

**Ascential Group Limited**

Annual Report and Financial Statements  
For the year ended 31 December 2017

Registered Number: 435820

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**Ascential Group Limited**  
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For the year ended 31 December 2017

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**Ascential Group Limited**  
Directors, Officers and Auditor  
For the year ended 31 December 2017

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|                            |  |
|----------------------------|--|
| <b>Directors</b>           | D Painter<br>M Gradden   |
| <b>Company secretaries</b> | S Looi<br>L Meads - appointed 6 February 2017                    |
| <b>Auditor</b>             | KPMG LLP<br>15 Canada Square<br>London<br>E14 5GL                |
| <b>Registered office</b>   | The Prow<br>1 Wilder Walk<br>London<br>United Kingdom<br>W1B 5AP |
| <b>Company number</b>      | 435820   |

### **Principal activities and future developments**

Ascential Group Limited (the "Company") primarily holds direct and indirect investments in subsidiaries, and provides management services. It is intended that the Company will continue these activities for the foreseeable future.

### **Results and dividends**

The results for the Company show a pre-tax profit of £34.6 million (2016: £77.3 million) for the year and turnover of £26.6 million (2016: £25.2 million).

No interim dividend was paid during the year (2016: £nil) The Directors do not recommend the payment of a final (2016: £nil).

### **Principal risks and uncertainties**

#### ***Technological change and security***

The Company relies on IT systems to manage its business data, communications and business processes. These systems could suffer damage or interruption from a variety of causes, which could disrupt the Company's business. Breaches of data security systems and other unauthorised access to the Company's data could damage its reputation and lead to a liability for damages, litigation and more onerous compliance requirements from government regulators.

#### ***Foreign exchange, liquidity and insurance risk***

Certain risks, including liquidity, foreign exchange, insurance and elements of operational risk are managed by the ultimate parent undertaking, Ascential plc. The principal risks and uncertainties of Ascential plc and its subsidiaries, which include those of the Company, are discussed within its publicly available annual report and financial statements which do not form part of this report.

#### ***People risk***

A lack of effective succession planning could undermine achievement of key business objectives, particularly in parts of the business that are structurally exposed to key person risk. High employee attrition in key areas would increase the risk to delivery of strategic and financial goals. Strategic skills shortages and inability to attract talent could compromise execution of growth, new product development and business efficiency programmes leading to weaker organic growth and margins.

#### ***Key performance indicators ("KPIs")***

Since the Company is primarily an investment holding entity, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance and position of the business of Ascential Group Limited. The development, performance and position of Ascential plc and its subsidiaries, which includes the Company, are discussed within its publicly available annual report and financial statements which do not form part of this report.

#### ***Going concern***

The Company's business activities together with the factors likely to affect its future development and position are set out above.

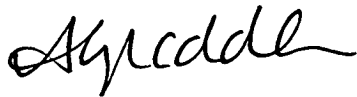
The Company is a subsidiary of Ascential plc ("the Group") and participates in the Group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Group to continue as a going concern or its the current banking arrangements.

As the Company is in a net current liability position, the immediate parent undertaking, Ascential PLC, has confirmed that it does not intend to demand repayment of any or all of the £466.9 million (2016: £412.4 million) owed to it and its subsidiaries at 31 December 2017, if such a repayment would cause the Company to be unable to pay its liabilities as they fall due for at least 12 months from the date of the signed accounts.

**Going concern (continued)**

On the basis of their assessment, the Company's Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Approved by the Board on 28 September 2018.



**M Gradden**  
Director

Company registered number: 435820

The Directors submit their report and financial statements for the year ended 31 December 2017.

#### **Directors**

The current Directors are shown on page 1. The Directors who held office at any time during or since the end of the financial period are given below:

D Painter  
M Gradden

#### **Insurance of Directors**

Throughout the year, Directors' and Officers' liability insurance has been maintained by the ultimate parent company, Ascential plc.

#### **Research and Development**

Research and development in connection with new internal IT systems, and the improvement of existing systems, are carried out continuously in order to ensure effective and efficient management of business data, communications and business processes.

#### **Employees**

The Company is committed to maintaining a working environment underpinned by decency and fairness and where equality and diversity is recognised, encouraged and valued. The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim. Opportunities are available to disabled employees for training, career development and promotion.

#### **Donations**

As a Patron of The Prince's Trust, Ascential sponsors The Trust's Million Makers Awards for London and the South East. Our fund raising efforts have been recognised with the 'Above and Beyond' Award from The Prince's Trust for the past three years, during which time we have raised over £560,000. Ascential also support various local charities across the Group.

#### **Dividends**

No interim dividend was paid during the year (2016: £nil) The Directors do not recommend the payment of a final (2016: £nil).

