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Informa Annual Report and Accounts 2019

Championing the specialist

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Championing the specialist

Informa exists to champion the specialist, connecting people with knowledge to help them learn more, know more and do more.

We champion and connect specialists all over the world through events, intelligence and scholarly publishing. We're a FTSE 100 company with hundreds of powerful brands helping customers in dozens of specialist markets to succeed.

2019 Informa highlights

Business performance

51.3p

Adjusted diluted earnings per share* (2018: 49.2p)

Page 4, Chairman's Introduction

Revenue growth

£2,890m

Revenues (2018: £2,370m)

3.5%

Underlying growth* (2018: 3.7%)

22.0%

Reported growth (2018: 34.9%)

Page 10, Group Chief Executive's Review

Business profitability

£933m

Adjusted operating profit* (2018: £732m)

£538m

Statutory operating profit (2018: £363m)

Page 94, Financial Review

Expanded Group

Informa Tech

Creation of new Division

Page 30, Creating Informa Tech

Adding talent

300+

Colleagues welcomed from IHS Markit TMT

Page 68, Divisional Review

Financial flexibility

£722m

Free cash flow (2018: £503m)

Page 94, Financial Review

We use certain alternative performance measures in this report. These are marked by asterisks. See page 235 for a glossary of these terms.

p10 Combination complete

Completion of one-year *Accelerated Integration Plan*

p36 Supporting culture

Introduction of updated purpose and principles

p106 Development of the Board

Board changes and new Non-Executive Director

Who we are

An international business-to-business events, academic publishing and information services Group

11,000 colleagues

FTSE 100 member

100s of specialist brands

Working in 30+ countries

Humanities. Health & Nutrition.

Maritime. Licensing.

Finance. Aviation.

Pharma. Tech.

And more.

We champion specialists working in a range of markets

See pages 22 to 29

30,000+ intelligence subscribers

Customers in 170 countries

4.6m sq.m exhibition space

4.1m research articles

5.8m event attendees

We connect people with knowledge

Connections to buyers

Marketing services

Specialist content

Expert research

Must-have data

We help customers learn more, know more and do more in their roles and businesses

Consistency and performance

Informa's focus on market specialisation has delivered progressive improvements in financial performance over the last six years

Derek Mapp
Chairman

It is a great pleasure to address Informa Shareholders after another busy and productive year for the Group.

There were many highlights, not least the successful completion of the *Accelerated Integration Plan* (*AIP*), which saw Informa fully combine the UBM portfolio acquired in 2018 into the Group.

This development further improved the balance and breadth of the business, extending our international reach and depth in a range of attractive specialist markets, and your Board believes these *qualities will bring long-term benefits to Informa Shareholders*, the Group's customers and business partners and colleagues working in the Company.

This increased depth and reach creates a resilience evident in our financial performance in 2019. The Group navigated a couple of market-specific impacts described in the Group Chief Executive's Review to deliver a sixth consecutive year of growth in revenue, adjusted profits and free cash flow. These strong results led the Board to propose another year of growth in the dividend as well.

Market specialisation and growth

Since 2014, Informa has been on a journey to improve the level and consistency of growth delivered by each of its businesses. The *Growth Acceleration Plan* (*GAP*) launched that year involved a deliberate programme of restructuring, repairing and renewing the Group, putting greater focus on customers and the specialist markets that Informa's Divisions serve.

The addition of UBM built on these foundations, and the journey towards further market specialisation led to the introduction of Informa Tech in January 2019. This is the Group's first fully market-focused Division, combining all our brands that deliver events, conferences, exhibitions, research, data and media services to the technology industry.

One of the key decisions your Board supported in 2019 was to further strengthen and invest in this market. This involved adding IHS Markit's Technology, Media & Telecoms (TMT) portfolio to Informa Tech and, in tandem, stepping back from the market for Agribusiness Intelligence, in which we believed the Group did not have the scale to succeed, by selling this portfolio to IHS Markit in turn.

In this situation, we considered the interests of our customers for these products and their desire for ongoing product development and service support, as well as the continuity of Informa's colleagues, and the interests of Shareholders in sustainable long-term performance. As some of Informa Tech's leaders discuss on page 30, the new Division has had a positive start and the Board looks forward to seeing its progression in 2020 and beyond.

Through the *AIP*, Informa's brand was also updated and relaunched in 2019. With it came an update to the names of four of the Group's Divisions to align them more closely with Informa. The programme also included important work on the enlarged Group's purpose and guiding principles, creating a common set of values to unite and connect colleagues across the world.

The Board was fully supportive of this work and received regular updates on thinking and progress throughout. We continue to assess and monitor the strength of Informa's distinctive and energetic culture through directly engaging with the business as well as through more formal reporting mechanisms.

Performance and returns

Informa's focus on market specialisation has delivered progressive improvements in financial performance over the last six years, with underlying revenue growth increasing from 0.7% in 2014 to 3.5% in 2019. In absolute terms, the Group's expansion through adding businesses and business growth is reflected in the increase in revenues from £1,137m to £2,890m over the same period.

Revenue performance has readily translated into attractive earnings and cash flow growth. In 2019, adjusted diluted earnings per share was 51.3p, up 4.3% on 2018 or 16.1% on a pro-forma basis adjusting for the UBM addition. Free cash flow grew 43.5% to £722.1m. To put this in context, in 2014 we reported free cash flow of £237.2m.

Since 2014, annual dividend growth has progressively increased from 2% to 7% in 2018, mirroring the improving growth and resilience of Informa's cash flow. In 2019, we are proposing a final dividend of 15.95p per share, which would bring the total 2019 dividend to 23.50p, an increase of 7.3% over last year.

The increased scale and predictability of the enlarged Group's cash flow also provide the Group with flexibility for the future. Leverage at the end of 2019 was 2.5 times net debt to EBITDA, in line with the target we set at the start of the *AIP*. This is at the upper end of our target range and, near term, we remain focused on continuing to deleverage.

Looking back, Looking forward

Q. Looking back over the last decade with Informa, what are some of your highlights?

Most recently, the acquisition of UBM, because it brought new reach and depth to the Group, which in turn creates new opportunities for the future. This was naturally a development that the Board was fully involved with, and we were mindful to ensure that, at every step, it delivered the benefits set out for Shareholders and other stakeholders.

Going back further, another highlight is the deliberate actions taken as part of *GAP* to progressively build presence and capability in the US and within exhibitions. The approach taken and the businesses the Group added were fundamental to the development of Informa as it is today.

I would also say that the way the Group has built real depth of talent in recent years is significant and personally rewarding. The Board spends a considerable amount of time with Group management and leaders from each Division, and it's impossible not to feel a sense of commitment, expertise, accountability and drive that bodes well for the future.

Q. How has the role of the Board evolved over this period?

I think the Board's role has been fairly consistent throughout. The Board is there to represent interests of Shareholders, and also other stakeholders, in how the business is positioned, led and developed.

It is our responsibility to take steps to fully understand the Company, to work collaboratively and constructively with the management team, to challenge and to support in equal measures, and to set the overall direction in terms of strategy and approach.

Informa has had a consistent management team over the last six years in particular, and I have enjoyed working with them in shaping and pursuing their ambitious strategy for the Group.

The explicit commitments that our Board, and other boards, have made to diversity over the last decade is a welcome one. This includes giving more deliberate consideration to the range of skills and experiences Directors hold and can bring to the task, and ensuring the style of discussion at Board meetings means every Director can contribute their expertise.

Q. Where do you see the opportunities for the decade ahead?

There are certainly exciting times ahead for Informa. Businesses and markets are becoming more international and more specialist, both of which play to the Group's strengths. Increasingly, companies in any one country see no borders regarding where their customers could be based or where the latest and best intelligence and insight will come from.

There is also no doubt that continued advancements in technology will create new opportunities for knowledge and information services, while the power of targeted human connections may become even more valuable. Strong leadership, creative thinking, a focus on the customer and making the most of the people and talent you have will always stand any company in good stead.

Board development

As the business has grown and evolved, so too has the Board adapted to best serve Shareholders and the Group's many other stakeholders. We regularly review the Board's shape and composition to ensure a good mix of relevant skills and experience, and this has recently led to some changes.

At the time when the *AIP* was starting to draw to a close in 2019 and the enlarged Group was operating as one business, Greg Lock stepped down as Deputy Chairman. Greg provided valuable input and guidance during the key period of combination and transition, for which I am very grateful.

Similarly, David Wei decided not to seek re-election at the Annual General Meeting (AGM) to focus on his other professional commitments. Cindy Rose also chose not to seek re-election, having completed her six-year term on the Board. I'd like to take this opportunity to thank David and Cindy for their valuable contributions during the creation of the enlarged Informa Group and, in Cindy's case, over several years prior.

In August we appointed Gill Whitehead to the Board as a Non-Executive Director, bringing extensive knowledge and experience in digital, data and analytics, areas that remain highly relevant to Informa's development.

At the start of 2020, it was also announced that the Board, led by the Senior Independent Director and on behalf of the Nomination Committee, had started a process to identify a successor for my role as Chairman.

Having served a full term as Chairman and with the *AIP* now complete, it is an appropriate time for this process to commence. I first served on the Board as a Non-Executive Director and subsequently as Chairman, and have greatly enjoyed my time and association with the Group, with the pleasure and privilege to be involved in a period of significant growth and expansion at Informa.

Engaging and understanding

One of the most rewarding elements of my role is the regular engagements and discussions I have with those who work in and with Informa.

This is particularly true of the many colleagues I have spent time with. I am always struck by the commitment and passion of colleagues in the business, and the depth and level of their expertise in their particular specialist market.

Within this report, there are many details of how the Directors maintained their engagement with colleagues in 2019 and how the Board ensured the views of the customers and other key partners were understood and considered. Page 52 includes an overview of this engagement, in the form of the Board's Section 172 Statement.

While we receive regular updates and reporting on colleague views and interests, in my mind there is no substitute for direct, face-to-face conversation. One of the ways the Board does this is through holding town halls in different offices during the year, taking questions from colleagues and hearing their perspectives live.

Every year we also undertake a roadshow to meet with the Group's largest Shareholders one-to-one. In 2019 this took place in January, when I and other Board colleagues met investors representing over one-third of Informa's equity. It is always informative and useful, with discussions covering performance, leadership, culture and the *AIP* amongst other matters.

Future growth and opportunities

As I step away from the Board, I am confident that Informa's future is full of further opportunities. The journey to this point has been an exciting one and, in my opinion, the best years still lie ahead.

As 2020 begins, similar to many companies, the Group is seeing an impact in our events-led businesses from the outbreak of COVID-19. We are making all the decisions necessary to look after colleagues and customers, and to ensure the long-term strengths of our brands and customer relationships.

This includes deploying a material postponement programme, shifting our events calendar to later dates in 2020. We continue to monitor developments and take appropriate business measures. Notwithstanding this impact, the Group's portfolio of strong brands, international reach, talent and positions provide a platform for further market specialisation and growth in the future.

I am proud of the Group's enhanced commitment to sustainability, which is discussed in more detail on page 48. We have invested significantly in these capabilities in recent years and are well placed to raise our ambition and make specific commitments to a more sustainable future, both within Informa and across the specialist markets we serve.

Delivering on this potential will undoubtedly require further contribution and commitment from colleagues and continued support from Shareholders, and my sense is that the belief, determination and excitement to continue the journey exist.

It has been my privilege to serve the Group and its Shareholders, and I look forward to following Informa in 2020 and beyond.

Derek Mapp
Chairman
9 March 2020

Market specialisation and growth

Through the 2014-2017 *Growth Acceleration Plan* and the *Accelerated Integration Plan*, Informa has progressively built a business that delivers predictable growth and consistent performance, with the platforms, positions and capabilities to progress further.

For 2020 and beyond, we are using these foundations *to pursue further market specialisation and future* growth, focusing activities and investments into six *priority areas.*

Specialist markets

Specialist brands

Specialist talent

Expanding our portfolio of B2B products and services

Strengthening and broadening our portfolio of business-to-business, knowledge-based products and services

Enhancing our positions and partnerships

Pursuing targeted additions and partnerships that deepen our connections and add new capabilities in our chosen specialist markets

Strengthening our operating capability

Further simplifying and consolidating our operating systems and strengthening product capabilities

Market specialisation

Page 20: How Informa operates
Page 78: Key performance indicators
Page 80: Effective risk management

Consistent future underlying growth

Attractive and robust operating margins

Strong cash flow generation and scale

Advancing our commitment to sustainability

Becoming a champion of sustainability within our business and across the markets we serve through the FasterForward plan

Improving financial fitness

Consistent growth and predictable cash flows, supporting the Balance Sheet and providing flexibility for investment and expansion

Maintaining a dynamic and engaged culture

Investing in colleagues, culture and the working environment to support full participation in worklife at Informa and enable individual and collective success

Continued future growth

Growth and specialisation

The Knowledge and Information Economy is an exciting and, we believe, a potentially rewarding market to be in. At Informa, we have a range of powerful brands that provide knowledge to customers in specialist markets. Since 2014, we have been progressively strengthening the business, enhancing products, championing customers and delivering improving and consistent performance.

Stephen A. Carter
Group Chief Executive

Performing, creating, championing

Over the last six years, we have had a clear focus at Informa.

To build a consistently performing business for the benefit of our colleagues and our Shareholders, by strengthening and investing in our products, platforms and people while maintaining financial discipline.

To create the potential for sustainable future growth, by establishing positions and deepening our expertise in attractive markets through growth and addition.

To champion our specialist customers, helping them to learn more, know more and do more in their roles and businesses through the knowledge, intelligence and connections our brands provide every day.

2019 was another period of activity, energy and performance, and Informa's sixth consecutive year of growth in revenues, adjusted profits, free cash flow and dividends.

This performance is the result of many years of work, progressive improvement and expansion under the 2014-2017 *Growth Acceleration Plan* and, more recently, under the *Accelerated Integration Plan* that combined the UBM business into Informa and successfully completed in 2019.

It is also built on the energy and contribution of Informa's 11,000 colleagues and the many valuable and successful partnerships formed and maintained with customers.

In the world around us, we believe that the long-term trends in the Knowledge and Information Economy Informa works in are positive. Customers, particularly those operating in fast moving and international markets, are increasingly favouring specialists who can provide them with expert, curated and highly specific intelligence and connections that support their business success.

Through increasing our focus on specialist markets, broadening the range of high value, branded, knowledge-based products we provide, continuing to champion customers and maintaining consistency in our financial delivery, we believe the Group can continue to reach for future growth and create benefits for each of the communities we work with and for.

A further year of growth

The strength built in our businesses since 2014 is reflected in consistent and improving Group financial performance.

At the outset of 2019, we shared an ambition to achieve a further period of consistent performance, and I am pleased to report this was achieved.

At a Group level, Informa reached total revenues of nearly £2,900m, with underlying growth of 3.5% and a reported growth of 22%.

Performance and growth were also reflected in profit and earnings. Operating profit grew to just over £930m on an adjusted basis* and to nearly £540m on a statutory basis. Adjusted earnings per share rose just over 4% year-on-year, or by 16% when adjusting for a full year of owning the UBM business and the effect of issuing additional shares to fund the acquisition.

Many Informa Shareholders will know that the conversion of profits into cash and generation of free cash flow is a particularly important metric for the Group. It provides funds for ongoing operations and gives the Group the ability and flexibility to invest in products, in customer service, in adding businesses, in returning cash to Shareholders in the form of dividends and in paying down debt.

For all these reasons, it was encouraging to see free cash flow exceed £700m in 2019 compared with £500m in 2018. This helped reduce leverage to the top end of our long-term target range of 2.0 to 2.5 times earnings net debt to EBITDA, which has been a focus for the Group following the addition of UBM.

The issuance of a new €500m bond in October 2019 further strengthened Informa's Balance Sheet and has lowered our overall cost of debt.

As the Chairman notes, the Board has proposed a final dividend of 15.95p, which would bring total dividends for 2019 to 23.5p and reflect an increase of just over 7%.

2019 was Informa's sixth consecutive year of growth in revenues, adjusted profits, free cash flow and dividends

Consistency and specialisation in our Divisions

In 2019, we completed the one-year *AIP* on schedule, combining UBM's portfolio into Informa at pace to minimise disruption and uncertainty, and to allow us to pursue the benefits and opportunities from becoming an enlarged Company.

Each of our now five Operating Divisions made good financial contributions, and undertook a range of business developments that we believe position us well for the long term.

In our largest two Divisions, Informa Markets and Taylor & Francis, 2019 saw good levels of growth, consistent with our targets and ambitions for the year.

In Informa Markets, we have built a portfolio with balance and breadth, international reach and a focus on serving attractive specialist markets. This business was historically based on large, branded and transaction-focused exhibitions, and we are increasingly adding new ways to connect customers and provide them with platforms to trade, which is broadening our mix of revenue into digital platforms, data and content services.

Underlying revenue growth in 2019 was 4.3% with revenues of just under £1,500m. The Division's size, breadth and balance provide resilience and strength, and allowed us to manage through 2019 in-year market impacts in the Middle East and Hong Kong while maintaining a consistent level of growth.

We also took further steps to deepen our presence and partnerships in several of the specialist markets we serve. In January we added the Centre for Asia Pacific Aviation (CAPA) to our Aviation portfolio, expanding our coverage of the Asian aviation industry and strengthening our data products and capabilities.

Forming successful partnerships is an important feature of the exhibitions market, particularly with associations, regional businesses, trade groups or government partners that are active in an industry and keen to find partners who can support the growth and success of that market.

Informa Markets works with many such groups, and in 2019 we extended our relationship with the Principality of Monaco in the Premium Lifestyle market to incorporate a collaboration on our International Yachting and Arts brands in Florida.

In another important area of the Knowledge and Information Economy, demand for high quality, verified, specialist scholarly content remains strong. For our advanced learning business Taylor & Francis (T&F), 2019 was another year of consistent and resilient performance, with underlying revenue growth at 2.4%.

T&F accounts for around 20% of the Group and over half of its revenue comes from annual or multi-year subscriptions to digital products. This provided consistent and predictable growth through the year, supported by strong growth in Open Access publishing and a steady performance from our portfolio of advanced learning products, including from print and ebook titles.

Evolution in the way scholarly content is delivered and consumed, as well as how it is paid for, continues at pace. Our approach continues to be to remain flexible and led by our customers, offering choice while maintaining the quality, depth and accessibility of our content.

To maintain this flexibility and extend the breadth of our offering, we continue to invest in our Open Access capabilities. Following the acquisition of Dove Medical Press in 2017, early in 2020 we added F1000 Research, a leading open research platform that enables scientists and academics to rapidly publish their research Open Access while retaining autonomy and control.

Within Informa Intelligence, in 2019 we increased our focus on the specialist markets in which we have particularly strong brands and positions, and where we believe the opportunity for future growth is greatest. As such, it was a year of both performance and development for this business. In terms of performance, Informa Intelligence delivered 3.3% in underlying revenue growth after strong subscription renewals, steady growth in new business and solid levels of consulting and bespoke project work.

In terms of development, as part of the *AIP's* Progressive Portfolio Management plan, we divested the Agribusiness Intelligence portfolio to IHS Markit in June and the Industry & Infrastructure media brands portfolio to Endeavor Business Media in the fourth quarter. On a reported basis and when taking into account the sale of these businesses, divisional revenues fell by -0.7% in 2019.

After these developments and with our Tech intelligence brands moving into Informa Tech, Informa Intelligence is now a much more focused business, accounting for just over 10% of Group revenue. The specialist markets we have prioritised include Pharma, where we concentrate on clinical trials intelligence, Finance, where we have particular positions in consumer retail banking and investment fund flows, and Maritime, where the Lloyd's List brand remains one of the strongest in the market.

In 2020, with a newly streamlined portfolio of specialist brands, Informa Intelligence is focused on finding ways to do more for customers by enhancing existing products and services, launching new products and broadening our connections and relationships.

Informa Connect undertook a similar journey of focus and simplification during *GAP*, to return the business to growth and direct investment towards enhancing our products and the customer experience in the markets we have chosen to serve.

This Division creates major branded events and digital platforms built around high quality curated content, enabling customers to *meet, network, learn and advance in their businesses and roles.*

From the foundations put in place under *GAP*, Informa Connect further improved its underlying revenue growth in 2019 to 2.9%, underpinned by strong performances from its major events in Finance & Investment and Biotech and Pharma, as well as improvements in specialist areas such as Marketing.

To continue to build depth in markets and make the most of our investments in content and platforms, there were several portfolio changes in Informa Connect during the year.

As part of the *AIP*, in January 2019 we sold a portfolio of Life Sciences media brands from UBM. The impact of this sale can be seen in the Division's reported revenue decline of -0.7%.

The Canadian events business from Informa Markets and the Content Marketing Institute (CMI) business from Informa Tech also transferred into Informa Connect. These businesses are similarly built on content-led brands targeted at specialist professional communities. We believe they have the best long-term prospects as part of Informa Connect, although in 2019 their inclusion changed the mix of profits and contributed to lower underlying profit in the Division.

For Informa Connect in 2020, it is a case of continuing to focus on major brands within our key markets, improving our touchpoints with audiences and extending the range and quality of products and services we offer.

Our culture is one where the customer is the champion. We act with ambition while being very focused on the detail and quality of every relationship and transaction

Informa: A sustainability champion

As part of our *GAP* operational fitness programme, we strengthened our resources and expertise in sustainability, expanding our team with a view to progressively improving our approach and commitment to more sustainable business.

As a knowledge and information provider, our direct impact on the world is relatively low but we recognise the need to do more to ensure we are minimising our own impact and doing everything we can to support our customers and suppliers in their own sustainable practices.

Based on the activities and progressive actions we have taken, Informa entered the Dow Jones Sustainability Index for the first time in 2018.

In 2019, we launched Fundamentals, a programme designed to embed sustainable content, connections and practices consistently throughout all our events. We also expanded the use of renewable electricity to over 95% of our offices.

In 2020, we are further enhancing our commitment to sustainable business through a five-year investment and acceleration programme called FasterForward. Our goal is to build an ever more sustainable, positive impact business and become a champion of sustainability within our business and across the specialist markets we serve.

We are approaching this ambition and plan in the way we do with all our other activities: with focus, energy and the goal of consistent performance and improvement.

See pages 48 to 51 for further details of FasterForward and our specific sustainability commitments and activities

Building and strengthening Informa Tech

In every Division, our focus on specialist markets and building product and platform strength has delivered increasingly consistent performance over the past six years.

Of all the markets we serve, Technology is perhaps one of the most dynamic and diverse. It comprises all types of business, from start-ups to some of the world's largest organisations and other industries looking for technology to advance how they work.

The addition of UBM's technology brands to our existing brands in Informa Intelligence and Informa Connect in 2018 gave us new scale and depth. In 2019 we took our belief in the value of focusing on customer markets a step further by creating a new stand-alone business: Informa Tech.

The opportunity we see is to address customers on major topics such as 5G, artificial intelligence (AI) and information security in a more joined up way, and across a full range of research, data, events, consultancy, training and marketing services.

Additionally, we see the potential to enhance existing products and better anticipate the needs of customers by helping our experts work more closely together, share insights and collaborate on new initiatives under one leadership team.

In its first full year as a Division, Informa Tech delivered to plan, with underlying revenue growth of 2.0% and revenues of around £250m.

We also added IHS Markit's TMT Intelligence portfolio to Informa Tech in the middle of 2019; a highly complementary business to our Ovum and Tractica research brands, with a particular depth of coverage in Asia and specialist areas of US technology.

To maximise the value of this addition and start to address customers in a single, more impactful way, we have relaunched Informa Tech's research and data teams, brands and businesses under one brand: Omdia.

Omdia represents the expertise of over 400 analysts and consultants; products and services from research and data to consultancy; and an ever more international coverage of 20 areas of the Tech market.

The prospects for Omdia and Informa Tech are something we are excited about, and on pages 30 to 33 several leaders within Informa Tech reflect on this and their experiences so far.

2020 impact of COVID-19

At the start of 2020, our subscriptions-related businesses, representing around 35% of Group revenue, continued to trade well, underpinned by strong renewal rates and consistent growth in annualised contract values. However, like a number of businesses, in our events portfolio we are seeing an impact from the outbreak of COVID-19.

We are making all the decisions necessary to look after colleagues and customers and ensure the long-term strength of our brands and customer relationships.

As the implications of COVID-19 started to become apparent in late January, initially in mainland China, we moved quickly to implement our COVID-19 action plan, creating an internal framework for decision making and actions to support colleagues and customers.

This included the launch of a postponement programme to reschedule and rephase our event brands, ensuring we made the right decisions for our customers, for the brands we own and operate and for the specialist communities we serve and support.

At the time of going to print, we continue to monitor the situation closely. Implicit in all our decisions so far has been the wellbeing of colleagues and customers and this will remain our priority going forward.

Progress and potential in our operations

As our Divisions continue to grow, develop and become more specialist, we are at the same time bringing more focus to Informa's operations.

Within our operations and as part of the *AIP*, we undertook to *remove duplication across a number of areas including in systems*, licences and real estate, an effort that contributed some of the £50m of combination savings secured in 2019.

There is also a more fundamental opportunity to ensure we are set up in a way that makes the most of our expanded reach and scale. As a result, we have started on a programme to enhance our operating capability and maximise the effectiveness of our operational infrastructure.

Simply put, the aim is to ensure that how we work, and the processes and platforms we use, create benefits for customers by making us easier to do business with; create benefits for colleagues by giving them the data and the systems they need to do their jobs with minimal barriers; and create benefits for Shareholders by supporting our commercial activity or securing additional efficiencies.

This programme is led by the Group Chief Operating Officer Patrick Martell, and more detail can be found the Global Support and *Group Operations review on page 76.*

Reach and specialisation

Two themes that run throughout Informa's businesses are knowledge and specialism. The Board and management team believe these are attractive areas for the Group to focus on, and that there are many future opportunities here for the Company, our Shareholders, our customers and other groups we work with.

The Knowledge and Information Economy that Informa operates in is the global market for intelligence, data, digital information, insight and connections.

As we lay out on page 20, it is a substantial and growing landscape, with more content and data being created every day by people, businesses, systems and devices.

Within this, we provide the knowledge to businesses and professionals who operate in specialist markets that helps them be successful in their fields.

We are increasingly making choices about the specialist business-to-business markets we wish to focus on; markets that tend to be international and dynamic and where the ability to connect with experts, gain information and transact across borders is prized. *For a snapshot of trends in six of our markets, see pages 22 to 29.*

The aim is to further add to our positions and market specialisation, broaden our products, services and relationships in those areas and, in doing so, maintain our potential for future growth.

Having international reach and positions in a range of specialist business-to-business markets also gives the Group balance and breadth, creating a level of resilience in the portfolio should any one area or market experience challenges.

In 2019, this was helpful in managing through two in-year market impacts in Dubai and Hong Kong, where local trends and activities disrupted some Informa Markets events. While this had some impact on growth, strength elsewhere in the portfolio largely offset this and enabled us to deliver broadly as expected for the year.

As described earlier, in 2020, we are closely monitoring and proactively managing the impact of COVID-19 on our events-related businesses.

Championing the specialist

The importance of specialism and knowledge to Informa can be seen in the title of this report. Indeed, one of the highlights of the year was the launch of an updated purpose for the enlarged Group:

To champion the specialist, connecting people with knowledge to help them learn more, know more and do more.

Full details of how our purpose was created are on page 36, including the highly engaged input colleagues from all over the world gave to create an articulation that we believe is distinctive and true to the business. It is intended to provide a clarity of focus and ambition for our customers, business partners and current and prospective Shareholders in the Group, and it also plays an important role within the Company.

It may be a truism, but it is certainly true of Informa that we are a people business. Informa's 11,000 colleagues, what each of us brings to work every day and the culture and way we work are what the Company is based on.

This new purpose was launched as the *AIP* came to a close, along with four refreshed guiding principles. It marked the next step in renewing the shared focus each of us has and how we are connected to each other and the business, and also provided clarity about the type of culture we seek to maintain across the Group.

That culture is one where the customer is the champion and we work in a way that builds trust and delivers benefits for them. It is about acting with ambition and having the freedom to think big and act on opportunities, while being very focused on the detail and quality of every relationship, transaction and activity.

As a working environment, it is one based on open discussion, exchanging views and having inclusive conversations. A place where colleagues are experts in their roles and have the chance to learn about other areas and participate in opportunities beyond the day job. It is also a place that is supportive, welcoming and includes all talents, abilities and identities.

The topic of our new purpose and principles has been a frequent discussion point at town halls and management meetings ever since. The feedback and reaction from colleagues so far has been encouraging, and there are many activities planned for 2020 to further engage and encourage each of us to live, breathe and uphold these values day to day.

Partnering for success

In many of our specialist markets, there are opportunities to extend Informa's products and deliver new benefits for customers and the Company through partnering with other businesses.

During 2019, as part of the approach to building strength in Informa Tech, we entered a partnership with Founders Forum, launching a joint venture that covers London Tech Week and several of our brands targeting the tech start-up community.

Founders Forum is a leading community for entrepreneurs, investors and leaders in digital, media and technology, and includes the brands AccelerateHer, focused on supporting the representation of women in technology, and Founders Factory, which is dedicated to start-ups.

The partnership brings together the connections and strength of relationships Founders Forum has established, with the scale of Informa Tech's events and the reach of its content brands, to enhance and expand what both businesses can offer to the international tech community.

Growth enhancement through market specialisation

Informa enters 2020 operating as one business with a resilient and balanced international platform built for further market specialisation and future growth.

In the near term, whilst our subscriptions-related businesses continue to grow consistently, we are facing a 2020 impact from COVID-19 in our events-related businesses. In response, we have used our strong customer and supplier relationships to swiftly deploy a material postponement programme, shifting our events calendar to later dates in 2020.

In the long term, we have strong brands, a supportive culture and the opportunity to further develop our products and customer relationships. There is also much more we can do to improve our operational effectiveness.

As we do so, the Company will come under the guidance of a new Chairperson. Following the completion of the *AIP* and after serving a full term, a process is underway to identify a successor for Informa Chairman Derek Mapp.

Under his stewardship, the Informa Board has played a significant role in providing support, challenge and direction to the management team, and representing the interests of Shareholders, colleagues and customers in the development of the Company.

It is a tribute to his talents and leadership that the Board and the business will go on to develop from a position of strength and increased capability, and for that, the management team and I are deeply appreciative.

Thanks to every Informa colleague for the hard work and commitment so evidently delivered during 2019, to customers for the ongoing support, and to Shareholders for the continued confidence shown in the Group.

Stephen A. Carter
Group Chief Executive

Why invest?

- Growth of the Knowledge and Information Economy
- Working in dynamic, attractive specialist markets

- High proportion of predictable and recurring revenue
- International reach in a range of specialist markets
- Major specialist brands focused on serving customers
- Track record of consistent and improving performance

- Strong cash conversion and free cash flow generation
- Low capital requirements
- Strong Balance Sheet
- Progressive dividends, growing in line with earnings

- Investment in culture and talent
- A champion of sustainability

How Informa operates

Informa exists to champion the specialist, connecting people with knowledge to help them learn more, know more and do more.

We work in the growing Knowledge and Information Economy and in a range of specialist customer markets, drawing on the strengths of our colleagues and brands to provide knowledge-based products, deliver business growth and create benefits for customers, colleagues, Shareholders and beyond.

We operate in the Knowledge and Information Economy

$1.8tn
Value of information industry

$1.7tn
Global spend on research and development

3.5bn+
Internet searches made via Google each day

175zb
Zettabytes of data predicted to exist by 2025

347bn
Emails sent every day by 2023

1bn
Connected wearable devices by 2022

And work through

Five Operating Divisions with a common purpose

Taylor & Francis

Informa Connect

Championing the specialist

Informa Intelligence

Informa Markets

Informa Tech

Underpinned by Global Support

Following four guiding principles

Think Big, Act Small

Trust must be Earned

Success is a Partnership

More Freedom, Fewer Barriers

Drawing upon

Colleagues and culture
The skills and engagement of our 11,000 colleagues and the way we work

Brands
Hundreds of product brands, each operating in a specialist market

Relationships and partnerships
Strong, continued relationships with customers and mutually supportive partnerships with other organisations

Technology
Technology and connectivity that underpin our digital products, services and business operations

Financing
Access to financial capital at competitive terms, including sources of equity and debt funding to pursue business growth

Natural resources
The energy that powers our offices, systems and events

To provide knowledge-based products and services

Transaction-focused exhibitions where products are promoted and sales made

Digital platforms that provide high quality content, specialist data and actionable industry insight

Expert, peer-reviewed research delivered digitally and via print-on-demand

Online company and product directories, where buyers research products and sellers find qualified leads

Expert research, market intelligence and consultancy services

Large-scale events that convene professional communities and provide a platform for sharing insight

Accredited training in specialist topics

Sponsorship and marketing services products based on reaching specialist communities

That deliver benefits

For colleagues
Benefits, rewards and ongoing professional opportunities
- £699m paid in salaries and other contributions to colleagues

For customers
Knowledge and connections that help customers learn more, know more and do more as professionals and businesses
- We aim to reinvest 3% of revenues in areas such as products and platforms

For business partners
Commercial opportunities and shared success from supplier and business partner relationships

For Shareholders
Long-term capital growth through dividend payments and the value of our shares
- 3.5% underlying revenue growth
- £722m free cash flow
- 15.95p proposed final 2019 dividend
- 160% 2013-2019 total shareholder return

For communities
Tax contributions that benefit communities and infrastructure
- £375m global total tax contribution

Charitable donations and volunteering programmes

Commitment to be carbon neutral by 2025 and net zero carbon by 2030

Working in specialist markets

Life Sciences Aviation

Fashion & Jewellery

Technology Maritime

Medical Equipment Finance

Brand Licensing Telecoms

Technical & Medical

Transportation Pop Culture

Waste Management

Pharma & Biotech

Infrastructure Real Estate

Education

Construction Agriculture

Health & Nutrition

Beauty & Aesthetics

Informa's prospects and opportunities for growth and development stem from trends in the Knowledge and Information Economy, and trends in the specialist customer markets we serve.

Across the Group and in each of our Divisions, we work in a range of specialist markets.

These are typically international and dynamic, where customers work in specific fields and where the demand for high quality information, data, connections and knowledge is prized.

This section describes trends in six of the markets we serve, written by some of the Informa colleagues who work most closely with customers in these communities.

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Growing like a weed

It's difficult to have a conversation in today's dietary supplement industry without hemp/cannabidiol (CBD) coming up. Simply, this non-high-inducing, cannabis-derived cousin of marijuana is the biggest news our industry has ever seen. And that's not hyperbole.

No ingredient in the history of natural foods and dietary supplements has grown so quickly, in so many categories, with so many uses, and sold in so many retail outlets. That's a curious state of affairs for an ingredient not approved for sale by the US Food and Drug Administration (FDA), even as two other Federal agencies decriminalised it and made it legal to grow.

A global spread

The result is a landscape of big money, big opportunity and big risk. With a market rapidly establishing itself and gaining support from both major US political parties, the botanical is unlikely to go away.

Plus, it is a global landscape. Hemp is legally grown in over 30 countries and production is skyrocketing. Europe and Canada led the industry in industrial hemp production until recently. The US jumped on board quickly after the passage of the Farm Bill at the end of 2018; licensed acreage grew to about 500,000 acres, from as few as 78,000 acres the previous year. China, though growing mostly for textile use, has scaled up rapidly and now produces over half the world's hemp.

One direction

At Nutrition Business Journal (NBJ) we estimate the total CBD market stood at \$895m in 2019. The bulk of this is in the dietary supplements sector, which alone has more than quadrupled from \$148m in 2017 to \$623m in 2019. We anticipate a further doubling in supplements in 2020, en route to a near-\$3bn market in 2023 and more than \$4bn in the overall CBD market.

To put this in context, CBD is expected to surpass fish oil, a well-established stronghold, in 2021, and the supplement industry's largest category, multivitamins, is forecast at \$6.4bn.

In 2019, NBJ surveyed manufacturers and consumers at two points in the year, about eight months apart, to get a sense of both present attitudes and how they are changing. This showed a doubling of companies marketing CBD products, and an increasing number intending to launch such a product in the next one to two years. The number of consumers familiar with CBD also grew from 47% to 70%.

A panacea?

CBD is marketed as being good for everything. Consumer surveying shows anxiety, pain, relaxation and insomnia topping its uses. When asked if CBD is effective, only 3% said no, with 63% saying it was very or extremely effective.

Yet while consumers are increasingly familiar with CBD, confusion abounds when it comes to legality and effect. Nearly a third either don't know if it "makes you high" or believe it does, which we suspect explains both eagerness and reluctance. Nor do they know whether it shows up on a drug test or if you can take it on an airplane. (For the record: in a purely therapeutic product it shouldn't, and yes you can.)

Embedded in the CBD business are critical issues facing the entire dietary supplement sector – efficacy, safety and transparency – and responsible growth is key, along with sharing knowledge and collaborating around the most reasonable approaches to sourcing, claims and labelling.

Whether the ingredient is indeed good for everything remains to be seen. In the meantime, it's certainly good business for some.

Bill Giebler

New Hope Informa Markets

Younger, faster, nimbler

The role of wealth management is simple: to help individuals make the most of their money.

Not so simple is what lies beneath this vast and diversified market: from stocks and bonds to financial planning, total asset and liability management, customised goals-based portfolios, tax-mitigation strategies, family legacy planning and more.

All over the world, the rapid reinvention of wealth management is in the air, fuelled by technology, an operational drive for efficiency and the shifting needs of a new demographic, as the client base changes and wealth transfers into younger generations.

Beyond mutuals

Decades ago, mutual funds changed the face of investing. For the first time, they enabled the regular man and woman on the street to access the markets with the built-in diversification, professional management and safety of a regulated fund.

Today, everything suggests the best days of mutual funds are behind them, and they are haemorrhaging assets in favour of exchange traded funds (ETFs). ETFs now have $5.6tn in assets under management and are particularly popular among 25 to 38 year olds, and the investment of choice for 90% of millennials.

In the early days, ETFs were attractive due to their low cost, but are nowadays becoming increasingly sophisticated too, offering innovative investment solutions for institutional investors, advisers and individuals.

As a result, in the US the balance of power has shifted from traditional investment fund and commission-based brokers towards low cost investment vehicles, advice-centric platforms and the increasingly influential client facing financial adviser.

Independence rules

The narrower discipline of investment advice is being replaced by a massive growth in the fee-based investment advisory channel. In this model, firms offer holistic and independent financial planning at the expense of the commission-based brokerage model and proprietary investment products.

Even at traditional brokerage firms, fee-based, advice-driven revenue from advisers has eclipsed sales of commission products. That won't change, and it is also creating new opportunities and challenges for other service providers.

Brokerage firms and advisory custodial platforms alike have recently reduced trading fees to zero, which will inevitably have an impact on revenue and spend. On the independent side, Charles Schwab's acquisition of TD Ameritrade has shrunk the largest independent custodians to a mere three players, which together hold some 80% of US independent advisory assets.

New technology for new answers

In an industry that is highly focused on streamlining and cost reduction, wealth managers are heavily investing in new technology and new solutions for staffing, operations, compliance and intelligence.

With the emergence of a broader range of investment customers, marketing by the wealth ecosystem that connects product firms, advisers and investors is growing.

It is anticipated that the US financial services industry will increase its digital ad spending by 16.3% to $18.3bn in 2020, in part to reach younger audiences through mobile, search and social ads.

The one constant for wealth management firms throughout this period however, will need to be an unwavering focus on the conversations and products that benefit their clients, the investors, no matter who they are, what they choose and how that investment is enabled.

William O'Connor

Finance & Investment Informa Connect

Brand discovery goes digital

From branded sunglasses, luggage and replica football shirts to action figures, perfume and even festivals and theme parks, licensing is a powerful brand extension tool. It enables an intellectual property owner to lend their brand to trusted specialist operators and gain fresh markets, fans and revenues.

Licensing can take brands into new categories, stores and indeed entirely new industries with minimal investment. It also gives retailers differentiation, a widening customer base and the opportunity to boost share of wallet and profitability.

In 2018 the global licensing industry was valued at $280bn, a rise of over 3% on the previous year. Its success, however, is hard-wired to its ability to continue to anticipate market trends and social dynamics as it enters the next decade.

Entertainment brands have always been huge players in licensing, and characters and entertainment still account for almost half of global retail sales of licensed product. But there are many examples of brands becoming smarter and more creative with licensing through product placement, brand extensions, collaborations and experiences.

We've seen the BBC's first ever Peaky Blinders festival, Primark's Friends- and Disney-themed cafés and Netflix's Stranger Things Secret Cinema experience. We are living in an experience economy: experiences are what people want to buy and pop-ups and experiences tap into a cult level following with true fans spending money at a high level.

The traditional route for licensed entertainment product used to be film, then TV, then toys, video games, books and so on. But thanks to the internet and social media, content distribution is no longer linear. There are multiple entry points to discovering a brand, from Netflix and Instagram to merchandise, retail and movie releases. That's exciting for the licensing industry because it provides many more opportunities to engage with consumers.

Licensing is also appealing to both new and disruptive businesses as well as more traditional ones. The internet has given birth to many digital-first brands including Uber, Airbnb, Casper bedding, Glossier – disruptors who are applauded for doing things differently. But just like more traditional consumer-centric offerings, these brands need to be able to forge meaningful connections with their customers and licensing is opening up multiple ways to achieve it.

One new phenomenon of the market is esports: essentially, competitive video gaming. With gamers competing for prize pools of up to $30m watched by a global audience of 450m viewers, it is one of the world's fastest growing entertainment genres.

Audiences and live events are getting bigger, more frequent and, critically, televised and streamed. The availability of esports' consumer products was previously limited to live events or online, but given the size of the audience today esports has huge licensing potential. This is already starting to be realised by companies such as Activision Blizzard and properties including the global phenomenon Fortnite.

At a time when the high street is struggling, the licensing market is benefiting from traditional retailers looking for new ways to drive footfall and profit. Inditex, Uniqlo and Zara are among the global retail brands getting it right, and Target and H&M are successfully using collaborations too. Primark has mastered the art of using licences (Harry Potter, Friends, Disney and Peaky Blinders) to create engaging in-store experiences.

Environmental impact is, however, as in many sectors, a growing consideration. In licensing, it is an issue driven in part by consumers, especially in the younger demographics, who look to companies to lead by example. Categories such as fast fashion and toys have particularly come under fire for their use of water and the impact of packaging, waste and landfill. The licensing industry has fast-tracked the issue up the agenda, and it's a responsibility that must be shared by all involved.

Anna Knight

Licensing Group Informa Markets

Helping the world treat the mind

A growing acceptance that 'it's ok not to be ok', and a better understanding amongst employers and policy-makers has sharply increased the profile of mental health in recent years.

It is now more common for more people to recognise mental health challenges and seek treatment, driving increased demand for clinical support and sustaining the ever-present, practical interest mental health professionals have in accessing emerging ideas and treatments.

Informed understanding, applied

There is a wide range of advanced publishing on mental health, ranging from longer-established disciplines such as psychiatry, clinical psychology, psychoanalysis, psychotherapy and counselling to rising professions such as coaching, sex and family therapy and *occupational therapy.*

With the increased interest in better understanding mental health, increased authorship and attention are also permeating more traditionally academic subject areas.

In psychology, for example, research shows a strong correlation between physical and mental health, particularly when it comes to treatment and behaviour change.

In neuropsychology, neuropsychological rehabilitation after brain injury is increasingly focusing on psychological therapies alongside rehabilitation in cognitive and social functioning.

In developmental psychology, one of the biggest growth areas is in ageing research, which is tied up with issues of wellbeing, purpose and the mental health concerns of an ageing population.

Adolescent development is increasingly focused on mental health concerns, particularly with the rise of social media and societal pressures. In the UK, the Government has made children's mental health a priority, with additional funding and new compulsory health education intended to teach children how to look after their mental wellbeing and recognise when friends are struggling.

We also have a number of titles published and a significant number of upcoming titles that reflect the latest thinking and practice on aspects of race, gender and sexuality across mental health.

International practice

The misconception that various mental health professions and practices are purely Western is changing rapidly.

There has been a sharp growth in the number of mental health professionals in Eastern Europe over the past 10 to 15 years, with a concurrent rise in those attending and presenting to major conferences.

Interest in health issues is also spreading across Asia and in particular in China, Japan and South Korea, initially spearheaded through Western mental health professionals teaching in Asia and partnering to train the next generation of professionals.

In China, the implementation of the Mental Health Law in 2013 made clinical research and medical services for mental disorders subject to legal definition for the first time, and in 2014, it established a National Clinical Research Center for Mental Disorders, raising mental and psychological development to a national and strategic level.

Advancing knowledge

From a publishing perspective, foreign rights sales, particularly for books in Russian and Polish, are increasing, with demand feeding the ability to commission and publish more research that directly addresses these markets.

The amount of mental health books we offer has grown rapidly, and in our Journals business, three out of our top 10 Open Access articles published in 2019 were related to the topic.

Making the very best quality books available, written by the best people and at the right level, can help drive professions forward and, in mental health, it can help the quality of the treatment on offer to patients to be better informed.

Kate Hawes
Global Mental Health Publishing Taylor & Francis

From treatment to cure

After a decade of mixed earnings, Pharma companies enter 2020 facing intense pressure from investors for more top line growth. It's a big ask: to meet even the modest single digit projections sought by investment analysts, the industry's top players must grow revenues equivalent to those of a mid-size biotech, every year.

Expectations are just as high regarding patients and payers. Advances in understanding the biologic origins of disease reveal almost infinitesimal combinations of genes, molecules and proteins that could lead to druggable cures for the world's biggest killers. It's the final frontier of medical discovery, with clinical validation risks and costs that match the potential therapeutic gains for patients.

At the same time, consolidation among payers has enhanced their negotiating leverage with drug manufacturers, resulting in value for money, evidenced by patient outcomes, becoming a performance metric. This reversal of the industry's once dominant position has depleted that mainstay of traditional drug life-cycle management: regular price increases for older therapies that companies rely on to subsidise new innovations. This emerging feature of the US pricing environment will dog drug makers for years to come.

Innovative capacity is also shifting toward smaller, more agile players, some from outside the industry. For the last three years, Biotech start-ups have led the Pharma big 10 in the number of novel products approved by the FDA. The lesson here seems to be that the benefits of size and scale are outweighed by the bureaucracy and lack of focus associated with large Pharma organisations.

So what will the Biopharma C-suite do to satisfy investor expectations for sustained revenue growth and profitability?

Prioritising the product portfolio

With $170bn of biologic patent expirations estimated to hit the industry by 2023, the race is on to impose more discipline on research and development (R&D). Abundant cash reserves and low borrowing costs will continue to favour mergers and acquisitions, licensing and external partnering to plug pipeline gaps and consolidate therapeutic category leadership. Favoured asset classes in rare disease and oncology are looking increasingly crowded, however, so companies are reconsidering the opportunities in large-population chronic conditions like cardiovascular disease. Therapeutic possibilities linked to the human microbiome also appeal.

Raising operational efficiency

The transition to personalised medicine from a treatment-to-cure model of disease requires new innovative investments in manufacturing, safety and patient logistics. Process engineering is part of this. One example is work underway on allogenic off-the-shelf cell therapies that can be produced faster and in large quantities for patients, at lower cost. Meanwhile, a decade of decline in R&D productivity is poised for improvement as advanced data analytics tools like AI are applied to Biopharma's single biggest cost factor: the clinical trial.

Culture counts

Big Pharma or Biotech, it's people and culture that determine how well organisations adapt to today's disrupted system of healthcare. A realignment of internal behaviours is needed to eliminate silo thinking, particularly in persuading R&D and the commercial business to learn together the new language of value-based payment. Success for a raft of expensive gene therapy launches in the next several years depends on it.

Reputation's wild card

As producers of what is widely considered a public good, Biopharma's future rests on its reputation. A poor company image has direct business consequences, from unwanted regulatory scrutiny to a loss of public confidence in the quality and safety of products. Ignored or mishandled, this becomes a corrosive stain on the licence to operate in the industry's most valuable markets. According to a new global survey by the Wellcome Trust, public confidence in the safety and efficacy of vaccines is now greater in poor countries than in wealthier ones. The lesson for the Biopharma C-suite in 2020? Tune in to the vox populi.

William Looney

US Pharma   Informa Intelligence

Under the skin of beauty

Even in economic slowdowns, some sectors seem to defy gravity. The beauty sector is certainly one: between 2016 and 2022, projections suggest it will generate business worth nearly $430bn globally and deliver annualised growth of over 4%.

Suitably enough in an industry that thrives on trends, the landscape for retail and professional beauty products evolves by the year.

Gen Z: The new faces of beauty

There are now as many Gen Z consumers, born from 1995 onwards, as millennials, and they account for around one-third of the global population.

Gen Z-ers are also digital natives, driven and informed by the relationships they have with social media and consciously living double lives, using a filtered and sometimes fabricated persona online. In a survey of China's booming Wanghong economy, more than half of Gen Z-ers chose livestreamer as their dream job.

When it comes to beauty, the "we" generation of consumer has quickly evolved into the "me" generation, and is demanding unique rather than mass market brands that cater to them as individuals.

This is creating a revolution in brands and distribution and provoking a search to find ever more creative and innovative concepts, materials, ingredients, laboratories and packaging to inspire the new generation of consumers.

Innovation through sustainability

For the beauty sector, we see key territories being China, the US, India and Indonesia, where Gen Z-ers will rapidly become the largest spending groups and major brands need to find creative ways to capture them.

One of those ways is through harnessing increased interest in sustainability. Where 10 years ago natural and organic qualities were key drivers, today ethics have joined them centre-stage.

In Asia, where most of the world's 1.8bn Muslims reside, the greatest potential may lie in halal-approved beauty products: essentially, products free of animal derivatives or alcohol.

Recently the Indonesian Government announced it would introduce mandatory halal labelling of cosmetics and personal care products. Where previously ethical labelling was typically a voluntary action, beauty brands may now have to take a certification route.

China: Beautiful opportunities

China's reputation as the world's beauty factory only tells part of the story. It is also the number one target audience for many beauty marketers, and its status is evolving as a major beauty conceptualiser and developer. Local brands have invested in state-of-the-art development laboratories, hired internationally, and are harnessing new ingredients as they pursue safe, sustainable and, very soon, cruelty-free products.

After the K-Beauty movement in Korea and Japan's upcoming J-Beauty segment, C-Beauty is also rising fast. It speaks to a young and vast Gen Z population that is proudly Chinese, looking for the very best in locally-generated beauty and fashion and willing to spend on products they deem worthy.

It is a rich prize indeed: the market is worth nearly $60bn, up 23% compared with the prior year, with nearly 50% spent in direct and speciality stores. Non-traditional channels are also key in this sector: advanced technology, such as virtual reality and AI, is creating a new shopping environment and narrowing the gap with traditional physical services at the beauty counter.

Indeed, physical retail is facing challenges due to competition with online sales, which can reach 2m pieces sold per month. Competition between foreign products and local brands is also hotting up as importers select an ever-increasing amount of international products that are unique in the Chinese market.

Claudia Bonfiglioli

China Beauty Informa Markets

BEHIND THE CURTAIN

Creating Informa Tech

In 2018, we announced the creation of Informa Tech: Informa's first fully market facing Division.

This seized on an opportunity to make the most of our expanded portfolio of tech brands, to better tap into the growth of technology and the diversity of technology decision makers in global businesses, and to serve customers in a more joined up way across individual products and brands.

At the start of 2019, our colleagues set off on this mission.

Overleaf is a conversation between some of Informa Tech's leaders on the experience, the opportunity and what lies ahead.

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Lisa Arrowsmith
Chief Product Officer, Omdia

Carolyn Dawson
Managing Director, Events

Marco Pardi
Managing Director, Events

Mike Philips
Managing Director, Omdia

Q. What does being one Informa Tech mean to you?

Marco Pardi: When I first joined Informa and opened the cupboard, I couldn't believe all the amazing brands we have in digital media, events, research and data.

When you're at the foundation of creating a new company, which is essentially what we've done, the first chunk of time is building the focus, and then getting brands together and figuring out how to unlock value and start building solutions for customers.

Lisa Arrowsmith: For me, one of the interesting things about Informa Tech is around stretching beyond just high tech companies. It's answering, for an end-user of technology, how do I become better in this digital world? How do I learn about technology, assess vendors, meet like minded people? What are *the opportunities and the ROI? And I think that's something we're* uniquely positioned to help address.

Carolyn Dawson: Lisa raises a good point about end-user markets. We have synergies with colleagues everywhere in Informa because tech touches almost every industry. Customers don't have to go to many places when they can come to us.

Mike Philips: I agree. We previously found customers weren't aware of all the things we can join together to solve their problems, but when they see us as a single focused entity, they get it and want to work with us in that integrated way.

Q. What's been your experience of forming as a business?

Lisa: I came from IHS Markit and really feel this is a great cultural fit. You can feel the enthusiasm through the office. There's a crackle in the air of what we can build as a new organisation. There's a pure love of technology across our network around the world.

Marco: That's true. I don't think you can underplay the strength of having a culture that is aligned around a mission of delivering value to a vertical market, of doing good for the technology industry and building a better digital world, and it's something I know each of us is talking to our teams about a lot.

Carolyn: One of the reasons I joined Informa was that it might be large, but it's a place where you can make a difference from day one. And in terms of issues like sustainability and tech for good, those are powerful things that young people joining can wrap their arms around.

c.1,000

Colleagues at Informa Tech

400+

Analysts and consultants

c.4m

Monthly visitors to our digital content communities

Q. In research and data, you've now created a new brand. Tell us about Omdia.

Mike: When we brought the IHS Markit TMT team into the fold in mid 2019 and put it together with Ovum, Tractica and Heavy Reading, it genuinely gave us a breadth and depth of coverage. That enables us to become a material player in the market, and to be able to connect the dots between different parts of technology to do something more compelling for customers. The result was Omdia, which we launched in February 2020.

Lisa: The fit was perfect geographically. Informa was strongest in EMEA, followed by the US and Asia, and at IHS Markit we were the mirror opposite, meaning that Omdia now has teams close to all critical technology markets from China, Korea and Japan to London and the US West Coast.

Mike: I think we're able to talk more strongly to the big topics facing the industry. In truth, to solve a particular problem, you might need a combination of 5G, AI, security and cloud coming together, and so having expertise across those domains is powerful.

Q. Imagine it's now the end of 2020. What do you hope to be recalling about the year?

Marco: There are no other spaces that can grow from zero by a factor of 10 in, say, two years, like the technology market. And we are well placed to see those high growth areas. More specifically I hope that Black Hat USA continues to serve the cyber security community with high quality content while maintaining its streak of 20+ years of consecutive annual growth.

Carolyn: How we grew London Tech Week on the international stage and expanded the concept by turning AfricaCom into Africa Tech Week and similarly in Asia.

Mike: In Omdia, we'll be starting to deliver on our promise of connecting the dots, in a way that has created something more valuable to our customers and the market at large.

Lisa: How we harnessed the sheer passion we have in Informa Tech. It's an exciting time.

The heart of Informa

At the heart of Informa, it is our people and the way our colleagues work that make us different, distinctive and inform everything we do.

This section describes what Informa exists to do and what we set out to create for our customers, partners and communities over the long term.

It also describes the principles that guide the Company and our colleagues, and how we ensure those commitments run through all we do.

The heart of Informa includes examples of Informa's culture, and the support, engagement and opportunities that are designed to ensure all colleagues can participate fully in the business and enjoy their time at work.

We cover each of the key partners the Group has, from customers to business partners, investors to suppliers, and the social and physical communities and environment we work within, as well as their interests and how we engage with them day to day.

There is also a short summary and reference guide to the approach, processes and policies Informa follows.

Welcome to the heart of Informa.

Our purpose

Informa exists to champion the specialist, connecting people with knowledge to help them learn more, know more and do more.

Our guiding principles

- Think Big, Act Small
- Trust must be Earned
- Success is a Partnership
- More Freedom, Fewer Barriers

What unites us: The Informa Constitution

At the heart of Informa is a shared purpose – to champion the specialist – that connects what each of the Group's businesses and colleagues aims to do.

Alongside this purpose, the Group has a set of four guiding principles. These describe key aspects of our culture and are designed to guide how our businesses, teams and individuals work day to day.

Together, our purpose and principles form the Informa Constitution, which was first introduced in June 2019.

Creating the Informa Constitution

Informa progressively expanded during *GAP* and between 2014 and 2018, growing in brands, businesses, colleagues and the number of markets we operate in.

The *AIP* provided an opportunity to review, simplify and strengthen Informa's overall brand value. We undertook a brand review programme to do this, and it included activities designed to understand the values that were important to our now 11,000 colleagues.

Over late 2018 and early 2019, 2,000 colleagues contributed to reviewing our culture, values and focus through in-person and online workshops, one-to-one interviews and an online survey.

Common themes that emerged included: a shared focus on long-term customer relationships; working in highly specialist markets; providing products based on delivering knowledge, information and connections that benefit others; and acting in an agile way. Some of the comments provided during the process are featured on the opposite page.

Introducing the Informa Constitution

These findings led to a new articulation of why Informa exists, in the form of a purpose designed to connect all parts of the enlarged business. It also led to an updated set of guiding principles, designed to be authentic, distinctive and a touchstone for behaviours and decisions.

Known as the Informa Constitution, our purpose and principles were a major focus for Informa's 2019 leadership conference ReInvent. 150 colleagues participated in discussions and activities around our business values and made commitments to upholding the Constitution.

Immediately following ReInvent in June, we embarked on a programme of communications to unite, inform and engage colleagues.

The Informa Constitution was launched internally through CEO communications and new brand materials delivered to offices, including leadership-signed copies of the Constitution.

During the second half of 2019, this was further supported by information packs for managers, an animated film to explain and inspire and a series of video interviews with colleagues giving their views on our purpose and principles.

"For me, Think Big, Act Small means caring about the bigger picture but not letting that distract from the task in hand – it's the small things that make the big differences"

"We always think of our clients as part of our team. So when they have an idea to improve our product, I work with them to make it happen"

"It's important to me to be a trusted and valued member of the market I work in. We're not just a vendor, we're part of the community"

"We have a culture of team work and treat each other as we would our own family"

"I try to give my team the authority to make their own decisions"

Living the Informa Constitution

Further activities are taking place in 2020 to embed the Constitution into daily working life and enable colleagues to understand how to apply the principles to their roles and interactions.

These include a new category in the annual Informa Awards to celebrate outstanding examples of living the Constitution, HR-led briefing sessions and communications, and training on Informa's updated Code of Conduct, which is being relaunched to reflect our new guiding principles.

Feedback on our purpose and principles is being gathered through the annual Inside Informa Pulse survey, and work is underway to embed the Constitution into recruitment processes, performance reviews and Informa's public facing content and materials.

A colleague signing the Informa Constitution

We're Informa: Colleagues at Informa

At the heart of Informa are 11,000 colleagues whose skills, ideas, energy and engagement create our products, champion customers and deliver results that drive the Group's growth.

In turn, we focus and continually invest in colleagues, culture and the working environment, making the most of our talent and creating a great place to work.

We aim to create a dynamic environment based on our guiding principles that encourages collaboration, allows all colleagues to participate and provides opportunities for development and success.

Conversation, feedback and discussion

Informa's leadership teams proactively keep colleagues informed on business developments and gather their views and feedback in many ways, encouraging a culture of open discussion.

The CEO issues regular written and filmed blogs covering topical Company and market matters and invites colleagues to respond directly. He hosts in-person town halls in offices around the world and online webcasts at times of major Company news, such as financial results. These include a live question and answer session and post-event survey. Divisional Senior Management teams have similar internal communications programmes to share and discuss relevant information with their teams.

To ensure communications can be readily understood, we aim to translate key Company policies and training into colleagues' most commonly spoken languages and provide captions or transcripts for all Group videos and webcasts.

Informa's Board also has a structured colleague engagement programme, led by the Chairman and the nominated Director for colleague engagement, Helen Owers. Activities in 2019 included hosting three office town halls in the UK and China, joining the ReInvent leadership conference, participating in the London Walk the World charity day and receiving presentations from Senior Management at Board meetings.

The Board receives information on colleague engagement activities and key matters of interest through updates from the CEO and discussions with the Group HR and Investor Relations (IR) Directors. In 2019, feedback on the management of IT systems led to a broader Board discussion on technology services, from which the Group CIO has instituted IT service charters for each Division.

Open discussion and conversation between colleagues take place on Informa's social intranet, Portal. This is available to everyone and acts a central place to look up information, see Company news, connect with other colleagues, blog about personal and professional interests and comment on other stories. Confidential feedback channels include the Group's Inside Informa Pulse survey in which 65% of the Company participated in 2019, and, in several countries, exit surveys. Findings and results from each are shared across management and HR teams and action points identified.

Supporting and enabling success

Throughout the business, we invest in providing the support and opportunities colleagues need to succeed in their roles, develop their careers and enjoy their time in the business.

Training and development happen in different ways. In several Divisions, colleagues have free on-demand access to thousands of online LinkedIn Learning courses, to follow personal interests and complete suggested training for their roles. Since its introduction in 2017, Informa Markets colleagues have completed over 200,000 of these video courses.

There are also bespoke development programmes. In 2019 Informa Intelligence launched a Rising Talent programme, which started with 20 colleagues identified as having strong leadership potential participating in a kick-off event in London. The group presented business ideas to Senior Management, attended talks and networked, and are being supported during the year with mentoring, personal development plans and through an online community.

To support managers and help colleagues chart their careers, new materials and training sessions have been developed to support appraisals and performance conversations. Performance reviews and development plans are consistently recorded using online templates and tools.

