m (2017: £0.2m) of dividends were still to be paid, and total dividend payments in the year were £201.9m (2017: £162.0m). The proposed final dividend for the year ended 31 December 2018 of 14.85p (2017: 13.80p) per share is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The payment of this dividend will not have any tax consequences for the Group.

In the year ended 31 December 2018 there were dividend payments of £8.6m (2017: £2.0m) to non-controlling interests.

15. Earnings per share

Basic

The basic earnings per share calculation is based on profit attributable to equity Shareholders of the parent of £207.9m (2017: £310.8m profit, restated). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those shares held by the Employee Share Trust and ShareMatch), which is 1,052,752,894 (2017: 823,352,304).

Diluted

The diluted earnings per share calculation is based on the basic EPS calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the reporting date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 1,057,236,186 (2017: 826,146,627).

The table below sets out the adjustment in respect of dilutive potential Ordinary Shares:

	2018	2017
Weighted average number of shares used in basic earnings per share	**1,052,752,894**	823,352,304
Potentially dilutive Ordinary Shares	**4,483,292**	2,794,323
Weighted average number of shares used in diluted earnings per share	**1,057,236,186**	826,146,627

Earnings per share

In addition to basic EPS, adjusted diluted EPS calculations have been provided as this is useful additional information on underlying performance. Earnings are based on profits attributable to equity Shareholders and adjusted to exclude items that, in the opinion of the Directors, would distort underlying results with the items detailed in Note 8.

Earnings per share	**Earnings 2018 £m**	**Per share amount 2018 Pence**	Earnings 2017 (restated)[1] £m	Per share amount 2017 (restated)[1] Pence
Profit for the year	**221.6**		313.2	
Non-controlling interests	**(13.7)**		(2.4)	
Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)	**207.9**	**19.7**	310.8	37.7
Effect of dilutive potential Ordinary Shares	**–**	**–**	–	(0.1)
Earnings for the purpose of statutory diluted EPS/statutory diluted EPS (p)	**207.9**	**19.7**	310.8	37.6

1. 2017 restated for implementation of IFRS 15 (see Note 4).

15. Earnings per share continued

Adjusted earnings per share	Earnings 2018 £m	Per share amount 2018 Pence	Earnings 2017 (restated)[1] £m	Per share amount 2017 (restated)[1] Pence
Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)	**207.9**	**19.7**	310.8	37.7
Adjusting items:				
Intangible amortisation and impairment (Note 8)	**253.4**	**24.1**	163.4	19.8
Acquisition and integration costs (Note 8)	**88.9**	**8.4**	24.0	2.9
Redundancy and restructuring costs (Note 8)	**13.1**	**1.3**	12.9	1.6
Subsequent remeasurement of contingent consideration (Note 8)	**(0.1)**	**–**	(0.1)	–
UAE VAT charge	**9.1**	**0.9**	–	–
GMP equalisation	**4.5**	**0.4**	–	–
(Profit)/loss on disposal of subsidiaries and operations (Note 8)	**(1.1)**	**(0.1)**	17.4	2.2
Investment income (Note 8)	**(1.2)**	**(0.1)**	–	–
Finance costs (Note 8)	**1.0**	**0.1**	–	–
Tax related to adjusting items (Note 8)	**(55.7)**	**(5.3)**	(62.6)	(7.6)
Tax adjusting items for US federal tax reform (Note 8)	**–**	**–**	(85.4)	(10.4)
Earnings for the purpose of adjusted basic EPS/adjusted basic EPS (p)	**519.8**	**49.4**	380.4	46.2
Effect of dilutive potential Ordinary Shares	**–**	**(0.2)**	–	(0.2)
Earnings for the purpose of adjusted diluted EPS/adjusted diluted EPS (p)	**519.8**	**49.2**	380.4	46.0

1. 2017 restated for implementation of IFRS 15 (see Note 4).

16. Goodwill

	£m
Cost	
At 1 January 2017	2,892.1
Additions in the year	114.6
Disposals	(101.4)
Exchange differences	(173.0)
At 1 January 2018	**2,732.3**
Additions in the year (Note 18)	**3,499.2**
Disposals	**(2.2)**
Transfer to held for sale	**(31.4)**
Exchange differences	**160.4**
At 31 December 2018	**6,358.3**
Accumulated impairment losses	
At 1 January 2017	(192.6)
Impairment losses for the year (Note 8)	(3.4)
Disposals	67.8
Exchange differences	4.1
At 1 January 2018	**(124.1)**
Impairment losses for the year	**–**
Disposals	**1.2**
Exchange differences	**1.9**
At 31 December 2018	**(121.0)**
Carrying amount	
At 31 December 2018	**6,237.3**
At 31 December 2017	2,608.2

Impairment review

As goodwill is not amortised, it is tested for impairment annually, or more frequently if there are indicators of impairment. The impairment review took place on 31 December 2018. The testing involved comparing the carrying value of assets in each cash generating unit (CGU) at the segment level with value in use calculations or assessments of fair value less costs to sell, derived from the latest Group cash flow projections.

In 2018 there was £nil impairment of goodwill (2017: £3.4m impairment charge) and there was a £9.8m (2017: £2.2m) impairment charge in relation to intangible assets arising on acquisition of businesses or assets, with £5.7m arising in the ICRE CGU in **Global Exhibitions** associated with a business that was subsequently sold and £4.1m in the TMT CGU in **Knowledge & Networking** associated with an event that was no longer operated in 2018.

In 2018 the Group revised the approach to impairment testing of goodwill to reflect a change in the level at which goodwill is monitored. This reflects the completion of the Group's 2014–2017 *Growth Acceleration Plan* in which the operating structure of the business changed to four market facing Operating Divisions plus the UBM Division, with monitoring of goodwill now undertaken at the segment level representing an aggregation of CGUs rather than at the individual CGU level. As 2018 is the year of change in the approach for goodwill impairment testing we have undertaken testing at both the former CGU level and the new segment level. This has involved testing for impairment at a segment level by aggregating the carrying value of assets across CGUs in each Division and at the segment level and comparing this to value in use calculations or assessments of fair value less costs to sell, derived from the latest Group cash flow projections.

Following this change, there were five groups of CGUs for goodwill impairment testing and segment reporting in 2018. The carrying amount of goodwill recorded in the CGU groups is set out below:

CGU groups	2018 Number of CGUs	2017 Number of CGUs	2018 £m	2017 £m
Academic Publishing	1	1	541.4	527.4
Business Intelligence	6	6	811.6	766.1
Global Exhibitions	11	12	1,037.5	983.4
Knowledge & Networking	4	7	342.4	331.3
UBM	1	–	3,504.4	–
	23	26	6,237.3	2,608.2

The recoverable amounts of the CGU groups are determined as the greater of the value in use calculations or fair value less costs to sell, which are based on the cash flow projections for each CGU group. The key assumptions are those regarding the revenue and operating margin growth rates together with the long-term growth rate and the discount rate applied to the forecast cash flows.

Estimated future cash flows are determined by reference to the budget for the year following the balance sheet date and forecasts for the following two years, after which a long-term perpetuity growth rate is applied. The most recent financial budget approved by the Board of Directors has been prepared after considering the current economic environment in each of our markets.

	Long-term market growth rates		Pre-tax discount rates	
Key assumptions	2018	2017	2018	2017
Academic Publishing	2.2%	2.5%	9.6%	9.9%
Business Intelligence	2.1%	2.0–2.5%	10.1%	10.2–10.5%
Global Exhibitions	2.4%	1.7–3.9%	10.5%	7.2–12.9%
Knowledge & Networking	2.1%	1.7–2.5%	9.3%	9.2–11.8%
UBM	2.4%	n/a	10.4%	n/a

The pre-tax discount rates used in the value in use calculations reflect the Group's assessment of the current market and other risks specific to the CGUs. Long-term growth rates are applied after the forecast period. Long-term growth rates are based on external reports on long-term CPI inflation rates for the geographic market in which each CGU operates and therefore do not exceed the long-term average growth prospects for the individual markets.

16. Goodwill continued

The Group has undertaken a sensitivity analysis taking into consideration the impact on changes to key impairment test assumptions arising from a range of possible future trading and economic scenarios including the potential impact of Brexit. These have been applied across all CGUs and CGU groups. For the UBM CGU an increase in the pre-tax discount rate by 0.6%, or a decrease in the terminal growth rate of 0.7%, or a reduction to the operating profit growth rate of 6.4%, reduces the headroom to nil. There were no impairments to other CGUs or CGU groups under the following scenarios, which are summarised as follows:

- An increase in the pre-tax discount rate by 1%
- A decrease in the terminal growth rate by 0.5%
- A decrease in the operating profit growth rate by 5%
- An increase in the pre-tax discount rate by 1% and a decrease in the terminal growth rate by 0.5%

17. Other intangible assets

	Publishing book lists and journal titles £m	Database and intellectual property, brand and customer relationships £m	Exhibitions and conferences, brand and customer relationships £m	Sub-total £m	Intangible software assets £m	Product development[1] £m	Total £m
Cost							
At 1 January 2017	911.4	567.3	1,385.0	2,863.7	156.1	50.9	3,070.7
Disposals following review of register	–	(1.7)	(13.0)	(14.7)	–	–	(14.7)
Arising on acquisition of subsidiaries and operations	14.4	14.9	90.1	119.4	0.1	0.8	120.3
Additions	7.8	6.3	18.1	32.2	49.6	12.7	94.5
Reclassification	–	(3.0)	3.0	–	(2.4)	2.4	–
Disposals	–	(0.2)	(0.6)	(0.8)	(0.4)	(0.1)	(1.3)
Disposal of subsidiaries	(19.0)	(10.8)	(3.8)	(33.6)	(0.7)	–	(34.3)
Exchange differences	(46.2)	(34.7)	(111.0)	(191.9)	(5.5)	(3.2)	(200.6)
At 1 January 2018	**868.4**	**538.1**	**1,367.8**	**2,774.3**	**196.8**	**63.5**	**3,034.6**
Arising on acquisition of subsidiaries and operations	**–**	**61.2**	**2,270.7**	**2,331.9**	**21.2**	**–**	**2,353.1**
Additions[2]	**1.2**	**0.8**	**14.7**	**16.7**	**31.4**	**6.2**	**54.3**
Disposals	**–**	**–**	**(6.8)**	**(6.8)**	**(1.3)**	**(0.5)**	**(8.6)**
Transfer to held for sale (Note 26)	**–**	**–**	**(35.5)**	**(35.5)**	**–**	**–**	**(35.5)**
Exchange differences	**27.1**	**58.4**	**70.6**	**156.1**	**4.4**	**2.0**	**162.5**
At 31 December 2018	**896.7**	**658.5**	**3,681.5**	**5,236.7**	**252.5**	**71.2**	**5,560.4**
Amortisation							
At 1 January 2017	(410.5)	(474.2)	(300.0)	(1,184.7)	(68.7)	(15.2)	(1,268.6)
Disposals following review of register	–	1.7	13.0	14.7	–	–	14.7
Charge for the year	(51.3)	(15.5)	(91.0)	(157.8)	(16.0)	(8.8)	(182.6)
Impairment losses	(2.0)	(0.1)	(0.1)	(2.2)	–	–	(2.2)
Reclassification	–	0.1	(0.1)	–	–	–	–
Disposals	–	0.1	0.5	0.6	0.3	–	0.9
Disposal of subsidiaries	14.7	10.8	2.6	28.1	0.7	–	28.8
Exchange differences	22.5	29.1	19.9	71.5	2.9	1.4	75.8
At 1 January 2018	**(426.6)**	**(448.0)**	**(355.2)**	**(1,229.8)**	**(80.8)**	**(22.6)**	**(1,333.2)**
Charge for the year	**(52.7)**	**(52.9)**	**(138.0)**	**(243.6)**	**(27.8)**	**(14.7)**	**(286.1)**
Impairment losses (Note 16)	**–**	**–**	**(9.8)**	**(9.8)**	**–**	**(3.8)**	**(13.6)**
Disposals	**–**	**–**	**3.9**	**3.9**	**2.1**	**0.5**	**6.5**
Transfer to held for sale (Note 26)	**–**	**–**	**1.2**	**1.2**	**–**	**–**	**1.2**
Exchange differences	**(15.1)**	**(22.6)**	**(11.3)**	**(49.0)**	**(3.0)**	**(1.2)**	**(53.2)**
At 31 December 2018	**(494.4)**	**(523.5)**	**(509.2)**	**(1,527.1)**	**(109.5)**	**(41.8)**	**(1,678.4)**
Carrying amount							
At 31 December 2018	**402.3**	**135.0**	**3,172.3**	**3,709.6**	**143.0**	**29.4**	**3,882.0**
At 31 December 2017	441.8	90.1	1,012.6	1,544.5	116.0	40.9	1,701.4

1. All product development in 2018 and 2017 is internally generated.
2. Additions includes business asset additions and product development. Of the £54.3m total additions, the Consolidated Cash Flow Statement shows £57.4m for these items with £30.2m for intangible software assets, £6.2m for product development and £21.0m for titles, Brands and customer relationships.

Intangible software assets includes a gross carrying amount of £208.4m (2017: £171.0m) and accumulated amortisation of £95.7m (2017: £68.0m) which relates to software that has been internally generated. The Group does not have any of its intangible assets pledged as security over bank loans.

18. Business combinations

Cash paid on acquisition net of cash acquired	Segment	2018 £m	2017 £m
Current period acquisitions			
UBM plc	UBM	509.3	–
ICON Advisory Group, Ltd	Business Intelligence	42.7	–
CitiExpo	Global Exhibitions	7.0	–
ECMI ITE	UBM	3.2	–
Other		0.1	–
		562.3	–
Prior period acquisitions			
2017 acquisitions:			
Yachting Promotions, Inc. (YPI)	Global Exhibitions	–	111.1
Dove Medical Press Limited	Academic Publishing	0.6	43.0
Futurum Media Limited	Knowledge & Networking	5.0	1.6
Skipta, LLC	Business Intelligence	1.4	4.6
Guangzhou Informa Yi Fan Exhibitions Co., Limited	Global Exhibitions	0.4	4.2
Karnac Books Limited	Academic Publishing	0.4	3.9
New AG International Sarl	Knowledge & Networking	2.5	5.5
Mapa International Limited	Business Intelligence	0.2	2.0
Other		3.9	5.7
2010-2016 acquisitions:			
Penton		16.9	(4.5)
Other		–	16.1
Total prior period acquisitions		31.3	193.2
Total cash paid in year net of cash acquired		593.6	193.2

18. Business combinations continued

Acquisitions

The provisional amounts recognised in respect of the estimated fair value of identifiable assets and liabilities for the acquisitions made in 2018 and payments made in 2018 relating to prior year acquisitions was:

	UBM plc £m	ICON Advisory Group, Ltd £m	Other acquisitions £m	Prior year acquisitions and deferred consideration £m	Total £m
Intangibles	2,315.7	22.0	15.5	–	2,353.2
Property and equipment	30.1	0.1	–	–	30.2
Investments in joint ventures and associates	16.5	–	–	–	16.5
Deferred tax assets	2.6	–	–	–	2.6
Retirement benefit surplus	6.0	–	–		6.0
Trade and other receivables	225.6	0.6	1.1	–	227.3
Cash and cash equivalents	134.2	1.6	6.7	–	142.5
Current tax liabilities	(66.0)	–	(0.3)	–	(66.3)
Trade and other payables[1]	(213.8)	(0.7)	(4.2)	–	(218.7)
Deferred income	(426.9)	(0.2)	–	–	(427.1)
Provisions	(44.8)	–	–	31.3	(13.5)
Retirement benefit obligation	(0.9)	–	–	–	(0.9)
Derivative liabilities	(17.1)	–	–	–	(17.1)
Borrowings including derivatives associated with borrowings	(702.6)	–	–	–	(702.6)
Deferred tax liabilities	(370.2)	–	(6.8)	–	(377.0)
Identifiable net assets acquired	888.4	23.4	12.0	31.3	955.1
Put options over non-controlling interests	6.6	–	–	–	6.6
Non-controlling interest	(175.8)	–	(1.0)	–	(176.8)
Goodwill	3,470.8	20.9	7.5	–	3,499.2
Total consideration	4,190.0	44.3	18.5	31.3	4,284.1
Satisfied by:					
Cash consideration	643.5	44.3	17.0	–	704.8
Deferred and contingent cash consideration	–	–	1.5	31.3	32.8
Deferred consideration	1.4	–	–	–	1.4
Initial share consideration	3,545.1	–	–	–	3,545.1
Total consideration	4,190.0	44.3	18.5	31.3	4,284.1
Net cash outflow arising on acquisitions:					
Initial cash consideration	643.5	44.3	17.0	–	704.8
Deferred and contingent consideration paid	–	–	–	31.3	31.3
Less: net cash acquired	(134.2)	(1.6)	(6.7)	–	(142.5)
Net cash outflow arising on acquisitions	509.3	42.7	10.3	31.3	593.6

1. Included within trade and other payables was £59.0m paid to former UBM Shareholders on 28 June 2018.

Business combinations made in 2018

UBM plc

On 15 June 2018, the Group acquired 100% of the issued share capital of UBM plc. Total consideration was £4,190.0m, of which £643.5m was paid in cash, £3,545.1m was settled by the issue of 427,536,794 shares in Informa PLC at a price of £8.29 per share, and there was £1.4m of deferred consideration relating to the costs to settle share save scheme awards that were exercised after the acquisition date, with £2.5m of deferred consideration settled in shares and cash less £1.1m of SAYE option proceeds. There was cash acquired of £134.2m and debt acquired at fair value of £702.6m including associated derivatives.

The provisional fair value of the identifiable assets acquired, and liabilities assumed, at the acquisition date are shown below:

	Book value[1] £m	Provisional fair value adjustments £m	Provisional fair value £m
Intangibles	27.9	2,287.8	2,315.7
Property and equipment	30.1	–	30.1
Investment in joint ventures and associates	17.1	(0.6)	16.5
Deferred tax assets	86.3	(83.7)	2.6
Retirement benefit surplus	6.0	–	6.0
Trade and other receivables	229.0	(3.4)	225.6
Cash and cash equivalents	134.2	–	134.2
Current tax liabilities	(58.0)	(8.0)	(66.0)
Trade and other payables	(213.8)	–	(213.8)
Deferred income	(426.9)	–	(426.9)
Provisions	(41.2)	(3.6)	(44.8)
Retirement benefit obligation	(0.9)	–	(0.9)
Derivative liabilities	(17.1)	–	(17.1)
Borrowings including derivatives associated with borrowings	(688.6)	(14.0)	(702.6)
Deferred tax liabilities	–	(370.2)	(370.2)
Identifiable net assets acquired	(915.9)	1,804.3	888.4
Put options over non-controlling interests	6.6	–	6.6
Non-controlling interest	(32.9)	(142.9)	(175.8)
Provisional goodwill			3,470.8
Total consideration			4,190.0
Consideration			
Cash			643.5
Share consideration			3,545.1
Deferred consideration			1.4
Total			4,190.0

1. Book value excludes UBM goodwill, acquisition intangible assets and the related deferred tax liability on these intangibles as these amounts are replaced at acquisition date.