#### **Disclosure of information to the auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 28 September 2018.



**M Gradden**  
Director  
Company registered number: 435820

## **Ascential Group Limited**

### **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements For the year ended 31 December 2017**

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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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASCENTIAL GROUP LIMITED**

### **Opinion**

We have audited the financial statements of Ascential Group Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

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### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Matthew Campbell (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London, E14 5GL  
United Kingdom

28 September 2018

**Ascential Group Limited**  
**Income Statement and Other Comprehensive Income**  
**For the year ended 31 December 2017**

|   | Note | 2017<br>£'m | 2016<br>£'m |
|---|------|-------------|-------------|
| <b>Continuing operations</b>                                    |      |             |             |
| Turnover  | 2    | 26.6        | 25.2        |
| Administrative expenses   |      | (12.4)      | (13.3)      |
| <b>Operating profit</b>   | 3    | 14.2        | 11.9        |
| <b>Adjusted EBITDA*</b>   |      |             |             |
| Adjusted EBITDA*  |      | 17.2        | 17.0        |
| Depreciation and amortisation                                   | 3    | (0.6)       | (2.5)       |
| Exceptional items   | 3    | (1.2)       | (2.3)       |
| Share-based payments  |      | (1.2)       | (0.3)       |
| <b>Operating profit</b>   | 3    | 14.2        | 11.9        |
| Income from waiver of loan payable/shares in Group undertakings | 6    | 30.5        | 148.7       |
| Interest receivable and similar income                          | 7    | 9.8         | 13.0        |
| Interest payable and similar charges                            | 8    | (19.9)      | (96.3)      |
| <b>Profit before tax</b>  |      | 34.6        | 77.3        |
| Tax   | 9    | (7.2)       | 1.7         |
| <b>Profit for the year</b>                                      |      | 27.4        | 79.0        |
| <b>Other comprehensive income</b>                               |      |             |             |
| <b>Total other comprehensive income</b>                         |      | -           | -           |
| <b>Total comprehensive income</b>                               |      | 27.4        | 79.0        |

\*Adjusted EBITDA is a non-FRS measure, defined as the Company's operating profit before expensing depreciation, amortisation, exceptional items and share-based payments.

**Ascential Group Limited**  
**Balance Sheet**  
**As at 31 December 2017**

|  | Note | 2017<br>£'m    | 2016<br>£'m    |
|--|------|----------------|----------------|
| <b>Non-current assets</b>                                      |      |                |                |
| Intangible assets  | 10   | 1.9            | 0.7            |
| Tangible assets  | 11   | 0.3            | 0.3            |
| Investments  | 12   | 1,298.7        | 1,298.7        |
| <b>Total non-current assets</b>                                |      | <b>1,300.9</b> | <b>1,299.7</b> |
| <b>Current assets</b>  |      |                |                |
| Debtors  | 14   | 395.3          | 315.1          |
| Cash at bank and in hand                                       |      | 21.7           | 37.5           |
| <b>Total current assets</b>                                    |      | <b>417.0</b>   | <b>352.6</b>   |
| <b>Creditors: amounts falling due within one year</b>          | 15   | <b>(458.9)</b> | <b>(418.6)</b> |
| <b>Net current liabilities</b>                                 |      | <b>(41.9)</b>  | <b>(66.0)</b>  |
| <b>Total assets less current liabilities</b>                   |      | <b>1,259.0</b> | <b>1,233.7</b> |
| <b>Creditors: amounts falling due after more than one year</b> | 16   | <b>(387.3)</b> | <b>(389.5)</b> |
| <b>Provisions for liabilities</b>                              |      |                |                |
| Other provisions   | 17   | (0.3)          | (0.3)          |
| <b>Net assets</b>  |      | <b>871.4</b>   | <b>843.9</b>   |
| <b>Capital and reserves</b>                                    |      |                |                |
| Called up share capital  | 18   | 65.6           | 65.6           |
| Capital redemption reserve                                     |      | 0.5            | 0.5            |
| Profit and loss account  |      | 805.3          | 777.8          |
| <b>Shareholders' funds</b>                                     |      | <b>871.4</b>   | <b>843.9</b>   |

The accompanying notes on pages 11 to 28 are an integral part of these consolidated financial statements and were approved by the Board of Directors on 28 September 2018 and signed on its behalf by:



**M Gradden**  
 Director

Company registered number: 435820

**Ascential Group Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2017**

|   | Share capital | Capital redemption reserve | Profit and loss account | Total equity |
|---|---------------|----------------------------|-------------------------|--------------|
|   | £'m           | £'m                        | £'m                     | £'m          |
| <b>Balance at 1 January 2016</b>        | 65.6          | 0.5                        | 698.8                   | 764.9        |
| Total comprehensive income for the year | -             | -                          | 79.0                    | 79.0         |
| <b>Balance at 31 December 2016</b>      | 65.6          | 0.5                        | 777.8                   | 843.9        |
| Total comprehensive income for the year | -             | -                          | 27.4                    | 27.4         |
| Deferred tax charged to equity          | -             | -                          | 0.1                     | 0.1          |
| <b>Balance at 31 December 2017</b>      | 65.6          | 0.5                        | 805.3                   | 871.4        |

## **1. Accounting policies**

Ascential Group Limited ("the Company") is a company limited by shares and incorporated and domiciled in the United Kingdom.

### **Basis of accounting**

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking, Ascential plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Ascential plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from The Prow, 1 Wilder Walk, London W1B 5AP.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Ascential plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 3 "Business Combinations" in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill.
- Certain disclosures required by IFRS 13 "Fair Value Measurement" and the disclosures required by IFRS 7 "Financial Instrument Disclosures".
- IFRS 2 "Share Based Payments" in respect of group settled share based payments.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**Measurement convention and presentation**

The financial statements are prepared on the historical cost basis. The financial statements are presented in millions of pounds sterling, which is the Company's functional currency, and have been rounded to the nearest one decimal place except where otherwise indicated.