AllInforma, the Company's diversity and inclusion programme, is one part of creating a supportive environment that enables colleagues to feel welcome and able to do their best work. *AllInforma Balance, which focuses on gender balance, includes* an intranet interview series where female leaders share their experiences, and 2019 saw the launch of AllInforma Rainbow to support LGBTQIA+ colleagues and allies.

Colleagues at the 2019 Hong Kong Board town hall

Understanding the Destination Digital

To help achieve its goal of fully embedding digital-first practices, Taylor & Francis ran a colleague campaign – Destination Digital – to raise awareness and engage teams in the priority in a fun way. This was an app-based competition that tested colleagues' digital awareness week by week. 700 colleagues, accounting for one-third of the business, took part. The top 10 were invited to our New Delhi office for a live quiz show-style final, streamed across the Company where the live audience could also play along. The winners received a trip to any Walk the World destination of their choice as a way to connect with colleagues in other parts of the business.

> I really enjoyed the town hall and pre-lunch because of the interaction with the Board of Directors. It was nice to have a chat directly and the casual style of the town hall encouraged us to ask questions
>
> **Vickie Chan, Hong Kong**

Supporting colleagues also means helping people work in a way that best balances their career and other commitments. Many roles offer flexible working and there are processes for applying for special leaves of absence. Work flexibility is further enabled by our cloud-based technology infrastructure, which allows colleagues to work from different locations easily and securely.

Additionally, colleague support comes in the form of policies that provide information on appropriate behaviours and help colleagues access guidance if something goes wrong.

Informa's Code of Conduct, and the 14 global policies that address our most critical areas, have been revised to incorporate our new guiding principles and reflect developments in policy areas such as international sanctions.

The introduction of these revised policies began through intranet and colleague communications in 2019 and will continue into 2020, supplemented with mandatory online training for everyone, including those recently joined from acquired businesses. We aim for a 100% completion rate for compulsory policy training while allowing new joiners 30 days to complete training.

We maintain a whistleblowing policy and reporting service, Speak Up, that allows anyone to raise concerns relating to Informa confidentially, with a zero-tolerance approach to any retaliation for making a report in good faith. The Board and Executive Management Team are updated on trends and policy learnings through Board reports and as a regular agenda item at Risk Committee meetings.

The highlight of Rising Talent was presenting our business ideas to senior leadership – it's amazing how many fantastic ideas there were and how much difference we could make. It has really created a sense of a community for the group, despite our different geographic locations and roles

Senaria Karim, London

US, UK, China

Largest colleague populations

59f:41m

Gender balance

90+

Nationalities

Opportunities, recognition and reward

Beyond colleagues' day roles, Informa creates additional opportunities to get involved, be engaged in the life of the Company, and feel recognised and rewarded for extra contribution.

This includes Walk the World Connections, an annual video competition where colleagues win a trip to London to participate in special events around our Walk the World charity initiative. In 2019, the eight winners were guests at Informa's leadership conference, received a tour of an Informa exhibition and celebrated with colleagues at the Walk the World London after-party.

Promoting understanding and inclusivity

2019 saw the launch of the AllInforma Rainbow network. Created by colleagues for colleagues, it aims to connect and support those who identify as LGBTQIA+ and those who support or wish to find out more about the community. Activities have included sharing personal stories, marking awareness days, providing informational material and training sessions, and social events that support networking. One article on the benefits of stating preferred gender pronouns at work was among the most read blogs on Informa's intranet.

Making connections at all levels

Every year, we welcome early career talent into the business in several ways, including through the Informa Group Graduate Fellowship Scheme and Apprenticeship programmes. In 2019, five Graduate Fellows and Apprentices had the opportunity to meet and present to 150 of the Company's leaders at the ReInvent conference, including Board Director Helen Owers. They collaborated on an interactive session that shared their experience of joining Informa and their views on what makes a leader in the Company. It was a chance to share perspectives with a range of Senior Management, develop presentation skills and meet others, finding out more about potential career paths at Informa.

I'm passionate about helping the business succeed. Being an Informa Markets CAB member means I get to play a part in shaping our development. It's been great to understand the business better and connect with colleagues around the world

Heloisa Perrella, São Paulo

There are champion networks and focus groups for providing input into specific initiatives. In Informa Markets, this includes a Colleague Advisory Board (CAB) of over 60 colleagues, who have the chance to provide local feedback on divisional initiatives and raise their profile across the business.

Recognition and reward for outstanding performance come in the shape of the annual Informa Awards. This event attracts over 1,000 entries each year and culminates in an Awards ceremony hosted by the CEO, which is live streamed across the Company. Day-to-day recognition programmes within the business include Applause, an online way for colleagues in T&F to thank each other for jobs well done simply, quickly and publicly.

Informa has invested in two share schemes that enable colleagues in eight countries to invest in the Company's shares, either at a discount or with free shares offered, as an additional reward and to more deeply connect individuals with the Company's performance and success. Just under 2,000 colleagues currently participate in these programmes.

To further share the advantages of business growth, colleague benefits were reviewed for 2020 and a number of improvements made, including additional holiday days to recognise length of service and support colleague wellbeing.

Page 78: Colleague engagement as a KPI
Page 88: Retaining key talent as a principal risk
Page 124: Additional colleague data in Nomination Committee Report

Championing the specialist: Customer success

Championing the specialist by helping our customers learn more, know more and do more is Informa's purpose and directly connected to our ability to grow and succeed.

We form close relationships with customers by understanding their needs, delivering knowledge that supports their professional and business success and continuously monitoring and improving what we do.

Several examples are described here, and trends are discussed during executive management meetings and in divisional Board strategy presentations.

Delivering must-have intelligence to subscribers

Informa has many types of customers: from event attendees to sponsors and exhibitors, subscribers to journals and intelligence services, businesses that purchase bespoke research, training and consultancy, researchers who publish with us, and more.

Accordingly, a wide range of colleagues directly engage with customers. In Informa Intelligence, our analysts play a particularly important role in delivering a service and maintaining customer relationships.

Following demand for increased responsiveness to data requests, the Pharma business introduced a premium Ask the Analyst programme in 2018 as part of its highest level of service. This enhanced the standard Ask the Analyst function by dedicating specific analysts to the service and expanding their remit to cover the full range of Pharma Intelligence brands.

This team handles complex requests from customers, who are typically professionals working in clinical drug development, for specialist data and analysis that help them do their jobs quicker. There are now over 70 analysts dedicated to the service, spread across the world.

Since launch, the programme has had strong customer feedback for the promptness, accuracy and quality of engagement. The Ask the Analyst team also works closely with client success managers and sales colleagues to provide information on trends in requests and particular customer needs, helping strengthen the overall level of service to customers and retain their business.

Continuously improving the event experience

Half of Informa Connect's revenues comes from attendees at our events, and over the last four years the Division has built a more formal and rigorous approach to attendee feedback.

This aims to get us closer to customers, better understand their experience and ensure product developments are directed at the areas they most value, delivering return on investment for them and maintaining our event performance.

Standardised feedback through post-event surveys is now collected for over 200 Informa Connect events, with nearly 50,000 attendees giving views over the last four years. Customers rate events for overall satisfaction, importance of attending, likelihood of return and a Net Promoter Score based on how likely they are to recommend it, as well as giving qualitative feedback.

Scores are visible to event teams through real-time dashboards and reporting. They are continuously reviewed by Informa Connect's Senior Management team as a performance metric alongside financial measures, and to understand best practice when looking to maintain and improve the quality of the event experience.

Informa Connect has also created a Hall of Fame for the events that score most highly, which is promoted internally to share success and encourage competition based on satisfying customers.

Maximising show success for exhibitors

At World of Concrete, one of Informa Markets' largest brands, our teams engage closely with exhibitors before, at and after the event to ensure they have the best possible experience and help retain their business.

Ahead of the event, sales teams make exhibitors aware of the sponsorship, traffic building and advertising opportunities available before, during and afterwards to boost their exposure.

World of Concrete has an online portal containing tips on exhibiting and runs pre-show webinars. These provide information on the event and recommendations on how customers can measure success, as well as providing a chance to ask questions in real time.

Informa Markets' floor managers, operations and sales teams and our contracting partner are onsite to provide timely assistance on matters like freight issues, questions about services ordered or the space shared with neighbouring companies.

Sales colleagues also engage customers on their future exhibiting plans. Just before the show, exhibitors taking space over a certain size are invited to take part in the first phase of assigning areas for the following year. Rates and details of any changes are provided and an appointment reserved with the onsite rebooking office.

The team conducts an onsite evaluation of booths, providing exhibitors with feedback to enhance future attendance, and the event is filmed to better spot any opportunities to improve traffic flow and product display.

Pages 56 to 75: Hear from our customers in the Divisional Reviews

Meeting and trialling products inside and outside of World of Concrete

Success is a Partnership: Working with our business partners

To create and deliver high quality products that are successful for us and our customers, we work with many different partners.

Informa also forms strategic partnerships, collaborating with groups who are experts in their field to strengthen what we can each offer customers or to expand into new markets.

In all cases, we seek to establish strong working relationships based on common and mutually beneficial goals, and to follow the Group's guiding principles of creating successful partnerships and earning the trust of those we work with.

Partnering to deliver specialist knowledge

Taylor & Francis has publishing partnerships with a number of learned societies and professional associations, which each has a leading position in its field of expertise.

Typically these groups will, alongside other activities, publish research journals on their specialist area. Partnering with T&F can provide them with access to modern production infrastructure, expert publishing capabilities and a wider research audience, while the partnership allows T&F to add to its depth of specialist content, a key part of the Division's business strategy.

As one example, in July 2019 T&F announced a partnership between our Routledge imprint and the Oral History Association to publish The Oral History Review. This journal publishes narrative and analytical articles and reviews in print and multimedia formats, which seek to improve understanding of the nature of oral history and memory and its significance.

The Association noted: "Routledge's global presence and commitment to incorporating digital media into scholarly communication will allow The Oral History Review to engage a worldwide community of oral history scholars and practitioners."

Joining forces to enhance exhibition brands

In some markets, we form joint ventures where we believe that the combination of our international platform and capabilities with a partner's expertise and connections can create stronger prospects for both parties and better serve customers.

This is particularly true in Asia and in exhibitions. Sinoexpo Informa Markets is one of our most significant joint ventures in China, under which we organise over 60 exhibitions in specialist markets.

Wang Mingliang, founder of Sinoexpo, said: "The Informa Markets–Sinoexpo partnership is a powerful combination. Informa Markets' strong international network plus Sinoexpo's strong local presence in China present a unique synergy in terms of how the teams work."

It is a long-term partnership too. "We've been in partnership with UBM and now Informa Markets for over 20 years. During that time, we have together successfully set up world leading events for food and hospitality, furniture, pharmaceuticals and health, process and packaging machinery. There is further strong growth potential for our events in China over next decades too," he concluded.

Shared standards and guidelines

The Group's relationships with all suppliers and business partners are governed by clear standards and expectations. These are set out in codes and policies, supported by consistent processes and confidential ways to raise concerns.

Informa's Business Partner Code of Conduct includes commitments and standards regarding the proper handling of data and information, ensuring a safe and respectful working environment, operating free from modern slavery and with zero tolerance of bribery, corruption and the use of child labour. It is available on the Informa website and in several languages. All partners also have access to the Speak Up whistleblowing facility for reporting any issues or concerns confidentially.

We conduct mandatory online training on avoiding bribery and corruption, and targeted digital training on how to avoid assisting others to evade tax. In-person training on sanctions, data privacy and anti-bribery measures was also conducted in the US, Brazil, the Middle East and Asia during the year.

Informa continues to report annually on the steps taken to ensure slavery and human trafficking are not present in our business or supply chain, and we support the principles of individual rights in the UN's Universal Declaration of Human Rights. In 2019, we marked UK Anti-Slavery Day by promoting the Group's commitments through internal communications, which resulted in additional requests from colleagues to undertake training.

One priority our suppliers and business partners have is the ease with which they can do business with us, including the clarity of the procurement process, quality of service and efficiency of payment practices.

Group Operations supports the procurement of major supplier contracts and renewals. As described on page 77, several programmes are underway to improve our operational effectiveness, with enhancing supplier and customer experience a key consideration. The Board received updates from the Group Chief Operating Officer on these initiatives during 2019, which helped inform the Directors' decision making.

Page 20: How Informa operates
Page 86: Reliance on key counterparties risk management

Sustainable growth: Shareholder success

As a listed company, Informa is owned by Shareholders and we rely on their confidence, support and investment to fund our growth plans and deliver our strategy.

Outside of delivering sustainable financial returns, our Shareholders look for informative and timely insight into the Company and its development, coupled with regular access to the Board and management teams.

We engage Shareholders in multiple ways and gather their views through direct engagement and other feedback channels.

Acccss and insight

Informa has a dedicated IR team, led by a member of the Executive Management Team, that manages engagement with institutional investors, buyside and sellside analysts and individual Shareholders. The team was recently expanded in response to increasing levels of investor interest in the Group following the Company's growth under *GAP* and the *AIP*.

The Group CEO and Finance Director frequently participate in investor meetings. In addition, other Board Directors are available for Shareholder engagement. We hold an annual Chairman's Shareholder roadshow, offering shareholders a face-to-face meeting with the Chairman and Board colleagues. As part of the January 2020 roadshow, over 25 meetings took place representing more than 50% of our equity, with the Senior Independent Director and the Chairmen of the Remuneration and Audit Committees joining.

The Director of IR provides the Board with a written report on investor holdings, analyst feedback and sector news flow at each Board meeting, along with a verbal update, and shares any significant new matters directly between scheduled meetings to inform Board decision making.

Continuous engagement and exchange

To provide insight into the Company and enable Shareholders to ask questions, we hold one-to-one meetings with investors and host and attend larger events that enable more Shareholders to hear from the Group directly. In 2019, around 300 such meetings took place.

Our AGM is open to all eligible Shareholders and includes a presentation from the CEO and question and answer session with the Directors.

Significant news, materials from key presentations and background on the Company are freely available to all Shareholders and interested parties online at www.informa.com.

We typically provide scheduled updates on the Group's financial performance four times per year. When announcing full-year and interim results, an in-person and live webcast presentation is provided, including a question and answer session.

2019 Investor Day: Depth and specialisation

A key date in the calendar is the Group's Investor Day, which in 2019 was held in May at our London offices.

The agenda was designed to provide a deep-dive into five Informa businesses and their approach to building and benefiting from business depth and market specialism, and to allow an assessment of our prospects and future growth opportunities.

The day also included a panel discussion on Informa's business culture, giving Shareholders insight into the way the Company and colleagues work.

There were eight live product demonstrations led by colleagues, designed to show how our digital products work and are used by customers. This included T&F's online platforms for books and journal research and the technology behind partnership meetings at Informa Connect Biotech and Pharma events.

Materials and a recording of the day were made available on the Group website shortly afterwards. The day was also attended by the Senior Independent Director.

c.300

Meetings with investors in 2019

40%

Equity held by top 10 institutional investors

1,800

Colleagues invest in Informa equity

Getting deeper into Informa

Where possible, we provide institutional investors with additional opportunities to better understand the business through visiting our events and offering trial access to our subscription intelligence and data services.

In November 2019, the IR team hosted more than 20 sellside and buyside institutions at Informa Markets' CPhI Worldwide event. The visit included a tour, a short presentation from the CEO and an opportunity to speak to the Event team and the Sustainability team over lunch.

A panel of four Shareholders also joined the Group's leadership conference, ReInvent, to provide Senior Managers in the Company with an insight into the perception of Informa and investors' future expectations.

It was a popular session with two-way discussion on the importance of consistent performance, the opportunities of the Knowledge and Information Economy and specialist business-to-business markets, and the role culture plays in company success.

Our colleague panel on Company culture at the 2019 Informa Investor Day

FasterForward: Sustainability at Informa

Recent years have seen an increasing focus on how businesses contribute to wider society, and how they can play a part in ensuring our physical and social environments support thriving lives and economies well into the future.

Sustainability lies at the heart of Informa and we think about it in three ways: our operations and practices as a business; the role we play, as a knowledge and information provider, in helping customers and communities learn more, do more and thrive in a changing environment; and the impact we can have in making markets more efficient.

Championing sustainability

Under *GAP* and the *AIP*, Informa strengthened its resources and capabilities in sustainability and made progressive improvements in embedding sustainable practices throughout the business.

This progress saw Informa named an Industry Mover within the Dow Jones Sustainability Index (DJSI) in 2017, having improved our scores against its range of criteria. A year later, we entered the DJSI World Index for the first time and retained our membership in 2019. DJSI performance has been a Group KPI since 2017.

Following these developments, we entered 2020 in a position to accelerate this progress and make stronger commitments on sustainability for the next five years, with an ambition to become a champion of sustainability within our own business and across the specialist markets we serve.

Our five-year FasterForward programme, launched in early 2020, is about becoming an ever more sustainable, high impact business, and supporting and accelerating change in the specialist markets we serve. It is built around three areas related to our direct operations and the wider contribution Informa can make.

1. Faster to Zero

A key element of FasterForward is to continue to minimise Informa's environmental footprint. As a knowledge and information company, we believe our direct impact is relatively low compared with some sectors. However, we recognise the opportunity to do more to minimise the impact of our operations and support our customers, suppliers and industries with their practices.

As part of FasterForward, Informa has committed to moving Faster to Zero by being carbon neutral company by 2025 and net zero carbon by 2030 or sooner.

This builds on the commitments made in 2019 when Informa was certified by the Science Based Targets Initiative: a body that focuses on meeting the goals of the 2015 Paris Agreement to limit global warming.

Under this initiative, Informa has committed to halving absolute carbon emissions from our electricity and fuel use, and to reducing controllable emissions from the supply chain by 20% by 2030.

Many measures are underway to help us meet these goals. Over the last two years, we have made significant steps to introduce green electricity to our buildings, and more than 95% of Informa's electricity use now comes from renewable sources.

Specific activities include introducing LED lighting in our largest London office and installing over 700 solar panels in our Boulder, Colorado office. Additional energy efficiency audits have been completed in the UK as part of the UK Energy Savings Opportunity Scheme.

From 2020, Informa will be offsetting remaining emissions from fuel use, electricity and travel, including colleagues' business flights.

The Faster to Zero goal is ambitious, and part of the challenge is fully understanding all of our impacts as a knowledge and information company. To help do this, we are collaborating with several media companies and the University of Bristol to create a tool for measuring the carbon impact of digital content, such as the effect of data centres that host content platforms.

95%+

Of Informa's electricity use now comes from renewable sources

700+

Solar panels installed at our Boulder office

2. Sustainability Inside

As a knowledge and information provider, one of the most significant contributions Informa can make is to ensure our content and platforms support the sustainable development of the customer markets we serve.

Sustainability Inside is the second part of the FasterForward plan. It is a commitment to embed sustainability topics, relevant to the market being served, into all our brands, creating a platform to encourage, inspire and accelerate sustainable solutions in those markets.

In events this may be through programming, educational sessions, themed networking or wellbeing events. In our research and data businesses, this may be through creating dedicated products and content.

Taylor & Francis introduced one element of Sustainability Inside in 2019, with an online research collection specifically designed to help researchers, businesses and governments understand and advance towards the sustainability priorities defined by the UN's Sustainable Development Goals (SDGs).

Sustainable Development Goals Online is a curated digital library of content that includes over 12,000 T&F book chapters and journal articles, new essays, videos and lesson plans, all mapped to the UN's 17 SDGs. It is available to purchase as a whole or by individual SDG, and also includes Open Access and free-to-access content.

3. Impact Multiplier

One of the ways in which Informa contributes to society is through providing efficient solutions for our customers and their markets to share knowledge and make connections. The efficiencies this creates have the potential to multiply the impact our brands have.

At major branded events, for example, our teams connect people with knowledge, enabling specialist communities to gather and meet with the aim of learning more and doing more in their roles and businesses.

These events can become significant and highly efficient platforms for sharing knowledge, launching products, sourcing suppliers and holding meetings. In doing so, this can help customers be more efficient with their travel and time, and avoid the carbon impact of the multiple individual flights these activities might otherwise create during a year.

Events also bring strong economic and social benefits to the cities in which they are hosted, and we are increasingly measuring these contributions and the positive multiplier effect our events have on local economies and wider society.

Contributing to our local communities

We are proud to be an active participant in the local communities in which we live and work, as a business and through the activities of our colleagues.

The Group expanded its community programme for 2020. This includes an increase in paid volunteering time, whereby every colleague can now spend up to four days per year volunteering. It also includes Company match-funding when colleagues fundraise personally for charities and not-for-profit organisations, adding to the overall financial contribution we make to communities.

We also undertake community engagement collectively. Walk the World is Informa's flagship colleague engagement and annual charity initiative. It is a global programme delivered in a locally-relevant way, where colleagues come together to walk a set distance in their area for a local charity. In 2019 over 7,000 colleagues in 100 locations took part, collectively walking 60,000km and raising over £360,000 for charity.

In terms of other contributions to our communities, we continue to take our responsibilities as a taxpayer seriously. We recognise the benefits that a fair and effective tax system creates for wider society, providing services on which colleagues and the Company rely. In 2019, the Group's global total tax contribution was £375m, comprising £165m of taxes borne by the Group and £210m of taxes collected on behalf of governments globally.

£375m

Global tax contribution

£360,000

Raised for charity

60,000km

Walked by colleagues across the Group

Event Fundamentals

To help our event brands become ever more sustainable and impactful, in 2019 we launched the Informa Sustainable Events Management System (ISEMS), a tiered programme of analysis and activities to further improve sustainable practices.

A core element of ISEMS is the Fundamentals: 12 features that are fundamental to the sustainable success of an event in areas such as operations, procurement, waste, community impact, health and safety and event content.

Several of our events have established best practice in these areas and been recognised by external bodies. In 2019, Greenbuild and Natural Products Expo East achieved a platinum score in the Event Industry Council's Sustainable Event Standards. Vitafoods Europe also achieved the ISO 20121 Event Sustainability Management System certificate, having moved to renewable energy and introduced new standards for exhibition booths that minimise the use of disposable materials.

Sharing and reporting our progress

To help colleagues make sustainable choices, our Paper and Timber Sourcing Policy was recently updated in line with the Group's other key policies.

This aims to ensure that all paper and timber used in our business is responsibly sourced from legally harvested and well-managed sources, with sufficient due diligence to ensure there is no evidence of modern slavery in the supply chain. Standards on paper usage are monitored by the Sustainability team.

The IR and Sustainability teams regularly engage with investors and analysts on our sustainability programme. The Board also received several updates on sustainability activities during 2019, including a number of in-person presentations and approving Informa's FasterForward plan.

We regularly review the information we publish and indices we participate in, to respond to investor requests and evolving regulation. Among these, Informa completed its first submission to the CDP, formerly the Carbon Disclosure Project, in 2019 and results will be published from 2020.

As shown on page 78 we have set out our carbon emissions data according to the UK and the rest of the world and both location-based and market-based emissions. This is to provide more detailed information and prepare for future disclosure requirements, including the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Page 78: Key sustainability performance indicators
2019 Sustainability Report: access more detailed information on our sustainability activities in this report, available through the Informa website

The heart of Informa: A reference guide

Promoting Informa's success: Section 172 statement

Informa's long-term success is at the forefront of all of the Board's thinking, and the Directors have full regard for their duties and the matters set out in Section 172 of the UK Companies Act 2006.

Indeed, it is the Board's belief that the Group can only be successful when the interests of those it works with are considered, and particularly when colleague, customer and Shareholder interests are gathered, understood, responded to and appropriately reflected in how the business develops.

The Heart of Informa section (pages 34 to 51) describes the Group'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.

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 most recently performed its Section 172 duties in this regard was in considering, scrutinising and approving a plan to better focus the Group on its target specialist markets.

The proposal was to acquire IHS Markit's TMT Intelligence business and sell Informa's Agribusiness Intelligence to IHS Markit in turn. Direct stakeholder engagement was not possible due to the confidentiality of these discussions, and so the Board received presentations from the Divisional CEO and Director of Strategy and Business Planning and held discussions with them to consider the long-term consequences of these actions on stakeholders.

The Directors discussed the benefits of focusing on specialist markets, such as Tech, where the Group saw the most potential for long-term growth for Shareholders and the success of the Company and all its stakeholders. This built on the Board's prior understanding of the opportunity in this market, having approved a plan to create Informa Tech as a stand-alone Division in 2018.

The Board discussed management's view that it did not have the scale and footprint to succeed 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.

In turn, the Board was satisfied that Informa had the integration experience, processes and resources to manage the experience of colleagues coming into Informa, and that customers and suppliers would be promptly communicated with about the change and its impact.

Major stakeholders, their interests and how we engage

What they care about	How the 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 town halls, Company events, management meetings. Through regular reports on engagement initiatives and measures
Customers Expert high quality service; ongoing product investment; value; helping them succeed	Directly through attending events. Trends included in strategy and management Board presentations
Business partners Shared success; good service; prompt payment; clear processes	Trends and initiatives included in management Board presentations
Shareholders Consistent returns; progressive dividends; clear information; management access; long-term business growth	Directly via one-to-one meetings, AGM and Investor Day. Regular reporting to the Board
Environment/communities/society Contribute to community success; positive impact; manage environmental footprint	Sustainability presentations to the Board and reporting on key initiatives

informa

Non-financial information statement
Below is an overview of how Informa operates, manages risk and judges performance, outside of activities that are primarily financially focused. It is organised according to the requirements and priorities of the UK's Non-Financial Reporting Directive.

For more information on any area, see the fuller sections indicated.

Informa's business model
Informa operates in the growing Knowledge and Information Economy, drawing on six main resources to provide knowledge-based services to customers in a number of specialist markets. See pages 20 and 21 for full details.

Measuring results, outside of financial measures
We measure and report colleague engagement and environmental performance at a Company level (see page 78). Other measures, including customer-focused indicators, are tracked at a divisional level.

Five key non-financial activities

Colleagues and their contribution Colleagues are at the heart of Informa and our people drive all business activities. We focus and continually invest in colleagues, culture and the working environment (pages 34 to 41)	• Policies supporting colleagues and culture include Code of Conduct, Diversity and Inclusion, Board Diversity, Acceptable Usage Policy, Health and Safety and others • Related risks include the inability to retain key talent and ineffective change management. See pages 88 and 86 respectively for how they are managed • Measurement includes the engagement index Group KPI
Understanding and managing environmental impact We set out to be a sustainability champion within our own business and across the specialist markets we serve (pages 48 to 51)	• Policies governing impact include Paper and Timber Sourcing • Related risk includes climate change as an emerging risk (page 83) • Measurement includes the Group KPIs of DJSI performance and emissions
Contributing to social matters and communities We regard engaging with our local and customer communities as an important part of Informa's overall impact and aim to make positive contributions (pages 42 to 45)	• Policies supporting our contributions include Business Partner Code of Conduct, Responsible Advertising, Editorial Code, Health and Safety, Sanctions, and Community Programme • Related risks include privacy regulation risk and inadequate response to major incidents • Measurement does not include a Company-level KPI
Respect for human rights We continue to support the UN's Universal Declaration of Human Rights and report on steps taken to avoid modern slavery in the business and supply chain (pages 44 and 45)	• Policies include Business Partner Code of Conduct, Data Privacy, Health and Safety, Editorial Code, Diversity and Inclusion and our Modern Slavery Statement • Related risks include health and safety incidents and ineffective regulatory compliance • Measurement does not include a Company-level KPI
Anti-corruption and anti-bribery measures Avoiding corruption, bribery and its impacts is built into the expectations set of all colleagues and business partners (page 45)	• Policies include Anti Bribery and Corruption, Gifts and Entertainment, Code of Conduct and Business Partner Code of Conduct • Related risk includes inadequate regulatory compliance • Measurement does not include a Company-level KPI

A snapshot of our Divisions

Informa is organised into five Operating Divisions. Full details on each Division's performance are in the Financial Review (page 94) and a definition of financial terms can be found in the glossary (page 235).

informa connect

Informa Connect delivers major events regarded as the annual convening place for a specialist market or community, and creates digital platforms that provide year-round connections.

See pages 56 to 59

10%	2.9%	£276m	£47m
of Group revenue	underlying revenue growth	2019 revenue	adjusted operating profit

informa intelligence

Informa Intelligence provides relevant, high quality and critical data and insight to customers working in large, complex and specialist markets including Pharma, Finance and Maritime.

See pages 60 to 63

12%	3.3%	£349m	£104m
of Group revenue	underlying revenue growth	2019 revenue	adjusted operating profit

Our division are underpinned by: Global Support

***Global Support** supports each Operating Division and comprises Informa's Group functions and Group Operations.*

See pages 76 and 77

informa markets

Informa Markets creates opportunities for customers all over the world to connect, learn and trade.

We organise large-scale, branded exhibitions and deliver data, digital content and online platforms that support the flow of knowledge and transactions in specialist markets.

See pages 64 to 67

50%	4.3%	£1,450m	£493m
of Group revenue	underlying revenue growth	2019 revenue	adjusted operating profit

informa tech

Informa Tech is a specialist in technology.

Through expert data, research and consultancy, training and digital media, and content and networking at major events, we help businesses learn more and do more in technology.

See pages 68 to 71

9%	2.0%	£256m	£70m
of Group revenue	underlying revenue growth	2019 revenue	adjusted operating profit

Taylor & Francis

Taylor & Francis is a specialist in scholarly research and helping academic and research communities make new breakthroughs.

We curate and publish high quality peer-reviewed research, connecting specialists to knowledge that helps them learn more and advances progress in their field of study and broader society.

See pages 72 to 75

19%	2.4%	£560m	£218m
of Group revenue	underlying revenue growth	2019 revenue	adjusted operating profit

Informa Connect

The power of content and connection

Andrew Mullins
CEO, Informa Connect

We bring ambition and energy to every brand. The aim is to give our customers the highest quality of speakers and content in their market, and help communities connect online in ever more effective ways

In a world where sources of information and the number of digital channels are rapidly proliferating, where do you go for the relevant, high quality knowledge and connections that help you do more as a professional and a business?

In Finance and Investment, Biotech and Pharma and several other specialist markets, professionals come to Informa Connect for the latest thinking and ideas, and for ways to meet peers and experts, and stay deeply connected to what is going on in their community.

Informa Connect's brands deliver over 600 major events regarded as the annual convening place for a specialist market or community. We invest in creating exciting live experiences based on high quality speakers, stimulating content and platforms that enable discussion, meeting and networking.

Our brands also create digital platforms that provide year-round connections, extending the live experience and providing sponsors and marketers with additional ways to reach customers.

Highlights and results from 2019

- 2019 was Informa Connect's fourth consecutive year of improving underlying growth, following the work under *GAP* to invest in its major brands and refocus and streamline its events portfolio.
- Underlying revenue grew 2.9%, with strong performances in the Finance and Investment and Biotech and Pharma businesses, which account for nearly 50% of the Division's revenue. On a reported basis, revenues fell -0.7%, reflecting the sale of the UBM Life Sciences media brands portfolio in January 2019.
- Our portfolio of event brands generating more than £1m in revenue rose to 46, reflecting our focus on strengthening established brands in key markets.
- The Canadian events business from Informa Markets and the CMI brand from Informa Tech were transferred into Informa Connect in 2019, due to their shared focus on reaching and serving specialist audiences with content and connections.
- Under the *AIP* brand programme, the Division rebranded from Knowledge & Networking to Informa Connect, as a more distinct description of what we seek to provide to customers and to strengthen its affiliation with other Informa businesses.

Opportunities for growth and customer success

Events innovation: Every year our teams challenge themselves to find new ways to add value for customers and better engage with audiences through new thinking, new formats and new features.

Recent examples include our sustainable building brand, Greenbuild, which secured President Obama as a keynote speaker in 2019. The private equity brand SuperReturn International expanded and enhanced its VIP experience, offering attendees more exclusive meeting spaces and access to additional content and open forums.

Finovate added a new awards stream to its New York event, to celebrate and further engage those working in the financial technology market, and the Special Event Show, which works with event planners, added a tour of local venues to its programme, delivering additional value and knowledge for attendees.

Applying new digital formats and technologies: We constantly look for ways to apply the latest technology to our brands, creating new formats and tools to deliver customer benefits. Most recently, the Finance and Investment business introduced a three-tier video strategy using new technology to capture footage at events more easily and more cost effectively in multiple formats. This has been used to market our brands, deliver content to audiences online and as an additional service for sponsors.

PartneringOne, a meeting technology platform used in our Biotech and Pharma portfolio, facilitated over 25,000 meetings between Biotech firms and potential investors at BIO-Europe 2019, a far cry from its early days when meetings were requested with the aid of pins and noticeboards.

The value of content to marketers: In a world where content remains king, Informa Connect's brands have further commercial opportunities from helping marketers to connect with specialist communities through knowledge. In CMI's 2020 B2B Content Marketing report, marketers in North America reported that in-person events were the best way to convert leads, and 71% agreed their priorities were to deliver relevant content when and where it was most likely to be seen.

Informa Connect in 2020

Informa Connect's strategy continues to be to focus on building in-person and online platforms that bring professional communities closer, and enable efficient connections and the seamless transfer of knowledge.

Following the outbreak of COVID-19 in early 2020, we have been closely monitoring developments and feedback from customers. As part of the postponement programme, a number of Informa Connect events have been moved to later in 2020, and some have been localised or virtualised to provide the best outcome for our customers and communities. A small number have been cancelled. This disruption will have an impact on Informa Connect's financial performance in 2020.

We continue to focus on our major brands, strengthening their positions within specialist markets and broadening and enhancing the services we provide to our chosen communities, rather than pursuing one-off events that have minimal long-term value.

The innovation and creativity of our colleagues and teams are key to this approach and so we continue to invest in development and training. We recently introduced a best practice academy for colleagues to share ideas and be recognised for successes. Understanding the views of our customers is also an important part of developing and improving our products, and Informa Connect's feedback customer programme is described on page 43.

Informa Connect also has an important part to play in the Group's sustainability programme, FasterForward. Working closely with suppliers and customers, we will be focusing on improvements in areas such as green energy supply for venues, plastic-free programmes and improved registration systems to more easily facilitate carbon offsetting for flights.

Championing the specialist

Where shipping drops anchor

In a world where much of what we use, eat, wear or build involves something that has crossed the ocean on a vessel, the maritime industry is the backbone of the world's economy.

It is a market that has a lot to discuss, share and connect around, and every year, CMA Shipping provides a forum for the North American shipping industry to do just that.

Taking place in Stamford, Connecticut, CMA Shipping brings together everyone from ship owners, brokers and managers, to suppliers, shipyards, ports, coast guards and regulators.

As Kevin Cote from Innospec Inc. put it in a video interview at CMA Shipping 2019: "I would highly recommend it. You have a lot of ship owners, ship managers in the area that come in from New York, Boston, and then a lot of suppliers. It's a great mix of people."

This networking effect creates business opportunity, especially for the companies showcasing products and exhibiting.

"This is our 11th year," said Captain Robert Hall in a video interview. "It's a great marketing opportunity for us to show our presence to the ship owners and managers in the area. And face to face is much better than email or telephone calls or print ads. You can talk to real people and help them solve their problems."

With a wide agenda and range of expert speakers, it's also a place where the latest industry information is shared and applied. 2020's agenda includes sessions on data-driven decision making, gearing up for decarbonisation and automation in the workplace.

Oscar Pinto from Valles Steamship Canada Ltd said: "You get so much information here, so the takeaway is best practices for the industry and the betterment of the environment."

Informa Intelligence

Specialist data and intelligence

Patrick Martell
CEO, Informa Intelligence

You need real expertise to work in these areas and we have that in spades. PhD analysts, editors, data scientists, technologists – our colleagues more than serve specialist markets, they live in them

Data has been called many things in recent years: the new oil, the new global currency, as important as a natural resource. And when data and information arrive, they come in streams, floods and masses.

Whatever the term, it is clear that data and information are powerful, relied upon, and that sifting through data to get true insight is a challenge. This is the market in which Informa Intelligence works.

Informa Intelligence's 100+ brands provide relevant, high quality, critical data and insight to customers working in areas within large, complex and specialist markets.

In Pharma, we have a particular strength in clinical intelligence that helps customers learn more about drug trials and design their business strategies accordingly. In Finance, we have a particular focus on data that helps customers know more about global investment trends and consumer and business lending.

We work in Maritime, providing data and insight on global shipping to customers looking to do more by identifying business opportunities and managing risk. Informa Intelligence also operates in specific areas within Construction and Equipment, providing data on asset values and insight into major construction projects.

Each of these is a specialist, competitive market where customers have an ongoing need for relevant and reliable insight to make effective investment and strategy decisions and operate their businesses well. We provide subscription services that offer continuous access to data and intelligence as well as consultancy and special project services.

Highlights and results from 2019

- 2019 was Informa Intelligence's fourth consecutive year of positive and improving underlying revenue growth. From a decline of -8.5% in 2014, underlying revenue growth stepped up from 2.6% in 2018 to 3.3% in 2019, its strongest annual performance to date.
- There was good growth across our focus markets of Pharma, Finance and Maritime, driven by strong customer retention and a steady increase in new business.
- More detailed customer-related KPIs also improved, including pre-expiry subscription renewals and user engagement scores.
- Under the *AIP* Progressive Portfolio Management programme, several steps were taken to streamline Informa Intelligence and focus on markets where we have the strongest brands and best prospects to succeed and deliver for customers.
- This programme led to the sale of the Agribusiness Intelligence vertical in June and the Industry & Infrastructure media brands portfolio in November. The effect of these sales meant reported revenues fell -0.7% in the Division in 2019.

Opportunities for growth and customer success

The power of specialism: The growth opportunity for Informa Intelligence stems from both expansion of the market for specialist data and information and trends in the specialist markets we serve. Consultant Outsell reports that the global market for business-to-business information is worth $45bn and growing, with the expectation that this growth will favour specialists over generalist information providers. Informa Intelligence is well positioned for this, given its strength in the US, the largest geographic market for data and information, and in Finance and Pharma, two of the three largest sectors.

Enhancing products: Working in specific areas of specialist markets can mean there is less directly comparable competition. However, this does not guarantee customer retention. To attract, retain and champion customers who expect their products to keep pace with their needs, we make ongoing investments, adding data sets and improving customer service. A recent example of product enhancement is Citeline Engage, born from the addition of Skipta to our Pharma business in 2017. This helps customers who already receive data on where clinical trials are taking place to reach and engage US clinicians at speed to conduct their own trials and recruit patients. See page 42 for more on Pharma customer service improvements.

Intelligence inside: The ease with which data and intelligence can be accessed and delivered continues to be a source of value to customers and an area of focus for Informa Intelligence. We continue to invest in application programming interfaces (APIs) that easily feed intelligence directly into customer systems and databases. In 2019 we began implementing single sign-on across our Pharma products, allowing individual users to access our services via their own company access system. This removes the need for a separate log-in, simplifying and improving ease of access, maintaining security and reducing support requests.

Informa Intelligence in 2020

Having reorganised and invested in products and platforms under *GAP* and refocused on a smaller number of markets through the *AIP*, Informa Intelligence enters 2020 with solid foundations.

The aim for 2020 is to make the most of our specialist brands, expertise, depth of knowledge and growing international reach, maintaining strong levels of customer retention and continuing to build our new business pipeline and conversion rates.

Informa Intelligence has a strong presence in the US and Europe but a historically lower footprint in Asia by comparison. There is an opportunity to find new customers for our Pharma, Finance and Maritime brands through adding greater Asian market coverage and adding to our local teams.

We will continue to develop our intelligence products and platforms, and product development is often informed by the insights gained from engaging our customers. A particular focus is on strengthening our analytics and data capabilities, areas that are increasingly important in helping customers make better decisions.

Examples of new products and features in development include a new Finance product from EPFR Global, which provides intelligence on mutual funds and ETF investments in China-listed companies to the level of a share class of an individual security. Container Tracker in Maritime is another example. It provides trade finance teams with end-to-end container movements and trans shipment checks within minutes in a single place.

Championing the specialist

Lending to a mortgage specialist

The mortgage sector is one of the largest parts of the US debt market. Cast your eye down its ranks of lenders and even the 50th largest player is financing homebuyers to the tune of $4bn a year.

Guild, an independent mortgage lender of 60 years' standing, initiated $20bn in mortgages in 2019.

At the heart of any lender's competitiveness is product pricing and margin management. In a dynamic market where thousands of players reprice their products every day, being proactive is complex but vital.

Since early 2019, Guild has been working with Informa Intelligence's Icon brand to help guide its margin management. David Battany, Executive Vice President at Guild, says: "Icon is a source of very high quality data that gives us real confidence that we are hard-wired into the market and are constantly competitive."

When a single basis point represents some $2m a year to Guild, Icon's data is pivotal not only in pricing but also for customer profiling to help mitigate risk. "We can analyse the distribution of loans across different profiles of first-time buyers and get a firmer fix on the risk we are taking."

Indirectly, Icon's data also helps to retain high performing sales colleagues who can be confident in Guild's competitiveness.

Guild has even established a new internal function to make the most of the data and their investment. David adds: "Behind the numbers, charts and trends is a smart analytics team and we work with Icon very much in partnership. We are only a year into the relationship, but it's incredibly valuable to us."

Informa Markets

Helping specialist markets trade and grow

Charlie McCurdy
CEO, Informa Markets

We work with customers that source globally and distribute globally, year-round. Our brands help them do that: supporting customers and specialist markets to trade, grow and succeed

How we serve customers

Thriving markets don't happen by accident.

Specialist markets and industries find success when the right people from all over the world – buyers, sellers, decision makers, researchers, product creators – come together to swap ideas, discover the latest products and trends, meet new customers, see the competition, understand what buyers want and do business.

Informa Markets helps specialist markets to innovate and grow by creating opportunities for customers from around the world to connect, learn and trade.

Through more than 450 business-to-business brands in over 15 specialist markets, we organise large-scale branded and transaction-oriented exhibitions where customers meet and do business. We also deliver year-round online platforms where companies showcase products and buyers conduct research, and we provide data, digital content and information that support the flow of knowledge and transactions in markets.

Highlights and results from 2019

- Informa Markets delivered underlying revenue growth of 4.3%, led by continued strength in our top 40 brands, covering markets such as Health & Nutrition (Natural Products Expo West, Vitafoods Europe), Pharma (CPhI Worldwide and CPhI China) and Hospitality and Food (Hotelex, Hofex).
- Good progress was made with the Fashion *GAP*, a programme of activity to return the Fashion portfolio to growth by 2021, including steadily improving customer feedback and the successful consolidation of MAGIC into one Las Vegas venue.
- We managed through several one-off market impacts, including civil protests in Hong Kong and the 2019 effect of Expo 2020 in Dubai. These issues disrupted certain events and generated some additional costs.
- As part of the *AIP*, the Division rebranded from Informa Exhibitions to Informa Markets, better reflecting our broader role in supporting specialist markets and our expansion in digital, data and content services.
- New partnerships brought more depth in several specialist markets. This included adding the CAPA to our Aviation portfolio, strengthening our data capabilities and expanding our footprint and customer relationships in Asia. We extended our partnership with the Principality of Monaco into the Premium Lifestyle market, adding our portfolio of Arts brands to an International Yachting joint venture.

Opportunities for growth and customer success

Continued exhibitions industry growth: The global exhibitions industry is large and growing as demand for face-to-face platforms remains strong. Valued at $33bn, AMR International predicts its growth at 4% a year between 2019 and 2023 and Informa Markets is the largest organiser by revenue. Having significantly expanded in international reach over the last five years, our portfolio has balance and breadth, with strong positions in the largest two markets, the US and China, as well as within growth markets like India and parts of South East Asia. New and expanded venues continue to come on stream, most recently in China's Shenzhen, providing additional opportunities for growth through floor space, volume expansion and new launches.

Building positions in dynamic markets: Informa Markets is focused on building positions in specialist markets. As described in Trends in our Markets (pages 22 to 29), these tend to be large, fragmented, international and dynamic. Markets like Health & Nutrition, Licensing and Beauty have high levels of innovation, making exhibitions a powerful platform for promoting new products and services.

Complementing face-to-face with digital opportunities: The value of efficient and targeted face-to-face interaction in a digital age remains high. Exhibitions provide this at scale while businesses also seek targeted connections throughout the year, and so we continue to build digital platforms to complement and enhance the product promotion and discovery that happen at events. Our MarkitMakr platform is the most developed of these, with over 40 brands now live on one of the versions of the platform.

Investing in talent and capabilities: To stay ahead of industry developments and customer needs, we invest in training and deliver learning in multiple formats. In 2019 Informa Markets partnered with the International Association of Exhibitions and Events to offer its Certificate in Exhibition Management qualification to all colleagues, the first time it has been delivered in partnership with a company. 2020 will see a dedicated IM Digital training programme, and a new Inspired 2 Lead course to enhance the impact our leaders have with their teams.

Informa Markets in 2020

Informa Markets continues to focus on helping the specialist markets we serve to flourish and grow. This is delivered by continuing to build depth in these markets and extending our reach into new parts of the supply chain and new regions. Strengthening our knowledge and presence in specialist markets, further developing our digital platforms and broadening into other products and services will bring us closer to customers and enhance the ability to offer insight and connections.

At the start of 2020, similar to a number of businesses Informa Markets is seeing an impact from the outbreak of COVID-19. As the implications of COVID-19 started to become apparent in late January, initially in mainland China, we moved quickly to deploy a material postponement programme to reschedule and rephase our event brands, ensuring we made the right decisions for our customers, for the brands we own and operate and for the specialist markets we serve and support.

For those brands we have rescheduled, localised or virtualised in 2020, we would expect to incur some incremental investment in venue capacity, customer marketing and other duplicative costs of rescheduling and virtualisation, subject to in-market support budgets and insurance outcomes.

We will continue to explore partnerships that add further depth in one of our chosen specialist markets, or add a complementary capability to what Informa Markets has today.

In Dubai, we have formed a partnership with Expo 2020, a six-month series of events expected to attract millions of visitors and the Middle East's first World Expo. Several Informa Markets events will be staged as part of the Expo and we have also been appointed as its official ticket reseller.

As part of Informa's FasterForward programme, Informa Markets will extend its work to improve the sustainable practices of our own events and to use our platforms to support the sustainable development of the specialist markets we serve.

As described on page 50, our 12-point sustainable Fundamentals checklist will start to become a mandatory requirement for all Informa Markets events and we will increase adoption of reusable stands and renewable energy at events, amongst other features.

Championing the specialist

Fresh ideas at Natural Products Expo

In 2019, over 80,000 people from the world's natural, organic and healthy products community convened at the 39th Natural Products Expo West event in California.

In this specialist market, our team seeks to champion its customers to do more and ultimately to help bring more health to more people.

And as you might expect of an exhibition that spans 50,000 sq.m, there are many different reasons to attend.

In a wrap up of the 2019 event, Jimbo Someck, owner of Jimbo's... Naturally, said: "I enjoy going to Expo West every year to discover exciting new natural and organic products... for me, one of the best parts is making personal connections with people I've talked to throughout the years and meet new faces."

As a gathering point for the international community, the event can be an ideal place to introduce new products.

In a press release, the all-natural plant-based sausage brand High Peaks announced plans to launch four new flavours. "We are eager to make many exciting connections with customers, distributors and buyers at the Expo... we look forward to increasing brand awareness around our product," the company reported.

In 2019, distributor KeHE took its participation to a wider level in an initiative co-sponsored by Informa Markets. Food staples donated by KeHE partners were packed by show attendees and distributed by the Children's Hunger Fund in the local community.

"We've always been struck by the contrast between the seemingly endless food supplies at Expo West and the economic need in the surrounding neighbourhoods. This event is our effort to address that imbalance and literally put food on the table for local families who may be struggling," said KeHE in a press release.

Informa Tech

Informing and inspiring technology specialists

Gary Nugent
CEO, Informa Tech

Technology can be a huge force for good, and we're here to inspire the community to design, build and run a better digital world

Technology is both a market in its own right and a way of life and work.

It sits at the heart of virtually every commercial activity, and any professional or business seeking to know more or do more will, at some point, consider how technology can enable them.

Technology is also a market where change is constant, yesterday's innovation is today's business as usual, and the next new thing is just around the corner.

Informa Tech was created in 2019 as a single market-focused Division, under one leadership team, to house all of Informa's technology brands, products, teams and capabilities. It aims to better address and serve the broad and dynamic market for technology by pooling our expertise, relationships and reach, ultimately delivering growth that is greater than the sum of its parts.

Informa Tech serves six major areas of technology, with brands and experts in critical communications, emerging technology, enterprise IT, media and entertainment, information security and the service provider market.

Through specialist data, research and consultancy, training and digital media, and content and networking delivered at major branded events and festivals, we help technology specialists and those wanting to apply technology know-how to their businesses to learn more and do more.

Highlights and results from 2019

- In its first full year as a Division, Informa Tech's focus was to deliver on its immediate trading priorities and customer targets while creating a unified business and brand, and to lay the foundations to achieve more in the future.
- In 2019 the business delivered consistent growth and performance, meeting its underlying revenue growth target of 2.0%.
- Results were driven by strong performances from major brands in Information Security (Black Hat), Artificial Intelligence (AI Summit), Gaming (Game Developers Conference), Enterprise IT (Enterprise Connect) and at our UK London Tech Week festival.
- In August 2019 we acquired the majority of IHS Markit's TMT Intelligence business. This has brought significant scale to our research and data brands, adding more subject matter experts in areas such as Communications, Information and Emerging Transformational Technology, and extending our presence and relationships in China, Japan and South Korea in particular.
- As a further step in extending our networks and adding capabilities, in late 2019 Informa Tech formed a partnership with Founders Forum, the leading community for entrepreneurs, investors and leaders in digital and technology.

Opportunities for growth and customer success

The growing global technology market: Informa Tech was formed to serve professionals and communities working in and with technology: a broad, global and growing market. Spend on technology was estimated at nearly $3.5tn in 2019, from $3tn in 2014, as businesses all over the world look to invest in technology to grow, develop and maintain their competitive edge.

As technology becomes more embedded in everyday life, the line between technology and business is blurring. Buying decisions that were once made by chief information or technology officers are now made by a finance director, marketing director or head of manufacturing. This is adding to the range and number of technology decision makers within companies, expanding the need for specialist data and knowledge to make investment decisions.

Dynamic specialist sectors: Within technology, we operate in areas that are dynamic and growing, and where access to the latest thinking and training opportunities are highly valued. Global spending on information security, for example, was projected to reach around $125bn in 2019, an increase of over 8% on the previous year, with a gap of nearly three million skilled workers identified in the sector. Businesses that provide quality, specialist training and platforms to help understand the latest trends and solutions fulfil a market need. The pace of change in technology ensures there is constant refresh and new areas of demand.

Where experts meet experts: By operating as a single, market-focused business, we believe there are immediate opportunities from presenting current and new customers with our range of knowledge-based services in a more deliberate and co-ordinated way. Over time, as we broaden our range of services and move closer to customers, this can help us move from a transactional to a more strategic relationship with customers.

We also see longer-term opportunities from greater internal collaboration and knowledge sharing. Where our subject matter experts have deep insight into market trends and developments, this will support us in adapting and launching products and services in a timely manner to meet future demand. Several internal initiatives are already underway to foster this, including Showcase IT, a best practice sharing programme, Champion IT, a reward programme recognising those who lead by example, and an annual leadership conference.

Informa Tech in 2020

After a busy year of forming as a Division, integrating the IHS Markit TMT business and establishing Informa Tech in the market, the business is well positioned to expand its current relationships into new areas and products, extend its reach with new customers and develop and enhance our brands and services.

Early 2020 saw the launch of Omdia, our newly combined and branded research and data business formed from the Ovum, IHS Markit TMT, Tractica and Heavy Reading businesses. We are excited by its potential as an integrated, larger and more powerful proposition, supported by more than 400 expert analysts and specialist consultants, and have an ambition to become a true leader in specialist technology research and data.

The addition of IHS Markit's TMT portfolio has expanded Informa Tech's presence in Asia, extending our coverage of Asian technology companies and markets and relationships with regional customers. This offers exciting opportunities for the cross-promotion and cross-marketing of our products and services.

Following the outbreak of COVID-19 in early 2020, we have been closely monitoring developments and feedback from customers within Informa Tech's events portfolio. As part of the postponement programme, a number of events have been moved to later in 2020. We believe that the strength of our brands and customer relationships put us in a strong position to recover following a one-off impact in 2020.

See pages 30 to 33 for a discussion between Informa Tech leaders on the creation of the business

Championing the specialist

Getting real at AI Summit

Artificial intelligence (AI) has fast reached a stage when it is no longer a nice to have, but an essential technology for companies looking to improve, grow and succeed globally.

Indeed, Omdia forecasts that by 2025, revenue generated from implementing AI software will hit $105bn.

Across Informa Tech's suite of AI products, AI Summit is, we believe, the largest AI event for business in the world, and its grounding in business and practical ideas makes it a draw for a range of companies.

In video interviews at AI Summit in New York in 2019, attendees shared their AI business priorities and what they gain from learning and gathering at the event.

For Salah Khawaja at Bank of America Merrill Lynch: "The focus is all on acceleration. How do we accelerate our data science efforts, how do we accelerate our innovation efforts, that's what I find very valuable."

He told us: "I'm really just impressed with the ideas that get generated here. You get out of the day-to-day workflow and you come here and you're just focused on ideas and thinking and absorbing so many different perspectives."

When asked what words best described AI Summit, "grounded" came to mind for Mark Tabladillo from Microsoft, "in the sense of yes, we do want to inspire to a new future. But I think the realistic expectation that so many have been setting, not just from the talks but from the different conversations.

"I don't feel like it's a sales pitch. I feel that the speeches I've heard are really giving a good grounded understanding of what AI is and giving a chance for people to think through what are the important issues."

Lori Beer from JP Morgan, who gave one of the keynote speeches, said that for her, "It's an opportunity for us to share our story but also to learn from others."

One example of its AI work "is the way that we can use the massive amounts of data that we have... which will allow us to build better products and services. We also share that information publicly... because we all know to create a better community we want to continue to be able to uplift everyone to get access to financial services."

Taylor & Francis

Knowledge that advances society

Annie Callanan
CEO, Taylor & Francis

Today, we're curating advanced theories plus emerging ideas that have never previously existed, through delivery methods that go far beyond shelves and any proprietary platform

Behind every scientific discovery, advance in clinical treatment, progress in understanding in a field of study and most new commercial products lies a body of research.

Original, cutting-edge, high quality research conducted by scientists, academics, professionals and leading thinkers at universities, in research and development labs and in specialist organisations.

Research that has been commissioned or submitted; assessed for originality, quality and relevance; accepted, reviewed, verified and corroborated by fellow experts; edited and produced, digitised and tagged, published, distributed, hosted and promoted.

This is the market in which Taylor & Francis operates.

Taylor & Francis curates and publishes high quality peer-reviewed research, connecting specialists to knowledge that helps them learn more, and helps advance progress in their fields of study, their sectors and broader society.

We serve dozens of specialist market categories across the Humanities, Social and Behavioural Sciences, Science, Technology and Medicine, and have a significant depth of content with research dating back to the 1700s.

Research is published under a number of respected and reputable specialist brands including Routledge, CRC Press, Dove Medical Press and Taylor & Francis, and is available in multiple formats and through a range of publishing models and purchasing plans.

Highlights and results from 2019

- Taylor & Francis delivered another year of consistent growth and performance, with 2.4% underlying revenue growth.
- Our performance was based on solid rates of annual and multi-year subscription renewals in the Journals business, which accounts for around 55% of T&F's revenues, good growth in our Open Access (OA) business and a steady performance in Books.
- We signed our first Read-and-Publish deals incorporating both subscription and OA content, including a new three-year partnership with Norwegian consortia UNIT.
- Investment in specialist content continued, with 7,300 new books and over 150,000 journal articles published in 2019. Article submissions have grown at just under 10% per year over the last four years. We formed new publishing partnerships, including with the Oral History Association (see page 44) and launched new digital products such as the Sustainable Development Goals Online library (page 49).
- Growing demand for scholarly research and advanced learning products from China and India continues, as do levels of scholarship and authorship in those countries. These two markets accounted for around 8% of T&F's sales in 2019.
- 100% of our journals and journal articles are digital and our books are available in multiple formats, with an increasing amount of electronic sales. Ebooks accounted for 31% of total book sales in 2019.

Opportunities for growth and customer success

Discover and use content more easily: With depth in content comes the challenge of how to make research as discoverable and usable as possible. Under *GAP*, T&F made significant investments in digitising and tagging journal and book content to a more granular level, improving discoverability and making retrieving and connecting relevant knowledge easier.

Investment in discoverability continues in areas such as search engine optimisation and ecommerce. Beyond our own platforms, T&F is working with partners such as Google Scholar to ensure research can be more widely found.

We are also enhancing the flexibility and utility of our content when it is discovered. This includes trialling eReaders that make it easier to read, annotate and share research on the move and improve accessibility for the visually impaired. Similarly, we launched a new Researcher app in 2019 that delivers personalised alerts on new research in a social media-style feed.

Flexibility and choice in publishing and access: OA publishing has existed for 20 years and is an increasing feature of the scholarly research market, although uptake and preferred OA models vary across subject categories and countries.

For institutions, T&F continues to focus on providing choice in subscription and purchasing models, aiming to take a flexible approach that balances the value and cost of maintaining the quality of content with the evolving preferences of researchers and funders. T&F currently publishes over 280 fully OA titles and provides a hybrid option to publish OA across the vast majority of our other subscription journals.

OA publishing also requires specialist knowledge and expertise. In 2017 T&F strengthened its OA capacity and capabilities in terms of people, workflow and production processes by acquiring Dove Medical Press. In January 2020, we further strengthened our position through adding F1000 Research, the world's first open research platform. This takes us into a new area and offers authors more flexibility to publish rapidly, with greater autonomy through the process. It also brings strong relationships with institutions and funders who use the F1000 platform as a white-labelled publishing solution.

Efficiency and speed of production and support: As the shape and demands of the academic publishing market evolve, T&F is in turn adapting its structures and processes. As one example, AI-based software is being used to assess article submissions more efficiently by analysing the language standard of research and automatically routing manuscripts to the right editorial support. This speeds up publication lead times and reduces article publishing costs.

Taylor & Francis in 2020

We are continuing to see good demand for specialist, upper-level content, underpinned by a steady upward trend in tertiary education enrolments (where research is consumed and from where the next generation of authors comes) and a global market for research and development that stands at $1.7tn.

Against this backdrop, Taylor & Francis aims to maintain a consistent commercial performance and to strengthen its position as one of the world's leading publishers of advanced knowledge products and services.

This requires ongoing investment in specialist content and the platforms through which it is delivered. It also means maintaining flexibility with customers, developing new formats and different pricing models to provide choice when purchasing from us.

Supporting researchers with their careers is another area of continued development. Recent initiatives by our Author Services team include the How Researchers Changed the World podcast, highlighting individual authors and research, and publishing and promoting a guide for researchers on handling online harassment.

As part of Informa's 2020 sustainability programme, FasterForward, T&F's focus will be on achieving carbon neutral certification for its print products and finding new ways to use the power of its content to advance knowledge and discovery in our communities and markets.

Championing the specialist

The sustainable soldier

At Taylor & Francis, there is no such person as a typical researcher.

Colonel Divakaran Padma Kumar (DPK) Pillay is a case in point. As an officer in the Indian Army he was shot, lost part of his leg to a grenade and succeeded in saving the lives of two children.

But he argues his next move into research and authorship was simple logic: "I saw so much destruction around us, and the exploitation of our resources, that's the reason I chose to study sustainable development."

His initial focus was to understand security on a human level in India. "There was a disconnect between a country equipped with the latest weaponry and aircraft that still has people digging wells for 25 rupees a day. Security is not merely defending one's borders but ensuring every citizen is free from fear, hunger and want. It also lies in ensuring that every child who is born enjoys a certain future which is not lost to malnourishment, illiteracy or disease."

With colleague TK Manoj Kumar, he followed this with a further paper on food security, and the paradox that India is one of the world's largest producers of food, yet one in four of its population still goes hungry.

DPK Pillay chose his work to be published by Routledge, a Taylor & Francis imprint founded in 1836.

"We wanted an international journal and Routledge, as one of the most established houses in the world, gave the work a considerable profile. We also wanted a rigorous peer review – you can easily believe that you know it all – and their process gave us some excellent input."

The two works have collectively received over 7,000 downloads, and the food security paper was cited in another scholarly work within six months of publication.

As part of a wider promotional support programme, DPK's research was also selected for a Taylor & Francis podcast series, How Researchers Changed the World (www.howresearchers.com), which highlights the societal impact of research. To date the series has been listened to over 13,000 times, with DPK's episode one of the most popular.

Global Support

Simple, effective and expert support and service

Patrick Martell
Group Chief Operating Officer

We're helping to enhance the experience customers have when dealing with Informa, and also helping our colleagues and businesses to work with more freedom and fewer barriers

Behind Informa's five Operating Divisions lie our central support teams and Group Operations, in a business group we call Global Support.

Group Operations is the largest single area in Global Support. It is one of the functions that most directly impacts the experience customers, suppliers and other business partners have when engaging with Informa, and its effectiveness helps teams in every Division and business work more easily and do more in their markets and roles.

Group Operations is where orders and purchases are fulfilled and subscriptions are renewed and billed; where many customer service enquiries are answered; where major supplier relationships are managed and invoices settled; where the technology and platforms that underlie our business activity are powered from; where our office real estate is managed from; where day-to-day relationships with banking partners and tax authorities are maintained; and where the data and reporting for finance and HR are generated.

