

Registered number: 01072954

INFORMA UK LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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INFORMA UK LIMITED

COMPANY INFORMATION

Directors	Simon Bane Stephen Carter Rupert Hopley Nicholas Perkins Gareth Wright
Company secretary	Rupert Hopley
Registered number	01072954
Registered office	5 Howick Place London SW1P 1WG

INFORMA UK LIMITED

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INFORMA UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

BUSINESS REVIEW

Informa UK Limited provides specialist, high value information to the Academic and Scientific, Professional and Commercial markets via Publishing and Events. Informa UK Limited publishes over 2,300 subscription products (a service delivered electronically and in hardcopy) and has sold over 2,979,000 books. Informa UK Limited's brands include Lloyd's List, Routledge and Taylor & Francis.

The Directors are pleased with the 2019 performance, with revenue increasing from £417,526,000 in 2018 to £423,448,000 in 2019. Gross profit has increased, from £290,775,000 in 2018 to £293,045,000 in 2019. The gross profit margin has remained consistent year on year. Operating profit has increased from £116,452,000 in 2018 to £143,201,000 in 2019. The increase in operating profit principally relates to an £10,046,000 movement in foreign exchange gains year on year and an increase of £28,767,000 in recharges received from other Informa Group companies due to a change in the recharge methodology in the year.

As at 31 December 2019 the Company has net assets of £670,641,000 (2018 - £638,099,000). The board sees no reason to alter its expectations that Informa UK Limited will deliver another good performance in 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The performance of the Company depends on the financial health and strength of its customers, which in turn is dependent on the economic conditions of the industries and geographic regions in which they operate. Traditionally, spending on some of the Company's products has been cyclical due to companies spending significantly less in times of economic uncertainty.

The markets for the Company's products are highly competitive and in a state of ongoing and uncertain change. If the Company is unable to successfully enhance and/or develop its products in a timely fashion, the Company's revenue could be affected. There are also low barriers to entry in relation to certain parts of the Company's businesses.

In recent years, more public sources of free or relatively inexpensive information have become available, particularly through the internet, and this trend is expected to continue. For example, some governmental and regulatory agencies have increased the amount of information they make publicly available at no cost. Such sources may reduce demand for the Company's publishing products.

Major disasters, arising from either natural causes or man-made, have the potential to significantly disrupt the operation of the business. In particular, the success of the Company's Events division is dependent on bringing potentially large numbers of individuals to events, either as paying delegates or non-paying visitors to exhibitions. Events that have the capacity to result in significant operational disruption to global travel include natural disasters, military conflict, political unrest, terrorist activity and industrial action. Additionally, disasters can disrupt the Company's electronic platforms and distribution systems.

The Company's businesses are increasingly dependent on electronic platforms and distribution systems, which primarily deliver the Company's products through the internet. Any significant failure or interruption of these systems, or the Informa Group's wider IT infrastructure could thereby restrict the Company's ability to provide services to customers. The Company may also be disadvantaged if it does not keep abreast of all relevant new technological advances or if such changes are expensive to implement.

The Company has valuable databases and as part of its business provides its customers with access to database information. There are persons who may try to breach the Company's data security systems or gain other unauthorised access to its databases in order to misappropriate such information for potentially fraudulent purposes or to approach the Company's customers for commercial purposes. This could damage the Company's reputation and expose it to risks of loss, litigation and/or regulatory action, as well as increase the likelihood of more extensive governmental supervision of these activities in a way that could adversely affect this aspect of the Company's business.

INFORMA UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

The Company relies on agreements with its customers as well as trademark, copyright and other IP laws to establish and protect the IP rights subsisting in its journals, books and training materials. However, these rights may be challenged, limited, invalidated or circumvented by third parties seeking to infringe or otherwise profit from the Company's proprietary rights without its authorisation. In addition, there is now a growing amount of copyright legislation relating to digital content. These laws remain under legislative review and there remains significant uncertainty as to the form copyright law may ultimately take. Additionally, enforcement of IP rights is restricted in certain jurisdictions, and the global nature of the internet makes it impossible to control the ultimate destination of content produced by the Company. The Company may also be the subject of claims for infringement of third party rights or party to claims to determine the scope and validity of the IP rights of others. Litigation based on these claims is common amongst companies that utilise digital IP.

The Company is required to comply with strict data protection and privacy legislation which restrict the Company's ability to collect and use personal information. The Company is exposed to the risk that its data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by or on behalf of the Company, in which case the Company could face liability under data protection laws and/or suffer reputational damage from the resulting lost customer goodwill.

Compliance with various laws and regulations does impose significant compliance costs and restrictions on the Company, with the risk of fines and/or other sanctions for non-compliance. In addition, such regulations are often at the discretion of the administering authorities and changes in existing laws or regulations, or in their interpretation or enforcement, could require the Company to incur additional costs in complying with those laws, or require changes to its strategy, operations or accounting and reporting systems. In particular, laws and regulations relating to communications, data protection, e-commerce, direct marketing and digital advertising have become more prevalent and complex in recent years.

The valuation of investments and intangibles could be affected by a deterioration in economic conditions. A reduction in the valuation of investments and intangibles could cause a material reduction in profit.

The failure to attract and retain key employees could seriously impede the objectives of the Company. The successful management and operations of the Company are reliant upon the contributions of its senior management and other key personnel. In addition, the Company's future success depends in part on its ability to continue to recruit, motivate and retain highly experienced and qualified employees in the face of often intense competition from other companies.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators include:

	2019	2018
Revenue (£)	423,448,000	417,526,000
Gross profit (£)	293,045,000	290,775,000
Gross profit margin (%)	69	70
Operating profit (£)	143,201,000	116,452,000
Number of books sold	2,979,352	3,076,312
Number of journal titles sold	2,385	2,633

SECTION 172 STATEMENT

The Directors are issuing this Section 172 statement, which applies to accounting periods beginning on or after 1 January 2019, for the first time.

The Directors have full regard for their duties and the matters as set out in Section 172 of the 2006 UK Companies Act. This statement focuses on matters of strategic importance to the Company and the level of information disclosed is consistent with the nature and size of the business.

INFORMA UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

SECTION 172 STATEMENT (CONTINUED)

In carrying out their duties, the Directors have acted in good faith, to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term;
- b. the interests of the company's employees;
- c. the need to foster the company's business relationships with suppliers, customers and others;
- d. the impact of the company's operations on the community and the environment;
- e. the desirability of the company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly between members of the company.

Informa UK Limited forms part of the Informa PLC Group of Companies. The Informa PLC Section 172 statement is set out on pages 52 and 53 of its 2019 Annual Report. Details of how to obtain a copy of the Informa PLC 2019 Annual Report are provided in note 22 and the 2019 Annual Report can also be found on the Informa website (www.informa.com/investors/annual-report/).

Promoting the Company's success

The long-term success of the Company is at the forefront of all of the Board of Directors' thinking.

It is the Board's belief that the Company can only be successful when the interests of those it works with are considered, and particularly when the interests of colleagues, customers, shareholders and other stakeholders are collated, understood, responded to and appropriately reflected in how the business operates and develops.

The Heart of Informa section in the Informa PLC 2019 Annual Report (pages 34 to 51) describes the Group's (and therefore the Company's) most significant stakeholders, why they are considered important, how the Company engages and to what end, and how the Directors are involved. Further information can also be found in the Governance report, starting on page 106 of the Informa PLC 2019 Annual Report.

Market specialisation through portfolio change

One of the many matters in which the Board balances and incorporates the interests of Informa's most significant stakeholders in its decision making, is during times of acquisition and corporate development.

An example of how the Board performed its Section 172 duties was in considering, scrutinising and approving a plan to better focus the Company's business on its target specialist markets.