The fair values are described as provisional and will be finalised in the reporting for the six months ending 30 June 2019. Provisional fair values of acquisition intangibles and goodwill are based on a detailed fair value exercise, which involved support from a third party valuation specialist.

The provisional goodwill arising from the acquisition has initially been identified as relating to the following factors:

- Increased scale and industry specialisation in business-to-business information services.
- Access to new markets where Informa previously had less presence, with the benefit of global reach of the highly complementary geographic fit of the combined portfolios.
- Synergy opportunities from cost savings and incremental revenue opportunities.
- Enhanced quality of earnings as increased scale and international breadth provide resilience and greater revenue predictability.
- Greater levels of product and platform innovation facilitated increased operating and financial scale.

The provisional fair value of acquired intangible assets is £2,294.5m offset by a £6.7m fair value reduction in sales and marketing software and consolidation finance systems that will not be utilised in the combined Group. A further £3.4m of sales and marketing software work in progress was reported within trade and other receivables and is reduced to a fair value of £nil.

18. Business combinations continued

The associated deferred tax liability recognised on the acquisition intangible assets is £525.5m. Deferred tax assets of £157.9m are recognised in the 15 June 2018 Balance Sheet relating to brought forward losses and other tax attributes in the UK, US and Brazil. Of this balance, £71.6m previously not recognised by UBM as it was uncertain that they would be utilised. £2.6m of the total deferred tax asset recognised as an asset, the remainder is offset as permitted against the deferred tax liability.

A fair value decrease to joint ventures and associates of £0.6m and a fair value increase to non-controlling interests of £142.9m have been recognised with support from a third party valuation specialist. The increase in non-controlling interest is primarily driven by overseas businesses (most notably China) having been established with local partners a number of years ago.

There is a fair value provision of £8.0m in respect of the European Commission's State Aid investigation into the UK's Controlled Foreign Company regime. Further information is given in Note 13.

A fair value provision of £3.6m has been recognised for an unfavourable property contract in London.

The provisional fair value adjustment to borrowings is an increase of £14.0m to the private placement loan notes and Bond borrowings. This fair value reflects the market rate of interest on these borrowings at the acquisition date.

Acquisition costs charged to operating profit (included in adjusted items in the Consolidated Income Statement) amounted to £41.1m for adviser and related external fees.

The business generated adjusted operating profit of £202.6m, profit after tax of £21.4m, and £613.5m of revenue for the period between the date of acquisition and 31 December 2018. If the acquisition had completed on the first day of the financial year, it would have generated profit after tax of £54.8m and £988.4m of revenue for the year ended 31 December 2018.

ICON Advisory Group, Ltd

Informa purchased ICON Advisory Group, Ltd on 26 July 2018 for total consideration of £44.3m ($58.2m), settled in cash.

The provisional fair value of the identifiable assets acquired and liabilities assumed at the acquisition date are shown below:

	Book value[1] £m	Provisional fair value adjustments £m	Provisional fair value £m
Intangible assets	–	22.0	22.0
Property and equipment	0.1	–	0.1
Trade and other receivables	0.6	–	0.6
Cash and cash equivalents	1.6	–	1.6
Trade and other payables	(0.7)	–	(0.7)
Deferred income	(0.2)	–	(0.2)
Current tax liabilities	–	–	–
Identifiable net assets acquired	1.4	22.0	23.4
Provisional goodwill			20.9
Total consideration			44.3
Consideration			
Cash			44.3
Total			44.3

1. Book value excludes goodwill, acquisition intangible assets and the related deferred tax liability on these intangibles as these amounts are replaced at acquisition date.

The provisional goodwill arising from the acquisition has initially been identified as relating to the following factors:

- Providing Informa with greater presence in the growing **Business Intelligence** financial market.
- Providing a strong operational and management team to the Group.

The fair value of acquisition intangible assets was estimated to be £22.0m. No deferred tax liability has been recognised on acquisition as a result of claiming a tax deduction for goodwill and intangible assets which gives rise to a deferred tax asset equal to the deferred tax liability.

Acquisition costs charged to operating profit (included in adjusted items in the Consolidated Income Statement) amounted to £0.2m for adviser and related external fees.

The business generated an adjusted operating profit of £1.3m, profit after tax of £1.0m, and £3.1m of revenue for the period between the date of acquisition and 31 December 2018. If the acquisition had completed on the first day of the financial period, it would have incurred a profit after tax of £2.1m and generated £6.5m to the revenue of the Group for the year ended 31 December 2018.

Other business combinations made in 2018

There were three other acquisitions completed in the year ended 31 December 2018 for a total consideration of £18.5m, of which £10.3m was paid in cash, net of cash acquired of £6.7m with £1.5m of deferred consideration.

Update on deferred and contingent consideration paid in 2018 relating to business combinations completed in prior years

In the year ended 31 December 2018 there were contingent and deferred net cash payments of £31.3m relating to acquisitions completed in prior years.

There were no further adjustments made in 2018 in respect of the fair value of the acquired assets and assumed for acquisitions completed in 2017 which were disclosed in the 2017 Annual Report and Accounts.

Equity transactions

When there is a change in ownership of a subsidiary without a change in control, the difference between the consideration paid/received and the relevant share of the carrying amount of net assets acquired/disposed of the subsidiary is recorded in equity. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid is recognised directly in equity.

	2018 £m	2017 £m
Cash paid	**(5.3)**	–
Contingent consideration	**(1.0)**	–
Put option liability	**6.3**	–
Carrying amount of non-controlling interest at acquisition date	**(2.3)**	–
Recognised in equity	**(2.3)**	–

On 6 July 2018, the Group acquired the remaining 15% minority shareholding of UBM ICC Fuarcilik ve Organizasyon Ticaret A.Ş and the remaining 25% of UBM Istanbul Fuarcılık ve Gösteri Hizmetleri A.Ş. and NTSR Fuar ve Gösteri Hizmetleri A.Ş. for initial consideration of £5.3m and contingent consideration of £1.0m. This equity purchase brings the Group's total shareholding in these entities to 100%.

19. Property and equipment

	Freehold land and buildings £m	Leasehold land and buildings £m	Equipment, fixtures and fittings £m	Total £m
Cost				
At 1 January 2017	3.1	17.6	44.7	65.4
Additions[1]	–	6.0	10.3	16.3
Acquisition of subsidiaries	–	–	3.7	3.7
Disposals	–	(1.0)	(2.5)	(3.5)
Disposal of subsidiaries	–	(0.5)	(0.9)	(1.4)
Exchange differences	(0.1)	(1.0)	(2.9)	(4.0)
At 1 January 2018	**3.0**	**21.1**	**52.4**	**76.5**
Additions[1]	**–**	**15.6**	**7.8**	**23.4**
Acquisition of subsidiaries	**–**	**27.9**	**2.3**	**30.2**
Disposals	**–**	**(2.7)**	**(8.3)**	**(11.0)**
Transfer to held for sale (Note 26)	**–**	**(0.4)**	**(1.2)**	**(1.6)**
Exchange differences	**0.1**	**3.1**	**5.5**	**8.7**
At 31 December 2018	**3.1**	**64.6**	**58.5**	**126.2**
Depreciation				
At 1 January 2017	(0.3)	(7.5)	(33.5)	(41.3)
Charge for the year	(0.1)	(2.5)	(6.6)	(9.2)
Disposals	–	0.7	1.7	2.4
Disposal of subsidiaries	–	0.3	0.8	1.1
Exchange differences	–	0.4	1.9	2.3
At 1 January 2018	**(0.4)**	**(8.6)**	**(35.7)**	**(44.7)**
Charge for the year	**(0.1)**	**(5.0)**	**(8.0)**	**(13.1)**
Disposals	**–**	**2.3**	**8.2**	**10.5**
Impairment	**–**	**(2.6)**	**(0.1)**	**(2.7)**
Transfer to held for sale (Note 26)	**–**	**0.3**	**0.5**	**0.8**
Exchange differences	**(0.1)**	**(1.5)**	**(5.0)**	**(6.6)**
At 31 December 2018	**(0.6)**	**(15.1)**	**(40.1)**	**(55.8)**
Carrying amount				
At 31 December 2018	**2.5**	**49.5**	**18.4**	**70.4**
At 31 December 2017	2.6	12.5	16.7	31.8

1. £23.4m (2017: £14.7m) additions represents cash paid.

The Group does not have any of its property and equipment pledged as security over bank loans.

20. Other investments and investments in joint ventures and associates

Investments in joint ventures and associates

The carrying value of investments in joint ventures and associates is set out below:

	2018 £m	2017 £m
At 1 January	**1.5**	1.5
Arising on acquisition of subsidiaries and operations	**16.5**	–
Share of results of joint ventures and associates	**1.0**	–
Foreign exchange	**0.1**	–
At 31 December	**19.1**	1.5

The following represents the aggregate amount of the Group's share of assets, liabilities, income and expenses of the Group's joint ventures:

	100% of results 2018 £m	Group share 2018 £m	100% of results 2017 £m	Group share 2017 £m
Non-current assets	**88.4**	**16.5**	–	–
Current assets	**73.4**	**13.7**	2.8	1.4
	161.8	**30.2**	2.8	1.4
Non-current liabilities	**(48.6)**	**(9.8)**	–	–
Current liabilities	**(100.4)**	**(20.1)**	(0.9)	(0.5)
Net assets	**12.8**	**0.3**	1.9	0.9
Operating profit	**5.9**	**1.1**	0.1	–
Profit before tax	**5.9**	**1.1**	0.1	–
Profit after tax	**5.6**	**1.0**	0.1	–

The Group's investments in joint ventures at 31 December 2018 are as follows:

Company	Division	Country of incorporation and operation	Class of shares held	Shareholding or share of operation	Accounting year end
Lloyd's Maritime Information Services Limited	BI	UK	Ordinary	50%	31 December
Independent Materials Handling Exhibitions Limited	GE	UK	Ordinary	50%	31 December
Informa Tharawat LLC	K&N	State of Qatar	Ordinary	49%	31 December
Cosmosprof Shanghai Exhibitions Limited	UBM	China	Ordinary	50%	31 December
Guangdong International Exhibitions Limited	UBM	China	Ordinary	50%	31 December
Guzhen Lighting Expo Co., Ltd	UBM	China	Ordinary	51%	31 December
GML Exhibition (Thailand) Co., Ltd	UBM	China	Ordinary	49%	31 December
Games for Good Causes plc	UBM	UK	Ordinary	36%	31 December
PT Dyandra UBM International	UBM	Indonesia	Ordinary	49%	31 December
MedtecLive GmbH	UBM	Germany	Ordinary	49%	31 December

The Group's investments in associates at 31 December 2018 are as follows:

Company	Division	Country of incorporation and operation	Class of shares held	Shareholding or share of operation	Accounting year end
Pestana Management Limited[1]	K&N	Cyprus[1]	Ordinary	49%	31 December
Independent Television News Limited	UBM	UK	Ordinary	20%	31 December
PA Group	UBM	UK	Ordinary	17%	31 December

1. Pestana Management Limited is incorporated in Cyprus and operates in Russia.

Other investments

The Group's other investments at 31 December 2018 are as follows:

	2018 £m	2017 £m
At 1 January	**4.6**	1.6
Additions in year	**0.5**	3.0
At 31 December	**5.1**	4.6

Other investments include investments in unlisted equity securities and convertible loan notes which are redeemable through the issue of equity.

21. Disposal of subsidiaries and operations

During the year, the Group generated the following profit/(loss) on disposal of subsidiaries and operations:

	2018 £m	2017 £m
Delicious Living	0.2	–
ehi Live exhibition	(3.3)	–
PR Newswire	5.4	–
Euroforum conference business in Germany and Switzerland	(0.7)	15.5
Compendium Contech	–	(1.6)
Garland Science	–	(7.5)
Biotechniques	–	(19.2)
Lloyd's List Australia	–	(4.6)
Australia Bulk Handling Review	–	(0.7)
Corporate Training businesses loan recovery	–	0.6
Other operations (loss)/profit on disposal	(0.5)	0.1
Profit/(loss) for the year from disposal of subsidiaries and operations	**1.1**	(17.4)

On 17 September 2018, the Group disposed of the ehi Live exhibition and recorded a loss on disposal of £3.3m. In August 2018, there was a £5.4m profit on disposal relating to the release of indemnity provisions associated with the 2016 disposal of PR Newswire by UBM plc. On 19 June 2018, there was a loss on disposal of £0.7m relating to a payment for the finalisation of working capital amounts in relation to the 2017 disposal of Euroforum.

22. Deferred tax

	Consolidated Balance Sheet at 31 December		Consolidated Income Statement year ended 31 December	
Deferred tax liabilities	2018 £m	2017 £m	2018 £m	2017 £m
Accelerated capital allowances	(3.0)	2.7	0.9	(0.2)
Intangibles	764.5	306.6	(34.1)	(146.2)
Pensions (Note 34)	(7.5)	(5.8)	(0.5)	(0.1)
Losses	(120.4)	(45.6)	14.8	46.3
Other	(35.3)	(15.9)	(2.1)	4.3
	598.3	242.0	**(21.0)**	(95.9)

The movement in deferred tax balance during the year is:

	2018 £m	2017 £m
Net deferred tax liability at 1 January	242.0	335.5
(Credit)/charge to other comprehensive income for the year	(1.3)	4.2
Acquisitions and additions	373.8	26.4
Disposal	(0.4)	–
Transfer to held for sale	(8.7)	–
Credit to profit or loss for the year excluding US federal tax reform	(21.0)	(4.3)
Credit to profit or loss for the year arising from US federal tax reform	–	(94.6)
Credit to profit or loss for the year arising from UK Corporation Tax rate change	–	(0.4)
Other rate change movements	–	(0.7)
Foreign exchange movements	13.9	(24.1)
Net deferred tax liability at 31 December	**598.3**	242.0

Certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for the Consolidated Balance Sheet.

	2018 £m	2017 £m
Deferred tax liability	620.3	251.0
Deferred tax asset	(22.0)	(9.0)
	598.3	242.0

Deferred tax assets have been recognised because, based on the Group's current forecasts, it is expected that there will be taxable profits against which these assets can be utilised.

The Finance Act 2016 enacted a reduction in the UK Corporation Tax rate to 17.0% from 1 April 2020. Deferred tax has been provided on UK temporary timing differences at the UK rate at which they are expected to reverse.

The Group has the following unused tax losses in respect of which no deferred tax assets have been recognised:

- £270.8m (2017: £nil) of UK tax losses.
- £109.7m (2017 £2.2m) of US federal tax losses which expire between 2019 and 2038. In addition, there are unrecognised deferred tax assets in respect of US state tax losses of £5.4m (2017: £4.0m).
- £251.6m (2017: £nil) of UK capital losses which are only available for offset against future capital gains.
- £5.0m (2017: £37.9m) of US capital losses which are only available for offset against future capital gains.
- £7.5bn (2017: £nil) of Luxembourg tax losses.
- £36.1m (2017: £41.9m) of Brazilian tax losses.
- £40.4m (2017: £29.0m) of tax losses in other countries.

No deferred tax has been recognised in respect of these tax losses as it is not considered probable that these losses will be utilised.

In addition, the Group has unrecognised deferred tax assets in relation to other deductible temporary differences of £2.6m (2017: £nil). No deferred tax assets have been recognised in respect of these amounts as it is not considered probable that they will be utilised.

At the reporting date, deferred tax liabilities of £0.7m (2017: £nil) have been recognised in respect of withholding tax on post-acquisition undistributed earnings of the Group's subsidiaries. The aggregate amount of withholding tax on post-acquisition undistributed earnings for which deferred tax liabilities have not been recognised was £1.2m (2017: £1.2m). No liability has been recognised because the Group, being in a position to control the timing of the distribution of intra-Group dividends, has no intention to distribute intra-Group dividends in the foreseeable future that would trigger withholding tax.

23. Trade and other receivables

	2018 £m	2017 (restated)[1] £m
Current		
Trade receivables	**250.1**	231.6
Less: loss allowance	**(37.7)**	(27.2)
Trade receivables net	**212.4**	204.4
Other receivables	**33.8**	22.6
Prepayments and accrued income	**156.5**	99.1
Total current	**402.7**	326.1
Non-current		
Other receivables	**6.3**	0.1
	409.0	326.2

1. 2017 restated for implementation of IFRS 15 (see Note 4).

The average credit period taken on sales of goods is 48 days (2017: 52 days) applying consistent methodology. The Group has provision policies for its various Divisions which have been determined by reference to past default experience. Under the normal course of business, the Group does not charge interest on its overdue receivables.

The Group's exposures to credit risk and impairment losses related to trade and other receivables are disclosed in Note 32. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

24. Derivative financial instruments

	2018 £m	2017 £m
Financial assets – non-current		
Interest rate swaps – hedged	**0.4**	–
Interest rate swaps – not hedged	**1.1**	–
	1.5	–
Financial liabilities – current		
Put options over non-controlling interests	**10.1**	–
	10.1	–
Financial liabilities – non-current		
Interest rate swaps – hedged	**25.2**	–
Put options over non-controlling interests	**1.8**	–
	27.0	–

Interest rate swaps are associated with debt instruments and are included within net debt (see Note 27). There were £1.5m of derivative financial assets and £25.2m of derivative financial liabilities relating to interest rate swaps (£24.1m in relation to cross currency interest rate swaps – see Note 32 for further details).

Put options over non-controlling interests relate to options over previous acquisitions (see Note 32 for further details).

25. Inventory

	2018 £m	2017 £m
Work in progress	8.2	11.3
Finished goods and goods for resale	42.7	42.8
	50.9	54.1

Write-down of inventory during the year amounted to £3.0m (2017: £3.0m).