Enhancing operating capability

Group Operations was created as a single function in 2018 following the Company's expansion under *GAP* and through the acquisition of UBM.

Its focus in 2019 and for 2020 is to identify opportunities to simplify the Group's operations, reduce complexity and make the most of Informa's operating scale to deliver a better service to customers and colleagues.

In doing this, we also expect to improve operating efficiency. Group Operations contributed to the £50m of cost savings delivered in 2019 as part of the *AIP*, having focused mainly on procurement, software licences, real estate and other major contracts.

Work is now underway to reduce the number of enterprise resource platforms in place and the amount of customised versions, allowing Group Operations to better support users and improve the speed and quality of data and reporting.

We are also introducing a new system for payment collection. This is coming into effect in early 2020 and will provide customers with an improved way of checking accounts and making payments online at any time, while also enhancing payment communications and management of customer enquiries.

As part of the *AIP* brand programme, Group Operations has been heavily involved in a project to update our legal entity names, ensuring our Company name appears correctly on bank accounts, invoices, and customer and supplier materials, creating more clarity and consistency for those working with us.

Measuring performance and growth

Informa's Directors and management team use nine Company-wide financial and non-financial measures to track the Group's growth, performance and the delivery of strategy.

Each Informa Division tracks a range of other metrics relevant to its business model and priorities, such as subscription renewal rates, rebooking rates and customer satisfaction.

Some Group KPIs are alternative performance measures, chosen to provide comparability from year to year and as useful explanations of the Group's business performance.

Further details on how several financial KPIs are calculated and their reconciliation to statutory measures are on page 235.

Page 235: Glossary of alternative performance measures
Page 8: Group strategy
Page 20: How Informa operates

Business sustainability: Dow Jones Sustainability Index (DJSI)

92nd/65
2019 percentile/absolute score

96th/68
2018 percentile/absolute score

Definition: The DJSI ranks listed companies on their achievements in economic, social and environmental areas relevant to long-term corporate performance. For Informa, it is one indicator of the sustainability of our business operations and our performance according to broader stakeholder measures.

Performance: Informa maintained its position in the DJSI World Index, which comprises the top 10% of participating companies. Our absolute score fell slightly as a result of the ***AIP*** and a defined period when policies and processes were being integrated and so were not comprehensively applied across the Group.

Target: To continue to maintain our position in the DJSI World Index and improve our absolute score by progressively enhancing our sustainability practices, through programmes such as FasterForward (pages 48 to 51).

Colleague support and participation: Engagement index

80%
January 2019

78%
December 2017

Definition: We rely on the skills, contribution and engagement of our colleagues. Colleagues are invited to provide views on the experience of working inside Informa through an annual survey. The results form an engagement index.

Performance: 65% of colleagues participated in Inside Informa Pulse in January 2019 with a consistent engagement level. Participation in the first 2020 edition had just closed at the time of publication.

Target: To maintain participation rates at over 50% and maintain a strong overall score through a range of colleague engagement, support and recognition measures (see pages 38 to 41).

Use of natural resources: Greenhouse gas emissions

Definition: Levels of carbon dioxide or greenhouse gas (GHG) emissions are one measure of our use of natural resources. Calculations are based on GHG Protocol and Defra guidelines. Scope 1 emissions are those from natural gas heating, refrigerant gases and vehicle and generator fuels and Scope 2 emissions are from electricity.

We present emissions in the UK and in the rest of the world (ROW) separately for added clarity. Location-based emissions are calculated as the average emissions intensity of electricity grids where we have offices, and market based emissions take into account green energy purchasing. We compensate for unavoidable emissions by purchasing certified carbon offsets.

Performance: We continue to focus on enhancing our energy efficiency. In 2019 this included installing LED lighting in our largest London office and 700+ solar panels at our Boulder, Colorado office. Considerable progress was made to transition our electricity supply to green energy, with more than 95% of offices having a green energy supply, from 15% in 2018. Some of our 2019 carbon data has gained limited external assurance from Bureau Veritas.

Target: In 2019 we were certified by the Science Based Targets Initiative for targets to keep global temperature rises below 2°C. These include reducing absolute Scope 1 and 2 emissions by at least 50% compared with 2017. Our FasterForward programme includes a commitment to becoming carbon neutral by 2025 and net zero carbon by 2030. See pages 48 to 51 for more details.

	2019		2018*	
	UK	**ROW**	UK	ROW
Energy consumption (kWh)	**6,090,688**	**24,508,922**	7,154,036	27,774,838
Scope 1 emissions (tCO_2e)	**742**	**3,248**	869	3,907
Scope 2 location-based emissions (tCO_2e)	**970**	**5,726**	1,206	5,804
Scope 2 market-based emissions (tCO_2e)	**0**	**397**	616	5,768
Total Scope 1 & 2 location-based emissions (tCO_2e)	**1,712**	**8,975**	2,075	9,711
Intensity ratio total location-based Scope 1 & 2 emissions (tCO_2e/colleague)	**0.49**	**1.16**	0.63	1.48
Total Scope 1 & 2 market based emissions (tCO_2e)	**742**	**3,646**	1,485	9,675
Carbon offsets used to compensate for remaining emissions (tCO_2e)	**742**	**3,646**	n/a	n/a
Residual carbon emissions post green energy and offsets (tCO_2e)	**0**	**0**	1,485	9,675

* 2018 data updated as part of an enhanced calculation methodology.

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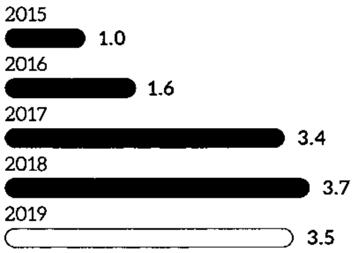
Group financial KPIs

Underlying revenue growth (%)

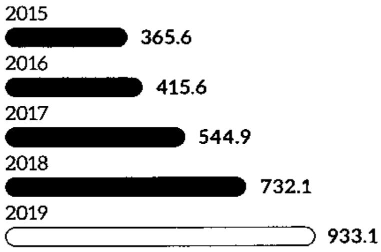


Definition: Measures underlying financial performance and growth of the business. It refers to revenue adjusted for acquisitions and disposals, phasing of events including biennials, impact from new accounting standards and accounting policy changes, and the effects of currency changes. It includes results from acquisitions from the first day of ownership in the comparative period and excludes results from sold businesses from the date of disposal in the comparative period. See page 235 for definitions and page 96 for reconciliation to statutory measures.

Performance: Sixth consecutive year of growth in the Group's underlying revenue growth.

Target: Further consistent underlying revenue growth.*

Adjusted operating profit (£m)

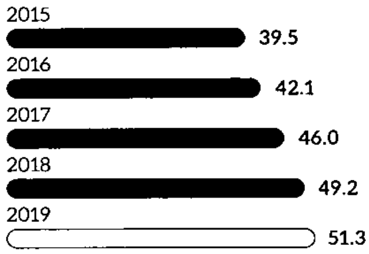


Definition: An alternative measure of the Group's operating performance, representing profit before tax, interest and adjusting items in a way that is comparable to prior year and Informa's peers. See page 235 for definitions and page 96 for reconciliation to statutory measures.

Performance: There was strong growth in adjusted operating profit following improved growth in underlying profit, the full-year contribution of UBM and impact of synergies and the timing of events, with a positive odd year biennial effect in 2019.

Target: Consistent growth in adjusted operating profits.*

Adjusted diluted earnings per share (pence)

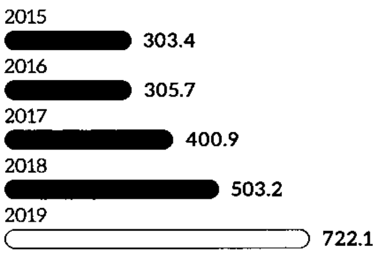


Definition: One measure of profitability and the value created for Shareholders, adjusted for equity issuance. It is one of the measures tracked within the Group's executive remuneration plans. See page 235 for definitions and page 100 for reconciliation to statutory measures.

Performance: There was an increase of 4.3% on 2018, reflecting a further year of growth.

Target: Steady and consistent improvement in adjusted diluted earnings per share.*

Free cash flow (£m)

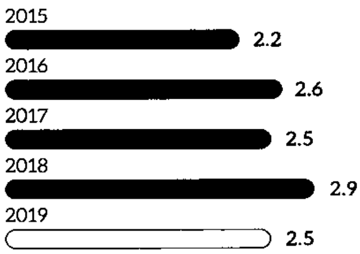


Definition: An indicator of operational efficiency and financial discipline, illustrating the capacity to reinvest, fund future dividends and pay down debt. It is measured as cash flow generated by the business before cash flows relating to acquisitions, disposals and their related costs, dividends and new equity issuance or purchases. See page 235 for definitions and page 101 for reconciliation to statutory measures.

Performance: 2019 was another strong year of cash generation, reflecting higher underlying profit and strong conversion of profit into cash.

Target: Consistent growth in free cash flow.*

Leverage ratio (%)

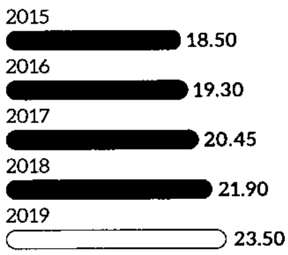


Definition: A measure of financial stability and discipline. It is calculated according to debt covenants and is the ratio of closing net debt to covenant-adjusted EBITDA. This has been renamed from gearing to leverage ratio for 2019. See page 236 for definition and page 103 for calculation.

Performance: Strong cash flow generation in the year reduced leverage from 2.9 times at the end of 2018 to 2.5 times at the end of 2019.

Target: We target a range of 2.0 to 2.5 times, to maintain financial stability and flexibility. To fund significant acquisitions, an increase to around 3.0 times is acceptable in the short term.*

Dividend per share (pence per share)



Definition: A measure of the value created for Shareholders through business performance and growth. Dividend per share represents the total of the interim and the final dividend for the financial year.

Performance: Continued business growth and delivery in 2019 led the Board to propose a final dividend up 7.4% on 2018.

Target: Progressive dividend payments, growing broadly in line with free cash flow.*

* Subject to the 2020 impact of COVID-19.

Effective risk management

For any company, risk will arise both as a natural consequence of doing business and as part of the strategy it follows.

At Informa, as described on pages 8 and 9, we are focused on market specialisation and growth, and our culture and guiding principles give colleagues the freedom to think big and pursue commercial and customer opportunities, while emphasising the importance of building trust and long-term partnerships.

This approach, as well as our general business operations, entail a mix of broad and specific risks. To support the Company's growth and culture, Informa aims to manage rather than eliminate risk: to identify and understand business risks as fully as possible; to be conscious and open about the risks we choose to take; to develop appropriate and effective ways to address risk; and to clearly articulate how we manage them.

The understanding and management of risk are carried out through a set of governance structures, policies and frameworks, which are continuously monitored and built upon.

Day to day, the aim is that colleagues and leaders make informed decisions about risk as part of ongoing decision making, when responding to changing circumstances and when planning more significant initiatives, and, through applying this approach, deliver better results by knowing what actions they need to take and what resources are required to deliver them.

Risk management governance framework

Governance	Risk governance function	Outputs
Board oversight	• Sets tone from the top • Positions risk appetite and tolerance • Challenges lines of defence • Accounts to Shareholders	**Guidance and direction**
Audit Committee 3rd line of defence	• Independently checks and challenges 1st and 2nd lines of defence • Provides assurance to the Board	**Audit and Board reports**
Risk Committee 2nd line of defence	• Provides advice and guidance to the 1st line of defence • Advises the Divisions and Board • Accounts to Audit Committee	**Group risk register** **Principal risks** **Audit and Board reports**
Divisions 1st line of defence	• Identify and manage risks • Receive guidance • Report to Risk Committee	**Divisional risk registers**

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Key roles in risk management

The Board plays an important role in effective risk management and oversees a governance model that includes three lines of defence.

The overarching appetite and tolerance for risk at Informa is formally articulated by the Board. The Company consequently follows three principles that seek to balance economic reward with the specific and overall risk entailed from pursuing the Group's growth strategy:

1. Risks should be managed consistently with the Group's strategy, financial objectives and guiding principles
2. Opportunities should only be pursued where the scope for appropriate reward is supported by an informed assessment of risk
3. Risks should be actively managed and monitored through the appropriate allocation of management and other resources

Through risk governance structures, policies, frameworks, processes and reporting mechanisms, Directors are provided with the information and insight to make a robust assessment of the most significant risks and understand how these risks are being mitigated in line with the stated risk appetite and tolerance. The Board also plays a role in monitoring the Company's culture and setting a strong tone from the top, which directly supports effective risk management

A summary of the roles for risk governance can be seen in the framework diagram opposite.

The risk management process

The Risk Committee follows a clear and simple process to identify the Group's most significant risks, and ensure they are understood, managed appropriately, monitored and reported internally and externally.

- Each Division presents its risk register to each quarterly Risk Committee meeting
- We use our risk categorisation to analyse the Divisional risk registers. The most significant or frequent Divisional risks are recorded on the Group risk register
- We scan for emerging risks quarterly and through dedicated workshops and assess findings to see if they should be included in Divisional or Group risk registers
- We add any risks that only apply at Group level to the Group risk register
- The most significant risks on our Group risk register form our principal risks
- Every principal risk is assessed for our financial viability scenarios, to see if they could have a material financial impact, either on their own or if they materialise together
- Principal risks with material financial impacts are modelled for viability testing

Deepening focus on principal risks

During 2019 we conducted additional, focused work on the Group's 12 principal risks, increasing the depth of understanding and reporting and clarifying accountability at executive level. This has further helped the Board monitor and review the effectiveness of the Group's internal control framework.

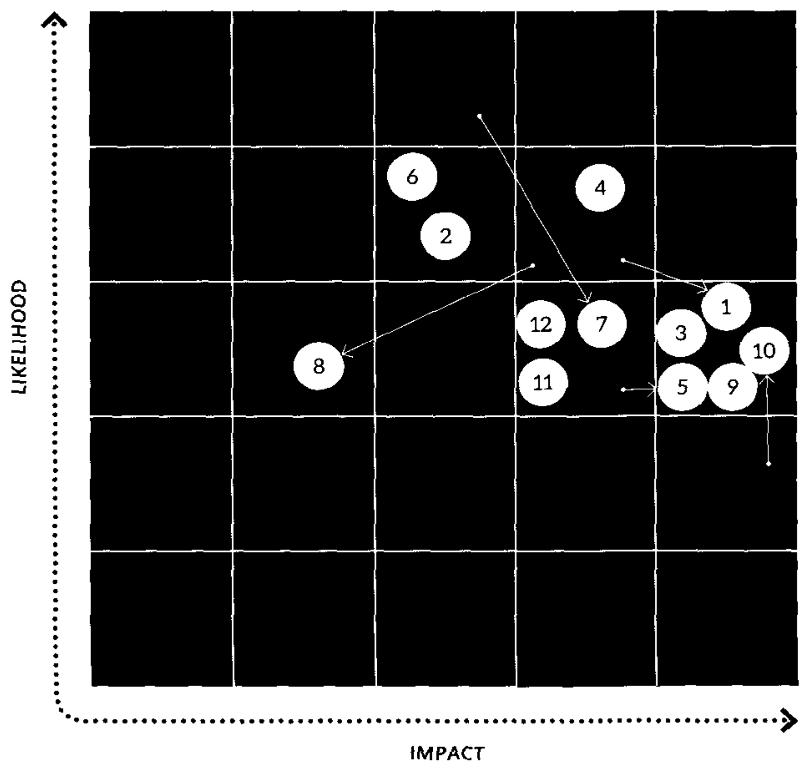
For each principal risk, a statement of risk appetite and tolerance was developed and individual principal risk reports introduced. These reports show how far material financial, operational and compliance controls and mitigations have been implemented and help to clarify and report on our response to the risk.

Each principal risk was also given an explicit owner from Informa's Executive Management Team (EMT) who is accountable for the overall management of that risk, helping ensure activities are appropriately overseen.

Individual Risk Committee reviews were introduced, to discuss each principal risk in a detailed way with the accountable EMT member and, where applicable, the subject matter expert, and agree any additional actions necessary to manage the principal risk. The outcomes of review meetings are reported at the quarterly Risk Committee meetings.

During the year, our Risk Policy and Risk Framework, based on recognised international standards, were also reviewed and refreshed to reflect the Group's expanded business, revised operating model and our updated guiding principles.

Relative net risk ratings of principal risks, and movement in risk ratings



Key

↑ Indicates direction of change in risk rating

• Indicates position at beginning of 2019

1. Economic instability
2. Market risk
3. Acquisition and integration risk
4. Ineffective change management
5. Reliance on key counterparties
6. Technology failure
7. Data loss and cyber breach
8. Inability to retain key talent
9. Health and safety incidents
10. Inadequate response to major incidents
11. Inadequate regulatory compliance
12. Privacy regulation risk

Rating risk

We rate risks by considering their potential financial and non-financial impacts and the likelihood that they will happen, using a consistent rating grid to compare and prioritise risks.

Each risk has two ratings. The first rating is the gross risk rating, which assesses the potential exposure if nothing is done to manage or mitigate the risk. This helps to understand the maximum potential impact and likelihood of the risk and form a baseline risk rating. The second rating is the net risk rating, which considers all the controls and mitigations currently in place to reduce the likelihood of the risk occurring, or to reduce the impact of the risk, or both.

Gross and net risk ratings are regularly reviewed to consider whether the external or internal context has changed, or whether the Group's strategy or specific business objectives have changed, and the extent to which the net risk rating is accurate, given the effectiveness and implementation status of current mitigations.

We also consider the net risk rating in relation to the Group's risk appetite and tolerance, to confirm whether sufficient risk management is in place to manage the risk within our tolerance, or whether further actions are required.

Changes to principal risks

The names of two principal risks have been changed to better reflect their connection with Informa's activities and strategy today. Full details of each principal risk, its movement, owner, our risk appetite and mitigating activities are included in the tables on pages 84 to 90.

Following a review, it was concluded that Informa's increasing scale and ongoing work to strengthen its brand position have made the business more attractive as an employer. As a result, we have renamed the risk of inability to attract and retain key talent as inability to retain key talent. Its overall impact and likelihood have also been reduced, partly due to the effectiveness of programmes used to retain key talent that joins Informa through acquisitions.

The principal risk of major incident has also been renamed as the risk of inadequate response to major incidents, after a review that concluded that the majority of our controls address the potential impacts of major incidents. Since the end of the year, we are refining our response and monitoring the impacts of COVID-19. The rating at the time of going to press reflects our current assessment that the likelihood of a major incident has increased.

Assessment of emerging risks

As well as assessing ongoing risks, we continue to consider how the business could be affected by emerging risks over the long term. These are risks which may develop but have a greater uncertainty attached to them. It is often possible to predict the potential impacts of emerging risks, but less possible to predict their likelihood, timing and velocity.

At each quarterly Risk Committee meeting, each Division is asked to highlight any new or emerging risks. We also hold specific sessions with Senior Management teams to scan for significant emerging risks. During the year, the Risk Committee held a specific review of emerging risks and concluded that these are captured effectively through our risk management processes.

As a business operating in the Knowledge and Information Economy, our products have a role to play in helping our customers and their markets develop in a sustainable way, as described on pages 48 to 51.

Informa's major branded events convene international markets, industries and professional communities, helping businesses and individuals to learn, discover, share knowledge and transact. Our platforms are highly efficient, gathering communities in one place at the same time, which might otherwise require multiple visits to multiple locations.

Despite this efficiency we create for customers, flight shaming, higher environmental taxes on flights and/or a more stringent focus on travel by businesses have the potential to have some impact on attendance at some of our events businesses in the future. Equally, it could potentially shift interest towards digital forums or other digital engagement platforms, an area we have been building capability in for some time.

Climate change risk and opportunity are captured through our normal risk governance process and emerging risk reviews. We do not currently identify climate change as a principal risk individually, as the potential impact and response to climate change are considered as part of other identified risks and mitigating activities, such as inadequate response to major incidents. We recognise for instance that climate change is one cause of the increasing frequency and severity of severe weather-related events, which could impact our choice of event location and timing. We are developing the Group's response to the recommendations of the international Task Force on Climate-related Financial Disclosures regarding expanding available information on climate change impacts. See our Sustainability Report, available on the Informa website, for additional details on our climate change consideration.

The demand for Open Access to academic research continues to grow at a consistent and steady rate, creating both opportunities and challenges for publishers. Taylor & Francis has invested significantly in strengthening its OA capabilities and output to ensure it is offering flexibility for customers as described on pages 73 and 74. The full range of potential opportunities and risks continues to emerge, but this risk is not considered material for the Group.

Based on a risk assessment of the most impactful no-deal Brexit scenario and risk assessments at Group, Divisional and functional levels, Brexit is not a principal risk to the Group. The potential financial impacts are considered immaterial due to the diversified international breadth of Informa's business and a low reliance on cross-EU/UK border physical goods movements to deliver our services and products.

Where Brexit risks exist, detailed contingency planning has taken place to minimise business interruptions, including in areas such as the physical supply of books to customers in the EU, and planning for any initial logistical and travel challenges for events close to the proposed exit day.

In the area of tax, the Group takes a principled and low risk approach, which limits the likelihood of disputes with tax authorities and makes unexpected material tax liabilities unlikely.

The risk of currency fluctuation exists, particularly in the relative value of sterling and the US dollar, which continues to be managed by the Group Treasury team by ensuring the currency of the Group's borrowing are aligned with the currency of the Group's largest sources of cash generation.

At the time of going to press, COVID-19 is an emerging risk. As health and government authorities are reporting, the situation continues to develop in China, Asia and in locations around the world. We are following the biosecurity and safety guidance of the relevant government and local authority as well as guidelines issued by the World Health Organization and have adopted a postponement programme to reschedule and rephase affected event.

Planning and response are being led by the EMT based on an internal framework for decision making, a regular assessment of local, personal and commercial impacts and actions to support colleagues and customers. Communications and guidance are being regularly issued internally at a Group level as well as divisionally and locally. We will continue to closely monitor, assess and respond to this risk as it develops.

Overall assessment of risk management

We confirm that, through the processes and governance outlines above, we have performed a robust assessment of the Company's emerging and principal risks and these are presented on the following pages.

Principal risks

1. Economic instability

The stability of the wider economy affects customers, who may choose not to purchase certain products or services in a local, global or market-specific downturn and therefore impact business revenues and growth. It could also present an opportunity to acquire businesses at a lower cost. Fluctuations in currencies due to the relative positions of economies can positively or negatively affect financial results.

Modelled for viability assessment: Yes

EMT owner: Group Finance Director

Movement in the year: Global developments have increased potential impacts, whilst our increased scale and breadth reduce the likelihood of a major impact to the Group.

Risk appetite
Informa has a moderate risk appetite to extend the business to operate in emerging and new markets that present opportunities for growth and investment. The Group's international scale exposes us to a variety of economic conditions, and this breadth dilutes the effects of downturns in specific geographies.

Mitigating activities

- The progressive building of greater balance and breadth in the portfolio delivers geographic and portfolio diversification, which makes us more resilient to localised market or country-specific economic instability
- We target strong cash flow generation and scale, which builds resilience to economic downturns
- Economic risk and opportunity are considered in the three-year planning process, and Board, EMT and Division-level review and planning meetings constantly review the macro-economic environment
- Trading results are monitored against budgets through the monthly reporting process, highlighting any effects from economic instability and informing ongoing commercial decision making
- Our exhibitions are among the leading commercial events for specialist markets and directly drive customers' order books, so even in economic downturns, attendance would be expected to remain relatively stable
- Exhibition revenue is often contracted in advance of the event and prepaid. Revenue from subscriptions is paid by customers at the beginning of the subscription period
- We align the currency of the Group's borrowing with the currency of the Group's largest sources of cash generation to manage currency fluctuations

2. Market risk

The specialist markets we serve can experience growth, decline, change and disruption. This can change customer needs, preferences and the competitive environment for our products and services, and impact revenues and margins.

Modelled for viability assessment: Yes

EMT owner: Director of Strategy and Business Planning **Movement in the year:** None

Risk appetite
We recognise the potential for growth and opportunity in the Knowledge and Information Economy. A relatively high level of risk taking is encouraged to support innovation that keeps pace and tune with customer behaviour, therefore reducing the market risk that products become less relevant.

Mitigating activities
- Market risk is considered in strategy and investment decision making. It is also regularly considered by the Board, addressed as part of Informa's three-year planning cycle and monitored through our financial reporting process
- The breadth of the Group's portfolio and diversity of specialist markets served expanded through adding UBM in 2018. This provides improved resilience to disruption in individual markets
- Informa Tech was founded in 2019. This is the Group's first fully market-focused Division, combining all brands that deliver events, conferences, exhibitions, research, data and media services to the technology industry, with the aim of strengthening our market position. We also added IHS Markit's TMT portfolio to the Division in the year
- The portfolio of our brands, services and products is reviewed and acquisitions are made to add to markets where we believe we have strong growth potential, while reducing our offerings in those markets where we do not have the scale to succeed
- Where there are specific risks, plans are put in place to address them. A Growth Acceleration Plan for the Fashion portfolio in Informa Markets is currently underway to address market risk and enhance our customer experience
- Open Access is an emerging risk and opportunity to academic publishing. We have invested in OA platforms and services to build our flexibility to respond to customer demand
- Market research is undertaken when entering into new markets or developing or enhancing products
- Divisional People, Planning and Product meetings take place with the EMT, typically quarterly, to consider our strategy in the light of market trends and risk and ongoing product development plans
- Investment in the technology platforms that support our products continues

3. Acquisition and integration risk

Acquisitions can deliver lower than expected returns on investment and integrating businesses and assets can be more complex than anticipated. Where due diligence, planning and post-acquisition performance are not successful, they can lead to diminished growth, weakened brand assets, an inconsistent culture and impairment charges.

Modelled for viability assessment: No

EMT owner: Director of Strategy and Business Planning **Movement in the year:** None

Risk appetite
Informa is prepared to take reasonable risk to acquire new assets, talent, capabilities, products, brands and innovation, for the benefit of all stakeholders, and growth through identifying, acquiring and integrating targeted businesses remains part of the Group's strategy.

Mitigating activities
- 2019 saw the successful delivery of the *Accelerated Integration Plan*, which integrated UBM into Informa
- Group strategy prescribes that capital is allocated to the markets and Divisions with the best long-term value creation opportunity
- We actively monitor the market and connect with relevant parties to identify suitable acquisition targets. These are assessed according to both strategic fit and the target's fit with Informa's culture and values
- Investment decisions are made according to set financial parameters
- Targets are analysed by the Group Corporate Development team, and a cross-functional team of experts supports the commercial leads through due diligence prior to acquisition
- A Value Creation Register is completed for each proposed acquisition, covering strategic logic, financial modelling and integration plans and assigning individual ownership for all aspects of execution
- All acquisitions have formal governance, leadership and project management to deliver integration, with significant acquisitions receiving heightened governance at Group level
- Integration activity is monitored on an ongoing basis by the Corporate Development team for at least two years post close, with regular updates to the Board
- Integration plans are developed at Division level with appropriate monitoring and oversight from the Group
- An annual review is reported to the Board on post-acquisition performance, including an assessment of any variation to the expected return on investment

4. Ineffective change management

Where change is not managed effectively, it can create strategic and operational hurdles and business fatigue. Business opportunities may not be realised, projects may not be delivered well, there can be colleague attrition and an erosion of value that impacts growth. Change can also lead to system and process complexity that requires work to align.

Modelled for viability assessment: No

EMT owner: Group Chief Operating Officer

Movement in the year: None

Risk appetite

Informa has a high appetite for change in order to grow, innovate and respond to new challenges and opportunities and has a track record of assimilating change over the last six years.

Mitigating activities

- Informa's brand was refreshed in 2019, which included the introduction of a clear Company-wide purpose and an updated set of guiding principles, creating a common sense of purpose for the Group
- Throughout the changes to our portfolio in 2019, we have considered the interests of our customers, colleagues and Shareholders
- We have increased our focus on specialist markets, in line with our guiding principles
- Large-scale investment programmes and acquisitions include change management disciplines, with defined governance and reporting structures in place
- The EMT oversees, and independently or collectively sponsors, key change initiatives across Informa
- Teams of programme directors and change delivery experts are deployed on core strategic projects
- Stability in key leadership roles allows a culture of continuous learning and improvement
- Where appropriate, we adapt reward structures to incentivise successful delivery of in-year or multi-year strategic change programmes
- Regular colleague engagement surveys are carried out to understand trends in sentiment and colleague engagement is monitored as a Group KPI
- Work to better streamline our operations and systems after recent periods of change was begun during 2019

5. Reliance on key counterparties

In some areas, Informa works with key strategic partners to support our business and deliver commercial objectives. A failure in key counterparty relationships, services and venues could affect the delivery of our strategy and disrupt business activities and trading, as well as customer satisfaction and colleague engagement. Some partners such as trade associations and government-backed bodies can be impacted by changes to government policies, which may in turn impact our contracts and revenues.

Modelled for viability assessment: No

EMT owner: Group Finance Director

Movement in the year: Our increased scale gives us larger exposure to some key venues and service providers, and the potential impact rating has increased to reflect this.

Risk appetite

The Group acknowledges that key counterparties can be necessary to delivering our products, services and events to customers, particularly in niche areas or where suppliers are market leaders. We aim to build mutually supportive relationships with our partners.

Mitigating activities

- Each Division and functional team is required to identify key counterparties, explain the nature and extent of their exposure to the party, and report on activities in place to mitigate specific exposures. This is formally reviewed and reported to the Risk Committee annually
- Mitigations include requiring counterparties to have robust and tested business continuity plans in place as well as service level agreements, contracts, proactive relationship management and ensuring suppliers are paid on time so that services are not suspended
- We are working with relevant business partners to ensure we build resilience in areas that might be impacted by Brexit. This has included plans with the printers of our books to ensure continuity of supply
- Our Treasury Policy ensures the Company is not over-reliant on any single financing partner

6. Technology failure

Technology underpins our digital products, services and business operations. A prolonged loss of critical systems, networks or similar services could inhibit the delivery of events, products and services, increase costs and result in poor customer experience and reputational damage. Serious disruption could impact the day-to-day operation of our businesses, potentially impacting colleague engagement.

Modelled for viability assessment: No

EMT owner: Group CIO and CISO

Movement in the year: None

Risk appetite
We seek to minimise the likelihood and impact of any business-critical technology failure.

Mitigating activities
- A range of IT governance, standards, maturity targets and controls are in place
- We have a Group-wide strategy to deploy cloud computing, which provides resilience for our products and services and the capacity for scalable solutions
- We continue to reduce complexity and on-premise physical infrastructure
- Technology service providers are assessed and selected on their capability to deliver the required service, reducing the risk of downtime
- Colleagues use secure cloud desktop services, which facilitates mobility and work flexibility
- We continue to invest in backup and recovery technology and controls
- Work continues to map, review and streamline legacy systems and systems from acquired businesses
- A specific programme was introduced in 2019 to further improve, streamline and upgrade systems across the business, and to develop and adopt consistent service charters internally

7. Data loss and cyber breach

We use data within our business operations and in commercial activities. Criminal cyber activity continues to grow and attempts to steal data are more frequent and sophisticated, while regulations to protect personal data tighten and UK fines for data loss have increased materially. A loss of sensitive or valuable data, content or intellectual property could lead to losses for our stakeholders, investigations and business interruption. It may distract from business delivery through excessive demands on management time to respond to the loss. There could also be significant reputational damage if this risk materialises and is not managed well.

Modelled for viability assessment: No

EMT owner: Group CIO and CISO

Movement in the year: Layers of cyber protection continue to expand and improve, and our cyber controls maturity has continued to improve. After an impact assessment update, the impact has been adjusted to high.

Risk appetite
We protect our data in line with privacy regulations and recognised practice, applying a layered defence and continuously monitoring and adapting controls according to developing threats.

Mitigating activities
- Group-wide leadership and governance are provided by the Group Chief Information Officer (CIO) and Chief Information Security Officer (CISO), and information security strategy and tactical initiatives are driven centrally
- We employ a layered defence-in-depth approach, comprising administrative, technical and physical controls aligned with industry good practice to protect the confidentiality, availability and integrity of key systems
- An information security awareness programme is in place to support an information security culture, including regular colleague intranet updates
- There is a well-defined incident management and response to cyber breaches
- Internal and external assurance programmes formally report the Group's compliance with Company policies, standards and controls to the Audit Committee, Risk Committee and EMT
- Good progress was made in 2019 on improving security maturity, measured by a baseline survey and considering risk appetite and target maturity

8. Inability to retain key talent

People are at the heart of Informa's culture, operations and business. Our increased scale and brand strength make it easier to attract talent, but the inability to retain key colleagues, and inadequate succession planning at Senior Management levels, would erode the Company's performance. High levels of attrition could lead to loss of leadership, direction and knowledge, while increasing costs and decreasing productivity and efficiency, thus eroding corporate value.

Modelled for viability assessment: No

EMT owner: Group HR Director

Movement in the year: This risk rating has been reduced following attrition analysis during 2019 and predictions for 2020.

Risk appetite

We aim to retain key colleagues whose expertise, commitment and performance will play a significant part in delivering our strategy, and who are aligned to our corporate culture and purpose.

Mitigating activities

- Informa's reach and strength of brand make it easier to weather the impact of attrition, find suitable internal interim and permanent replacements and hire external replacements
- *Work was conducted to support and strengthen Informa's culture, through the formation and launch of the Company's purpose and updated* guiding principles. See more about the creation of the Informa Constitution on pages 36 and 37
- The EMT and Board review the depth of talent across Informa and the short- and longer-term succession plans for critical roles
- Levels of colleague engagement are measured and tracked as a Group KPI, with results analysed and any resulting action plans put in place
- Attrition is tracked through the year and in several countries with leavers surveyed to understand root causes. These insights are drawn together to understand underlying themes and to inform corrective action where it is necessary
- The HR function has expanded in recent years, with increased depth and expertise in specialist roles such as reward, learning and development, recruitment and business partnering
- Although attrition is inevitable, we seek to protect the business through appropriate post-termination restrictions for colleagues in business-critical roles
- Where attrition has been above target, the specific areas of the business and the causes were reviewed by the Risk Committee

9. Health and safety incidents

Informa takes the safety and welfare of its colleagues, customers and business partners seriously and aims to operate a safe and healthy environment. A serious failure has the potential to cause life-changing injuries and, at worst, fatalities. The mismanagement of health and safety can also result in reputational damage, investigations, fines and claims for damages.

Modelled for viability assessment: No

EMT owner: Group Chief Operating Officer

Movement in the year: None

Risk appetite

Our first priority is the safety and wellbeing of colleagues, customers and business partners and this underpins how we deliver our events, engage with venues and manage our facilities. We take a proactive approach to managing health and safety risks, with a focus on prevention through establishing good health and safety operating standards and delivering colleague training.

Mitigating activities

- The function is led centrally by a Head of Group Health, Safety and Security, with regional experts who to embed consistent standards and approaches across the Group, deliver training to target teams and validate standards at target events
- The Risk Committee monitors progress on health and safety and receives quarterly reports
- Events and Informa's facilities are subject to audit and required actions are monitored until complete
- Updates and improvements are being made to near-miss and incident reporting, and to the clarity of guidance around standards and processes
- A Group-wide travel management system is in place, which ensures accommodation and travel are booked to acceptable safety standards, and provides support to colleagues in the event of an emergency

10. Inadequate response to major incidents

We operate internationally and are exposed to major incidents and global events. These can be caused by extreme weather, natural disasters, major disease outbreak, military action, civil unrest or terrorism. In most cases, there is relatively little businesses can do to control causes of major incidents. Major incidents have the potential to cause harm and injury to people, venues and facilities and severely interrupt business. If the Group's response to a major incident is inadequate, this could also result in reputational damage and potentially criminal and civil investigations.

Modelled for viability assessment: Yes

EMT owner: Group Chief Operating Officer

Movement in the year: We have raised the likelihood rating to reflect that we have more exposure to major incidents and in the context of the COVID-19 outbreak.

Risk appetite
We have a low appetite for the risk of not responding adequately to a major incident and proactively manage this.

Mitigating activities
- Under the leadership of the Head of Group Health, Safety and Security, a new business resilience programme is being established to address and co-ordinate incident response, covering all phases of planning and emergency response to business recovery
- Emergency response plans are put in place for events specific to the event, its location and operational team
- Divisions consider known extreme weather patterns when planning event schedules
- The Group considers terrorism threats, proximity to likely terrorist targets, and potential unrest or protests in event planning. We apply defined security risk assessments for high risk operations so that appropriate measures can be taken to protect customers, colleagues and business partners
- The Health, Safety and Security team provides support and advice in the event of an emergency and, in severe circumstances, a dedicated Crisis Council would convene to direct the Company's response
- We take out insurance that would reduce some potential impacts of major incidents

11. Inadequate regulatory compliance

The Group's licence to operate and grow is partly determined by compliance with national and international regulation and the support of stakeholders. This includes customers, colleagues and Shareholders, who increasingly favour companies that work in an ethical way. Failure to comply with applicable regulations could lead to fines, imprisonment, reputational damage and the inability to trade in certain jurisdictions.

Modelled for viability assessment: No

EMT owner: Group General Counsel and Company Secretary **Movement in the year:** None

Risk appetite
We have a commitment to ethical and lawful behaviour, and expect colleagues and the business partners who support us or act on our behalf to take appropriate steps to comply with applicable laws and regulations.

Mitigating activities
- Informa is committed to acting responsibly, and encourages a culture of transparency, integrity and respect to align individual behaviour with Company policy, stemming from our purpose and guiding principles
- The Group has a compliance programme designed to ensure Informa complies with all applicable regulations. It is structured to meet our obligations under material legislation and its status is monitored to ensure continuous improvement
- Compliance training is delivered to new joiners, including Code of Conduct and Anti-Bribery training. New starters receive training modules promptly and are also required to accept the Group's core policies, including Data Privacy, Acceptable Use of Technology and Information Security standards. Training is monitored and followed up when not completed within the expected timeframe
- Informa's Code of Conduct and Business Partner Code of Conduct set out the behaviour we expect of all colleagues and business partners
- We have a sanctions programme which includes internal controls, risk-based screening of vendors and customers, training and communications
- Whistleblowing and speak-up facilities, including a confidential hotline, are provided to enable anyone internal or external to the business to raise concerns. Retaliation for raising genuine concerns is not tolerated. All reports of breaches of our Code of Conduct and policies are investigated promptly and actions taken to remedy breaches

12. Privacy regulation risk

Informa relies on personal information to produce and market products and services. Tightening privacy legislation may limit our access to, and use of, personal information. A failure to comply with applicable regulation could lead to fines, imprisonment, reputational damage, loss of trust from customers and the inability to trade in certain jurisdictions, while over-compliance, for example by taking the strictest individual country rules and applying them on an international basis, could result in commercial disadvantage.

Modelled for viability assessment: No

EMT owner: Group General Counsel and Company Secretary **Movement in the year:** None

Risk appetite
We respect and value personal information and privacy, and seek to comply with regulatory requirements.

Mitigating activities
- The global trend towards more rigorous privacy laws impacts how we address privacy compliance. We adapt our marketing strategies to support successful business operations under stricter regulations
- Data privacy compliance is led by a Group Data Protection Officer (DPO) and there are Divisional Privacy Managers who further embed standards into business operations
- The Group DPO works closely with the CISO to ensure collaboration on common matters, and provides reports to Senior Management
- We continue to monitor external factors and changes in data protection laws, to ensure the Company receives up to date guidance and support and that operational impacts are considered
- Informa has an ongoing privacy programme to build robustness into privacy management and processes. In 2019 this included work to further harmonise and internationalise customer privacy statements on websites, further attention on GDPR compliance and updating refresher colleague training to support a privacy-aware culture

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Viability statement

Assessing long-term prospects and viability

As expressed by the Chairman on page 4 and within our Section 172 statement on page 52, Informa's Directors are focused on promoting the sustainable, long-term success of the Group for the benefit of Shareholders, colleagues, customers and our other key stakeholder communities and groups.

The Group's viability over a three-year period and its longer-term prospects are each assessed in a structured way, based on Informa's business model, trends in the markets in which we work, the Group's strategy and the principal risks the business faces.

How long-term prospects are assessed

The Group's prospects are assessed primarily through the annual business planning and strategy process. Informa's current position, Group-level strategy, business model and the risks related to the business model are also used to assess prospects, as described in the table overleaf.

The annual business planning and strategy process starts with each Division's management team creating its business plans. To do so, each Division assesses the factors that influence the business's approach today, including external factors such as customer requirements, peers and their activity, broad and specific risks and market trends, as well as internal factors including talent trends, product development and technology platforms.

Objectives are set with consideration for what is known about market trends and demands, and emerging risks and opportunities over that period, plus an analysis of what the Division needs to do to achieve those objectives, whether that is launching new activities, securing additional capabilities or continuing existing programmes.

From this comes a set of objectives and initiatives to deliver them, with each Division creating a three-year financial plan including detailed financial forecasts and a clear explanation of key assumptions and risks. Plans are updated at key dates and for significant events.

These are reviewed in detail by the Group Chief Executive, Group Finance Director and the Director of Strategy and Business Planning, and presented to the Board for review, input, challenge and oversight at the annual Board strategy meeting.

The latest set of three-year business plans was reviewed and agreed by the Board in September 2019. The first year of this plan is used to inform the 2020 budget, itself approved by the Board in December 2019. The Directors continue to have confidence in the Group's business model and its long-term prospects.

These detailed financial forecasts are used as a basis for the annual impairment review. They also inform the Group's funding requirements and are used to assess the resources and liquidity available for reinvestment and for making returns to Shareholders through dividend payments.

Divisional financial plans combine to produce the Group's overall financial forecast, where it is assumed that dividends grow by at least 7% in line with Informa's most recently stated commitment.

How viability is assessed

The Directors assess Informa's viability over a three-year period. We believe this is an appropriate timeframe because it is consistent with the near-term visibility of market trends, the nature of Informa's business and the previous time horizons we have planned for and assessed performance against. It is recognised that such future assessments are subject to a level of uncertainty that increases further out in time and, therefore, future outcomes cannot be guaranteed or predicted with certainty.

The viability assessment starts by taking each of the Group's principal risks and considering a severe but plausible scenario. Where a severe but plausible scenario creates a potential financial impact of over 5% of EBITDA, the principal risk is modelled against the three-year financial plan to test whether it would adversely impact the Group's viability on a stand-alone basis.

In this year's assessment, we have modelled a considerably worse backdrop and performance from certain key markets than anticipated, the impact of a global economic downturn and the impact of a significant external event on our business. We have also considered the disruption that COVID-19 could cause, including reviews of World Health Organization updates and the latest news from China.

Our assessment reflects what we know today and assumes that disruption is limited to 2020 with normal business resuming from the start of 2021. Given the degree of uncertainty on the extent of the outbreak and length of related disruption, as part of the viability assessment, a number of additional scenarios have been prepared in relation to the COVID-19 impact. These have informed both the assessment of the range of potential outcomes and the actions required to address them. Clearly it is not possible to assess the impact or duration with any certainty and consequently we have secured the Surplus Credit Facility to underpin our financial outlook.

Additionally, the potential financial impact of the risks noted above are modelled together as a single scenario, to understand their combined financial impact.

Factors in assessing long-term prospects

Informa's current position	*Strategy and business model*	*Principal risks*
• International business breadth, with positions in dozens of sector specialist markets • Broad and diversified customer base • Brands that have strong positions in their markets • A product portfolio that includes a range of business-to-business knowledge-based products and services • A focus on customer relationships and success through championing the specialist • Considerable proportion of recurring revenue streams, with strong cash conversion and free cash flow generation and low capital requirements • While developments with COVID-19 are expected to have a short-term impact on profits and cash, it is not assumed to impact Group profits in the long term	• The Group's focus on enhancing growth through market specialisation • Progressive expansion, and the investments and improvements in capability and products made under *GAP* and the *AIP* • A reliance on people, talent and culture, strong brands, robust technology, forming successful partnerships and access to financing • An enhanced commitment to sustainability	• The principal risks directly related to Informa's business model • These include risks relating to broader global economic instability, market disruption and acquisition and integration • There are also risks relating to the retention of key talent, inadequate response to major incidents and regulatory compliance • Included within the risk of inadequate response to major incidents is consideration of the impact of COVID-19
How Informa operates, page 20 Group strategy, page 8	Trends in our markets, pages 22 to 29 Risk management and principal risks, pages 80 to 90	Financial review, page 94

The Group is viable if the leverage ratio and the interest cover ratio within our financial covenants are maintained within the prescribed limits, and if there is available headroom on the Group's financing facilities for cash liquidity to fund operations.

Viability testing is carried out against Informa's existing debt facilities, with an assumption that the current Group debt structure remains unchanged, with no refinancing of current facilities assumed during the forecast period.

In the latest viability risks assessments, the Group remains viable. This includes when modelling the three largest risks together, albeit in this scenario, it is assumed the Group deploys some cost and cash mitigations.

Included within the modelled risks is a consideration of the impact of COVID-19. At the time of the viability assessment, the Group continues to run events in some locations, whilst undertaking an active Postponement Programme elsewhere, rescheduling a number of events to a date later in 2020.

Having completed the viability assessment, the Directors have concluded that it is unlikely, but not impossible, that a single risk could test the future viability of the Group.

However, unsurprisingly, and as with many companies, it is currently possible to construct scenarios where either multiple occurrences of the same risk, or single occurrences of different significant risks, could put pressure on the Group's ability to meet its financial covenants.

If this type of scenario were to arise, the Group would look to address this through a range of actions. From an operational standpoint, this would include a significant restructuring of the Group's cost base, reducing direct costs and indirect costs to reflect the volume of work.

From a financial standpoint, should leverage become a concern, the Group could seek a temporary waiver or permanent renegotiation of the Group's financial covenants, or pay down the borrowings which have covenants attached. In addition, the Group could consider selective disposals of businesses within the portfolio and/or raising additional capital in the form of equity, subordinated debt or other such instruments.

Subject to these risks and on the basis of the analysis undertaken, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

Principal risk	Risk assessed	Risk above 5% EBITDA	Impact on viability modelled	Multi scenario test
Economic instability	✓	✓	✓	✓
Market risk	✓	✓	✓	✓
Acquisition and integration risk	✓	×	×	×
Ineffective change management	✓	×	×	×
Reliance on key counterparties	✓	×	×	×
Technology failure	✓	×	×	×
Data loss and cyber breach	✓	×	×	×
Inability to retain key talent	✓	×	×	×
Health and safety incidents	✓	×	×	×
Inadequate response to major incidents (including impact of COVID-19)	✓	✓	✓	✓
Inadequate regulatory compliance	✓	×	×	×
Privacy regulation risk	✓	×	×	×

Viability modelling

Market trends, peers, customers

Capabilities, people, products, platforms

Risk and sustainability

Current portfolio

Ambition

Multi-year divisional strategic plans created

Multi-year Group strategy plan

From which three-year financial plans are formed by Divisions

Three-year financial plan

Plan tested against the three principal risks where, in a severe but plausible scenario, impact of risk valued at over 5% of EBITDA

Tested against economic instability

Tested against market risk

Tested against inadequate response to major incidents

Tested against economic instability, market risk and inadequate response to major incidents simultaneously

Group is viable if covenant test passed and facility headroom maintained

Outcomes assessed against covenant and facility headroom

Directors' viability statement

Based on the results of this analysis, the Directors have a reasonable expectation that the Group will be able to continue to operate and meet its liabilities as they fall due over the three-year period to December 2022.

Building strength and balance

Gareth Wright
Group Finance Director

Over the last six years, through the *Growth Acceleration Plan* and more recently through the *Accelerated Integration Plan*, we have progressively been building a business capable of delivering consistent growth and predictable performance.

In 2019, we continued to make good progress in this respect, *reporting a sixth consecutive year of growth in revenue*, adjusted operating profit, adjusted earnings, free cash flow and dividends.

This performance, and the Group's broader financial position, continue to be underpinned by our robust business model, focused around offering knowledge, events and information services to customers in a range of attractive, specialist markets.

Attractive operational and financial characteristics

One of the key attractions of the Informa business is the high *proportion of revenues that are forward booked and recurring in* nature. This includes revenues from the sale of subscriptions to data and intelligence products and scholarly journals, as well as *from selling stand space and multi-year sponsorship at events*. This provides a good level of visibility and predictability across a balanced mix of products.

We also gain strength and balance from our broad international reach, with around half our revenues coming from North America, about 20% from Asia, about 20% from the UK and Europe, and 10% from the rest of the world. This international mix means that currency movements impact reported revenues and profits. The majority of revenues continue to be generated in US dollars and in currencies linked to the US dollar, so we remain particularly sensitive to movements in the USD/GBP exchange rate.

A key focus and priority for the Group over recent years has been on free cash flow generation and the conversion of profits into cash, as this provides flexibility for paying down debt, future investment and maintaining attractive returns to Shareholders, including a progressive dividend.

We will also maintain a disciplined approach to funding, retaining our target leverage range of 2.0 to 2.5 times, albeit with the flexibility to move closer to 3.0 times in the short term if a significant and attractive acquisition became available.

Operating internationally means we make tax contributions in multiple countries. We continue to take a low risk approach to tax planning, recognising the importance of tax contributions to

informa

£722.1m

2019 free cash flow

32.3%

Adjusted operating margin

the economies and communities in which we work. The Group's effective tax rate increased to 19.0% in 2019 (2018: 17.9%), in line with the guidance we gave at the time of the UBM addition, mainly reflecting the mix of profits and different tax rates in the jurisdictions in which the enlarged Group operates.

Following the combination with UBM, we have six defined benefit pension schemes, all of which are closed to future accrual. We reported a modest net pension liability of £30.1m at the end of 2019 (2018: £33.0m), which we are addressing through deficit recovery payments from 2020 onwards.

More broadly, we continue to view the Knowledge and Information Economy as a growing market where we have a strong, established position, providing good potential for continued future growth and expansion.

Continued growth and delivery

It was another year of continued growth in 2019, with Group revenue increasing by 3.5% on an underlying basis (2018: 3.7%) adjusting for the effects of currency movements, acquisitions, disposals and phasing. This was in line with our guidance at the start of the year, despite a number of in-year market impacts to contend with, demonstrating the resilience and strength across our portfolio. Reported revenue increased substantially to £2,890.3m (2018: £2,369.5m), reflecting the full-year benefit of the UBM addition, which was only included for six and a half months in 2018.

Our strong focus on costs, combined with the effective delivery of £50m of operating synergies from the *AIP*, helped to lift adjusted operating profit by 27.5% in the year to £933.1m (2018: £732.1m), with underlying growth of 6.5%. Statutory operating profit increased to £538.1m (2018: £363.2m). In addition to the synergies we delivered and the full-year effect of UBM, 2019 profits also benefited from a greater contribution from biennial events and positive currency tailwinds. These positive effects were partly offset by dilution from divestitures completed through the *AIP* Progressive Portfolio Management (PPM) programme.

The strong translation of underlying revenue to profit delivered a 140 basis point increase in Group adjusted operating margin to 32.3% (2018: 30.9%).

Good levels of profit growth, combined with focused management of other corporate costs like financing, helped to increase adjusted earnings by 24% to £644.7m (2018: £519.8m). This flowed through to a 4.3% increase in the Group's diluted adjusted earnings per share to 51.3p (2018: 49.2p). The lower growth in earnings relative to operating profit was due to the 18.8% increase in the weighted average number of shares in 2019, reflecting the full-year effect of the equity financing used to part-fund the UBM addition in 2018. Statutory diluted earnings per share decreased by 8.6% to 18.0p (2018: 19.7p) reflecting the increase in adjusted profit for the year, offset by the increased share count but also the increase in intangible asset amortisation after acquiring UBM.

As outlined, our focus on cash and cash conversion led to a very strong performance on free cash flow in 2019. Boosted by the full-year benefit of UBM and positive currency tailwinds, free cash flow increased to £722.1m in 2019 (2018: £503.2m). This helped reduce leverage from 2.9 times at the end of 2018 to 2.5 times at the end of 2019, the top end of our target range. Statutory cash inflows from operating activities increased by £233.3m to £719.6m, principally reflecting the higher profit in the year.

As part of our PPM programme, we divested a number of businesses in 2019, mainly from within the Informa Intelligence Division. This leaves us more focused on brands where we have strong market positions and better opportunities for long-term growth. These divestments included the Life Sciences media brands portfolio in January, the Industry & Infrastructure portfolio in October as well as Informa Agribusiness Intelligence portfolio in August which coincided with the simultaneous purchase of IHS Markit's TMT Research and Intelligence portfolio. The net proceeds of all this activity was £56m, helping to reduce leverage and maintain Balance Sheet flexibility.

Looking forward to 2020

The focus and investment delivered through *GAP* and the *AIP* have established a strong and robust platform for delivering consistent future growth and performance.

In 2020, our subscriptions-related businesses, representing around 35% of Group revenue, continue to trade well, underpinned by strong renewal rates and consistent low to mid-single digit growth in annualised contract values. However, like a number of businesses, we are seeing an impact from the outbreak of COVID-19 within our events portfolio.

As the implications of COVID-19 started to become apparent in late January, initially in mainland China, we moved quickly to implement our COVID-19 action plan. This included the launch of a postponement programme to reschedule and rephase our event brands. For those brands we have rescheduled, localised or virtualised in 2020, we would expect to incur some incremental investment in venue capacity, customer marketing and other duplicative costs of rescheduling and virtualisation, subject to in-market support budgets and insurance outcomes.

Notwithstanding the 2020 impact of COVID-19, the strength of our brands and customer relationships puts us in a strong position to recover once the current disruption is past.

Gareth Wright
Group Finance Director
9 March 2020

Income Statement

In 2019, Informa delivered a further year of increased revenue and profit on an underlying, adjusted and statutory basis.

	Adjusted results 2019 £m	**Adjusting items 2019 £m**	**Statutory results 2019 £m**	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m
Revenue	**2,890.3**	**–**	**2,890.3**	2,369.5	–	2,369.5
Operating profit/(loss)	**933.1**	**(395.0)**	**538.1**	732.1	(368.9)	363.2
(Loss)/profit on disposal	**–**	**(95.4)**	**(95.4)**		1.1	1.1
Net finance costs	**(111.7)**	**(12.3)**	**(124.0)**	(82.4)	0.2	(82.2)
Profit/(loss) before tax	**821.4**	**(502.7)**	**318.7**	649.7	(367.6)	282.1
Tax (charge)/credit	**(156.1)**	**83.5**	**(72.6)**	(116.2)	55.7	(60.5)
Profit/(loss) for the period	**665.3**	**(419.2)**	**246.1**	533.5	(311.9)	221.6
Adjusted operating margin	**32.3%**			30.9%		
Adjusted diluted EPS	**51.3p**		**18.0p**	49.2p		19.7p

Statutory Income Statement results

Statutory revenue increased by 22.0% to £2,890.3m, with growth including the full-year benefit of the UBM combination, the business's underlying growth and favourable currency benefits. In 2019, there was a first full-year of contribution from UBM, compared with just six and a half months' contribution in 2018.

Statutory operating profit increased by 48.2% to £538.1m, reflecting a £201.0m growth in adjusted operating profit. This also reflects UBM, underlying business growth and favourable currency impacts, partly offset by a £26.1m increase in adjusting items charged to operating profit. These were largely related to the UBM acquisition.

Statutory net *finance costs* rose £41.8*m* to £124.0*m and* comprised £134.1m of finance costs and £10.1m of investment income. The increase in finance costs reflects the full-year impact of the additional £1.2bn debt taken on to finance the UBM addition in June 2018, the adverse currency impact on our largely USD-denominated debt and the early repayment of borrowings to refinance and take advantage of favourable market conditions.

Statutory profit before tax increased by 13.0% to £318.7m, reflecting the £174.9m increase in operating profit, partly offset by the £96.5m increase in loss on disposals and the £41.8m increase in net finance costs.

The statutory tax charge for the year was £72.6m, representing an increase of £12.1m compared with 2018. This increase was due to the larger profit before tax and a higher statutory effective tax rate of 22.8% compared with 21.4% in 2018.

Statutory diluted earnings per share decreased by 8.6% to 18.0p (2018: 19.7p). This reflected a £174.9m increase in operating profit in the year, offset by four main factors: the £41.8m increase in finance costs; a £96.5m increase in losses on disposals; a £12.1m increase in the tax charge; and a £198.5m increase in the diluted average number of shares, reflecting the full-year effect of the shares issued in 2018 to part-fund the combination.

Measurement and adjustments

In addition to statutory results, adjusted results are prepared for the Income Statement. These include adjusted operating profit, adjusted diluted earnings per share and underlying measures, and a full definition of these metrics can be found in the glossary of terms on page 235. The divisional table provides a reconciliation between statutory operating profit and adjusted operating profit by Division.

Underlying revenue and adjusted operating profit growth on an underlying basis are reconciled to reported growth as follows:

	Underlying *growth*	**Phasing and *other items***	**Acquisitions and *disposals***	**Currency *change***	**Reported *growth***
2019					
Revenue	**3.5%**	**0.2%**	**15.3%**	**3.0%**	**22.0%**
Adjusted operating profit	**6.5%**	**2.1%**	**12.1%**	**6.8%**	**27.5%**
2018					
Revenue	3.7%	(0.4%)	35.4%	(3.8%)	34.9%
Adjusted operating profit	2.3%	(0.1%)	37.6%	(5.4%)	34.4%

Adjusting items

The items below have been excluded from adjusted results. The total charge against operating profit for adjusting items rose to £395.0m in 2019 (2018: £368.9m), mainly due to the increase in amortisation of acquired intangible assets following the UBM combination.

	2019 £m	2018 £m
Intangible amortisation and impairment:		
Intangible asset amortisation[1]	312.4	243.6
Impairment of acquisition intangibles and goodwill	4.7	9.8
Impairment of right of use assets	4.6	
Acquisition costs	3.3	42.9
Integration costs	56.4	46.0
Restructuring and reorganisation costs:		
Redundancy and reorganisation costs	6.4	8.1
Vacant property costs	2.2	5.0
Remeasurement of contingent consideration	3.2	(0.1)
VAT charges	1.8	9.1
GMP equalisation	–	4.5
Adjusting items in operating profit	395.0	368.9
Loss/(profit) on disposal of subsidiaries and operations	95.4	(1.1)
Investment income	(1.2)	(1.2)
Finance costs	13.5	1.0
Adjusting items in profit before tax	502.7	367.6
Tax related to adjusting items	(83.5)	(55.7)
Adjusting items in profit for the year	419.2	311.9

1 Intangible asset amortisation is in respect of acquired intangibles and excludes amortisation of software and product development

The £68.8m increase in intangible asset amortisation in 2019 primarily reflects an additional five and half months of amortisation of acquired intangibles relating to the UBM acquisition, which totalled £60.5m.

Intangible amortisation relates to book lists and journal titles, acquired databases, customer and attendee relationships and brands related to exhibitions, events and conferences. Intangible asset amortisation arising from software assets and product development is not treated as an adjusting item and so is not included in the table, as it is treated as an ordinary cost in the calculation of operating profit.

Integration costs of £56.4m included £42.4m relating to acquiring UBM, and consisted mainly of process, property and colleague-related reorganisation costs. This brings the cumulative UBM integration costs to £81.9m to date. The integration of other acquisitions, including the IHS Markit TMT Research and Intelligence portfolio, amounted to £14.0m.

Net finance costs of £12.3m largely relate to the incremental finance costs associated with the early repayment of borrowings in 2019, allowing us to take advantage of favourable market conditions for long-term refinancing.

The loss on disposal of £95.4m included a £35.6m profit relating to the disposal of the Agribusiness Intelligence portfolio on 30 June 2019 and a £120.6m loss associated with selling the Industry & Infrastructure media brands portfolio on 9 October 2019.

Informa's updated divisional structure was launched at the start of 2019 and included new divisional names and the launch of a fifth Operating Division, Informa Tech. All five Operating Divisions posted underlying revenue growth in 2019, with Group underlying revenue growth of 3.5% and underlying profit growth of 6.5%, as shown in the following table:

	Informa Markets £m	Informa Connect £m	Informa Tech £m	Informa Intelligence £m	Taylor & Francis £m	Group £m
Revenue	**1,450.2**	**275.6**	**256.2**	**348.7**	**559.6**	**2,890.3**
Underlying revenue growth	4.3%	2.9%	2.0%	3.3%	2.4%	3.5%
Statutory operating profit	**247.1**	**22.8**	**35.9**	**68.8**	**163.5**	**538.1**
Add back:						
Intangible asset amortisation[1]	197.6	17.9	21.7	23.3	52.0	312.4
Impairment of acquisition intangibles and goodwill	4.7	–	–	–	–	4.7
Impairment right of use assets	1.4	–	–	0.9	2.3	4.6
Acquisition costs	0.7	–	2.0	0.3	0.3	3.3
Integration costs	38.6	4.6	10.2	3.0	–	56.4
Restructuring and reorganisation costs	3.0	0.2	0.6	4.8	–	8.6
Remeasurement of contingent consideration	(1.6)	1.7		3.1	–	3.2
VAT charges	1.8			–	–	1.8
Adjusted operating profit	**493.3**	**47.2**	**70.4**	**104.1**	**218.1**	**933.1**
Underlying adjusted operating profit growth	7.5%	(1.5%)	7.1%	11.3%	3.6%	6.5%

1 Intangible asset amortisation is in respect of acquired intangibles, and excludes amortisation of software and product development

Adjusted net finance costs

Adjusted net finance costs, principally consisting of interest costs on US private placement loan notes, bond and bank borrowings, increased by £29.3m to £111.7m. The increase principally reflected the full-year effect of higher average debt levels following the addition of UBM. This increased net debt by £1,211.9m, reflecting the cash consideration of £643.5m and £568.4m of net debt acquired with the business. In addition, £3.1m of increased financing related to adverse currency movements, with the remainder largely related to IFRS 16 net finance costs of £13.5m. This reflects the inclusion in net debt of leases following the adoption of IFRS 16 *Leases* on 1 January 2019 (£329.2m net IFRS 16 finance lease debt added on 1 January 2019).