The proposal was to carve out Agribusiness Intelligence from Informa UK Limited and sell it to IHS Markit. Direct stakeholder engagement was not possible due to the confidentiality of these discussions, and so the Informa PLC Board received presentations from the Divisional CEO and Director of Strategy and Business Planning and considered the long-term consequences of these actions on stakeholders.

The Directors discussed the benefits of focusing on specialist markets where there was most potential for long-term growth for Shareholders and the success of the Company and all its stakeholders.

The Informa PLC Board discussed management's view that it did not have the scale and footprint in Agribusiness Intelligence, and how this could negatively affect the product's customers and the wider Agribusiness community it served over time.

In selling Agribusiness Intelligence, the Directors were satisfied that IHS Markit was a strong and reputable business, and secured safeguards around maintaining benefits and service continuity for transferring colleagues.

INFORMA UK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

SECTION 172 STATEMENT (CONTINUED)

Major stakeholders, their interests and how we engage

What they care about

How the Company Board and, where appropriate, the Informa PLC Board engages

Colleagues

Information and tools to work; having a voice in the business; recognition and reward; career development; long-term health of the business.

Directly via webinars, Townhalls, email updates and posting news and relevant articles onto the Informa global intranet site.

Customers

Expert high quality service, ongoing product investment; value; helping them succeed.

Directly through attending events where this applicable. Trends included in strategy and management presentations.

Business partners

Shared success; good service; prompt payment; clear processes.

Market trend data and initiatives are considered during management discussions. The Informa PLC Group has standard payment terms which are adhered to by the Company. The Company's payment practices are reported and are available from www.gov.uk/check-when-businesses-pay-invoices.

Shareholders (including those of the ultimate parent, Informa PLC)

Consistent returns; long-term business growth.

Directly via one-to-one meetings, Informa PLC Chairman's Annual Shareholder Roadshow, investor meetings and the AGM. As a wholly owned indirect subsidiary of Informa PLC, the Company's Board is cognisant of the need to act in the best interests of all shareholders.

Environment/communities/society

Contribute to community success; manage environmental footprint.

Working closely with the Sustainability Team to ensure that the Company's actions and behaviours conform with the Group's sustainability targets.

Further information on the following matters can be found in the Informa PLC 2019 Annual Report:

Non-financial information statement

Informa PLC's business model

Measuring results, outside of financial measures

This report was approved by the board on 17 June 2020 and signed on its behalf.

Nicholas Perkins
Director

INFORMA UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

RESULTS AND FUTURE DEVELOPMENTS

The principal activities of the Company and its branches are detailed in the Business Review section of the Strategic Report on page 1.

The profit for the year, after taxation, amounted to £193,771,000 (2018 - £90,157,000). The increase in profit for the year principally relates to the increase in operating profit, as discussed in the Strategic Report, the profit on transfer of trade and assets in relation to the disposal of the Agribusiness and a dividend being received for the first time from a Company which was acquired in 2017.

The Directors have considered the events and implications of Brexit up to the date of signing and do not consider there to be a material impact on the Company.

The Directors have considered the events and implications of COVID-19 up to the date of signing and do not consider there to be a material impact on the Company.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks including credit risk and foreign exchange risk. The Company does not use derivative financial instruments.

Credit risk

The Company's principal financial assets are trade, intercompany and other receivables. The Company's credit risk is primarily attributable to these receivables. The amounts presented in the Balance Sheet are net of a provision for the expected credit loss.

Foreign exchange risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates primarily in relation to the US dollar and Euro. A strengthening in sterling compared to other currencies will reduce the sterling reported revenue for services not billed in sterling and will also decrease demand from overseas for services billed in sterling.

DIRECTORS

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

Simon Bane
Stephen Carter
Rupert Hopley
Nicholas Perkins
Gareth Wright

DIRECTORS' INDEMNITIES

The Informa Group has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as set out in note 1.

INFORMA UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

DIVIDENDS

The Directors do not recommend the payment of a final ordinary dividend for the year ended 31 December 2019 (2018 - £nil). On 19 December 2019 the Company paid an interim dividend of £165,206,000 to Informa Holdings Limited (2018 - £nil).

EMPLOYEE CONSULTATION

The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them and on the various factors affecting the performance of the Informa Group. This is achieved principally through webinars, formal and informal meetings, email updates and posting news and relevant articles onto the Company's global intranet site.

All employees worldwide are also invited to attend webinars after the announcement of the half year and full year results. These presentations finish with a Q&A session, where employees are encouraged to ask the Executive Directors questions about the business and its future. The webinars are recorded and posted on the Company's intranet so that those employees who are unable to attend can view them.

All UK employees are eligible to participate in 'ShareMatch', the HM Revenue & Customs Approved Share Incentive Plan ("SIP").

EQUAL OPPORTUNITIES

The Company believes in equality of opportunity for all employees based on merit and that no employee or job applicant should receive less favourable treatment on the grounds of age, gender, sexual orientation, disability, colour, race, religion, nationality or ethnicity. The Company's equal opportunity policy not only covers fair recruitment, but also the opportunities given to staff on training and development, and the Group's views on equal opportunities form a part of the employee induction training.

The Company's objective is to provide continued suitable employment to staff whose circumstances change, with appropriate training if necessary. The Company's offices are required to enable access for all abilities and comply with all applicable local laws.

POST BALANCE SHEET EVENTS

On 9 January 2020 the Company acquired F1000 Research Limited for consideration of £16.0m. The business is an open research publishing company and forms part of the Taylor & Francis business.

This report was approved by the board on 17 June 2020 and signed on its behalf.

Nicholas Perkins
Director

INFORMA UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the financial statements.

INFORMA UK LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Revenue	2	423,448	417,526
Cost of sales		(130,403)	(126,751)
Gross profit		<u>293,045</u>	<u>290,775</u>
Administrative expenses		(149,844)	(174,323)
Operating profit		<u>143,201</u>	<u>116,452</u>
Income from shares in Group undertakings	3	15,206	2,998
Profit from transfer of trade and assets	3	36,054	-
Impairment of goodwill	10	-	(1,740)
Impairment of investments	12	-	(3,774)
Interest receivable and similar income	6	2,142	1,489
Interest payable and similar charges	7	(776)	(212)
Impairment of leased assets		(1,044)	-
Profit before tax		<u>194,783</u>	<u>115,213</u>
Tax on profit	8	(1,012)	(25,056)
Profit for the year		<u><u>193,771</u></u>	<u><u>90,157</u></u>

All amounts in 2019 and 2018 relate to continuing operations.

The notes on pages 13 to 46 form part of these financial statements.

INFORMA UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £000	2018 £000
Profit for the financial year	193,771	90,157
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net foreign exchange losses	(34)	(46)
Actuarial gains/(losses) on defined benefit schemes	2,868	(1,156)
Deferred tax (charge)/credit on actuarial gains/(losses)	(488)	220
Total comprehensive income for the year	196,117	89,175

INFORMA UK LIMITED
REGISTERED NUMBER:01072954

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Non current assets			
Goodwill	10	285,449	310,966
Other intangible assets	9	187,351	218,281
Property, plant and equipment	11	1,487	1,605
Investments	12	76,682	76,682
Right of use assets	24	6,928	-
Other receivables	14	152	157
		<u>558,049</u>	<u>607,691</u>
Current assets			
Inventories	13	19,172	26,341
Trade and other receivables	14	342,157	419,731
Current tax assets		481	-
Cash		1,166	1,449
		<u>362,976</u>	<u>447,521</u>
Current liabilities			
Trade and other payables	15	(226,756)	(371,540)
Current tax liabilities		-	(27,154)
Lease liabilities	24	(2,984)	-
		<u>(229,740)</u>	<u>(398,694)</u>
Net current assets		<u>133,236</u>	<u>48,827</u>
Non current liabilities			
Deferred tax liabilities	16	(7,265)	(5,966)
Provisions	17	(1,550)	(2,721)
Pension liability	21	(5,074)	(9,732)
Lease liabilities	24	(6,755)	-
		<u>(20,644)</u>	<u>(18,419)</u>
Net assets		<u>670,641</u>	<u>638,099</u>
Capital and reserves			
Share capital	18	361,600	361,600
Share option reserve		4,568	3,235
Retained earnings		304,473	273,264
Shareholders' funds		<u>670,641</u>	<u>638,099</u>

INFORMA UK LIMITED
REGISTERED NUMBER:01072954

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

For the year ended 31 December 2019 the Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006. The members have not required the Company to obtain of an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 June 2020.