26. Assets classified as held for sale and liabilities directly associated with assets classified as held for sale

On 19 December 2018, the Group agreed the disposal of the UBM Life Sciences business, with the sale completing on 31 January 2019 (see Note 42). In accordance with IFRS 5, the Group has classified the assets and liabilities of UBM Life Sciences as held for sale in the Consolidated Balance Sheet at 31 December 2018 as it does not meet the requirement of a discontinued operation.

The major classes of assets and liabilities of the UBM Life Sciences business at 31 December 2018 were as follows:

	2018 £m
Goodwill	31.4
Intangibles	34.3
Property and equipment	0.8
Trade and other receivables	13.0
Assets of business classified as held for sale	79.5
Trade and other payables	(7.1)
Deferred tax liability	(8.7)
Provisions	(0.3)
Liabilities of business associated with assets classified as held for sale	(16.1)
Net assets of business held for sale	63.4

27. Movements in net debt

Net debt consists of cash and cash equivalents and includes bank overdrafts, borrowings, derivatives associated with debt instruments, and other loan note receivables where these are interest bearing and do not relate to deferred contingent arrangements.

	At 1 January 2018 £m	Non-cash movements £m	UBM net debt acquired £m	Cash flow £m	Exchange movements £m	At 31 December 2018 £m
Cash at bank and in hand	54.9	–	134.2	(12.4)	(7.9)	168.8
Overdrafts	(6.7)	–	–	(37.1)	(0.1)	(43.9)
Cash and cash equivalents	48.2	–	134.2	(49.5)	(8.0)	124.9
Bank loans due in less than one year	(296.3)	–	(151.0)	307.9	(17.5)	(156.9)
Bank loans due in more than one year	(287.6)	–	–	227.5	(18.4)	(78.5)
Bank loan fees due in less than one year	–	(2.5)	–	2.5	–	–
Bank loan fees due in more than one year	2.0	(1.1)	–	–	–	0.9
Private placement loan notes due in less than one year	–	183.1	(284.6)	101.5	–	–
Private placement loan notes due in more than one year	(841.0)	(182.4)	–	(313.6)	(59.4)	(1,396.4)
Private placement loan note fees	1.6	(0.6)	1.3	0.9	0.2	3.4
Bond borrowings due in more than one year	–	1.1	(269.1)	(872.7)	(22.3)	(1,163.0)
Bond borrowing fees	–	(0.9)	1.7	6.6	–	7.4
Derivative assets associated with borrowings	–	–	1.5	–	–	1.5
Derivative liabilities associated with borrowings	–	2.7	(2.4)	–	(25.5)	(25.2)
Net debt	(1,373.1)	(0.6)	(568.4)	(588.9)	(150.9)	(2,681.9)

27. Movements in net debt continued

Included within the net cash outflow of £588.9m (2017: outflow of £14.6m) is £1,179.4m (2017: £1,292.1m) of loan repayments, £644.0m (2017: £1,070.8m) of facility loan drawdowns, £872.7m of proceeds from the EMTN bond issuance, £101.5m of private placement repayments (2017: £159.7m) and £313.6m of private placement drawdowns (2017: £406.4m).

28. Cash and cash equivalents

	Note	2018 £m	2017 £m
Cash at bank and on hand		**168.8**	54.9
Bank overdrafts	29	**(43.9)**	(6.7)
Cash and cash equivalents in the Consolidated Cash Flow Statement		**124.9**	48.2

The cash at bank and on hand is presented net of the Group's legal right to offset overdrafts. The Group's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities is disclosed in Note 32.

29. Borrowings

Total borrowings, excluding derivative assets and liabilities associated with borrowings, are as follows:

	Notes	2018 £m	2017 £m
Current			
Bank overdraft	28	**43.9**	6.7
Bank borrowings ($400.0m) – due March 2018		**–**	296.3
Bank borrowings ($200.0m) – due March 2019		**156.9**	–
Total current borrowings	27	**200.8**	303.0
Non-current			
Bank borrowings – Revolving Credit Facility – due October 2020		**78.5**	287.6
Bank debt issue costs		**(0.9)**	(2.0)
Bank borrowings – non-current	27	**77.6**	285.6
Private placement loan note ($385.5m) – due December 2020		**302.5**	285.5
Private placement loan note ($45.0m) – due June 2022		**36.5**	–
Private placement loan note ($120.0m) – due October 2022		**94.2**	88.9
Private placement loan note ($55.0m) – due January 2023		**43.1**	40.7
Private placement loan note ($76.1m) – due June 2024		**60.9**	–
Private placement loan note ($80.0m) – due January 2025		**62.8**	59.2
Private placement loan note ($200.0m) – due January 2025		**156.9**	–
Private placement loan note ($130.0m) – due October 2025		**102.0**	96.3
Private placement loan note ($365.0m) – due January 2027		**286.4**	270.4
Private placement loan note ($116.0m) – due June 2027		**94.2**	–
Private placement loan note ($200.0m) – due January 2028		**156.9**	–
Private debt issue costs		**(3.4)**	(1.6)
Private placement – non-current	27	**1,393.0**	839.4
Bond borrowings ($350.0m) – due November 2020		**279.1**	–
Euro Medium Term Note (€650.0m) – due July 2023		**583.9**	–
Euro Medium Term Note (£300.0m) – due July 2026		**300.0**	–
Bond borrowings issue costs		**(7.4)**	–
Bond borrowings – non-current	27	**1,155.6**	–
Total non-current borrowings		**2,626.2**	1,125.0
		2,827.0	1,428.0

There have been no breaches of covenants under the Group's bank facilities and private placement loan notes during the year. The Group does not have any of its property and equipment and other intangible assets pledged as security over loans.

At 31 December 2018, the Group had private placement loan notes amounting to $1,772.6m (2017: $1,135.5m). As at 31 December 2018, the note maturities ranged between two and nine years (2017: three and ten years), with an average duration of 5.8 years (2017: 6.1 years), at a weighted average interest rate of 4.1% (2017: 4.1%).

For the purpose of refinancing the UBM plc acquisition borrowings the Group issued the following Euro Medium Term Notes (EMTNs), which are debt instruments traded outside of the USA and Canada. On 2 July 2018, the bonds were priced with an issue date of 5 July 2018:

- A 5-year fixed term note, until July 2023, of value €650m.
- An 8-year fixed term note, until July 2026, of value £300m.

The Group maintains the following lines of credit:

- £855.0m (2017: £855.0m) Revolving Credit Facility, of which £78.5m (2017: £287.6m) was drawn down at 31 December 2018. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.
- £156.9m (USD 200.0m) bank term loan facility with a maturity of up to March 2019 and issued by Bank of America Merrill Lynch. This was repaid in February 2019.
- £167.1m (2017: £134.0m) comprising a number of bilateral bank uncommitted facilities that can be drawn down to meet short-term financing needs, of which £43.9m (2017: £6.7m) was drawn at 31 December 2018. These facilities consist of £101.0m (2017: £81.0m), USD 25.0m (2017: USD 15.0m), €42.0m (2017: €43.0m), AUD 1.0m (2017: AUD 1.0m), CAD 2.0m (2017: CAD 2.0m), SGD 2.3m (2017: SGD 2.3m) and CNY 50.0m (2017: CNY 50.0m). Interest is payable at the local base rate plus a margin.
- Four bank guarantee facilities comprising in aggregate up to USD 10.0m (2017: USD 10.0m), €7.0m (2017: €7.0m), £2.0m (2017: £nil) and AUD 1.5m (2017: AUD 1.5m).

The effective interest rate for the year ended 31 December 2018 was 3.8% (2017: 3.8%).

The Group's exposure to liquidity risk is disclosed in Note 32(g).

30. Provisions

	Contingent consideration £m	Acquisition & integration £m	Property leases £m	Restructuring provision £m	Other provision £m	Total £m
At 1 January 2017	21.2	12.3	8.4	4.3	–	46.2
Increase in year	33.9	5.0	7.9	7.9	2.4	57.1
Utilisation	(15.7)	(14.7)	(3.1)	(9.4)	–	(42.9)
Release	0.1	(0.4)	(1.9)	(0.1)	–	(2.3)
At 1 January 2018	39.5	2.2	11.3	2.7	2.4	58.1
Increase in year	**9.7**	**9.0**	**6.7**	**8.6**	**17.9**	**51.9**
Acquisition of subsidiaries	**12.8**	**7.9**	**10.8**	**3.6**	**–**	**35.1**
Currency translation	**0.5**	**–**	**–**	**–**	**0.1**	**0.6**
Utilisation	**(21.9)**	**(12.7)**	**(5.8)**	**(10.8)**	**6.1**	**(45.1)**
Transfer to held for sale	**–**	**–**	**–**	**(0.3)**	**–**	**(0.3)**
Release	**–**	**(1.2)**	**(0.3)**	**–**	**(5.3)**	**(6.8)**
At 31 December 2018	**40.6**	**5.2**	**22.7**	**3.8**	**21.2**	**93.5**
2018						
Current liabilities	**28.5**	**5.2**	**7.7**	**4.0**	**18.0**	**63.4**
Non-current liabilities	**12.1**	**–**	**15.0**	**(0.2)**	**3.2**	**30.1**
2017						
Current liabilities	15.5	2.2	3.3	2.7	1.4	25.1
Non-current liabilities	24.0	–	8.0	–	1.0	33.0

The contingent consideration will be paid primarily in one to two years. The contingent consideration is based on future business valuations and profit multiples (both Level 3 fair value measurements) and has been estimated on an acquisition by acquisition basis using available profit forecasts (a significant unobservable input). The higher the profit forecast, the higher the fair value of any contingent consideration (subject to any maximum payout clauses), and if all future business valuations and profit multiples were achieved, the maximum undiscounted amounts payable for contingent consideration would be £221.3m.

The property lease provision represents a provision for vacant property. This is calculated as the estimated excess of rent payable on surplus property leases, plus dilapidation provisions, less rent receivable via sub-leases. The property lease provisions will be fully utilised between one and five years.

See Note 8 for details of items included in restructuring provisions and details of the remeasurement of contingent consideration. Amounts included within restructuring provisions are expected to be utilised in 2019.

31. Trade and other payables

	2018 £m	2017 (restated)[1] £m
Current		
Deferred consideration	3.4	2.0
Trade payables	115.8	68.6
Accruals	265.7	200.4
Other payables	58.1	25.6
Total current	443.0	296.6
Non-current		
Deferred consideration	–	17.0
Other payables	33.9	9.7
Total non-current	33.9	26.7
	476.9	323.3

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 46 days (2017: 49 days) applying consistent methodology. There are no suppliers who represent more than 10% of the total balance of trade payables in either 2018 or 2017. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Therefore, under the normal course of business, the Group is not charged interest on overdue payables. The Directors consider that the carrying amount of trade payables is approximate to their fair value.

32. Financial instruments

(a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Capital risk management
- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's management of capital, and the Group's objectives, policies and procedures for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established a Treasury Committee which is responsible for developing and monitoring the Group's financial risk management policies. The Treasury Committee meets regularly and reports to the Audit Committee on its activities.

The Group Treasury function provides services to the Group's businesses, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk and price risk), credit risk, liquidity risk and interest rate risk.

The Treasury Committee has put in place policies to identify and analyse the financial risks faced by the Group and has set appropriate limits and controls. These policies provide written principles on funding investments, credit risk, foreign exchange and interest rate risk. Compliance with policies and exposure limits are reviewed by the Treasury Committee. This Committee is assisted in its oversight role by Internal Audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

32. Financial instruments continued

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders as well as sustaining the future development of the business. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of net debt, which includes borrowings (Note 29), cash and cash equivalents (Note 28), and equity attributable to equity holders of the parent, comprising issued capital (Note 35), reserves and retained earnings.

Cost of capital

The Group's Treasury Committee reviews the Group's capital structure on a regular basis and, as part of this review, the Committee considers the weighted average cost of capital and the risks associated with each class of capital.

Gearing ratio

The principal financial covenant ratios under the Group's borrowing facilities are maximum net debt to EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. At 31 December 2018, both financial covenants were achieved, with the ratio of net debt (using average exchange rates) to EBITDA being 2.9 times (2.5 times at 31 December 2017). The ratio of EBITDA to net interest payable in the year ended 31 December 2018 was 9.5 times (2017: 9.8 times). EBITDA is calculated from earnings before interest, tax, depreciation and amortisation, with earnings stated before adjusting items.

(b) Categories of financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument, are disclosed in Note 2.

	Notes	2018 £m	2017[1] £m
Financial assets			
Trade receivables	23	212.4	204.4
Other receivables	23	40.1	22.7
Cash at bank and on hand	28	168.8	54.9
Derivative assets associated with borrowings	27	1.5	–
Investments in unquoted companies	20	5.1	4.6
Total financial assets		427.9	286.6
Financial liabilities			
Bank overdraft	29	43.9	6.7
Bank borrowings	29	234.5	581.9
Private placement loan notes	29	1,393.0	839.4
Bond borrowings	29	1,155.6	–
Derivative liabilities associated with borrowings	27	25.2	–
Derivative liabilities associated with put options over non-controlling interests	24	11.9	–
Trade payables	31	115.8	68.6
Accruals	31	265.7	200.4
Other payables	31	92.0	35.3
Deferred consideration	31	3.4	19.0
Contingent consideration	30	40.6	39.5
Total financial liabilities		3,381.6	1,790.8

1. 2017 restated for implementation of IFRS 15 (see Note 4).

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates, will affect the Group's income or the value of its holdings of financial instruments.

The Group manages these risks by maintaining a mix of fixed and floating rate debt and currency borrowings using derivatives where necessary. The Group does not use derivative contracts for speculative purposes.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department under policies approved by the Board of Directors.

(d) Interest rate risk

The Group has no significant interest-bearing assets at floating rates, except cash, but is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at or converted to fixed rates expose the Group to fair value interest rate risk.

The interest rate risk is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the use of interest rate swap contracts. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

The following table details financial liabilities by interest category:

	2018				2017 (restated)[1]			
	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total £m	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total £m
Bank overdraft	–	43.9	–	43.9	–	6.7	–	6.7
Bank borrowings	–	234.5	–	234.5	–	581.9	–	581.9
Private placement loan notes	1,356.5	36.5	–	1,393.0	839.4	–	–	839.4
Bond borrowings	1,155.6	–	–	1,155.6	–	–	–	–
Derivatives liabilities associated with borrowings	24.1	1.1	–	25.2	–	–	–	–
Derivative liabilities associated with put options over non-controlling interests	–	–	11.9	11.9	–	–	–	–
Trade payables	–	–	115.8	115.8	–	–	68.6	68.6
Accruals	–	–	265.7	265.7	–	–	200.4	200.4
Other payables	–	–	92.0	92.0	–	–	35.3	35.3
Deferred consideration	–	–	3.4	3.4	–	–	19.0	19.0
Contingent consideration	–	–	40.6	40.6	–	–	39.5	39.5
	2,536.2	316.0	529.4	3,381.6	839.4	588.6	362.8	1,790.8

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Interest rate sensitivity analysis

88% of borrowings are at fixed interest rates; hence the Group's interest rate sensitivity would only be affected by the exposure to variable rate debt.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year would have decreased or increased by £3.2m (2017: £5.9m).

32. Financial instruments continued

Fair value hedges

	2018 £m	2017 £m
Interest rate swaps – derivative financial assets	1.5	–
Interest rate swaps – derivative financial liabilities	(25.2)	–

At 31 December 2018, interest rate swaps were in place for $76.1m matched against $76.1m of the US private placement loan notes due 2024. Under this swap, the Group receives a fixed rate of 4.45% and pays a floating rate of interest semi-annually in arrears. At 31 December 2018, the fair value of this swap was a financial liability of £1.1m.

Interest rate swaps at 31 December 2018 also relate to the floating rate swaps for $100.0m matching against $100.0m of the $350.0m 5.75% bond borrowings due in November 2020. Under these swaps the Group receives interest of 5.75% to match the bond coupons and pays a floating rate of interest semi-annually in arrears. At 31 December 2018 the fair value of these swaps was a financial asset of £0.4m.

There were also cross currency interest rate swaps over the EMTN borrowings where the Group receives a fixed rate of interest for £300.0m of EMTN borrowings for the duration of the 8 year bond and pays a fixed rate of interest for $393.7m; also where the Group receives a fixed rate of interest on €150.0m of EMTN borrowings for the duration of the 5 year bond and pays a fixed rate of interest for $174.1m. At 31 December 2018, the fair value of these swaps was a financial liability of £24.1m.

The interest rate swaps are used to increase the Group's exposure to interest rates to maintain a balance of fixed and floating interest rate cost. These hedges were assessed to be highly effective at 31 December 2018 with the small ineffective portions of the hedging contracts included in financing income.

(e) Foreign currency risk

The Group is a business with significant net US dollar (USD) transactions; hence exposures to exchange rate fluctuations arise.

Allied to the Group's policy on the hedging of surplus foreign currency cash inflows, the Group will usually seek to finance its net investment in its principal overseas subsidiaries by borrowing in those subsidiaries' functional currencies, primarily USD. This policy has the effect of partially protecting the Group's Consolidated Balance Sheet from movements in those currencies to the extent that the associated net assets are hedged by the net foreign currency borrowings.

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

	Assets		Liabilities	
	2018 £m	2017 £m	2018 £m	2017 £m
USD	379.9	208.4	(2,527.6)	(1,791.3)
EUR	44.6	23.2	(723.3)	(25.9)
Other	191.2	259.1	(900.5)	(310.8)
	615.7	490.7	(4,151.4)	(2,128.0)

The foreign currency borrowings of £2,494.8m (2017: £1,292.3m) are used to hedge the Group's net investments in foreign subsidiaries.

	Average rate		Closing rate	
	2018	2017	2018	2017
USD	1.33	1.29	1.27	1.35

Foreign currency sensitivity analysis

In 2018, the Group earned approximately 61% (2017: 65%) of its revenues and incurred approximately 53% (2017: 55%) of its costs in USD or currencies pegged to USD. The Group is therefore sensitive to movements in USD against GBP. In 2018, each $0.01 movement in the USD to GBP exchange rate has a circa £11.4m (2017: £8.5m) impact on revenue and a circa £4.5m (2017: £3.5m) impact on adjusted operating profit. Offsetting this are reductions to the value of USD borrowings, interest and tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

(f) Credit risk

The Group's principal financial assets are trade and other receivables (Note 23) and cash and cash equivalents (Note 28), which represent the Group's maximum exposure to credit risk in relation to financial assets.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of assessing creditworthiness of counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved financial institutions. Credit exposure is controlled by counterparty limits that are reviewed and approved as part of the Group's treasury policies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

The Group's current credit risk grading framework is comprised of the following categories:

Category	Description	Basis for recording expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Trade receivables

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the Consolidated Balance Sheet are net of allowances for doubtful receivables, estimated by the Group based on prior experience and its assessment of the current economic environment.