The reconciliation of adjusted net finance costs to the statutory finance costs and investment income is as follows:

	2019 £m	2018 £m
Investment income	**(10.1)**	(8.7)
Finance costs	**134.1**	90.4
Add back: Adjusting items relating to investment income	**1.2**	1.7
Add back: Adjusting items relating to finance costs	**(13.5)**	(1.0)
Adjusted net finance costs	**111.7**	82.4

Taxation

Approach to tax

The Group continues to recognise that taxes paid are part of the economic benefit created for the societies in which we operate, and that a fair and effective tax system is in the interests of taxpayer and society at large. We aim to comply with tax laws and regulations everywhere the Group does business. Informa has open and constructive working relationships with tax authorities worldwide and our approach balances the interests of stakeholders including Shareholders, governments, colleagues and the communities in which we operate.

The Group's effective tax rate reflects the blend of tax rates and profits in the jurisdictions in which we operate. In 2019, the effective tax rate was 19.0% (2018: 17.9%).

The calculation of the effective tax rate is as follows:

	2019 £m	2018 £m
Adjusted tax charge	**156.1**	116.2
Adjusted profit before tax	**821.4**	649.7
Effective tax rate %	**19.0%**	17.9%

Tax payments

During 2019, the Group paid £100.6m (2018: £82.4m) of corporation and similar taxes on profits, with the increase largely reflecting the full year of tax payments relating to UBM.

A breakdown of the main geographies in which the Group paid tax is as follows:

	2019 £m	2018 £m
UK	**25.8**	39.9
Continental Europe	**10.7**	7.7
United States	**19.9**	1.7
China	**21.8**	25.2
Rest of world	**22.4**	7.9
Total	**100.6**	82.4

The reconciliation of the adjusted tax charge to cash taxes paid is as follows:

	2019 £m	2018 £m
Tax charge on adjusted profit before tax per Consolidated Income Statement	**156.1**	116.2
Movement in deferred tax including US tax losses	**(27.1)**	(5.3)
Net current tax credits in respect of adjusting items	**(20.1)**	(29.4)
Movement in provisions for uncertain tax positions	**4.3**	5.6
Taxes paid in different year to charged	**(12.6)**	(4.7)
Taxes paid per statutory cash flow	**100.6**	82.4

At the end of 2019, the deferred tax asset relating to US tax losses was £69.2m (2018: £106.0m), which is expected to be utilised against future US profits.

Goodwill is not amortised, and as a result, there is no charge to adjusting items for goodwill amortisation. However, there can be an allowable tax benefit for certain goodwill amortisation in the US and elsewhere. Where this benefit arises, it reduces the tax charge on adjusted profits.

The amortisation of intangible assets is considered an adjusting item. Therefore, the £14.4m (2018: £16.7m) of current tax credits taken in respect of the amortisation of intangible assets is also treated as an adjusting item, and is included in the current tax credits in respect of adjusting items noted above.

Tax contribution

The Group's total tax contribution, which comprises all material taxes paid to, and collected on behalf of, governments globally was £375.2m in 2019 (2018: £316.9m). The geographic split of taxes paid by our businesses was as follows:

	UK £m	**US £m**	**Other £m**	**Total £m**
Profit taxes borne	25.8	19.9	54.9	100.6
Employment taxes borne	23.4	20.8	10.6	54.8
Other taxes (e.g. business rates)	6.7	1.4	1.8	9.9
Total	55.9	42.1	67.3	165.3

In addition to the above, in 2019 we collected taxes on behalf of governments (e.g. employee taxes and sales taxes) amounting to £209.9m (2018: £177.8m).

Earnings per share

Informa delivered an increase in adjusted earnings per share (EPS) of 4.3% to 51.3p (2018: 49.2p). This reflects a 24.0% increase in adjusted earnings to £644.7m (2018: £519.8m), more than offsetting the 18.8% increase in the average number of diluted shares in issue.

Reconciliation of adjusted profit after tax and adjusted diluted earnings per share is as follows:

	2019 £m	2018 £m
Statutory profit for the year	**246.1**	221.6
Add back: Adjusting items in profit for the year	**419.2**	311.9
Adjusted profit for the year	**665.3**	533.5
Non-controlling interests	**(20.6)**	(13.7)
Adjusted earnings	**644.7**	519.8
Weighted average number of shares used in diluted EPS (m)	**1,255.7**	1,057.2
Adjusted diluted EPS (p)	**51.3p**	49.2p

Statutory profit for the year	**246.1**	221.6
Non-controlling interests	**(20.6)**	(13.7)
Statutory earnings	**225.5**	207.9
Weighted average number of shares used in diluted EPS (m)	**1,255.7**	1,057.2
Statutory diluted EPS (p)	**18.0p**	19.7p

If we were to reflect a full 12 months' ownership of UBM, related finance costs and share issuance, and remove the impact of owning the Life Sciences media brands portfolio which was sold in January 2019, pro-forma adjusted diluted EPS grew by 16.1% from 2018 (51.3p in 2019 compared with the 2018 pro-forma amount of 44.2p, see table below). See the glossary of terms for a full definition of pro-forma diluted adjusted EPS measures.

	2019 £m	2018 Pro forma £m
Adjusted profit for the year	**665.3**	533.5
Adjustment to 2018 profit (UBM and Life Sciences)	**-**	40.5
Non-controlling interests	**(20.6)**	(13.7)
Non-controlling interest adjustment (UBM and Life Sciences)	**-**	(4.8)
Adjusted earnings	**644.7**	555.5
Weighted average number of shares used in diluted EPS (m)	**1,255.7**	1,057.2
Weighted average number of shares adjustment	**-**	198.9
Adjusted diluted EPS (p)	**51.3p**	44.2p

Dividends

The Group's strong cash conversion and free cash flow generation supported further growth in dividends in 2019. The Board has proposed a final dividend of 15.95p per share (2018: 14.85p per share) representing a 7.4% increase on the final dividend in the prior year.

The final dividend is scheduled to be paid on 10 July 2020 to Ordinary Shareholders registered at the close of business on 19 June 2020. This will result in total dividends for the year of 23.5p (2018: 21.9p), a 7.3% year-on-year increase.

The growth in earnings in 2019 means dividend cover (see glossary of terms for definition) was 2.2 times (2018: 2.2 times), being adjusted diluted EPS of 51.3p (2018: 49.2p) divided by total dividends per share of 23.5p (2018: 21.90p). Our dividend payout ratio was 45.8%, being total dividends per share of 23.5p divided by adjusted EPS of 51.3p.

	2019	2018
Adjusted diluted EPS (p)	**51.3**	49.2
Dividends per share (p)	**23.5**	21.9
Dividend cover	**2.2**	2.2
Dividend payout ratio (dividends per share/adjusted diluted EPS)	**45.8%**	44.5%

In 2019 £280.0m (2018: £201.9m) of dividends were paid to external Shareholders and £17.5m (2018: £8.6m) in dividends were paid to non-controlling interests.

Balance Sheet

Details of the principal areas of our Balance Sheet are provided in Note 16 to the Consolidated Financial Statements for goodwill, Note 17 for other intangibles, Note 27 for net debt, Note 22 for deferred tax liabilities and Note 34 for retirement benefit obligations.

Currency impact

One of the Group's strengths is its international reach and balance, with businesses in most major regions. This means the Group generates revenues and costs in a mixture of currencies, with particular exposure to the US dollar and some exposure to the Euro and the Chinese renminbi.

In 2019, approximately 59% (2018: 61%) of Group revenue was received in USD or currencies pegged to USD, with 7% (2018: 6%) received in Euro and around 8% (2018: 7%) in Chinese renminbi.

Similarly, we incurred approximately 53% (2018: 53%) of our costs in USD or currencies pegged to USD, with 3% (2018: 2%) in Euro and around 7% (2018: 6%) in Chinese renminbi.

Each one cent ($0.01) movement in the USD to GBP exchange rate has a circa £13m (2018: £11m) impact on annual revenue, and a circa £5m (2018: circa £4m) impact on annual adjusted operating profit.

For the purposes of testing Informa's leverage in accordance with the Group's bank covenants, both profit and net debt are translated using the average exchange rate during the relevant period.

The following rates versus GBP were applied during the period:

	2019		2018	
	Closing rate	**Average rate**	Closing rate	Average rate
US dollar	**1.32**	**1.28**	1.27	1.33
Euro	**1.17**	**1.14**	1.11	1.13
Chinese renminbi	**9.17**	**8.80**	8.73	8.82

Free cash flow

Cash generation remains a key priority and focus for the Group, providing the funds and flexibility for paying down debt, future organic and inorganic investment, and consistent Shareholder returns. Our businesses typically convert adjusted operating profit into cash at an attractive rate, reflecting the relatively low capital intensity of the Group.

The following table reconciles statutory operating profit to free cash flow. See glossary of terms for the definition of free cash flow.

	2019 £m	2018 £m
Statutory operating profit	**538.1**	363.2
Adjusting items	**395.0**	368.9
Adjusted operating profit	**933.1**	732.1
Depreciation of property and equipment	**17.2**	13.1
Depreciation of right of use assets[1]	**33.1**	-
Software and product development amortisation	**41.9**	42.5
Share-based payments	**10.4**	8.1
Pension curtailment gain	**–**	(0.8)
Adjusted share of joint venture and associate results	**(1.5)**	(1.0)
Adjusted EBITDA[2]	**1,034.2**	794.0
Net capital expenditure	**(49.8)**	(59.4)
Working capital movement[3]	**(13.6)**	(62.3)
Pension deficit contributions	**(5.4)**	(4.4)
Operating cash flow	**965.4**	667.9
Restructuring and reorganisation	**(9.9)**	(18.1)
Net interest[4]	**(132.8)**	(64.2)
Taxation	**(100.6)**	(82.4)
Free cash flow	**722.1**	503.2

1 Right of use assets arise on the adoption of IFRS 16 *Leases* from 1 January 2019
2 Adjusted EBITDA represents adjusted operating profit before interest, tax, and non-cash items including depreciation and amortisation
3. Working capital movement excludes movements on restructuring, reorganisation, acquisition and integration accruals
4 Amount includes £13.5m of make-whole interest related to the early refinancing of bond and private placement debt

Our focus on cash generation led to a consistently strong operating cash conversion in 2019 of 103.5% (2018: 91.2%).

The calculation of operating and free cash flow conversion is as follows:

	Operating cash flow		Free cash flow	
	2019 £m	2018 £m	**2019 £m**	2018 £m
Operating cash flow/Free cash flow	**965.4**	667.9	**722.1**	503.2
Adjusted operating profit	**933.1**	732.1	**933.1**	732.1
Operating cash conversion	**103.5%**	91.2%	**77.4%**	68.7%

Net capital expenditure was £49.8m (2018: £59.4m), equivalent to 1.7% of 2019 revenue (2018: 2.5%). We expect full-year 2020 capital expenditure to be around 3% of revenue.

The working capital outflow of £13.6m was a £48.7m improvement on the £62.3m outflow in 2018. The smaller outflow in 2019 reflects a more normal performance after the prior year was impacted by the timing of the combination with UBM part-way through 2018.

Net cash interest payments were £132.8m. This was a £68.6m increase on the prior year, largely reflecting the full-year effect of the additional debt to acquire UBM.

The following table reconciles net cash inflow from operating activities, as shown in the Consolidated Cash Flow Statement to free cash flow:

	2019 £m	2018 £m
Net cash inflow from operating activities per statutory cash flow	**719.6**	486.3
Interest received	**5.5**	2.1
Purchase of property and equipment	**(17.5)**	(23.4)
Proceeds on disposal of property and equipment	**–**	0.4
Purchase of intangible software assets	**(25.3)**	(30.2)
Product development cost additions	**(7.0)**	(6.2)
Add back: Acquisition and integration costs paid	**46.8**	74.2
Free cash flow	**722.1**	503.2

Net cash inflow from operating activities increased by £233.3m to £719.6m, principally driven by the growth in adjusted operating profit.

The following table reconciles cash generated by operations, as shown in the Consolidated Cash Flow Statement, to operating cash flow shown in the free cash flow table above:

	2019 £m	2018 £m
Cash generated by operations per statutory cash flow	**958.5**	635.0
Net Capex paid	**(49.8)**	(59.4)
Add back: Acquisition and integration costs paid	**46.8**	74.2
Add back: Restructuring and reorganisation costs paid	**9.9**	18.1
Operating cash flow per free cash flow statement	**965.4**	667.9

The following table reconciles free cash flow to net funds flow and net debt, with net debt reducing by £24.3m to £2,657.6m during the year, including a £325.6m reduction in net debt before the adoption of IFRS 16 *Leases*. Net debt increased by £329.2m due to the introduction of IFRS 16, partly offset by favourable movement in the USD to GBP exchange rates. As the majority of our net debt is US dollar-denominated or swapped into USD (86.5% of net debt), the weakening of the USD against GBP reduced our net debt by £87.4m.

	2019 £m	2018 £m
Free cash flow	**722.1**	503.2
Acquisitions	**(311.1)**	(697.8)
Disposals	**179.3**	7.4
Dividends paid to Shareholders	***(280.0)***	(201.9)
Dividend paid to settle UBM acquisition liability	**–**	(59.0)
Dividends paid to non-controlling interests	**(17.5)**	(8.6)
Net share (purchase)/proceeds	**(15.9)**	2.0
Net funds flow	***276.9***	(454.7)
Borrowings acquired with acquisition of UBM	**–**	(702.6)
Non-cash movements	**5.7**	(0.6)
Foreign exchange	**87.4**	(150.9)
Net debt b/f	**(2,681.9)**	(1,373.1)
Net finance lease additions in the year	**(16.5)**	–
IFRS 16 leases at 1 January 2019	**(343.6)**	
IFRS 16 finance lease receivable at 1 January 2019	**14.4**	–
Net debt	**(2,657.6)**	(2,681.9)

Financing and leverage

The Group's consistent growth, high levels of cash conversion and strong free cash generation provide significant flexibility for investment, expansion and returns. This underpins our strong and flexible Balance Sheet, helping us to meet our leverage target for 2019, with net debt to EBITDA ending the year at 2.5 times. This equated to net debt of £2.7bn or £2.4bn on a pre-IFRS 16 basis at 31 December 2019 (2018: £2.7bn), with our robust and flexible financing framework providing unutilised committed financing facilities of £843.1m (2018: £776.5m).

On 15 February 2019 the Group negotiated a new revolving credit facility (RCF) with two tranches: £600m for a five-year term to February 2024 and £300m for a three-year term to February 2022. On 24 January 2020 both tranches of RCF were extended by one further year, to February 2025 and February 2023 respectively.

On 22 October 2019 the Group took advantage of favourable financing market conditions to issue €500.0m of new Euro Medium Term Note (EMTN) loan notes, with maturities of eight years and six months (maturing on 22 April 2028). These loan notes were swapped into USD and used to prepay bond and private placement debt that was due to mature in 2020. In November 2019 we repaid the $350m bond due to mature in November 2020 and in December 2020, we also repaid $185m of private placement debt due to mature in December 2020. On 24 February 2020 we made an early repayment to the holders of the remaining $200.5m private placement debt maturing in December 2020.

In addition, in 2020, we secured a surplus, committed credit facility of £750m which will provide full flexibility through the current period of market volatility.

Following the proactive management of our financing structure, the Group's average maturity on our drawn borrowings is currently 5.6 years (5.5 years as at 31 December 2019), with no borrowing maturities until June 2022.

	31 December 2019 £m	31 December 2018 £m
Cash and cash equivalents	**(195.1)**	(168.8)
Bank overdraft	**–**	43.9
Private placement loan notes	**1,212.8**	1,396.4
Private placement fees	**(2.7)**	(3.4)
Bond borrowings	**1,279.1**	1,163.0
Bond borrowing fees	**(11.0)**	(7.4)
Bank borrowings – revolving credit facility (RCF)	**56.9**	78.5
Bank borrowings – term loan facility	**–**	156.9
Bank loan fees	**(2.2)**	(0.9)
Derivative assets associated with borrowings	**(3.9)**	(1.5)
Derivative liabilities associated with borrowings	**22.4**	25.2
Net debt before leases	**2,356.3**	2,681.9
Finance lease liabilities	**316.6**	
Finance lease receivables	**(15.3)**	
Net debt	**2,657.6**	2,681.9
Borrowings (excluding derivatives, leases, fees and overdrafts)	**2,548.8**	2,794.8
Unutilised committed facilities (undrawn portion of RCF)	**843.1**	776.5
Total committed facilities	**3,391.9**	3,571.3

There are no financial covenants on our debt facilities other than for our US private placement loan notes in issue at 31 December 2019 where the principal financial covenants are a maximum leverage ratio of 3.5 times and a minimum interest cover of 4.0 times, tested semi-annually.

At 31 December 2019, the leverage ratio was 2.5 times (31 December 2018: 2.9 times), calculated in accordance with our note purchase agreements, with net debt on a pre-IFRS 16 basis and using average exchange rates to translate net debt and including a full year's trading for acquisitions completed during 2019. The interest cover ratio was 9.4 times (31 December 2018: 9.5 times). See the glossary of terms for the definition of leverage ratio and interest cover.

	2019 £m	2018 £m
Net debt	**2,657.6**	2,681.9
Adjusted EBITDA	**1,034.2**	794.0
Leverage ratio reported value	**2.6**	3.4
Leverage ratio covenant EBITDA adjustment to ratio[1]	**0.2**	(0.3)
Adjustment to ratio for net debt covenant adjustment[1]	**(0.3)**	(0.2)
Leverage ratio per debt covenants	**2.5**	2.9

1. Refer to the glossary of terms for details of the nature of adjustments to EBITDA and net debt for leverage ratio

The calculation of the interest cover is as follows:

	2019 £m	2018 £m
Adjusted EBITDA	**1,034.2**	794.0
Adjusted net finance costs	**111.7**	82.4
Interest cover reported value	**9.3**	9.6
Interest cover covenant EBITDA adjustment ratio[1]	**0.1**	(0.1)
Interest cover per debt covenant	**9.4**	9.5

1 *Refer to the glossary of terms for details of the nature of debt covenant adjustments to EBITDA for interest cover*

Corporate development
Informa has a proven track record in creating value through identifying, executing and integrating complementary businesses effectively into the Group, and we continue to target attractive businesses in specialist markets. In 2019, cash invested in acquisitions was £311.1m (2018: £697.8m), with £232.1m relating to acquisitions (2018: £623.6m), £46.8m (2018: £74.2m) relating to acquisition and integration costs and £32.2m relating to the cash settlement on the exercise of an option relating to minority interests in certain Fashion shows in the US. Net proceeds from disposals amounted to £179.3m (2018: £7.4m).

Acquisitions
On 4 January 2019 the Group acquired the Centre for Asia Pacific Aviation Pty Ltd (CAPA) for cash consideration of £15.0m (AUD 24.8m), net of cash acquired. The business forms part of the specialist Aviation portfolio in **Informa Markets**.

On 1 August 2019 the Group acquired the TMT Research and Intelligence portfolio from IHS Markit for £123.3m consideration. This business forms part of **Informa Tech** and its newly launched Omdia business.

Disposals
Through the Progressive Portfolio Management programme within the *AIP*, the Group made several divestitures during 2019, leaving us more focused on specialist markets with the strongest future growth prospects for our brands.

This included the sale of the Life Sciences media brands portfolio, completed on 31 January 2019, for a consideration of £79.3m, with £67.3m received in cash and £12.0m of deferred consideration. The profit on disposal was £10.8m.

On 30 June 2019 we completed the sale of the Agribusiness Intelligence portfolio within **Informa Intelligence** to IHS Markit. This was sold for cash consideration of £102.8m and completed on 30 June 2019, with a profit on disposal of £35.6m.

On 9 October 2019 the Group completed the divestiture of the Industry & Infrastructure media brands portfolio for a consideration of £42.4m, including £12.3m cash consideration, recording a loss on disposal of £120.6m.

On 15 November 2019 the Group sold a small portfolio of non-core US event brands, which were part of **Informa Markets**. The consideration was £6.6m, and the loss on disposal was £13.3m.

Pensions
The Group continues to meet all commitments to its pension schemes, which consist of six defined benefit schemes. At 31 December 2019, the Group had a net pension liability of £30.1m (31 December 2018: £33.0m), represented by a pension deficit of £35.0m (31 December 2018: £37.5m) and a pension surplus of £4.9m (31 December 2018: £4.5m). Gross liabilities were £730.8m at 31 December 2019 (31 December 2018: £679.2m).

The net deficit remains manageable and relatively small compared with the size of the Group's Balance Sheet. All schemes are closed to future accrual and the Group expects to make £4.9m of employer deficit payments during 2020.

Restatement of 2018 results
The segmental Income Statement for the year ended 31 December 2018 has been reclassified to align with the updated divisional structure effective from 1 January 2019. See Note 6 to the Consolidated Financial Statements for restated business segment amounts for 2018.

In 2019 we completed the fair value exercise under IFRS 3 in relation to the 15 June 2018 acquisition of UBM plc. See Note 4 to the Consolidated Financial Statements for further details.

New accounting standards
The only material financial impact from new accounting standards in 2019 is from the adoption of IFRS 16 *Leases* on 1 January 2019.

IFRS 16 *Leases* replaces the existing leasing standard, IAS 17 *Leases*. It treats all leases in a consistent way, eliminating the distinction between operating and finance leases, and has required lessees to recognise all leases on the Balance Sheet, except for low value leases and those with a term of less than 12 months. The most significant effect of the new standard has been the recognition in the Balance Sheet of 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 finance costs).

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

At 1 January 2019 the adoption of IFRS 16 resulted in the Group recognising right of use assets of £295.3m, finance lease receivables of £14.4m and lease liabilities of £343.6m. There is also a reduction of £2.7m for prepaid rental amounts which are netted against the right of use assets, a reduction of £41.7m to liabilities for property provisions and deferred rent-free amounts netted against the right of use assets, and an increase in deferred tax liabilities of £1.0m.

The impact of IFRS 16 for the year ended 31 December 2019 increases adjusted operating profit by £6.5m, reflecting the removal of IAS 17 operating lease expenses of £39.6m and replacing this with IFRS 16 depreciation of £33.1m. Adjusted profit before tax decreases by £7.0m, reflecting the adjusted operating profit change together with the IFRS 16 net finance expense of £13.5m (£14.3m finance costs and £0.8m investment income), and the adjusted tax impact of the change of £1.3m, resulting in adjusted profit after tax decreasing by £5.7m and a decrease to 2019 adjusted diluted earnings per share of 0.45p. The impact on 2019 statutory profit before tax was a decrease of £11.6m reflecting the £7.0m adjusted profit before tax decrease and the impairment of right of use assets of £4.6m.

In the Consolidated Cash Flow Statement there is no impact on the total change in cash and cash equivalents. Under IFRS 16 the repayment of lease liabilities is included in financing activities and interest on IFRS 16 leases is shown in operating activities, whereas under IAS 17 lease rental payments were in operating activities. The impact of IFRS 16 on the 2019 Consolidated Cash Flow Statement increases the cash inflow from operations by £39.6m and increases net interest paid by £13.5m.

Gareth Wright
Group Finance Director
9 March 2020

Progress and performance: The Chairman's review of 2019

Derek Mapp
Chairman

Dear Shareholder

I would like to start by thanking all Shareholders for their continued support during 2019, as Informa sought to deliver on its ambitions and commitments for the year.

Your Board remains focused on its role in building a Group that delivers consistent growth and performance and in supporting and contributing to the Company's long-term sustainable success. Such growth and performance can only be achieved when the current and future needs of colleagues, customers and Shareholders are fully understood and incorporated into the Company's way of working, and when these groups, as well as suppliers, business partners and wider communities, are able to share the benefits of the Company's success.

Long-term sustainable success is also based on robust governance and oversight, a strong culture and forward-looking drive and ambition. Your Board believes Informa has these qualities in abundance, and, as every year, hopes this is ably demonstrated and brought to life through the data, information and commentary within this Annual Report.

Business progress and reporting updates

As set out in my introduction on pages 4 to 7, 2019 was another busy, productive and successful year for the Informa Group.

The Company maintained its track record of consistent performance with a sixth consecutive year of growth in revenues, profits, earnings and cash flow, leading the Board to propose a final dividend of 15.95p per share, an increase of 7.4% on 2018.

Informa successfully delivered its first full year of trading as an enlarged Group, and the Board believes the Company is well placed to make the most of its expanded footprint, updated structure and deeper connections within specialist markets.

Shareholders may be aware that the UK Corporate Governance Code was recently updated (2018 Code), and as such, the 2019 Annual Report has been prepared in accordance with the 2018 Code, its principles and provisions.

The 2018 Code puts additional emphasis on describing how companies engage with stakeholders, including shareholders, colleagues, customers and suppliers. Your Board strongly agrees with the 2018 Code's starting point: that companies do not exist in isolation and have an important role to play in society, as well as a responsibility to maintain mutually beneficial relationships with stakeholders. Informa's culture is based on open engagement and discussion, and on working in a way that earns trust and builds successful partnerships.

The Board plays an important role in monitoring this culture and ensuring it is also reflected in how we work. We are pleased to provide more detail on how this is conducted in both the Strategic and Directors' Reports, including our Section 172 statement on page 52. This statement sets out who Informa's key stakeholders are, what is important to them, how we engage and respond to and act on what we learn, and how the Board acts in a way that has regard for each group, fairly and responsibly balancing their interests.

An informed and engaged Board culture

Informa PLC's Board sets the tone for the Group's overall direction, providing guidance and advice to management along with challenge where appropriate, and closely scrutinising significant business decisions and investments. In this way, the Board's governance and our conduct and engagement contribute to the delivery of the Group's strategy.

As Chairman I am responsible for the overall effectiveness of the Board and aim to ensure there is a constructive relationship with management, allowing each Director to fully contribute to Board discussion, debate and decision making.

At Informa there is a clear governance structure for decision making, summarised on page 112. We reserve sufficient time to discuss key matters at Board meetings as well as allowing informal exchanges at other times. Board decisions are made collectively following input from each Director.

Discussions are engaged and dynamic, based on each Director taking the time to understand the business, its position and prospects, including through meeting management teams, colleagues and Shareholders, and receiving updates and reports on important matters.

We believe, as shown by our annual Board evaluations, that all Directors have the capacity to meet their commitments, are always available to deal with Company matters and are fully aware of their duties, discharging them with due care and attention.

Understanding Shareholder priorities

As in previous years, during 2019 we were very grateful for the time taken by many Shareholders to engage with us in open discussions.

These engagements took place through formal events and programmes, as well as informally, through individual correspondence and meetings. We undertake a Chairman's Annual Shareholder Roadshow every January, proactively reaching out to our major investors. In 2019, this saw several Board colleagues join me in meeting 25 institutions representing over 60% of our equity.

In May, several Board Directors also attended the Group's 2019 Investor Day, joining more than 100 analysts and investors for a day of product demonstrations, colleague panel discussions and divisional presentations.

The Board continues to value this regular two-way exchange of thoughts and ideas on wide-ranging topics, including leadership, strategy, international expansion, capital allocation, governance and remuneration, to name a few. These conversations have helped to guide our thinking and decision making in a number of areas over the year.

Each of the Directors is available to meet with Shareholders and receives regular reports and verbal updates on the Company's Investor Relations programme, as described on pages 46 and 47.

The Annual General Meeting (AGM) always provides a good opportunity to meet some Shareholders and Board members also often attend scheduled results presentations. At the 2019 AGM, we noted that a minority of Shareholders voted against the re-election of Stephen Davidson, one of our Non-Executive Directors. Following further engagement and feedback from Shareholders, steps have been taken to address some concerns that were expressed about the balance of his work commitments and details are set out on page 115.

Working alongside colleagues

One of the most pleasing developments in 2019 was the Group's work to articulate its business purpose as an enlarged Company, and to refresh its guiding principles, in what we call the Informa Constitution.

A consistent, supportive and dynamic culture, combined with a clear expression of why the Company exists, is a fundamental ingredient in how well any company can perform. This is even more true at Informa, which is, at heart, a people business, built on what colleagues bring to work and contribute every day.

The Heart of Informa section on pages 34 to 51 explores this further and details the Constitution and Informa's culture. The Board provided input and received regular updates on this work prior to its launch and continues to monitor the programme, as well as the many indicators of culture that there are, such as the level of colleague engagement.

We consider Informa's workforce to be any colleague who works in the Group, whether on a full or part time basis, from an office or from home, and we give consideration to temporary and contract-based colleagues as well as permanently employed colleagues. As shared in last year's Annual Report, Helen Owers is the Non-Executive Director with designated responsibility for colleague engagement, although it remains an important matter for every Board member. During 2019, Helen worked closely with our HR, Communications and Company Secretarial teams to build on the ways in which our Board already engaged within Informa, to better understand the views of our colleagues and to assess the results.

There is no better way to understand the views of colleagues than through meeting people directly, and the Directors continue to build this into their schedules and responsibilities. We continue to rotate Board meetings around Informa's office locations as a way to meet a range of colleagues, and in 2019 we held town hall events in London, Oxford and Hong Kong as part of this programme. The agenda is largely based on an open, ask-any-questions approach and I would like to thank colleagues for the frank and open discussions and for taking the time to participate.

At the Board meeting in Hong Kong, we also had the opportunity to visit the September Hong Kong Jewellery and Gem Fair, one of the Group's key exhibition brands in Asia. The Board took the opportunity provided to speak to customers and business partners, adding an extra element of direct engagement with some of our most important stakeholders.

A consistent, supportive and dynamic culture is a fundamental ingredient in how well any company can perform

The Board's relationship with the Group's Senior Management is of particular importance. As Chairman, I have weekly discussions and ongoing exchanges with the Group Chief Executive alongside more formal updates. We also continue to invite members of the wider executive and divisional management teams to present to the Board and to join Directors in more informal settings, to fully understand the latest developments and provide input.

Board developments and transition

Last year's Annual Report underlined the importance of stability and consistency in leadership and the Board, at a time when Informa was completing its acquisition of UBM and embarking on a one-year *Accelerated Integration Plan* (*AIP*) to create a combined, stronger business.

The Group completed the *AIP* in the middle of 2019 and is now moving to a new phase of growth and growth enhancement, and consequently it is an appropriate time for the composition of the Board to evolve and support this transition.

At the time of the acquisition, Greg Lock, Mary McDowell and David Wei joined us from the Board of UBM. With the *AIP* starting to draw to a close and the enlarged Group functioning and operating as one business, Greg and David did not seek re-election at the 2019 AGM. I would like to thank them for their contributions through a key period for the enlarged Group, particularly Greg in his guidance to me as Deputy Chairman. Cindy Rose also chose not to seek re-election having completed her six-year term on the Informa Board. She stepped down with our best wishes and appreciation for her expertise and guidance over the years.

To maintain the balance of skills and capabilities available to the Board, we were delighted to welcome Gill Whitehead as a new Non-Executive Director in August 2019. Gill brings significant experience of businesses and markets where digital, data and analytics play critical roles, and her contributions have already been of great benefit.

Details of Gill's appointment and the induction programme delivered to ensure she was well placed to fully participate in the Board on appointment are included later in this report.

It was also announced at the start of 2020 that the Board, led by the Senior Independent Director, Gareth Bullock, and on behalf of the Nomination Committee, had started a process to identify a successor for my role.

Having served a full term as Chairman of the Group, and with the *AIP* now complete, it is an appropriate time for this process to commence. A successor is expected to be in place by the end of 2020, following a suitable handover period.

It has been my pleasure to serve the interests of all Informa stakeholders over the last decade, and to get to know so many investors and colleagues in the Group as well as some of the customers and business partners with whom we work so closely.

Prospects and performance

It is the Board's view, as well as my personal view, that Informa's long-term prospects are bright. The Group's portfolio of specialist brands, growing international reach and depth of talent provide a strong platform for the future. In the short term, whilst our subscription-related businesses continue to grow consistently, our events-related businesses will see a 2020 impact from COVID-19, as is discussed elsewhere in this report.

Your Board will continue to closely monitor the Group's progress as it pursues these ambitions, ensuring it maintains financial discipline and meets its commitments to financial targets, and its broader set of goals, such as in sustainability.

I would like to thank fellow Board members for their support and input over the last 12 months, and the Informa management team and all colleagues across the Group for their continued commitment and efforts in building a strong and successful business, and a Company that is such a pleasure to be a part of.

Derek Mapp
Chairman
9 March 2020

Compliance statement

Informa's Board is accountable to the Group's Shareholders for its standards of governance and is committed to the principles of corporate governance set out in the Financial Reporting Council (FRC) 2018 UK Corporate Governance Code (2018 Code), available on the FRC website at www.frc.org.uk.

The Board is pleased to report that during 2019, Informa applied all the principles of the 2018 Code. The following pages summarise how Informa has applied the principles, with further detail provided in the Audit Committee, Nomination Committee and Remuneration Committee Reports, as well as where indicated within the Strategic Report.

During 2019, Informa also complied with all provisions of the 2018 Code, with the exception of Provision 19, which states that the Chairman should not remain in post beyond nine years. As described in the 2018 Annual Report, following the combination with UBM, the Board felt that stability and continuity in leadership through the first 12 months was key to the success of the *Accelerated Integration Plan* and supported by shareholders.

With the *AIP* complete and the Group operating as one business, on 7 January 2020, we announced that a process was now underway to identify a successor. A new Chairperson is expected to be in place by the end of 2020, after a suitable handover period.

The Audit Committee has been provided with suitable supporting material to review the Annual Report and has provided assurances for the Board to confirm that, taken as a whole, the Annual Report is fair, balanced and understandable. The Board also confirms that the Annual Report contains sufficient information for Shareholders to assess the Company's performance, business model and strategy.

Strength in depth

Derek Mapp
Chairman
Chairman of the Nomination Committee

Date of appointment: March 2008

Skills and experience: Derek is an experienced Chairman and entrepreneur who brings an abundance of commercial and governance experience to the Group. He joined Taylor & Francis in 1998 as a Non-Executive Director before becoming a Non-Executive Director at Informa in 2004 and Chairman in 2008.

Derek won the Quoted Companies Non-Executive Director of the Year award in 2017 for his work as Chairman of Huntsworth PLC, from which position he retired in March 2019. He founded and was Managing Director of several businesses including Tom Cobleigh PLC and Imagesound PLC. He has a keen interest in sports and served as Chairman of the British Amateur Boxing Association.

Other current appointments: Derek is Chairman of Mitie Group PLC and a private company.

Stephen A. Carter CBE (Lord Carter)
Group Chief Executive

Date of appointment: September 2013

Skills and experience: Stephen was appointed Group Chief Executive of Informa in 2013 after serving as a Non-Executive Director from 2010.

Stephen formerly held senior positions in Media and Technology businesses including President and Managing Director EMEA of Alcatel Lucent Inc. and Managing Director and COO of ntl. In the public sector, Stephen was the founding CEO of Ofcom before serving as Chief of Strategy to Prime Minister, The Right Hon. Gordon Brown, and as Minister for Telecommunications and Media. In 2007 Stephen was awarded a CBE for services to the Communications industry. He was made a Life Peer in 2008.

Other current appointments: Stephen is a Non-Executive Board member of United Utilities PLC and the Department for Business, Energy & Industrial Strategy as well as Chairman of the Henley Music Festival.

Gareth Wright
Group Finance Director

Date of appointment: July 2014

Skills and experience: Gareth has extensive Senior Executive experience in finance roles. He has held various roles within Informa since joining in 2009, including Deputy Finance Director and Acting Group Finance Director, prior to his appointment as Group Finance Director in July 2014.

Gareth previously held a range of positions at National Express Group PLC including Head of Group Finance and Acting Group Finance Director. He qualified as a chartered accountant with Coopers & Lybrand (now part of PwC), and worked in its audit function from 1994 to 2001.

Other current appointments: Gareth has no current external appointments.

Gareth Bullock
Senior Independent Non-Executive Director

Date of appointment: January 2014

Skills and experience: *Gareth brings over 40 years'* experience in the financial services industry. He retired from the Board of Standard Chartered PLC in 2010, where he was responsible for Africa, the Middle East, Europe and the Americas as well as chairing Risk and Special Assets Management. He has both wide functional and international experience, having been Head of Corporate Banking in Hong Kong, CEO Africa, Group Chief Information Officer and Head of Strategy. He has significant industrial and retail board experience both in the UK and China.

Gareth has held numerous board positions, inter alia, Tesco PLC, Spirax Sarco Engineering PLC, Fleming Family & Partners Ltd, British Bankers' Association and Global Market Group Ltd (in China).

Gareth holds an MA from St Catharine's College, Cambridge University.

Other current appointments: Gareth is Chairman of The Development Bank of Wales PLC.

Stephen Davidson
Non-Executive Director
Chairman of the Remuneration Committee

Date of appointment: September 2015

Skills and experience: Stephen brings extensive media, telecommunications, corporate and financial market experience to the Informa Board having previously been Chief Financial Officer and Chief Executive of Telewest, Executive Chairman of Mecom Group PLC and Vice-Chairman of Investment Banking at WestLB.

Stephen has held various positions in both industry and investment banking throughout his career. He has also held numerous Chairman and Non-Executive positions on the boards of Media, Telecoms and Technology companies.

Stephen holds an MA from the University of Aberdeen.

Other current appointments: Stephen is currently Chairman of Datatec Limited and Actual Experience PLC, having stepped down as Chairman and as a Non-Executive Director of RBG Holdings PLC on 24 January 2020.

Helen Owers
Non-Executive Director

Date of appointment: January 2014

Skills and experience: Helen has extensive international Senior Executive experience within the Media sector, notably in business information from her role as President of Global Businesses and Chief Development Officer with Thomson Reuters.

Helen previously worked as a Media and Telecoms strategy consultant at Gemini Consulting and has expertise in professional publishing having worked at Prentice Hall.

Helen holds an MBA from IMD Business School and a BA from the University of Liverpool.

Other current appointments: Helen is Non-Executive Director of PZ Cussons PLC and Eden Project International Limited and an independent Governor of Falmouth University.

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Mary McDowell
Non-Executive Director

Date of appointment: June 2018

Skills and experience: Mary joined the Board in June 2018 having previously been a Non-Executive Director of UBM plc. She has experience as a technology company CEO and has led both enterprise and consumer divisions of multinational companies in the Technology industry.

Mary was CEO of Polycom from 2016 until its acquisition by Plantronics in 2018. Previously she was an Executive Partner at Siris Capital LLC following nine years spent at Nokia, most recently as Executive Vice President in charge of Nokia's Mobile Phones (feature phones) unit. Before joining Nokia, Mary served 17 years at HP-Compaq, including five years as SVP and General Manager in charge of the company's industry-standard server business.

Other current appointments: Mary was appointed as President and CEO of Mitel Networks Corporation in October 2019 and is a Non-Executive Director and Chair of the Compensation Committee at Autodesk, Inc.

David Flaschen
Non-Executive Director

Date of appointment: September 2015

Skills and experience: David has over 20 years of executive and leadership experience in the Information Services industry, including roles at Thomson Financial and Dun & Bradstreet.

David has significant expertise in online companies having held Non-Executive Directorships at TripAdvisor Inc. and BuyerZone.com amongst others. He is a frequent speaker on corporate governance having been cited as one of 10 Next Generation of Directors by Corporate Board Member Magazine.

A professional football player, David was a founding member of the Executive Committee of the North American Soccer League Players Association. He holds an MBA from Wharton School, University of Pennsylvania.

Other current appointments: David is Non-Executive Director and Audit Committee Chair at Paychex Inc.

Committee membership

Audit
John Rishton (Chairman)
Gareth Bullock
David Flaschen
Gill Whitehead

Nomination
Derek Mapp (Chairman)
Gareth Bullock
Stephen Davidson
David Flaschen
Mary McDowell
Helen Owers
John Rishton
Gill Whitehead

Remuneration
Stephen Davidson (Chairman)
Gareth Bullock
Mary McDowell
Helen Owers

John Rishton
Non-Executive Director
Chairman of the Audit Committee

Date of appointment: September 2016

Skills and experience: John brings significant international experience to Informa. He was Chief Executive Officer of Rolls-Royce Group PLC from 2011 to 2015, having been a Non-Executive Director since 2007. Before joining Rolls-Royce, John was Chief Executive and President of the Dutch international retailer, Royal Ahold NV, and, prior to that, Chief Financial Officer. He also formerly held the position of Chief Financial Officer of British Airways PLC.

John is a Fellow of the Chartered Institute of Management Accountants.

Other current appointments: John is a Non-Executive Director at Unilever, Serco Group PLC and Associated British Ports Holdings Ltd.

Gill Whitehead
Non-Executive Director

Date of appointment: August 2019

Skills and experience: Gill joined the Board in August 2019, bringing significant digital, data and analytics experience to the Group. She was Senior Director of Client Solutions & Analytics, at Google UK for three years, where she led teams in data analysis, measurement, user experience, consumer segmentation and insights. She is currently undertaking an MSc in Social Sciences of the Internet at the University of Oxford's Internet Institute.

Previously Gill worked at Channel Four and BBC Worldwide in a range of strategy leadership and technology-driven roles. She began her career at the Bank of England and then at Deloitte Consulting. Gill was a Non-Executive Director at the Financial Ombudsman Service from 2015 to 2018.

Gill is a Fellow of the Institute of Chartered Accountants and holds a BSc from the University of Nottingham.

Other current appointments: Gill is a Non-Executive Director of Camelot, operator of the UK National Lottery.

Corporate governance

Informa PLC is the ultimate holding company of the Group and is controlled by its Board of Directors. This report has been prepared in accordance with the 2018 Code and the Company's statement of compliance is on page 109.

Corporate governance framework and reporting structure

This report explains the role and function of the Board which has three standing Committees and has delegated certain responsibilities to them. Details of these responsibilities and the Committees' activities during 2019 are on the following pages.

Nomination Committee	Pages 122 to 124
Audit Committee	Pages 126 to 130
Remuneration Committee	Pages 131 to 143

The Company has an established governance structure that enables the Board to focus on the key areas of responsibility that affect the long-term sustainable success of the business.

Board of Directors

The Board sets overall strategy with a view to promoting the long-term sustainable success of the business, determines the risks faced by the business, gauges the level of risk it is prepared to take to achieve its strategy and ensures that systems of risk management and control are in place. It provides leadership and governance for the Company as a whole, having regard to the views of Shareholders as well as other stakeholders.

Certain matters are reserved for the Board's approval, with others delegated to Board or management Committees as appropriate. Full details are on the Informa website.

Audit Committee

Oversees financial and narrative reporting, provides assurance on the effectiveness of internal controls, risk management systems and audit processes, and reviews the effectiveness and objectivity of external and internal auditors.

Nomination Committee

Leads the process for Board appointments and succession planning, and ensures that the Board and Senior Management have appropriate skills, knowledge and experience to operate effectively and deliver strategy and reports on diversity.

Remuneration Committee

Approves the Executive Directors' Remuneration Policy, sets the remuneration of the Chairman, Executive Directors and Senior Management, and approves annual and long-term performance objectives and awards.

Group Chief Executive

Overall responsibility for day-to-day management of the business and implementing the approved strategy. Financial matters are managed by the Group Finance Director.

Executive Management Team

Manages all operational aspects of the Group under the direction and leadership of the Group Chief Executive. Membership comprises both Executive Directors, CEOs of the Group's five Operating Divisions and key central Group functions.

Management Committees

Risk Committee

Treasury Committee

Leadership and purpose

The role of the Board

The Board's role continues to be to provide leadership to the Company and to deliver value for Shareholders and the Group's other stakeholders over the long term. The Board sets the Company's purpose, values and standards, making sure they lead by example, acting with integrity and aligning the Group's strategic aims and the desired business culture. The Board also ensures that the Company's obligations to its Shareholders and other stakeholders, including colleagues, suppliers, customers and the environment in which the business operates, are clearly understood.

The Board has overall responsibility for the management and oversight of the Group and its activities, providing effective and entrepreneurial leadership within a control framework. It is responsible for approving the Group's strategic objectives and ensuring that the necessary financial and human resources are made available to meet them. Through the Audit Committee, the Board also reviews the Company's risk management and internal control systems on an ongoing basis.

The Board maintains a schedule of matters reserved for its decision, which include:

- Approval of the Company's strategic objectives and overseeing their delivery
- Assessment and monitoring of the Company's culture to ensure alignment with its purpose, values and strategy
- Changes to the structure, size and composition of the Board following recommendations from the Nomination Committee
- Determining the Remuneration Policy for the Directors, Company Secretary and Senior Management
- Approval of significant investments/divestments
- Approval of the Company's full-year and half-year financial results and the Annual Report and Accounts
- Setting the dividend policy, approval of the interim dividend and recommending the final dividend to Shareholders
- Appointment, reappointment and removal of the Company's external auditor (subject to Shareholder approval)
- Setting the Company's risk management strategy and maintaining a sound system of internal controls
- Determining appropriate methods of engagement with Informa's colleagues

As set out in the Chairman's introduction, Informa's Board has a culture that reflects that of the Company. The Chairman encourages full participation, open engagement and constructive debate and discussion from each Director, with collaborative decision making. The Chairman arranges informal meetings and events throughout the year to help build productive relationships between members of the Board and with the Senior Management team.

The table below sets out details of each Director's attendance at Board meetings during 2019 and the changes that took place to Board membership:

	Board meetings	Audit Committee meetings[1]	Remuneration Committee meetings	Nomination Committee meetings
Derek Mapp	6/6	n/a	n/a	4/4
Stephen A. Carter	6/6	n/a	n/a	n/a
Gareth Wright	6/6	n/a	n/a	n/a
Gareth Bullock	6/6	4/4	3/3	4/4
Stephen Davidson	6/6	n/a	3/3	4/4
David Flaschen	6/6	4/4	n/a	4/4
Mary McDowell	6/6	n/a	3/3	4/4
Helen Owers	6/6	n/a	3/3	4/4
John Rishton	6/6	4/4	n/a	4/4
Gill Whitehead[2]	3/3	1/1	n/a	1/1
Greg Lock[3]	2/2	2/2	n/a	2/2
Cindy Rose[4]	1/2	1/2	n/a	1/2
David Wei[5]	1/2	n/a	1/1	1/2

1. The Chairman, Group Chief Executive and Group Finance Director attended each Audit Committee meeting by invitation
2. Gill Whitehead was appointed as a Non-Executive Director of the Board and a member of the Audit and Nomination Committees on 1 August 2019
3. Greg Lock retired as Deputy Chairman of the Board and a member of the Audit and Nomination Committees on 24 May 2019
4. Cindy Rose stood down as a Non-Executive Director of the Board and a member of the Audit and Nomination Committees on 24 May 2019
5. David Wei stood down as a Non-Executive Director of the Board and a member of the Nomination and Remuneration Committees on 24 May 2019

Board and Committee meetings held in 2019

Regular Board and Committee meetings are scheduled throughout the year and the Directors ensure that they allocate sufficient time to discharge their duties effectively. Occasionally, Board meetings may be held at short notice when Board-level decisions of a time-critical nature need to be made. No such meetings were held in 2019.

Directors are expected to attend all Board and Committee meetings in person. Occasionally, due to illness or other business commitments, Directors join meetings via telephone. If any Director is unable to attend a meeting in person or through other means, their opinions and comments on the matters to be considered are communicated to the Chairman of the Board or relevant Committee Chairman. None of the continuing Directors were unable to attend any Board or Committee meeting that they were entitled to attend during the year.

Key areas of Board focus and activity in 2019

Group strategy
- Held annual strategy meetings with members of the Executive Management Team to develop the Group's future strategic plans. As part of these discussions, the Board considered structural trends, updates related to customer trends and product plans and the competitive environment for each Division
- Discussed and reflected on the presentations given by management, with particular focus on the Asia Pacific and ASEAN regions, before agreeing Group strategy
- Received reports at each Board meeting outlining potential business development opportunities

Succession and leadership
- Appointed Gill Whitehead as Non-Executive Director
- Approved the reappointment of John Rishton for a second three-year term
- Reviewed Committee membership, appointing Gill Whitehead to the Audit and Nomination Committees
- Undertook annual review of all conflicts of interest
- Completed an internal evaluation of the Board, its Committees, the Chairman and individual Directors which concluded that the Board operated effectively. See page 119 for further details
- Started the process to appoint a new Chairperson during 2020

Financial performance
- Approved the annual budget and three-year plan
- Reviewed and approved the Group's full-year 2018 and half-year 2019 results together with the 2018 Annual Report, including ensuring that it is fair, balanced and understandable
- Received regular financial updates and reviewed ongoing financial performance
- Reviewed the Group's debt, capital and funding arrangements and approved an update to the Euro Medium Term Note programme and issue of bonds
- Reviewed cash flow and dividend cover, agreeing the dividend policy, approving an interim dividend and recommending a final dividend
- Approved the reappointment of Deloitte LLP as auditor subject to Shareholder approval at the AGM
- Reviewed pension arrangements within the Group

Risk management and compliance
- Appraised the principal risks, mitigating actions and controls in the risk programme
- Considered and approved the Board's risk appetite and tolerance statements
- Renewed the insurance cover
- Received regular updates on the Group's compliance and data protection programmes from executive management

Operational performance
- Received updates from each Division on performance and management team changes
- Oversaw completion of the *AIP*
- Undertook reviews of the Group's IT systems and shared service centres

Stakeholder engagement and governance
- Held town hall meetings with colleagues in London, Hong Kong and Oxford
- Received regular updates from Helen Owers, the Non-Executive Director with responsibility for colleague engagement, on the progress of the Group's ongoing engagement programme
- Received reports and verbal updates from the Director of IR, Brand and Communications on investor engagement at each Board meeting, including direct Shareholder feedback
- Received regular updates and reviews from the Director of IR, Brand and Communications on the refresh and relaunch of the Group brand, including an updated purpose and guiding principles; approved the final framework
- Received presentations from the Head of Sustainability and approved current programmes and future plans
- Approved the Notice of Annual General Meeting
- Reviewed leadership team compensation and equalisation of benefits
- Considered colleague and Board diversity and gender pay
- Received regular updates on corporate governance and other matters from the Company Secretary

Division of responsibilities

The roles of Chairman and Group Chief Executive are exercised by separate individuals and each has clearly defined responsibilities. The division of responsibilities between the Chairman, Group Chief Executive, Senior Independent Director and the Non-Executive Directors is set out in writing and reviewed annually by the Board. It is available on our website.

The Chairman

The Company's Chairman, Derek Mapp, was deemed to be independent on appointment and continues to be considered so by the Board. Further details on Derek's qualifications and experience can be found in his biography on page 110.

Non-Executive Directors

The Board includes seven independent Non-Executive Directors, excluding the Chairman, who help develop and constructively challenge proposals on strategy. They bring strong, independent judgement, knowledge and experience to the Board's deliberations and have been selected for their expertise. Their views carry significant weight in the Board's decision-making process.

As Senior Independent Director, Gareth Bullock is available for Shareholders to contact should the usual channels of communication be inappropriate or have broken down. No such concerns were raised by Shareholders during the year under review. He is also available for the Chairman and other Directors to discuss any concerns which may arise and ensures that the Non-Executive Directors meet to assess the Chairman's performance annually.

The Non-Executive Directors, including the Chairman, also hold meetings without the presence of the Executive Directors.

Commitment

The Nomination Committee, on behalf of the Board, reviewed the ability of all Non-Executive Directors to allocate sufficient time to the business in order to discharge their responsibility effectively.

The letters of appointment for the Chairman and Non-Executive Directors indicate an average anticipated time commitment for their roles of 15–18 days a year, though in reality they all spend in excess of that in order to discharge their responsibilities. Besides preparing for and attending Board, Committee and strategy meetings, they also spend time in the business and with stakeholders. As in previous years, the Chairman and Non-Executive Directors have shown continued commitment to the Company in their willingness to participate in Board sub-committee meetings, including those held to approve the EMTN bond, attending investor events such as the Chairman's Annual Shareholder Roadshow in January and Investor Day in May, as well as joining colleague events.

Informa maintains a regular dialogue with investors through a number of channels and activities, including an Annual Shareholder Roadshow led by the Chairman, so is aware of differing views on the evolving topic of over-boarding. To avoid any concerns in this regard, Stephen Davidson elected to stand down as Chairman and as a member of the Board of RBG Holdings plc (formerly Rosenblatt plc) on 24 January 2020. He continues in his roles as Chairman of Actual Experience plc and Datatec Limited, both of which are listed on AIM.

The Board remains of the view that Stephen Davidson fulfils all his required commitments to Informa and also participates beyond any average anticipated time. In 2019 this included participating in the Chairman's Annual Shareholder Roadshow over the course of five days, attending the 2019 Investor Day and several seminars and conferences where he represented Informa. The Company has engaged with Shareholders on this, and other topics, during the course of the year and over-boarding was not raised as a major issue in those meetings. The Board strongly believes that Stephen Davidson remains an effective Non-Executive Director and Chairman of the Remuneration Committee with sufficient capacity to meet his commitments, and has no concerns over his availability to deal with Company matters.

Independence

Board membership includes independent Non-Executive Directors who support and constructively challenge the Executive Management Team on its proposals and bring strong, independent judgement to the boardroom. The number of independent Directors, and their knowledge and experience, means that their views carry significant weight in the Board's decision-making process. The Board considers all of its Non-Executive Directors to be independent in character and judgement.

Should Directors judge it necessary to seek independent advice about the performance of their duties with the Company, they are entitled to do so at the Company's expense.

All Directors have access to the advice and services of the Company Secretary who liaises frequently with Board members and ensures a good provision and flow of information within the Board and between its Committees and Senior Management.

Directors' conflicts of interest

All Directors are required to disclose any other appointments or significant commitments on appointment and to notify the Chairman and the Company Secretary of any changes or new appointments. Details of these can be found in the biographies on pages 110 and 111.

In accordance with the Articles of Association (Articles) of the Company, the Board is able to authorise any matter that would otherwise result in a Director breaching their duty to avoid a conflict of interest. The Board has adopted procedures which require Directors to notify the Chairman and the Company Secretary of any actual or perceived conflicts of interest that may affect their role as a Director of the Company. As part of this process, the Board:

- Considers each conflict situation separately according to the particular situation
- Considers the conflict situation in conjunction with the Articles
- Keeps records on authorisations granted by Directors and the scope of any approvals given
- Regularly reviews conflict authorisations

Each of the Directors has a shareholding in the Company although the level of individual shareholdings does not constitute a material holding in the context of the Group's investor base. Full details of the Directors' shareholdings are set out in the Directors' Remuneration Report on pages 131 to 143.

Information and support

Throughout the year, the Directors are regularly updated on the Group's businesses and the environment in which it operates. These updates are provided by written briefings, presentation and reports from Senior Management at every scheduled Board meeting.

The Board agenda is set by the Chairman, in collaboration with the Group Chief Executive and Company Secretary. Each scheduled meeting includes a Management Report from the Group Chief Executive, a financial update from the Group Finance Director and executive reports from the Chief Operating Officer, Director of Investor Relations, Director of Strategy and Business Planning and on governance matters from the Company Secretary. The Chairman of each Board Committee also provides an overview of the matters considered and decisions taken at their respective meetings.

Presentations are also given on matters of topical interest. As examples, matters considered by the Board in 2019 included strategic proposals, acquisitions and the sale of certain businesses, sustainability, and colleague and stakeholder engagement.

Board and Committee members receive papers with the appropriate level of detail to enable a discussion of developments inside and outside the Group that may impact or have impacted the business. All papers are circulated in sufficient time prior to meetings using a secure Board portal.

Roles of the Board

Non-Executive Directors

- Constructively challenge and help develop proposals on strategy
- Scrutinise the performance of management in meeting agreed goals and objectives
- Monitor the reporting of performance
- Satisfy themselves on the integrity of financial information
- Ensure that financial controls and systems of risk management are robust and defensible
- Determine appropriate levels of remuneration of Executive Directors and Senior Management
- Play a primary role in succession planning and appointing and, where necessary, removing Executive Directors
- Meet without the Executive Directors present
- Attend meetings with major shareholders to discuss governance and strategy

Chairman

- Leads the Board and sets the tone and agenda, promoting a culture of openness and debate
- Ensures the effectiveness of the Board and that Directors receive accurate, timely and clear information
- Ensures effective communication with shareholders and that the Board has a clear understanding of their views
- Acts on the results of the Board performance evaluation and leads on the implementation of any required changes
- Proposes new Directors and accepts resignation of Directors
- Holds periodic meetings with Non-Executive Directors without the Executive Directors present

Group Chief Executive

- Runs the Company and is in direct charge of the Group day to day
- Accountable to the Board for the Group's operational and financial performance
- Responsible for implementing the Company's strategy, including driving performance and optimising the Group's resources
- Leads the business in embedding the Informa Constitution and engagement with our various stakeholders: colleagues, Shareholders, partners, suppliers and customers
- Primary responsibility for managing the Group's risk profile, identifying and executing new business opportunities, management development and remuneration

Company Secretary

- Responsible for advising the Board, through the Chairman, on all governance matters
- Supports the Board in ensuring that the right policies, processes, information and resources are available to allow the Board to function effectively and efficiently
- All Directors have access to the Company Secretary's advice and service

Senior Independent Director

- Available to meet Shareholders on request
- Leads any process to appoint a new Chairperson of the Board
- Assists where Shareholder issues are not resolved through existing mechanisms for investor communications
- Acts as a sounding board for the Chairman and, if and when appropriate, serves as an intermediary for the other Directors

Group Finance Director

- Responsible for raising the finance required to fund the Group's strategy, servicing the Group's financing and maintaining compliance with its covenants
- Maintains a financial control environment capable of delivering robust financial reporting information, to indicate the Group's financial position
- Leads the Finance functions with day-to-day responsibility for Finance, Tax, Treasury and Internal Audit
- Chairs key internal committees such as the Risk Committee and the Treasury Committee

Composition, succession and evaluation

Board composition
Informa's Board consists of the Chairman, two Executive Directors and seven independent Non-Executive Directors. Their biographies, including skills, qualifications, experience and external commitments, are set out on pages 110 and 111.

During 2019 there have been several changes to the Board. Three Directors, Greg Lock, Cindy Rose and David Wei, did not seek re-election to the Board at the AGM in May 2019.

The Nomination Committee leads the process in relation to Board appointments and, in August 2019, made a recommendation that Gill Whitehead be appointed to the Board, and to the Audit and Nomination Committees. Details of the appointment process followed is set out in the Nomination Committee report on pages 122 to 124 and details of Gill's induction programme are set out below.

The Company appoints all Non-Executive Directors to the Board for an initial three-year term, which is subject to their election by Shareholders at the first AGM following their appointment and their subsequent re-election by Shareholders each year. The expectation is that two further three-year terms will follow, resulting in a total term of nine years from the first AGM.

Letters of appointment are provided to each Non-Executive Director and these are available for Shareholders to view at the Company's registered office during normal business hours.

Induction and development
All Directors receive a formal induction to the Group on first joining the Board. It is designed to be both comprehensive and tailored, to provide new Directors with a good understanding of Informa's business structure, Operating Divisions and markets. The induction is co-ordinated by the Company Secretary with oversight by the Chairman and includes dedicated time with members of the Executive Management Team and, where possible, scheduled visits to Informa offices and events. The programme is tailored based on experience and background and the requirements of the new Director.

In addition to visiting the offices, Directors are also encouraged to visit our events and, in 2019, all Board members attended the September Hong Kong Jewellery and Gem Fair.

Following her appointment to the Board and to the Audit and Nomination Committees in August 2019, Gill has undertaken a thorough induction programmed during which she met with members of the Executive Management Team and other Senior Executives. She was also briefed on the Company's corporate governance arrangements by the Company Secretary and met with the external auditor.

It is also important that all Directors regularly refresh and update their skills and knowledge and receive relevant training when necessary. Members of the Board also attend relevant seminars, conferences and training events to keep up to date on developments in key areas.

The need for further and additional training for all Board members was also considered during the annual performance evaluation (see below).

Non-Executive Director induction programme
Gill Whitehead was appointed as a Non-Executive Director on 1 August 2019. Following her appointment, Gill was provided with a structured and tailored induction programme, an overview of which is given below.

Focus areas

One-to-one meetings with members of the Board and Executive Management Team where the key areas of attention were:

- Strategy – how long-term sustainable value is created and delivered
- Culture – the Informa Constitution and the principles and values that underpin the business and shape how colleagues work
- Business – the structure of the five Operating Divisions and supporting technology
- Board and governance – the legal and regulatory obligations of a listed company director, our framework for governance and remuneration and the way in which the members of the Board perform their duties as Directors
- Shareholders and other stakeholders – identification of our stakeholders and how the Board ensures that their interests are balanced in the best interests of Informa as a whole
- Independent meetings with the Group Finance Director, Chairman of the Audit Committee, internal and external auditors
- Meetings with members of the EMT responsible for the Group's centralised functions

Business and events

- Attended the September Hong Kong Jewellery and Gem Fair meeting customers, suppliers and key colleagues
- Attended Black Hat Europe
- Participated in the Hong Kong and Oxford colleague town hall meetings

Annual evaluation of the Board and its Committees

2019 was the second year in the three-year cycle when an internal evaluation was undertaken by the Chairman, which happened in late October.