N M Perkins

Nicholas Perkins
Director

The notes on pages 13 to 46 form part of these financial statements.

INFORMA UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital £000	Share option reserve £000	Retained earnings £000	Total £000
At 1 January 2018	361,600	2,529	184,411	548,540
Comprehensive income for the year				
Profit for the year	-	-	90,157	90,157
Foreign exchange losses	-	-	(46)	(46)
Actuarial losses on pension scheme (see note 21)	-	-	(1,156)	(1,156)
Deferred tax credit on actuarial losses	-	-	220	220
Other comprehensive expense for the year	-	-	(982)	(982)
Total comprehensive income for the year	-	-	89,175	89,175
Transfer of vested LTIPs	-	322	(322)	-
Share based payment (see note 19)	-	1,743	-	1,743
Matching shares purchased	-	(1,359)	-	(1,359)
At 1 January 2019	361,600	3,235	273,264	638,099
Comprehensive income for the year				
Profit for the year	-	-	193,771	193,771
Foreign exchange losses	-	-	(34)	(34)
Actuarial gains on pension scheme (see note 21)	-	-	2,868	2,868
Deferred tax credit on actuarial losses (see note 16)	-	-	(488)	(488)
Other comprehensive income for the year	-	-	2,346	2,346
Total comprehensive income for the year	-	-	196,117	196,117
Dividends paid	-	-	(165,206)	(165,206)
Transfer of reserves	-	(298)	298	-
Share based payment (see note 19)	-	2,415	-	2,415
Matching shares purchased	-	(784)	-	(784)
At 31 December 2019	361,600	4,568	304,473	670,641

Share option reserve

This reserve relates to LTIPs granted to colleagues reduced by the transferred and vested awards. It also relates to the SIP which colleagues are eligible to participate in and the shares purchased to satisfy this scheme.

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. These have all been applied consistently throughout the current and preceding year.

General information

Informa UK Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office and the Company's registered number are given on the company information page. The nature of the Company's operations and its principal activities are set out in the Business Review section of the Strategic Report on page 1.

As permitted by section 400 of the Companies Act 2006, the Company has not prepared consolidated financial statements as it is a subsidiary undertaking of Informa PLC, a company incorporated in England and Wales which prepares consolidated financial statements including the results of Informa UK Limited and its subsidiary undertakings. These financial statements present information about the Company as an individual undertaking and not about its Group. Details of the parent in whose consolidated financial statements the Company is included are shown in note 23 to the financial statements.

The Company has applied FRS 101 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the Financial Reporting Council ('FRC') in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

Basis of preparation of financial statements

These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the FRC.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

As permitted by FRS 101, 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 and presentation of comparative information in respect of certain assets. Where relevant, equivalent disclosures are given in the Group accounts of Informa PLC. The Group accounts of Informa PLC are available to the public and can be obtained as set out in note 23.

Adoption of new and revised standards

Standards and interpretations adopted in the current year

The following new standards, amendments and interpretations have been adopted in the current year:

- IFRS 16: Leases
- Annual improvements to IFRS standards 2015-2017 cycle
- IAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to IAS 23: Long-term Interests in Associates and Joint Ventures
- IFRS 23: Uncertainty over Income Tax Treatments

With the exception of IFRS 16, the adoption of these standards, amendments and interpretations has not led to any changes to the Company's accounting policies or had any other material impact on the financial position or performance of the Company. Other amendments to IFRSs effective for the year ending 31 December 2019 have no impact on the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

IFRS 16 Leases

The Company adopted IFRS 16 on 1 January 2019 using the modified retrospective approach, see note 24 for the impact of the new standard.

IFRS 16 Leases replaced the existing leasing standard, IAS 17 Leases. It treats all leases in a consistent way, eliminating the distinction between operating and finance leases, and requires lessees to recognise all leases on the Balance Sheet, with some practical expedients. The most significant effect of the new requirements is in the recognition of lease assets (right of use assets) and lease liabilities for leases previously 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 lease liability (included within interest payable and similar charges).

Impact of the new definition of a lease

There are several practical expedients and exemptions available under IFRS 16. The Company is using the practical expedient where, at the adoption date, right of use lease assets are set to equal the lease liabilities. The Company has excluded leases of low value assets and short-term leases, with a duration of less than twelve 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 leases.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease based on whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17.

Impact on Lessee Accounting

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were not previously presented on the Balance Sheet. For leases assessed as IFRS 16 applicable, the Company:

- recognises right-of-use assets and lease liabilities in the Balance Sheet, initially measured at the present value of the future lease payments; and
- recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss.

Lease incentives are recognised as part of the measurement of the right of use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right of use assets are tested for impairment in accordance with IAS 36.

Judgements and Estimates

IFRS 16 requires certain judgements and estimates to be made. The most significant of these relate to the discount rates used and the term of the lease life however these are not considered a critical accounting judgement or key source of estimation uncertainty.

Discount rates are calculated on a lease by lease basis. For the majority of leases, the rate used is a portfolio rate, based on estimates of incremental borrowing costs. The portfolio of rates depend on the territory of the relevant lease, hence the currency used, and the weighted average lease term. The transition approach adopted has required a level of judgement in selecting the most appropriate discount rate. For a small number of leases, the standard permits the adoption of a portfolio approach whereby a single group guarantee discount rate can be used for leases of a similar nature; therefore this practical expedient has been used where appropriate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)

IFRS 16 Leases (continued)

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. Where a lease includes the option for the Company to extend the lease term, the Company makes a judgement as to whether it is reasonably certain that the option will be taken and an assumed expiry date is determined. Where there are extension options on specific leases and the assumed expiry date is determined to have changed, the lease term is reassessed. This reassessment of the remaining life of the lease could result in a recalculation of the lease liability and the right of use asset and potentially result in a material adjustment to the associated balances of depreciation and finance lease interest.

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 2020):

- amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- amendments to References to the Conceptual Framework in IFRS Standards
- amendments to IAS 1 and IAS 8: Definition of Material
- amendments to IFRS 3 Business Combinations (not yet endorsed)

The Directors anticipate that the adoption of planned standards and interpretations in future periods will not have a material impact on the financial statements of the Company.

Going concern

The Company is a 100% subsidiary of Informa PLC. In reaching their decision to prepare the accounts on a going concern basis, the Directors have considered the impact of the current economic climate on both the Company and also the Group of which it is a member.

Having given due consideration to the above factors and the anticipated future performance of the Company, taking into account reasonably possible changes in trading performance in light of uncertainty related to current unfavourable economic conditions, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements. For this reason they continue to adopt the going concern basis in preparing the accounts.

Revenue

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 customer and requires the identification and assessment of the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue.

Where separate performance obligations are identified in a single contract, total revenue is allocated on the basis of relative stand-alone selling prices to each performance obligation, or management's best estimate of relative value where stand-alone selling prices do not exist.