Trade receivables consist of a large number of customers, spread across diverse industries and geographic areas, and the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECLs on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period.

32. Financial instruments continued

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are overdue and considered irrecoverable, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

All customers have credit limits set by credit managers and are subject to the standard terms of payment of each Division. As the **Global Exhibitions** and **Knowledge & Networking** Divisions and the Journals part of the **Academic Publishing** Division work predominantly on a prepaid basis, they are not subject to the same credit controls and they have a low bad debt history. The Group is exposed to normal credit risk and potential losses are mitigated as the Group does not have significant exposure to any single customer.

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Non-current other receivables

Non-current other receivables arose from disposals made in the current and prior years as disclosed in Note 23. The Risk Committee reviews these receivables and the credit quality of the counterparties on a regular basis.

Ageing of trade receivables:

	Gross 2018 £m	**Provision 2018 £m**	Gross 2017 (restated)[1] £m	Provision 2017 £m
Not past due	**124.6**	**–**	54.2	–
Past due 0–30 days	**41.4**	**–**	89.9	–
Past due > 31 days	**84.1**	**(17.0)**	87.5	(10.2)
Books provision (see below)	**–**	**(20.7)**	–	(17.0)
	250.1	**(37.7)**	231.6	(27.2)

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Trade receivables that are less than three months past due for payment are generally not considered impaired. For trade receivables that are more than three months past due for payment, there are debtors with a carrying amount of £10.4m (2017: £24.4m) which the Group has not provided for, as there has not been a significant change in the credit quality and the amounts are considered recoverable. The Group does not hold any collateral over these balances.

A provision relating to returns on books of £20.7m (2017: £17.0m) has been disclosed separately in the table above. This is based on the Group's best estimate of previous returns trends, and the amount is included as part of the overall provision balance of £38.3m (2017: £27.2m).

Movement in the provision:

	2018 £m	2017 £m
1 January	**27.2**	31.3
Arising on acquisition of subsidiaries and operations	**22.3**	–
Provision recognised	**2.3**	5.7
Receivables written off as uncollectible	**(7.7)**	(2.8)
Amounts recovered during the year	**(6.4)**	(7.0)
31 December	**37.7**	27.2

There are no customers who represent more than 10% of the total gross balance of trade receivables in either 2018 or 2017.

(g) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, though operationally it is managed by Group Treasury with oversight by the Treasury Committee. Group Treasury has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding. The Group manages liquidity risk by maintaining adequate reserves and debt facilities, together with continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 29 is a summary of additional undrawn facilities that the Group has at its disposal.

Historically and for the foreseeable future the Group has been, and is expected to continue to be, in a net borrowing position. The Group's policy is to fulfil its borrowing requirements by borrowing in the currencies in which it operates, principally USD and EUR; thereby providing a natural hedge against projected future surplus USD cash inflows.

(h) Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its financial assets and liabilities.

The table below presents the contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1–2 years £m	2–5 years £m	Greater than 5 years £m
31 December 2018						
Non-derivative financial assets						
Non-interest bearing	**426.4**	**426.4**	**415.0**	**11.4**	**–**	**–**
	426.4	**426.4**	**415.0**	**11.4**	**–**	**–**
31 December 2017						
Non-derivative financial assets						
Non-interest bearing	286.6	286.6	281.9	4.7	–	–
	286.6	286.6	281.9	4.7	–	–

1. Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the Consolidated Balance Sheet.

The following tables present the earliest date on which the Group can settle its financial liabilities. The table includes both interest and principal cash flows.

	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1–2 years £m	2–5 years £m	Greater than 5 years £m
31 December 2018						
Non-derivative financial liabilities						
Variable interest rate instruments	**314.9**	**320.5**	**202.5**	**80.2**	**37.8**	**–**
Fixed interest rate instruments	**2,512.1**	**2,992.9**	**89.9**	**666.6**	**891.7**	**1,344.7**
Trade and other payables	**473.5**	**473.5**	**439.6**	**33.9**	**–**	**–**
Deferred consideration	**3.4**	**3.4**	**3.4**	**–**	**–**	**–**
Contingent consideration	**40.6**	**40.6**	**28.4**	**12.2**	**–**	**–**
	3,344.5	**3,830.9**	**763.8**	**792.9**	**929.5**	**1,344.7**
31 December 2017						
Non-derivative financial liabilities						
Variable interest rate instruments	588.6	588.6	303.0	285.6	–	–
Fixed interest rate instruments	839.4	1,054.30	34.1	34.1	450.1	536.0
Trade and other payables[2]	304.3	304.3	294.6	9.7	–	–
Deferred consideration	19.0	19.0	2.0	17.0	–	–
Contingent consideration	39.5	39.5	15.5	24.0	–	–
	1,790.8	2,005.7	649.2	370.4	450.1	536.0

1. Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the Consolidated Balance Sheet.
2. 2017 restated for implementation of IFRS 15 (see Note 4).

32. Financial instruments continued

(i) Fair value of financial instruments

Financial assets and financial liabilities measured at fair value in the Consolidated Balance Sheet:

	Carrying amount 2018 £m	Estimated fair value 2018 £m	Carrying amount 2017 £m	Estimated fair value 2017 £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	0.4	0.4	–	–
Unhedged derivative financial instruments	1.1	1.1	–	–
Equity investments in unquoted companies	5.1	5.1	4.6	4.6
	6.6	6.6	4.6	4.6
Financial liabilities				
Derivative financial instruments in designated hedge accounting relationships	25.2	25.2	–	–
Derivative liabilities associated with put options over non-controlling interests	11.9	11.9		
Contingent and deferred consideration on acquisitions	44.0	44.0	58.5	58.5
	81.1	81.1	58.5	58.5

(j) Fair values and fair value hierarchy

Valuation techniques use observable market data where it is available and rely as little as possible on entity-specific estimates. The fair values of interest rate swaps and forward exchange contracts are measured using discounted cash flows. Future cash flows are based on forward interest/exchange rates (from observable yield curves/forward exchange rates at the end of the reporting period) and contract interest/forward rates, discounted at a rate that reflects the credit risk of the counterparties.

The fair values of put options over non-controlling interests (including exercise price) and contingent and deferred consideration on acquisitions are measured using discounted cash flow models with inputs derived from the projected financial performance in relation to the specific contingent consideration criteria for each acquisition, as no observable market data is available. The fair values are most sensitive to the projected financial performance of each acquisition; management makes a best estimate of these projections at each financial reporting date and regularly assesses a range of reasonably possible alternatives for those inputs and determines their impact on the total fair value. An increase of 20% to the projected financial performance used in the put option measurements would increase the aggregate liability by £1.8m. The fair value of the contingent and deferred consideration on acquisitions is not significantly sensitive to a reasonable change in the forecast performance. The potential undiscounted amount for all future payments that the Group could be required to make under the contingent consideration arrangements for all acquisitions is disclosed in Note 30.

Financial instruments that are measured subsequently to initial recognition at fair value are grouped into Levels 1 to 3, based on the degree to which the fair value is observable, as follows:

Level 1: fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value in the statement of financial position and their categorisation in the fair value hierarchy:

	Level 1 2018 £m	Level 2 2018 £m	Level 3 2018 £m	Total 2018 £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	–	0.4	–	0.4
Unhedged derivative financial instruments	–	1.1	–	1.1
Equity investments in unquoted companies	–	5.1	–	5.1
	–	6.6	–	6.6
Financial liabilities at amortised cost				
Bank borrowings (including bank overdraft)	–	278.4	–	278.4
Private placement loan notes	–	1,318.2	–	1,318.2
Bond borrowings	–	1,072.9	–	1,072.9
Financial liabilities at fair value through profit or loss				
Private placement loan notes	–	59.2	–	59.2
Bond borrowings	–	80.3	–	80.3
Derivative financial instruments in designated hedge accounting relationships[1]	–	25.2	–	25.2
Contingent and deferred consideration on acquisitions	–	–	44.0	44.0
Put options over non-controlling interests	–	–	11.9	11.9
	–	2,834.2	55.9	2,890.1

1. £24.1m relates to interest rate swaps associated with Euro Medium Term Notes. Refer to Note 29.

	Level 1 2017 £m	Level 2 2017 £m	Level 3 2017 £m	Total 2017 £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	–	–	–	–
Equity investments in unquoted companies	–	4.6	–	4.6
	–	4.6	–	4.6
Financial liabilities				
Derivative financial instruments in designated hedge accounting relationships	–	–	–	–
Contingent and deferred consideration on acquisitions	–	–	58.5	58.5
	–	–	58.5	58.5

33. Notes to the cash flow statement

	Notes	2018 £m	2017 (restated)[1] £m
Profit before tax		**282.1**	268.2
Adjustments for:			
Depreciation of property and equipment	19	**13.1**	9.2
Amortisation of other intangible assets	17	**286.1**	182.6
Impairment – goodwill	8	**–**	3.4
Impairment – acquisition intangible assets	17	**9.8**	2.2
Impairment – other intangible assets	17	**3.8**	–
Impairment – property and equipment	19	**2.7**	–
Share-based payments	10	**8.1**	5.4
Subsequent remeasurement of contingent consideration	8	**(0.1)**	(0.1)
(Profit)/loss on disposal of businesses	21	**(1.1)**	17.4
Pension curtailment gain	34	**(0.8)**	–
GMP equalisation charge	34	**4.5**	–
Investment income	11	**(8.2)**	(0.2)
Finance costs	12	**90.4**	59.3
Share of adjusted results of joint ventures and associates	20	**(1.0)**	–
Operating cash inflow before movements in working capital		**689.4**	547.4
Decrease/(increase) in inventories		**3.2**	(2.2)
Decrease/(increase) in receivables		**89.7**	(40.5)
(Decrease)/increase in payables		**(142.9)**	26.5
Movements in working capital		**(50.0)**	(16.2)
Pension deficit contributions		**(4.4)**	–
Cash generated by operations		**635.0**	531.2

1. 2017 restated for implementation of IFRS 15 (see Note 4).

34. Retirement benefit schemes

(a) Charge to operating profit

The charge to operating profit for the year in respect of pensions, including both defined benefit and defined contribution schemes, was £19.8m (2017: £10.6m). This consisted of a £0.8m credit to operating profit related to a past service cost curtailment gain on the closure of the UBM Retirement Medical Plan in the US, a £4.5m past service cost charge to adjusting items within operating profit for the GMP equalisation cost and a £16.1m charge to operating profit relating to defined contribution schemes (2017: £10.6m).

(b) Defined benefit schemes – strategy

The Group operates four defined benefit pension schemes in the UK (the UK Schemes): the Informa Final Salary Scheme, the Taylor & Francis Group Pension and Life Assurance Scheme and, following the UBM acquisition, the UBM Pension Scheme (UBMPS) and the United Newspapers Executive Pension Scheme (UNEPS). These are for qualifying UK colleagues and provide benefits based on final pensionable pay. The Group has two defined benefit schemes in the US, the Penton Media, Inc. Retirement Plan and the Penton Media, Inc. and Supplemental Executive Retirement Plan. All schemes (the Group Schemes) are closed to future accrual. Contributions to the UK Schemes are determined following triennial valuations undertaken by a qualified actuary using the Projected Unit Credit Method. Contributions to the US Schemes are assessed annually following valuations undertaken by a qualified actuary.

For the UK Schemes, the defined benefit schemes are administered by separate funds that are legally separated from the Company. The Trustees are responsible for running the UK Schemes in accordance with the Group Schemes' Trust Deed and Rules, which sets out their powers. The Trustees of the UK Schemes are required to act in the best interests of the beneficiaries of the Group Schemes. There is a requirement that one-third of the Trustees are nominated by the members of the UK Schemes. The Trustees of the pension funds are responsible for the investment policy with regard to the assets of the fund. Neither of the Schemes has any reimbursement rights.

The Group's pension funding policy is to provide sufficient funding, as agreed with the Trustees, to ensure any pension deficit will be addressed to ensure pension payments made to current and future pensioners will be met.

For the Penton Schemes, the defined benefit scheme is administered by Penton Media, Inc. and is subject to the provisions of the Retirement Income Security Act 1974. The Company is responsible for the investment policy with regard to the assets of the fund. The Scheme has no reimbursement rights.

The investment strategies adopted by the Trustees of the UK Schemes include some exposure to index-linked gilts and corporate bonds. The investment objectives of the US Penton Schemes are to maximise plan assets within designated risk and return profiles. The current asset allocation of all schemes consists primarily of equities, bonds, property, diversified growth funds, credit funds, LIBOR funds, bespoke funds and annuity contracts. All assets are managed by a third party investment manager according to guidelines established by the Company.

(c) Defined benefit schemes – risk

Through the Group Schemes the Company is exposed to a number of potential risks as described below:

- **Asset volatility:** the Group Schemes' defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields; however, the Group Schemes invest significantly in equities. These assets are expected to outperform corporate bonds in the long term, but provide volatility and risk in the short term.
- **Changes in bond yields:** a decrease in corporate bond yields would increase the Group Schemes' defined benefit obligation; however, this would be partially offset by an increase in the value of the Schemes' bond holdings.
- **Inflation risk:** a significant proportion of the Group Schemes' defined benefit obligation is linked to inflation; therefore higher inflation will result in a higher defined benefit obligation (subject to caps for the UK Schemes). The majority of the UK Schemes' assets are either unaffected by inflation, or only loosely correlated with inflation, therefore an increase in inflation would also increase the deficit.
- **Life expectancy:** if the Group Schemes' members live longer than expected, the Group Schemes' benefits will need to be paid for longer, increasing the Group Schemes' defined benefit obligations.

The Trustees and the Company manage risks in the Group Schemes through the following strategies:

- **Diversification:** investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.
- **Investment strategy:** the Trustees are required to review their investment strategy on a regular basis.

There are three categories of pension Scheme members:

- employed deferred members: currently employed by the Company;
- deferred members: former colleagues of the Company; and
- pensioner members: in receipt of pension.

The defined benefit obligation is valued by projecting the best estimate of future benefit payments (allowing for future salary increases for UK employed deferred members, revaluation to retirement for deferred members and annual pension increases for UK members) and then discounting to the balance sheet date. UK members receive increases to their benefits linked to inflation (subject to caps for the UK Schemes). There are no caps on benefits in the US Schemes as benefits are not linked to inflation in these Schemes. The valuation method used for all Schemes is known as the Projected Unit Credit Method.

34. Retirement benefit schemes continued

The approximate overall duration of the Group Schemes' defined benefit obligation as at 31 December 2018 was as follows:

	2018			2017	
	Penton US Schemes	**UBM UK Schemes**	**Other UK Schemes**	Penton US Schemes	UK Schemes
Overall duration (years)	**14**	**14**	**19**	15	20

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

	2018			2017	
	Penton US Schemes	**UBM UK Schemes**	**Other UK Schemes**	Penton US Schemes	Other UK Schemes
Discount rate	**4.10%**	**2.80%**	**2.80%**	3.25%	2.4%
Rate of price inflation	**n/a**	**2.15% (CPI) 3.15% (RPI)**	**2.15% (CPI) 3.15% (RPI)**	n/a	2.1% (CPI) 3.1% (RPI)
Rate of increase for deferred pensions	**n/a**	**2.15%**	**2.15%**	n/a	2.1%
Rate of increase for pensions in payment	**n/a**	**1.85–3.60%**	**1.95–3.05%**	n/a	1.9–3.0%
Life expectancy:					
For an individual aged 60 – male (years)	**84**	**86**	**87**	85	87
For an individual aged 60 – female (years)	**88**	**89**	**89**	87	89

For the UK Schemes, mortality assumptions used in the IAS 19 valuations are taken from tables published by Continuous Mortality Investigation (CMI). The latest base tables for the other UK schemes use S2PMA (males) and S2PFA (females), with UBM UK Schemes using 105% of the "SAPS' S2" tables based on the year of birth, and all UK Schemes use life expectancy improvements taken from CMI 2017 (2017: CMI 2016) with the long-term rate of improvement of 1.25% (2017: 1.25%). For the valuation of US Scheme liabilities, the RP-2014 mortality tables adjusted to 2006 total data set mortality have been used (2017: RP-2014 adjusted to 2006 total data set mortality), with life expectancy improvements using scale MP-2018 (2017: scale MP-2017).

(d) Defined benefit schemes – individual defined benefit scheme details

Informa Final Salary Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation of the Informa Final Salary Scheme was performed by the Scheme actuary for the Trustees as at 31 March 2017. This valuation revealed a funding shortfall of £5.5m. The recovery plan shows annual employer contributions of £2.0m in the 12 months to 31 March 2019 and 31 March 2020 and £1.5m in the 12 months to 31 March 2021. The next triennial actuarial valuation of the Informa Final Salary Scheme will be as at 31 March 2020, at which point the recovery plan will be reassessed.

The Scheme was closed to new entrants on 1 April 2000 and closed to future accrual on 1 April 2011. The Group's contribution over the year was £1.5m (2017: £nil). The weighted average duration of pension scheme liabilities was 19 years at 31 December 2018.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2018 by a qualified independent actuary.

Taylor & Francis Group Pension and Life Assurance Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation of the Taylor & Francis Group Pension and Life Assurance Scheme was performed by the Scheme actuary for the Trustees as at 30 September 2017. The valuation as at 30 September 2017 revealed a funding surplus of £1.7m and no recovery plan was required. The next triennial actuarial valuation of the Taylor & Francis Group Pension and Life Assurance Scheme is due as at 30 September 2020.

The Scheme was closed to new entrants on 1 April 2000 and closed to future accrual on 1 April 2011. The Group's contribution over the year was £nil (2017: £nil). The weighted average duration of pension scheme liabilities was 19 years at 31 December 2018.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2018 by a qualified independent actuary.

UBM Pension Scheme (UBMPS)
The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation was performed by the Scheme actuary for the Trustees as at 31 March 2017. This valuation revealed a funding shortfall of £11.2m. The recovery plan shows annual employer contributions of £2.5m per annum for three years and two months from 1 January 2019. The next triennial actuarial valuation will be as at 31 March 2020, at which point the recovery plan will be reassessed.