As part of the evaluation, consideration is given to the balance of skills, experience, independence and knowledge of each Non-Executive Director and their willingness to appropriately challenge management, as well as each other, in Board and Committee meetings.

Each of the Non-Executive Directors is able to offer an external perspective on the business allowing constructive challenge and scrutiny. Following the 2019 evaluation, the Board reaffirmed its belief that each of the Non-Executive Directors is independent in character and judgement, and has the required experience, and is of the stature necessary to perform their role as an independent Director.

All Board members confirmed that they were pleased with the operation and effectiveness of the Board. It was clear during the discussions that the successful delivery of the *AIP* justified the support provided by the Non-Executive Directors to the Executive Management Team during this transformative transaction for the Group.

All Directors also considered the three Board Committees, namely the Audit, Remuneration and Nomination Committees, to be effective, thorough, well run and efficient in dealing with their remit.

Under the leadership of the Senior Independent Director, the Non-Executive Directors also evaluated the performance of the Chairman and concluded that he continued to provide effective and considerate leadership to the Board and the Group.

The Board felt that informal discussions held at pre-Board dinners remained essential and that these could be further enhanced by inviting relevant guest speakers on occasion. This will continue in 2020 where we will also organise a series of knowledge and technical-focused presentations and discussions to continue the professional development of our Non-Executive Directors and deepen their knowledge of our business.

Below is an update on progress against the areas identified for further focus in the prior year's evaluation.

Focus	Action taken
Continual assessment of the Board structure	Following the departures of Greg Lock, Cindy Rose and David Wei at the 2019 AGM, the Nomination Committee considered the skill-sets that would complement the expertise of the continuing Non-Executive Directors and, following due process, Gill Whitehead was appointed in August. Details of the process undertaken during her appointment are set out on page 123.
Increasing contact with divisional colleagues	All divisional CEOs, along with some of their Senior Management teams, attended the strategy meetings in September/October 2019. Divisional CFOs attend at least one Audit Committee meeting during the year to present divisional Risk Reports and an update on trading. In addition, town hall meetings were held in London, Oxford and Hong Kong during 2019.
Increasing the frequency of Non-Executive Director only discussions	Non-Executive Directors met at least twice during 2020 without the Executive Directors being present.
Enhancing the work being undertaken on colleague engagement	Helen Owers regularly met with the Group HR Director, Director of Communications and Company Secretary to monitor the ways in which the Board engages with colleagues and was personally involved in several additional activities during the year. See the Heart of Informa section on pages 34 to 41 for more details.
Board and Senior Management succession planning	See the Nomination Committee Report which follows on pages 122 to 124 for further details.

The next triennial external evaluation is scheduled to take place during 2020, although this may be delayed into 2021, pending the appointment of a new Chairperson.

Relations with Shareholders and wider stakeholders

As set out in the Heart of Informa section, Shareholders are among the Group's most important stakeholders.

The support offered by both our equity and debt holders provides the financial capital that allows us to fund ongoing operations, reinvest in our people, products and platforms, and make additions to the Group that in turn enable us to extend our scale, reach and specialism.

Informa has an active investor and Shareholder engagement programme designed to maintain positive and constructive relations with key financial audiences, including institutional investors, buyside and sellside analysts, debt holders and potential Shareholders in the UK and internationally. The Group also engages with the proxy agencies that advise certain Shareholders on governance and voting matters.

We aim to provide clear, timely and balanced corporate and financial information, both in person and digitally, creating ongoing dialogue and discussion between management and these audiences, and ensuring all applicable standards for public company disclosure are met.

Informa operates a Level I sponsored American Depository Receipts (ADR) programme through BNY Mellon to facilitate investment from US-based Shareholders, with ADR ownership accounting for 1.35% of Informa's share capital at the end of December 2019.

For more information on how investor engagement is governed, and the way in which the Board receives the views of Shareholders on a regular basis directly and through reporting, see pages 46 and 47.

2019 Shareholder and debt holder engagement

	How we engage	Information flow
Board	• All Board members attend the AGM • Chairman undertakes an Annual Shareholder Roadshow to meet shareholders. In 2019 he was joined by the Chair of the Remuneration Committee and the Senior Independent Director	• The Board meets Shareholders and addresses any questions raised formally during the AGM or informally in the discussions before and after • The Chairman provides a detailed report to the Board on the topics discussed with Shareholders during his Annual Shareholder Roadshow and at other times during the year
Group Chief Executive and Group Finance Director	• Meet current and potential shareholders at pre-planned roadshows and on an ad hoc basis • Attend major investor conferences	• Communicate significant concerns raised by Shareholders to the Board
Investor Relations	• Attends major investor conferences • Engages with analysts on a regular basis • Ensures relevant materials are available online in an easily accessible format	• Detailed Investor Relations Report provided to the Board at each meeting
Treasury	• Regularly engages with debt holders and credit rating agencies through conference calls and face-to-face meetings	• Updates provided at Board meetings
Colleagues	• Colleagues in specialist roles participate in Investor Days and event visits, and demonstrate data and content products	• Feedback provided to the Investor Relations team

In total, Informa held around 300 meetings with investors and analysts through 2019.

2019 key engagement forums

January	• Chairman's Annual Shareholder Roadshow
March	• Full-year results presentation • Investor meetings at Citibank Communication Services Conference
May	• Investor Day including product demonstrations • Annual General Meeting and trading update
June	• Investor panel at Informa's internal leadership conference ReInvent
July	• Half-year results presentation
August	• *Investor meetings at Wells Fargo Technology* Services Forum
September	• Investor meetings at Barclays Global Technology Media and Telecom Communications Conference • Investor meetings at Deutsche Bank TMT Conference
November	• Investor and analyst visit to CPhI Frankfurt • 10-month trading update statement and conference call • Investor meetings at Morgan Stanley TMT Conference, Barcelona • Investor meetings at Investec Best Ideas Conference, London
December	• Investor meetings at Berenberg European Conference

Annual General Meeting

The AGM is a valuable forum at which the Board can engage with investors, and retail investors in particular. All Directors attend, and an update is given on the Company's performance. Shareholders are encouraged to ask questions to individual Directors and the Chairmen of the Board Committees are available for specific questions relating to Audit, Nomination and Remuneration matters. The Directors are also available to meet with Shareholders on an individual basis after the AGM.

AGM 2019

The 2019 AGM was held at Informa's offices at 240 Blackfriars Road in London on 24 May 2019 with all continuing Directors in attendance. A poll was taken on each resolution and all were passed by the required majority.

The Board noted the voting outcome on the reappointment of Stephen Davidson as a Director, which received 64.42% support from Shareholders. As set out on page 115 , to allay any concerns by investors that he was unable to fulfil his responsibilities as a result of other commitments, Stephen Davidson elected to stand down from the Board of RBG Holdings plc (formerly Rosenblatt plc) in January 2020.

AGM 2020

The 2020 AGM will be held on Friday 12 June 2020 at 240 Blackfriars Road, London, SE1 8BF at 11.00 am. The Notice of AGM is being dispatched as a separate document to all Shareholders and will also be available on the Informa website. It sets out the resolutions to be proposed at the AGM and an explanation of each resolution.

All Shareholders are invited to attend the AGM. We have provided at least 20 working days' notice of the AGM to allow Shareholders time to consider the resolutions being proposed. Shareholders are encouraged to attend in person or may appoint a proxy if they are unable to do so. Details on proxy appointments and the voting process can be found in the Notice.

Nomination Committee Report

Derek Mapp
Chairman
Nomination Committee

Dear Shareholder

I am pleased once again to present the Report of the Nomination Committee (the Committee) for the year ended 31 December 2019.

Responsibilities

The Committee's terms of reference are reviewed annually, most recently in December 2019, and are available on the Informa website.

As a broad summary, the Committee is tasked to continuously assess and review how the Board is structured, considering whether any changes are required, and monitoring the engagement and retention of talent across the Group. This includes:

- Reviewing the size, structure and composition of the Board, identifying and recommending suitable candidates for Board appointments, their reappointment and annual re-election by Shareholders, and their membership of the Board's standing Committees
- Ensuring appropriate succession plans are in place for the Board and reviewing similar plans for Senior Executives
- Reviewing critical colleague engagement activities, monitoring diversity and inclusion initiatives across the Group and reviewing our gender pay reporting
- Assisting the Chairman with implementing the annual Board evaluation process, ensuring that an externally facilitated evaluation is performed at least every three years
- Reviewing and approving the Committee's disclosures in the Annual Report and reviewing the Committee's terms of reference on a regular basis

The Board receives a verbal report on the outcome of Committee meetings and all Directors receive the minutes of Committee meetings for information.

Committee membership and attendance

All independent Non-Executive Directors are members of the Committee and their biographies can be found on pages 110 and 111. The Committee met four times during 2019 and members' attendance at meetings is set out below:

Members	Date of Committee appointment	Date of resignation	Attendance
Derek Mapp (Chairman)	10 March 2008		4/4
Gareth Bullock	24 July 2014		4/4
Stephen Davidson	25 May 2018		4/4
David Flaschen	25 May 2018		4/4
Mary McDowell	15 June 2018		4/4
Helen Owers	25 May 2018		4/4
John Rishton	25 May 2018		4/4
Gill Whitehead	1 August 2019		1/1
Greg Lock	15 June 2018	24 May 2019	2/2
Cindy Rose	24 July 2014	24 May 2019	1/2
David Wei	15 June 2018	24 May 2019	1/2

Stephen A. Carter attends all Nomination Committee meetings by invitation and Gareth Wright attended the final Committee meeting of 2019 when the conclusions of the annual Board evaluation were reviewed.

In addition to formal meetings during the year, there were regular informal discussions on succession planning.

Key activities during 2019

Board appointments

The Committee regularly reviews the structure, size and composition of the Board. It is important to us, and ultimately to the success of the Group, that the Board can draw on the a range of relevant and valuable skills and experience provided by the Directors. This includes maintaining a balance in diversity of gender, background, experience and styles of thought.

During the annual evaluation process, the Chairman and Company Secretary review the balance of skills and experience on the Board and the outcomes for 2019 are set out in the table below.

As set out in last year's Annual Report, Greg Lock retired from the Board at the conclusion of the 2019 AGM. In addition, both Cindy Rose and David Wei elected to stand down from the Board at that time, due to other business commitments.

The Committee agreed that one further Non-Executive Director should be appointed to the Board, to maintain a balance between Board size and the skills and capabilities available to the Company. A process was undertaken by the Committee to identify and select a Director and, as a result, we recommended that Gill Whitehead be appointed.

Succession planning

The Committee maintains and regularly reviews the succession plans for the Board and Senior Management. Succession plans for the Executive Directors and members of Senior Management are prepared so as to reflect their day-to-day responsibilities for business operations. The Group Chief Executive, Chairman and other Non-Executive Directors consider the succession plans for the EMT and other Senior Management during a private meeting at least annually. Under the direction of the Group Chief Executive, the Committee also monitors the talent and performance management of Senior Executives across the Divisions.

Succession plans for the Non-Executive Directors reflect the nature of their roles and the 2018 Code requirement to regularly refresh the Board.

During 2019 the Committee also recommended to the Board that John Rishton be appointed for a second three-year term, with effect from 1 September 2019.

Before recommending resolutions to reappoint Non-Executive Directors to the Board or to elect or re-elect Directors at the AGM, the Committee assesses their continued independence, the time commitment required and whether the continued appointment would be in the best interests of the Company. It gives detailed consideration to each Non-Executive Director's contribution to the Board and its Committees, together with the overall balance of knowledge, skills, experience and diversity on the Board as a whole.

A snapshot of the Board appointment process

1. Determining the role requirements
The Committee reviewed the current structure and composition of the Board, including the skills, experience, diversity and attributes of the current Directors, and considered the additional qualities that would benefit the Board in light of the Group's composition and strategic direction.

2. Creating the brief
The Committee, with the support of consultants Russell Reynolds, prepared a comprehensive brief for the position which included the requirement for a well-rounded business person with international experience as well as knowledge of business-to-business services or technology.

3. Longlist and shortlist review
Under the leadership of the Chairman, the Committee considered the initial balanced longlist of candidates. Uppermost in the criteria for selection was the quality of the individual, who should be collegiate, bright, and willing and able to contribute to, and promote, open and honest discussion. Those shortlisted were interviewed by several of the Committee and the Group Chief Executive. The preferred candidate was then invited to speak to all other members of the Board before a final decision was made.

4. Due diligence and recommendation
Due diligence was undertaken and references taken up. Once completed, the Committee made a recommendation to the Board that Gill Whitehead be appointed as a Non-Executive Director and her appointment was formally announced following approval by the Board.

Gill is an experienced executive and non-executive board director with significant leadership experience gained within the broadcast and digital media sectors, underpinned by a strong background in strategy consulting. She has worked at Google Inc., BBC Worldwide, Channel 4 and Deloitte and is a qualified accountant. In particular, her expertise in digital and consumer insight and behavioural trends in a business-to-business context enhances the Board's strength in those areas.

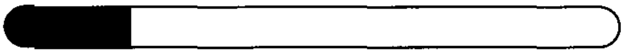
Details of the induction process undertaken by Gill are set out on page 118.

Other than the provision of recruitment consultancy services, Russell Reynolds does not have any connection with Informa.

Board balance by experience and skills

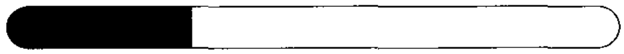
Media and Technology sector	●●●●●●●●●
Business-to-business operations	●●●●●●●●●●
Digital and Technology	●●●●●●●●
Financial management	●●●●●●●●●
Governance and risk control	●●●●●●●●●
Marketing engagement	●●●●●●
Mergers and acquisitions	●●●●●●●●●
International experience	●●●●●●●●●●
PLC expertise	●●●●●●●●●

Board balance by independence



Board balance by gender

Female - 30%
Male - 70%



The Committee believes that each Non-Executive Director continues to demonstrate commitment to their role as a member of the Board and its Committees, discharges their duties effectively and makes valuable contributions to the leadership of the Company for the benefit of all stakeholders. Accordingly, the Committee recommended to the Board that resolutions to elect or re-elect each continuing Non-Executive Director be proposed as appropriate to the AGM alongside the resolutions to re-elect the Executive Directors. Biographies for each Director can be found on pages 110 and 111.

Directors do not participate in any debate or decision about their own reappointment.

Succession process for Board Chairman

On 7 January 2020, the Board confirmed that it had started a process to identify a successor to the Chairman of the Board. This process is being led by the Group's Senior Independent Director, Gareth Bullock, on behalf of the Committee, with external advice being provided by Spencer Stuart. It is expected that the new Chairperson will be in place during 2020, following a suitable handover period. Further details of the process being followed will be provided in next year's Annual Report.

Diversity and inclusion

Throughout the Group, as well as at a Board level, we seek to recognise and encourage diversity in its broadest sense including, but not limited to, gender, age, disability, ethnicity, education and social background, and to foster a working environment based on respect that welcomes all talents and allows all colleagues to participate on an equal basis.

During the year, the Committee reviewed its policy on diversity. The Board continues to be guided by the targets set by the 30% Club and the Hampton-Alexander Review and aspires for women to represent 33% of Board membership and to improving the gender balance of leadership teams and Senior Management. The Board also continues to support the findings of the Parker Review on the ethnic diversity of boards. At 31 December 2019, and at the date of this report, 30% of the Board is female.

The Group Chief Executive is a member of the 30% Club, an international organisation working to increase the representation of women and diverse talent at all levels.

As described in the Heart of Informa section on pages 34 to 47, Informa is a people business and our colleagues are our most important assets.

There is a range of ways the Group uses to attract, support and engage colleagues, and the aim is to ensure Informa is a great place to work, where there is a mix and balance of talent and opportunities for personal and professional development, alongside recognition and fair reward. We believe this in turn ensures the Company can continue to succeed and deliver for customers and Shareholders, and deliver the returns that allow reinvestment into colleagues and the business too.

The Committee believes that diversity and maintaining a balanced mix of talent at all levels brings competitive advantage to the Group and supports the business's future growth and potential.

Informa operates multiple programmes for attracting outstanding early-career talent, including Apprenticeship Schemes around some of our UK hubs and a Group Graduate Fellowship Scheme that provides graduates with exposure to many parts of Informa's international business.

Informa remains accredited by the UK Living Wage Foundation.

UK colleagues and gender pay

The Group will shortly publish its third UK Colleagues and Pay Report, which sets out any difference between the average pay of UK female and male colleagues as required under legislation.

As at April 2019, the Group's UK gender pay gap stood at 22.3%, driven by a greater number of male than female colleagues in the upper quartile of pay, and with more balance evident in colleague numbers and pay within the other three quartiles. The comparative Group figure for 2018 is 22.7%, combining the total figures for Informa and UBM entities that were separately reported that year. The comparative UK national average is 17.3%. The bonus pay gap was 43% (2018: 37%). Details of the programmes and initiatives underway to ensure all colleagues can develop their careers in the Group on an equal basis is included in the UK Colleagues and Pay Report on the Informa website.

Board and colleague balance by gender

	Average over 2019		Average over 2018	
Colleagues	**F 6,670 M 4,568**	**F 59% M 41%**	F 6,649 M 4,548	F 59% M 41%
Senior *Management and* direct reports	**F 65 M 150**	**F 30% M 70%**	F 80 M 170	F 32% M 68%
Directors	**F 3 M 7**	**F 30% M 70%**	F 3 M 9	F 25% M 75%

Derek Mapp

Chairman of the Nomination Committee

9 March 2020

informa

Accountability

Audit, risk and internal controls

The Directors are responsible for preparing the Annual Report and Accounts. The Directors' Responsibilities Statement can be found on page 147 and includes an explanation of how the Directors ensured that the Annual Report for the year ended 31 December 2019 is fair, balanced and understandable. Details of the business model and how the Company generates value for stakeholders are set out in the Strategic Report on pages 20 and 21.

The Board continues to be responsible for ensuring that the Group maintains a sound system of internal controls, and regularly reviews their effectiveness, including financial, operational and compliance controls, risk management and the Group's high level internal control arrangements. Informa's system of internal controls is designed to manage material risks by addressing the causes and mitigating potential impacts. The systems can only provide reasonable, rather than absolute, assurance against material misstatement or loss, and the Board recognises that the cost of control procedures should not exceed the expected benefits.

The Board recognise that risks must be taken in order to achieve the Group's business objectives and has mandated a responsible and balanced approach to managing risk through its risk appetite and tolerance statements.

Responsibility for the day-to-day management of the Group rests with the Group Chief Executive, supported by the Executive Management Team. The EMT includes the CEO of each Division together with key Senior Management from Group functions. The EMT met fortnightly by telephone and monthly in person during 2019 to consider the implementation of Group strategies, plans and policies, to monitor operational and financial performance and to manage risks. As far as possible, each Division is given operational autonomy within an internal control framework. Details of the activities of the Operating Divisions are set out on pages 56 to 77.

As illustrated in the Risk Management section on pages 80 to 90, the Board has a risk management framework for identifying, evaluating and managing the significant risks faced by the Group which is overseen by the Risk Committee. Informa's internal control and risk management systems and procedures around financial reporting include the following:

- Business planning: Each Operating Division produces and agrees an annual business plan against which the performance of the business is regularly monitored
- Financial analysis: Each Division's operating profitability and capital expenditure are closely monitored. Management incentives are tied to annual and longer-term financial results. These results include explanations of variances between forecast and budgeted performance and are reviewed in detail by the EMT on a monthly basis. Key financial information is regularly reported to the Board
- Group Authority Framework: The framework provides clear guidelines on approval limits for capital and operating expenditure and other key business decisions for all Divisions
- Risk assessment: Risk assessment is embedded into the operations of the Group and reports are provided to the EMT, Risk Committee, Audit Committee and the Board
- Compliance: Compliance policies and procedures are based on the US Federal Sentencing Guidelines and address the wide variety of legislature and other requirements with which the Group has to comply. Regular reports are provided to the Board, the EMT and divisional management

The Board has delegated oversight of these controls to the Audit Committee which considered the following factors in determining the overall effectiveness of the Group's risks and associated control environment:

- The Risk Committee, a sub-committee of the Audit Committee, reports on the effectiveness of risk management, governance and compliance activity within the Group
- The Audit Committee approved a schedule of work to be undertaken by the Group's Internal Audit team during the year. It receives reports on any issues identified during these audits and follows up on the implementation of management action plans, ensuring any identified control weaknesses are addressed

Audit Committee Report

John Rishton
Chairman
Audit Committee

Dear Shareholder

I am pleased to present the report of the Audit Committee (the Committee) for the year ended 31 December 2019.

In this report, the Committee has sought to provide a clear and understandable insight into the significant matters considered during the year and how we have carried out our role and responsibilities. I would like to thank the members of the Committee, the Executive Management Team and both internal and external auditors for their input into the open and robust discussions that take place during our meetings.

Committee membership

The Committee members are Gareth Bullock, David Flaschen and Gill Whitehead, while I continue to chair the Committee. All members are independent Non-Executive Directors and full biographies are set out on pages 110 and 111.

This year, there have been changes to the membership of the Committee and we were pleased to welcome Gill Whitehead as a member of the Committee on 1 August 2019 on her appointment to the Board. Gill was most recently Senior Director of Client Solutions & Analytics at Google UK, during which time she led teams in data analysis, measurement, user experience, consumer segmentation and insights. She is currently undertaking an MSc in Social Sciences of the Internet at the University of Oxford's Internet Institute. Gill previously held a range of strategy leadership and technology-driven roles at the BBC and Channel 4. Gill is a Fellow of the Institute of Chartered Accountants and began her career at the Bank of England and then Deloitte Consulting.

Both Greg Lock and Cindy Rose retired from the Committee, and the Board, during the year following their decisions not to seek re-election at the 2019 AGM. I would like to thank them for their balanced and insightful contributions to the Committee during their tenure.

Independence and experience

The Board has confirmed that it is satisfied that all members of the Committee are independent in judgement and have the broad commercial knowledge and competence in the business-to-business information services market and specialist industry markets in which Informa operates. Each Committee member provides a mix of business and financial experience that allows them to effectively discuss, challenge and oversee critical financial matters and fulfil their responsibilities.

The Board has also determined that I continue to meet the specific requirement of having significant, recent and relevant financial experience.

Attendance

The Committee held four meetings in 2019 and members' attendance at meetings is set out below:

Director	Position	Date of Committee appointment	Date of resignation	Attendance
John Rishton	Chairman	1 September 2016		4/4
Gareth Bullock	Member	1 January 2014		4/4
David Flaschen	Member	1 October 2015		4/4
Gill Whitehead	Member	1 August 2019		1/1
Greg Lock	Member	15 June 2018	24 May 2019	2/2
Cindy Rose	Member	1 August 2013	24 May 2019	1/2

All Board members have an open invitation to attend Committee meetings and are particularly encouraged to attend the meetings held in March and July each year when the full-year and half-year results are considered.

Members of the Senior Management team, including the Group Finance Director, Chief Operating Officer, Head of Group Finance, Head of Internal Audit and Group General Counsel, are invited to attend each meeting together with representatives of the external auditor. During 2019, the Head of Group Tax, Chief Information Officer, Head of Group Compliance, Group Head of Health, Safety and Security and Divisional Chief Financial Officers attended to facilitate information-sharing and discussion.

Committee meetings conclude with private meetings between the members and, both jointly and separately, the external audit partners and internal auditors, without management being present.

I continue to hold regular meetings with the Board Chairman, the Group Chief Executive and the Group Finance Director, as well as other members of the EMT to obtain a good understanding of issues affecting the Group and to identify matters which require discussion at Committee meetings. I also meet the external audit partner and Head of Internal Audit privately to discuss any matter they wish to raise or concerns they may have.

Training and external advice

Directors are given updated information on legal and governance requirements on an ongoing and timely basis. New members of the Committee receive an induction on joining and members of the Committee are able to obtain training at the Company's expense on any legal or accounting requirements required to carry out their roles.

The Committee's terms of reference also allow members of the Committee to obtain independent legal and professional advice at the Company's expense. No such advice was obtained during 2019.

Principal responsibilities

The principal responsibilities of the Committee are:

Financial reporting: To monitor the integrity of the Company and the Group's financial statements and any formal announcement relating to the financial performance, to review significant financial reporting judgements, issues and estimates, and to confirm whether, taken as a whole, the Annual Report is fair, balanced and understandable.

Risk management and internal controls: On behalf of the Board, to review and monitor the effectiveness of the Group's internal financial controls and risk management systems and procedures.

External audit: To assess the effectiveness of the external audit process, to review and monitor the external auditor's independence and objectivity, to develop and implement a policy on the supply of non-audit services by the external auditor and to make recommendations to the Board about the appointment, reappointment and removal of the external auditor and the remuneration and terms of engagement.

Internal audit: To monitor and review the effectiveness of the Internal Audit function and the annual internal audit plan.

The Committee's full terms of reference, which are reviewed annually, are available on the Informa website.

Audit Committee focus during 2019

Area of focus	Matters considered
Financial reporting	• The accuracy and integrity of the full-year and half-year financial results and the Annual Report and Financial Statements • The appropriateness and disclosure of accounting policies and key judgements including: – The accounting treatment for acquisitions and disposals – The treatment of impairments – The implementation of IFRS 16 *Leases* – The treatment of adjusting items in the Consolidated Income Statement • Whether the 2018 Annual Report and Financial Statements and 2019 half-year press release were fair, balanced and understandable • Reviewed non-financial KPIs relevant to the Group
External audit	• Approved the external auditor's audit plan for the Group's 2019 financial statements and associated audit fee schedule • Reviewed and approved non-audit services and related fees payable to the Group's external auditor • Reviewed external auditor effectiveness including confirmation of independence
Internal audit	• Reviewed and approved the annual internal audit plan • Review of internal auditor effectiveness including ensuring that audit actions were resolved in a timely manner
Risk management and internal controls	• Reviewed the adequacy and appropriateness of the Group's system of controls and its effectiveness, with relevant input from the Group's internal and external auditors • Considered risks associated with technology failure and reviewed the Group's IT systems • Reviewed work undertaken by the Risk Committee • Considered the Group's risk appetite and tolerance, reviewed the Group's principal risks and controls in place to mitigate those risks, and the process to identify and manage any emerging risks • Review of tax, treasury and other risks relating to the size and complexity of the Group
Corporate governance	• Review of reports on the Group's whistleblowing, and anti-bribery and corruption procedures
Other key matters considered	• Review of Group Treasury Policy • Review of Group tax strategy • Review of Committee effectiveness and its terms of reference

Financial reporting

At the request of the Board, the Committee reviews the content and tone of the preliminary results announcement, Annual Report and Accounts and the half-year financial results. Drafts of the Annual Report are reviewed by the Committee Chairman and the Committee as a whole prior to formal consideration by the Board.

Fair, balanced and understandable reporting

Since the year end, the Committee has reviewed the form and content of the 2019 Annual Report and the incorporated financial statements and considered the processes used to prepare and verify the content.

As part of the review, the Committee considered the process for preparing the Annual Report, including the oversight of the steering committee, and the way in which the overall prospects and financial position of the Group are disclosed, in particular:

- Whether the overall message of the narrative reporting was consistent with the primary financial statements, the industry as a whole and the wider economic environment
- Whether the Annual Report was consistent with information previously communicated to investors, analysts and other stakeholders
- The consistency of the Strategic Report and the financial statements
- The linkage between the Company's performance, business model and strategy

In addition, the Committee assessed whether suitable accounting policies had been adopted by the Group and reviewed accounting papers prepared by the EMT on the main financial reporting judgements as well as the external auditor's reports on the full-year and half-year results.

As a result, the Committee reported to the Board that we considered that the Annual Report, taken as a whole, is fair, balanced and understandable, and that it provided the necessary information for Shareholders to adequately assess the Company's position and performance, business model and strategy.

During the year, the Company received a letter from the Financial Reporting Council (FRC) requesting information in relation to certain disclosures in the 2018 Annual Report. Following the Company's response, the FRC confirmed that its enquiry is closed. The FRC review was limited to the 2018 Annual Report and did not benefit from detailed knowledge of Informa's business.

As a result of the FRC letter, we have clarified and enhanced certain disclosures in the 2019 Annual Report.

Risk management and internal controls

The Board has delegated responsibility for overseeing the effectiveness of the Group's risk management and internal control systems to the Committee. The Committee has established and has oversight of an executive Risk Committee, receiving minutes of all its meetings and discussing any significant matters raised. As Chairman of the Committee, I attend at least one Risk Committee meeting annually.

Significant judgement areas

The critical accounting judgements and key accounting matters considered by the Committee in relation to the financial statements during the year ended 31 December 2019 are set out below:

Identification of cash generating units	For impairment testing purposes, judgement is used to allocate goodwill to the specific groups of cash generating units (CGUs) that have benefited or are expected to benefit from this goodwill. When there are changes in business structure, judgement is required to identify any changes to the CGU groups, taking account of the lowest level of independent cash inflows being generated, among other factors. As at 31 December 2019 there were 19 CGUs (2018: 23).
Contingent consideration	When the consideration transferred by the Group in a business combination includes assets or liabilities from a contingent consideration arrangement, it is measured at its acquisition-date fair value and is included as part of the consideration transferred in the combination. The contingent consideration is based on future business valuations and profit multiples and estimated on an acquisition by acquisition basis using available profit forecasts. The higher the profit forecast, the higher the fair value of any contingent consideration (subject to any maximum payout clauses). Changes in fair value of the contingent consideration, outside of measurement period adjustments, are recognised as adjusting items in the Income Statement.
Measurement of retirement benefit obligations	The measurement of the retirement benefit obligations and surplus involves the use of a number of assumptions. The most significant of these relate to the discount rate, the rate of increase in salaries, and pension and mortality assumptions. The most significant scheme in the Group is the UBM Pension Scheme. Note 34 on pages 212 to 216 details the principal assumptions which have been adopted following advice received from independent actuaries and also provides sensitivity analysis with regard to changes to these assumptions.
Implementation of new accounting standards (IFRS 16)	The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective approach. The disclosure of the 2019 income statement impact and the associated disclosures are set out in the Financial Review and in Note 38 on pages 218 to 221. 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. Further details on these assumptions are presented in Note 2 on pages 164 to 174.
Adjusting items	Management judgement is applied in classifying items as adjusting items and these are reviewed throughout the year to consider their nature, quantum, if they meet the definition and their disclosure. Adjusting items are defined in the glossary and disclosure of these items is shown in Note 8 on page 181.
Business acquisitions and disposals	On acquisition the Group is required to make judgements to estimate the fair value of assets and liabilities acquired; in particular the amounts attributed to separate intangible assets such as titles, brands, acquired customer lists and associated customer relationships. These judgements impact the amount of goodwill recognised on acquisitions. Any provisional amounts are subsequently finalised within the 12-month measurement period, as permitted by IFRS 3. Details of acquisitions in the year are set out in Note 18 on pages 191 to 194. For disposals the significant judgements are the estimation of the fair value of deferred consideration together with the allocation of goodwill and intangibles that relate to businesses sold. Disposals are shown in Note 21 on page 197.

Risk Committee

The Committee is responsible for ensuring Group risk is managed effectively. The Risk Committee monitors business risks and their impact on the Group and reports its findings to the Committee.

During 2019, the composition of the Risk Committee was reviewed and now comprises the Group Finance Director, Chief Operating Officer, Head of Internal Audit, Head of Group Finance, Group Chief Information Officer, Group General Counsel, Group HR Director, Head of Group Risk and Head of Group Compliance. Gareth Wright, Group Finance Director, is Chairman of the Risk Committee.

The Risk Committee meets quarterly and its principal duties include:

- Providing guidance to the Board and the Committee regarding the Group's overall risk appetite, tolerance and strategy
- Overseeing and advising the Board and the Committee on the Group's current risk exposures and recommending which risks should be recognised as the Group's principal risks
- Ensuring that a robust assessment is completed of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity
- Reviewing the Group's overall risk assessment processes, the parameters of the qualitative and quantitative metrics used to review the Group's risks, and monitoring the actions taken to mitigate them
- Monitoring and reviewing all material controls
- Reviewing the effectiveness of the Group's internal control and risk management systems, including all material operational and compliance controls
- Reviewing the Group's approach to, and management of, health and safety risks, including the Health and Safety Risk Appetite Statement
- Reviewing the adequacy and security of the Company's whistleblowing arrangements for colleagues and contractors to raise concerns in confidence about possible wrongdoing in financial reporting or other matters
- Reviewing the Group's instances of fraud and fraud reporting to the Committee
- Reviewing the Group's insurance arrangements

As part of its remit, the Risk Committee regularly monitors the Group's investment and approach in areas that are critical to performance, the protection of its intellectual property and the integrity of its data and financial reporting.

During the year, data protection leads have been appointed in each of the Divisions with support, where necessary, from the Group Data Protection Officer. A programme of training was rolled out from Group level through to the Divisions, and a Data Protection Management Forum was established comprising key colleagues with relevant responsibilities. Data protection is regularly reviewed by the Risk Committee and the Committee continues to monitor and shape the approach taken to it.

Divisional risk reviews

Divisional CFOs present their divisional risk registers quarterly allowing the Risk Committee to assess how risks are managed and the actions being taken with regard to significant and emerging risks. Divisional risks form part of the Group risk register from which the Group's principal risks are identified and their rating materiality determined.

Further information on the principal risks and their mitigations are set out on pages 80 to 90 above.

External auditor

Deloitte LLP (Deloitte) continues as the Group's external auditor. Deloitte was first appointed as the Group's external auditor in 2004 and was reappointed following an audit tender in 2016. The Committee keeps the appointment of the external auditor under review on an annual basis and, in accordance with legislation and its own terms of reference, will ensure that a competitive tender for external audit services takes place every 10 years. Deloitte's last eligible year to serve as the Group's auditor will be the year ending 31 December 2023.

Anna Marks has acted as the audit engagement partner since August 2018. Anna is a qualified accountant and a senior audit partner in the London audit practice.

The Committee takes its responsibility for the development, implementation and monitoring of the Group's policy on external audit seriously. This policy assigns oversight responsibility for monitoring independence, objectivity and compliance with ethical and regulatory requirements to the Committee, and day-to-day responsibility to the Group Finance Director. It states that the external auditor is jointly responsible to the Board and the Committee, with the Committee as the primary contact. The policy also sets out which categories of non-audit services the external auditor will and will not be allowed to provide to the Group.

Non-audit services

The Committee considers that certain non-audit services should be provided by the external auditor, because its existing knowledge of the business makes this the most efficient and effective way for non-audit services to be carried out.

The Committee regularly reviews the Non-Audit Fees Policy in order to safeguard the ongoing independence of the external auditor and ensure the Group complies with the Financial Reporting Council Ethical Standard for Auditors and other EU audit regulations.

The policy defines and describes:

- Those services the auditor is and is not permitted to provide
- Those services where provision by the external auditor has been pre-approved by the Committee or where the specific approval of the Committee is required before the auditor provides the service
- The fee arrangements appropriate for external auditor engagements
- The internal approval and external reporting mechanisms

The policy allows the external auditor to provide the following non-audit services to the Informa Group:

- Audit-related services
- Reporting accountant services
- Assurance services in relation to financial statements within an M&A transaction such as providing comfort letters in connection with any prospectus that Informa may issue
- Other non-audit services not covered in the list of prohibited and permitted services, where the threat to the auditor's independence and objectivity is considered trivial and safeguards are applied to reduce any threat to an acceptable level

While the policy also allows the external auditor to provide tax advisory and compliance work for non-EEA subsidiaries and expatriate tax work, these were not provided during 2019 and will be prohibited from March 2020.

Details of all fees charged by the external auditor during the year ended 31 December 2019 are set out in Note 7 on page 180. During the year, the Group paid non-audit fees totalling £0.3m to Deloitte (2018: £2.8m), being 9% (2018: 88%) of the 2019 audit fee.

The non-audit fees consisted of £0.2m in relation to the half-year review and £0.1m for assurance in respect of the EMTN programme annual update, the refinancing that took place in October 2019 and for specified procedures completed as part of the verification of the 2018 Executive Directors' remuneration.

The non-audit fees incurred were disclosed and approved in accordance with Group policy.

External auditor effectiveness

The performance of the external auditor continues to be reviewed annually, in accordance with best practice, to assess the delivery of the external audit service and to identify areas for improvement.

In performing the 2019 review, the Committee assessed:

- Level of auditing skills and technical accounting knowledge as well as the level of knowledge of the Group's operations demonstrated by the audit team
- Integrity, independence and objectivity of the audit team
- Accessibility and interaction with the Committee, including briefings on significant and emerging issues
- Adequacy of audit scope, planning and use of technology
- Quality of partner, lead manager and specialists (if required)
- Robustness and efficiency of the audit
- Whether there was an appropriate focus on the material risks facing the Group, including fraud
- Communications
- Value of insights

Overall, the evaluation feedback showed a high satisfaction rating for Deloitte's role as extremal auditor during 2019, and an improvement on the 2018 evaluation result. Some areas for improvement remain and these will be addressed during 2020.

The lead audit partner also met each member of the Committee to establish their expectations for the 2019 audit and a report on how the external auditor performed against these expectations was included in the year end briefing to the Committee.

Internal audit

This was the first full year when the co-sourcing partnership between an in-house internal audit team and KPMG, with both reporting into a single Group Head of Internal Audit, was in place. The arrangement has worked well, with KPMG providing additional expertise where required.

At the beginning of each year the Committee approves the annual internal audit plan with an emphasis on the Group's key risk areas and certain key financial controls. The Head of Internal Audit attends each Audit Committee and Risk Committee meeting, tabling reports on:

- Any issues identified around the Group's business processes and control activities during the course of their work
- The implementation of management action plans to address any identified control weaknesses
- Any management action plans where resolution is overdue

An Internal Audit effectiveness review is carried out in December each year to assess the delivery of the function and areas for improvement.

Committee effectiveness

The 2019 evaluation of the Committee's performance was undertaken as part of the broader performance evaluation conducted by the Chairman of the Board. Details of the evaluation process are set out on page 119 and I am pleased to confirm that its conclusion was that the Committee continued to operate effectively, and was thorough and efficient in dealing with all matters in its remit.

John Rishton

Chairman of the Audit Committee

9 March 2020

Directors' Remuneration Report

Stephen Davidson
Chairman of the Remuneration Committee

Chairman's Annual Statement

Dear Shareholder

On behalf of the Remuneration Committee (the Committee), I am pleased to present the Directors' Remuneration Report for 2019. As usual, this Report is split into two sections, my Annual Statement as Chairman of the Committee and the Annual Report on Remuneration.

The Committee's primary purpose is to incentivise Informa's Directors and Senior Management in a way that provides strong motivation, whilst aligning them with the strategic priorities of the Group and the creation of long-term value for Shareholders and Informa's other stakeholders. The structure of the incentive plans, and the challenging performance measures they contain, are set with consideration of a range of factors, including underlying market growth, strategic priorities, internal budgets and market practice, as well as sellside analyst expectations and direct feedback from Shareholders.

Our current Directors' Remuneration Policy (Policy) was approved by Shareholders at our AGM in May 2018. The Committee believes that the current Policy complies with the six pillars set out in paragraph 40 of the 2018 Code. These will also be taken into account when we consult with Shareholders ahead of updating our Policy for approval at the 2021 AGM.

Irrespective of where we are in the three-year Policy cycle, we engage with Shareholders every year through the Chairman's Annual Shareholder Roadshow. This ensures Non-Executive Directors maintain regular contact with investors, allowing us to understand their views on the Company's strategy and management, whilst discussing the latest thinking on governance matters including remuneration.

In implementing the Policy, our ethos remains the same. We seek to incentivise the Executive Directors in a way that links directly to strategy and aligns closely with Shareholders' interests, with the focus on pay for performance. This means there is more emphasis on variable incentives ahead of fixed pay, with performance measures that reflect expectations both internally and externally.

One of the things that Informa has always prided itself on is the vibrant, inclusive and engaged culture at the Group, and so we welcome the growing recognition from investors of its importance to long-term success. To reflect this, we have introduced an additional culture and engagement measure within the Group Chief Executive's 2019 STIP.

As that illustrates, implementation of the Policy is not rigid. We adapt and update our approach to ensure we maintain alignment with Shareholders and reflect the latest market practice, and so that performance measures reflect the evolving nature of the Company. That was also evident in 2018, when we introduced an LTIP measure directly related to the delivery of the *AIP*. This has proved to be an effective incentive, ensuring the *AIP* was completed on schedule in June 2019, a positive outcome for Shareholders, colleagues and customers.

That flexible approach to incentives is mirrored throughout the organisation. Informa has growing international reach and operates across many different specialist markets. With strong competition for high quality talent across the world, it is essential we adapt our approach in these different markets and geographies to remain relevant and competitive. The reward structure for all Informa colleagues is set out on pages 138 and 139 and a comparison of Group Chief Executive pay to average colleague pay is also included in our Report.

2019 performance and incentive outcomes

As detailed in the Strategic Report, 2019 was a year of continued growth and delivery. We delivered a sixth consecutive year of growth in revenue, adjusted profits, adjusted earnings, free cash flow and dividends. That strong performance was delivered in conjunction with much activity related to the *AIP*, in order to ensure the UBM portfolio was integrated into Informa smoothly and quickly. From combining teams, finalising leadership positions and reorganising the Group's Divisions, to relaunching the brand, purpose and guiding principles for the enlarged Group, it was a very busy period for everyone.

It is a testament to the commitment and focus of the Executive Directors, wider leadership team and all colleagues in the Group that the *AIP* was completed successfully on schedule, whilst also delivering a strong operating and financial performance. The Committee considered the Company's underlying performance during the year, and determined that pay was well aligned with performance.

Short-Term Incentive Plan (STIP)

For the 2019 STIP, both Executive Directors were measured against adjusted diluted earnings per share (EPS) and underlying revenue growth (URG), while the Group Chief Executive also had a new additional measure related to culture and engagement. The adjusted diluted EPS of 50.11p reflected 99.23% of the target and, combined with adjusted URG of 3.7%, resulted in a total annual bonus of 68.77% of the maximum potential being awarded to the Group Finance Director. In relation to the additional culture and engagement measure, the Committee considered a range of factors relating to the Group Chief Executive's engagement with the wider workforce and his work to develop the culture of the Group, particularly in relation to the combination with UBM. Following independent assessments by the Board, the Executive Management Team and other colleagues on this measure, 95% of the target was achieved. This led to a total bonus of 72.52% of the maximum potential being paid to the Group Chief Executive. Further details can be found on pages 133 and 134.

Long-Term Incentive Plan (LTIP)

The 2017 LTIP performance period ended on 31 December 2019. The measures for both Executive Directors within the plan cycle were total shareholder return compared to the FTSE 51–150 peer group, excluding financial services and natural resources companies, and the three-year compound annual growth rate in adjusted diluted EPS. The Group's performance against these measures resulted in an overall outcome of 70.15% of the original award vesting for both Executive Directors.

Colleague share plans

The Board believes that broad equity ownership amongst colleagues is a highly effective way to connect and align everyone within the Group to the Company's strategy, performance and progress. Five years ago we launched ShareMatch, a share-matching plan that gives colleagues one free share for every one share purchased, subject to a holding period. This has proved popular and helped to increase share ownership across the Group significantly, from less than 2% participation pre-launch to 21.5% of eligible colleagues in countries where ShareMatch is available.

In January 2019, we launched a US Employee Stock Purchase Plan, a share ownership plan that, due to local regulations, is easier and more efficient for US colleagues than ShareMatch. To date, 12.8% of eligible colleagues have participated.

Shareholder engagement

The Board believes regular engagement with shareholders is important, both in maintaining open channels of communication and in gauging current views on the Company's strategy, management and governance. We undertake formal consultation on specific matters, including when we update our Policy. We also engage with Shareholders each year as part of our Chairman's Annual Shareholder Roadshow.

In January 2020, the Senior Independent Director, the Chairman of Audit and I joined the Chairman on this year's roadshow. We invited our largest 30 Shareholders, as well as the major proxy agencies, for informal discussions on any matters relating to Informa. This led to meetings with 25 institutions and two of the three major proxy agencies, representing almost 60% of Informa's ownership by value. It provided a valuable opportunity to discuss a wide range of matters in relation to the performance and governance of the Group. Understandably, there were many questions in relation to the combination with UBM, the progress of the *AIP* and the integration of people and cultures.

On governance, there were also a number of common themes, with much discussion on the latest thinking on Executive Director pension entitlements and post-employment shareholding expectations. These are areas where views and practices continue to evolve. For future Executive Director appointments, pension entitlements will be aligned with the broader Company. We will consult with Shareholders further in this respect as we formulate our plans for the updated Policy, which will be put to the vote at our 2021 AGM.

The roadshow also provided the opportunity to discuss options and plans for the LTIP measures we might use for the 2020 award. With the *AIP* having successfully completed in June 2019, this element of the LTIP is no longer relevant as a measure for new awards. Many Shareholders are keen to incorporate a cash returns measure, reflecting one of the main strengths and attractions of Informa and key to generating Shareholder value. It is also a focus for management and the Board.

Therefore, for the 2020 award, we are replacing the *AIP* measure with a free cash flow measure, based on the absolute level of free cash flow generation and the conversion of adjusted profits into free cash flow. Our intention is to monitor the application of this measure through 2020 and discuss its merits fully with Shareholders as part of our consultation on next year's updated Policy.

Looking forward

Over the last six years, Informa has changed significantly, as the leadership team has pursued a strategy of growth, expanding internationally and building depth and reach across a range of attractive specialist markets.

As the Group has evolved, we have sought to adapt our approach to remuneration accordingly to ensure incentives remain appropriate and compelling for management, while staying closely aligned to Shareholders.

As always, we welcome comments and feedback.

Stephen Davidson

Chairman of the Remuneration Committee

9 March 2020

Remuneration Policy

Our Remuneration Policy was approved by Shareholders at the AGM on 25 May 2018. In accordance with the three-year cycle recommended by the UK Corporate Governance Code, we will seek approval for an updated Policy at our AGM in May 2021. The full Policy can be found on the Company's website at:

www.informa.com/investors/corporate-governance/terms-of-reference.

Annual Report on Remuneration

This section of the Report provides details of how Informa's existing Remuneration Policy was implemented during the financial year ended 31 December 2019. Any information contained in this section of the Report that is subject to audit is highlighted.

Single total figure of remuneration for Executive Directors (audited)

(£)		Salary	Benefits	Pension	Total fixed pay	STIP[1]	LTIP[2,3]	Total variable pay	Total fixed and variable pay
Stephen A. Carter	**2019**	**841,860**	**68,505**	**210,465**	**1,120,830**	**1,068,405**	**1,535,614**	**2,604,019**	**3,724,849**
	2018	829,398	46,281	207,349	1,083,028	1,166,935	1,875,299	3,042,234	4,125,262
Gareth Wright	**2019**	**480,018**	**15,931**	**120,005**	**615,954**	**495,187**	**656,694**	**1,151,881**	**1,767,835**
	2018	472,912	16,861	118,226	607,999	665,371	801,942	1,467,313	2,075,312

1 STIP awards in excess of 100% of base salary are deferred in shares for a further three years in line with the Company's Deferred Share Bonus Plan (DSBP).

2 The LTIP award granted in 2017, which becomes exercisable on 15 March 2020, is expected to vest at 70.15%. The estimated value of the LTIP award (including accrued dividend shares) has been calculated using the average share price over a three month period from 1 October 2019 to 31 December 2019, being 795.0p. The closing market price at 6 March 2020 was 584.6p. This compares with a share price at grant of 651.5p.

3 The values of the 2016 LTIP awards included in the single total figure of remuneration for 2018 have been updated to reflect the actual share price on vesting (being 718.20p on 18 March 2019) rather than the average for the three months to 31 December 2018 which was used in the 2018 Annual Report.

Notes to the single total figure of remuneration table (audited)

Fixed pay

Salary

Executive Directors' salaries were reviewed in March 2019. In the spirit of previous years and in line with our overall remuneration philosophy to put the emphasis on performance-related pay ahead of fixed pay, the Committee limited base salary increases to 1.0% for both Stephen A. Carter and Gareth Wright, effective from 1 January 2019. This increase was in line with the pay practice for senior leadership at Informa and lower than the increase for the wider colleague community.

	Salary from 1 January 2019	Salary from 1 July 2018
Stephen A. Carter	**£841,860**	£833,524
Gareth Wright	**£480,018**	£475,265

Benefits

The benefits received by the Executive Directors include private healthcare, car allowance or driver costs in lieu, professional advice, life assurance cover, travel insurance and travel expenses incurred for accompanied attendance at certain corporate events.

Pension

The Group makes a cash payment of 25% of basic salary to the current Executive Directors in lieu of pension contributions. Neither Executive Director is a member of the defined benefit schemes provided by the Company or any of its subsidiaries, and accordingly they have not accrued entitlements under these schemes.

Variable pay

STIP

The maximum STIP opportunity for 2019 was 175% of salary for Stephen A. Carter and 150% of salary for Gareth Wright. For 2019, the STIP was linked to the achievement of budgeted adjusted diluted EPS (120% of salary), URG (30% of salary) and, for Stephen A. Carter only, a new engagement and culture non-financial measure (25% of salary) relating to the Group Chief Executive's engagement with the wider workforce and his work to develop the culture of the Group.

Under the EPS element, if threshold performance is achieved 25% of the measure will vest. This increases on a straight line basis to on-target performance where 75% of the measure will vest. Under the URG element, if threshold performance is achieved, 0% of the measure will vest, increasing on a straight line basis to on-target performance where 33.33% of the measure will vest.

The EPS measure is based on budgeted exchange rates, in line with market practice, and the targets and outturn shown below have been adjusted for the impact of exchange rates to enable constant currency comparison. A technical adjustment was made to the URG target to account for the impact of disposals. No discretionary adjustments were made to the targets.

Measure	Weighting (% of salary)	Performance targets Threshold	Target	Maximum	Actual outcome	Payout (% of salary)
EPS	120%	48.0p	50.5p	53.0p	50.11p	80.76%
URG	30%	2.08%	3.08%	4.08%	3.7%	22.40%
Total STIP (for Group Finance Director)	150%					103.16%
Engagement and culture	25%					23.75%
Total STIP (for Group Chief Executive)	175%					126.91%

Informa performed well through 2019, delivering another year of growth in profit, earnings and cash flow. This led to an adjusted diluted EPS outcome for 2019 of 50.11p, resulting in a payout of 80.76% of salary. Adjusted URG for the year was 3.7%, resulting in a payout between target and maximum of 22.4% of salary.

The Group Chief Executive's engagement and culture measure included:

- Articulation and understanding of the Informa Constitution
- Frequency and impact of leadership and colleague communications and events, including Board engagement
- Roll out of unified policies across the enlarged Group to support a high performance culture
- Common platform and tools for colleague engagement

Based on the performance achieved, the Committee determined that a payment of 23.75% of salary was appropriate.

The Committee approved the overall STIP outcome for 2019 equal to 126.91% of salary for Stephen A. Carter and 103.16% of salary for Gareth Wright, having determined that the general financial underpin had been satisfied. In line with the Policy, the equivalent of 100% of base salary will be paid in cash, with the remainder being deferred into shares for a further three years under the rules of the DSBP, and subject to malus and clawback provisions.

2017 LTIP

The LTIP awards granted on 15 March 2017 to Stephen A. Carter and Gareth Wright were subject to performance conditions based on two equally weighted performance conditions over the three years to 31 December 2019. The first measured relative total shareholder return (TSR) vs. the FTSE 51–150 peer group (excluding financial services and natural resources companies) while the second measured the compound annual growth rate (CAGR) in adjusted diluted EPS.

	Date of award	Number of shares awarded	Price at date of award	Value as a percentage of base salary	Value at date of award (£)
Stephen A. Carter	15 March 2017	253,345	651.50p	200%	1,650,543
Gareth Wright	15 March 2017	108,341	651.50p	150%	705,842

The table below shows the achievement against these conditions and the resulting proportion of the awards which will become exercisable on 15 March 2020:

Measure	Weighting (% of maximum)	Performance targets Threshold	Maximum	Actual outcome	Payout (% of maximum)
TSR against comparator group	50%	Median	80th percentile	57th percentile vs peer group	20.15%
EPS CAGR	50%	2%	6%	7.22%	50.00%
Total LTIP					70.15%

Under the TSR element, if Informa ranks at median, 20% of the award subject to this measure will vest. This increases on a straight line basis to full vesting for ranking at or above the 80th percentile. A ranking below median will result in the lapsing of the TSR element. Willis Towers Watson has confirmed that Informa's TSR over the period was ranked at the 57th percentile vs. the peer group, resulting in a vesting outcome of 20.15% for that element.

Under the EPS CAGR element, 2% p.a. growth will result in 20% of the award subject to this measure vesting, 4% p.a. growth will result in 50% vesting, and 6% p.a. growth or higher will result in full vesting; vesting occurs on a straight line basis between these points. Growth below 2% p.a. will result in the lapsing of the EPS CAGR element. No discretionary adjustments were made to the performance targets. Informa's CAGR over the period was 7.22%, resulting in full vesting for that element.

The total amount expected to become exercisable is therefore 70.15% of the total award.

The performance outcomes above have resulted in the following LTIP vesting levels:

	Number of shares granted	Number of shares to lapse	Number of shares to become exercisable	Estimated value[1] (£)
Stephen A. Carter	253,345	75,624	193,159	1,535,614
Gareth Wright	108,341	32,340	82,603	656,694

1 Accrued dividends are included to 31 December 2019

2 For the purposes of this table, the LTIP award has been valued using the three-month average share price to 31 December 2019 of 795.0p and will be restated in next year's Annual Report once the share price on the date of vesting is known. The closing market price at 6 March 2020 was 584.6p. This compares with a share price of 651.5p at grant.

Share scheme interests awarded during the year (audited)
LTIP

	Type of award	Number of options awarded	Value as a percentage of base salary	Face value at date of award
Stephen A. Carter	LTIP (option)	341,011[1,2]	300%	£2,500,565
Gareth Wright	LTIP (option)	145,830	225%	£1,069,342

1 On 21 March 2019 the Company granted an LTIP award equal to 200% of salary to Stephen A. Carter (227,341 options) and 150% of salary to Gareth Wright (97,220 options). The performance conditions attached to this award are TSR vs. FTSE 51–150 and EPS CAGR. The measures for these performance conditions are: (i) TSR ranked between the median to upper quintile; and (ii) EPS CAGR between 3.5% and 8.5%. The performance conditions will be measured over the three years to 31 December 2021 and 20% of this award will vest in the event that threshold performance is achieved.

2 On 21 March 2019 the Company granted an *AIP* LTIP award equal to 100% of salary to Stephen A. Carter (113,670 options) and 75% of salary to Gareth Wright (48,610 options). The performance conditions are: (i) to achieve a run rate of £60m–£70m of cost synergies by the end of 2020 (weighting of 60%) and (ii) a post-tax return on invested capital in line with or ahead of the Group's weighted average cost of capital (WACC) (calculated at 7.2%–7.95%) by the end of 2021 (weighting of 40%). 25% of this award will vest in the event the threshold performance is achieved.

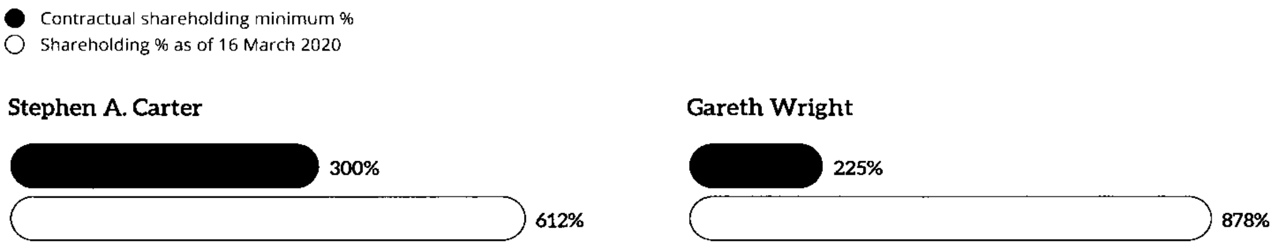
3 The face value of both awards granted on 21 March 2019 was calculated using the five-day average share price prior to the grant date (being 733.28p).

All options granted in 2019 are subject to an additional two-year holding period following vesting. During the two-year holding period, Executive Directors are only allowed to dispose of shares to meet income tax, National Insurance or other regulatory obligations.

Executive Directors' shareholdings and share interests (audited)
Shareholding requirements

The Committee believes that equity ownership by the Executive Directors, wider management team and the colleague base is an important and effective way to align their interests with those of the Company's Shareholders. Under the terms of the 2018 Policy, Executive Directors are required to hold a percentage of their salary in shares, or in exercisable options over shares, equivalent to their largest outstanding LTIP award, which is currently 300% of salary for Stephen A. Carter and 225% of salary for Gareth Wright. Executive Directors are expected to meet the guideline within five years of appointment or of 25 May 2018 (being the date of the 2018 AGM), whichever is the later, and maintain this holding throughout their term of office.

Both Stephen A. Carter and Gareth Wright significantly exceed the Company's current share ownership guidelines.



Shareholdings

The beneficial interest of each Executive Director in the Company's shares (including those held by connected persons) as at 31 December 2019 and their anticipated beneficial interests as at 16 March 2020 are set out below:

	Beneficial holding[1]	Exercisable options over shares (not exercised)	ShareMatch	DSBP awards	Total interests as at 31 December 2019[4]	Shareholding as % of salary as at 31 December 2019	2017 LTIP award[6]	Anticipated total interests as at 16 March 2020	Anticipated shareholding as % of salary as at 16 March 2020
Stephen A. Carter	106,604	268,526	2,765	76,377	454,272	429%	193,159	647,851	612%
Gareth Wright	14,493	381,111	4,405	47,368	447,377	741%	82,603	530,400	878%

1 Stephen A. Carter's beneficial shareholding receives share dividends through the Dividend Reinvestment Plan (DRIP)
2 Shares held under ShareMatch are made up of shares purchased by the Executive Director, shares "matched" by the Group and dividend shares.
3 Includes DSBP awards granted in 2016, 2018 and 2019 and accrued dividends to 31 December 2019
4 Total interests are shares held legally or beneficially and those held by connected persons, and exercisable options held in the LTIP, and shares held in ShareMatch, in accordance with the Company's Executive Shareholding Guidelines
5 The average share price for the three months from 1 October 2019 to 31 December 2019 (being 795.0p) has been taken for the purpose of calculating the current shareholding as a percentage of salary
6 The 2017 LTIP will become exercisable on 15 March 2020. Full details are set out on page 141
7 Anticipated total interests as at 16 March 2020 also includes the ShareMatch purchased and "matched" shares acquired on 20 January 2020

Scheme interests

The table below shows details of outstanding awards held by Executive Directors, including awards granted in 2019. LTIP awards are subject to the achievement of performance conditions set at grant and DSBP awards are based on the prior achievement of annual performance conditions and will become exercisable on the third anniversary of grant.

Director/ *Scheme*	Date of *grant*	Held at 1 January *2019*[1]	Exercised/ released during *2019*[2]	Vested but *unexercised*	Granted during *2019*	Lapsed during *2019*	Held at 31 December *2019*	Accrued dividend shares at 31 December *2019*	Total held at 31 December *2019*[3]	Date options *exercisable*	Exercise *period to*
Stephen A. Carter											
LTIP	08/09/2014	263,755	263,755	–	–	–		–	–	08/09/2017	07/09/2024
	12/02/2015	276,183	276,183							12/02/2018	11/02/2025
	17/03/2016	255,400		239,820		15,580	239,820	28,706	268,526	17/03/2019	16/03/2026
	15/03/2017	253,345				–	253,345	22,008	275,353	15/03/2020	14/03/2027
	22/03/2018	228,848		–	–	–	228,848	12,880	241,728	22/03/2021	21/03/2028
	30/05/2018	65,101		–	–	–	65,101	3,664	68,765	30/05/2021	29/05/2028
	30/05/2018	43,401	–	–	–	–	43,401	2,442	45,843	01/03/2022	29/05/2028
	21/03/2019		–	–	227,341	–	227,341	6,460	233,801	21/03/2022	20/03/2029
	21/03/2019	–	–	–	68,202	–	68,202	1,938	70,140	21/03/2022	20/03/2029
	21/03/2019	–			45,468		45,468	1,292	46,760	21/03/2022	20/03/2029
DSBP	17/03/2016	6,016	6,016		–		–	–	–	17/03/2019	16/03/2026
	02/03/2018	28,039	–	–	–	–	28,039	1,578	29,617	02/03/2021	01/03/2028
	21/03/2019	–	–	–	45,468	–	45,468	1,292	46,760	21/03/2022	20/03/2029
Gareth Wright											
LTIP	08/09/2014	112,521	–	112,521		–	112,521	17,722	130,243	08/09/2017	07/09/2024
	12/02/2015	117,527	–	117,527			117,527	18,511	136,038	12/02/2018	11/02/2025
	17/03/2016	109,218		102,555		6,663	102,555	12,275	114,830	17/03/2019	16/03/2026
	15/03/2017	108,341					108,341	9,412	117,753	15/03/2020	14/03/2027
	22/03/2018	97,865				–	97,865	5,508	103,373	22/03/2021	21/03/2028
	30/05/2018	27,840		–		–	27,840	1,566	29,406	30/05/2021	29/05/2028
	30/05/2018	18,560				–	18,560	1,044	19,604	01/03/2022	29/05/2028
	21/03/2019			–	97,220	–	97,220	2,762	99,982	21/03/2022	20/03/2029
	21/03/2019			–	29,166		29,166	828	29,994	21/03/2022	20/03/2029
	21/03/2019			–	19,444		19,444	552	19,996	21/03/2022	20/03/2029
DSBP	17/03/2016	3,413		3,413	–		3,413	408	3,821	17/03/2019	16/03/2026
	02/03/2018	15,987	–	–			15,987	899	16,886	02/03/2021	01/03/2028
	21/03/2019	–		–	25,925	–	25,925	736	26,661	21/03/2022	20/03/2029

1 Excludes accrued dividends
2 *A total of 85,761 dividend equivalent shares were also exercised by Stephen A. Carter during the year*
3. Includes accrued dividends

The performance outcomes above have resulted in the following LTIP vesting levels:

	Number of shares granted	Number of shares to lapse	Number of shares to become exercisable	Estimated value (£)
Stephen A. Carter	253,345	75,624	193,159	1,535,614
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LTIP

	Type of award	Number of options awarded	Value as a percentage of base salary	Face value at date of award
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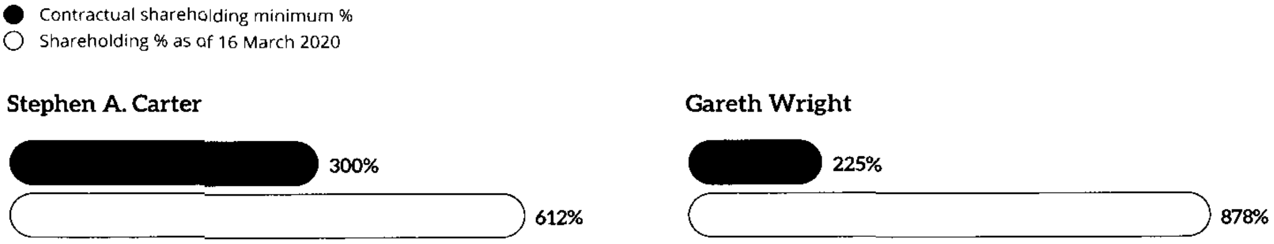
Both Stephen A. Carter and Gareth Wright significantly exceed the Company's current share ownership guidelines.