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. Revenue for each category type of revenue is typically fixed at the date of the order and is not variable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

Revenue (continued)

Payments received in advance of the satisfaction of a performance obligation are held as deferred income until the point at which the performance obligation is satisfied. Deferred income balances at the year-end reporting date will be recognised as revenue within twelve months. Therefore, the aggregate amount of the transaction price in respect of performance obligations that are unsatisfied at the year end reporting date, is the deferred income balance which will be satisfied within one year.

Revenue type	Performance obligations	Revenue recognition accounting policy	Timing of customer payments
Exhibition space and related services	Provision of services associated with exhibition and conference events.	Performance obligations are satisfied at the point of time that services are provided to the customer with revenue recognised when the event has taken place.	Payments for events are normally received in advance of the event dates, which are typically up to 12 months in advance of the event date, and are held as deferred income until the event date.
Subscriptions	Provision of journals and online information services that are provided on a periodic basis or updated on a real-time basis.	Performance obligations are satisfied over time, with revenue recognised straight-line over the period of the subscription.	Subscriptions payments are normally received in advance of the commencement of the subscription period which is typically a 12 month period and are held as deferred income.
Transactional sales	Provision of books and specific publications in print or digital format.	Revenue is recognised at the point of time when control of the product is passed to the customer or the information service has been provided.	Transactional sales to customers are typically on credit terms and customers pay accordingly to these terms.
Attendee revenue	Provision of exhibition or conference events.	Performance obligations are satisfied at the point of time that the event is held, with attendee revenue recognised at this date.	Payments by attendees are normally received either in advance of the event date or at the event.
Marketing, advertising services and sponsorship	Provision of advertising, marketing services and event sponsorship.	Performance obligations are satisfied over the period of the advertising subscription or over the period when the marketing service is provided. Revenue relating to advertising or sponsorship at events is recognised on a point of time basis at the event date.	Payment for such services are normally received in advance of the marketing, advertising or sponsorship period.

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

Revenue (continued)

Revenue relating to barter transactions is recorded at fair value and the timing of recognition is in line with the above. Expenses from barter transactions are recorded at fair value and recognised as incurred. Barter transactions typically involve the trading of show space or conference places in exchange for services provided at events or media advertising.

There are no material contract assets or liabilities arising on work performed in order to deliver performance obligations. See note 2 for further details of revenue by business segment and geographic location.

Intangible assets

Intangible assets are capitalised on acquisition and written off on a straight-line basis over their useful economic life which is no more than 20 years.

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

- 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 Company does not have any intangible assets with indefinite lives (excluding goodwill).

Goodwill

Goodwill arising on the acquisition of businesses is calculated as the excess of purchase consideration over the fair value of net identifiable assets and liabilities 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. The value in use basis is used for the impairment calculation and any impairment is recognised immediately in the Income Statement.

Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows.

Leasehold improvements	-	period of lease
Fixtures, fittings and equipment	-	3 - 10 years
Motor vehicles	-	4 years

Residual value is calculated on prices prevailing at the date of acquisition. Useful lives and residual values are reviewed at the end of every reporting period.

Investments

Investments, including investments in subsidiaries and associates, are stated at cost less provision for any impairment in value. The value in use basis is used for the impairment calculation and any impairment is recognised immediately in the Income Statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)

Joint venture

Joint venture undertakings are held at cost less amounts written off. Income from joint venture undertakings represents dividends receivable and is recognised in the Income Statement when declared by the joint venture undertakings.

Inventories

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).

Taxation

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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.

Deferred tax

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 the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited in Other Comprehensive Income, in which case the deferred tax is also dealt with in Other Comprehensive Income. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. 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 Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the 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.

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

Pension costs

The Company participates in a Group wide defined benefit scheme providing benefits whose assets and liabilities are held separately from those of the Company. The cost of providing these benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each reporting date. Past service cost is recognised in the Income Statement in the period of a plan amendment. Net interest is calculated by applying a discount rate to the opening net defined benefit liability or asset. Actuarial gains and losses are recognised in full in the period in which they occur, outside of the Income Statement and in the Statement of Other Comprehensive Income.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the 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.

For defined contribution schemes the amount charged to the Income Statement in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The translation differences are reported in the Income Statement. The Balance Sheet of foreign branches is translated into pounds sterling at the closing rates of exchange. The Income Statement results are translated at an average exchange rate.

Share based payments

The Company issues equity settled share based payments to certain employees. A fair value for the equity settled share award is measured at the date of grant. The fair value is measured using the 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. The charge for the share based payments is apportioned between the group companies and accounted for as a cost in the subsidiary funded by the capital contribution from the parent.

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. The estimate of vesting is reviewed annually, with any impact on the cumulative charge being recognised in the Income Statement immediately.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a 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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Interest receivable and similar income

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

Income from shares in Group undertakings

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Financial assets

Financial assets are recognised in the Company's Balance Sheet when the Company 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Company recognises lifetime expected credit losses (ECL) for trade receivables and twelve month expected credit losses for intercompany receivables. The expected credit losses on these financial assets are estimated based on the Company'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. The carrying amount is reduced by the ECL through the use of a provision account. When a receivable balance is considered uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision are recognised in the Income Statement.

Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as operating leases expensed directly to the Income Statement.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, using the discount rate implicit with the lease. The lease liability is presented as a separate line in the balance sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the discount rate used at commencement) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification;
- The lease payments change due to changes in an index or rate or a change in expected payments, in which cases the lease liability is remeasured by discounting the revised lease payments using a changed discount rate at the effective date of the modification.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and vacant property provisions. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of use assets are depreciated over the expected lease term of the underlying asset. The depreciation starts at the commencement date of the lease. The right of use assets are presented as a separate line in the Balance Sheet. The Company applies IAS 36 to determine whether a right of use asset is impaired and accounts for any identified impairment loss against the right of use asset.

Financial liabilities

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)

Contingent consideration

Contingent consideration relating to acquisitions is recognised initially based on the Company's estimate of the most likely outcome and discounted appropriately to fair value. Any subsequent re-measurement of contingent consideration is recognised in the Income Statement.

Key sources of estimation uncertainty and critical accounting judgements

In the application of the Company's accounting policies, 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. These 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

There are deemed to be no critical accounting judgements.

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

Identifying whether there are indicators of impairment for assets involves a high level of estimation and a good understanding of the drivers of value behind the asset. At each reporting period an assessment is performed in order to determine whether there are any such indicators, which involves considering the performance of our businesses, any significant changes to the markets in which we operate and future forecasts. For impairment testing purposes, goodwill is allocated to the specific cash-generating units ('CGUs') which are expected to benefit from the goodwill. When there are changes in the business structure, judgement is required in identifying any changes to the identification of CGUs taking account of the lowest level of independent cash inflows generated and the level at which the Chief Operating Decision Maker monitors the performance of the business.

There are a number of assumptions the Company has considered in performing impairment reviews of assets. The determination of whether assets are impaired requires an estimation of the value in use of the cash generating units to which assets have been allocated, except where fair value less costs to sell is applied. The value in use calculation requires the Company to estimate the future cash flows expected to arise from each CGU using projections for five years and determining a suitable discount rate in order to calculate present value, and the long-term growth rate.

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. REVENUE

By geographical market

	2019 £000	2018 £000
United Kingdom	69,999	75,422
Continental Europe	72,521	70,289
North America	162,065	155,622
Rest of the World	118,863	116,193
	<u>423,448</u>	<u>417,526</u>

By market sector

	2019 £000	2018 £000
Energy and Utilities	959	953
Finance, Insurance, Law and Tax	14,116	13,392
Health and Pharmaceutical	25,872	18,316
Industrial	34,259	49,020
Public Sector	348,240	335,845
Other	2	-
	<u>423,448</u>	<u>417,526</u>

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. PROFIT FOR THE YEAR

The profit for the year is stated after charging/(crediting):

	2019 £000	2018 £000
Profit on disposal of assets	(17)	(11)
Profit on transfer of trade and assets	(36,054)	-
Depreciation of property, plant and equipment	761	850
Depreciation of IFRS 16 right of use assets	3,020	-
Amortisation of intangible assets	35,958	39,773
Net foreign exchange (gains)/losses	(5,267)	5,882
Auditor's remuneration	-	315
Income from shares in Group undertakings	(15,206)	(2,998)
Inventory write off	804	883
	<u>804</u>	<u>883</u>

In 2019 there was also £nil (2018 - £3,774,000) charged in relation to impairment of investments and £6,279,000 (2018 - £1,740,000) charged in relation to impairment of goodwill.