**Going concern**

The Company's business activities together with the factors likely to affect its future development and position are set out above.

The Company is a subsidiary of Ascential plc ("the Group") and participates in the Group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Group to continue as a going concern or its the current banking arrangements.

As the Company is in a net current liability position, the immediate parent undertaking, Ascential PLC, has confirmed that it does not intend to demand repayment of any or all of the £466.9 million (2016: £412.4 million) owed to it and its subsidiaries at 31 December 2017, if such a repayment would cause the Company to be unable to pay its liabilities as they fall due for at least 12 months from the date of the signed accounts.

On the basis of their assessment, the Company's Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

**Intangible assets**

Intangible assets other than goodwill are those that are distinct and can be sold separately or arise from legal rights. Intangible assets acquired as part of a business combination are capitalised at fair value at the date of acquisition. Intangible assets purchased separately are capitalised at cost.

The cost of intangible assets is amortised and charged to the consolidated income statement on a straight-line basis over their estimated useful economic lives as follows:

|          |           |
|----------|-----------|
| Software | 2-5 years |
|----------|-----------|

Useful economic lives are examined every year and adjustments are made, where applicable, on a prospective basis.

Website development costs (included under databases) relating to websites which are revenue generating are capitalised and amortised over three to five years. Development costs relating to websites which are not revenue generating are taken immediately to the consolidated income statement.

**Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises expenditure directly attributable to the purchase of the asset. Assets are depreciated to their estimated residual value, on a straight-line basis, over their estimated useful economic lives as follows:

|                        |                              |
|------------------------|------------------------------|
| Leasehold improvements | over the period of the lease |
| Office equipment       | 2-5 years                    |

Estimated useful lives and residual values are reviewed at each reporting date.

- Tangible assets are written off either on disposal or when there is no expected future economic benefit from its continued use. Any gain or loss on derecognition of the asset (calculated as the difference between

the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the year the item is derecognised.

#### **Investments**

Investments are recognised at cost less any impairment calculated as the difference between its carrying amount and the present value of the estimated future cash flows. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

#### **Debtors**

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### **Creditors**

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### **Preference shares**

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Preference shares issued by the Company do not meet this definition. The proceeds of issue are classified as a financial liability.

Dividends on the preference shares are recognised as interest expense.

Preference shares denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date, giving rise to foreign exchange gains or losses.

#### **Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### **Intra-group financial instruments**

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### **Foreign currency translation**

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary

assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### **Tax**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### **Turnover**

The company derives its revenue from two sources;

#### **Management services fees**

Management services fees are recognised for services provided to a related party within Ascential Group Limited group, at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured. Fees are measured at arms-length basis and represents amount receivable for services provided in the normal course of business.

#### **Royalties**

Royalties are recognised over the period of the trademarks and domain names licence period.

#### **Employee Benefits**

##### *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### *Termination benefits*

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

*Pension and other post-employment benefits*

The Company operates defined contribution pension scheme in certain countries. Contributions payable are charged to the consolidated profit and loss statement and included in employees costs as an operating expense as incurred.

**Operating leases**

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

**Share-based payments**

Certain employees of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares of its ultimate parent undertaking, Ascential plc.

Where the Company's parent grants rights to its equity instruments to the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Company accounts for these share-based payments as equity-settled. Amounts recharged by the parent are recognised as a recharge liability with a corresponding debit to equity.

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet reporting date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards that have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

**Dividends**

Dividends paid are recognised as an appropriation of the profit and loss account reserve in the year in which they are approved by the Company's shareholders. Interim dividends are recorded in the year in which they are paid.

Dividends receivable are recognised as income in the profit and loss account in the year in which they are approved by the payee's shareholders. Interim dividends receivable are recorded in the year in which they are paid.

**Critical accounting assumptions and judgments**

**Alternative Performance Measures**

The Company uses alternative performance measures which are not defined or specified under IFRS and comprises adjusting items. Adjusting items include amortisation and impairment of acquired intangibles, share-based payments and exceptional items. The classification of exceptional items requires significant management judgement to determine the nature and presentation of such transactions. Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented as a separate column on the face of the income statement but within their relevant income statement caption. The Board view this as a relevant analysis to assist the reader in their understanding of the underlying performance and financial results of the Company.

**Key sources of estimation uncertainty**

**Tax**

Deferred tax assets are recognised to the extent that their utilisation is probable. The utilisation of deferred tax assets will depend on the judgment whether it is more likely than not that the Company will generate sufficient and suitable taxable income of the correct tax type in the future, taking into account any legal restrictions on the length of the loss-carry forward period. Various factors are used to assess the

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probability of the future utilisation of deferred tax assets, including past operating results, operational plans and loss-carry forward periods.

*Income taxes*

In recognising income tax assets and liabilities estimates have to be made of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain and on the expected manner of realisation or settlement of deferred tax assets and liabilities.

**2. Turnover**

|                          | 2017<br>£'m | 2016<br>£'m |
|--------------------------|-------------|-------------|
| Management services fees | 11.6        | 10.2        |
| Royalties                | 15.0        | 15.0        |
| <b>Total</b>             | <b>26.6</b> | <b>25.2</b> |

Royalties are derived from trademarks and domain names licensed to subsidiary undertakings of the Company.