Shareholdings

The beneficial interest of each Executive Director in the Company's shares (including those held by connected persons) as at 31 December 2019 and their anticipated beneficial interests as at 16 March 2020 are set out below:

	Beneficial holding[1]	Exercisable options over shares (not exercised)	ShareMatch	DSBP awards[3]	Total interests as at 31 December 2019[4]	Shareholding as % of salary as at 31 December 2019[5]	2017 LTIP award[6]	Anticipated total interests as at 16 March 2020[7]	Anticipated shareholding as % of salary as at 16 March 2020
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5 The average share price for the three months from 1 October 2019 to 31 December 2019 (being 795.0p) has been taken for the purpose of calculating the current shareholding as a percentage of salary

6 The 2017 LTIP will become exercisable on 15 March 2020. Full details are set out on page 141

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Scheme interests

The table below shows details of outstanding awards held by Executive Directors, including awards granted in 2019. LTIP awards are subject *to the achievement of performance conditions set at grant and DSBP awards are based on the prior achievement of annual performance* conditions and will become exercisable on the third anniversary of grant.

Director/ Scheme	Date of grant	Held at 1 January 2019	Exercised/ released during 2019[2]	Vested but unexercised	Granted during 2019	Lapsed during 2019	Held at 31 December 2019	Accrued dividend shares at 31 December 2019	Total held at 31 December 2019	Date options exercisable	Exercise period to
Stephen A. Carter											
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	17/03/2016	255,400		239,820	-	15,580	239,820	28,706	268,526	17/03/2019	16/03/2026
	15/03/2017	253,345	–				253,345	22,008	275,353	15/03/2020	14/03/2027
	22/03/2018	228,848	-	–		-	228,848	12,880	241,728	22/03/2021	21/03/2028
	30/05/2018	65,101	-	–			65,101	3,664	68,765	30/05/2021	29/05/2028
	30/05/2018	43,401		-	–		43,401	2,442	45,843	01/03/2022	29/05/2028
	21/03/2019	-		-	227,341	–	227,341	6,460	233,801	21/03/2022	20/03/2029
	21/03/2019	–	–		68,202		68,202	1,938	70,140	21/03/2022	20/03/2029
	21/03/2019	-	–	-	45,468	-	45,468	1,292	46,760	21/03/2022	20/03/2029
DSBP	17/03/2016	6,016	6,016	-		–		-	-	17/03/2019	16/03/2026
	02/03/2018	28,039			–	-	28,039	1,578	29,617	02/03/2021	01/03/2028
	21/03/2019	–	–		45,468		45,468	1,292	46,760	21/03/2022	20/03/2029
Gareth Wright											
LTIP	08/09/2014	112,521	–	112,521		-	112,521	17,722	130,243	08/09/2017	07/09/2024
	12/02/2015	117,527	-	117,527		-	117,527	18,511	136,038	12/02/2018	11/02/2025
	17/03/2016	109,218		102,555	–	6,663	102,555	12,275	114,830	17/03/2019	16/03/2026
	15/03/2017	108,341		–	-	-	108,341	9,412	117,753	15/03/2020	14/03/2027
	22/03/2018	97,865	-		–		97,865	5,508	103,373	22/03/2021	21/03/2028
	30/05/2018	27,840	–		–	-	27,840	1,566	29,406	30/05/2021	29/05/2028
	30/05/2018	18,560	–		–	-	18,560	1,044	19,604	01/03/2022	29/05/2028
	21/03/2019	-	–		97,220	–	97,220	2,762	99,982	21/03/2022	20/03/2029
	21/03/2019		-	–	29,166	–	29,166	828	29,994	21/03/2022	20/03/2029
	21/03/2019			-	19,444		19,444	552	19,996	21/03/2022	20/03/2029
DSBP	17/03/2016	3,413		3,413	-	-	3,413	408	3,821	17/03/2019	16/03/2026
	02/03/2018	15,987			–		15,987	899	16,886	02/03/2021	01/03/2028
	21/03/2019	–		-	25,925	–	25,925	736	26,661	21/03/2022	20/03/2029

1 Excludes accrued dividends

2. A total of 85,761 dividend equivalent shares were also exercised by Stephen A. Carter during the year

3 Includes accrued dividends

Payments to past Directors (audited)

No payments were made to past Directors during the year ended 31 December 2019.

Payments for loss of office (audited)

No payments for loss of office were made during the year ended 31 December 2019.

Other disclosures

Service contracts

The Executive Directors have rolling service contracts with the Company which have notice periods of 12 months on either side.

	Date of service contract
Stephen A. Carter[1]	9 July 2013
Gareth Wright	9 July 2014

1 Stephen A. Carter was appointed as a Non-Executive Director on 11 May 2010, CEO Designate on 1 September 2013 and became Group Chief Executive on 1 December 2013.

In accordance with the Code, all continuing Directors stand for election or re-election by the Company's Shareholders on an annual basis. The Company may terminate an Executive Director's appointment with immediate effect without notice or payment in lieu of notice under certain circumstances, prescribed within the Executive Director's service contract. The Executive Directors' service contracts are available for inspection at the Company's registered office during normal business hours and at the AGM.

External appointments

The Executive Directors are entitled to accept external board appointments provided that the Chairman determines that it is appropriate. The Executive Director is entitled to retain any fees in relation to such external appointments.

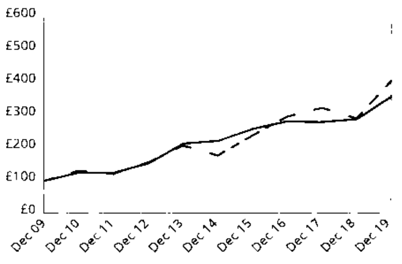
Stephen A. Carter has been a Non-Executive Director of United Utilities Group PLC since September 2014. During the year to 31 December 2019, he received fees of £79,333 in respect of this role (2018: £78,033). Stephen A. Carter is also a Non-Executive Board member of the Department for Business, Energy & Industrial Strategy (BEIS) and chooses not to receive remuneration for this role. Gareth Wright has no external appointments.

Total shareholder return and Group Chief Executive pay

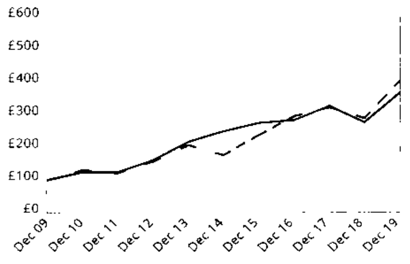
The graphs below illustrate the Group's TSR performance compared with the performance of the FTSE All-Share Media Index, the FTSE 350 Index excluding Investment Trusts and the FTSE 51–150 peer group (excluding financial services and natural resources), in the 10-year period ended 31 December 2019. These indices and peer group have been selected for this comparison because the Group is a constituent company of all three.

Historical TSR performance

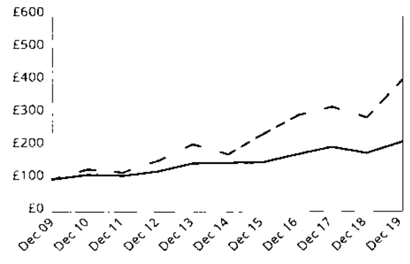
Growth in the value of a hypothetical £100 holding invested in Informa over 10 years:



-- Informa
— FTSE All-Share Media



-- Informa
— FTSE 51-150 peer group median
FTSE 51-150 peer group average



-- Informa
— FTSE 350 excluding Investment Trusts

Over the same period, the total remuneration of the individual holding the role of Group Chief Executive has been as follows:

Year	2010	2011	2012	2013	2013[1]	2014	2015[2]	2016	2017	2018	2019
CEO	Peter Rigby	Peter Rigby	Peter Rigby	Peter Rigby	Stephen A Carter	Stephen A Carter	Stephen A Carter	Stephen A Carter	Stephen A Carter	Stephen A Carter	Stephen A Carter
CEO single figure of *remuneration*	CHF 3,067,504	CHF 5,231,269	CHF 3,987,897	CHF 3,718,566	£588,365	£1,794,152	£2,083,275	£3,407,650	£4,132,219	£4,125,262	£3,724,849
STIP payout (% of maximum)	86.30%	75.70%	65.90%	n/a	59.00%	66.70%	69.80%	40.00%	82.40%	93.33%	72.52%
LTIP vesting (% of maximum)	0%	74.00%	42.50%	–	n/a	n/a	34.60%	79.30%	83.00%	93.90%	70.15%

1 Group Chief Executive remuneration for Stephen A Carter for 2013 covers the period from 1 September 2013 to 31 December 2013

2 The LTIP award made in 2013 was pro rated to reflect his time as CEO Designate during that year

Relative importance of spend on pay

Informa is a people business, dependent on the contributions and expertise of its 11,000 colleagues around the world. The Group believes in the importance of investing in colleagues and offering market competitive salaries, as well as flexible benefits and further opportunities such as ShareMatch. The table below shows the aggregate colleague remuneration, dividends paid, revenue and operating profit as stated in the financial statements, for the years ended 31 December 2019 and 31 December 2018:

	2019	2018	Percentage change
Total number of colleagues[1]	**11,174**	9,832	13.65%
Aggregate colleague remuneration (£m)[1]	**£605.6m**	£526.2m	15.09%
Remuneration per colleague (£)	**£54,197**	£53,519	1.27%
Dividends paid in the year (£m)[2]	**£280.0m**	£201.9m	38.68%

1. Figures taken from Note 9 to the Consolidated Financial Statements

2 Figures taken from Note 14 to the Consolidated Financial Statements

CEO pay ratios

The table below sets out the ratios of the Group Chief Executive to the equivalent pay for the lower quartile, median and upper quartile UK employees (calculated on a full time basis). While the Group Chief Executive is based in the UK, his role and remit are international and the pay ratios required by the Companies (Miscellaneous Reporting) Requirements 2018 take no account of those colleagues based outside the UK (68% of total colleagues). The ratios are calculated using total pay and benefits for UK colleagues over the 2019 financial year and the disclosure will build up over time to cover a rolling 10-year period.

Year	*Method*	*25th percentile ratio*	*Median ratio*	*75th percentile ratio*
2019	Option A[1]	120.3:1	89.2:1	57.3:1

1 Calculated as total pay and benefits for all UK colleagues, using the same methodology that is used to calculate the Group Chief Executive's single figure of remuneration

Year		25th percentile	Median	75th percentile
2019	Salary	£27,836	£38,570	£56,100
	Total pay and benefits	£30,970	£41,748	£65,031

The Committee selected Option A as the most appropriate for the Company on the basis that it provides the most robust and statistically accurate means of identifying the lower quartile, median and upper quartile colleagues and is consistent with the Group's pay, reward and progression policies. Base salaries of all colleagues, including the Executive Directors, are set with reference to a range of factors including market comparators, individual experience and performance in role.

The total compensation calculations for UK colleagues include salary, bonus payments and benefits package, and, where appropriate, LTIP earnings. The Group Chief Executive comparator figure is that of total fixed and variable pay as set out in the single total figure of remuneration on page 133. The Committee uses the Group Chief Executive pay ratio as a reference point to inform policy setting and in assessing colleague pay progression.

The following table shows the percentage change in salary, benefits and bonus from 2018 to 2019 for the Group Chief Executive and the average percentage change from 2018 to 2019 for all colleagues in the Group:

	Salary %	Benefits %	Bonus %
Group Chief Executive	1.0%	48.0%	8.4%
All colleagues	4.5%	9.6%	12.6%

Single total figure of remuneration for Non-Executive Directors (audited)

The remuneration of the Chairman is determined by the Committee in consultation with the Group Chief Executive. The remuneration of the Non-Executive Directors is determined by the Chairman and the Executive Directors within the limits set by the Company's Articles.

The fees for the Chairman and other Non-Executive Directors were reviewed during the year and increased as follows with effect from 1 April 2019:

	Current fee (£)	Effective date	Previous fee (£)	Effective date
Chairman	378,750	1 April 2019	375,000	1 July 2018
Deputy Chairman	93,850	1 April 2019	92,920	1 July 2018
Non-Executive Directors (base fee)	65,295	1 April 2019	64,649	1 July 2018
Additional fees: Audit Committee Chairman	13,965	1 April 2019	13,826	1 July 2018
Remuneration Committee Chairman	10,525	1 April 2019	10,419	1 July 2018
Senior Independent Director	10,525	1 April 2019	10,419	1 July 2018

The table below show the actual fees paid to the Non-Executive Directors for the years ended 31 December 2019 and 2018:

	2019		2018	
	Total fees (£)	**Benefits[3] (£)**	Total fees (£)	Benefits (£)
Derek Mapp	**377,813**	**5,200**	372,128	12,098
Gareth Bullock	**75,632**	**2,572**	74,697	3,045
Stephen Davidson	**75,632**	**3,120**	74,697	4,160
David Flaschen	**65,134**	**12,073**	64,329	10,088
Mary McDowell	**65,134**	**4,238**	34,786	2,570
Helen Owers	**65,134**	**6,085**	64,329	7,025
John Rishton	**79,064**	**3,530**	78,087	4,487
Gill Whitehead[1]	**27,206**	**103**		
Greg Lock[2]	**37,547**	**–**	49,999	-
Cindy Rose[2]	**26,123**	**–**	64,329	295
David Wei[2]	**26,123**	**1,267**	34,786	3,528

1 Gill Whitehead was appointed to the Board on 1 August 2019

2 Greg Lock, Cindy Rose and David Wei stood down from the Board at the conclusion of the 2019 AGM in May

3 Taxable benefits disclosed relate to the reimbursement of taxable relevant travel and accommodation expenses for attending Board meetings and professional advice and include tax which is settled by the Company

Non-Executive Directors' shareholdings (audited)

Non-Executive Directors are not subject to a shareholding requirement. Details of their interests in shares (including those held by connected persons) as at 31 December 2019 and 2018 are set out below:

Non-Executive Director	**Shareholdings as at 31 December 2019**	Shareholdings as at 31 December 2018
Derek Mapp	**135,766**	132,061
Gareth Bullock	**13,576**	13,204
Helen Owers	**3,976**	3,867
Stephen Davidson	**3,350**	3,350
David Flaschen[1]	**7,000**	7,000
John Rishton	**15,163**	8,681
Mary McDowell	**6,299**	6,299
Gill Whitehead	**–**	n/a

1 David Flaschen holds 3,500 American Depository Receipts (ADRs). One ADR is equivalent to two Ordinary Shares

There have been no changes to these holdings between 31 December 2019 and the date of this Report.

Non-Executive Directors are not eligible to participate in any of the Company's share plans or join any Group pension scheme.

Letters of appointment

All Non-Executive Directors have a letter of appointment with the Company, which are available for inspection at the Company's registered office during normal business hours and at the AGM. The effective dates of appointment are shown below:

	Effective date of appointment
Derek Mapp[1]	17 March 2008
Gareth Bullock	1 January 2014
Helen Owers	1 January 2014
Stephen Davidson	1 September 2015
David Flaschen	1 September 2015
John Rishton	1 September 2016
Mary McDowell[2]	15 June 2018
Gill Whitehead	1 August 2019

1 *Derek Mapp was appointed as a Non-Executive Director on 10 May 2004 before being appointed as Chairman on 17 March 2008*

2 Mary McDowell was appointed as a Non-Executive Director of UBM plc on 1 August 2014 before being appointed to the Informa PLC Board

How we intend to implement the Policy in 2020

A summary of how the Committee intends to apply the Policy for the year ending 31 December 2020 is set out below.

Base salary and fees

The base salaries of the Executive Directors is expected to increase by 1% effective from 1 July 2020. The typical range of salary increase for UK colleagues is 1%–3%.

The fees payable to the Chairman and the Non-Executive Directors are similarly expected to increase by 1% from 1 July 2020.

Pension

Current Executive Directors receive a cash payment of 25% of basic salary in lieu of pension contributions.

STIP

In 2020, the maximum bonus opportunity for the Group Chief Executive will be 175% of base salary and 150% of base salary for the Group Finance Director.

The performance measures and weightings for the 2020 STIP will be as follows:

	As a percentage of maximum bonus opportunity	
Measure	Group Chief Executive	Group Finance Director
Adjusted diluted EPS	69%	80%
Underlying revenue growth (URG)	17%	20%
Engagement and culture	14%	

- Performance below threshold will not result in a payout for any element of the STIP
- For the EPS-related measure, threshold and on-target performance will result in payouts of 25% and 75% of the maximum respectively
- For the URG-related measure, payouts for this element will be made on a straight line basis between 0% at threshold and 33% for on-target performance, and then on a further straight line basis to maximum
- In respect of the Group Chief Executive's engagement and culture measure (25% of salary at maximum), performance will be judged in the round against a range of non-financial measures

The financial targets themselves, as they relate to the 2020 financial year, are market sensitive. However, retrospective disclosure of the targets and performance against them will be provided in next year's Annual Report unless they remain sensitive at that time.

LTIP

The Committee intends to make LTIP awards of 300% of base salary to the Group Chief Executive and 225% of base salary to the Group Finance Director in respect of the 2020 financial year. The award will be subject to a performance condition based on three equally weighted measures over a three-year performance period from 1 January 2020 to 31 December 2022.

The performance measures and weightings for each element will be:

- Relative TSR vs. the FTSE 51–150 excluding financial services and natural resources where, if Informa ranks at median, 20% of the award subject to this measure will vest. This increases on a straight line basis to full vesting for ranking at or above the 80th percentile. This element of the LTIP will lapse for any ranking below median
- The EPS growth performance range will be determined after the Committee has taken into account a variety of factors including the internal and external projections for the Group's performance. The range will be disclosed at the earliest opportunity
- Cash returns measure divided into free cash generation (50%) and free cash flow conversion (50%). Achieving threshold performance for either measure would result in a payout of 25% of that element, increasing on a straight line basis to 100% at maximum. Both elements of the cash returns measure would be tested annually (with targets disclosed at the conclusion of each year due to market sensitivity) although vesting would not occur until the third anniversary of grant. Both cash returns measures are subject to an underpin which requires a minimum level of performance in each year

Remuneration Committee membership and responsibilities

Throughout the year ended 31 December 2019, and as at the date of this Report, the Committee was comprised wholly of independent Non-Executive Directors. Members of the Committee during the year, and to the date of this Report, are:

Members	Committee member since	Attendance during 2019
Stephen Davidson (Chairman)	1 September 2015	3/3
Gareth Bullock	11 February 2016	3/3
Mary McDowell	15 June 2018	3/3
Helen Owers	1 January 2014	3/3

Full biographies for the Committee members and attendance at all meetings during the year are shown on pages 110, 111 and 113.

The Chairman of the Board and the Group Chief Executive attend meetings by invitation only and are not present when matters relating to their own fees or remuneration are discussed. In determining the Executive Directors' remuneration, the Committee consulted the Chairman about its proposals.

The Group HR Director, Company Secretary and the Company's remuneration advisers attended meetings and provided assistance to the Committee during the year, other than for any item relating to their own remuneration.

There is regular communication between the Committee Chairman, Chairman of the Board, Group Chief Executive and Group HR Director on all aspects of remuneration within the Group. The Committee Chairman is also available to the remuneration advisers to discuss matters of governance or the Policy.

Key responsibilities of the Committee

The Committee's terms of reference were last reviewed in December 2019 and are available on the Company's website. The Committee's key areas of responsibility are:

- Setting the Policy for Executive Directors and the Company Chairman
- Reviewing the policy and strategy for members of Senior Management, whilst having regard to pay and employment conditions across the Group
- Determining the total remuneration package of the Executive Directors and Senior Management
- Approving the design and implementation of all colleague share plans and pension arrangements
- Approving the design of, determining targets and monitoring performance against conditions attached to all annual and long-term incentive awards to Executive Directors and Senior Management and approving the vesting and payment outcomes of these arrangements
- Selecting, appointing and setting the terms of reference of any independent remuneration advisers

Activities of the Committee during 2019

The Committee met three times in the year ended 31 December 2019 during which the following activities were undertaken:

- Approved the 2018 Directors' Remuneration Report
- Reviewed the base salaries of the Executive Directors and other members of Senior Management
- Assessed the level of achievement of targets for the 2018 STIP and set targets for the 2019 STIP
- Assessed the achievement of targets for the LTIP awards made in 2016 and set targets for the LTIP awards made in 2019
- Reviewed and approved awards made under the STIP (including the DSBP) and LTIP
- Reviewed the Committee's terms of reference
- Received updates on corporate governance and remuneration matters from the Company's remuneration advisers

Remuneration consultants

Mercer Kepler was appointed as independent remuneration consultant by the Committee in May 2017 following a commercial tender. Mercer Kepler is a member of the Remuneration Consultants Group and follows its voluntary Code of Conduct. It does not provide any other material services or have any other connection to the Group.

During 2020, the Committee reviewed the performance of its remuneration adviser and concluded that Mercer Kepler's performance remained satisfactory, and that the advice received was independent and objective.

Fees paid to Mercer Kepler during the year ended 31 December 2019, which are charged on a time basis, amount to £52,266 (2018: £102,025) and relate to attendance at Committee meetings, Policy review and advice to the Committee. The Committee has not requested advice from any other external remuneration advisory firm during the year ended 31 December 2019.

Result of voting at the 2018 and 2019 AGMs

At the 2018 AGM, Shareholders approved the Policy which is currently in place. The results of that vote, along with the voting outcome of the resolution put to Shareholders at the 2019 AGM regarding the Remuneration Report, are shown below:

	Votes for		Votes against			
	Number	%	Number	%	Total votes cast	Votes withheld (abstentions)
Approval of the Annual Report on Remuneration in 2019	899,746,980	90.17	98,111,823	9.83	997,858,803	767,534
Approval of the Directors' Remuneration Policy in 2018	426,506,481	64.19	237,979,957	35.81	664,486,438	10,412,463

This Directors' Remuneration Report was approved by the Board and signed on its behalf by

Stephen Davidson
Chairman of the Remuneration Committee
9 March 2020

Directors' Report and other statutory information

The Directors present their report on the affairs of the Group, together with the audited financial statements and report of the auditor, for the year ended 31 December 2019.

This Directors' Report forms part of the Company's Strategic Report, as required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The Strategic Report also forms the Management Report for the purposes of Disclosure and Transparency Rule 4.1.8R and includes the reporting requirements of the EU Non-Financial Reporting Directive. Information that is relevant to this report and information required under the Companies Act 2006 and Listing Rule 9.8.4R is incorporated by reference and can be found in the following sections:

Information	Section in Annual Report	Page
Future developments of the Company	Strategic Report	4–93
Risk factors and principal risks	Strategic Report	80–90
Sustainability	Strategic Report	48–51
Greenhouse gas emissions	Strategic Report	78
Viability and going concern statements	Strategic Report	91–93
Governance arrangements	Governance	106–147
Directors	Governance	110–111
Employment policies and colleague engagement	Strategic Report	34–41
Use of financial instruments, financial risk management objectives and policies	Financial Statements	203–211
Post balance sheet events	*Financial Statements*	227
Dividends	Strategic Report	100

Articles of Association

The Company's Articles of Association (Articles) may only be amended by special resolution at a general meeting of Shareholders. They are available on the Company's website at www.informa.com.

Directors

The names and biographical details of all Directors and details of their Board Committee membership are on pages 110 and 111.

All Directors will offer themselves for election or re-election by Shareholders at the 2020 AGM.

Directors' interests

The Directors' Remuneration Report on pages 131 to 143 contains details of the remuneration paid to the Directors, their interests in the shares of the Company, and any awards granted to the Executive Directors under any of the Company's all-colleague or executive share schemes. The Directors' Remuneration Report also summarises the Executive Directors' service agreements and the Non-Executive Directors' letters of appointment. These are also available for inspection at the Company's registered office.

No Director had a material interest in any contract in relation to the Company's business at any time during the year.

Appointment and replacement of Directors

The rules for appointing and replacing Directors are set out in the Articles. Directors can be appointed by the Board or by ordinary resolution of the Company. A Director can be removed from office by the Company passing an ordinary resolution or by notice being given by all other Directors.

Powers of the Directors

The powers of the Directors are set out in the Articles and allow *the Board to exercise all the powers of the Company. The Company* may by ordinary resolution authorise the Board to issue shares and increase, consolidate, sub-divide and cancel shares in accordance *with its* Articles *and English law.*

Directors' indemnities

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

Substantial shareholdings

As at 31 December 2019, the Company had received notice of the following notifiable interests in the Company's issued share capital, in accordance with the Financial Conduct Authority's (FCA) Disclosure and Transparency Rules (DTR 5). The information provided below was correct at the date of notification to the Company:

Shareholder	% Shareholding
BlackRock, Inc.	5.48%
Newton Investment Management Limited	5.12%
Lazard Asset Management LLC	4.30%
Artemis Investment Manager LLP	3.59%
Invesco Ltd	3.55%
APG Asset Management N.V.	3.49%

No additional notifications have been received by the Company between 31 December 2019 and the date of this report.

All notifications made to the Company under DTR 5 are published to the market via a Regulatory Information Service and made available on the Investors section of our website.

Share capital

Informa PLC is a public company limited by shares and incorporated in England and Wales. It has a premium listing on the London Stock Exchange and is the holding company of the Informa Group of companies.

The Company has one class of shares: Ordinary Shares of 0.1p each, all of which are fully paid. As at 31 December 2019, the Company's issued share capital comprised 1,251,798,534 Ordinary Shares of 0.1p each. No new Ordinary Shares were issued during the year.

At the 2019 AGM, the Directors were granted authority by the Shareholders to make market purchases of Ordinary Shares representing up to 10% of its issued share capital at that time, being 125,179,000 Ordinary Shares. This authority, which was not exercised during 2019 or to the date of this report, will expire at the conclusion of the 2020 AGM, when the Directors intend to propose that the authority is renewed.

Rights and obligations attaching to shares

The rights attaching to the Company's Ordinary Shares are set out in the Articles available on the Company's website. Subject to relevant legislation, any share may be issued with or have attached to it such preferred, deferred or other special rights and restrictions as the Company may decide by ordinary resolution, or, if no such resolution is in effect, as the Board may decide so far as the resolution does not make specific provision. No such resolution is currently in effect.

The Company may pass an ordinary resolution to declare that a dividend be paid to holders of Ordinary Shares, subject to the recommendation of the Board as to the amount. On liquidation, holders of Ordinary Shares may share in the assets of the Company. Holders of Ordinary Shares are also entitled to receive the Company's Annual Report and, subject to certain thresholds being met, may requisition the Board to convene a general meeting or the proposal of resolutions at AGMs. None of the Ordinary Shares carry any special rights with regard to control of the Company.

Voting rights

Holders of Ordinary Shares are entitled to attend and speak at general meetings of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, to appoint a corporate representative.

On a show of hands, each holder of Ordinary Shares who is present in person, or if a corporation is present by a duly appointed corporate representative who is not themselves a member, shall have one vote. On a poll, every holder of Ordinary Shares present in person or by proxy shall have one vote for every share of which they are the holder.

Electronic and paper proxy appointments and voting instructions must be received no later than 48 hours before a general meeting. A holder of Ordinary Shares can lose the entitlement to vote at general meetings where that holder has been served with a disclosure notice and has failed to provide the Company with information concerning interests held in those shares.

Except as set out above and as permitted under applicable statutes, there are no limitations on voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

Restrictions on transfer of securities in the Company

There are no restrictions on the transfer of securities in the Company, except that:

- The Directors may from time to time refuse to register a transfer of a certificated share which is not fully paid, provided it meets the requirements given under the Articles
- Transfers of uncertificated shares must be carried out using CREST, and the Directors can refuse to register a transfer of an uncertificated share, in accordance with the regulations governing the operation of CREST
- Legal and regulatory restrictions may be put in place from time to time, for example insider-trading laws
- In accordance with the Listing Rules of the FCA, the Directors and certain colleagues require approval to deal in the Company's shares
- Where a Shareholder with at least a 0.25% interest in the Company's certificated shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares
- The Directors may decide to suspend the registration of transfers, for up to 30 days a year, by closing the register of Shareholders. The Directors cannot suspend the registration of transfers of any uncertificated shares without obtaining consent from CREST

There are no agreements between holders of Ordinary Shares that are known to the Company which may result in restrictions on the transfer of securities or on voting rights.

Shares held on trust

From time to time, shares are held by a trustee in order to satisfy entitlements of employees to shares under the Group's share schemes. Usually the shares held on trust are no more than sufficient to satisfy the requirements of the Group's share schemes for one year. The shares held by these trusts do not have any special rights with regard to control of the Company. While these shares are held on trust, their rights are not exercisable directly by the relevant employees. The current arrangements concerning these trusts and their shareholdings are set out in Note 36 on page 217.

Change of control

There are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control following a takeover bid, except for the Group's principal borrowings described in Note 29 on pages 211 and 212.

The Company does not have agreements with any Director or colleague that would provide compensation for loss of office or employment resulting from a change of control on takeover, except that provisions in the Company's share schemes and plans may cause options and awards granted to colleagues to vest on a takeover under such schemes and plans.

Political donations

Neither the Company nor the Group made any political donations during 2019 or 2018.

Overseas branches

The Company operates branches in the following countries: Australia, China, France, Hong Kong, India, Luxembourg, Malaysia, Netherlands, Singapore, South Africa, South Korea, Switzerland, Taiwan, the UAE and the UK.

Audit and auditor

Each of the Directors at the date of approval of this report confirms that:

- To the best of their knowledge there is no relevant audit information that has not been brought to the attention of the auditor
- They have taken all steps required of them to make themselves aware of any relevant audit information and to establish that the Company's auditor was aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP has indicated its willingness to continue in office as auditor, and on the recommendation of the Audit Committee, a resolution to reappoint Deloitte as the Company's auditor will be proposed at the 2020 AGM.

Colleague engagement

Informa runs ongoing and proactive internal communications and colleague engagement programmes, designed to support and inform colleagues and foster a dynamic and engaged culture throughout the Group, and based on a recognition that people are the Group's most important asset.

The Board is directly involved in several of these activities, including a colleague town hall programme that accompanies regular Board meetings, and receives feedback and reporting on colleague matters that allow the Directors to weigh and consider the interests of colleagues in decision making. Full details are included in the Heart of Informa section on pages 34 to 41.

During 2019, materials on the Group's two colleague share schemes – ShareMatch and a US Employee Stock Purchase Plan – were updated. These schemes are regularly promoted on the Company's intranet and through direct mailing at key moments, such as enrolment windows and the start and end of tax years.

Engagement with customers, suppliers and other groups

Informa's Directors recognise the importance of successful partnerships with the Group's customers and suppliers, based on trust and delivering shared benefits.

Pages 42 to 45 in the Heart of Informa section describe how the business works with customers, suppliers and business partners to understand their needs and respond in a way that delivers value to them and helps the Company succeed in turn. Our engagement with suppliers includes agreeing payment practices, and for 2019 the reported average credit period was 44 days (2018: 46).

The Heart of Informa section also describes how the interests of these groups were considered at key moments of decision making during 2019.

Equal opportunities

Informa sets great store by diversity and aims to attract and retain talented colleagues with a wide range of backgrounds, skills and experiences. This breadth is both an essential business need and, the Group believes, the only and right way to operate.

We recognise the value that differences bring, including but not limited to difference of gender, age, race, nationality, social background, professional and personal experiences and preferences. We comply fully with all national equal opportunities legislation and make recruitment and promotion decisions based solely on the ability to perform each role. Colleagues, and potential colleagues, receive the same treatment regardless of age, gender, sexual orientation, disability, ethnicity or religion. In the event that a colleague's circumstances change, every effort is made to ensure that their employment with the Group continues, including, where possible, providing specialised training and adjusting their working environment.

The Directors' Report was approved by the Board and signed on its behalf by

Rupert Hopley

Group General Counsel and Company Secretary

Informa PLC
Company Number: 08860726

9 March 2020

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the International Accounting Standard (IAS) Regulation and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing the Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

In preparing the Group financial statements, IAS 1 requires that Directors:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
- Make an assessment of the Company's ability to continue as a going concern

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 the Group. This enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company and the Group's position, performance, business model and strategy.

In addition, in accordance with DTR 4.1.12R, each of the Directors, whose names and roles appear on pages 110 and 111, confirm that, to the best of their knowledge:

- The Consolidated Financial Statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group and the Parent Company
- The Management Report (which includes the Strategic Report and the Directors' Report) includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces

Approved by the Board and signed on its behalf by

Gareth Wright
Group Finance Director

9 March 2020

Independent Auditor's report to the members of Informa PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- The financial statements of Informa PLC and its subsidiaries (the Group) give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended
- The Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements which comprise:

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company.

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

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • The recoverability of the carrying value of goodwill and intangible assets • The timing of revenue recognition In 2018, we identified a key audit matter in relation to the identification and valuation of intangible assets acquired through the business combination with UBM. We have concluded that this is not a key audit matter in 2019 given the limited extent of adjustments to the provisional acquisition accounting recorded in 2018. As the relative size and scale of the business combinations made in 2019 are significantly less than previous years, we have not identified a key audit matter in respect of the identification and valuation of intangible assets acquired in business combinations.
Materiality	The audit materiality that we used for the Group financial statements was £34.0m. This represents 4.6% of statutory pre-tax profit adjusted for amortisation of intangible assets acquired in business combinations and losses on disposal. The increase in materiality over the prior year materiality figure (£27.0m) reflects the inclusion of the full-year post-combination results of UBM, acquired on 15 June 2018.
Scoping	We performed full scope audits or an audit of specified balances and transactions at the principal business units within the Group's shared services centres in the UK, US, China, Hong Kong and Singapore. These in-scope locations represent the principal business units within the Group's Operating Divisions and account for 76% (2018: 73%) of the Group's revenue and 73% (2018: 78%) of the Group's adjusted operating profit.
Significant changes in our approach	Our planned audit approach was discussed with the Audit Committee in May 2019 and November 2019. Alongside the changes in key audit matters outlined above, the significant change from our audit approach for the period ended 31 December 2018 was the extension of our planned operating effectiveness of controls testing to include the purchase to pay process in the Group's SAP environment. In 2018 we tested the operating effectiveness of controls in the purchase to pay process in the Group's Oracle environment. There were no other significant changes to our approach in the current year.

Independent Auditor's report to the members of Informa PLC continued

Conclusions relating to going concern, principal risks and viability statement

Going concern

We have reviewed the Directors' statement in Note 2 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements.

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

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

Going concern is the basis of preparation of the financial statements that assumes an entity will remain in operation for a period of at least 12 months from the date of approval of the financial statements.

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

Principal risks and viability statement

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

- The disclosures on pages 81 to 90 that describe the principal risks, procedures to identify emerging risks, and an explanation of how they are being managed or mitigated
- The Directors' confirmation on page 81 that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; or
- The Directors' explanation on pages 91 to 93 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions

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

Viability means the ability of the Group to continue over the time horizon considered appropriate by the Directors.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The recoverability of the carrying value of goodwill and intangible assets

Key audit matter description

The Group has expanded significantly through acquisition. As at 31 December 2019, total goodwill and intangible assets were stated at £6,143m and £3,437m respectively (2018: £6,344m and £3,854m respectively).

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

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

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

- The significant amount of audit resources and effort applied in respect of testing the impairment review of goodwill and intangible assets. This reflects the significance of the carrying value of goodwill and intangible assets on the Group Balance Sheet
- We identified a significant risk of material misstatement in respect of the cash flow forecasts relating to one specific CGU – Informa Tech. The carrying value of this CGU at the date of the impairment review was £930.1m

Management discusses the policies and processes followed in respect of the impairment review in Notes 2 and 16 to the Consolidated Financial Statements, and impairment of assets is identified as a key source of estimation uncertainty in Note 3. This key source of estimation uncertainty is also referred to within the Audit Committee Report on page 128.

Independent Auditor's report to the members of Informa PLC continued

The recoverability of the carrying value of goodwill and intangible assets

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

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

Assessing management's methodology:

- Obtaining an understanding of the basis of preparation of the forecasts and impairment review, and assessing the design and implementation of key controls within the impairment review process
- *Assessing recent forecasting accuracy against actual performance*
- Following the finalisation of the UBM acquisition accounting in the year and the completion of the post-combination business restructure, assessing if management's revised CGU structure appropriately reflects the new divisional structure of the Group
- Involving our internal valuation specialists to assess the appropriateness of the key assumptions including the discount rates and long-term growth rates prepared by management's expert valuation adviser
- Considering the reasonableness of sensitivities applied by management and reperforming this sensitivity analysis

Assessing the cash flow forecasts:

- Determining whether the 2020 forecast performance for each CGU was consistent with the budgets adopted by management and approved by the Board of Directors
- Assessing the appropriateness of short-term forecasts for each CGU including a comparison against historical performance to assess the reasonableness of the budgets
- Determining whether the growth rates selected by management were reasonable, in line with the requirements of accounting standards and reflected industry trends. We involved our internal valuations specialists in these procedures

The incremental audit procedures that we performed in respect of Informa Tech pinpointed to the cash flow forecasts of the CGU were:

- Assessing the design and implementation of key controls within the budget preparation and review process in relation to this specific CGU
- Further challenging the cash flow forecasts used within the impairment model based on our understanding of the business and developments within the year, discussions with finance and divisional management, and external industry information
- Further considering historical forecasting accuracy by comparing actual performance to budgets over a five-year lookback period
- Performing breakeven analysis on the key assumptions within the impairment model for the CGU, and assessing whether the breakeven scenarios represented reasonably possible changes in the key assumptions

Key observations

Based on the audit procedures performed we concluded that the assumptions management had applied in its impairment review, and the overall conclusions from its review, were reasonable.

The timing of revenue recognition

Key audit matter description	The specific nature of the risk of material misstatement in revenue recognition varies across the Group's revenue streams and Operating Divisions. In respect of subscriptions revenue within the Taylor & Francis, Informa Intelligence, and Informa Tech Divisions, we identified a risk that the deferral and release of subscription revenues does not appropriately match the subscription period in customer contracts. In the Taylor & Francis division, for the unit sales revenue stream, we identified a key risk relating to sales cut-off, being that revenue for books is not recognised in line with the agreed delivery terms. The risks identified above were also identified as an area of potentially fraudulent management manipulation. The Group's revenue recognition accounting policies are disclosed in Note 2 to the Consolidated Financial Statements with an analysis by revenue stream and by segment in Notes 5 and 6 to the Consolidated Financial Statements respectively.
How the scope of our audit responded to the key audit matter	We confirmed our understanding of each of the Divisions' business models and our understanding of the principles set out in customer contracts and the sales process. We then confirmed our understanding of the design and implementation of controls by performing sample transaction walkthroughs of the revenue recording process, from order processing to invoice production through to cash collection. These procedures enabled us to design and perform substantive audit procedures to respond to each of the specific risks of material misstatement we identified. The procedures we performed across the entities within our audit scope included the following: • In relation to subscriptions revenue: – We performed detailed testing of a sample of subscription transactions, obtaining and reviewing the relevant order confirmations and contracts to validate whether revenue was appropriately recorded across the term – We used data analytics techniques to recalculate the deferred revenue in relation to subscription revenue for contracts spanning the year end • In relation to unit sales revenue: – We performed detailed testing of a sample of transactions close to year end, examining supporting documentation to determine whether revenue recognition criteria have been met and whether the revenue has been appropriately recognised in the period or deferred at the period end
Key observations	Based on the audit procedures performed we concluded that revenue in respect of subscriptions was recorded appropriately across the term and that the timing of revenue recognition in respect of unit sales was appropriate.

Independent Auditor's report to the members of Informa PLC continued

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

	Group financial statements	Parent Company financial statements
Materiality	£34.0m (2018: £27.0m)	£11.9m (2018: £10.8m)
Basis for determining materiality	Our materiality is based on a percentage of statutory pre-tax profit adjusted for amortisation of intangible assets acquired in business combinations and losses on disposals. Materiality of £34.0 million represents 4.7% of this measure (2018: 5%). £34.0m represents 10.7% of statutory profit before tax (2018: 9.2%) and 4.1% of reported adjusted profit before tax (2018: 4.2%).	Given the quantum of the net assets on the Parent Company Balance Sheet we have capped materiality to 35% (2018: 40%) of Group materiality which equates to 0.1% of net assets (2018: 0.1% of net assets).
Rationale for the benchmark applied	We adjust for amortisation of intangible assets acquired in business combinations and losses on disposals to use a profit measure also used by analysts and other users of the financial statements, and because profits adjusted for these items more closely aligns with current cash flows.	Net assets is typically considered an appropriate benchmark for materiality as the Parent Company is a holding company.

On the basis of our risk assessment, our assessment of the Group's control environment including our plan to rely on the effective operation of certain systems and controls, and management's willingness to correct errors that may be identified, we set performance materiality for the Group at £23.9m (2018: £18.9m) which represents 70% (2018: 70%) of Group materiality. We use performance materiality to determine the extent of our testing; it is lower than Group materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.7m (2018: £1.3m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

Based on that assessment, we performed full scope or an audit of specified balances and transactions at the principal business units within the shared services centres in Colchester (UK), Kent (UK), Sarasota, Florida (US), Cleveland, Ohio (US), New York (US), Singapore, Shanghai (China), and Hong Kong (China). The Parent Company is located in the UK and audited directly by the Group audit team.

The in-scope locations (those at which a full scope audit or an audit of specified balances and transactions was performed as part of the Group audit) represent 73% (2018: 73%) of the Group's revenue and 76% (2018: 79%) of the Group's adjusted operating profit. The Group audit team directly audits the entirety of the Group's goodwill and acquired intangible assets. Our audit work at all the locations in the Group audit scope was executed to a materiality of up to £14.3m, and therefore not exceeding 40% of Group materiality of £34.0m.

	Revenue	Adjusted operating profit
Full audit scope	58%	56%
Specified audit procedures	15%	20%
Review at Group level	27%	24%
	100%	100%

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

IT specialists within the Group audit team tested the Group's two main Enterprise Resource Planning (ERP) systems centrally. We assessed the design and implementation and tested operating effectiveness of relevant controls within the purchase to pay cycle across both systems and relied on these controls in the execution of our audit procedures.

The Group audit team continued to follow a programme of planned visits that has been designed so that the Senior Statutory Auditor or a designate visits each of the locations in the Group audit scope at least once every two years and the most significant of them at least once a year. In the course of the 2019 audit, visits were undertaken to all of the audit locations identified above with the exception of Shanghai (China) and Hong Kong (China). The Group audit team had planned to visit Shanghai and Hong Kong for the component close meetings in February 2020 but were prohibited from doing so due to the outbreak of COVID-19. Our oversight plan was revised to ensure the Group audit team met its requirements in respect of directing and reviewing the audit work of the component teams in China.

For each component, we included the component audit team in our team briefings, to discuss the Group risk assessment and audit instructions, to confirm their understanding of the business, and to discuss their local risk assessment. Throughout the audit, we maintained regular contact in order to support and direct their audit approach. We also attended (either in person or dial in) local audit close meetings with local management, performed onsite or remote reviews of their working papers, and reviewed their reporting to us of the findings from their work.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

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

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

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

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

We have nothing to report in respect of these matters.

Independent Auditor's report to the members of Informa PLC continued

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

- The nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets
- Results of our enquiries of management and Internal Audit and the Audit Committee about their own identification and assessment of the risks of irregularities
- Any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- The matters discussed among the audit engagement team including significant component audit teams and involving relevant internal specialists, including tax, valuations, pensions, IT and analytics specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

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

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act 2006, Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These include the General Data Protection Regulation (GDPR), anti-bribery legislation and anti-money laundering regulations.

Audit response to risks identified

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

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

In the light of the knowledge and understanding of the Group and of the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Independent Auditor's report to the members of Informa PLC continued

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

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

- We have not received all the information and explanations we require for our audit; or
- Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Company financial statements are not in agreement with the accounting records and returns

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if, in our opinion, certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Other matters

Auditor tenure

Following the recommendation of the Audit Committee, we were reappointed by the members at the AGM on 24 May 2019 to audit the financial statements for the year ended 31 December 2019. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 16 years, covering the years ended 31 December 2004 to 31 December 2019.

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

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

Use of our report

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

Anna Marks FCA

Senior statutory auditor

For and on behalf of Deloitte LLP
Statutory Auditor
London

9 March 2020

Consolidated Income Statement for the year ended 31 December 2019

	Notes	Adjusted results 2019 £m	Adjusting items 2019 £m	Statutory results 2019 £m	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m
Revenue	5	**2,890.3**	**–**	**2,890.3**	2,369.5	–	2,369.5
Net operating expenses	7	**(1,958.7)**	**(395.0)**	**(2,353.7)**	(1,638.4)	(368.9)	(2,007.3)
Operating profit/(loss) before joint ventures and associates		**931.6**	**(395.0)**	**536.6**	731.1	(368.9)	362.2
Share of results of joint ventures and associates	20	**1.5**	**–**	**1.5**	1.0	–	1.0
Operating profit/(loss)		**933.1**	**(395.0)**	**538.1**	732.1	(368.9)	363.2
(Loss)/profit on disposal of subsidiaries and operations	21	**–**	**(95.4)**	**(95.4)**	–	1.1	1.1
Investment income	11	**8.9**	**1.2**	**10.1**	7.0	1.2	8.2
Finance costs	12	**(120.6)**	**(13.5)**	**(134.1)**	(89.4)	(1.0)	(90.4)
Profit/(loss) before tax		**821.4**	**(502.7)**	**318.7**	649.7	(367.6)	282.1
Tax (charge)/credit	13	**(156.1)**	**83.5**	**(72.6)**	(116.2)	55.7	(60.5)
Profit/(loss) for the year		**665.3**	**(419.2)**	**246.1**	533.5	(311.9)	221.6
Attributable to:							
– Equity holders of the Company	15	**644.7**	**(419.2)**	**225.5**	519.8	(311.9)	207.9
– Non-controlling interests	37	**20.6**	**–**	**20.6**	13.7	–	13.7
Earnings per share							
– Basic (p)	15	**51.5**		**18.0**	49.4		19.7
– Diluted (p)	15	**51.3**		**18.0**	49.2		19.7

Consolidated Statement of Comprehensive Income for the year ended 31 December 2019

	Notes	2019 £m	2018 (restated)[1] £m
Profit for the year		**246.1**	221.6
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss on defined benefit pension schemes	34	**(1.6)**	(14.3)
Tax credit relating to items that will not be reclassified to profit or loss	22	**0.7**	1.3
Total items that will not be reclassified subsequently to profit or loss		**(0.9)**	(13.0)
Items that have been reclassified subsequently to profit or loss:			
Recycling of exchange gains arising on disposal of foreign operations		**1.2**	–
Items that may be reclassified subsequently to profit or loss:			
Exchange (loss)/gain on translation of foreign operations		**(233.5)**	236.0
Exchange gain/(loss) on net investment hedge debt		**73.1**	(91.3)
Loss on derivative hedges		**(21.2)**	(22.4)
Total items that may be reclassified subsequently to profit or loss		**(180.4)**	122.3
Other comprehensive (expense) income for the year		**(181.3)**	109.3
Total comprehensive income for the year before initial application of IFRS 16		**64.8**	330.9
Effect of initial application of IFRS 16 that will not be reclassified subsequently to profit or loss		**4.1**	–
Total comprehensive income for the year including IFRS 16 inital application		**68.9**	330.9
Total comprehensive income attributable to:			
– *Equity holders of the Company*		**48.2**	314.7
– Non-controlling interests		**20.7**	16.2

1. 2018 restated for finalisation of UBM acquisition accounting (see Note 4).

Consolidated Statement of Changes in Equity for the year ended 31 December 2019

	Share capital £m	Share premium account £m	Translation reserve[1] £m	Other reserves £m	Retained earnings[1] £m	Total[1] £m	Non-controlling interests £m	Total equity[1] £m
At 31 December 2017	0.8	905.3	(56.5)	(1,568.7)	2,936.8	2,217.7	11.3	2,229.0
Profit for the year	–	–	–	–	207.9	207.9	13.7	221.6
Exchange gain on translation of foreign operations[1]	–	–	233.5	–	–	233.5	2.5	236.0
Exchange loss on net investment hedge debt	–	–	(91.3)	–	–	(91.3)	–	(91.3)
Loss arising on derivative hedges	–	–	(22.4)	–	–	(22.4)	–	(22.4)
Foreign exchange recycling of disposed entities	–	–	–	–	–	–	–	–
Actuarial loss on defined benefit pension schemes	–	–	–	–	(14.3)	(14.3)	–	(14.3)
Tax relating to components of other comprehensive income	–	–	–	–	1.3	1.3	–	1.3
Total comprehensive income for the year	–	–	119.8	–	194.9	314.7	16.2	330.9
Dividends to Shareholders	–	–	–	–	(201.8)	(201.8)	–	(201.8)
Dividends to NCI	–	–	–	–	–	–	(8.6)	(8.6)
Share award expense	–	–	–	8.1	–	8.1	–	8.1
Issue of share capital	0.5	–	–	3,546.8	–	3,547.3	–	3,547.3
Own shares purchased	–	–	–	(3.5)	–	(3.5)	–	(3.5)
Transfer of vested LTIPs	–	–	–	(3.9)	3.9	–	–	–
NCI arising from purchase of subsidiary	–	–	–	–	–	–	176.8	176.8
Adjustment to NCI arising from exercise of put option	–	–	–	(4.3)	–	(4.3)	(2.3)	(6.6)
Disposal of NCI	–	–	–	–	–	–	–	–
At 31 December 2018[1]	1.3	905.3	63.3	1,974.5	2,933.8	5,878.2	193.4	6,071.6
Effect of initial application of IFRS 16 (see Note 38) on 1 January 2019	**–**	**–**	**–**	**–**	**4.1**	**4.1**	**–**	**4.1**
At 1 January 2019 as restated for initial application of IFRS 16	**1.3**	**905.3**	**63.3**	**1,974.5**	**2,937.9**	**5,882.3**	**193.4**	**6,075.7**
Profit for the year	**–**	**–**	**–**	**–**	**225.5**	**225.5**	**20.6**	**246.1**
Exchange loss on translation of foreign operations	**–**	**–**	**(233.6)**	**–**	**–**	**(233.6)**	**0.1**	**(233.5)**
Exchange gain on net investment hedge debt	**–**	**–**	**73.1**	**–**	**–**	**73.1**	**–**	**73.1**
Loss arising on derivative hedges	**–**	**–**	**(21.2)**	**–**	**–**	**(21.2)**	**–**	**(21.2)**
Foreign exchange recycling of disposed entities	**–**	**–**	**1.2**	**–**	**–**	**1.2**	**–**	**1.2**
Actuarial loss on defined benefit pension schemes	**–**	**–**	**–**	**–**	**(1.6)**	**(1.6)**	**–**	**(1.6)**
Tax relating to components of other comprehensive income	**–**	**–**	**–**	**–**	**0.7**	**0.7**	**–**	**0.7**
Total comprehensive income for the year	**–**	**–**	**(180.5)**	**–**	**224.6**	**44.1**	**20.7**	**64.8**
Dividends to Shareholders	**–**	**–**	**–**	**–**	**(280.3)**	**(280.3)**	**–**	**(280.3)**
Dividends to NCI	**–**	**–**	**–**	**–**	**–**	**–**	**(17.5)**	**(17.5)**
Share award expense	**–**	**–**	**–**	**10.4**	**–**	**10.4**	**–**	**10.4**
Issue of share capital	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Own shares purchased	**–**	**–**	**–**	**(15.9)**	**–**	**(15.9)**	**–**	**(15.9)**
Transfer of vested LTIPs	**–**	**–**	**–**	**(5.7)**	**5.7**	**–**	**–**	**–**
NCI arising from purchase of subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Adjustment to NCI arising from exercise of put option	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disposal of NCI	**–**	**–**	**–**	**1.3**	**–**	**1.3**	**(0.5)**	**0.8**
At 31 December 2019	**1.3**	**905.3**	**(117.2)**	**1,964.6**	**2,887.9**	**5,641.9**	**196.1**	**5,838.0**

1. 2018 restated for finalisation of UBM acquisition accounting (see Note 4).

Consolidated Balance Sheet as at 31 December 2019

	Notes	2019 £m	2018 (restated)[1] £m
Non-current assets			
Goodwill	16	6,143.1	6,343.9
Other intangible assets	17	3,437.4	3,854.4
Property and equipment	19	69.2	69.7
Right of use assets	38	264.4	-
Investments in joint ventures and associates	20	19.8	19.1
Other investments	20	10.1	5.1
Deferred tax assets	22	6.7	24.2
Retirement benefit surplus	34	4.9	4.5
Finance lease receivables	38	13.0	-
Other receivables	23	27.8	6.3
Derivative financial instruments	24	3.9	1.5
		10,000.3	10,328.7
Current assets			
Inventory	25	38.5	50.9
Trade and other receivables	23	476.4	400.4
Current tax asset		8.9	15.9
Cash and cash equivalents	28	195.1	168.8
Finance lease receivables	38	2.3	-
Derivative financial instruments		1.0	-
Assets classified as held for sale	26	-	79.1
		722.2	715.1
Total assets		10,722.5	11,043.8
Current liabilities			
Borrowings	29	(152.2)	(200.8)
Lease liabilities	38	(34.2)	-
Derivative financial instruments	24	(36.4)	(10.1)
Current tax liabilities		(97.5)	(96.2)
Provisions	30	(34.3)	(63.4)
Trade and other payables	31	(482.7)	(445.2)
Deferred income	31	(746.5)	(701.2)
Liabilities directly associated with assets classified as held for sale	26	-	(13.9)
		(1,583.8)	(1,530.8)
Non-current liabilities			
Borrowings	29	(2,380.7)	(2,626.2)
Lease liabilities	38	(282.4)	-
Derivative financial instruments	24	(22.4)	(94.0)
Deferred tax liabilities	22	(540.4)	(619.7)
Retirement benefit obligation	34	(35.0)	(37.5)
Provisions	30	(19.1)	(30.1)
Trade and other payables	31	(17.4)	(30.3)
Deferred income	31	(3.3)	(3.6)
		(3,300.7)	(3,441.4)
Total liabilities		(4,884.5)	(4,972.2)
Net assets		5,838.0	6,071.6
Share capital	35	1.3	1.3
Share premium account	35	905.3	905.3
Translation reserve		(117.2)	63.3
Other reserves	36	1,964.6	1,974.5
Retained earnings		2,887.9	2,933.8
Equity attributable to equity holders of the parent		5,641.9	5,878.2
Non-controlling interest		196.1	193.4
Total equity		5,838.0	6,071.6

1. *2018 restated for finalisation of UBM acquisition accounting and held for sale reclassifications (see Note 4).*

These financial statements were approved by the Board of Directors and authorised for issue on 9 March 2020 and were signed on its behalf by

Stephen A. Carter
Group Chief Executive

Gareth Wright
Group Finance Director

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Consolidated Cash Flow Statement for the year ended 31 December 2019

	Notes	2019 £m	2018 £m
Operating activities			
Cash generated by operations	33	**958.5**	635.0
Income taxes paid		**(100.6)**	(82.4)
Interest paid		**(138.3)**	(66.3)
Net cash inflow from operating activities		**719.6**	486.3
Investing activities			
Interest received		**5.5**	2.1
Purchase of property and equipment	19	**(17.5)**	(23.4)
Proceeds on disposal of property and equipment		**-**	0.4
Purchase of intangible software assets		**(25.3)**	(30.2)
Product development costs additions		**(7.0)**	(6.2)
Purchase of intangibles related to titles, brands and customer relationships		**(59.4)**	(21.0)
Outflows on disposal of other intangible assets related to titles and brands		**-**	(3.2)
Acquisition of subsidiaries and operations, net of cash acquired	18	**(167.7)**	(593.6)
Acquisition of investment	20	**(5.0)**	(0.5)
Proceeds from disposal of subsidiaries and operations		**179.3**	7.4
Net cash outflow from investing activities		**(97.1)**	(668.2)
Financing activities			
Dividends paid to Shareholders	14	**(280.0)**	(201.9)
Dividends paid to non-controlling interests	14	**(17.5)**	(8.6)
Dividend paid in settlement of UBM acquisition liability		**-**	(59.0)
Proceeds from EMTN bond issuance	27	**443.7**	872.7
Repayment of loans	27	**(499.7)**	(1,179.4)
New loan advances	27	**41.2**	644.0
Repayment of private placement borrowings	27	**(143.4)**	(101.5)
New private placement borrowings	27	**-**	313.6
Borrowing fees paid	27	**(9.4)**	(10.0)
Repayment of lease liabilities		**(34.5)**	-
Finance lease receipts		**2.3**	-
Acquisition of non-controlling interests	18	**(32.2)**	(5.3)
Cash (outflow)/inflow from share capital		**(15.9)**	2.0
Net cash (outflow)/inflow from financing activities		**(545.4)**	266.6
Net increase in cash and cash equivalents		**77.1**	84.7
Effect of foreign exchange rate changes		**(6.9)**	(8.0)
Cash and cash equivalents at beginning of the year	28	**124.9**	48.2
Cash and cash equivalents at end of the year	28	**195.1**	124.9

Reconciliation of Movement in Net Debt for the year ended 31 December 2019

	Notes	2019 £m	2018 £m
Increase in cash and cash equivalents in the year (including cash acquired)	27	**77.1**	84.7
Cash flows from net drawdown of borrowings and derivatives associated with debt	27	**199.8**	(539.4)
Change in net debt resulting from cash flows		**276.9**	(454.7)
Borrowings acquired in acquisition of subsidiary (2018 related to UBM)	27	**-**	(702.6)
Non-cash movements including foreign exchange	27	**93.1**	(151.5)
Movement in net debt in the period (before opening IFRS 16 debt)		**370.0**	(1,308.8)
Net debt at beginning of the year	27	**(2,681.9)**	(1,373.1)
IFRS 16 lease liabilities at 1 January 2019	38	**(343.6)**	-
IFRS 16 finance lease receivables at 1 January 2019	38	**14.4**	-
Net finance lease additions in year		**(16.5)**	-
Net debt at end of the year	27	**(2,657.6)**	(2,681.9)

Notes to the Consolidated Financial Statements for the year ended 31 December 2019

1. General information

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

The Consolidated Financial Statements as at 31 December 2019 and for the year then ended comprise those of the Company and its subsidiaries and its interests in joint ventures and associates (together referred to as the Group).

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

2. Significant accounting policies

Basis of accounting

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

The Directors have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements. Further detail is contained in the Strategic Report on page 91.

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

Basis of consolidation

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

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity and consist of the net assets of those interests at the date of the original business combination plus their share of changes in equity since that date.

Joint ventures are joint arrangements in which the Group has the rights to the net assets through joint control with a third party. Joint operations arise where there is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control, and where the joint operators have rights to the assets and obligations for the liabilities relating to the arrangement. Associates are undertakings over which the Group exercises significant influence, usually from 20–50% of the equity voting rights, in respect of the financial and operating policies and is neither a subsidiary nor an interest in a joint venture.

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

Foreign currencies

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

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

The Balance Sheet of foreign subsidiaries is translated into pounds sterling at the closing rates of exchange. The Income Statement results are translated at an average exchange rate, recalculated for each month at that month's closing rate from the equivalent for the preceding month.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the acquisition closing rate. This is then revalued at the year end rate with any foreign exchange difference taken directly to the translation reserve.

Business combinations

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

If the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the Consolidated Income Statement.

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the Income Statement. The Group recognises any non-controlling interest at the proportionate share of the acquiree's identifiable net assets.

Disposals

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

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

2. Significant accounting policies continued

Equity transactions

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

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 customers, 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.