The profit on transfer of trade and assets was in relation to the disposal of the Agribusiness.

The Company received the following dividends:

	2019 £000	2018 £000
Afterhurst Limited	1,849	1,733
Canrak Books Limited (formerly Karnac Books Limited)	709	-
Dove Medical Press Limited	12,361	-
Informa Healthcare AS	-	707
Routledge Books Limited	287	558
	<u>15,206</u>	<u>2,998</u>

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. STAFF COSTS

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	89,788	97,994
Social security costs	9,544	9,518
Other pension costs (see note 21)	3,995	4,218
Share based payments (see note 19)	2,415	1,743
	<u>105,742</u>	<u>113,473</u>

Within wages and salaries £1,475,000 (2018 - £3,934,000) relates to redundancy costs.

The average monthly number of employees, employed by the Company during the year was as follows:

	2019 No.	2018 No.
Management	36	36
Editorial and production	727	774
Marketing and promotion	397	429
Finance and administration	587	596
	<u>1,747</u>	<u>1,835</u>

5. DIRECTORS' REMUNERATION

The Directors are employed and remunerated by other companies in the Informa PLC group and do not receive any remuneration specifically for their services as Directors of the Company.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £000	2018 £000
Interest receivable from Group companies	2,139	1,483
Other interest receivable	3	6
	<u>2,142</u>	<u>1,489</u>

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2019 £000	2018 £000
On loans from Group undertakings	20	(47)
On pension scheme liabilities (see note 21)	244	206
Other interest payable	37	53
On finance leases (see note 24)	475	-
	<u>776</u>	<u>212</u>

The credit on loans from Group undertakings during the prior year relates to a historic interest adjustment made in 2018.

8. TAXATION

	2019 £000	2018 £000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	-	27,670
Double taxation relief	-	(122)
	<u>-</u>	<u>27,548</u>
Foreign tax		
Foreign tax on income for the year	219	243
Foreign tax adjustment in respect of prior periods	(18)	49
	<u>201</u>	<u>292</u>
Total current tax	<u>201</u>	<u>27,840</u>
Total deferred tax (see note 16)	811	(2,784)
Taxation on profit	<u>1,012</u>	<u>25,056</u>

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit before tax	194,783	115,213
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	37,009	21,890
Effects of:		
Expenses not deductible for tax purposes	3,195	1,304
Adjustments to tax charge in respect of prior periods	48	1,652
Non-taxable income	(9,740)	(570)
Double taxation relief	-	(122)
Tax losses not included for deferred tax	17	-
Group relief received	(30,526)	-
Foreign tax suffered	201	291
Rate differences	808	611
Total tax charge for the year	1,012	25,056

Factors that may affect future tax charges

The Finance Act 2016 enacted reduced the UK main rate of corporation tax to 17% from 1 April 2020, as follows:

Year to 31 March	2018	2019	2020	2021
Corporation Tax Rate	19%	19%	19%	17%

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 will, subject to receiving Royal Assent, remain at 19%, rather than the previously enacted reduction to 17%.

Deferred tax has been provided at the rate of 17% in respect of short term temporary differences which are expected to reverse at the prevailing rate.

Deferred tax has been provided on UK intangible assets in respect of temporary timing differences at the UK rate at which they are expected to reverse.

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. INTANGIBLE ASSETS

	Software £000	Development costs £000	Publishing rights £000	Exhibitions and conferences £000	Total £000
Cost					
At 1 January 2019	128,800	26,352	334,320	560	490,032
Additions	11,759	1,083	347	-	13,189
Transfers to other Group companies	(2,778)	-	-	-	(2,778)
Disposals	(4,471)	(3,253)	(149)	-	(7,873)
Reclassification to property, plant and equipment	(130)	-	-	-	(130)
Foreign exchange movement	(3)	-	-	-	(3)
At 31 December 2019	<u>133,177</u>	<u>24,182</u>	<u>334,518</u>	<u>560</u>	<u>492,437</u>
Amortisation					
At 1 January 2019	50,610	9,201	211,884	56	271,751
Charge for the year	14,370	4,350	17,126	112	35,958
Disposals	(1,399)	(1,185)	(38)	-	(2,622)
Foreign exchange movement	(1)	-	-	-	(1)
At 31 December 2019	<u>63,580</u>	<u>12,366</u>	<u>228,972</u>	<u>168</u>	<u>305,086</u>
Carrying amount					
At 31 December 2019	<u>69,597</u>	<u>11,816</u>	<u>105,546</u>	<u>392</u>	<u>187,351</u>
At 31 December 2018	<u>78,190</u>	<u>17,151</u>	<u>122,436</u>	<u>504</u>	<u>218,281</u>

The disposals during the year are assets in relation to the disposal of the Agribusiness.

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. GOODWILL

	£000
Cost	
At 1 January 2019	322,411
Additions	7,297
Disposals	(37,638)
At 31 December 2019	<u>292,070</u>
Impairment	
At 1 January 2019	5,166
Charge for the year	6,279
Disposals	(4,824)
At 31 December 2019	<u>6,621</u>
Carrying amount	
At 31 December 2019	<u>285,449</u>
At 31 December 2018	<u>317,245</u>

On 1 May 2019, tangible and intangible assets of Canrak Books Limited (formerly Karnac Books Limited) were transferred into the Company for £7,254,000, giving rise to goodwill of £7,366,000.

During the year, adjustments of £69,000 were made to the original goodwill value attributed to various acquisitions which were made in the prior year. These adjustments have been made through the additions line under cost in the table.

Disposals relate to a number of assets that have been discontinued.

As goodwill is not amortised it is tested for impairment annually, or more frequently if there are indicators of impairment. The testing involves comparing the carrying value of assets in each cash-generating unit ('CGU') with value in use calculations or assessments of fair value less cost to sell derived from the latest cash flow projections. The annual impairment review was performed on 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. GOODWILL (continued)

Impairments

The number of CGU groups for the testing of goodwill in 2019 was 3 (2018 - 2). The carrying amount of goodwill recorded in the major groups of CGUs is set out below:

	2019 Number	2018 Number	2019 £000	2018 £000
CGU Groups				
Informa Connect	1	1	3,661	9,940
Informa Intelligence	14	14	66,409	96,321
Taylor & Francis	18	17	209,100	204,705
	<u>33</u>	<u>32</u>	<u>279,170</u>	<u>310,966</u>

The recoverable amounts of the CGUs 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. The key assumptions are those regarding revenue and operating profit 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 three years, after which a long-term perpetuity growth rate is applied.

The Company has undertaken a sensitivity analysis based on changes to key assumptions considered to be reasonably possible by management. These sensitivities of revenue growth rate and operating profit growth have been considered as to whether they are reasonably possible to either erode headroom or give risk of material adjustment to carrying values, across CGU groups. Results of the testing showed that no CGU was at risk of impairment when applying these reasonably possible sensitivity scenarios.