**3. Operating profit**

Operating profit is stated after charging / (crediting):

|   | Note | 2017<br>£'m | 2016<br>£'m |
|---|------|-------------|-------------|
| Staff costs   | 5    | 12.0        | 5.0         |
| Operating lease rentals                                   |      |             |             |
| - property  |      | 0.4         | 0.3         |
| Amortisation of intangible assets                         | 10   | 0.4         | 2.3         |
| Depreciation of tangible fixed assets                     | 11   | 0.2         | 0.2         |
| Exceptional items   |      |             |             |
| - expenses related to acquisition and disposal activities |      | 1.2         | 2.6         |
| - IPO related expenditure                                 |      | -           | (0.6)       |
| - other exceptional items                                 |      | -           | 0.3         |
|   |      | <b>1.2</b>  | <b>2.3</b>  |

Within operating profit there is auditor's remuneration of £14,000 (2016: £14,000).

Exceptional items are defined as items which relate to events or transactions that fall outside the usual activities of the Company that in aggregate need to be disclosed separately if the financial statements are to give a true and fair view.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent company, Ascential plc.

**4. Remuneration of Directors**

None (2016: 1) of the Directors received any remuneration for their qualifying services to the Company (2016: £0.1 million). The Directors' services were incidental to their service to the Group as a whole and no allocation has been made to the Company.

(a) Directors' emoluments

|                      | 2017<br>£'m | 2016<br>£'m |
|----------------------|-------------|-------------|
| Aggregate emoluments | -           | 0.1         |
| <b>Total</b>         | -           | 0.1         |

(b) Highest paid Director

|                      | 2017<br>£'m | 2016<br>£'m |
|----------------------|-------------|-------------|
| Aggregate emoluments | -           | 0.1         |
| <b>Total</b>         | -           | 0.1         |

**5. Employee numbers and costs**

(a) Employees

The average monthly number of persons (including Directors) employed by the Company during the year that the Company traded is as follows:

| By job category                            | 2017 | 2016 |
|--|------|------|
| Administrative and other support functions | 104  | 54   |
| <b>Total</b>                               | 104  | 54   |

(b) Costs (including Directors' emoluments)

|                       | 2017<br>£'m | 2016<br>£'m |
|-----------------------|-------------|-------------|
| Wages and salaries    | 9.2         | 3.9         |
| Social security costs | 1.3         | 0.6         |
| Share based payments  | 1.2         | 0.3         |
| Other pension costs   | 0.3         | 0.2         |
| <b>Total</b>          | 12.0        | 5.0         |

(c) Pension costs

The Company participates in a defined contribution pension scheme. The assets of the scheme are held by independent custodians and are kept entirely separate from the assets of the Company. No loans have been made by the scheme to the Company and no shareholdings of the scheme have been used as security for any loans to the Company. The pension scheme is administered by the Company.

**6. Income from shares in Group undertakings**

Income from shares in Group undertakings comprises the following:

|  | 2017<br>£'m | 2016<br>£'m  |
|--|-------------|--------------|
| Dividends from shares in Group undertakings    | -           | 53.2         |
| Dividend in specie from subsidiary undertaking | 30.5        | 95.5         |
| <b>Total</b>                                   | <b>30.5</b> | <b>148.7</b> |

In 2016, the Company received dividends from subsidiary undertakings of £52.9 million from Ascential Group Holdings Limited and £0.3 million from Ascential UK Holdings Limited. Additionally, in 2016 the Company received a return of capital, via a loan waiver, net of reduction in investment value of £95.5 million from its subsidiary undertaking Ascential Jersey Financing Limited. The amount is presented within income from shares in Group undertakings.

In 2017, following the disposal of fellow subsidiaries, the the Company received £30.5m return of capital via loan waivers.

**7. Interest receivable and similar income**

|  | 2017<br>£'m | 2016<br>£'m |
|--|-------------|-------------|
| Interest income on loan to group undertakings            | 4.7         | 5.0         |
| Interest income on external loans                        | 0.2         | 0.1         |
| Net foreign exchange gain on cash and cash equivalents   | -           | 7.9         |
| Net foreign exchange gain on preference shares           | 2.2         | -           |
| Net foreign exchange gain on loans to Group undertakings | 2.7         | -           |
| <b>Total</b>   | <b>9.8</b>  | <b>13.0</b> |

**8. Interest payable and similar charges**

|  | 2017<br>£'m | 2016<br>£'m |
|--|-------------|-------------|
| Net foreign exchange loss on cash and cash equivalents   | 0.4         | -           |
| Dividends on preference shares                           | 19.5        | 18.3        |
| Net foreign exchange loss on preference shares           | -           | 58.8        |
| Net foreign exchange loss on loans to Group undertakings | -           | 19.2        |
| <b>Total</b>   | <b>19.9</b> | <b>96.3</b> |