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. Aside from an immaterial amount which is separately disclosed on the face of the Balance Sheet under non-current liabilities and relates to payment in advance received for biennial and triennial events and exhibitions, deferred income balances at the year end reporting date will be recognised as revenue within 12 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.	Subscription 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 according 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 services 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.	Payments for such services are normally received in advance of the marketing, advertising or sponsorship period.

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 Notes 5 and 6 for further details of revenue by type, business segment and geographic location.

Pension costs and pension scheme arrangements

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

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

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans under IAS 19. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Share-based payments

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

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

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

Interest income

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

Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from 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 tax nor accounting profit. To the extent that goodwill is tax deductible, where a taxable temporary difference arises from the subsequent tax deductible amounts, the associated deferred tax liability is recognised.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

2. Significant accounting policies continued

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

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

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

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

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

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

Goodwill

Goodwill arises from the acquisition of a subsidiary or business and is calculated as the excess of the purchase consideration over the fair value of identifiable assets and liabilities acquired at the date of acquisition. Goodwill also includes amounts corresponding to deferred tax liabilities recognised in respect of acquired intangible assets. It is recognised as an asset at cost, assessed for impairment at least annually and subsequently measured at cost less any accumulated impairment losses. Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed. On disposal of a subsidiary or business, the attributable goodwill is included in the determination of the profit or loss on disposal. Fair value measurements are based on provisional estimates and may be subject to amendment within one year of the acquisition in line with IFRS 3 *Business Combinations*, resulting in an adjustment to goodwill.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired, at the segment level. This represents an aggregation of the CGUs and reflects the level at which goodwill is monitored in the business. At each reporting date, the Group reviews the composition of its CGUs to reflect the impact of changes to cash inflows associated with reorganisations of its management and reporting structure.

Where an impairment test is performed, the carrying value is compared with the recoverable amount which is the higher of the value in use and the fair value less costs to sell. Value in use is the present value of future cash flows and is calculated using a discounted cash flow analysis based on the cash flows of the CGU compared with the carrying value of that CGU, including goodwill. The Group estimates the discount rates as the risk-adjusted cost of capital for the particular CGUs. If the recoverable amount of the CGU or group of CGUs is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible assets

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

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

1. Or licence period if shorter.

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

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

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

Property and equipment

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

Freehold buildings	50 years
Leasehold land and buildings including right of use assets	Shorter of useful economic life or life of the lease
Equipment, fixtures and fittings	3–15 years

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

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group 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 12 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 Group 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 Consolidated 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 Group 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

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

2. Significant accounting policies continued

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 Consolidated Balance Sheet. The Group 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.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. Rental income from operating leases is recognised directly in the Consolidated Income Statement.

Amounts due from lessees under finance leases are recognised as finance lease receivables at the amount of the Group's present value of the lease receipts. The finance lease receivable is subsequently measured by increasing the carrying amount to reflect interest on the finance lease receivable (using the discount rate used at commencement) and by reducing the carrying amount to reflect the lease payments received.

Assets classified as held for sale

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

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

No amortisation or depreciation is charged on non-current assets (including those in disposal groups) classified as held for sale. Assets classified as held for sale are disclosed separately on the face of the Consolidated Balance Sheet and classified as current assets or liabilities, with disposal groups being separated between assets held for sale and liabilities held for sale.

Impairment of tangible and intangible assets

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

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

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

Other investments

Other investments are entities over which the Group does not have significant influence (typically where the Group holds less than 20% interest in the voting interests of the entity). Other investments are classified as assets held at fair value through profit and loss under IFRS 9, with changes in fair value reported in the Income Statement.

Inventory

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

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

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 have a maturity of three months or less and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Cash Flow Statement.

Impairment of financial assets
The Group recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The ECLs on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The carrying amount is reduced by the ECL through the use of a provision account. When a trade receivable is considered uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision are recognised in the Consolidated Income Statement.

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

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

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

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

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

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

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

Derivative financial instruments and hedge accounting
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The derivative instruments utilised by the Group to hedge these exposures are interest rate swaps and cross currency swaps. The Group does not use derivative contracts for speculative purposes. Where an effective hedge is in place against changes in the fair value of borrowings, the hedged borrowings are adjusted for changes in fair value attributable to the risk being hedged with a corresponding income or expense included in the Income Statement within finance costs. The offsetting gains or losses from remeasuring the fair value of the related derivatives are also recognised in the Income Statement within finance costs.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated under IFRS 9 as a hedging instrument and, if so, the nature of the item being hedged.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

2. Significant accounting policies continued

The Group designates certain derivatives as either:

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

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

The Group elects to exclude foreign currency basis from the designation of the financial instrument, applying the cost of hedging approach. The amounts accumulated in the cost of hedging reserve is reclassified to profit or loss in line with the aligned hedged item.

Fair value hedge

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

Cash flow hedge

Changes in fair value of derivative financial instruments that are designated, and effective, cash flow hedges of forecast transactions are recognised in other comprehensive income. The cumulative amount recognised in other comprehensive income is reclassified into the Consolidated Income Statement out of other comprehensive income in the same period when the hedged item is recognised in profit or loss.

Hedges of net investment in foreign operations

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

Discontinuation of hedge accounting

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

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities. Further details of derivative financial instruments are disclosed in Notes 24 and 32.

Provisions

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

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

Alternative performance measures

In addition to the statutory results, adjusted results are prepared for the Income Statement, including adjusted operating profit and adjusted diluted earnings per share, as the Board considers these non-GAAP measures to be a useful and alternative way to measure the Group's performance in a way that is comparable to the prior year. See the glossary on page 235 for definitions of non-GAAP measures, which includes adjusted measures shown in Notes 8 and 15.

Adoption of new and revised International Financial Reporting Standards (IFRSs)

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 28: *Long-term Interests in Associates and Joint Ventures*
- IFRIC 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 Group's accounting policies or had any other material impact on the financial position or performance of the Group. Other amendments to IFRSs effective for the period ending 31 December 2019 have no impact on the Group.

IFRS 16 *Leases*

The Group adopted IFRS 16 on 1 January 2019 using the modified retrospective approach; see Note 38 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 finance costs).

Impact of the new definition of a lease

There are several practical expedients and exemptions available under IFRS 16. The Group is using the practical expedient where, at the adoption date, right of use lease assets are set to equal the lease liabilities. The Group has excluded leases of low value assets and short-term leases, with a duration of less than 12 months, from the application of IFRS 16, with payments for these leases continuing to be expensed directly to the Income Statement as operating leases. The major classes of leases impacted by the new standard are property 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.

All property leases are assessed under IFRS 16. Other event venue-related leases are also assessed to determine if the lease should be classified under IFRS 16; however, the majority of these leases are not classified under IFRS 16 due to the total cumulative lease terms usually being classified as a short-term lease.

Impact on lessee accounting

IFRS 16 changes how the Group 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 Group:

- Recognises right of use assets and lease liabilities in the Consolidated Balance Sheet, initially measured at the present value of the future lease payments
- Recognises depreciation of right of use assets and interest on lease liabilities in profit or loss
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the Consolidated Statement of Cash Flows

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.

Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right of use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

2. Significant accounting policies continued

Because of this change, the Group has reclassified certain of its sub-lease agreements as finance leases receivables on the Balance Sheet.

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 depends on the territory of the relevant lease, hence the currency used, and the weighted average lease term. As a result, reflecting the breadth of the Group's lease portfolio, 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.

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 Group to extend the lease term, the Group 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 are not expected to have a material impact on the financial statements of the Group.

3. Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting judgements

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

Identification of cash generating units (Note 16)

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

Key sources of estimation uncertainty

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

Contingent consideration (Notes 18 and 30)
When the consideration transferred by the Group in a business combination includes assets or liabilities from a contingent consideration arrangement, it is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. The contingent consideration is based on future business valuations and profit multiples and has been estimated on an acquisition by acquisition basis using available profit forecasts. The higher the profit forecast, the higher the fair value of any contingent consideration (subject to any maximum payout clauses). Changes in fair value of the contingent consideration, outside of measurement period adjustments, are recognised as adjusting items in the Income Statement.

Contingent consideration at 31 December 2019 was £18.7m, being the estimate of the probable payable amount, and the maximum possible undiscounted amount is £138.6m. The maximum amount relates to a number of acquisitions payable in the period to 2021.

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

4. Restatement

Following the finalisation of the accounting for the UBM acquisition under IFRS 3 *Business Combinations*, there was no restatement to the Consolidated Income Statement for the year ended 31 December 2018 except for segmental results being restated to reflect the new operating structure that was effective from 1 January 2019 (see Note 6 for restated segmental amounts).

The Consolidated Balance Sheet as at 31 December 2018 has been restated in relation to the UBM acquisition. One year on from the acquisition of UBM, as is required, we have completed the finalisation of the fair value of the acquisition Balance Sheet, resulting in the following true-ups and minor adjustments: an increase to goodwill of £99.8m, an adjustment of £67.0m to reflect the fair value of options related to certain minority interests, a decrease of £18.2m to intangible assets, a decrease to translation reserves of £11.4m, a reduction to trade and other receivables of £3.5m, a decrease to deferred tax liabilities of £0.6m and a decrease to property and equipment of £0.3m. There was also a restatement for adjustments to the held for sale amounts for the Life Sciences business with corresponding adjustments to other line items in the Balance Sheet, with no impact on total consolidated assets or liabilities. Assets classified as held for sale reduced by £0.4m, and liabilities directly associated with assets classified as held for sale reduced by £2.2m, with net assets relating to held for sale increasing by £1.8m to £65.2m.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

4. Restatement continued
Consolidated Balance Sheet: as at 31 December 2018 – restatement

	Previously reported £m	UBM acquisition finalisation £m	Restatement held for sale £m	Restated £m
Non-current assets				
Goodwill	6,237.3	99.8	6.8	6,343.9
Other intangible assets	3,882.0	(18.2)	(9.4)	3,854.4
Property and equipment	70.4	(0.3)	(0.4)	69.7
Investments in joint ventures and associates	19.1	–	–	19.1
Other investments	5.1	–	–	5.1
Deferred tax assets	22.0	–	2.2	24.2
Retirement benefit surplus	4.5	–	–	4.5
Other receivables	6.3	–	–	6.3
Derivative financial instruments	1.5	–	–	1.5
	10,248.2	81.3	(0.8)	10,328.7
Current assets				
Inventory	50.9	–	–	50.9
Trade and other receivables	402.7	(3.5)	1.2	400.4
Current tax asset	15.9	–	–	15.9
Cash at bank and on hand	168.8	–	–	168.8
Assets classified as held for sale	79.5	–	(0.4)	79.1
	717.8	(3.5)	0.8	715.1
Total assets	10,966.0	77.8	–	11,043.8
Current liabilities				
Borrowings	(200.8)	–	–	(200.8)
Derivative financial instruments	(10.1)	–	–	(10.1)
Current tax liabilities	(96.2)	–	–	(96.2)
Provisions	(63.4)	–	–	(63.4)
Trade and other payables	(443.0)	–	(2.2)	(445.2)
Deferred income	(701.2)	–	–	(701.2)
Liabilities directly associated with assets classified as held for sale	(16.1)	–	2.2	(13.9)
	(1,530.8)	–	–	(1,530.8)
Non-current liabilities				
Borrowings	(2,626.2)	–	–	(2,626.2)
Derivative financial instruments	(27.0)	(67.0)	–	(94.0)
Deferred tax liabilities	(620.3)	0.6	–	(619.7)
Retirement benefit obligation	(37.5)	–	–	(37.5)
Provisions	(30.1)	–	–	(30.1)
Trade and other payables	(30.3)	–	–	(30.3)
Deferred income	(3.6)	–	–	(3.6)
	(3,375.0)	(66.4)	–	(3,441.4)
Total liabilities	(4,905.8)	(66.4)	–	(4,972.2)
Net assets	6,060.2	11.4	–	6,071.6

5. Revenue

An analysis of the Group's revenue by type is as follows; refer to accounting policy in Note 2 on revenue for an explanation of the nature of revenue types, their timing and related expected cash flows and any uncertainties and significant payment terms.

Year ended 31 December 2019

	Informa Markets £m	Informa Connect £m	Informa Tech £m	Informa Intelligence £m	Taylor & Francis £m	Total £m
Exhibitor	**1,213.6**	**53.6**	**71.2**	–	–	**1,338.4**
Subscriptions	–	–	**42.0**	**296.0**	**302.5**	**640.5**
Transactional sales	–	–	–	**18.9**	**257.1**	**276.0**
Attendee	**71.2**	**142.3**	**84.3**	–	–	**297.8**
Marketing and advertising services	**91.5**	**21.4**	**18.5**	**33.8**	–	**165.2**
Sponsorship	**73.9**	**58.3**	**40.2**	–	–	**172.4**
Total	**1,450.2**	**275.6**	**256.2**	**348.7**	**559.6**	**2,890.3**

Year ended 31 December 2018[1]

	Informa Markets £m	Informa Connect £m	Informa Tech £m	Informa Intelligence £m	Taylor & Francis £m	Total £m
Exhibitor	840.8	42.7	41.5	–	–	925.0
Subscriptions	–	–	27.3	277.9	282.3	587.5
Transactional sales	–	–	–	25.1	250.9	276.0
Attendee	56.3	133.3	55.4	–	–	245.0
Marketing and advertising services	84.8	43.0	13.3	48.1	–	189.2
Sponsorship	50.3	58.5	38.0	–	–	146.8
Total	1,032.2	277.5	175.5	351.1	533.2	2,369.5

1. 2018 restated for restructuring of Divisions and the alignment of UBM revenue types to Informa Group revenue types (see Note 4).

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

6. Business segments

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

The Group's five identified reportable segments under IFRS 8 *Operating Segments* are as described in the Strategic Report. There is no difference between the Group's operating segments and the Group's reportable segments.

Segment revenue and results

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

Year ended 31 December 2019

	Informa Markets £m	Informa Connect £m	Informa Tech £m	Informa Intelligence £m	Taylor & Francis £m	Total £m
Revenue	**1,450.2**	**275.6**	**256.2**	**348.7**	**559.6**	**2,890.3**
Adjusted operating profit before joint ventures and associates	**491.9**	**47.1**	**70.4**	**104.1**	**218.1**	**931.6**
Share of adjusted results of joint ventures and associates (Note 20)	**1.4**	**0.1**	**–**	**–**	**–**	**1.5**
Adjusted operating profit	**493.3**	**47.2**	**70.4**	**104.1**	**218.1**	**933.1**
Intangible asset amortisation[1]	**(197.6)**	**(17.9)**	**(21.7)**	**(23.2)**	**(52.0)**	**(312.4)**
Impairment – goodwill and intangibles	**(4.7)**	**–**	**–**	**–**	**–**	**(4.7)**
Impairment – right of use assets	**(1.4)**	**–**	**–**	**(0.9)**	**(2.3)**	**(4.6)**
Acquisition and integration costs (Note 8)	**(39.3)**	**(4.6)**	**(12.2)**	**(3.3)**	**(0.3)**	**(59.7)**
Restructuring and reorganisation costs (Note 8)	**(3.0)**	**(0.2)**	**(0.6)**	**(4.8)**	**–**	**(8.6)**
Subsequent remeasurement of contingent consideration (Note 8)	**1.6**	**(1.7)**	**–**	**(3.1)**	**–**	**(3.2)**
VAT charges (Note 8)	**(1.8)**					**(1.8)**
Operating profit	**247.1**	**22.8**	**35.9**	**68.8**	**163.5**	**538.1**
Loss on disposal of businesses (Note 21)						**(95.4)**
Investment income (Note 11)						**10.1**
Finance costs (Note 12)						**(134.1)**
Profit before tax						**318.7**

1. Excludes acquired intangible product development and software amortisation.

Year ended 31 December 2018 (restated)[2]

	Informa Markets £m	Informa Connect £m	Informa Tech £m	Informa Intelligence £m	Taylor & Francis £m	Total £m
Revenue	1,032.2	277.5	175.5	351.1	533.2	2,369.5
Adjusted operating profit before joint ventures and associates	356.5	45.7	40.1	91.4	197.4	731.1
Share of adjusted results of joint ventures and associates (Note 20)	0.9	0.1	–	–	–	1.0
Adjusted operating profit	357.4	45.8	40.1	91.4	197.4	732.1
Intangible asset amortisation (Note 17)[1]	(131.3)	(18.9)	(16.4)	(24.3)	(52.7)	(243.6)
Impairment (Note 8)	(5.7)	–	(4.1)	–	–	(9.8)
Acquisition and integration costs (Note 8)	(72.8)	(3.2)	(9.3)	(2.9)	(0.7)	(88.9)
Restructuring and reorganisation costs (Note 8)	(0.9)	(0.8)	(0.2)	(4.5)	(6.7)	(13.1)
Subsequent remeasurement of contingent consideration (Note 8)	2.0	(9.2)	–	7.3	–	0.1
UAE VAT charge	(9.1)	–	–	–	–	(9.1)
GMP pension equalisation	(4.0)	(0.2)	–	(0.3)	–	(4.5)
Operating profit	135.6	13.5	10.1	66.7	137.3	363.2
Profit on disposal of businesses (Note 21)						1.1
Investment income (Note 11)						8.2
Finance costs (Note 12)						(90.4)
Profit before tax						282.1

1. Excludes acquired intangible product development and software amortisation.
2. 2018 restated for restructure of Group Divisions.

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

Segment assets

	31 December 2019 £m	31 December 2018 (restated)[1] £m
Informa Markets	**6,736.8**	6,869.7
Informa Connect	**684.5**	615.2
Informa Tech	**1,089.3**	946.8
Informa Intelligence	**980.9**	1,195.6
Taylor & Francis	**1,007.3**	1,120.2
Total segment assets	**10,498.8**	10,747.5
Unallocated assets	**223.7**	296.3
Total assets	**10,722.5**	11,043.8

1. 2018 restated for restructure of Group Divisions and finalisation of UBM acquisition (see Note 4).

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

Geographic information

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

	Revenue		Segment non-current assets[1]	
	2019 £m	2018 £m	2019 £m	2018 £m
UK	**203.2**	182.2	**2,493.8**	2,548.5
Continental Europe	**338.7**	297.8	**1,042.1**	1,128.3
North America	**1,357.8**	1,135.5	**4,391.9**	4,494.3
China	**405.4**	317.2	**1,862.4**	1,899.2
Rest of world	**585.2**	436.8	**194.6**	228.2
	2,890.3	2,369.5	**9,984.8**	10,298.5

1. Non-current amounts exclude financial instruments, deferred tax assets and retirement benefit surplus.

No individual customer contribute more than 10% of the Group's revenue in either 2019 or 2018.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

7. Operating profit

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

	Notes	Adjusted results 2019 £m	Adjusting items 2019 £m	Statutory results 2019 £m	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m
Cost of sales		**981.3**	–	**981.3**	780.8	–	780.8
Staff costs (excluding adjusting items)	9	**692.8**	–	**692.8**	596.8	–	596.8
Amortisation of other intangible assets	17	**41.9**	**312.4**	**354.3**	42.5	243.6	286.1
Impairment – goodwill and intangibles	8	–	**4.7**	**4.7**	–	9.8	9.8
Impairment – IFRS 16 right of use assets	8	–	**4.6**	**4.6**	–	–	–
Depreciation – Plant and equipment	19	**17.2**	–	**17.2**	13.1	–	13.1
Depreciation – IFRS 16 right of use assets	38	**33.1**	–	**33.1**	–	–	–
Acquisition-related costs	8	–	**3.3**	**3.3**	–	42.9	42.9
Integration-related costs[1]	8	–	**56.4**	**56.4**	–	46.0	46.0
Restructuring and reorganisation costs	8	–	**8.6**	**8.6**	–	13.1	13.1
Subsequent remeasurement of contingent consideration	8	–	**3.2**	**3.2**	–	(0.1)	(0.1)
Operating lease expense							
– Land and buildings	38	–	–	–	35.0	–	35.0
– Other		–	–	–	1.0	–	1.0
VAT charges	8	–	**1.8**	**1.8**	–	9.1	9.1
GMP equalisation	8	–	–	–	–	4.5	4.5
Net foreign exchange (gain)/loss		**(9.3)**	–	**(9.3)**	7.6	–	7.6
Auditor's remuneration for audit services		**3.4**	–	**3.4**	3.2	–	3.2
Other operating expenses		**198.3**	–	**198.3**	158.4	–	158.4
Total net operating expenses before joint ventures and associates		**1,958.7**	**395.0**	**2,353.7**	1,638.4	368.9	2,007.3

1. Integration costs include £nil (2018: £3.8m) of impairment of other intangible assets.

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

	2019 £m	2018 £m
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**2.5**	2.4
Fees payable to the Company's auditor and its associates for other services to the Group:		
Audit of the Company's subsidiaries	**0.9**	0.8
Total audit fees	**3.4**	3.2

Fees payable to the Company's auditor for non-audit services comprises:		
Transaction support services	–	2.6
Half-year review	**0.2**	0.2
Other services	**0.1**	–
Total non-audit fees	**0.3**	2.8

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

The Audit Committee approves all non-audit services within the Company's policy. The Committee considers that certain non-audit services should be provided by the external auditor, because its existing knowledge of the business makes this the most efficient and effective way for those non-audit services to be carried out, and does not consider the provision of such services to impact the independence of the external auditor. In 2019 the non-audit fees paid to Deloitte totalled £0.3m (2018: £2.8m), which represented 9% (2018: 88%) of the 2019 audit fee. £0.2m of the £0.3m non-audit fees in 2019 related to the half-year review. In the prior year, £2.6m of the £2.8m non-audit fees related to the UBM acquisition reporting accountant services.

A description of the work of the Audit Committee is set out in the Corporate Governance Statement on page 126 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor. No services were provided under contingent fee arrangements.

8. Adjusting items

The Board considers certain items should be recognised as adjusting items (see glossary on page 235) since, due to their nature or infrequency, such presentation is relevant to an understanding of the Group's performance. These items do not relate to the Group's underlying trading and are adjusted from the Group's adjusted operating profit measure. The following charges/(credits) are presented as adjusting items:

	Notes	2019 £m	2018 £m
Intangible amortisation and impairment			
Intangible asset amortisation	17	**312.4**	243.6
Impairment – acquisition-related intangible assets	17	**3.8**	9.8
Impairment – acquisition-related goodwill	16	**0.9**	–
Impairment – right of use assets	38	**4.6**	–
Acquisition costs		**3.3**	42.9
Integration costs		**56.4**	46.0
Restructuring and reorganisation costs			
Redundancy and reorganisation costs		**6.4**	8.1
Vacant property costs relating to non-IFRS 16 leases		**2.2**	5.0
Subsequent remeasurement of contingent consideration		**3.2**	(0.1)
VAT charges		**1.8**	9.1
GMP equalisation charge		**–**	4.5
Adjusting items in operating profit		**395.0**	368.9
Loss/(profit) on disposal of subsidiaries and operations	21	**95.4**	(1.1)
Investment income	11	**(1.2)**	(1.2)
Finance costs	12	**13.5**	1.0
Adjusting items in profit before tax		**502.7**	367.6
Tax related to adjusting items	13	**(83.5)**	(55.7)
Adjusting items in profit for the year		**419.2**	311.9

The principal adjusting items are in respect of the following:

- Intangible asset amortisation – the amortisation charges in respect of intangible assets acquired through business combinations or the acquisition of trade and assets
- Impairment – the Group tests for impairment on an annual basis or more frequently when an indicator exists. Impairment charges are separately disclosed and are excluded from adjusted results
- Acquisition costs are the costs and fees incurred by the Group in acquiring businesses and totalled £3.3m; including £2.1m relating to the IHS Markit Database and Research portfolio acquisition
- Integration costs are the costs incurred by the Group in integrating share and asset acquisitions and included £42.4m relating to the integration of UBM
- Restructuring and reorganisation costs are incurred by the Group in business restructuring and operating model changes
- Subsequent remeasurement of contingent consideration is recognised in the year as a charge or credit to the Consolidated Income Statement unless qualifying as a measurement period adjustment arising within one year from the acquisition date
- VAT charges of £1.8m in 2019 relate to provision for VAT penalties in Egypt (£1.0m) and the UAE (£0.8m). The 2018 amount relates to a VAT penalty assessment in the UAE which the Group is disputing
- The 2018 GMP equalisation charge relates to the additional pension liability arising in the UK from the requirement to equalise the guaranteed element of pensions as described in Note 34
- Loss on disposal of subsidiaries and operations – the loss on disposal primarily relates to the £120.6m loss from the disposal of the Media assets portfolio and a £13.3m loss on Lifestyle assets, partially offset by gains recognised from the disposal of the Agribusiness and Life Sciences portfolios; see Note 21 for further details
- Investment income for 2019 was £1.2m (2018 £1.2m), which reflects the fair value movement on an acquisition put option
- Finance costs of £13.5m primarily relate to the one-off refinancing costs associated with the issue of the EMTN in October 2019
- The tax items relate to the tax effect on the items above and adjusting tax items which are analysed in Note 13

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

9. Staff numbers and costs

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

	Number of employees	
	2019	2018
Informa Markets	**5,042**	3,558
Informa Connect	**1,200**	1,064
Informa Tech	**921**	766
Informa Intelligence	**1,841**	2,288
Taylor & Francis	**2,170**	2,156
Total	**11,174**	9,832

1. 2018 restated for restructure of Group Divisions (Note 6).

Their aggregate remuneration comprised:

	2019 £m	2018 £m
Wages and salaries	**605.6**	526.2
Social security costs	**54.6**	46.2
Pension costs associated with staff charged to adjusted operating profit (Note 34)	**21.8**	15.3
Share-based payments (Note 10)	**10.8**	9.1
Staff costs (excluding adjusting items)	**692.8**	596.8
Redundancy costs	**5.7**	7.3
GMP equalisation charge (Note 34)	**–**	4.5
	698.5	608.6

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures* (Note 39). Further information about the remuneration of individual Directors is provided in the audited part of the Remuneration Report on pages 131 to 143.

	2019 £m	2018 £m
Short-term employee benefits	**3.9**	4.1
Post-employment benefits	**0.3**	0.3
Share-based payments	**2.0**	2.0
	6.2	6.4

10. Share-based payments

The Group recognised total expenses of £10.8m (2018: £9.1m) relating to share-based payment transactions in the year ended 31 December 2019 with £9.4m (2018: £7.1m) relating to equity-settled LTIPs, £1.0m (2018: £1.0m) relating to equity-settled ShareMatch and £0.4m (2018: £1.0m) relating to Employee Share Purchase Plan (ESPP) awards.

Long-Term Incentive Plan

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

There are two performance conditions with regard to awards granted to Executive Directors. Firstly, relative total shareholder return (TSR) versus the FTSE 51–150 peer group (excluding financial services and commodities), and secondly, achieving the compound annual growth rate (CAGR) in adjusted earnings per share (EPS). The performance condition for LTIP awards to Senior Managers is with regard to achieving an EPS target. There were *AIP* LTIP awards granted in 2018 and 2019 to Executive Directors and certain Senior Managers where the performance conditions were cost synergies and the post-tax return on invested capital was in line with, or ahead of, the Group's weighted average cost of capital (WACC).

The movement during the year is as follows:

	2019 Number of options	2018 Number of options
Outstanding at 1 January	**5,072,890**	2,931,757
LTIPs granted in the year	**2,042,374**	2,354,031
LTIPs exercised in the year	**(1,370,098)**	(161,878)
LTIPs lapsed and performance adjustment in the year	**(244,643)**	(51,020)
Outstanding at 31 December	**5,500,523**	5,072,890
Exercisable awards included in outstanding number of options at 31 December	**914,402**	1,182,939

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

Grant date	Vesting date	Share price at grant date[1]	Expected volatility	Expected life (years)	Risk-free rate
17 March 2016	16 March 2019	£6.37	20.4%	3	0.6%
15 March 2017	14 March 2020	£6.52	20.0%	3	0.1%
22 March 2018	21 March 2021	£7.19	19.1%	3	0.9%
21 March 2019	20 March 2022	£7.46	18.6%	3	0.7%

1. Share price at grant of 17 March 2016 award restated for bonus element of 2016 rights issue.

In order to satisfy outstanding share awards granted under the LTIP, the share capital would need to be increased at 31 December 2019 by 4,541,535 shares (2018: 4,508,800 shares) taking account of the 958,988 (2018: 564,091) shares held in the Employee Share Trust (Note 36). The Company will satisfy the awards either through the issue of additional share capital or the purchase of shares as needed on the open market. The weighted average share price during the year was £7.80 (2018: £7.40).

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

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

10. Share-based payments continued

ShareMatch (Share Incentive Plan)

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

	2019 ShareMatch Number of share awards	2018 ShareMatch Number of share awards
Outstanding at 1 January	**411,812**	273,560
Purchased in the year	**88,933**	178,148
Transferred to participants in the year	**(25,867)**	(39,896)
Outstanding at 31 December	**474,878**	411,812

11. Investment income

	2019 £m	2018 £m
Interest income on bank deposits	**4.7**	3.8
Interest income finance lessor lease	**0.8**	–
Fair value gain on financial instruments through the Income Statement	**3.4**	3.2
Investment income before adjusting items	**8.9**	7.0
Adjusting item: fair value gain on derivatives associated with EMTN borrowings	**–**	1.2
Adjusting item: fair value gain on acquisition put options	**1.2**	–
Total investment income	**10.1**	8.2

12. Finance costs

	Notes	**2019 £m**	2018 £m
Interest expense on borrowings and loans[1]		**105.5**	87.6
Interest on IFRS 16 leases	38	**14.3**	–
Interest cost on pension scheme net liabilities	34	**1.4**	1.1
Total interest expense		**121.2**	88.7
Fair value loss on financial instruments through the Income Statement		**(0.6)**	0.7
Financing costs before adjusting items		**120.6**	89.4
Adjusting item: financing expense associated with UBM plc acquisition[2]		**–**	1.0
Adjusting item: financing expense associated with 2019 EMTN[3]		**13.5**	–
Total financing expense		**134.1**	90.4

1. Included in interest expense above is the amortisation of debt issue costs of £5.1m (2018: £2.5m).
2. The adjusting item for finance costs in 2018 relates to a £1.0m charge related to the amortisation of fees associated with the UBM plc revolving credit facility that was repaid in June 2018.
3. The adjusting item for finance costs in 2019 relates to the finance fees associated with early refinancing debt associated with the EMTN issued in October 2019.

13. Taxation

The tax charge/(credit) comprises:

	2019 £m	2018 £m
Current tax:		
UK	**21.6**	40.5
Continental Europe	**23.2**	13.4
US	**12.0**	(7.9)
China	**29.6**	26.2
Rest of world	**22.6**	9.3
Total current tax	**109.0**	81.5
Deferred tax:		
Current year	**(19.5)**	(21.0)
Credit arising from tax rate changes	**(16.9)**	–
Total deferred tax	**(36.4)**	(21.0)
Total tax charge on profit on ordinary activities	**72.6**	60.5

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

	Notes	Gross 2019 £m	Tax 2019 £m	Gross 2018 £m	Tax 2018 £m
Intangible assets amortisation	8	**(312.4)**	**92.1**	(243.6)	55.2
Benefit of goodwill amortisation for tax purposes only		**–**	**(23.0)**	–	(15.1)
Deferred tax recognised on fair value adjustments		**–**	**16.5**	–	–
Impairment of intangibles and goodwill	8	**(4.7)**	**1.0**	(9.8)	2.1
Impairment of right of use assets	8	**(4.6)**	**0.9**	–	–
Acquisition and integration-related costs	8	**(59.7)**	**11.4**	(88.9)	9.6
Restructuring and reorganisation costs	8	**(8.6)**	**1.8**	(13.1)	2.9
Subsequent remeasurement of contingent consideration	8	**(3.2)**	**0.7**	0.1	–
VAT charges	8	**(1.8)**	**–**	(9.1)	–
GMP equalisation charge	8	**–**	**–**	(4.5)	0.8
(Loss)/profit on disposal of subsidiaries and operations	21	**(95.4)**	**(20.4)**	1.1	–
Investment income	8	**1.2**	**–**	1.2	–
Finance costs	8	**(13.5)**	**2.5**	(1.0)	0.2
Total tax adjusting items		**(502.7)**	**83.5**	(367.6)	55.7

The current and deferred tax are calculated on the estimated assessable profit for the year. Taxation is calculated in each jurisdiction based on the prevailing rates of that jurisdiction.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

13. Taxation continued

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

	2019		2018	
	£m	%	£m	%
Profit before tax	**318.7**		282.1	
Tax charge at effective UK statutory rate of 19.0% (2018: 19.0%)	**60.6**	**19.0**	53.6	19.0
Different tax rates on overseas profits	**22.8**	**7.1**	9.4	3.3
Disposal related items	**36.9**	**11.6**	(0.2)	(0.1)
Non-deductible expenditure	**10.9**	**3.4**	20.6	7.4
Non-taxable income	**(6.2)**	**(1.9)**	(6.6)	(2.3)
Benefits from financing structures	**(6.1)**	**(1.9)**	(4.7)	(1.7)
Tax incentives	**(1.9)**	**(0.6)**	(1.7)	(0.6)
Adjustments for prior years	**(6.9)**	**(2.2)**	(6.1)	(2.2)
Net movement in provisions for uncertain tax positions	**(4.3)**	**(1.3)**	(5.6)	(2.0)
Impact of changes in tax rates	**(16.9)**	**(5.3)**	–	–
Deferred tax recognised on fair value adjustments	**(16.5)**	**(5.2)**	–	–
Movements in deferred tax not recognised	**0.2**	**0.1**	1.8	0.6
Tax charge and effective rate for the year	**72.6**	**22.8**	60.5	21.4

In addition to the income tax charge to the Consolidated Income Statement, a tax credit of £0.7m (2018: credit of £1.3m) has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

Current tax liabilities include £53.1m (2018: £57.4m) in respect of provisions for uncertain tax positions. In 2017 the European Commission announced that it would be opening a State Aid investigation into the UK's Controlled Foreign Company regime and in particular the exemption for group finance companies. Like many UK-based multinational companies, the Group has made claims in relation to this exemption and will potentially have an additional tax liability if a negative State Aid decision is upheld. The maximum amount that could become payable by the Group in relation to this matter is £37.2m. As part of the acquisition accounting relating to contingent liabilities, an amount of £8.0m has been provided in relation to UBM companies. We do not currently believe it is probable that we will ultimately have to make a payment in respect of this issue and therefore have not provided for any additional liabilities.

14. Dividends

	2019 Pence per share	2019 £m	2018 Pence per share	2018 £m
Amounts recognised as distributions to equity holders in the year:				
Final dividend for the year ended 31 December 2018	**14.85p**	**185.8**	–	–
Interim dividend for the year ended 31 December 2019	**7.55p**	**94.5**	–	–
Final dividend for the year ended 31 December 2017	–	–	13.80p	113.6
Interim dividend for the year ended 31 December 2018	–	–	7.05p	88.2
	22.40p	**280.3**	20.85p	201.8
Proposed final dividend for the year ended 31 December 2019 and actual dividend for the year ended 31 December 2018	**15.95p**	**199.5**	14.85p	185.8

As at 31 December 2019, £0.4m (2018: £0.1m) of dividends were still to be paid, and total dividend payments in the year were £280.0m (2018: £201.9m). The proposed final dividend for the year ended 31 December 2019 of 15.95p (2018: 14.85p) per share is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The payment of this dividend will not have any tax consequences for the Group.

In the year ended 31 December 2019 there were dividend payments of £17.5m (2018: £8.6m) to non-controlling interests.

15. Earnings per share

Basic

The basic earnings per share calculation is based on profit attributable to equity shareholders of the parent of £225.5m (2018: £207.9m). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those shares held by the Employee Share Trust and ShareMatch), which is 1,250,660,231 (2018: 1,052,752,894).

Diluted

The diluted earnings per share calculation is based on the basic EPS calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the reporting date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 1,255,739,205 (2018: 1,057,236,186).

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

	2019	2018
Weighted average number of shares used in basic earnings per share	**1,250,660,231**	1,052,752,894
Potentially dilutive Ordinary Shares	**5,078,974**	4,483,292
Weighted average number of shares used in diluted earnings per share	**1,255,739,205**	1,057,236,186

Earnings per share

In addition to basic EPS, adjusted diluted EPS has been calculated to provide useful additional information on underlying earnings performance. Adjusted diluted EPS is based on profit attributable to equity shareholders which has been adjusted to exclude items that, in the opinion of the Directors, would distort underlying results with the items detailed in Note 8.

Earnings per share	**Earnings 2019 £m**	**Per share amount 2019 Pence**	Earnings 2018 £m	Per share amount 2018 Pence
Profit for the year	**246.1**		221.6	
Non-controlling interests	**(20.6)**		(13.7)	
Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)	**225.5**	**18.0**	207.9	19.7
Effect of dilutive potential Ordinary Shares	**–**	**–**	–	–
Earnings for the purpose of statutory diluted EPS/statutory diluted EPS (p)	**225.5**	**18.0**	207.9	19.7

Adjusted earnings per share	**Earnings 2019 £m**	**Per share amount 2019 Pence**	Earnings 2018 £m	Per share amount 2018 Pence
Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)	**225.5**	**18.0**	207.9	19.7
Adjusting items (Note 8):				
Intangible amortisation and impairment	**321.7**	**25.7**	253.4	24.1
Acquisition and integration costs	**59.7**	**4.8**	88.9	8.4
Restructuring and reorganisation costs	**8.6**	**0.7**	13.1	1.3
Subsequent remeasurement of contingent consideration	**3.2**	**0.2**	(0.1)	–
VAT charges	**1.8**	**0.1**	9.1	0.9
GMP pension equalisation	**–**	**–**	4.5	0.4
Loss/(profit) on disposal of subsidiaries and operations	**95.4**	**7.6**	(1.1)	(0.1)
Investment income	**(1.2)**	**(0.1)**	(1.2)	(0.1)
Finance costs	**13.5**	**1.1**	1.0	0.1
Tax related to adjusting items	**(83.5)**	**(6.6)**	(55.7)	(5.3)
Earnings for the purpose of adjusted basic EPS/adjusted basic EPS (p)	**644.7**	**51.5**	519.8	49.4
Effect of dilutive potential Ordinary Shares (p)	**–**	**(0.2)**	–	(0.2)
Earnings for the purpose of adjusted diluted EPS/adjusted diluted EPS (p)	**644.7**	**51.3**	519.8	49.2

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

16. Goodwill

	£m
Cost	
At 1 January 2018	2,732.3
Additions in the year[1]	3,599.0
Disposals	(2.2)
Transfer to held for sale	(24.6)
Exchange differences	160.4
At 1 January 2019[1]	**6,464.9**
Additions in the year (Note 18)	**127.0**
Disposals	**(149.7)**
Exchange differences	**(182.4)**
At 31 December 2019	**6,259.8**
Accumulated impairment losses	
At 1 January 2018	(124.1)
Disposals	1.2
Exchange differences	1.9
At 1 January 2019	**(121.0)**
Disposals	**1.1**
Impairment loss for the year	**(0.9)**
Exchange differences	**4.1**
At 31 December 2019	**(116.7)**
Carrying amount	
At 31 December 2019	**6,143.1**
At 31 December 2018	6,343.9

1. *2018 restated for finalisation of UBM acquisition accounting and held for sale reclassifications (see Note 4).*

Impairment review

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

The Group tests for impairment of goodwill at the business segment level (see Note 6 for business segments) representing an aggregation of CGUs reflecting the level at which goodwill is monitored. Intangible assets are tested for impairment at the individual CGU level. The impairment testing of goodwill involved testing for impairment at a segment level by aggregating the carrying value of assets across CGUs in each Division and at the segment level and comparing this to value in use calculations derived from the latest Group cash flow projections.

There were five groups of CGUs for goodwill impairment testing and these were identical to the business segment reporting in 2019 detailed in Note 6 (2018: five CGU groups). The carrying amount of goodwill recorded in the CGU groups is set out below:

CGU groups	**2019 Number of CGUs**	2018 Number of CGUs	**2019 £m**	2018 £m
Informa Markets	**8**	11	**3,847.3**	3,960.1
Informa Connect	**5**	4	**436.7**	471.1
Informa Tech	**1**	1	**677.7**	599.5
Informa Intelligence	**4**	6	**648.0**	771.8
Taylor & Francis	**1**	1	**533.4**	541.4
	19	23	**6,143.1**	6,343.9

The recoverable amount for CGU groups has been determined on a value in use basis. The key assumptions are those regarding the 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 two years, after which a long-term perpetuity growth rate is applied. The most recent financial budget approved by the Board of Directors has been prepared after considering the current economic environment in each of our markets. These projections represent the Directors' best estimate of the future performance of these businesses.

Key assumptions and headroom	Headroom on CGU groups 2019 £m	Long-term market growth rates 2019	2018	Pre-tax discount rates 2019	2018
Informa Markets	**2,738**	**2.2%**	2.4%	**9.3%**	10.5%
Informa Connect	**285**	**1.7%**	2.4%	**9.6%**	10.4%
Informa Tech	**140**	**1.9%**	2.1%	**10.9%**	9.3%
Informa Intelligence	**417**	**1.7%**	2.1%	**10.2%**	10.1%
Taylor & Francis	**2,392**	**1.6%**	2.2%	**8.9%**	9.6%

The pre-tax discount rates used in the value in use calculations reflect the Group's assessment of the current market and other risks specific to the CGUs. Long-term growth rates are applied after the forecast period. Long-term growth rates are based on external reports on long-term GDP growth rates for the main geographic markets in which each CGU operates (2018 used long-term CPI inflation rates to estimate long-term growth rates) and therefore do not exceed the long-term average growth prospects for the individual markets. The headroom shown above represents the excess of the recoverable amount over the carrying value.

The Group 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 rate 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 for both goodwill and intangibles testing showed that no Division or CGU was at risk of impairment when applying these reasonably possible sensitivity scenarios.

There were no impairments of goodwill or intangible assets at segment or CGU level; however, there was an impairment of a business in China which was sold in January 2019. The impairment consisted of £0.9m of goodwill and £3.8m of intangibles.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

17. Other intangible assets

	Publishing book lists and journal titles £m	Database and intellectual property, brand and customer relationships £m	Exhibitions and conferences, brand and customer relationships[2] £m	Sub-total[2] £m	Intangible software assets £m	Product development[1] £m	Total[2] £m
Cost							
At 1 January 2018	868.4	537.5	1,338.9	2,774.80	196.8	63.5	3,005.1
Arising on acquisition of subsidiaries and operations[2]	–	61.2	2,270.7	2,331.9	21.2	–	2,353.1
Additions[1]	1.2	0.8	14.7	16.7	31.4	6.2	54.3
Disposals	–	–	(6.8)	(6.8)	(1.3)	(0.5)	(8.6)
Transfer to held for sale[2]	–	–	(35.5)	(35.5)	–	–	(35.5)
Exchange differences	27.1	58.4	70.6	156.1	4.4	2.0	162.5
At 1 January 2019	**896.7**	**657.9**	**3,652.6**	**5,207.2**	**252.5**	**71.2**	**5,530.9**
Arising on acquisition of subsidiaries and operations	–	**40.3**	**4.8**	**45.1**	–	–	**45.1**
Additions[1]	**0.4**	–	**62.0**	**62.4**	**25.3**	**7.0**	**94.7**
Disposals	–	**(116.8)**	**(20.1)**	**(136.9)**	**(16.8)**	**(11.3)**	**(165.0)**
Exchange differences	**(16.4)**	**(35.7)**	**(93.5)**	**(145.6)**	**(3.0)**	**(1.3)**	**(149.9)**
At 31 December 2019	**880.7**	**545.7**	**3,605.8**	**5032.2**	**258.0**	**65.6**	**5,355.8**
Amortisation							
At 1 January 2018	(426.6)	(448.7)	(352.6)	(1,227.9)	(80.8)	(22.6)	(1,331.3)
Charge for the year	(52.7)	(52.9)	(138.0)	(243.6)	(27.8)	(14.7)	(286.1)
Impairment losses	–	–	(9.8)	(9.8)	–	(3.8)	(13.6)
Disposals	–	–	3.9	3.9	2.1	0.5	6.5
Transfer to held for sale	–	–	1.2	1.2	–	–	1.2
Exchange differences	(15.1)	(22.6)	(11.3)	(49.0)	(3.0)	(1.2)	(53.2)
At 1 January 2019	**(494.4)**	**(524.2)**	**(506.6)**	**(1,525.2)**	**(109.5)**	**(41.8)**	**(1,676.5)**
Charge for the year	**(51.8)**	**(61.1)**	**(199.5)**	**(312.4)**	**(30.6)**	**(11.3)**	**(354.3)**
Impairment losses	–	–	**(3.8)**	**(3.8)**	–	–	**(3.8)**
Disposals	–	**33.7**	**14.8**	**48.5**	**5.1**	**10.8**	**64.4**
Exchange differences	**10.0**	**15.2**	**18.7**	**43.9**	**6.7**	**1.2**	**51.8**
At 31 December 2019	**(536.2)**	**(536.4)**	**(676.4)**	**(1,749.0)**	**(128.3)**	**(41.1)**	**(1,918.4)**
Carrying amount							
At 31 December 2019	**344.5**	**9.3**	**2,929.4**	**3,283.2**	**129.7**	**24.5**	**3,437.4**
At 31 December 2018[2]	402.3	133.7	3,146.0	3,682.0	143.0	29.4	3,854.4

1. Additions includes business asset additions and product development. Of the £94.7m total additions, the Consolidated Cash Flow Statement shows £91.7m for these items with £25.3m for intangible software assets, £7.0m for product development and £59.4m for titles, brands and customer relationships.
2. 2018 restated for finalisation of UBM acquisition accounting and held for sale reclassifications (see Note 4).

Intangible software assets include a gross carrying amount of £223.0m (2018: £208.4m) and accumulated amortisation of £114.0m (2018: £95.7m) which relates to software that has been internally generated. The Group does not have any of its intangible assets pledged as security over bank loans.

There was a £3.8m impairment charge to intangibles assets arising on acquisition of businesses related to the impairment of the carrying value of a business in China in the Informa Markets Division that was disposed of in January 2020.

18. Business combinations

Cash paid on acquisition net of cash acquired	Segment	2019 £m	2018 £m
Current period acquisitions			
IHS Markit Database and Research portfolio	Informa Tech	**123.3**	–
Other		**19.2**	–
		142.5	–
Prior period acquisitions			
2018 acquisitions			
UBM plc	Informa Markets	–	509.3
ICON Advisory Group, Ltd	Informa Intelligence	–	42.7
Other		**2.7**	10.3
2010-2017 acquisitions:			
Other		**22.5**	14.4
Penton		**-**	16.9
Total prior period acquisitions		**25.2**	593.6
Total cash paid in year net of cash acquired		**167.7**	593.6

Acquisitions

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

There are estimates involved in assessing what amounts are recognised as the estimated fair value of assets and liabilities acquired through business combinations, particularly the amounts attributed to separate intangible assets such as titles, brands, acquired customer lists and associated customer relationships. These estimates impact the amount of goodwill recognised on acquisitions. Any provisional amounts are subsequently finalised within the 12-month measurement period, as permitted by IFRS 3. The Group has built considerable knowledge of these valuation techniques, and for major acquisitions, defined as when consideration is £75m or above, the Group also considers the advice of third party independent valuers to identify and support the valuation of intangible assets arising on acquisition.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

18. Business combinations continued

The provisional amounts recognised in respect of the estimated fair value of identifiable assets and liabilities for 2019, acquisitions and payments made in 2019 relating to prior year acquisitions were:

	IHS Markit Database and Research portfolio £m	Other acquisitions £m	Prior year acquisitions and deferred consideration £m	Total £m
Intangibles	29.6	15.5	–	45.1
Property and equipment	–	0.2	–	0.2
IFRS 16 right of use assets	1.2	–	–	1.2
Trade and other receivables	10.0	1.4	–	11.4
Cash and cash equivalents	–	1.9	–	1.9
Current tax liabilities	(0.1)	–	–	(0.1)
Trade and other payables	(4.9)	(0.9)	–	(5.8)
Deferred income	(17.7)	(4.5)	–	(22.2)
Provisions	(1.2)	–	–	(1.2)
Finance lease liabilities	(1.2)	–	–	(1.2)
Deferred tax liabilities	(2.0)	(6.9)	–	(8.9)
Identifiable net assets acquired	13.7	6.7	–	20.4
Goodwill	109.6	17.4	–	127.0
Total consideration	123.3	24.1	–	147.4
Satisfied by:				
Cash consideration	123.3	17.5	–	140.8
Deferred and contingent cash consideration	–	6.6	25.2	31.8
Total consideration	123.3	24.1	25.2	172.6

Net cash outflow arising on acquisitions:				
Initial cash consideration	123.3	17.5	–	140.8
Deferred and contingent consideration paid	–	3.6	25.2	28.8
Less: cash acquired	–	(1.9)	–	(1.9)
Net cash outflow arising on acquisitions	123.3	19.2	25.2	167.7

IHS Markit Database and Research portfolio (TMT) acquisition

On 1 August 2019 the Group acquired business and assets of the TMT Research and Intelligence portfolio from IHS Markit. TMT is a data and research business and forms part of the Informa Tech Division. Cash consideration, including estimated working capital, was £123.3m. Final consideration is subject to the finalisation of working capital amounts. The provisional fair value of the identifiable assets acquired and liabilities assumed at the acquisition date are shown below:

	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Intangible assets	–	29.6	29.6
IFRS 16 right of use assets	–	1.2	1.2
Property and equipment	0.1	(0.1)	–
Trade and other receivables	10.5	(0.5)	10.0
Trade and other payables	(2.6)	(2.3)	(4.9)
Deferred income	(17.7)	–	(17.7)
Finance lease liabilities	–	(1.2)	(1.2)
Provisions	–	(1.2)	(1.2)
Deferred tax liability	–	(2.0)	(2.0)
Current tax liability	–	(0.1)	(0.1)
Identifiable net (liabilities)/assets acquired	(9.7)	23.4	13.7
Provisional goodwill	–	109.6	109.6
Total	(9.7)	133.0	123.3
Consideration			
Cash			123.3
Total consideration			123.3

The provisional goodwill of £109.6m arising from the acquisition has initially been identified as relating to the following factors:

- Enhancing the Group's capabilities to provide specialist research and data to customers
- Providing additional strength to the Group in key sub-sectors of the TMT market, most notably in Information Technology, Communications Technology, Security Technology and Emerging Transformational Technology
- Extending and enhancing the Group's international reach through TMT Research and Informa Intelligence's strong presence in North America

£51.6m of this goodwill is expected to be deductible for tax purposes.

Acquisition costs charged to operating profit (included in adjusted items in the Consolidated Income Statement) amounted to £2.2m for adviser and related external fees. The business generated an adjusted operating profit of £3.0m, profit after tax of £2.2m, and £19.4m of revenue for the period between the date of acquisition and 31 December 2019. If the acquisition had completed on the first day of the financial period, it would have generated a profit after tax of £2.6m, and generated £44.7m to the revenue of the Group for the year ended 31 December 2019.

Other business combinations made in 2019

There were three other acquisitions completed in the year ended 31 December 2019 for a total consideration of £24.1m, of which £19.2m was paid in cash, net of cash acquired of £1.9m with £3.6m of deferred consideration.

These included the acquisition of the Centre for Asia Pacific Aviation Pty Ltd (CAPA) on 4 January 2019. CAPA provides information services and events serving the aviation market principally in Asia and forms part of the Informa Markets Division. Cash consideration was £15.0m (AUD 27.2m), net of cash acquired of £1.4m (AUD 2.4m).

Other acquisitions included Tech Founders Limited in which the Group has control of the entity and holds a 55% interest. This was formed on 8 November 2019 from the transfer of £2.7m of assets from an existing 100% owned subsidiary of the Group and the transfer of assets from a third party entity, Founders Forum LLP, in exchange for a 45% interest in the entity. At the same date the Group invested £5.0m to take a 22.3% ownership in Founders Forum LLP; see Note 20 for further details.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Update on deferred and contingent consideration paid in 2019 relating to business combinations completed in prior years

In the year ended 31 December 2019 there were contingent and deferred net cash payments of £25.2m relating to acquisitions completed in prior years.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

18. Business combinations continued

Finalisation of valuation of 15 June 2018 UBM plc business combination

One year on from the acquisition of UBM, as is required, we have completed the finalisation of the valuation of identifiable assets acquired and liabilities assumed at the acquisition date, resulting in the following true-ups and minor adjustments: an adjustment of £67.0m to reflect the fair value of options related to minority interests in certain Fashion shows in the US; a reduction to acquisition intangibles of £19.6m to reflect the finalisation of the valuation of intangible assets; and a £3.5m reduction to trade and other receivables to adjust event promotion costs. The finalisation of the valuation resulted in a fair value of acquired intangible assets of £2,274.9m, with a £525.1m deferred tax liability associated with these assets and goodwill of £3,560.8m.

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

	Book value £m	Provisional fair value adjustments recognised in 2018 £m	Final fair value adjustments recognised in 2019 £m	Final fair value £m
Acquisition-related intangibles	–	2,294.5	(19.6)	2,274.9
Other intangible assets	27.9	(6.7)	–	21.2
Property and equipment	30.1	–	(0.3)	29.8
Investment in joint ventures and associates	17.1	(0.6)	–	16.5
Deferred tax assets	86.3	(83.7)	–	2.6
Retirement benefit surplus	6.0	–	–	6.0
Trade and other receivables	229.0	(3.4)	(3.5)	222.1
Cash and cash equivalents	134.2	–	–	134.2
Current tax liabilities	(58.0)	(8.0)	–	(66.0)
Trade and other payables	(213.8)	–	–	(213.8)
Deferred income	(426.9)	–	–	(426.9)
Provisions	(41.2)	(3.6)	–	(44.8)
Retirement benefit obligation	(0.9)	–	–	(0.9)
Derivative liabilities	(17.1)	–	–	(17.1)
Borrowings including related derivatives	(688.6)	(14.0)	–	(702.6)
Deferred tax liabilities[1]	–	(370.2)	0.4	(369.8)
Identifiable net assets acquired	(915.9)	1,804.3	(23.0)	865.4
Put options over non-controlling interests[2]	6.6	–	(67.0)	(60.4)
Non-controlling interest	(32.9)	(142.9)	–	(175.8)
Goodwill	5,132.2	(1,661.4)	90.0	3,560.8
Total	4,190.0	–	–	4,190.0
Consideration				
Cash				643.5
Share consideration				3,545.1
Deferred consideration				1.4
Total consideration				4,190.0

1. Consists of £525.1m of deferred tax liability offset as permitted against £155.3m of deferred tax assets.
2. Of the £67.0m relating to fair value adjustments recognised in 2019, £32.2m was paid as cash in 2019.

Equity transactions

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

	2019 £m	2018 £m
Cash paid	–	(5.3)
Contingent consideration	–	(1.0)
Put option liability	–	6.3
Carrying amount of non-controlling interest at acquisition date	–	(2.3)
Disposal of non-controlling interests	(0.5)	–
Recognised in equity	(0.5)	(2.3)

19. Property and equipment

	Freehold land and buildings £m	Leasehold land and buildings £m	Equipment, fixtures and fittings £m	Total property and equipment £m
Cost				
At 1 January 2018	3.0	21.1	52.4	76.5
Additions[1,2]	–	15.6	7.5	23.1
Acquisitions	–	27.9	2.3	30.2
Disposals	–	(2.7)	(8.3)	(11.0)
Transfer to held for sale[2]	–	(0.4)	(1.6)	(2.0)
Exchange differences	0.1	3.1	5.5	8.7
At 1 January 2019	**3.1**	**64.6**	**57.8**	**125.5**
Additions[1]	**–**	**8.9**	**9.5**	**18.4**
Acquisitions	**–**	**1.4**	**0.2**	**1.6**
Disposals	**–**	**(2.9)**	**(14.6)**	**(17.5)**
Exchange differences	**–**	**(2.1)**	**(1.4)**	**(3.5)**
At 31 December 2019	**3.1**	**69.9**	**51.5**	**124.5**
Depreciation				
At 1 January 2018	(0.4)	(8.6)	(35.7)	(44.7)
Charge for the year	(0.1)	(5.0)	(8.0)	(13.1)
Disposals	–	2.3	8.2	10.5
Impairment	–	(2.6)	(0.1)	(2.7)
Transfer to held for sale	–	0.3	0.5	0.8
Exchange differences	(0.1)	(1.5)	(5.0)	(6.6)
At 1 January 2019	**(0.6)**	**(15.1)**	**(40.1)**	**(55.8)**
Charge for the year	**(0.1)**	**(7.4)**	**(9.7)**	**(17.2)**
Disposals	**–**	**2.1**	**12.9**	**15.0**
Exchange differences	**–**	**1.4**	**1.3**	**2.7**
At 31 December 2019	**(0.7)**	**(19.0)**	**(35.6)**	**(55.3)**
Carrying amount				
At 31 December 2019	**2.4**	**50.9**	**15.9**	**69.2**
At 31 December 2018	2.5	49.5	17.7	69.7

1. £17.5m (2018: £23.1m) additions represents cash paid.
2. 2018 restated for finalisation of UBM acquisition accounting and held for sale reclassifications (see Note 4).

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

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

20. Other investments and investments in joint ventures and associates

Investments in joint ventures and associates

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

	2019 £m	2018 £m
At 1 January	**19.1**	1.5
Arising on (acquisition)/disposal of subsidiaries and operations	**(0.7)**	16.5
Share of results of joint ventures and associates	**1.5**	1.0
Foreign exchange	***(0.1)***	*0.1*
At 31 December	**19.8**	19.1

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

	100% of results 2019 £m	Group share 2019 £m	100% of results 2018 £m	Group share 2018 £m
Non-current assets	**98.6**	**18.2**	88.4	16.5
Current assets	**100.7**	**18.2**	73.4	13.7
	199.3	**36.4**	161.8	30.2
Non-current liabilities	**(102.3)**	**(20.4)**	(48.6)	(9.8)
Current liabilities	**(50.3)**	**(9.5)**	(100.4)	(20.1)
Net assets	**46.7**	**6.5**	12.8	0.3
Operating profit	**10.7**	**2.5**	5.9	1.1
Profit before tax	**5.7**	**1.6**	5.9	1.1
Profit after tax	**4.7**	**1.5**	5.6	1.0

The Group's investments in joint ventures at 31 December 2019 were as follows:

Company	Division	Country of incorporation and operation	Class of shares held	Shareholding or share of operation	Accounting year end
Independent Materials Handling Exhibitions Limited	IM	UK	Ordinary	50%	31 December
Guzhen Lighting Expo Co. Ltd	IM	China	Ordinary	35.7%	31 December
GML Exhibition (Thailand) Co. Ltd	IM	China	Ordinary	49%	31 December
Guangdong International Exhibitions Ltd	IM	China	Ordinary	27.5%	31 December
Lloyd's Maritime Information Services Ltd	II	UK	Ordinary	50%	31 December

The Group's investments in associates at 31 December 2019 were as follows:

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

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

Other investments

The Group's other investments at 31 December 2019 are as follows:

	2019 £m	2018 £m
At 1 January	**5.1**	4.6
Additions in year	**5.0**	0.5
At 31 December	**10.1**	5.1

Other investments include investments in unlisted equity securities and convertible loan notes which are redeemable through the issue of equity. *Additions in the year of £5.0m relate to an investment in November 2019 of a 22.3% shareholding in Founders Forum LLP.* Investments are held at fair value through profit or loss under IFRS 9.

21. Disposal of subsidiaries and operations

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

	2019 £m	2018 £m
Life Sciences media brands portfolio	**10.8**	-
Agribusiness Intelligence portfolio	**35.6**	-
Media assets portfolio	**(120.6)**	-
Lifestyle events	**(13.3)**	-
Delicious Living	**-**	0.2
EHI Live exhibition	**-**	(3.3)
PR Newswire	**-**	5.4
Euroforum conference business in Germany and Switzerland	**-**	(0.7)
Other operations loss on disposal	**(7.9)**	(0.5)
(Loss)/profit for the year from disposal of subsidiaries and operations	**(95.4)**	1.1

The sale of the Life Sciences media brands portfolio completed on 31 January 2019. The consideration, including estimated working capital, was £79.3m, with £67.3m received in cash and £12.0m of deferred consideration receivable in 2020. The profit on disposal was £10.8m. This business was part of the Informa Connect Division and had previously been disclosed as held for sale in the Consolidated Balance Sheet at 31 December 2018. The final consideration and the profit on disposal are subject to adjustment for the finalisation of working capital amounts.

The sale of the Agribusiness Intelligence portfolio from the Informa Intelligence Division completed on 30 June 2019. The consideration, including estimated working capital, was £102.8m in cash and the business was sold to IHS Markit. The profit on disposal was £35.6m. The final consideration and profit on the disposal are subject to adjustment for the finalisation of working capital amounts.

The sale of the Media assets portfolio from the Informa Intelligence Division to Endeavor Business Media completed on 9 October 2019. The consideration, including estimated working capital, was £42.4m which comprised £12.2m received in cash and £30.2m for deferred consideration which is receivable between December 2020 and August 2024. The loss on disposal was £120.6m. The final consideration and the loss on disposal are subject to adjustment for the finalisation of working capital amounts.

On 15 November 2019 the Group concluded the sale of certain non-core US Lifestyle events including World of Tea, WFX and Live Experience, for consideration of £6.6m and this resulted in a loss on disposal of £13.3m.