The Scheme was closed to future accrual on 31 August 2016.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2018 by a qualified independent actuary.

United Newspapers Executive Pension Scheme (UNEPS)
The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation was performed by the Scheme actuary for the Trustees as at 5 April 2017. This valuation revealed a funding surplus of £4.7m and no recovery plan was required. The next triennial actuarial valuation is due as at 5 April 2020.

The Scheme now has only members who are pensioners in payment.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2018 by a qualified independent actuary.

Penton Media, Inc. Retirement Plan
Actuarial valuations are undertaken every year, with the result determining the level of contributions payable by the Group. The last actuarial valuation of the Scheme was performed by the Scheme actuary as at 31 December 2018. The Group's contribution over the year was £1.3m (2017: £nil). The employer expects to pay contributions during the accounting year beginning 1 January 2019 of £0.7m, with contributions for future years dependent on the level of deficits arising from future valuations. The weighted average duration of pension scheme liabilities was 14 years at 31 December 2018.

Penton Media, Inc. Supplemental Executive Retirement Plan
Actuarial valuations are undertaken every year, with the result determining the level of contributions payable by the Group. The last actuarial valuation of the Scheme was performed by the Scheme actuary as at 31 December 2018. The employer expects to pay £nil contributions to the Scheme during the accounting year beginning 1 January 2019.

The sensitivities regarding the principal assumptions used to measure the IAS 19 pension scheme liabilities are set out below:

Sensitivity analysis at 31 December 2018	Impact on scheme liabilities: Increase				
	Informa £m	Taylor & Francis £m	UBMPS £m	UNEPS £m	Penton £m
Discount rate – decrease by 0.1%	1.8	0.4	6.9	0.1	0.4
Rate of price inflation pre-retirement – increase by 0.25%	4.1	0.9	16.6	0.3	n/a
Life expectancy – increase by 1 year	2.8	0.8	21.9	1.5	0.7

34. Retirement benefit schemes continued

(e) Defined benefit schemes – individual defined benefit scheme details

Amounts recognised in respect of these defined benefit schemes are as follows:

	2018 £m	2017 £m
Recognised in profit before tax		
Past service curtailment gain on closure of the UBM US Scheme	**(0.8)**	–
Past service cost associated with GMP equalisation[1]	**4.5**	–
Interest cost on net pension deficit	**1.1**	1.1
Total cost	**4.8**	1.1

1. Guaranteed Minimum Pension (GM) equalisation relates to the 26 October 2018 High Court judgement requiring Trustees to equalise for the unequal effect of GMPs for members earning GMPs between 17 May 1990 and 5 April 1997. This requires that compensation is to be paid on a basis that is no more or less favourable regardless of gender.

	2018 £m	2017 £m
Recognised in the Consolidated Statement of Comprehensive Income		
Return on Scheme assets	**(30.6)**	11.1
Experience (loss)/gain	**2.1**	3.4
Change in demographic actuarial assumptions	**0.7**	(0.9)
Change in financial actuarial assumptions	**13.7**	0.9
Effect of movement in foreign currencies	**(0.2)**	(0.3)
Actuarial gain/(loss)	**(14.3)**	14.2

	2018 £m	2017 £m
Movement in net deficit during the year		
Net deficit in schemes at beginning of the year	**(23.6)**	(38.0)
New schemes associated with the UBM plc acquisition	**8.3**	–
Net finance cost	**(1.1)**	(1.1)
Past service cost from curtailment gain on closure of UBM US Scheme	**0.8**	–
Past service cost associated with GMP equalisation[1]	**(4.5)**	–
Actuarial (loss)/gain	**(14.3)**	14.2
Other payments to/(from) Schemes	**4.4**	(0.4)
Effect of movement in foreign currencies	**(0.5)**	1.7
Net deficit in Schemes at end of the year before irrecoverable tax	**(30.5)**	(23.6)
Irrecoverable tax associated with UBM acquisition[1]	**(3.2)**	–
Movement in irrecoverable element of pension surplus[1]	**0.7**	–
Irrecoverable tax[1]	**(2.5)**	–
Net deficit in Schemes at end of the year after irrecoverable tax	**(33.0)**	(23.6)

1. Under IFRIC 14, any surplus on the UK Schemes ultimately to be paid to the Company by the Trustees would be subject to a 35% tax charge prior to being repaid. New Schemes include £3.2m of irrecoverable element of pension surplus at the acquisition date.

The amounts recognised in the Consolidated Balance Sheet in respect of the Group Schemes are as follows:

	2018 £m	2017 £m
Present value of defined benefit obligations	(679.2)	(176.3)
Fair value of Scheme assets	648.7	152.7
Irrecoverable element of pension surplus[1]	(2.5)	–
Net deficit	(33.0)	(23.6)
Reported as:		
Retirement benefit surplus recognised in the Consolidated Balance Sheet	4.5	–
Deficit in Scheme and liability recognised in the Consolidated Balance Sheet	(37.5)	(23.6)
Net deficit	(33.0)	(23.6)

1. The UBM UNEPS Scheme was in surplus at 31 December 2018 and the irrecoverable element of pension surplus was £2.5m.

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

	2018 £m	2017 £m
Opening present value of defined benefit obligation	(176.3)	(184.4)
New Schemes from UBM plc acquisition	(526.7)	–
Service cost associated with curtailment gain on closure of UBM US scheme	0.8	–
Past service cost associated with GMP equalisation	(4.5)	–
Interest cost	(11.7)	(5.1)
Benefits paid	25.0	5.4
Actuarial gain	16.5	3.4
Effect of movement in foreign currencies	(2.3)	4.4
Closing present value of defined benefit obligation	(679.2)	(176.3)

Changes in the fair value of scheme assets are as follows:

	2018 £m	2017 £m
Opening fair value of Scheme assets	152.7	146.4
New schemes from UBM plc acquisition[1]	535.0	–
Return on Scheme assets	10.6	4.0
Actuarial (loss)/gain	(30.6)	10.8
Benefits paid	(25.0)	(5.4)
Contributions from the employer to the Schemes	4.4	–
Other payments made from Schemes	–	(0.4)
Effect of movement in foreign currencies	1.6	(2.7)
Closing fair value of Scheme assets	648.7	152.7

1. New Schemes' assets from the UBM plc acquisition are stated before the irrecoverable element amount of the surplus of £3.2m.

The assets of the Taylor & Francis Group Pension and Life Assurance Scheme include assets held in managed funds and cash funds operated by Legal & General Assurance (Pensions Management) Limited, Zurich Assurance Limited, Partners Group AG, BlackRock Investment Management (UK) Limited, Standard Life Investments and Insight Investment Management Limited.

The assets of the Informa Final Salary Scheme include assets held in managed funds and cash funds operated by BlackRock Investment Management (UK) Limited, Partners Group AG, Zurich Assurance Limited, Standard Life Investments and Insight Investment Management Limited.

34. Retirement benefit schemes continued

The assets of the UBM Pension Scheme include assets held in equities, absolute return bonds and bespoke Liability Driven Investment funds with Legal & General, diversified growth funds with Newton and Schroders, long-lease property with Aviva and M&G and an illiquid credit fund with M&G.

The assets of the United Newspapers Executive Pension Scheme include assets held in absolute return bonds and index-linked gilt funds with Legal & General.

The assets of the Penton Media, Inc. Retirement Plan and the Penton Media, Inc. Supplemental Executive Retirement Plan Schemes include assets held in managed funds and cash funds operated by New York Life Insurance Company, BlackRock Institutional Trust Company NA, Invesco Asset Management Limited and others.

The fair values of the assets held are as follows:

31 December 2018	Informa £m	Taylor & Francis £m	UBMPS £m	UNEPS £m	Penton £m	Total £m
Equities	**38.8**	**10.3**	**135.1**	**–**	**11.8**	**196.0**
Bonds	**4.4**	**1.2**	**–**	**21.0**	**11.3**	**37.9**
Property	**9.1**	**3.7**	**52.6**	**–**	**4.3**	**69.7**
Diversified Growth Fund	**11.7**	**3.5**	**109.3**	**–**	**–**	**124.5**
Illiquid credit funds	**–**	**–**	**50.1**	**–**	**–**	**50.1**
Absolute Return Bond Fund	**–**	**–**	**52.2**	**1.8**	**–**	**54.0**
Bespoke funds (Liability Driven Investment)	**5.7**	**2.0**	**72.4**	**–**	**–**	**80.1**
Annuity contracts	**–**	**–**	**5.9**	**–**	**–**	**5.9**
Cash	**20.2**	**5.4**	**2.1**	**–**	**2.8**	**30.5**
Total	**89.9**	**26.1**	**479.7**	**22.8**	**30.2**	**648.7**

31 December 2017	Informa £m	Taylor & Francis £m	Penton £m	Total £m
Equities	42.6	11.2	21.8	75.6
Bonds	6.7	1.9	1.1	9.7
Property	8.4	3.3	–	11.7
Diversified Growth Fund	23.8	7.1	–	30.9
Other	11.4	3.8	7.9	23.1
Cash	1.3	0.3	0.1	1.7
Total	94.2	27.6	30.9	152.7

All the assets listed above have a quoted market price in an active market. The Group Schemes' assets do not include any of the Group's own financial instruments, nor any property occupied by, or other assets used by, the Group.

35. Share capital and share premium

Share capital

Share capital as at 31 December 2018 amounted to £1.3m (2017: £0.8m). For details of options issued over the Company's shares see Note 10.

	2018 £m	2017 £m
Issued and fully paid		
1,251,798,534 (2017: 824,005,051) Ordinary Shares of 0.1p each	1.3	0.8

	2018 Number of shares	2017 Number of shares
At 1 January	824,005,051	824,005,051
Issue of new shares in relation to consideration for the acquisition of UBM plc	427,536,794	–
Other issue of shares	256,689	–
At 31 December	1,251,798,534	824,005,051

Share premium

	2018 £m	2017 £m
At 1 January and 31 December	905.3	905.3

36. Other reserves

This note provides further explanation for the "Other reserves" listed in the Consolidated Statement of Changes in Equity.

	Reserves for shares to be issued £m	Merger reserve £m	Other reserve £m	Employee Share Trust and ShareMatch shares £m	Total £m
At 1 January 2017	6.5	578.6	(2,154.3)	(1.6)	(1,570.8)
Share award expense	5.4	–	–	–	5.4
Own shares purchased	–	–	–	(0.9)	(0.9)
Transfer of vested LTIPs	(2.1)	–	–	–	(2.1)
Adjustment to non-controlling interest arising from put option	–	–	0.1	–	0.1
Non-controlling interest adjustment arising from disposal	–	–	(0.4)	–	(0.4)
At 1 January 2018	**9.8**	**578.6**	**(2,154.6)**	**(2.5)**	**(1,568.7)**
Fair value loss on derivative	–	–	–	–	–
Issue of new shares in relation to consideration for acquisition of UBM plc	–	3,544.6	–	–	3,544.6
Other issue of shares associated with settlement of UBM SAYE awards	–	2.2	–	–	2.2
Share award expense	8.1	–	–	–	8.1
Own shares purchased	–	–	–	(3.5)	(3.5)
Transfer of vested LTIPs	(3.9)	–	–	–	(3.9)
Non-controlling interest adjustment arising from disposal	–	–	(4.3)	–	(4.3)
At 31 December 2018	**14.0**	**4,125.4**	**(2,158.9)**	**(6.0)**	**1,974.5**

Reserve for shares to be issued

This reserve relates to LTIPs granted to colleagues reduced by the transferred and vested awards. Further information is set out in Note 10.

36. Other reserves continued

Merger reserve

The merger reserve was created in 2004 when the merger of Informa PLC and **Taylor & Francis** Group plc resulted in a merger reserve amount of £496.4m being recorded. On 2 November 2016, the Group acquired Penton Information Services and the £82.2m share premium on the shares issued to the vendors was recorded as an increase in the merger reserve in accordance with the merger relief rules of the Companies Act 2006. There were 427,536,794 shares issued on 18 June 2018 in connection with the acquisition of UBM plc, which at the acquisition date closing share price of £8.29 resulted in an increase in the merger reserve of £3,544.6m. From 19 July 2018 to 13 December 2018 there were 256,689 shares issued in connection with the satisfaction of SAYE awards in the UBM business and resulted in an increase in the merger reserve of £2.2m.

Other reserve

The other reserve includes the inversion accounting reserve of £2,189.9m which was created from an issue of shares under a Scheme of Arrangement in May 2014.

Employee Share Trust and ShareMatch shares

As at 31 December 2018, the Informa Employee Share Trust (EST) held 564,091 (2017: 388,118) Ordinary Shares in the Company at a market value of £3.6m (2017: £2.8m). As at 31 December 2018, the ShareMatch scheme held 411,812 (2017: 273,560) matching Ordinary Shares in the Company at a market value of £2.6m (2017: £2.0m). At 31 December 2018 the Group held 0.1% (2017: 0.1%) of its own called up share capital.

37. Non-controlling interests

The Group has subsidiary undertakings where there are non-controlling interests. At 31 December 2018, these non-controlling interests were composed entirely of equity interests and represented the following holding of minority shares by non-controlling interests:

- Brazil Design Show (45%, 2017: 45%)
- Chengdu Wiener Meibo Exhibitions Co., Ltd (40%, 2017: 40%)
- Shanghai Yingye Exhibitions Co., Ltd (40%, 2017: 40%)
- Agra CEAS Consulting Limited (18.2%, 2017: 18.2%)
- Bureau Européen de Recherches SA (18.2%, 2017: 18.2%)
- Shanghai Baiwen Exhibitions Co., Ltd (15%, 2017: 15%)
- Shanghai Meisheng Culture Broadcasting Co., Ltd (15%, 2017: 15%)
- Informa Tianyi Exhibitions (Chengdu) Co., Ltd (40%, 2017: 0%)
- Guangzhou Informa Yi Fan Exhibitions Co., Ltd (40%, 2017: 0%)
- Monaco Yacht Show S.A.M. (10%, 2017: 10%)
- Yachting Promotions, Inc. (10%, 2017: 10%)
- APLF Ltd (40%)
- UBM BN Co. Ltd (formerly Boannews co. (40%)
- China International Exhibitions Limited (30%)
- Shanghai Expobuild International Exhibition Co., Ltd (30%)
- Shanghai UBM Showstar Exhibitions Co., Ltd (30%)
- Shanghai UBM Sinoexpo International Exhibitions Co., Ltd (30%)
- UBMMG Holdings Sdn Bhd (4.1%)
- UBM Creativity Exhibition (Shenzhen) Company Ltd (35%)
- UBM Sinoexpo Holdings Ltd (30%)
- UBM Sinoexpo Ltd (30%)
- UBM Trust Company Ltd (30%)
- Shenzhen Herong Exhibition Company Limited (30%)
- United Business Media (M) Sdn Bhd (4.1%)
- UBM Exhibitions Ltd (4.1%)
- UBM Asia (Thailand) Co., Ltd (4.1%)
- DSA (Malaysia) (4.1%)
- Singapore Exhibition Services Ltd (4.1%)
- Sea Asia Singapore (13.7%)
- Seatrade Communications Singapore (4.1%)
- Myanmar Trade Fair Management (4.1%)
- SES Vietnam Exhibitions (4.1%)
- Malaysian Exhibitions Services (4.1%)
- International Expo Management (4.1%)
- Eco Exhibitions (4.1%)
- Bangkok Exhibition Services (4.1%)
- PT UBM Pamerindo Niaga Indonesia (35.7%)
- UBM Exhibitions Philippines (4.1%)
- Trade Link ITE (4.1%)
- Premier ITE (4.1%)
- ECMI ITE ASIA Sdn Bhd (4.1%)
- Navalshore Organizacao De Eventos Ltda (40%)
- UBM Mexico Exposiciones, S.A.P.I. (20%)
- Sea Asia Singapore Pte Limited (10%)

38. Operating lease arrangements

	2018 £m	2017 £m
Minimum lease payments under operating leases recognised in Consolidated Income Statement for the year	**36.0**	27.8

At the reporting date, the Group had outstanding commitments for total future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018		2017	
	Land and buildings £m	**Other £m**	Land and buildings £m	Other £m
Within one year	**47.3**	**1.0**	27.6	0.7
Within two to five years	**132.1**	**1.1**	71.7	1.3
After five years	**130.1**	**–**	30.7	–
	309.5	**2.1**	130.0	2.0

Operating lease payments on land and buildings represent rentals payable by the Group for certain properties.

39. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures and associates are disclosed below. The following transactions and arrangements are those which are considered to have had a material effect on the financial performance and position of the Group for the year.

Transactions with Directors

There were no material transactions with Directors of the Company during the year, except for those relating to remuneration and shareholdings. For the purposes of IAS 24 *Related Party Disclosures*, Executives below the level of the Company's Board are not regarded as related parties.

During the period, the Group incurred expenses of £2.7m (2017: £2.2m) and generated revenue of £3.2m relating to Microsoft UK. One of the Group's Non-Executive Directors is the Chief Executive Officer of this organisation.

Further information about the remuneration of individual Directors is provided in the audited part of the Remuneration Report on pages 113 to 125 and Note 9.

Other related party disclosures

At 31 December 2018, Informa Group companies have guaranteed the pension scheme liabilities of the Taylor & Francis Group Pension and Life Assurance Scheme, the Informa Final Salary Scheme and the UBM Pension Scheme.

Transactions with related parties are made at arm's length. Outstanding balances at year end are unsecured and settlement occurs in cash. There are no bad debt provisions for related party balances as at 31 December 2018, and no debts due from related parties have been written off during the year. During the period, Informa entered into related party transactions to the value of £0.2m (2017: £0.2m) with a balance of £0.06m (2017: £0.07m) outstanding at 31 December 2018.

40. Subsidiaries

The listing below shows the subsidiary undertakings as at 31 December 2018.