9. Tax

|  | 2017<br>£'m | 2016<br>£'m  |
|--|-------------|--------------|
| <b>Current tax charge</b>                  |             |              |
| UK corporation tax on profit for the year  | 2.7         | (3.9)        |
| Adjustments in respect of prior year       | 2.6         | -            |
| <b>Total current tax charge / (credit)</b> | <b>5.3</b>  | <b>(3.9)</b> |
| <b>Deferred tax</b>                        |             |              |
| Current year                               | 1.8         | 3.2          |
| Impact of rate changes                     | 0.4         | 0.2          |
| Adjustments in respect of prior years      | (0.3)       | (1.2)        |
| <b>Total deferred tax charge</b>           | <b>1.9</b>  | <b>2.2</b>   |
| <b>Total tax charge / (credit)</b>         | <b>7.2</b>  | <b>(1.7)</b> |

*Factors affecting the tax charge for the current year:*

The tax assessed for the period is higher (2016: lower) than the standard rate of corporation tax in the UK. The difference between tax as per the financial statements and tax at the UK standard rate is explained below:

|   | 2017<br>£'m | 2016<br>£'m  |
|---|-------------|--------------|
| <b>Profit before tax</b>                        | <b>34.6</b> | <b>77.3</b>  |
| Expected tax charge at 19.25% (2016: 20%)       | 6.7         | 15.5         |
| Non-deductible items                            | 1.5         | 9.9          |
| Non-taxable intra-group income                  | (3.8)       | (26.1)       |
| Impact of tax rate changes                      | 0.5         | 0.2          |
| Adjustments in respect of prior years           | 2.3         | (1.2)        |
| <b>Total tax charge / (credit) for the year</b> | <b>7.2</b>  | <b>(1.7)</b> |

*Factors that may affect future tax charges:*

The standard rate of corporation tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's profits for the 2016 accounting period are taxed at an effective rate of 19.25%.

10. Intangible assets

|                                 | Software<br>£'m | Total<br>intangible<br>assets<br>£'m |
|---------------------------------|-----------------|--------------------------------------|
| <b>Cost</b>                     |                 |                                      |
| At 1 January 2017               | 15.6            | 15.6                                 |
| Additions                       | 1.6             | 1.6                                  |
| <b>At 31 December 2017</b>      | <b>17.2</b>     | <b>17.2</b>                          |
| <b>Accumulated amortisation</b> |                 |                                      |
| At 1 January 2017               | (14.9)          | (14.9)                               |
| Provided during the year        | (0.4)           | (0.4)                                |
| <b>At 31 December 2017</b>      | <b>(15.3)</b>   | <b>(15.3)</b>                        |
| <b>Net book value</b>           |                 |                                      |
| At 31 December 2017             | 1.9             | 1.9                                  |
| At 31 December 2016             | 0.7             | 0.7                                  |

11. Tangible assets

|                                 | Leasehold<br>improvements<br>£'m | Office<br>equipment<br>£'m | Total tangible<br>assets<br>£'m |
|---------------------------------|----------------------------------|----------------------------|---------------------------------|
| <b>Cost</b>                     |                                  |                            |                                 |
| At 1 January 2017               | 0.7                              | 0.8                        | 1.5                             |
| Additions                       | -                                | 0.2                        | 0.2                             |
| <b>At 31 December 2017</b>      | <b>0.7</b>                       | <b>1.0</b>                 | <b>1.7</b>                      |
| <b>Accumulated depreciation</b> |                                  |                            |                                 |
| At 1 January 2017               | (0.4)                            | (0.8)                      | (1.2)                           |
| Provided during the year        | (0.1)                            | (0.1)                      | (0.2)                           |
| <b>At 31 December 2017</b>      | <b>(0.5)</b>                     | <b>(0.9)</b>               | <b>(1.4)</b>                    |
| <b>Net book value</b>           |                                  |                            |                                 |
| At 31 December 2017             | 0.2                              | 0.1                        | 0.3                             |
| At 31 December 2016             | 0.3                              | -                          | 0.3                             |

**12. Investments**

|                            | Shares in<br>Group<br>undertakings<br>£'m |
|----------------------------|---|
| <b>Cost</b>                |   |
| At 1 January 2017          | 1,567.2                                   |
| Movement for the year      | -   |
| <b>At 31 December 2017</b> | <b>1,567.2</b>                            |
| <b>Provision</b>           |   |
| At 1 January 2017          | (268.5)                                   |
| Movement for the year      | -   |
| <b>At 31 December 2017</b> | <b>(268.5)</b>                            |
| <b>Net book value</b>      |   |
| <b>At 31 December 2017</b> | <b>1,298.7</b>                            |
| <b>At 31 December 2016</b> | <b>1,298.7</b>                            |

At 31 December 2017, the Company had the following investments in subsidiaries, associates and jointly controlled entities:

| Company name                                     | Direct /<br>Indirect | Percentage<br>shareholding<br>/interest | Registered office   |
|--|----------------------|---|---|
| Ascential America (Holdings) Limited             | Direct               | 100%                                    | The Prow, 1 Wilder Walk, London W1B 5AP, England  |
| Ascential America Limited                        | Direct               | 100%                                    | The Prow, 1 Wilder Walk, London W1B 5AP, England  |
| Ascential UK Holdings Limited                    | Direct               | 100%                                    | The Prow, 1 Wilder Walk, London W1B 5AP, England  |
| Ascential Group Holdings Limited                 | Direct               | 100%                                    | The Prow, 1 Wilder Walk, London W1B 5AP, England  |
| Ascential Jersey Financing Limited               | Direct               | 100%                                    | 44 Esplanade, St Helier, Jersey JE4 9WG   |
| Ascential Radio Financing Limited                | Indirect             | 100%                                    | The Prow, 1 Wilder Walk, London W1B 5AP, England  |
| Top Right Group India Knowledge Services Pte Ltd | Direct               | 100%                                    | Options Primo, Unit No. 501/502, 5 <sup>th</sup> Floor, Vijay Nagar Flyover Bridge Cross Road, No. 21 MIDC, Andheri (East), Mumbai - 400093, Maharashtra, India |
| Plexus Network Limited                           | Indirect             | 100%                                    | The Prow, 1 Wilder Walk, London W1B   |
| 4C Dormant Limited                               | Indirect             | 100%                                    | 5AP, England<br>The Prow, 1 Wilder Walk, London W1B 5AP, England  |
| Ascential Information Services Limited           | Indirect             | 100%                                    | The Prow, 1 Wilder Walk, London W1B 5AP, England  |

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| <b>Company name</b>                       | <b>Direct / Indirect</b> | <b>Percentage shareholding /interest</b> | <b>Registered office</b>   |
|---|--------------------------|--|--|
| Ascential Operations Limited              | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| CLR Code Limited                          | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| De Havilland Information Services Limited | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Siberia Europe Ltd                        | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Glenigan Limited                          | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Groundsure Limited                        | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Ascential Events (Europe) Limited         | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Clavis Insight Limited                    | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Medialink Europe Limited                  | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Planet Retail Limited                     | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Rembrandt Technology Limited              | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| 4C Information Limited                    | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| WGSN Group Limited                        | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Worth Global Style Network Limited        | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| WGSN Limited                              | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England                             |
| Trades Exhibitions Limited                | Indirect                 | 10%                                      | 1 17 The Plaza, 535 Kings Road, London, SW10 OSZ                             |
| 2WH Assessoria Empresarial Ltda           | Indirect                 | 100%                                     | Rua Tabapuã 841, Conjunto15 1º Andar,, São Paulo, Brazil 04533-013           |
| Ascential Servicos de Informacao Ltda     | Indirect                 | 100%                                     | Rua Tabapuã 841, Conjunto15 1º Andar,, São Paulo, Brazil 04533-013           |
| Ascential Eventos Ltda                    | Indirect                 | 100%                                     | Rua Tabapuã 841, Conjunto15 1º Andar,, São Paulo, Brazil 04533-013           |
| Mindset Comunicacao e Marketing Ltda      | Indirect                 | 100%                                     | Rua Tabapuã 841, Conjunto15 1º Andar,, São Paulo, Brazil 04533-013           |
| Media Link, LLC                           | Indirect                 | 100%                                     | 10880 Wilshire Boulevard, 19th floor, Los Angeles CA CA 90024, United States |

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| <b>Company name</b>                              | <b>Direct / Indirect</b> | <b>Percentage shareholding /interest</b> | <b>Registered office</b>  |
|--|--------------------------|--|---|
| OneClickRetail.com, LLC                          | Indirect                 | 100%                                     | 1209 Orange Street, Wilmington, New Castle DE 19801, United States  |
| Planet Retail (USA) LLC                          | Indirect                 | 100%                                     | 160 Greentree Drive, Suite 101, Dover DE 19904, United States   |
| Money2020 LLC                                    | Indirect                 | 100%                                     | 2140 South Dupont Highway, Camden, Kent DE 19934, United States   |
| Retailnet Group, LLC                             | Indirect                 | 100%                                     | 2711 Centerville Road, Suite 400, Wilmington, New castle DE 19808, United States  |
| Clavis Technology LLC                            | Indirect                 | 100%                                     | 46 Farnsworth Street, 1st floor, Boston, Massachusetts, MA 02210, United States   |
| Siberia LLC                                      | Indirect                 | 100%                                     | 8 The Green, Suite A, Dover, Kent, Delaware DE 19901, United States   |
| Siberia Europe Ltd                               | Indirect                 | 100%                                     | The Prow, 1 Wilder Walk, London W1B 5AP, England  |
| Ascential Events France SAS                      | Indirect                 | 100%                                     | 6 Place du Commandant Maria, Cannes 06400, France   |
| WGSN Inc.  | Indirect                 | 100%                                     | c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover DE 19904, United States                                       |
| Clavis Technology Limited                        | Indirect                 | 100%                                     | 7th floor, O'Connell Bridge House, D'Olier Street, Dublin 2, Ireland  |
| WGSN GmbH  | Indirect                 | 100%                                     | Alte Ziegelei 2-4, 51491, Overath, Germany  |
| WGSN Intelligence España SL                      | Indirect                 | 100%                                     | Aribau 175. Piso 1o 1a A 08036 Barcelona, Spain   |
| Planet Retail GmbH                               | Indirect                 | 100%                                     | Dreieichstr. 59, 60594 Frankfurt am Main, Germany   |
| WGSN (Pty) Limited                               | Indirect                 | 100%                                     | Ideas Cartel, 3rd Floor, 113 Loop Street, Cape Town, 8001, South Africa   |
| Sistema Use Fashion Comércio de Informações Ltda | Indirect                 | 100%                                     | Av. Unisomos, no. 950, Condomínio Padre Rick - 410, São João Batista, City of São Leopoldo, State of Rio Grande do Sul, 93022-970, Brazil |
| Stylesight Limited                               | Indirect                 | 100%                                     | Suite 3201-03, 32/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong                                  |