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation				
At 1 January 2019	1,130	61	9,223	10,414
Additions	12	-	539	551
Disposals	-	(50)	(201)	(251)
Reclassification from intangible assets	-	-	130	130
Foreign exchange movements	-	(1)	(4)	(5)
At 31 December 2019	1,142	10	9,687	10,839
Depreciation				
At 1 January 2019	840	61	7,908	8,809
Charge for the year	108	-	653	761
Disposals	-	(50)	(164)	(214)
Foreign exchange movements	-	(1)	(3)	(4)
At 31 December 2019	948	10	8,394	9,352
Carrying amount				
At 31 December 2019	194	-	1,293	1,487
At 31 December 2018	290	-	1,315	1,605

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. INVESTMENTS

	2019 Investment in subsidiary companies £000	2019 Investment in joint ventures £000	2019 Total £000	2018 Investments in subsidiary companies £000	2018 Investment in joint ventures £000	2018 Total £000
Cost or valuation						
At 1 January	97,250	100	97,350	116,633	100	116,733
Additions	-	-	-	569	-	569
Disposals	-	-	-	(19,952)	-	(19,952)
At 31 December	<u>97,250</u>	<u>100</u>	<u>97,350</u>	<u>97,250</u>	<u>100</u>	<u>97,350</u>
Impairment						
At 1 January	20,668	-	20,668	36,846	-	36,846
Charge	-	-	-	3,774	-	3,774
Disposals	-	-	-	(19,952)	-	(19,952)
At 31 December	<u>20,668</u>	<u>-</u>	<u>20,668</u>	<u>20,668</u>	<u>-</u>	<u>20,668</u>
Carrying amount						
At 31 December	<u>76,582</u>	<u>100</u>	<u>76,682</u>	<u>76,582</u>	<u>100</u>	<u>76,682</u>

Disposals in 2018 relate to Ashgate Publishing Limited which was dissolved during the year.

In 2018, an impairment of £1,376,000 was required in relation to Colwiz Limited to bring the carrying value of the investment down to its current valuation.

In 2018, an impairment of £2,398,000 was required in relation to Routledge Books Limited to bring the carrying value of the investment down to its current valuation.

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company at the year end:

Name	Principal activity	Registered office	Ordinary shares held
Afterhurst Limited	Non trading	UK	100%
Canrak Books Limited (formerly Karnac Books Limited)	Publishing	UK	100%
Cogent OA Limited	Dormant	UK	100%
Colwiz Limited	Publishing	Republic of Ireland	100%
Dove Medical Press Limited	Publishing	UK	100%
Informa Final Salary Pension Trustee Company Limited	Trustee company	UK	100%
Informa Healthcare AS	Publishing	Norway	100%
LLP Limited	Non trading	UK	100%
Psychology Press New Co Limited	Dormant	UK	100%
Routledge Books Limited	Non trading	UK	100%
Taylor & Francis AB	Publishing	Sweden	100%
Taylor & Francis Japan G.K.	Publishing	Japan	100%
Taylor & Francis Publishing Services Limited	Non trading	UK	100%

The registered address of the UK subsidiary undertakings is 5 Howick Place, London, SW1P 1WG.

The registered address of Colwiz Limited is 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

The registered address of Informa Healthcare AS is c/o Advokat Merete Bardsen, Wahl-Larson Advokatfirma AS, Fridtjof Nansens plass 5, Oslo, 0160, Norway.

The registered address of Taylor & Francis AB is Box 3255, 103 65, Stockholm, Sweden.

The registered address of Taylor & Francis Japan G.K. is 1-54-4, Kanda, Jimbocho, Chiyoda-ku, Tokyo, Japan.

Joint venture undertakings

The following were joint ventures of the Company at the year end:

Name	Principal activity	Registered office	Ordinary B shares held
Lloyd's Maritime Information Services Limited	Dormant	UK	100%

The registered address of Lloyd's Maritime Information Services Limited is 71 Fenchurch Street, London, EC3M 4BS.

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13. INVENTORIES

	2019 £000	2018 £000
Work in progress	3,064	6,260
Finished goods and goods for resale	4,059	6,291
Pre-publication costs	12,049	13,790
	<u>19,172</u>	<u>26,341</u>

There is no material difference between the Balance Sheet value of inventories and their replacement cost.

14. TRADE AND OTHER RECEIVABLES

	2019 £000	2018 £000
Due after more than one year		
Other receivables	<u>152</u>	<u>157</u>

Other receivables due after more than one year relate to interest bearing loans, of which \$100,000 (2019 - £76,000, 2018 - £79,000) is repayable within 2 years (2018 - 3 years) and \$100,000 (2019 - £76,000, 2018 - £78,000) is repayable within 4 years (2018 - 5 years).

	2019 £000	2018 £000
Due within one year		
Trade receivables	48,880	50,910
Amounts owed by Group undertakings	261,941	332,770
Other receivables	9,821	9,862
Prepayments and accrued income	21,515	25,044
Other taxation and social security	-	1,145
	<u>342,157</u>	<u>419,731</u>

Of amounts owed by Group undertakings £256,041,000 (2018 - £214,146,000) bears interest at LIBOR minus 0.5%, £5,900,000 (2018 - £77,624,000) is non-interest bearing and £nil (2018 - £41,000,000) bears interest at 3.5%.

Amounts owed by Group undertakings are unsecured. Formal loans and balances with the Informa Group treasury entity (Informa Group Holdings Limited) are repayable on demand. Trading balances are subject to payment terms.

The Directors consider the carrying amounts approximate their fair value.

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. TRADE AND OTHER PAYABLES

	2019 £000	2018 £000
Trade payables	27,096	28,842
Amounts owed to Group undertakings	23,108	154,655
Other taxation and social security	2,908	4,087
Other payables	6,406	10,312
Accruals and deferred income	167,238	173,644
	<u>226,756</u>	<u>371,540</u>

Of amounts owed to Group undertakings £23,108,000 (2018 - £154,655,000) is non-interest bearing.

Amounts owed to Group undertakings are unsecured. Formal loans and balances with the Informa Group treasury entity (Informa Group Holdings Limited) are repayable on demand. Trading balances are subject to payment terms.

The Directors consider the carrying amounts approximate their fair value.

16. DEFERRED TAX LIABILITY

	Accelerated tax depreciation £000	Intangible assets £000	Pensions £000	Other £000	Total £000
At 1 January 2019	3,234	(12,242)	1,850	1,192	(5,966)
Credited/(charged) to the Income Statement	(3,221)	2,609	(500)	301	(811)
Charged to Other Comprehensive Income	-	-	(488)	-	(488)
At 31 December 2019	<u>13</u>	<u>(9,633)</u>	<u>862</u>	<u>1,493</u>	<u>(7,265)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. PROVISIONS

	Restructuring provision £000	Vacant property £000	Deferred & contingent consideration £000	Dilapidations £000	Total £000
At 1 January 2019	1,401	620	416	284	2,721
Increase in year	5,538	-	-	49	5,587
Utilisation of provision	(3,680)	(211)	(47)	(80)	(4,018)
Released in year	(2,331)	(409)	-	-	(2,740)
At 31 December 2019	928	-	369	253	1,550

During 2019 the Company provided for costs relating to reorganisation and restructuring. It is expected to be utilised in 2020.

The dilapidations provision relates to the amount payable to the landlord on completion of the lease in respect of wear and tear.

The provision for deferred and contingent consideration is in respect of the acquisition of the trade and assets of Colwiz Limited. It is expected that the provision will be utilised by 2021. The contingent consideration is based on future business valuations and profit multiples using profit forecasts.

18. SHARE CAPITAL

	2019 £000	2018 £000
Issued, called up and fully paid		
361,500,000 (2018 - 361,500,000) ordinary shares of £1.00 each	361,500	361,500
100,000 (2018 - 100,000) C class preference shares of £1.00 each	100	100
	361,600	361,600

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19. SHARE BASED PAYMENTS

The Company recognised a total expense of £2,415,000 (2018 - £1,743,000) related to equity-settled share based payment transactions in the year ended 31 December 2019.