Company name	Country	Ordinary Shares held	Registered office
Academic Publishing			
Informa Limited	Hong Kong	100%	HK2
Taylor & Francis Books India Pvt Limited	India	100%	IN2
Colwiz Limited	Ireland	100%	IR1
Dove Medical Press (Z) Limited	New Zealand	100%	NZ1
Informa Healthcare AS	Norway	100%	NO1
Colwiz Pakistan (Private) Limited	Pakistan	100%	PK1
Taylor & Francis (S) Pte Limited	Singapore	100%	SG1
Co-Action Publishing AB	Sweden	100%	SE1
Taylor & Francis AB	Sweden	100%	SE1
Afterhurst Limited	United Kingdom	100%	UK1
Cogent OA Limited	United Kingdom	100%	UK1
Colwiz UK Limited	United Kingdom	100%	UK1
Dove Medical Press Limited	United Kingdom	100%	UK1
H. Karnac (Books) Ltd	United Kingdom	100%	UK1
Karnac Books Ltd	United Kingdom	100%	UK1
Psychology Press New Co., Limited	United Kingdom	100%	UK1
Routledge Books Limited	United Kingdom	100%	UK1
Taylor & Francis Books Limited	United Kingdom	100%	UK1
Taylor & Francis Group Limited	United Kingdom	100%	UK1
Taylor & Francis Group, LLC	United States	100%	US14
Taylor & Francis Limited	United Kingdom	100%	UK1
Taylor & Francis Publishing Services Limited	United Kingdom	100%	UK1
Business Intelligence			
Datamonitor Pty Limited	Australia	100%	AU1
Ovum Pty Limited	Australia	100%	AU1
Agra CEAS Consulting – Bureau Européen de Recherches S.A.	Belgium	82%	BE1
Informa Economics FNP Consultoria Ltda	Brazil	100%	BR4
INet Interactive Canada, Inc.	Canada	100%	CA3
F.O. Licht Zuckerwirtschaflicher Verlag und Marktforschung GmbH	Germany	100%	GE2
Datamonitor Publications (HK) Limited	Hong Kong	100%	HK1
Informa Global Markets (Hong Kong) Limited	Hong Kong	100%	HK1
Penton Media Asia Limited	Hong Kong	100%	HK3
NND Biomedical Data Systems Private Limited	India	100%	IN1
Informa Global Markets (Japan) Limited	Japan	100%	JA1
Informa Global Markets (Singapore) Private Limited	Singapore	100%	SG1
Marketworks Datamonitor (Pty) Limited	South Africa	100%	ZA1
Agra Ceas Consulting Limited	United Kingdom	82%	UK1
Agra Informa Limited	United Kingdom	100%	UK1
Datamonitor Limited	United Kingdom	100%	UK1
Ebenchmarkers Limited	United Kingdom	100%	UK1
Informa Global Markets (Europe) Limited	United Kingdom	100%	UK1
James Dudley International Limited	United Kingdom	100%	UK1
Mapa International Limited	United Kingdom	100%	UK1
MRO Exhibitions Limited	United Kingdom	100%	UK1
MRO Network Limited	United Kingdom	100%	UK1
MRO Publications Limited	United Kingdom	100%	UK1
OTC Publications Limited	United Kingdom	100%	UK1
Penton Communications Europe Limited	United Kingdom	100%	UK1
TU-Automotive Holdings Limited	United Kingdom	100%	UK1
TU-Automotive Limited	United Kingdom	100%	UK1
Informa Telecoms & Media Limited	United Kingdom	100%	UK1
Duke Investments, Inc.	United States	100%	US1
Farm Progress Limited	United States	100%	US3
Farm Progress/VX LLC	United States	100%	US12
Icon Advisory Group LLC	United States	100%	US17
Informa Business Intelligence, Inc.	United States	100%	US5
Informa Business Media Holdings, Inc.	United States	100%	US2
Informa Business Media, Inc.	United States	100%	US2
Informa DataSources, Inc.	United States	100%	US6
Informa Media, Inc.	United States	100%	US2
Informa Operating Holdings, Inc.	United States	100%	US2
Internet World Media, Inc.	United States	100%	US10
Ovum, Inc.	United States	100%	US2
Spotlight Financial, Inc.	United States	100%	US13
Skipta, LLC	United States	100%	US4
Trimtabs Investment Research, Inc.	United States	100%	US15

Company name	Country	Ordinary Shares held	Registered office
Global Exhibitions			
Informa Fashion Pty Limited	Australia	100%	AU2
Informa Middle East Limited	Bermuda	100%	BM1
Brasil Design Show – Eventos, Midias, Consultorias, Treinamentos e Participações Ltda	Brazil	55%	BR1
BTS Informa Feiras Eventos e Editora Ltda	Brazil	100%	BR2
Informa Canada, Inc.	Canada	100%	CA1
Guanzhou Citiexpo Jianke Exhibition Co., Ltd	China	60%	CH22
Guangzhou Informa Yi Fan Exhibitions Co., Ltd	China	60%	CH8
Informa Exhibitions (Beijing) Co., Ltd	China	100%	CH4
Informa Tianyi Exhibitions (Chengdu) Co., Ltd	China	60%	CH9
Informa Wiener Exhibition (Chengdu) Co., Ltd	China	60%	CH1
Shanghai Baiwen Exhibitions Co., Ltd	China	85%	CH5
Shanghai Meishing Culture Broadcasting Co., Ltd	China	85%	CH6
Shanghai Yingye Exhibitions Co., Ltd	China	60%	CH7
Informa Egypt LLC	Egypt	100%	EG1
Euromedicom SAS	France	100%	FR1
Eurovir SAS	France	100%	FR1
Itec Edition Sarl	France	100%	FR1
Informa Monaco SAM	Monaco	100%	MC1
Monaco Yacht Show SAM	Monaco	90%	MC1
Informa Saudi Arabia LLC	Saudi Arabia	100%	SA1
Informa Saudi Arabia Limited	Saudi Arabia	100%	SA2
Informa Exhibitions Pte Limited	Singapore	100%	SG1
Informa Middle East Media FZ LLC	United Arab Emirates	100%	UAE1
Design Junction Limited	United Kingdom	90%	UK1
E-Health Media Limited	United Kingdom	100%	UK1
IIR Exhibitions Limited	United Kingdom	100%	UK1
IIR Management Limited	United Kingdom	100%	UK1
IIR (U.K. Holdings) Limited	United Kingdom	100%	UK1
Informa Exhibitions Limited	United Kingdom	100%	UK1
Fort Lauderdale Convention Services, Inc.	United States	100%	US16
Informa Exhibitions Holding Corp.	United States	100%	US7
Informa Exhibitions LLC	United States	100%	US7
Informa Exhibitions U.S. Construction & Real Estate, Inc.	United States	100%	US8

Company name	Country	Ordinary Shares held	Registered office
Informa Life Sciences Exhibitions, Inc.	United States	100%	US6
Informa Marine Holdings, Inc.	United States	100%	US16
Informa Pop Culture Events, Inc.	United States	100%	US6
Southern Convention Services, Inc.	United States	100%	US16
Yachting Promotions, Inc.	United States	90%	US16
Knowledge & Networking			
IIR Pty Limited	Australia	100%	AU1
IBC Conferencesand Event Management Services (Shanghai) Co., Ltd.	China	100%	CH2
New AG International Sarl	France	100%	FR1
EBD Group GmbH	Germany	100%	GE1
Informa Holding Germany GmbH	Germany	100%	GE1
EBD GmbH	Switzerland	100%	SW1
Futurum Media Limited	United Kingdom	100%	UK1
IIR Limited	United Kingdom	100%	UK1
Light Reading UK Limited	United Kingdom	100%	UK1
Knect365 US, Inc.	United States	100%	US11
UBM			
International Exhibition Holdings Limited	Bahamas	100%	BH1
Arabian Exhibition Management Limited	Bahrain	100%	BA1
CTEE (Centro De Treinamento e Estudos em Energia Ltda	Brazil	100%	BR5
Live Healthcare Midia SA	Brazil	100%	BR6
Navalshore Organizacao de Eventos Limiteda	Brazil	60%	BR7
Sienna Interlink Comunicacoes Ltda	Brazil	100%	BR8
UBM Brazil Feiras e Eventos Ltda	Brazil	100%	BR8
China International Exhibitions Limited	China	70&	CH10
Cosmosprof Shanghai Exhibitions Limited	China	50%	CH11
Guangdong International Exhibitions Limited	China	50%	CH12
Guzhen Lighting Expo Co., Ltd	China	51%	CH13
Shanghai Expobuild International Exhibition Company Limited	China	70%	CH14
Shanghai UBM Showstar Exhibition Co Limited	China	70%	CH15
Shanghai UBM Sinoexpo International Exhibitions Company Limited	China	70%	CH10
Shenzhen UBM Herong Exhibition Company	China	70%	CH16

40. Subsidiaries continued

Company name	Country	Ordinary Shares held	Registered office
UBM China (Beijing) Co., Limited	China	100%	CH17
UBM China (Beijing) Exhibition Company Limited	China	100%	CH17
UBM China (Guangzhou) Co., Limited	China	100%	CH18
UBM China (Hangzhou) Company Limited	China	100%	CH19
UBM China (Shanghai) Co., Limited	China	100%	CH20
UBM Trust Company Limited	China	70%	CH21
Stormcliff Limited	Cyprus	100%	CY1
UBM Medica Holding France SNC	France	100%	FR2
UNM Holdings Ireland	Republic of Ireland	100%	RI1
CMP Media GmbH	Germany	100%	GE3
Think Services Game Group Germany GmbH	Germany	100%	GE4
UBM Canon Deutschland GmbH	Germany	100%	GE5
APLF Limited	Hong Kong	60%	HK4
Cosmoprof Asia Limited	Hong Kong	50%	HK5
Hong Kong Exhibition Services Limited	Hong Kong	100%	HK6
MAI Brokers (Asia & Pacific) Limited	Hong Kong	100%	HK7
Mills & Allen Holdings (Far East) Limited	Hong Kong	100%	HK7
UBM Asia Group Limited	Hong Kong	100%	HK7
UBM Asia Holdings (HK) Limited	Hong Kong	100%	HK7
UBM Asia Limited	Hong Kong	100%	HK7
UBM Asia Partnership	Hong Kong	99%	HK4
UBM Creativity Exhibition (Shenzhen) Co., Ltd	Hong Kong	65%	HK8
UBM SinoExpo Limited	Hong Kong	70%	HK7
UBM South China	Hong Kong	100%	HK7
UBM India Private Limited	India	100%	IN3
PT Pamerindo Indonesia	Indonesia	95.9%	ID1
PT UBM Pameran Niaga Indonesia	Indonesia	64.3%	ID2
UNM International Holdings Limited	Isle of Man	100%	IM1
UNM Overseas Holdings Limited	Isle of Man	100%	IM1
Miller Freeman (Israel) Limited	Israel	100%	IS1
UBM Japan Limited	Japan	100%	JA2
Miller Freeman Investments I Limited	Jersey	100%	JE2
Miller Freeman Investments II Limited	Jersey	100%	JE2
MWFWAHC Investments Unlimited	Jersey	100%	JE2
MWFWAHC Investments No.2 Limited	Jersey	100%	JE2
UBM (Jersey) Limited	Jersey	100%	JE2
UBM Investments Unlimited	Jersey	100%	JE2

Company name	Country	Ordinary Shares held	Registered office
UBM plc	Jersey	100%	JE2
UBMI UAE Jersey Limited	Jersey	100%	JE2
United Finance (Jersey) Unlimited	Jersey	100%	JE2
United Jersey Holdings Unlimited	Jersey	100%	JE2
CMP Holdings Sarl	Luxembourg	100%	LU1
CMP Intermediate Holdings Sarl	Luxembourg	100%	LU1
UBM Finance Sarl	Luxembourg	100%	LU1
UBM IP Luxembourg Sarl	Luxembourg	100%	LU1
United Brazil Holdings Sarl	Luxembourg	100%	LU1
United Commonwealth Holdings Sarl	Luxembourg	100%	LU1
United Consumer Media Holdings Sarl	Luxembourg	100%	LU1
United CP Holdings Sarl	Luxembourg	100%	LU1
United News Distribution Sarl	Luxembourg	100%	LU1
United Professional Media Sarl	Luxembourg	100%	LU1
UNM Holdings Sarl	Luxembourg	100%	LU1
Vavasseur International Holdings Sarl	Luxembourg	100%	LU1
DSA Exhibition and Conference SDN BHD	Malaysia	100%	MA1
ECMI ITE Asia Sdn Bhd	Malaysia	95.9%	MA1
Eco Exhibitions Sdn Bhd	Malaysia	95.9%	MA1
Malaysian Exhibition Services Sdn Bhd	Malaysia	95.9%	MA1
Premier ITE Sdn Bhd	Malaysia	95.9%	MA2
Trade Link ITE Sdn Bhd	Malaysia	95.9%	MA2
UBMMG Holdings Sdn Bhd	Malaysia	95.9%	MA1
United Business Media (M) Sdn Bhd	Malaysia	95.9%	MA1
UBM Mexico Exposiciones, S.A.P.I.	Mexico	80%	ME2
Myanmar Trade Fair Management Company Limited	Myanmar	95.9%	MY1
Kuben Holding B.V.	Netherlands	100%	NE3
UBM Asia BV	Netherlands	100%	NE3
UBMi BV	Netherlands	100%	NE4
United Pascal France B.V.	Netherlands	100%	NE3
United Pascal Holdings B.V.	Netherlands	100%	NE3
UPRN 1 SE	Netherlands	100%	NE3
UBM Exhibitions Philippines, Inc.	Philippines	95.9%	PH2
Chartbay Limited	Republic of Ireland	100%	RI1
CX Properties	Republic of Ireland	100%	RI1
Donytel Limited	Republic of Ireland	100%	RI1

Company name	Country	Ordinary Shares held	Registered office
Garragie Investments	Republic of Ireland	100%	RI1
Hickdale Limited	Republic of Ireland	100%	RI1
MAI Finance Ireland	Republic of Ireland	100%	RI1
MAI Holdings Ireland	Republic of Ireland	100%	RI1
Maypond Limited	Republic of Ireland	100%	RI1
MFWWnet	Republic of Ireland	100%	RI1
Springport Limited	Republic of Ireland	100%	RI1
Tanahol Limited	Republic of Ireland	100%	RI1
UBM Ireland No 1 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 2 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 3 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 4 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 5 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 6 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 8 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 9 Limited	Republic of Ireland	100%	RI1
UBM Financial Services Ireland	Republic of Ireland	100%	RUI1
UBM IP Ireland Limited	Republic of Ireland	100%	RI1
United Media Finance Ireland	Republic of Ireland	100%	RI1
Wenport Limited	Republic of Ireland	100%	RI1
UBM BN Co. Ltd	Republic of Korea	60%	RK1
UBM Korea Corporation	Republic of Korea	100%	RK2
International Expo Management (Pte) Limited	Singapore	95.9%	SG2
Sea Asia Singapore Pte Limited	Singapore	86.3%	SG3
Seatrade Communications Singapore Pte Limited	Singapore	95.9%	SG3
Singapore Exhibition Services (Pte) Limited	Singapore	95.9%	SG4
UBM Exhibition Singapore Pte Limited	Singapore	95.9%	SG3
Bangkok Exhibition Services Ltd	Thailand	95.9%	TH1
UBM Asia (Thailand) Co Ltd	Thailand	95.9%	TH2
UBM I C Fuarcilik ve Organizasyon Ticaret A.Ş.	Turkey	100%	TU1

Company name	Country	Ordinary Shares held	Registered office
UBM Istanbul Fuarcilik ve Gosteri Hizmetleri A.Ş.	Turkey	100%	TU2
UBM NTSR Fuar ve Gosten Hizmetleri A.Ş.	Turkey	100%	TU3
UBM Rotaforte Ullararasi Fuarcolik	Turkey	100%	TU4
ABI Building Data Limited	United Kingdom	100%	UK1
Advanstar Communications (UK) Limited	United Kingdom	100%	UK1
Airport Strategy and Marketing Limited	United Kingdom	100%	UK1
AMA Research Limited	United Kingdom	100%	UK1
Aztecgem	United Kingdom	100%	UK1
Bank of Europe	United Kingdom	100%	UK1
Blessmyth Limited	United Kingdom	100%	UK1
CMP Information (2004) Limited	United Kingdom	100%	UK1
CMP Information Holdings	United Kingdom	100%	UK1
CMP Maritime Limited	United Kingdom	100%	UK1
CMP Media (UK) Limited	United Kingdom	100%	UK1
CMP Media Limited	United Kingdom	100%	UK1
CMPI Group Limited	United Kingdom	100%	UK1
CMPI Holdings Limited	United Kingdom	100%	UK1
Colonygrove Limited	United Kingdom	100%	UK1
Crosswall Nominees Limited	United Kingdom	100%	UK1
DIVX Express Limited	United Kingdom	100%	UK1
Farming Press Limited	United Kingdom	100%	UK1
Great Tactic Limited	United Kingdom	100%	UK1
GNC Media Investments Limited	United Kingdom	100%	UK1
Green Thinking (Services) Limited	United Kingdom	100%	UK1
Hirecorp Limited	United Kingdom	100%	UK1
Insight Media Limited	United Kingdom	100%	UK1
Ithaca Media Limited	United Kingdom	100%	UK1
London On-Water	United Kingdom	100%	UK1
MAI	United Kingdom	100%	UK1
MAI Luxembourg (UK) Limited	United Kingdom	100%	UK1