**Ascential Group Limited**  
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| Company name   | Direct / Indirect | Percentage shareholding /interest | Registered office   |
|--|-------------------|-----------------------------------|---|
| WGSN Asia Pacific Limited  | Indirect          | 100%                              | Suite 3201-03, 32/F, Tower 1, The Gateway, Harbour City, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong                                  |
| Ascential Events (Shanghai) Company Limited                              | Indirect          | 100%                              | Unit 39 of 7/F, No 2, Building 2, 999 Middle Huaihi Road, Shanghai, People's Republic of China  |
| WGSN Business Information Consulting (Shanghai) Company Limited          | Direct            | 100%                              | Unit 39 of 7/F, No 2, Building 2, 999 Middle Huaihi Road, Shanghai, People's Republic of China  |
| Clavis Information Technology (Shanghai) Limited                         | Indirect          | 100%                              | Room 3301, No. 10 Yu Tong Road, Jing An District, Shanghai, People's Republic of China  |
| Ascential Events (HangZhou) Company Limited                              | Indirect          | 100%                              | Room 601, 603, 6/F, Building 2, Jiang Ning Tower, 27 Ningtai Road, Ningwei Town, Xiaoshan, Hangzhou, Zhejiang, People's Republic of China |
| Stylesight Information Technology (Shanghai) Company Limited             | Indirect          | 100%                              | Room 601, 603, 6/F, Building 2, Jiang Ning Tower, 27 Ningtai Road, Ningwei Town, Xiaoshan, Hangzhou, Zhejiang, People's Republic of China |
| CITC WGSN China Limited  | Indirect          | 49%                               | Floor 5, Building 29, No.1 Lane 618, Dingyuan Road, Songjiang District, Shanghai, People's Republic of China                              |
| Ascential Fuarcilik Organizasyon ve Tanitim Hizmetleri Anonim Sti.       | Indirect          | 100%                              | Cevdetpasa Caddesi No. 31/7 Bebek, Istanbul, Turkey   |
| WGSN Group Trend Forecasting Moda Danışmanlik Hizmetleri Limited Şirketi | Indirect          | 100%                              | Cevdetpasa Caddesi No. 31/7 Bebek, Istanbul, Turkey   |
| Asian Advertising Festivals (Spikes Asia) Pte Ltd                        | Indirect          | 50%                               | 21 Media Circle, #05-05 Infinite Studios, Singapore 138562  |
| Ascential Events Pte Ltd   | Indirect          | 100%                              | 63 Market Street #09-01, The Bank of Singapore Centre, Singapore, 048942  |
| i2i Events (India) Private Limited                                       | Indirect          | 100%                              | ICC Chambers, 4th floor, Saki Vihar Road, Powai, Mumbai - 400072, India   |

**13. Deferred tax**

|   | <b>2017</b> | 2016        |
|---|-------------|-------------|
|   | <b>£'m</b>  | £'m         |
| Accelerated capital allowances                              | 2.1         | 2.6         |
| Other short term timing differences                         | 0.3         | -           |
| Tax losses recognised                                       | 9.6         | 11.2        |
| <b>Total deferred tax assets</b>                            | <b>12.0</b> | <b>13.8</b> |
| Balance at the start of the year                            | 13.8        | 16.0        |
| Charged to equity   | 0.1         | -           |
| Deferred tax charge in profit and loss account for the year | (1.5)       | (2.0)       |
| Impact of rate changes                                      | (0.4)       | (0.2)       |
| <b>Balance at the end of the year</b>                       | <b>12.0</b> | <b>13.8</b> |

The deferred tax asset has arisen as a result of accelerated capital allowances, tax losses and other short term timing differences, which includes the impact of share based payments. The Directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset and therefore the asset has been recognised in these financial statements.

**14. Debtors**

|  | Note | <b>2017</b>  | 2016         |
|--|------|--------------|--------------|
|  |      | <b>£'m</b>   | £'m          |
| Other debtors                              |      | 5.0          | 5.2          |
| Amounts receivable from Group undertakings |      | 369.7        | 292.2        |
| Deferred Tax                               | 13   | 12.0         | 13.8         |
| Prepayments                                |      | 2.6          | 1.8          |
| Current tax asset                          |      | 6.0          | 2.1          |
| <b>Total</b>                               |      | <b>395.3</b> | <b>315.1</b> |

|                              | <b>2017</b>  | 2016         |
|------------------------------|--------------|--------------|
|                              | <b>£'m</b>   | £'m          |
| Due within one year          | 383.3        | 301.3        |
| Due after more than one year | 12.0         | 13.8         |
| <b>Total</b>                 | <b>395.3</b> | <b>315.1</b> |

Amounts due from Group undertakings are unsecured, bear interest at the LIBOR rate and are repayable on demand. Included within the amounts receivable from Group undertakings is the cash swept daily by the intermediate parent company Ascential Group Limited. There is a cash sweeping agreement in place between entities within the Group.