Long-Term Incentive Plan

The Company Long-Term Incentive Plans (LTIPs) provide for nil-cost option awards with a grant price equal to the market quotation price from the day prior to the grant date of the ultimate parent company shares. The performance period is three years starting with the year in which the grant is made. LTIP awards are conditional share awards with performance conditions. To the extent they are met or satisfied then awards will vest following the end of the relevant performance period. LTIPs are equity settled and will lapse if the employee leaves the ultimate holding company's Group before the LTIPs vest.

The weighted average share price at the date of exercise for share awards exercised during the period was £7.80. The LTIPs outstanding at 31 December 2019 had exercise prices of nil and an expected life of 3 years. In 2019, awards were granted on 21 March 2019. The aggregate of the estimated fair value of the awards granted on this date was £7.46. In 2018, options were granted on 22 March 2018. The aggregate of the estimated fair value of the options granted on this dates was £7.19.

Share awards granted under Long-Term Incentive Plans will be satisfied by the issue of additional share capital or the purchase of shares as needed on the open market.

ShareMatch (Share Incentive Plan)

ShareMatch allows eligible colleagues to invest up to the limit of £1,800 per annum in the ultimate parent 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, 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 ultimate parent 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.

20. CONTINGENT LIABILITIES

The Company has in issue a performance bond of £9,000 (2018 - £10,000), an advanced payment guarantee of £427,000 (2018 - £441,000) and a VAT guarantee of £358,000 (2018 - £354,000).

During the prior year the company was a joint guarantor for loans in relation to Informa PLC and Informa Group Holdings Limited, comprising of issued private placement loan notes of £1,390,000,000, a revolving credit facility of £855,000,000 of which £78,500,000 had been drawn, a term loan of £156,900,000 and a bond with a value of £274,600,000. The Company ceased to be a guarantor for these loans in 2019.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. PENSION COMMITMENTS

The Company's employees participate in pension schemes operated by the Group for their employees.

Defined contribution schemes

The total cost charged for the year under the group defined contribution scheme was £3,751,000 (2018 - £3,483,000). There were no contributions that were due in respect of the current reporting period that had not been paid over to the scheme (2018 - £nil).

Defined benefit schemes

The Informa Group operates two defined benefit pension schemes in the UK for which Informa UK Limited is the sponsoring employer, the Informa Final Salary Scheme and the Taylor & Francis Group Pension and Life Assurance Scheme ("the Group UK Schemes") for all qualifying UK employees providing benefits based on final pensionable pay. Both schemes are closed to future accrual. Contributions are determined following triennial valuations undertaken by a qualified actuary using the Projected Unit Credit Method.

The Defined Benefit Schemes are administered by a separate fund that is legally separated from the Company. The Trustees are responsible for running the Group UK Schemes in accordance with the Group UK Schemes' Trust Deed and Rules, which sets out their powers. The Trustees of the Group UK Schemes are required to act in the best interests of the beneficiaries of the Group UK Schemes. There is a requirement that one third of the Trustees are nominated by the members of the Group UK Schemes. The Trustees of the pension fund 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 that any pension deficit will be addressed to ensure that pension payments made to current and future pensioners will be met.

The investment strategies adopted by the Trustees of the Group UK Schemes include some exposure to *index-linked gilts and corporate bonds*. 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.

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

- **Asset volatility** - the Group UK Schemes' defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields, however the Group UK 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 UK 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 UK Schemes' defined benefit obligation is linked to inflation, therefore higher inflation will result in a higher defined benefit obligation (subject to a cap). The majority of the Group 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 UK Schemes' members live longer than expected, the Group UK Schemes' benefits will need to be paid for longer, increasing the Group UK Schemes' defined benefit obligations.

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. PENSION COMMITMENTS (continued)

The Trustees and the Company manage risks in the Group UK 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 employees 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 employed deferred members, revaluation to retirement for deferred members and annual pension increases for all members) and then discounting to the Balance Sheet date. Members receive increases to their benefits linked to inflation (subject to a cap). The valuation method used is known as the Projected Unit Credit Method. The approximate overall duration of the Schemes' Defined Benefit obligation as at 31 December 2019 was 18 years (2018 - 19 years).

The assumptions which have the most significant effect on the results of the FRS 101 valuation for both 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:

	2019	2018
	%	%
Discount rate	2.1	2.8
Rate of price inflation (CPI)	1.95	2.15
Rate of price inflation (RPI)	2.95	3.15
Rate of increase in deferred pensions	1.95	2.15
Rate of increase in pensions in payment	1.80-2.85	1.95-3.05
	2019	2018
	Years	Years
Life expectancy		
For an individual aged 65 - male	86	87
For an individual aged 65 - female	88	89

For the Group UK Schemes, mortality assumptions used in the FRS 101 valuations are taken from tables published by Continuous Mortality Investigation ('CMI'). The latest base tables use SAPS S3 tables with a scaling factor of 102% and 110% for males and females respectively, and life expectancy improvements are taken from CMI 2018 (2018: CMI 2017) with the long-term rate of improvement of 1.25% (2018: 1.25%).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. PENSION COMMITMENTS (continued)

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 future annual employer contributions of £2.0m per annum up to 28 February 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.

An actuarial valuation was carried out for FRS 101 purposes as at 31 December 2019 by a qualified independent actuary. 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 £2.0m (2018 - £1.5m). The weighted average duration of pension scheme liabilities was 18 years at 31 December 2019.

The sensitivities regarding the principal assumptions used to measure the Informa Final Salary Scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Decrease by 0.1%	Increase by £1.8m
Rate of price inflation pre-retirement	Increase by 0.25%	Increase by £4.1m
Rate of mortality	Increase by 1 year	Increase by £3.4m

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 Life Assurance and Pension 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.

An actuarial valuation was carried out for FRS 101 purposes as at 31 December 2019 by a qualified independent actuary. 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 (2018 - £nil). The weighted average duration of pension scheme liabilities was 18 years at 31 December 2019.

The sensitivities regarding the principal assumptions used to measure the Taylor & Francis Group Pension and Life Assurance Scheme liabilities are set out below:

Assumptions	Change in assumption	Impact on scheme liabilities
Discount rate	Decrease by 0.1%	Increase by £0.5m
Rate of price inflation pre-retirement	Increase by 0.25%	Increase by £0.9m
Rate of mortality	Increase by 1 year	Increase by £1.0m

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. PENSION COMMITMENTS (continued)

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

	2019 £000	2018 £000
Recognised in profit before tax		
Net interest cost on net deficit	(244)	(206)
Current service cost	-	(529)
	<u>(244)</u>	<u>(735)</u>

	2019 £000	2018 £000
Analysis of amount recognised in the Statement of Comprehensive Income		
Actual return less expected return on Scheme assets	11,767	(7,389)
Experience loss	-	(2,704)
Change in financial actuarial assumptions	(11,643)	8,210
Change in demographic assumptions	2,744	727
Actuarial gain/(loss)	<u>2,868</u>	<u>(1,156)</u>

	2019 £000	2018 £000
Movement in deficit during the year		
Deficit in Scheme at beginning of the year	(9,732)	(9,366)
Contributions	2,034	1,525
Net finance cost	(244)	(206)
Actuarial gain/(loss)	2,868	(1,156)
Current service cost	-	(529)
Deficit in Scheme at end of the year	<u>(5,074)</u>	<u>(9,732)</u>

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

	2019 £000	2018 £000
Present value of defined benefit obligations	(132,921)	(125,710)
Fair value of Scheme assets	127,847	115,978
Deficit in Scheme and liability recognised in the Balance Sheet	<u>(5,074)</u>	<u>(9,732)</u>

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. PENSION COMMITMENTS (continued)

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

	2019 £000	2018 £000
Opening present value of defined benefit obligation	(125,710)	(131,212)
Interest cost	(3,448)	(3,114)
Benefits paid	5,136	2,912
Actuarial (loss)/gain	(8,899)	6,233
Current service cost	-	(529)
Closing present value of defined benefit obligation	(132,921)	(125,710)

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

	2019 £000	2018 £000
Opening fair value of Scheme assets	115,978	121,846
Expected return on Scheme assets	3,204	2,908
Actuarial gain/(loss)	11,767	(7,389)
Contributions from the sponsoring companies	2,034	1,525
Benefits paid	(5,136)	(2,912)
Closing fair value of Scheme assets	127,847	115,978

The assets of the Group UK Schemes include assets held in managed funds and cash funds operated by Zurich Assurance Limited, Legal & General Investment Management Limited, Partners Group (UK) Limited, BlackRock Investment Management (UK) Limited, Baillie Gifford & Co Limited and Insight Investment Management Limited.