40. Subsidiaries continued

Company name	Country	Ordinary Shares held	Registered office
MAI Luxembourg SE	United Kingdom	100%	UK1
Miller Freeman Worldwide Limited	United Kingdom	100%	UK1
Morgan Grampian (Farming Press) Limited	United Kingdom	100%	UK1
Nexgrove Investments Limited	United Kingdom	100%	UK1
OES Exhibitions Limited	United Kingdom	100%	UK1
Research Solutions for Airports Limited	United Kingdom	100%	UK1
Roamingtarget Limited	United Kingdom	100%	UK1
Safefine Limited	United Kingdom	100%	UK1
Seatrade Communications Ltd	United Kingdom	100%	UK1
Smarter Shows (Power) Europe Holdings Limited	United Kingdom	100%	UK1
Smarter Shows (Power) Holdings Limited	United Kingdom	100%	UK1
Smarter Shows (Power) Europe Limited	United Kingdom	100%	UK1
Smarter Shows (Power) Limited	United Kingdom	100%	UK1
Syndicate Nine Limited	United Kingdom	100%	UK1
The Builder Group Limited	United Kingdom	100%	UK1
Turtle Diary Limited	United Kingdom	100%	UK1
UAP Admin No.6 Limited	United Kingdom	100%	UK1
UBM (GP) No 1 Limited	United Kingdom	100%	UK1
UBM (GP) No 2 Limited	United Kingdom	100%	UK1
UBM (GP) No 3 Limited	United Kingdom	100%	UK1
UBM (UK) Limited	United Kingdom	100%	UK1
UBM Aviation Routes Limited	United Kingdom	100%	UK1
UBM Aviation Worldwide Limited	United Kingdom	100%	UK1
UBM Canon Europe Limited	United Kingdom	100%	UK1
UBM Canon UK Holdings Limited	United Kingdom	100%	UK1
UBM Canon UK Limited	United Kingdom	100%	UK1
UBM Holdings Limited	United Kingdom	100%	UK1
UBM International Holdings SE	United Kingdom	100%	UK1
UBM Property Limited	United Kingdom	100%	UK1
UBM Property Services Limited	United Kingdom	100%	UK1
UBM Shared Services Limited	United Kingdom	100%	UK1
UBM TrUnited Statestees Limited	United Kingdom	100%	UK1
UBM Worldwide Group Limited	United Kingdom	100%	UK1
UBMA Holdings Limited	United Kingdom	100%	UK1
UBM Holdings Limited	United Kingdom	100%	UK1
UBM Limited	United Kingdom	100%	UK1
United Advertising Publications Limited	United Kingdom	100%	UK1
United Consumer Magazines Limited	United Kingdom	100%	UK1
United Consumer Media SE	United Kingdom	100%	UK1
United Executive Trustees Limited	United Kingdom	100%	UK1
United Finance Limited	United Kingdom	100%	UK1
United Newspapers Publications Limited	United Kingdom	100%	UK1
United Trustees Limited	United Kingdom	100%	UK1
UNM Investments Limited	United Kingdom	100%	UK1
Vavasseur Overseas Holdings Limited	United Kingdom	100%	UK1
WCN 2 Limited	United Kingdom	100%	UK1
Workyard Limited	United Kingdom	100%	UK1
Advanstar Communications Inc	United States	100%	US17
Canon Communications (France) Inc.	United States	100%	US18
CBI Research Inc.	United States	100%	US19
CMP Childcare Center, Inc.	United States	100%	US21
ENK International LLC	United States	100%	US18
Healthcare Holdings, Inc	United States	100%	US18
Ludgate USA LLC	United States	100%	US18
Miller Freeman Acquisition Corp	United States	100%	US20
Rocket Holdings, Inc	United States	100%	US18
Roast LLC	United States	100%	US20
Spectrum ABM Corp	United States	100%	US17
The Verecom Group, Inc	United States	100%	US20
UBM Canon LLC	United States	100%	US17
UBM Delaware LLC	United States	100%	US20
UBM Finance Inc	United States	100%	US20
UBM Holdings, Inc	United States	100%	US18
UBM Investments Inc	United States	100%	US20
UBM LLC	United States	100%	US20
UBM Medica Group LLC	United States	100%	US18
UBM UK LLC	United States	100%	US18
UBMi Princeton LLC	United States	100%	US18

Company name	Country	Ordinary Shares held	Registered office
United Business Media Community Connection Foundation	United States	100%	US20
United Delaware Investments Limited	United States	100%	UK1
SES Vietnam Exhibition Services Company Limited	Vietnam	95.9%	VI1
Wenport Limited	Republic of Ireland	100%	RI1
Workyard Limited	United Kingdom	100%	UK1

Group			
Informa Australia Pty Limited	Australia	100%	AU1
Informa Holdings (Australia) Pty Limited	Australia	100%	AU1
Informa Enterprise Management (Shanghai) Co., Ltd.	China	100%	CH3
Informa European Financial Shared Service Centre GmbH	Germany	100%	GE1
Informa Switzerland Limited	Jersey	100%	JE1
IIR South Africa B.V.	Netherlands	100%	NE1
Informa Europe B.V.	Netherlands	100%	NE2
Lesbistes B.V.	Netherlands	100%	NE2
Informa Finance B.V.	Netherlands	100%	NE2
IBC Asia (S) Pte Limited	Singapore	100%	SG1
IIR Espana S.L.	Spain	100%	ES1
Informa Finance GmbH	Switzerland	100%	SW1
Informa IP GmbH	Switzerland	100%	SW1
IBC (Ten) Limited	United Kingdom	100%	UK1
IBC (Twelve) Limited	United Kingdom	100%	UK1
IBC Fourteen Limited	United Kingdom	100%	UK1
Informa Final Salary Pension Trustee Company Limited	United Kingdom	100%	UK1
Informa Finance UK Limited	United Kingdom	100%	UK1
Informa Finance USA Limited	United Kingdom	100%	UK1
Informa Group Holdings Limited	United Kingdom	100%	UK1
*Informa Group Ltd	United Kingdom	100%	UK1
Informa Holdings Limited	United Kingdom	100%	UK1
Informa Investment Plan Trustees Limited	United Kingdom	100%	UK1
Informa Overseas Investments Limited	United Kingdom	100%	UK1
Informa Quest Limited	United Kingdom	100%	UK1
Informa Six Limited	United Kingdom	100%	UK1
Informa Three Limited	United Kingdom	100%	UK1

Company name	Country	Ordinary Shares held	Registered office
Informa UK Limited	United Kingdom	100%	UK1
Informa US Holdings Limited	United Kingdom	100%	UK1
LLP Limited	United Kingdom	100%	UK1
Informa Academic and Business, LLC	United States	100%	UK1
Informa Export, Inc.	United States	100%	US6
Informa Global Sales, Inc.	United States	100%	US6
Informa Support Services, Inc.	United States	100%	US6
Informa USA, Inc.	United States	100%	US9

* Name changed from Informa Group Plc to Informa Group Ltd in 2018.

Company registered office addresses

UK

UK1	5 Howick Place, London, SW1P 1WG, United Kingdom

The Americas

US1	748 Whalers Way, Building E., Fort Collins, CO 80525, USA
US2	1166 Avenue of the Americas, 10th Floor, New York, NY 10036, USA
US3	255 38th Avenue, Suite P, Saint Charles, IL 60174-5410, USA
US4	8N. Queen Street, Suite 800, Lancaster, PA 17603, USA
US5	52 Vanderbilt Avenue, 11th Floor, New York, NY 10017, USA
US6	101 Paramount Drive, Suite 100, Sarasota, FL 34232, USA
US7	2020 N. Central Avenue, Suite 400, Phoenix, AZ 85004, USA
US8	6191 N. State Highway, Suite 500, Irving, TX 75038, USA
US9	One Research Drive, Westborough, MA 01581, USA
US10	1100 Superior Avenue, 8th Floor, Cleveland, OH 44114-2518, USA
US11	708 Third Avenue, 4th Floor, New York, NY 10017, USA
US12	4580 Scott Trail, Suite 100, Eagan, MN 55122, USA
US13	2225 SE 60th Avenue, Portland, OR 97215, USA
US14	6000 NW Broken Sound Parkway, Suite 300, Boca Raton, FL 33487, USA
US15	1 Harbour Drive, Suite 211, Sausalito, CA 94965, USA
US16	1115 NE 9th Avenue, Fort Lauderdale, FL 33304, USA
US17	2901 28th Street, Suite 100, Santa Monica, CA 90405, USA
US18	2 Penn Plaza, 15th Floor, NY 10121, New York, USA
US19	70 Blanchard Road, Suite 301, Burlington, MA 01803, USA
US20	1983 Marcus Avenue Suite 250, Lake Success NY 11042, USA
US21	600 Community Drive, Manhasset, NY 11030, USA
BH1	M B & H Corporate Services Limited, Mareva House, 4 George Street, Nassau, Bahamas
BM1	Canon's Court, 22 Victoria Street, Hamilton, Bermuda
BR1	Rue Bela Cintra 967, 11th Floor, Suite 112-C, Consolação, São Paulo 01415-003, Brazil
BR2	Rue Bela Cintra 967, 11th Floor, Suite 112-A, Consolação, São Paulo 01415-003, Brazil
BR3	Rue Bela Cintra 967, 11th Floor, Suite 111, Consolação, São Paulo 01415-003, Brazil
BR4	Rue Bela Cintra 967, 11th Floor, Suite 112-B, Consolação, São Paulo 01415-003, Brazil
BR5	Av Evandro Lins E Silva, 840, Sala 1206/1207/1209a1211, 22631-470, Rio de Janiero, Brazil
BR6	Rua Olimpiadas, São Paulo (Vila Olimpia) – 04551-000, Brazil
BR7	Centro de Apolo II, Alphaville, Santana de Parnaiba, São Paulo, 06541-060, Brazil
BR8	Alameda Tocatins, 75, Sala 1402, Edificio West Gate, Alphaville, Barueri, CEP 06455-020, São Paulo, Brazil
CA1	112th Floor, 20 Eglinton Avenue West, Yonge Eglinton Centre, Toronto, ON M4R 1K8, Canada
CA2	c/o McMillan LLP, Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3, Canada
CA3	c/o McMillan LLP, 1500 Royal Centre, 1055 West Georgia Street, Vancouver BCV6E 4N7, Canada
ME1	Cintermex, Primer Nivel, Local 45, Av. Parque Fundidora, 501, Col. Obrera, Monterrey 64010, Mexico
ME2	Av. Benjamin Franklin 235-4, DF06100, Mexico

China & Asia

BA1	Building 1, Road 22, Block 414, Al-Daih, Po Box 20200, Jidhafs, Bahrain
CH1	No. 6 & 7, Fl 10, Block 1, No. 19, Section 4, South Renmin Road, Wuhou District, Chengdu, China
CH2	Room 2072, 2nd Floor, 124 Building, No. 960 Zong Xing Road, Jian'an District, Shanghai, China
CH3	Room 2201, Hong Kong New Tower, No. 300 Huai Hai Middle Road, Huang Pu District, Shanghai, China
CH4	Room 802, 8th Floor, No. 87, Building No. 4, Worker's Stadium North Road, Chaoyang District, Beijing 100027, China
CH5	Room 1010, 10F, No. 93 Nanjing West Road, Jian'an District, Shanghai, China
CH6	Room 101-75, No. 15 Jia, No.152 Alley, Yanchang Road, Zhabei District, Shanghai, China
CH7	Room 234, 2nd Floor, M Zone, 1st Building, No. 3398, Hu Qing Ping Road, Zhao Xiang Town, Qing Pu District, Shanghai, China
CH8	Room 1103-1104, No. 996, East Xingang, Haizhu, Distrct, Guangzhou
CH9	No. 1, 2, 3, Fl 10, Block 1, No. 19, Section 4, South Renmin Road, Wuhou District, Chengdu, China
CH10	Floor 7/8, Urban Development International Tower, No. 355 Hong Qiao Road, XU Hui District, Shanghai 200030, China
CH11	10/F Xian Dai Mansion, 218 Xiangyang Road, Shanghai 200031, China
CH12	Room 405 Parkview Square, 960 Jie Fang Bei Road, Guangzhou 510040, China
CH13	2F, Guzhen Convention & Exhibition Center, Zhongshan, Guangdong, China
CH14	Room 1019, 39 Weigaojiao, Shanghai, China
CH15	9/F Ciro's Plaza, 388 West Nanjing Road, Huangpu District, Shanghai 200003, China
CH16	Room 607, East Block, Coastal Building, Haide 3rd Road, Nanshan District, Shenzhen, Guangdong 518054, China
CH17	Unit 01-02, 12/F, Tower A, Park View Green, 9 Dongdaqiao Road, Chaoyang District, Beijing 100020, China
CH18	Room 1159-1164, China Hotel Office Tower, Liu Hua Road, Guangzhou, China
CH19	Room 129, Floor 1, Building 1, No. 108 Kangqiao Road, Gongshu District, Hangzhou, China
CH20	Room 207, No.453 Fahuazhen Road, Shanghai, China
CH21	Room 1806-1807, Fu Li Tian He Business Mansion, No. 4, Hua Ting Road, Lin He Dong Road, Guangzhou 510610, China
CH22	Room 902, No. 996, East Xingang Road, Haizhu District, Guangzhou, China
HK1	Suite 1106-8, 11/F Tai Yau Building, No 181 Johnston Road, Wanchai, Hong Kong
HK2	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
HK3	Level 15 Langham Place, 8 Argyle Street, Mong Kok, Kowloon, Hong Kong
HK4	Room 812, Silvercord, Tower 1, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong
HK5	17/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
HK6	Unit 1203, 12/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong
HK7	Room 812, Silvercord, Tower 1, 30 Canton Road, Tsimshatsui Kowloon, Hong Kong
HK8	Unit 201, Building A, No. 1 Qianwan Road One, Qianhai Shenzhen & Hong Kong Cooperation Zone, Shenzhen, China
ID1	Menara Utara Gedung Menara Jamsotek Lt. 12 unit TA 12-04 Jl Jend. Gabot Subroto No. 38, Jakarta, Indonesia
ID2	Jalan Sultan Iskandar Muda, No 7 Arteri Pondok Indah, Kebayoran Lama, Jakarta Selantan, 12240, Indonesia
IN1	2nd & 3rd Floor, The National Council of YMCAs of India, 1 Jai Singh Road, New Delhi 110001, Delhi, India
IN2	Flat No. 104, Dhanunjaya Residence, Plot No. 143, Kalyan Nagar III, Hyderabad, Andhra Pradesh 500018, India
IN3	Unit No. 1&2, Times Square, Andheri Kurla Road, Marol, Andheri East, 400 059, Mumbai, India

JA1	5F Iwanami Hitotsubashi Building, 2-5-5 Hitotsubashi, Chiyoda-Ku, Tokyo 101-003, Japan
JA2	Kanda 91 Building, 1-8-3 Kajicho, Chiyoda-ku, Tokyo, 101-0044, Japan
MA1	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia
MA2	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
MY1	Apartment 203/204, Residence G, 12 A Kokkine Yeik Tha Street, Shwe Taung Gyar, Bahan Township, Yangon 11041 Myanmar
PH1	Unit 1003, Autel 2000 Corporate Centre, Valero Street Corner, Herrera Street, Saleedo Village, Makati City, Philippines
PH2	Unit 1 Mezzanine Floor Fly Ace Corporate Center, 13 Coral Way Barangay 76, Pasay City, NCR Fourth District, Philippines
PK1	6th Floor, City View, Block-3, Bahadur Yar Jung Co-operative Housing Society, Shaheed Millat Road, Karachi, Pakistan
RK1	8F, Woodo Building, 214 Mangu-ro, Jungnang-gu, Seoul 02121, Republic of Korea
RK2	8F, Woodo Building, 129-3 Sangbong-dong Chungnang-gu, Seoul, Republic of Korea
SG1	111 Somerset Road, #10-05 Tripleone Somerset, 238164, Singapore
SG2	10 Kallang Avenue, 09-15, Aperia, 339510, Singapore
SG3	10 Hoe Chaing Road, 20-05 Keppel Towers, 089315, Singapore
SG4	80 Robinson Road, 02-00, 068898, Singapore
TH1	252 SPE Tower, 9th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok, Thailand
TH2	428 Ari Hills Building, 18th Floor, Phahonyothin Road, Samsen Nai, Phaya Thai, Bangkok 10400, Thailand
VI1	10th Floor, Ha Phan Building, 17-17A-19, Ton That Tung Street, District 1, HCMC Vietnam

Australia & New Zealand

AU1	Level 18, 347 Kent Street, Sydney, NSW 2000, Australia
AU2	Level 5, 267 Collins Street, Melbourne, VIC 3000, Australia
NZ1	c/o Hall & Parsons CA Limited, 145 Kitchener Road, Milford, Auckland 0620, New Zealand

Middle East & Africa

EG1	7H, 263 Street, New Maadi, Cairo, Egypt
SA1	Aziziya District Bin, Mahfouz Centre, PO Box 4100, Jeddah 21491, Saudi Arabia
SA2	Office 110, Leaders Tower 2 King Fahad Road, PO Box 16743, Riyadh 12333, Saudi Arabia
UAE1	17th & 18th Floor, Creative Tower, P.O. Box 422, Fujairah, UAE
ZA1	Broadacres Business Centre, Corner Cedar and 3rd Avenue, Broadacres Sandton, Gauteng 2021, South Africa

Europe

BE1	Rue de Commerce 20/22, B-1000 Brussels, Belgium
CY1	2nd Floor, Sotiri Tofini 4, Agios Athanasios, Limassol 4102, Cyprus
ES1	C/Azcona, 36 Bajo, 28028 Madrid, Spain
FR1	37 avenue de Friedland, 75008, Paris, France
FR2	21/23, rue Camille Desmoulins, 92130 Issy les Moulineaux, France
GE1	Isartorplatz 4, 80331, Munich, Germany
GE2	AM Muhlengraben 22, 23909, Ratzeburg, Germany
GE3	Prielmayerstr. 3, c/o Rüter und Partner Steuerberatungsgesellschaft, 80335 Munich, Germany
GE4	Kaiser-Wilhelm-Str. 30, 12247, Berlin, Germany
GE5	Friedensplatz 13, 53721, Siegburg, Germany
IM1	First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF
IR1	70 Sir John Rogerson's Quay, Dublin 2, Ireland
IS1	Silver Building, Suite 112-115, 7 Abba Hillel Street, Ramat Gan 52522, Israel
JE1	22 Grenville Street, St Helier, JE4 8PX, Jersey
JE2	44 The Esplanade, St Helier, JE4 9WG Jersey
LU1	17 Boulevard Prince Henri, L-1724 Luxembourg
MC1	Le Suffren, 7 Rue Suffren-Reymond, 98000, Monaco
NE1	Kabelweg 37, 1014 BA, Amsterdam, Netherlands
NE2	Schimmelt 32, Kantoor C, 7E Verdieping, 5611 ZX, Eindhoven, Netherlands
NE3	Coengebouw, Kabelweg 37, 1014 BA Amsterdam, Netherlands
NE4	De Entree 73, 1101 BH, Toren A, Amsterdam, Netherlands
NO1	c/o Wahl-Larson, Advokatfirma AS, Fridtjof Nansens Plass 5, Oslo 0160, Norway
RI1	68 Merrion Square, Dublin, Republic of Ireland
SE1	Box 3255, 103 65, Stockholm, Sweden
SW1	Baarerstrasse 139, 6300 Zug, Switzerland
TU1	Rüzgarlıbaçe Mah. Kavak Sok, Smart Plaza B Blok, No: 31/1 Kat:8, 34805 Kavacık-Beykoz, Istanbul, Turkey
TU2	Molla Fenari Mah, Bab-i Ali Cad, No:9 K:3-4, Fatih 34120, Istanbul, Turkey

The proportion of voting power held is the same as the proportion of ownership interest. The Consolidated Financial Statements incorporate the financial statements of all entities controlled by the Company as at 31 December each year. Refer to Note 2 for further description of the method used to account for investments in subsidiaries.