**15. Creditors due within one year**

|                                       | 2017<br>£'m  | 2016<br>£'m  |
|---------------------------------------|--------------|--------------|
| Trade creditors                       | 2.0          | 1.3          |
| Other taxation and social security    | 0.4          | 0.5          |
| Accruals                              | 9.5          | 4.1          |
| Other creditors                       | -            | 0.3          |
| Amounts payable to Group undertakings | 447.0        | 412.4        |
| <b>Total</b>                          | <b>458.9</b> | <b>418.6</b> |

Amounts payable to Group undertakings are unsecured, bear interest at various rates and are repayable on demand. Included within the amounts receivable from Group undertakings is the cash swept daily by the Company arising from a cash sweeping agreement in place between entities within the Ascential Group Limited group.

**16. Creditors due after more than one year**

|                   | 2017<br>£'m  | 2016<br>£'m  |
|-------------------|--------------|--------------|
| Preference shares | 387.3        | 389.5        |
| <b>Total</b>      | <b>387.3</b> | <b>389.5</b> |

|                           | 2017<br>£'m | 2016<br>£'m |
|---------------------------|-------------|-------------|
| <b>Preference shares</b>  |             |             |
| In issue at 1 January     | 389.5       | 330.7       |
| Foreign exchange movement | (2.2)       | 58.8        |
| In issue at 31 December   | 387.3       | 389.5       |

Holders of preference shares, being its immediate parent undertaking, are entitled to a dividend of 5% per annum. The preference shares are redeemable at par, at the option of the holder, by giving three days' notice to the Company, at any time. The preference shares are classified as financial instruments. While the preference shares are redeemable with three days' notice, the Company has agreed with the holder of these shares that repayment remains at the option of the Company for a period of not less than 12 months from 31 December 2017. The preference shares rank ahead of the ordinary shares, see Note 18.

**17. Provisions**

|                            | 2017<br>£'m | 2016<br>£'m |
|----------------------------|-------------|-------------|
| At 1 January 2017          | 0.3         | 0.3         |
| Provided in the year       | -           | -           |
| <b>At 31 December 2017</b> | <b>0.3</b>  | <b>0.3</b>  |

Provisions for liabilities represent provisions for onerous contracts and property provisions relate to ongoing lease commitments on dilapidation costs.

**18. Share capital**

|   | 2017<br>£'m | 2016<br>£'m |
|---|-------------|-------------|
| <b>Allotted, issued and fully paid</b>      |             |             |
| 218.8 million ordinary shares of £0.30 each | 65.6        | 65.6        |

**Ordinary shares**

Holders of ordinary shares are entitled to participate in the payment of dividends pro rata to their holdings. The Board may propose and pay interim dividends and recommend a final dividend, in respect of any accounting period, out of the profits available for distribution under English law. A final dividend may be declared by the shareholders in general meeting by ordinary resolution, but no dividend may be declared in excess of the amount recommended by the Board.

Rights conferred by ordinary shares - at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. On a show of hands every member, or his duly appointed proxy, at a general meeting of the Company shall have one vote. On a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

**19. Commitments and contingencies**

On 12 February 2016, the Company's ultimate parent undertaking, Ascential plc, entered into a New Facilities Agreement of £66 million, €171 million and \$96 million and a revolving facility of £95 million. On 11 March 2016, the Company and certain of its fellow Group undertakings became guarantors of the New Facilities Agreement held by Ascential plc. As guarantors, the Company and those Group undertakings have access to the funding provided, and have in turn provided security over assets and investments, and are jointly and severally required to meet the performance obligations and associated payments, and to comply with the covenants, defined in the facility agreements.

During the year the Company was a member of the Group cash pooling arrangement. This allows the Group to combine the liquidity of companies within the Group in order to distribute such cash centrally as required.

The Company is registered with H.M. Revenue & Customs as a member of the Ascential Group Limited VAT Group and is therefore jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of their value added tax liabilities.

The Company had capital commitments of £336,000 at 31 December 2017 (2016: £118,000) relating to software under construction.

## 20. Operating leases

The company had total future minimum lease payments under non-cancellable operating leases as set out below:

| (£ million)                | Land and Buildings |            | Other assets |          |
|----------------------------|--------------------|------------|--------------|----------|
|                            | 2017               | 2016       | 2017         | 2016     |
| Within one year            | 0.6                | 0.3        | 0.2          | -        |
| Two to five years          | 1.1                | 1.2        | -            | -        |
| After more than five years | -                  | 0.2        | -            | -        |
| <b>Total</b>               | <b>1.7</b>         | <b>1.7</b> | <b>0.2</b>   | <b>-</b> |

The Company sub-lets certain of its offices. The minimum lease receipts total £4.1m (2016: £4.9m), receivable over the next five years.

## 21. Dividends

An interim preference share dividend of £19.5 million was paid during the year (2016: £nil). The Directors do not recommend the payment of a final dividend (2016: £nil).

## 22. Ultimate parent company

The immediate and controlling parent undertaking at 31 December 2017 is Ascential Financing Limited.

The ultimate controlling party at 31 December 2017 was Ascential plc. The results of the Company are included in the consolidated financial statements of Ascential plc. Copies of Ascential plc accounts can be obtained from the Company Secretary at The Prow, 1 Wilder Walk, London, W1B 5AP.

## 23. Events after the reporting period

Following the disposal by Ascential UK Holdings Limited of the Exhibitions business to the ITE Group plc, the net transaction proceeds were paid by way of dividend to Ascential Group Limited.

There were no other reportable events after the reporting period.