The fair value of the assets held are as follows:

	Fair value at 31 December 2019 £000	Fair value at 31 December 2018 £000
Equities	58,018	49,132
Bonds	4,174	5,595
Cash	8,846	25,591
Property	13,235	12,725
Diversified growth fund	32,857	15,185
LDI	10,717	7,750
	127,847	115,978

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

The history of the Group UK Schemes for the current and prior years is as follows:

	2019 £000	2018 £000	2017 £000	2016 £000	2015 £000
Present value of defined benefit obligations	(132,921)	(125,710)	(131,212)	(135,964)	(106,729)
Fair value of Scheme assets	127,847	115,798	121,846	113,922	102,749
Deficit in the Scheme and liability recognised in the Balance Sheet	(5,074)	(9,732)	(9,366)	(22,042)	(3,980)
Related deferred tax assets	862	1,850	1,780	4,243	796
Deficit net of deferred tax assets	(4,212)	(7,882)	(7,586)	(17,799)	(3,184)
Experience adjustments on Scheme liabilities					
Amount (£000)	-	(2,704)	1,640	2,426	1,988
Percentage of scheme liabilities (%)	-	(2.2)	1.3	1.8	0.2
Experience adjustments on Scheme assets					
Amount (£000)	11,767	(7,389)	7,802	10,380	1,103
Percentage of Scheme assets (%)	9.2	(6.4)	6.4	9.1	1.1

22. POST BALANCE SHEET EVENTS

On 9 January 2020 the Company acquired F1000 Research Limited for consideration of £16.0m. The business is an open research publishing company and forms part of the Taylor & Francis business.

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking of the Company is Informa Holdings Limited, a company incorporated in England and Wales. The registered address of Informa Holdings Limited is 5 Howick Place, London, SW1P 1WG.

The ultimate parent undertaking and controlling party is Informa PLC, a company incorporated in England and Wales under the Companies Act 2006 with number 8860726. This is the smallest and largest group into which the Company is consolidated. Copies of the group financial statements for Informa PLC are available at its principal place of business at Informa PLC, 5 Howick Place, London, SW1P 1WG.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

24. IFRS 16 LEASES

IFRS 16 Implementation on 1 January 2019

On 1 January 2019, the Company adopted the new accounting standard, IFRS 16 Leases. There are several practical expedients and exemptions available under IFRS 16. The Company 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 liability (adjusted for accruals and prepayments). The Company has excluded leases of low-value assets and short-term leases, with a duration of less than twelve months from the application of IFRS 16, with payments for these leases continuing to be expensed directly to the Income Statement as operating leases. All property leases are assessed for IFRS 16 impact. Other event venue-related leases are assessed to determine if the lease should be classified under IFRS 16, however the majority of these leases are excluded due to their cumulative lease terms generally being less than twelve months.

Under IFRS 16 the right of use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This replaced the previous requirement to recognise a provision for onerous leases. An impairment assessment of the right-of-use assets was performed on transition at 1 January 2019 with no impact identified.

At 1 January 2019 adoption of IFRS 16 resulted in the Company recognising right of use assets of £10,924,000 and lease liabilities of £12,642,000. Provisions for vacant properties and deferred rent-free periods of £1,718,000 were previously included in liabilities, are now netted off against the value of the right of use assets.

The weighted average incremental borrowing rate (IBR) used at the transition date to discount lease liabilities was 4.1%. A single IBR is applied to a portfolio of leases when these have shared similar characteristics including location, duration and nature of the leases, including whether a Company guarantee is provided.

The following table reconciles the opening balance for the lease liabilities as at 1 January 2019 based upon the operating lease obligations as at 31 December 2018:

	£000
Restated operating lease commitments disclosed under IAS 17 at 31 December 2018	13,581
Other impacts of adopting IFRS 16 including cost of reasonably certain extensions	1,352
Gross lease liabilities recognised under IFRS 16 at 1 January 2019	14,933
Effect of discounting	(2,291)
Total lease liabilities recognised under IFRS 16 at 1 January 2019	12,642

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. IFRS 16 LEASES (continued)

The effect before tax on the Balance Sheet of the implementation of IFRS 16 Leases on 1 January 2019 is summarised as follows:

	At 31 December 2018 £000	IFRS 16 adjustments at adoption on 1 January 2019 £000	At 1 January 2019 adjusted for IFRS 16 £000
Non current assets			
Goodwill	310,966	-	310,966
Other intangible assets	218,281	-	218,281
Property, plant and equipment	1,605	-	1,605
Investments	76,682	-	76,682
Right of use assets	-	10,924	10,924
Other receivables	157	-	157
	<u>607,691</u>	<u>10,924</u>	<u>618,615</u>
Current assets			
Inventories	26,341	-	26,341
Trade and other receivables	419,731	-	419,731
Cash	1,449	-	1,449
	<u>447,521</u>	<u>-</u>	<u>447,521</u>
Current liabilities			
Trade and other payables	(371,540)	1,718	(369,822)
Current tax liabilities	(27,154)	(2,897)	(30,051)
Lease liabilities	-	(2,897)	(2,897)
	<u>(398,694)</u>	<u>(4,076)</u>	<u>(402,770)</u>
Net current assets/(liabilities)	48,827	(4,076)	44,751
Non current liabilities			
Deferred tax liabilities	(5,966)	-	(5,966)
Provisions	(2,721)	-	(2,721)
Pension liability	(9,732)	-	(9,732)
Lease liabilities	-	(9,745)	(9,745)
	<u>(18,419)</u>	<u>(9,745)</u>	<u>(28,164)</u>
Net assets	<u>638,099</u>	<u>(2,897)</u>	<u>635,202</u>
Capital and reserves			
Share capital	361,600	-	361,600
Share option reserve	3,235	-	3,235
Retained earnings	273,264	-	273,264
Shareholders' funds	<u>638,099</u>	<u>-</u>	<u>638,099</u>

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

24. IFRS 16 LEASES (continued)

IFRS 16 Leases at 31 December 2019

The Company's right of use asset and lease liability at 31 December 2019 is as follows:

	Property leases £000
Right of use assets	
At 1 January 2019	10,924
Depreciation	(3,020)
Impairment	(969)
Foreign exchange movements	(7)
At 31 December 2019	<u><u>6,928</u></u>
	Property leases £000
Lease liabilities	
At 1 January 2019	(12,642)
Repayment of lease liabilities	3,371
Interest on lease liabilities	(475)
Foreign exchange movements	7
At 31 December 2019	<u><u>(9,739)</u></u>
	£000
Current lease liabilities	(2,984)
Non current lease liabilities	(6,755)
At 31 December 2019	<u><u>(9,739)</u></u>

The Company's average lease term under IFRS 16 is 7 years. The average incremental borrowing rate (IBR) used for the year ended 31 December 2019 to discount lease liabilities was 4.1%.