41 Contingent liabilities

Consideration for the acquisition of Penton Information Services on 2 November 2016 included deferred consideration payable in October 2018 for anticipated future tax benefits. The estimated fair value of this consideration of £16.9m ($21.9m) was paid in October 2018. The final amount payable is under dispute with the seller, as a remaining amount of approximately £13.4m ($17m) is expected by the seller. No provision has been made for this potential additional amount as the Directors do not consider it probable that an additional amount is due.

42 Post balance sheet events

On 19 December 2018, the Group agreed the disposal of the Life Sciences media brands portfolio which was previously part of UBM plc for consideration of just over $100m, with the sale completing on 31 January 2019. As a result, the balance sheet of the Life Sciences business was shown as held for sale in the Consolidated Balance Sheet as at 31 December 2018.

On 15 February 2019 the Revolving Credit Facility was replaced with a new facility with two tranches: £600m for a 5-year term to February 2024 and £300m for a 3-year term to February 2022.

Financial Statements
Company Balance Sheet
as at 31 December 2018

	Notes	2018 £m	2017 £m
Fixed assets			
Investment in subsidiary undertakings	3	**7,861.2**	3,664.0
Other debtors: amounts falling due after one year	4	**867.8**	–
		8,729.0	3,664.0
Current assets			
Debtors due within one year	5	**3,175.1**	2,202.9
Cash at bank and on hand		**0.2**	0.1
		3,175.3	2,203.0
Creditors: amounts falling due within one year	6	**(1,572.5)**	(732.5)
Net current assets		**1,602.8**	1,470.5
Creditors: amounts falling due after more than one year	7	**(2,737.5)**	(842.3)
Net assets		**7,594.3**	4,292.2
Capital and reserves			
Share capital	8	**1.3**	0.8
Share premium account	9	**905.3**	905.3
Reserve for shares to be issued		**12.1**	8.7
Merger reserve	9	**4,501.9**	955.1
Employee Share Trust and ShareMatch shares		**(0.7)**	(0.7)
Capital redemption reserve		**(2.3)**	–
Profit and loss account	9	**2,176.7**	2,423.0
Equity Shareholders' funds		**7,594.3**	4,292.2
(Loss)/profit for the year ended 31 December		**(48.4)**	22.6

The financial statements of this Company, registration number 08860726, were approved by the Board of Directors and authorised for issue on 6 March 2019 and were signed on its behalf by

Stephen A. Carter
Group Chief Executive

Gareth Wright
Group Finance Director

Company Statement of Changes in Equity for the year ended 31 December 2018

	Share capital £m	Share premium account £m	Reserve for shares to be issued £m	Merger reserve £m	Employee Share Trust shares £m	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1 January 2017	0.8	905.3	6.0	955.1	(0.7)	–	2,560.5	4,427.0
Share-based payment charge	–	–	4.8	–	–	–	–	4.8
Profit for the year	–	–	–	–	–	–	22.6	22.6
Equity dividends	–	–	–	–	–	–	(162.2)	(162.2)
Transfer of vested LTIPs	–	–	(2.1)	–	–	–	2.1	–
At 1 January 2018	**0.8**	**905.3**	**8.7**	**955.1**	**(0.7)**	**–**	**2,423.0**	**4,292.2**
Issue of share capital	**0.5**	**–**	**–**	**3,544.6**	**–**	**–**	**–**	**3,545.1**
Purchase of own shares	**–**	**–**	**–**	**–**	**–**	**(2.3)**	**–**	**(2.3)**
Share-based payment charge	**–**	**–**	**7.3**	**–**	**–**	**–**	**–**	**7.3**
Exercise of share awards	**–**	**–**	**–**	**2.2**	**–**	**–**	**–**	**2.2**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(48.4)**	**(48.4)**
Equity dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(201.8)**	**(201.8)**
Transfer of vested LTIPs	**–**	**–**	**(3.9)**	**–**	**–**	**–**	**3.9**	**–**
At 31 December 2018	**1.3**	**905.3**	**12.1**	**4,501.9**	**(0.7)**	**(2.3)**	**2,176.7**	**7,594.3**

Notes to the Company Financial Statements for the year ended 31 December 2018

1. Corporate information

Informa PLC (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales with registration number 08860726. The address of the registered office is 5 Howick Place, London, SW1P 1WG.

Principal activity and business review

Informa PLC is the Parent Company of the Informa Group (the Group) and its principal activity is to act as the ultimate holding company of the Group.

2. Accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* as issued by the Financial Reporting Council.

The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2015. There were no material adjustments recorded for the transition from UK GAAP to FRS 102. As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, presentation of a cash flow statement, standards not yet effective and related party transactions. The Directors' Report, Corporate Governance Statement and Directors' Remuneration Report disclosures are on pages 96 to 125 of this report. The financial statements have been prepared on the historical cost basis except for the remeasurement of the derivative financial instruments which are measured at fair value at the end of each reporting period. The financial statements have been prepared on the going concern basis as explained in Note 2 to the Consolidated Financial Statements.

There were no critical accounting judgements that would have a significant effect on the amounts recognised in the Company financial statements or key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The principal accounting policies adopted are the same as those set out in Note 2 to the Consolidated Financial Statements, with the exception of the merger reserve accounting treatment arising from the Scheme of Arrangement in 2014. The Company's financial statements are presented in pounds sterling being the Company's functional currency.

Profit and loss account

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account or statement of comprehensive income for the year. The Company's revenue for the year is £nil (2017: £nil), and loss after tax for the year is £48.4m (2017: profit after tax £22.6m).

Share-based payment amounts that relate to employees of subsidiary Group companies are recorded as capital contributions to the relevant Group company.

Investments in subsidiaries and impairment reviews

Investments held as fixed assets are stated at cost less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised. Impairment reviews are undertaken at least annually or more frequently where there is an indication of impairment.

3. Investments in subsidiary undertakings

Cost	2018 £m	2017 £m
At 1 January	3,664.0	3,659.6
Additions – initial cash consideration relating to UBM plc	643.5	–
Additions – share consideration relating to UBM plc	3,545.1	–
Additions – other[1]	8.6	4.4
At 31 December	7,861.2	3,664.0

1. Additions – other includes deferred consideration of £2.5m related to UBM plc and £6.1m (2017: £4.4m) related to the fair value of share incentives issued to employees of subsidiary undertakings during the year.

The listing below shows the direct subsidiary and other subsidiary undertakings as at 31 December 2018 which affected the profit or net assets of the Company:

Company	Country of registration and operation	Principal activity	Ordinary Shares held
Informa Switzerland Limited	England and Wales	Holding company	100%
Informa Global Sales, Inc.	US	Domestic international sales corporation	100%
UBM plc	UK	Holding company	100%

Details of subsidiaries controlled by the Company are disclosed in the Consolidated Financial Statements (Note 40).

4. Debtors falling due after one year

	2018 £m	2017 £m
Amounts owed from Group undertakings	867.8	–

Amounts owed to Group undertakings falling due after one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed from Group undertakings is 0% (2017: n/a).

5. Debtors falling due within one year

	2018 £m	2017 £m
Amounts owed from Group undertakings	3,174.9	2,202.8
Prepayments and accrued income	0.2	0.1
	3,175.1	2,202.9

Amounts owed to Group undertakings falling due within one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed from Group undertakings range from 0% to 5.25% (2017: 0% to 4.25%).

6. Creditors: amounts falling due within one year

	2018 £m	2017 £m
Term loan	156.9	296.3
Bank overdraft	24.0	–
Amounts owed to Group undertakings	1,364.5	423.8
Other creditors and accruals	23.5	8.1
Current tax liabilities	3.6	4.3
	1,572.5	732.5

Amounts owed to Group undertakings falling due within one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed to Group undertakings range from 0% to 5.1% (2017: 0% to 3.75%).

7. Creditors: amounts falling due after one year

	2018 £m	2017 £m
Revolving Credit Facility[1]	**77.6**	285.6
Private placement loan notes[1]	**900.4**	554.1
Euro Medium Term Notes[1]	**877.9**	–
Derivative financial instruments	**24.1**	–
Amounts owed to Group undertakings	**854.1**	–
Other payables	**3.4**	2.6
	2,737.5	842.3

1. Stated net of arrangement fees.

On 4 January 2018, the Company issued $400.0m of private placement loan notes with maturities of 7 years and 10 years.

On 23 October 2014, the Company entered into a five-year Revolving Credit Facility for an equivalent of £900.0m. In July 2017, this facility was reduced to £855.0m of which £78.5m was drawn down at 31 December 2018 (2017: £287.6m), and is stated net of £0.9m (2017: £2.0m) of arrangement fees. The facility matures in October 2020, but on 15 February 2019 the Revolving Credit Facility was replaced with a new facility with two tranches: £600m for a 5-year term to February 2024 and £300m for a 3-year term to February 2022. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.

The private placement loan notes total £902.3m ($1,150.0m) and are stated net of £1.9m of arrangement fees.

For the purpose of financing the UBM plc acquisition Informa issued Euro Medium Term Notes (EMTNs), which are debt instruments traded outside of USA and Canada. On 2 July 2018, the bonds were priced with an issue date of 5 July 2018:

- An 8-year fixed term note, until July 2026, of value £300m with a 3.125% coupon rate
- A 5-year fixed term note, until July 2023, of value €650m with a 1.50% coupon rate

8. Share capital

	2018 £m	2017 £m
Issued and fully paid		
1,251,798,534 (2017: 824,005,051) Ordinary Shares of 0.1p each	**1.3**	0.8

	2018 Number of shares	2017 Number of shares
At 1 January	**824,005,051**	824,005,051
Issue of shares in relation to acquisition of UBM plc	**427,536,794**	–
Other issue of shares in relation to satisfying UBM SAYE shares	**256,689**	–
31 December	**1,251,798,534**	824,005,051

9. Capital and reserves

Share capital

On 30 May 2014, under a Scheme of Arrangement, 603,941,249 Ordinary Shares of 435p each in the Company were allotted to Shareholders. On 4 June 2014, a capital reduction took place which resulted in a reduction in share capital of £2,626.5m and the establishment of a distributable reserve of the same amount. This involved the nominal value per share of the issued share capital of the Company of 603,941,249 shares being reduced from 435p per share to 0.1p per share. During 2014, the Company also issued 45,000,000 Ordinary Shares of 0.1p for consideration of £207.0m.

On 11 October 2016, the Group issued 162,234,656 Ordinary Shares of 0.1p each through a 1-for-4 rights issue to part-fund the Penton acquisition. The shares were issued at £4.41 each and raised gross proceeds before expenses of £715.5m. On 2 November 2016, the Group issued 12,829,146 Ordinary Shares to the sellers of the Penton business in part consideration for the sale (Consideration Shares). Share capital as at 31 December 2016 and 2017 amounted to £0.8m (824,005,051 shares at 0.1p).

There were 427,536,794 shares issued on 18 June 2018 in connection with the acquisition of UBM plc, which at the acquisition date closing share price of £8.29 resulted in an increase in share capital of £0.5m. There were also 256,689 shares issued in 2018 to satisfy UBM SAYE Scheme awards maturing in the post-acquisition period.

Share premium

In 2014, the Company issued 45,000,000 Ordinary Shares of 0.1p with the share premium (net of transaction costs) being £204.0m. Share premium as at 31 December 2014 and 2015 amounted to £204.0m. On 11 October 2016, the Group issued 162,234,656 Ordinary Shares of 0.1p each through a 1-for-4 rights issue. The shares were issued at £4.41 each and resulted in share premium (net of transaction costs) of £701.3m. Share premium as at 31 December 2018 and 2017 amounted to £905.3m.

Merger reserve

On 30 May 2014, under a Scheme of Arrangement, the Company subscribed to shares in Informa Switzerland Limited, formerly Old Informa, a subsidiary undertaking, which were valued at £3,500.0m. This resulted in new share capital of £2,627.1m from the issue of 603,941,249 shares at a nominal value of 435p and the creation of a merger reserve of £872.9m.

On 2 November 2016, the Group acquired Penton Information Services and the Group issued 12,829,146 Ordinary Shares to the vendors, with the £82.2m share premium on the shares issued recorded against the merger reserve in accordance with the merger relief rules of the Companies Act 2006.

The Group acquired UBM plc on 15 June 2018 and issued 427,536,794 shares resulting in an increase in the merger reserve of £3,544.6m. There were also 256,689 shares issued in 2018 to satisfy UBM SAYE Scheme awards maturing in the post-acquisition period and there was an increase in the merger reserve of £2.2m in relation to the issue of these shares.

Profit and loss account

On 4 June 2014, a capital reduction took place which resulted in a reduction in share capital of £2,626.5m and the establishment of a distributable reserve of the same amount. This involved the nominal value per share of the issued share capital of the Company of 603,941,249 shares being reduced from 435p per share to 0.1p per share.

The distributable reserves of the Company are not materially different to the profit and loss account balance, with distributable reserves of £2,169.4m at 31 December 2018 (31 December 2017: £2,419.6m).

As at 31 December 2018, the Informa Employee Share Trust (EST) held 564,091 (2017: 388,118) Ordinary Shares in the Company with a market value of £3.6m (2017: £2.8m). The shares held by the EST have not been allocated to individuals and the remaining shares have been allocated to individuals in accordance with the Deferred Share Bonus Plan as set out in the Directors' Remuneration Report on page 113 to 125. As at 31 December 2018, the ShareMatch Scheme held 411,812 (2017: 273,560) matching Ordinary Shares in the Company at a market value of £2.6m (2017: £2.0m).

Details of the description of reserves are disclosed in the Consolidated Financial Statements (Note 36).

10. Share-based payments

Details of the share-based payments are disclosed in the Consolidated Financial Statements (Note 10).

11. Dividends

During the year, an interim dividend of £88.2m (2017: £54.8m) and a final dividend for the prior year of £113.6m (2017: £107.4m) were recognised as distributions by the Company. Details of dividends are disclosed in the Consolidated Financial Statements (Note 14).

12. Related parties

The Directors of Informa PLC had no material transactions with the Company or its subsidiaries during the year other than service contracts and Directors' liability insurance. Details of Directors' remuneration are disclosed in the Remuneration Report. The Company has taken advantage of the exemption that transactions with wholly owned subsidiaries do not need to be disclosed.

Audit exemption

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2018:

Audit exempt companies	Registration numbers
Advanstar Communications (UK) Limited	03287275
Afterhurst Limited	01609566
Agra Informa Limited	00746465
AMA Research Limited	04501364
Blessmyth Limited	03805559
Colonygrove Limited	04109768
Colwiz UK Ltd	08164609
Datamonitor Limited	02306113
Design Junction Limited	07634779
DIVX Express Limited	03212879
Dove Medical Press Limited	04967656
Ebenchmarkers Limited	04159695
E-Health Media Limited	04214439
Futurum Media Limited	09813559
Green Thinking (Services) Limited	05803263
Hirecorp Limited	04790559
IBC Fourteen Limited	03119071
IBC (Ten) Limited	01844717
IBC (Twelve) Limited	03007085
IIR Exhibitions Limited	02972059
IIR Limited	01835199
IIR Management Limited	02922734
IIR (U.K. Holdings) Limited	02748477
Informa Exhibitions Limited	05202490
Informa Finance UK Limited	08774672
Informa Finance USA Limited	08940353
Informa Global Markets (Europe) Limited	03094797
Informa Holdings Limited	03849198
Informa Overseas Investments Limited	05845568
Informa Six Limited	04606229

Audit exempt companies	Registration numbers
Informa Three Limited	04595951
Informa US Holdings Limited	09319013
James Dudley International Ltd	02394118
Karnac Books Ltd	03194381
Light Reading UK Limited	08823359
LLP Limited	03610056
London On-Water Limited	10621549
Mapa International Ltd	04757016
Miller Freeman Worldwide Limited	01750865
MRO Exhibitions Limited	02737787
MRO Network Limited	09375001
MRO Publications Limited	02732007
OES Exhibitions Limited	09958003
OTC Publications Ltd	02765878
Penton Communications Europe Limited	02805376
Roamingtarget Limited	05419444
Routledge Books Limited	03177762
Seatrade Communications Limited	00495334
Smarter Shows (Power) Europe Holdings Limited	10025028
Smarter Shows (Power) Europe Limited	09893244
Taylor & Francis Books Limited	03215483
Taylor & Francis Group Limited	02280993
Taylor & Francis Publishing Services Limited	03674840
TU-Automotive Holdings Limited	09823826
TU-Automotive Limited	09798474
UBM (GP) No 1 Limited	03259390
UBM Property Limited	08227422
UBM Property Services Limited	03212363
UBMG Services Limited	03666160
United Newspapers Publications Limited	00235544

Five-year summary

	2018 £m	2017[1] £m	2016 £m	2015 £m	2014 £m
Results from operations					
Revenue	**2.369.5**	1,756.8	1,344.8	1,212.2	1,137.0
Adjusted operating profit	**732.1**	544.9	415.6	365.6	334.0
Statutory operating profit/(loss)	**363.2**	344.7	198.6	236.5	(2.8)
Statutory profit/(loss) before tax	**282.1**	268.2	178.1	219.7	(31.2)
Profit/(loss) attributable to equity holders of the parent	**207.9**	310.8	171.5	171.4	(52.4)
Free cash flow	**503.2**	400.9	305.7	303.4	237.2
Net assets					
Non-current assets	**10,248.2**	4,356.6	4,542.3	2,731.9	2,612.7
Current assets	**717.8**	460.5	489.3	327.9	306.2
Current liabilities	**(1,530.8)**	(1,117.7)	(1,048.8)	(650.0)	(658.3)
Non-current liabilities	**(3,375.0)**	(1,470.4)	(1,795.0)	(1,141.7)	(1,028.9)
Net assets	**6,060.2**	2,229.0	2,187.8	1,268.1	1,231.7
Key statistics from continuing operations (in pence)					
Earnings per share	**19.7**	37.7	23.6	24.3	(7.9)
Diluted earnings per share	**19.7**	37.6	23.6	24.3	(7.9)
Adjusted earnings per share	**49.4**	46.2	42.2	39.5	37.8
Adjusted diluted earnings per share	**49.2**	46.0	42.1	39.5	37.8
Dividends per share	**21.90**	20.45	19.30	18.50	17.80

1. 2017 restated for implementation of IFRS 15 (see Note 4 of the Consolidated Financial Statements).