22. Deferred tax

	Consolidated Balance Sheet at 31 December		Consolidated Income statement year ended 31 December	
Net deferred tax liabilities	2019 £m	2018[1] £m	2019 £m	2018 £m
Accelerated capital allowances	**(1.2)**	(3.0)	**1.7**	0.9
Intangibles	**660.3**	763.9	**(75.2)**	(34.1)
Pensions	**(7.4)**	(7.5)	**0.8**	(0.5)
Losses	**(82.9)**	(120.4)	**33.7**	14.8
Other	**(35.1)**	(37.5)	**2.6**	(2.1)
	533.7	595.5	**(36.4)**	(21.0)

1. 2018 restated for finalisation of UBM acquisition accounting (see Note 4).

The movement in deferred tax balance during the year is:

	2019 £m	2018[1] £m
Net deferred tax liability at 1 January	**595.5**	242.0
Credit to other comprehensive income for the year	**(0.7)**	(1.3)
Effect of initial application of IFRS 16	**1.0**	-
Acquisitions and additions	**7.9**	373.2
Disposal	**(16.1)**	(0.4)
Transfer to held for sale	**-**	(10.9)
Credit to profit or loss for the year	**(36.4)**	(21.0)
Foreign exchange movements	**(17.5)**	13.9
Net deferred tax liability at 31 December	**533.7**	595.5

1. 2018 restated for finalisation of UBM acquisition accounting (see Note 4).

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

22. Deferred tax continued

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

	2019 £m	2018[1] £m
Deferred tax liability	**540.4**	619.7
Deferred tax asset	**(6.7)**	(24.2)
	533.7	595.5

1. 2018 restated for finalisation of UBM acquisition accounting (see Note 4).

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

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

- £295.6m (2018: £270.8m) of UK tax losses
- £106.3m (2018: £109.7m) of US Federal tax losses which expire between 2020 and 2039. In addition, there are unrecognised deferred tax assets in respect of US State tax losses of £5.0m (2018: £5.4m)
- £251.6m (2018: £251.6m) of UK capital losses which are only available for offset against future capital gains
- £nil (2018: £5m) of US capital losses which are only available for offset against future capital gains
- £7.2bn (2018: £7.5bn) of Luxembourg tax losses
- £36.0m (2018: £36.1m) of Brazilian tax losses
- £22.3m (2018: £40.4m) of tax losses in other countries

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

In addition, the Group has unrecognised deferred tax assets in relation to other deductible temporary differences of £0.3m (2018: £2.6m). No deferred tax assets have been recognised in respect of these amounts as it is not considered probable that they will be utilised.

The aggregate amount of withholding tax on post-acquisition undistributed earnings for which deferred tax liabilities have not been recognised was £2.0m (2018: £1.2m). No liability has been recognised because the Group, being in a position to control the timing of the distribution of intra-Group dividends, has no intention to distribute intra-Group dividends in the foreseeable future that would trigger withholding tax.

23. Trade and other receivables

	2019 £m	2018[1] £m
Current		
Trade receivables	**287.0**	247.8
Less: loss allowance	**(34.4)**	(37.7)
Trade receivables net	**252.6**	210.1
Other receivables	**51.4**	37.3
Accrued income	**50.3**	44.9
Prepayments	**122.1**	108.1
Total current	**476.4**	400.4
Non-current		
Other receivables	**27.8**	6.3
	504.2	406.7

1. 2018 restated for finalisation of UBM acquisition accounting and held for sale reclassifications (see Note 4).

The average credit period taken on sales of goods is 49 days (2018: 48 days). Under the normal course of business, the Group does not charge interest on its overdue receivables.

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

24. Derivative financial instruments

	2019 £m	2018[1] £m
Financial assets – non-current		
Interest rate swaps – hedged	**3.9**	0.4
Interest rate swaps – not hedged	**–**	1.1
Call options	**1.0**	
	4.9	1.5
Financial liabilities – current		
Put options over non-controlling interests	**36.4**	10.1
	36.4	10.1
Financial liabilities – non-current		
Interest rate swaps – hedged	**22.4**	25.2
Put options over non-controlling interests	**–**	68.8
	22.4	94.0

1. 2018 restated for finalisation of UBM acquisition accounting (see Note 4).

Interest rate swaps are associated with debt instruments and are included within net debt (see Note 27). There were £3.9m of derivative financial assets and £22.4m of derivative financial liabilities relating to interest rate swaps (£22.4m in relation to cross currency interest rate swaps – see Note 32 for further details).

Put options over non-controlling interests relate to options over previous acquisitions and minority interests in certain Fashion shows in the US (see Note 32 for further details).

25. Inventory

	2019 £m	2018 £m
Work in progress	**6.2**	8.2
Finished goods and goods for resale	**32.3**	42.7
	38.5	50.9

Write-down of inventory during the year amounted to £2.9m (2018: £3.0m).

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

There were no assets classified as held for sale at 31 December 2019. At 31 December 2018, there were assets classified as held for sale totalling £79.1m and liabilities associated with assets classified as held for sale totalling £13.9m. These related to the sale of the Life Sciences media brands portfolio that completed on 31 January 2019.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

27. Movements in net debt

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

	At 1 January 2019 £m	IFRS 16 adjustment at 1 Jan 2019	Non-cash movements £m	Cash flow £m	Exchange movements £m	At 31 December 2019 £m
Cash at bank and on hand	168.8	–	–	33.2	(6.9)	195.1
Overdrafts	(43.9)	–	–	43.9	–	–
Cash and cash equivalents	124.9	–	–	77.1	(6.9)	195.1
Bank loans due in less than one year	(156.9)	–	–	152.7	4.2	–
Bank loans due in more than one year	(78.5)	–	–	34.3	(12.7)	(56.9)
Bank loan fees due in more than one year	0.9	–	(1.5)	2.8	–	2.2
Private placement loan notes due in less than one year	–	–	(155.5)	–	3.3	(152.2)
Private placement loan notes due in more than one year	(1,396.4)	–	156.8	143.4	35.6	(1,060.6)
Private placement loan note fees	3.4	–	(0.7)	–	–	2.7
Bond borrowings due in more than one year	(1,163.0)	–	4.4	(172.2)	51.7	(1,279.1)
Bond borrowing fees	7.4	–	(3.0)	6.6	–	11.0
Derivative assets associated with borrowings	1.5	–	2.4	–	–	3.9
Derivative liabilities associated with borrowings	(25.2)	–	2.8	–	–	(22.4)
Lease liabilities	–	(343.6)	(19.7)	34.5	12.2	(316.6)
Finance lease receivables	–	14.4	3.2	(2.3)	–	15.3
Net debt	(2,681.9)	(329.2)	(10.8)	276.9	87.4	(2,657.6)

Included within the net cash inflow of £276.5m (2018: outflow of £588.9m) is £499.7m (2018: £1,179.4m) of loan repayments, £41.2m (2018: £644.0m) of facility loan drawdowns, £433.7m (2018: £872.7m) of proceeds from the EMTN bond issuance, £143.4m (2018: £101.5m) of private placement repayments and £nil (2018: £313.6m) of private placement drawdowns.

28. Cash and cash equivalents

	Note	2019 £m	2018 £m
Cash at bank and on hand		195.1	168.8
Bank overdrafts	29	–	(43.9)
Cash and cash equivalents in the Consolidated Cash Flow Statement		195.1	124.9

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

29. Borrowings

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

	Notes	2019 £m	2018 £m
Current			
Bank overdraft	28	-	43.9
Bank borrowings ($200.0m) – repaid March 2019		-	156.9
Private placement loan note ($200.5m) – repaid February 2020		**152.2**	-
Total current borrowings	27	**152.2**	200.8
Non-current			
Bank borrowings – revolving credit facility[1]		**56.9**	78.5
Bank debt issue costs		**(2.2)**	(0.9)
Bank borrowings – non-current	27	**54.7**	77.6
Private placement loan note ($385.5m) – due Dec 2020		-	302.5
Private placement loan note ($45.0m) – due June 2022		**35.0**	36.5
Private placement loan note ($120.0m) – due October 2022		**91.1**	94.2
Private placement loan note ($55.0m) – due January 2023		**41.7**	43.1
Private placement loan note ($76.1m) – due June 2024		**61.8**	60.9
Private placement loan note ($80.0m) – due January 2025		**60.7**	62.8
Private placement loan note ($200.0m) – due January 2025		**151.8**	156.9
Private placement loan note ($130.0m) – due October 2025		**98.7**	102.0
Private placement loan note ($365.0m) – due January 2027		**277.1**	286.4
Private placement loan note ($116.0m) – due June 2027		**90.9**	94.2
Private placement loan note ($200.0m) – due January 2028		**151.8**	156.9
Private debt issue costs		**(2.7)**	(3.4)
Private placement – non-current	27	**1,057.9**	1,393.0
Bond borrowings ($350.0m) – repaid in November 2019		-	279.1
Euro Medium Term Note (€650.0m) – due July 2023		**553.4**	583.9
Euro Medium Term Note (£300.0m) – due July 2026		**300.0**	300.0
Euro Medium Term Note (€500.0m) – due April 2028		**425.7**	-
Bond borrowings issue costs		**(11.0)**	(7.4)
Bond borrowings – non-current	27	**1,268.1**	1,155.6
Total non-current borrowings		**2,380.7**	2,626.2
		2,532.9	2,827.0

1. On 24 January 2020 the two tranches of RCF were extended by one further year, resulting in £600m maturing in February 2025 and £300m maturing in February 2023.

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

At 31 December 2019, the Group had private placement loan notes amounting to $1,587.6m (2018: $1,772.6m). As at 31 December 2019, the note maturities ranged between one and eight years (2018: two and nine years), with an average duration of 5.3 years (2018: 5.8 years), at a weighted average interest rate of 4.1% (2018: 4.1%).

For the purpose of refinancing the borrowings the Group issued the following Euro Medium Term Notes (EMTNs), which are debt instruments traded outside of the US and Canada.

On 2 July 2018, the bonds were priced with an issue date of 5 July 2018:

- A five-year fixed term note, until July 2023, of value €650.0m
- An eight-year fixed term note, until July 2026, of value £300.0m

In addition, EMTN loan notes totalling €500.0m were issued on 22 October 2019, with a maturity date of 22 April 2028.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

29. Borrowings continued

The Group maintains the following lines of credit:

- £900.0m (2018: £855.0m) revolving credit facility, of which £56.9m (2018: £78.5m) was drawn down at 31 December 2019. Interest is payable at the rate of LIBOR plus a margin
- £152.9m (2018: £167.1m) comprising a number of bilateral bank uncommitted facilities that can be drawn down to meet short-term financing needs, of which £nil (2018: £43.9m) was drawn at 31 December 2019. These facilities consist of £70.0m (2018: £101.0m), USD 22.3m (2018: USD 25.0m), €40.0m (2018: €42.0m), AUD 1.0m (2018: AUD 1.0m), CAD 2.0m (2018: CAD 2.0m), SGD 2.3m (2018: SGD 2.3m) and CNY 50.0m (2018: CNY 50.0m). Interest is payable at the local base rate plus a margin
- Four bank guarantee facilities comprising in aggregate up to USD 10.0m (2018: USD 10.0m), €7.0m (2018: €7.0m), £9.0m (2018: £2.0m) and AUD 1.5m (2018: AUD 1.5m)

The effective interest rate for the year ended 31 December 2019 was 3.9% (2018: 3.8%).

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

30. Provisions

	Contingent consideration £m	Acquisition & integration £m	Property leases £m	Restructuring provision £m	Other provision £m	Total £m
At 1 January 2018	39.5	2.2	11.3	2.7	2.4	58.1
Increase in year	9.7	9.0	6.7	8.6	17.9	51.9
Acquisition of subsidiaries	12.8	7.9	10.8	3.6	–	35.1
Currency translation	0.5	–	–	–	0.1	0.6
Utilisation	(21.9)	(12.7)	(5.8)	(10.8)	6.1	(45.1)
Transfer to held for sale	–	–	–	(0.3)	–	(0.3)
Release	–	(1.2)	(0.3)	–	(5.3)	(6.8)
At 1 January 2019	40.6	5.2	22.7	3.8	21.2	93.5
IFRS 16 adjustment on adoption at 1 January 2019	–	–	**(10.5)**	–	–	**(10.5)**
Increase in year	**3.4**	**6.9**	**1.0**	**9.1**	**16.5**	**36.9**
Acquisition of subsidiaries	**8.6**	–	–	–	–	**8.6**
Currency translation	**(0.3)**	–	–	–	–	**(0.3)**
Utilisation	**(32.8)**	**(10.0)**	**(2.9)**	**(6.2)**	**(11.6)**	**(63.5)**
Transfer to held for sale	–	–	–	–	–	–
Release	**(0.8)**	**(1.6)**	**(3.7)**	**(2.5)**	**(2.7)**	**(11.3)**
At 31 December 2019	**18.7**	**0.5**	**6.6**	**4.2**	**23.4**	**53.4**
2019						
Current liabilities	**13.3**	**0.5**	**0.6**	**3.9**	**16.0**	**34.3**
Non-current liabilities	**5.4**	–	**6.0**	**0.3**	**7.4**	**19.1**
2018						
Current liabilities	28.5	5.2	7.7	4.0	18.0	63.4
Non-current liabilities	12.1	–	15.0	(0.2)	3.2	30.1

The contingent consideration will be paid primarily in one to two years. The contingent consideration is based on future business valuations and profit multiples (both Level 3 fair value measurements) and has been estimated on an acquisition by acquisition basis using available profit forecasts (a significant unobservable input). The higher the profit forecast, the higher the fair value of any contingent consideration (subject to any maximum payout clauses), and if all future business valuations and profit multiples were achieved, the maximum undiscounted amounts payable for contingent consideration would be £138.6m (2018: £221.3m).

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

31. Trade and other payables and deferred income

Trade and other payables

	2019 £m	2018[1] £m
Current		
Deferred consideration	**2.5**	3.4
Trade payables	**99.8**	118.0
Accruals	**328.9**	265.7
Other payables	**51.5**	58.1
Total current	**482.7**	445.2
Non-current		
Other payables	**17.4**	30.3
Total non-current	**17.4**	30.3
	500.1	475.5

1. 2018 restated for held for sale reclassifications (see Note 4).

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 44 days (2018: 46 days). There are no suppliers who represent more than 10% of the total balance of trade payables in either 2019 or 2018. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. Therefore, under the normal course of business, the Group is not charged interest on overdue payables. The Directors consider that the carrying amount of trade payables is approximate to their fair value.

Deferred income

	2019 £m	2018[1] £m
Total current	**746.5**	701.2
Total non-current	**3.3**	3.6
Total	**749.8**	704.8

1. 2018 restated for held for sale reclassifications (see Note 4).

Deferred income relates to payments received in advance of the satisfaction of a performance obligation. Non-current amounts relates to payment in advance received for biennial and triennial events and exhibitions.

32. Financial instruments

(a) Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

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

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

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

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

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

32. Financial instruments continued

(a) Financial risk management continued

Capital risk management

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

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

Cost of capital

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

Leverage ratio

The principal financial covenant ratios under the Group's borrowing facilities are maximum net debt to covenant-adjusted EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. At 31 December 2019, both financial covenants were achieved, with the ratio of net debt (using average exchange rates) to EBITDA being 2.5 times (2018: 2.9 times). The ratio of EBITDA to net interest payable in the year ended 31 December 2019 was 9.4 times (2018: 9.5 times). See the glossary of terms for the definition of the leverage and interest cover ratios.

(b) Categories of financial instruments

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

	Notes	2019 £m	2018[1] £m
Financial assets			
Trade receivables	23	**252.6**	210.1
Other receivables	23	**79.2**	43.6
Finance lease receivables	38	**15.3**	-
Cash at bank and on hand	28	**195.1**	168.8
Derivative assets associated with borrowings	27	**3.9**	1.5
Investments in unquoted companies	20	**10.1**	5.1
Total financial assets		**556.2**	429.1
Financial liabilities			
Bank overdraft	29	**-**	43.9
Bank borrowings	29	**54.7**	234.5
Private placement loan notes	29	**1,210.1**	1,393.0
Bond borrowings	29	**1,268.1**	1,155.6
Lease liabilities	38	**316.6**	-
Derivative liabilities associated with borrowings	27	**22.4**	25.2
Derivative liabilities associated with put options over non-controlling interests	24	**36.4**	78.9
Trade payables	31	**99.8**	118.0
Accruals	31	**328.9**	265.7
Other payables	31	**68.9**	92.0
Deferred consideration	31	**2.5**	3.4
Contingent consideration	30	**18.7**	40.6
Total financial liabilities		**3,427.1**	3,450.8

1. 2018 restated for finalisation of UBM acquisition accounting and held for sale reclassifications (see Note 4).

(c) Market risk

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

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

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

(d) Interest rate risk

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

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

The following table details financial liabilities by interest category:

	2019				2018[1]			
	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total £m	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total £m
Bank overdraft	–	–	–	–	–	43.9	–	43.9
Bank borrowings	–	**54.7**	–	**54.7**	–	234.5	–	234.5
Private placement loan notes	**1,175.3**	**34.8**	–	**1,210.1**	1,356.5	36.5	–	1,393.0
Bond borrowings	**1,268.1**	–	–	**1,268.1**	1,155.6	–	–	1,155.6
Lease liabilities	**316.6**	–	–	**316.6**	–	–	–	–
Derivatives liabilities associated with borrowings	**22.4**	–	–	**22.4**	24.1	1.1	–	25.2
Derivative liabilities associated with put options over non-controlling interests	–	–	**36.4**	**36.4**	–	–	78.9	78.9
Trade payables	–	–	**99.8**	**99.8**	–	–	118.0	118.0
Accruals	–	–	**328.9**	**328.9**	–	–	265.7	265.7
Other payables	–	–	**68.9**	**68.9**	–	–	88.4	88.4
Deferred consideration	–	–	**2.5**	**2.5**	–	–	3.4	3.4
Contingent consideration	–	–	**18.7**	**18.7**	–	–	40.6	40.6
	2,782.4	**89.5**	**555.2**	**3,427.1**	2,536.2	316.0	595.0	3,447.2

1. 2018 restated for finalisation of UBM acquisition accounting and held for sale reclassifications (see Note 4).

Interest rate sensitivity analysis

97% of borrowings are at fixed interest rates; hence the Group's interest rate sensitivity would only be affected by the exposure to variable rate debt.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year would have decreased or increased by £0.9m (2018: £3.2m).

Derivatives designated in hedge relationships

	2019 £m	2018 £m
Interest rate swaps – derivative financial assets	**1.4**	1.5
Cross currency interest rate swaps – derivative financial assets	**2.5**	–
Cross currency Iinterest rate swaps – derivative financial liabilities	**(22.4)**	(25.2)

At 31 December 2019, an interest rate swaps were was in place for $76.1m matched against $76.1m of the US private placement loan notes due June 2024. Under this swap, the Group receives a fixed rate of 4.45% and pays a floating rate of interest semi-annually in arrears. At 31 December 2019, the fair value of this swap was a financial asset of £1.4m. This amount was recognised in a fair value through profit and loss relationship.

There were also cross currency interest rate swaps over the EMTN borrowings where the Company receives the following:

- A fixed rate of interest for £300.0m of EMTN borrowings with an 8-year maturity and pays a fixed rate of interest for $393.7m
- A fixed rate of interest on €150.0m of EMTN borrowings with a 5-year maturity and pays a fixed rate of interest for $174.1m
- A fixed rate of interest on €500m of EMTN borrowings with an 8.5-year maturity and pays a fixed rate of interest for $551.6m

At 31 December 2019, the fair value of these swaps was a net financial liability of £19.9m; of these amounts a £1.5m asset was designated in a net investment hedge relationship and a £21.4m liability was designated in a cash flow hedge relationship.

The interest rate swaps are used to increase the Group's exposure to interest rates to maintain a balance of fixed and floating interest rate cost. These hedges were assessed to be highly effective at 31 December 2019 with the small ineffective portions of the hedging contracts included in financing income.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

32. Financial instruments continued

(e) Foreign currency risk

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

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

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

	Assets		Liabilities	
	2019 £m	2018 £m	**2019 £m**	2018 £m
USD	**336.7**	379.9	**(1,936.8)**	(2,527.6)
EUR	**40.9**	44.6	**(1,115.0)**	(723.3)
Other	**357.5**	195.4	**(1,024.1)**	(898.5)
	735.1	619.9	**(4,075.9)**	(4,149.4)

The foreign currency borrowings of £2,248.8m (2018: £2,494.8m) are used to hedge the Group's net investments in foreign subsidiaries.

	Average rate		Closing rate	
	2019	2018	**2019**	2018
USD	**1.28**	1.33	**1.32**	1.27

Foreign currency sensitivity analysis

In 2019, the Group earned approximately 59% (2018: 61%) of its revenues and incurred approximately 53% (2018: 53%) of its costs in USD or currencies pegged to USD. The Group is therefore sensitive to movements in USD against GBP. In 2019, each $0.01 movement in the USD to GBP exchange rate has a circa £13m (2018: circa £11m) impact on revenue and a circa £5m (2018: circa £4m) impact on adjusted operating profit. Offsetting this are reductions to the value of USD borrowings, interest and tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

(f) Credit risk

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

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

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

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

Trade receivables

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the Consolidated Balance Sheet are net of allowances for doubtful receivables, estimated by the Group based on prior experience and its assessment of the current economic environment. Trade receivables consist of a large number of customers, spread across diverse industries and geographic areas, and the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

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

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECLs on trade receivables are estimated for future periods taking account of an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

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

All customers have credit limits set by credit managers and are subject to the standard terms of payment of each Division. As the Informa Markets, Informa Connect and the journals part of the Taylor & Francis Division operate predominantly on a prepaid basis, they are not subject to the same credit controls and they have a low bad debt history. The Group is exposed to normal credit risk and potential losses are mitigated as the Group does not have significant exposure to any single customer.

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

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

Ageing of trade receivables:

	Gross 2019 £m	Provision 2019 £m	Gross 2018[1] £m	Provision 2018[1] £m
Not past due	**126.0**		124.6	–
Past due 0–30 days	**73.2**		41.4	–
Past due over 31 days	**87.8**	**(18.9)**	81.8	(17.0)
Books provision (see below)	**–**	**(15.5)**	–	(20.7)
	287.0	**(34.4)**	247.8	(37.7)

1. 2018 restated for finalisation of UBM acquisition accounting and held for sale reclassifications (see Note 4).

Trade receivables that are less than three months past due for payment are generally not considered impaired. For trade receivables that are more than three months past due for payment, there are debtors with a carrying amount of £24.5m (2018: £10.4m) which the Group has not provided for, as there has not been a significant change in the credit quality and the amounts are considered recoverable. The Group does not hold any collateral over these balances.

A provision relating to returns on books of £15.5m (2018: £20.7m) has been disclosed separately in the table above. This is based on the Group's best estimate of returns for future periods, taking account of returns trends, and the amount is included as part of the overall provision balance of £34.4.m (2018: £37.7m).

Movement in the provision:

	2019 £m	2018 £m
1 January	**37.7**	27.2
Arising on acquisition of subsidiaries and operations	**–**	22.3
Provision recognised	**17.8**	2.3
Receivables written off as uncollectible	**(8.5)**	(7.7)
Amounts recovered during the year	**(12.6)**	(6.4)
31 December	**34.4**	37.7

There are no customers who represent more than 10% of the total gross balance of trade receivables in either 2019 or 2018.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

32. Financial instruments continued

(g) Liquidity risk

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

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

(h) Liquidity and interest risk tables

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

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

	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1-2 years £m	2-5 years £m	Greater than 5 years £m
31 December 2019						
Non-derivative financial assets						
Lease receivable	**15.3**	**16.7**	**2.9**	**2.3**	**5.6**	**5.9**
Non-interest bearing	**537.0**	**526.9**	**499.1**	**27.8**		
	552.3	**543.6**	**502.0**	**30.1**	**5.6**	**5.9**
Derivative financial assets						
Interest rate swaps	**1.4**	**2.1**	**0.4**	**0.5**	**1.2**	**–**
Cross currency interest rates swaps	**2.5**	**(67.5)**	**(9.0)**	**(9.0)**	**(27.0)**	**(22.5)**
	556.2	**478.2**	**493.4**	**21.6**	**(20.2)**	**(16.6)**
31 December 2018[2]						
Non-derivative financial assets						
Non-interest bearing	427.6	422.5	416.2	6.3	–	–
	427.6	422.5	416.2	6.3	–	–
Derivative financial assets						
Interest rate swaps	1.5	0.4	0.3	0.1	–	–
Cross currency interest rates swaps	–	–	–	–	–	–
	429.1	422.9	416.5	6.4	–	–

1. Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the Consolidated Balance Sheet.
2. 2018 restated for finalisation of UBM acquisition accounting and held for sale reclassifications (see Note 4).

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

	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1-2 years £m	2-5 years £m	Greater than 5 years £m
31 December 2019						
Non-derivative financial liabilities						
Variable interest rate instruments	**89.5**	**100.2**	**4.1**	**4.0**	**92.1**	**-**
Fixed interest rate instruments	**2,443.4**	**2,836.1**	**222.3**	**63.3**	**909.8**	**1,640.7**
Lease liabilities	**316.6**	**466.0**	**47.5**	**41.1**	**95.6**	**281.8**
Trade and other payables	**534.0**	**534.0**	**516.6**	**17.4**	**–**	**–**
Deferred consideration	**2.5**	**2.5**	**2.5**		**–**	**–**
Contingent consideration	**18.7**	**18.7**	**7.2**	**11.5**	**-**	**–**
	3,404.7	**3,957.5**	**800.2**	**137.3**	**1,097.5**	**1,922.5**
Derivative financial liabilities						
Cross currency interest rate swaps	**22.4**	**48.9**	**8.9**	**8.9**	**25.0**	**6.1**
Put options over non-controlling interests	**36.4**	**36.4**	**36.4**	**–**	**–**	**–**
	3,463.5	**4,042.8**	**845.5**	**146.2**	**1,122.5**	**1,928.6**
31 December 2018[2]						
Non-derivative financial liabilities						
Variable interest rate instruments	314.9	320.5	202.5	80.2	37.8	–
Fixed interest rate instruments	2,512.1	2,992.9	89.9	666.6	891.7	1,344.7
Trade and other payables	472.1	472.1	441.8	30.3	–	–
Deferred consideration	3.4	3.4	3.4	–	–	–
Contingent consideration	40.6	40.6	28.4	12.2	–	–
	3,343.1	3,829.5	766.0	789.3	929.5	1.344.7
Derivative financial liabilities						
Cross currency interest rate swaps	25.2	67.6	9.7	9.1	26.8	22.0
Put options over non-controlling interests	78.9	78.9	39.5	33.0	4.8	1.6
	3,447.2	3,976.0	815.2	831.4	961.1	1,368.3

1. Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the Consolidated Balance Sheet.
2. 2018 carrying amounts restated for finalisation of UBM acquisition accounting (see Note 4).

(i) Fair value of financial instruments

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

	Carrying amount 2019 £m	**Estimated fair value 2019 £m**	Carrying amount 2018 £m	Estimated fair value 2018[1] £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	**3.9**	**3.9**	0.4	0.4
Unhedged derivative financial instruments	**–**	**–**	1.1	1.1
Equity investments in unquoted companies	**10.1**	**10.1**	5.1	5.1
	14.0	**14.0**	6.6	6.6
Financial liabilities				
Derivative financial instruments in designated hedge accounting relationships	**22.4**	**22.4**	25.2	25.2
Derivative liabilities associated with put options over non-controlling interests	**36.4**	**36.4**	78.9	78.9
Contingent and deferred consideration on acquisitions	**21.2**	**21.2**	44.0	44.0
	80.0	**80.0**	148.1	148.1

1. 2018 carrying amounts restated for finalisation of UBM acquisition accounting (see Note 4).

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

32. Financial instruments continued

(j) Fair values and fair value hierarchy

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

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

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

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

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

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs), such as internal models or other valuation methods. Level 3 balances include investments where, in the absence of market data, these are held at cost, and adjusted for impairments which are taken to approximate to fair value. Level 3 balances for contingent consideration use future cash flow forecasts to determine the fair value, with the fair value of deferred consideration balances taken as the receivable amount adjusted for an impairment assessment. The fair value of put options over non-controlling interest uses the present value of the latest cash flow forecast for each business.

Financial assets and liabilities measured at fair value in the Consolidated Balance Sheet and their categorisation in the fair value hierarchy:

	Level 1 2019 £m	Level 2 2019 £m	Level 3 2019 £m	Total 2019 £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	–	3.9	–	3.9
Finance lease receivables	–	15.3	–	15.3
Unhedged derivative financial instruments	–	–	–	–
Equity investments in unquoted companies (Note 20)	–	–	10.1	10.1
	–	19.2	10.1	29.3
Financial liabilities at amortised cost				
Bank borrowings (including bank overdraft)	–	54.7	–	54.7
Private placement loan notes	–	1,288.8	–	1,288.8
Bond borrowings	–	1,309.0	–	1,309.0
Finance leases	–	316.6	–	316.6
Financial liabilities at fair value through profit or loss	–	–	–	–
Private placement loan notes	–	61.9	–	61.9
Bond borrowings	–	–	–	–
Derivative financial instruments in designated hedge accounting relationships[1]	–	22.4	–	22.4
Deferred consideration on acquisitions[2]	–	–	2.5	2.5
Contingent consideration on acquisitions (Note 30)			18.7	18.7
Put options over non-controlling interests[3]	–	–	36.4	36.4
	–	3,053.4	57.6	3,111.0

1. £22.4m relates to interest rate swaps associated with Euro Medium Term Notes. Refer to Note 29.
2. £0.9m reduction from the prior year reflects a £1.6m decrease from payments relating to prior year acquisitions and a £0.7m increase arising from current year acquisitions.
3. £42.5m reduction from the prior year reflects £32.2m cash paid, £1.3m reduction from disposals, £7.5m reduction from transfers to other payables and £1.5m reduction from foreign exchange movements.

	Level 1 2018 £m	Level 2 2018[2] £m	Level 3 2018[2] £m	Total 2018[2] £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	–	0.4	–	0.4
Unhedged derivative financial instruments	–	1.1	–	1.1
Equity investments in unquoted companies (Note 20)	–	–	5.1	5.1
	–	1.5	5.1	6.6
Financial liabilities at amortised cost				
Bank borrowings (including bank overdraft)	–	278.4	–	278.4
Private placement loan notes	–	1,318.2	–	1,318.2
Bond borrowings	–	1,072.9	–	1,072.9
Financial liabilities at fair value through profit or loss				
Private placement loan notes	–	59.2	–	59.2
Bond borrowings	–	80.3	–	80.3
Derivative financial instruments in designated hedge accounting relationships[1]	–	25.2	–	25.2
Deferred consideration on acquisitions	–	–	3.4	3.4
Contingent consideration on acquisitions (Note 30)			40.6	40.6
Put options over non-controlling interests	–	–	78.9	78.9
	–	2,834.2	122.9	2,957.1

1. £24.1m relates to interest rate swaps associated with Euro Medium Term Notes. Refer to Note 29.
2. 2018 carrying amounts restated for finalisation of UBM acquisition accounting (see Note 4) and transfer of investments to Level 3.

33. Notes to the Cash Flow Statement

	Notes	2019 £m	2018 £m
Profit before tax		**318.7**	282.1
Adjustments for:			
Depreciation of property and equipment	19	**17.2**	13.1
Depreciation of right of use asset	38	**33.1**	
Amortisation of other intangible assets	17	**354.3**	286.1
Impairment – goodwill	8	**0.9**	–
Impairment – acquisition intangible assets	17	**3.8**	9.8
Impairment – other intangible assets	17	**–**	3.8
Impairment – property and equipment	19	**–**	2.7
Impairment – right of use assets	38	**4.6**	–
Share-based payments	10	**10.4**	8.1
Subsequent remeasurement of contingent consideration	8	**3.2**	(0.1)
Loss/(profit) on disposal of businesses	21	**95.4**	(1.1)
Pension curtailment gain	34	**–**	(0.8)
GMP equalisation charge	34	**–**	4.5
Investment income	11	**(10.1)**	(8.2)
Finance costs	12	**134.1**	90.4
Share of adjusted results of joint ventures and associates	20	**(1.5)**	(1.0)
Operating cash inflow before movements in working capital		**964.1**	689.4
Decrease in inventories		**12.3**	3.2
Decrease in receivables		**20.6**	89.7
Decrease in payables		**(33.1)**	(142.9)
Movements in working capital		**(0.2)**	(50.0)
Pension deficit recovery contributions	34	**(5.4)**	(4.4)
Cash generated by operations		**958.5**	635.0

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

34. Retirement benefit schemes

(a) Charge to operating profit

The charge to operating profit for the year in respect of pensions, including both defined benefit and defined contribution schemes, was £21.8m (2018: £19.8m). In 2018, the charge included a £4.5m past service cost related to the Guaranteed Minimum Pension (GMP) equalisation cost, less a £0.8m credit relating to a past service cost curtailment gain on the closure of the UBM Retirement Medical Plan in the US.

(b) Defined benefit schemes – strategy

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

For the UK Schemes, the defined benefit schemes are administered by separate funds that are legally separated from the Company. The Trustees are responsible for running the UK Schemes in accordance with the Group Schemes' Trust Deed and Rules, which sets out their powers. The Trustees of the UK Schemes are required to act in the best interests of the beneficiaries of the Group Schemes. There is a requirement that one-third of the Trustees are nominated by the members of the UK Schemes. The Trustees of the pension funds are responsible for the investment policy with regard to the assets of the fund. None of the Schemes have any reimbursement rights.

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

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

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

(c) Defined benefit schemes – risk

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

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

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

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

There are three categories of pension Scheme members:

- Employed deferred members: Currently employed by the Company
- Deferred members: Former colleagues of the Company
- Pensioner members: In receipt of pension

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

The approximate overall duration of the Group Schemes' defined benefit obligation as at 31 December 2019 was as follows:

	2019			2018		
	Other UK Schemes	UBM UK Schemes	Penton US schemes	Other UK Schemes	UBM UK Schemes	Penton US schemes
Overall duration (years)	**18**	**14**	**14**	19	14	14

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

	2019			2018		
	Other UK Schemes	UBM Schemes	Penton US Schemes	Other UK Schemes	UBM Schemes	Penton US Schemes
Discount rate	**2.10%**	**2.00%**	**2.95%**	2.80%	2.80%	4.10%
Rate of price inflation	**1.95% (CPI) 2.95% (RPI)**	**1.95% (CPI) 2.95% (RPI)**	**n/a**	2.15% (CPI) 3.15% (RPI)	2.15% (CPI) 3.15% (RPI)	n/a
Rate of increase for deferred pensions	**1.95%**	**1.95%**		2.15%	2.15%	n/a
Rate of increase for pensions in payment	**1.80%– 2.85%**	**1.8%– 3.55%**	**n/a**	1.95%– 3.05%	1.9 %–3.60%	n/a
Life expectancy:						
For an individual aged 65 – male (years)	**86**	**87**	**84**	87	86	84
For an individual aged 65 – female (years)	**88**	**89**	**87**	89	89	88

For the UK Schemes, mortality assumptions used in the IAS 19 valuations are taken from tables published by Continuous Mortality Investigation (CMI). The latest base tables for the other UK Schemes use SAPS S3 tables with a scaling factor of 102% and 110% for males and females, with the UBM UK Schemes using 105% of the 'SAPS' S2 tables based on the year of birth, and all UK Schemes use life expectancy improvements taken from CMI 2018 (2018: CMI 2017) with the long-term rate of improvement of 1.25% (2018: 1.25%). For the valuation of US Scheme liabilities, life expectancy has been taken from the PRI-2012 base mortality tables (amounts weighted) by the Society of Actuaries in 2019 (2018: RP-2014 adjusted to 2006 total data set mortality), with life expectancy improvements projected generationally using Scale MP-2019 (2018: Scale MP-2018).

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

As at 31 December 2019	Informa FSS[1]	T&F GPS[2]	UBMPS[3]	UNEPS[4]	Penton RP[5]	Penton SERP[6]
Latest valuation date	**31.3.2017**	**30.9.2017**	**31.3.2017**	**5.4.2017**	**31.12.2019**	**31.12.2019**
Funding (shortfall)/surplus at valuation date and recovery plan amounts	**(£5.5m) £2.0m per year to 28 February 2021**	**£1.7m Nil**	**(£11.2m) £2.5m per year to 1 March 2022**	**£4.7m Nil**	**(£13.2m) £0.8m for 2020 year**	**(£0.6m) Nil**

1. Informa Final Salary Scheme (Informa FSS).
2. Taylor & Francis Group Pension and Life Assurance Scheme (T&F GPS).
3. UBM Pension Scheme (UBMPS).
4. United Newspapers Executive Pension Scheme (UNEPS).
5. Informa Media, Inc. Retirement Plan (Penton RP).
6. Penton Media, Inc. Supplemental Executive Retirement Plan (Penton SERP).

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

Sensitivity analysis at 31 December 2019	Impact on scheme liabilities: Increase				
	Informa FSS £m	**T&F GPS £m**	**UBMPS £m**	**UNEPS £m**	**Penton RP £m**
Discount rate – Decrease by 0.1%	**1.8**	**0.5**	**7.4**	**0.1**	**0.4**
Rate of price inflation pre-retirement – Increase by 0.25%	**4.1**	**0.9**	**8.9**	**0.3**	**n/a**
Life expectancy – Increase by 1 year	**3.4**	**1.0**	**23.6**	**1.5**	**0.5**

Sensitivities have been prepared using the same approach as 2018. The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant, although in practice this is unlikely to occur and changes in some assumptions may be correlated.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

34. Retirement benefit schemes continued

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

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

	2019 £m	2018 £m
Recognised in profit before tax		
Past service curtailment gain on closure of the UBM US Scheme	–	(0.8)
Past service cost associated with GMP equalisation[1]	–	4.5
Interest cost on net pension deficit	**1.4**	1.1
Total cost	**1.4**	4.8

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

	2019 £m	2018 £m
Recognised in the Consolidated Statement of Comprehensive Income		
Actuarial gain/(loss) on scheme assets	**68.7**	(30.6)
Experience (loss)/gain	**(0.8)**	2.1
Change in demographic actuarial assumptions	**2.4**	0.7
Change in financial actuarial assumptions	**(71.9)**	13.7
Effect of movement in foreign currencies	–	(0.2)
Actuarial loss	**(1.6)**	(14.3)

	2019 £m	2018 £m
Movement in net deficit during the year		
Net deficit in schemes at beginning of the year	**(30.5)**	(23.6)
New schemes associated with the UBM plc acquisition	–	8.3
Net finance cost	**(1.4)**	(1.1)
Past service cost from curtailment gain on closure of UBM US Scheme	–	0.8
Past service cost associated with GMP equalisation[1]	–	(4.5)
Actuarial loss	**(1.6)**	(14.3)
Cash payments from Scheme for Scheme costs	**(0.7)**	–
Contributions from the employer to fund Scheme costs	**0.8**	–
Deficit recovery contributions from the employer to the Schemes	**5.4**	4.4
Effect of movement in foreign currencies	**0.3**	(0.5)
Net deficit in Schemes at end of the year before irrecoverable tax	**(27.7)**	(30.5)
Irrecoverable tax[1]	**(2.4)**	(2.5)
Net deficit in schemes at end of the year after irrecoverable tax	**(30.1)**	(33.0)

1. Under IFRIC 14, any surplus on the UK Schemes ultimately to be paid to the Company by the Trustees would be subject to a 35% tax charge prior to being repaid.

The expected deficit recovery contributions from the employer to the Schemes for 2020 is expected to be £4.9m.

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

	2019 £m	2018 £m
Present value of defined benefit obligations	**(730.8)**	(679.2)
Fair value of Scheme assets	**703.1**	648.7
Irrecoverable element of pension surplus[1]	**(2.4)**	(2.5)
Net deficit	**(30.1)**	(33.0)
Reported as:		
Retirement benefit surplus recognised in the Consolidated Balance Sheet	**4.9**	4.5
Deficit in scheme and liability recognised in the Consolidated Balance Sheet	**(35.0)**	(37.5)
Net deficit	**(30.1)**	(33.0)

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

	2019 £m	2018 £m
Opening present value of defined benefit obligation	**(679.2)**	(176.3)
New schemes from UBM plc acquisition	–	(526.7)
Service cost associated with curtailment gain on closure of UBM US Scheme	–	0.8
Past service cost associated with GMP equalisation	–	(4.5)
Interest cost	**(19.4)**	(11.7)
Benefits paid	**36.6**	25.0
Actuarial (loss)/gain	**(70.3)**	16.5
Effect of movement in foreign currencies	**1.5**	(2.3)
Closing present value of defined benefit obligation	**(730.8)**	(679.2)

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

	2019 £m	2018 £m
Opening fair value of Scheme assets	**648.7**	152.7
New schemes from UBM plc acquisition	–	535.0
Return on Scheme assets	**18.0**	10.6
Actuarial gain/(loss)	**68.7**	(30.6)
Benefits paid	**(36.6)**	(25.0)
Other payments from Scheme	**(0.7)**	–
Contributions from the employer to the Schemes	**6.2**	4.4
Effect of movement in foreign currencies	**(1.2)**	1.6
Closing fair value of Scheme assets	**703.1**	648.7

The assets of the Informa Final Salary Scheme and Taylor & Francis Group Pension and Life Assurance Scheme include assets held in managed funds and cash funds operated by Baillie Gifford & Co. Ltd, BlackRock Investment Management (UK) Limited, Insight Investment Management Limited, Legal & General Investment Management, Partners Group (UK) Limited and Zurich Assurance Limited.

The assets of the UBM Pension Scheme assets are held in equity funds, absolute return bonds and bespoke liability driven investment (LDI) funds with Legal & General, diversified growth funds with Schroders, real return funds with Newton, property funds with Aviva and M&G, an illiquid credit fund with M&G, annuities to cover a small number of pension members and cash.

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

The assets of the Informa Media, Inc. Retirement Plan are primarily invested in private commingled group trust funds operated by Aon with various investment managers serving as sub-managers within each fund. The Penton Media, Inc. Supplemental Executive Retirement Plan is funded on a pay-as-you-go method (i.e. is unfunded).

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

34. Retirement benefit schemes continued
(e) Defined benefit schemes – individual defined benefit scheme details continued

The fair values of the assets held are as follows:

31 December 2019	Informa FSS £m	T&F GPS £m	UBMPS £m	UNEPS £m	Penton RP £m	Total £m
Equities	**46.0**	**12.0**	**161.9**	**–**	**13.7**	**233.6**
Bonds and gilts	**3.2**	**0.9**	**–**	**21.9**	**11.1**	**37.1**
Property	**9.5**	**3.8**	**74.3**	**–**	**4.5**	**92.1**
Diversified growth fund	**25.3**	**7.5**	**121.9**	**–**	**–**	**154.7**
Illiquid credit funds	**–**	**–**	**51.4**		**–**	**51.4**
Absolute return bond fund	**–**	**–**	**14.8**	**0.6**	**–**	**15.4**
Bespoke funds (LDI and hedge funds)	**8.0**	**2.7**	**88.7**	**–**	**2.2**	**101.6**
Annuity contracts	**–**	**–**	**6.3**	**–**	**–**	**6.3**
Cash	**7.1**	**1.8**	**1.7**	**–**	**0.3**	**10.9**
Total	**99.1**	**28.7**	**521.0**	**22.5**	**31.8**	**703.1**

31 December 2018	Informa FSS £m	T&F GPS £m	UBMPS £m	UNEPS £m	Penton RP £m	Total £m
Equities	38.8	10.3	135.1	–	11.8	196.0
Bonds and gilts	4.4	1.2	–	21.0	11.3	37.9
Property	9.1	3.7	52.6	–	4.3	69.7
Diversified growth fund	11.7	3.5	109.3	–	–	124.5
Illiquid credit funds	–	–	50.1	–	–	50.1
Absolute return bond fund	–	–	52.2	1.8	–	54.0
Bespoke funds (LDI)	5.7	2.0	72.4	–	–	80.1
Annuity contracts	–	–	5.9	–	–	5.9
Cash	20.2	5.4	2.1	–	2.8	30.5
Total	89.9	26.1	479.7	22.8	30.2	648.7

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

35. Share capital and share premium
Share capital

Share capital as at 31 December 2019 amounted to £1.3m (2018: £1.3m). For details of options issued over the Company's shares see Note 10.

	2019 £m	2018 £m
Issued, authorised and fully paid		
1,251,798,534 (2018: 1,251,798,534) Ordinary Shares of 0.1p each	**1.3**	1.3

	2019 Number of shares	2018 Number of shares
At 1 January	**1,251,798,534**	824,005,051
Issue of new shares in relation to consideration for the acquisition of UBM plc	**–**	427,536,794
Other issue of shares	**–**	256,689
At 31 December	**1,251,798,534**	1,251,798,534

Share premium

	2019 £m	2018 £m
At 1 January and 31 December	**905.3**	905.3

36. Other reserves

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

	Reserves for shares to be issued £m	Merger reserve £m	Other reserve £m	Employee Share Trust and ShareMatch shares £m	Total £m
At 1 January 2018	9.8	578.6	(2,154.6)	(2.5)	(1,568.7)
Issue of new shares in relation to consideration for acquisition of UBM plc	–	3,544.6	–	–	3,544.6
Other issue of shares associated with settlement of UBM SAYE awards	–	2.2	–	–	2.2
Share award expense (equity-settled)	8.1	–	–	–	8.1
Own shares purchased	–	–	–	(3.5)	(3.5)
Transfer of vested LTIPs	(3.9)	–	–	–	(3.9)
Non-controlling interest adjustment arising from disposal	–	–	(4.3)	–	(4.3)
At 1 January 2019	**14.0**	**4,125.4**	**(2,158.9)**	**(6.0)**	**1,974.5**
Share award expense (equity-settled)	9.4	–	–	1.0	10.4
Own shares purchased	–	–	–	(15.9)	(15.9)
Transfer of vested LTIPs	(5.7)	–	–	–	(5.7)
Non-controlling interest adjustment arising from disposal	–	–	1.3	–	1.3
At 31 December 2019	**17.7**	**4,125.4**	**(2,157.6)**	**(20.9)**	**1,964.6**

Reserve for shares to be issued

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

Merger reserve

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

Other reserve

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

Employee Share Trust and ShareMatch shares

As at 31 December 2019, the Informa Employee Share Trust (EST) held 958,988 (2018: 564,091) Ordinary Shares in the Company at a market value of £8.2m (2018: £3.6m). As at 31 December 2019, the ShareMatch scheme held 474,878 (2018: 411,812) matching Ordinary Shares in the Company at a market value of £4.1m (2018: £2.6m). At 31 December 2019, the Group held 0.1% (2018: 0.1%) of its own called up share capital.

37. Non-controlling interests

The Group has subsidiary undertakings where there are non-controlling interests. At 31 December 2019, these non-controlling interests were composed entirely of equity interests and represented the following holding of minority shares by non-controlling interests:

- APLF Ltd (40%, 2018: 40%)
- Bangkok Exhibition Services Ltd (4.1%, 2018: 4.1%)
- Brazil Design Show (45%, 2018: 45%)
- China International Exhibitions Limited (30%, 2018: 30%)
- Cosmoprof Asia Limited (50%, 2018: 50%)
- ECMI Asia Sdn Bhd (4.1%, 2018: 4.1%)
- Eco Exhibitions (4.1%, 2018: 4.1%)
- Fort Lauderdale Convention Services, Inc, (10%, 2018: 0%)
- Guangzhou Citiexpo Jianke Exhibition Co. Ltd (40%, 2018: 40%)
- Guangzhou Informa Yi Fan Exhibitions Co., Ltd (40%, 2018: 40%)
- Informa Marine Holdings, Inc (10%, 2018: 0%)
- Informa Markets Art, LLC (10%, 2018: 0%)
- Informa Tech Founders Limited (45%, 2018: 0%)
- Informa Tharawat Limited (51%, 2018: 51%)
- Informa Tianyi Exhibitions (Chengdu) Co., Ltd (40%, 2018: 40%)
- Informa Wiener Exhibitions (Chengdu) Co., Ltd (40%, 2018: 40%)
- Malaysian Exhibitions Services Sdn Bhd (4.1%, 2018: 4.1%)
- Monaco Yacht Show S.A.M. (10%, 2018: 10%)
- Myanmar Trade Fair Management Co. Ltd (4.1%, 2018: 4.1%)
- PT Pamerindo Indonesia (4.1%, 2018: 4.1%)
- PT UBM Pameran Niaga Indonesia (35.7%, 2018: 35.7%)
- Sea Asia Singapore Pte Limited (10%, 2018: 10%)
- SES Vietnam Exhibitions Services Co. Ltd (4.1%, 2018: 4.1%)
- Shanghai Baiwen Exhibitions Co., Ltd (15%, 2018: 15%)

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

37. Non-controlling interests continued

- Shanghai Meisheng Culture Broadcasting Co., Ltd (15%, 2018: 15%)
- Shanghai Sinoexpo Informa Markets International Exhibitions Co, Ltd (30%, 2018: 30%)
- Shanghai UBM Showstar Exhibitions Co., Ltd (30%, 2018: 30%)
- Shanghai Yingye Exhibitions Co., Ltd (40%, 2018: 40%)
- Shenzhen UBM Creativity Exhibition Co., Ltd (35%, 2018: 35%)
- Shenzhen UBM Herong Exhibition Company Limited (30%, 2018: 30%)
- Singapore Exhibition Services (Pte) Ltd (4.1%, 2018: 4.1%)
- Southern Convention Services, Inc. (10%, 2018: 0%)
- UBM Asia (Thailand) Co Ltd (4.1%, 2018: 4.1%)
- UBM BN Co. Ltd (40%, 2018: 40%)
- UBM Exhibitions Philippines Inc. (4.1%, 2018: 4.1%)
- UBM Mexico Exposiciones, S.A.P.I (20%, 2018: 20%)
- UBM Premier Sdn Bhd (4.1%, 2018: 4.1%)
- UBM Sinoexpo Ltd (30%, 2018: 30%)
- UBM Tradelink Sdn Bhd (4.1%, 2018: 4.1%)
- UBM Trust Company Ltd (30%, 2018: 30%)
- UBMMG Holdings SDN BHD (4.1%, 2018: 4.1%)
- United Business Media (M) SDN. BHD. (4.1%, 2018: 4.1%)
- Yachting Promotions, Inc. (10%, 2018: 10%)

38. IFRS 16 *Leases* and finance lease receivables

(a) IFRS 16 implementation on 1 January 2019

On 1 January 2019, the Group adopted the new accounting standard, IFRS 16 *Leases*. There are several practical expedients and exemptions available under IFRS 16. The Group has elected to apply the modified retrospective method of implementation where there is no restatement of the comparative period and use 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 Group has excluded leases of low value assets and short-term leases, with a duration of less than 12 months, from the application of IFRS 16, with payments for these leases continuing to be expensed directly to the Income Statement as operating leases. 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 12 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 Group recognising right of use assets of £295.3m, finance lease receivables of £14.4m and lease liabilities of £343.6m. Prepaid rentals of £2.7m were previously included within prepayments, and are now included the in the value of the right of use assets. Provisions for vacant properties and deferred rent-free periods of £41.7m, previously included in liabilities within provisions, are now netted off against the value of the right of use assets. There is an increase in deferred tax liabilities of £1.0m. Where the Group has sub-lease income, which was previously included in rental income, it is now included as a credit to reserves of £4.1m reflecting the excess of finance lease receivable amounts from the sub-lease, compared to the finance lease payable amounts associated with the head lease at transition.

The weighted average incremental borrowing rate (IBR) used at the transition date to discount lease liabilities was 4.3%. A single IBR is applied to a portfolio of leases when these have shared similar characteristics, including location, duration and nature of the leases, and whether a Group 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:

	Total £m
Restated operating lease commitments disclosed under IAS 17 at 31 December 2018[1]	**407.6**
Other impacts of adopting IFRS 16 including cost of reasonably certain extensions	(68.5)
Gross lease liabilities recognised under IFRS 16 at 1 January 2019	**476.1**
Effect of discounting	(132.5)
Total lease liabilities recognised under IFRS 16 at 1 January 2019	**343.6**

1. Amount restated to reflect update to lease commitments on property leases at 31 December 2018.

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

	At 31 December 2018[1] £m	IFRS 16 adjustments at adoption on 1 January 2019 £m	1 January 2019 adjusted for IFRS 16 £m
Non-current assets			
Goodwill	6,343.9	–	**6,343.9**
Other intangible assets	3,854.4	–	**3,854.4**
Property and equipment	69.7	–	**69.7**
Right of use assets	–	**295.3**	**295.3**
Investments in joint ventures and associates	19.1	–	**19.1**
Other investments	5.1	–	**5.1**
Deferred tax assets	24.2	–	**24.2**
Retirement benefit surplus	4.5	–	**4.5**
Finance lease receivable	–	**12.9**	**12.9**
Other receivables	6.3	–	**6.3**
Derivative financial instruments	1.5	–	**1.5**
	10,328.7	**308.2**	**10,636.9**
Current assets			
Inventory	50.9	–	**50.9**
Trade and other receivables	400.4	**(2.7)**	**397.7**
Current tax asset	15.9	–	**15.9**
Cash at bank and on hand	168.8	–	**168.8**
Finance lease receivable	–	**1.5**	**1.5**
Assets classified as held for sale	79.1	–	**79.1**
	715.1	**(1.2)**	**713.9**
Total assets	11,043.8	**307.0**	**11,350.8**
Current liabilities			
Borrowings	(200.8)	–	**(200.8)**
Derivative financial instruments	(10.1)	–	**(10.1)**
Finance leases	–	**(27.8)**	**(27.8)**
Current tax liabilities	(96.2)	–	**(96.2)**
Provisions	(63.4)	**10.5**	**(52.9)**
Trade and other payables	(445.2)	**31.2**	**(414.0)**
Deferred income	(701.2)	–	**(701.2)**
Liabilities directly associated with assets classified as held for sale	(13.9)	–	**(13.9)**
	(1,530.8)	**13.9**	**(1,516.9)**
Non-current liabilities			
Borrowings	(2,626.2)	–	**(2,626.2)**
Finance leases	–	**(315.8)**	**(315.8)**
Derivative financial instruments	(94.0)	–	**(94.0)**
Deferred tax liabilities	(619.7)	**(1.0)**	**(620.7)**
Retirement benefit obligation	(37.5)	–	**(37.5)**
Provisions	(30.1)	–	**(30.1)**
Trade and other payables	(30.3)	–	**(30.3)**
Deferred income	(3.6)	–	**(3.6)**
	(3,441.4)	**(316.8)**	**(3,758.2)**
Total liabilities	(4,972.2)	**(302.9)**	**(5,275.1)**
Net assets	6,071.6	**4.1**	**6,075.7**

1. 2018 restated for finalisation of UBM acquisition accounting (see Note 4).

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

38. IFRS 16 Leases and finance lease receivables continued

(b) IFRS 16 leases at 31 December 2019

The impact of IFRS 16 for the year ended 31 December 2019 increases adjusted operating profit by £6.5m, reflecting the removal of IAS 17 operating lease expenses of £39.6m and replacing this with IFRS 16 depreciation of £33.1m. Adjusted profit before tax decreases by £7.0m, reflecting the adjusted operating profit change together with the IFRS 16 net finance expense of £13.5m (£14.3m finance costs and £0.8m investment income), and the adjusted tax impact of the change of £1.3m, resulting in adjusted profit after tax decreasing by £5.7m and a decrease to 2019 adjusted diluted earnings per share of 0.45p. The impact on 2019 statutory profit before tax was a decrease of £11.6m reflecting the £7.0m adjusted profit before tax decrease and the impairment of right of use assets of £4.6m.

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

Right of use assets	Property leases	Other leases[1]	Total £m
1 January 2019	**184.8**	**110.5**	**295.3**
Depreciation	(29.6)	(3.5)	(33.1)
Additions	26.2	–	26.2
Impairment	(4.6)	–	(4.6)
Disposals	(7.3)	–	(7.3)
Foreign exchange movement	(8.6)	(3.5)	(12.1)
At 31 December 2019	**160.9**	**103.5**	**264.4**

Lease liabilities	Property leases	Other leases[1]	Total £m
1 January 2019	**(233.1)**	**(110.5)**	**(343.6)**
Repayment of lease liabilities	44.0	4.8	48.8
Interest on lease liabilities	(10.1)	(4.2)	(14.3)
Additions	(29.1)	–	(29.1)
Disposals	9.4	–	9.4
Foreign exchange movement	8.7	3.5	12.2
At 31 December 2019	**(210.2)**	**(106.4)**	**(316.6)**
2019			
Current lease liabilities	(33.4)	(0.8)	(34.2)
Non-current lease liabilities	(176.8)	(105.6)	(282.4)
At 31 December 2019	**(210.2)**	**(106.4)**	**(316.6)**

1. Other leases relate to event venue-related leases.

The Group's average lease term under IFRS 16 is 3.5 years. The average IBR used for year ended 31 December 2019 to discount lease liabilities was 4.7%.

(c) IFRS 16 finance lease receivable at 31 December 2019
The Group's finance lease receivable at 31 December 2019 is as follows:

Finance lease receivable	Property leases	Other leases	Total £m
1 January 2019	**14.4**	**-**	**14.4**
Rent receipt	(2.9)	-	(2.9)
Interest Income	0.8	-	0.6
Additions	3.2	-	3.2
Foreign exchange movement	(0.2)		(0.2)
At 31 December 2019	**15.3**	**-**	**15.3**
2019			
Current finance lease receivable	2.3	-	2.3
Non-current finance lease receivable	13.0	-	13.0
At 31 December 2019	**15.3**	**-**	**15.3**

The Group entered into finance leasing arrangements as a lessor for sub-leases on property leases. The average term of IFRS 16 finance sub-leases entered is 2.9 years.

(d) Low value and short-term lease income and expense for the year ended 31 December 2019

	Total £m
Low value and short-term sublease rent income	0.8
Low value and short-term rent expense[1]	(159.8)

1. Includes event venue-related leases.

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

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

Further information about the remuneration of individual Directors is provided in the audited part of the Remuneration Report on pages 131 to 143 and Note 9.

Other related party disclosures
At 31 December 2019, Informa Group companies have guaranteed the UK pension scheme liabilities of the Taylor & Francis Group Pension and Life Assurance Scheme, the Informa Final Salary Scheme and the UBM Pension Scheme.

Transactions with related parties are made at arm's length. Outstanding balances at year end are unsecured and settlement occurs in cash. There are no bad debt provisions for related party balances as at 31 December 2019, and no debts due from related parties have been written off during the year. During the period, Informa entered into related party transactions to the value of £0.2m (2018: £0.2m) with a balance of £0.2m (2018: £0.1m) outstanding at 31 December 2019.

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

40. Subsidiaries

The listing below shows the subsidiary undertakings as at 31 December 2019:

Company name	Country	Ordinary Shares held	Registered office
Centre for Asia Pacific Aviation Pty Limited	Australia	100%	AU1
Centre for Aviation Pty Limited	Australia	100%	AU1
Datamonitor Pty Limited	Australia	100%	AU2
Informa Australia Pty Limited	Australia	100%	AU2
Informa Holdings (Australia) Pty Limited	Australia	100%	AU1
Ovum Pty Limited	Australia	100%	AU1
International Exhibition Holdings Limited	Bahamas	100%	BH1
Arabian Exhibition Management W.L.L.	Bahrain	100%	BA1
Informa Middle East Limited	Bermuda	100%	BM1
Brasil Design Show Eventos, Midias Consultorias Treinamentos E Participacoes Ltda	Brazil	55%	BR1
BTS Informa Feiras, Eventos e Editora Ltda	Brazil	100%	BR1
UBM Brazil Feiras e Eventos Ltda	Brazil	100%	BR2
Inet Interactive Canada Inc.	Canada	100%	CA1
Informa Canada Inc.	Canada	100%	CA2
Informa Tech Canada Inc.	Canada	100%	CA2
China International Exhibitions Limited	China	70%	CH1
IBC Conferences And Event Management Services (Shanghai) Co., Ltd	China	100%	CH2
Informa Data Service (Shanghai) Co., Ltd	China	100%	CH3
Informa Tianyi Exhibitions (Chengdu) Co., Ltd.	China	60%	CH4
Informa Weiner Exhibitions (Chengdu) Co., Ltd.	China	60%	CH5
Shanghai Baiwen Exhibitions Co., Ltd	China	85%	CH6
Shanghai Meisheng Culture Broadcasting Co., Ltd	China	85%	CH7
Guangzhou CitiExpo Jianke Exhibition Co., Ltd.	China	60%	CH8
Guangzhou Informa Yi Fan Exhibitions Co., Ltd.	China	60%	CH9
Informa Enterprise Management (Shanghai) Co., Ltd.	China	100%	CH10
Informa Exhibitions (Beijing) Co., Ltd.	China	100%	CH11
Shanghai SinoExpo Informa Markets International Exhibitions Company Ltd	China	70%	CH12
Shanghai UBM Showstar Exhibition Co., Limited	China	70%	CH13
Shanghai Yingye Exhibitions Co., Ltd.	China	60%	CH14
Shenzhen UBM Herong Exhibition Company Limited	China	70%	CH15
UBM China (Beijing) Exhibition Company Limited	China	100%	CH16
UBM China (Guangzhou) Co., Ltd	China	100%	CH17
UBM China (Hangzhou) Co., Limited	China	100%	CH18
UBM China (Shanghai) Co., Limited	China	100%	CH19
UBM Trust Company Ltd	China	70%	CH20
Stormcliff Limited	Cyprus	100%	CY1
Informa Egypt LLC	Eygpt	100%	EG1
Euromedicom SAS	France	100%	FR1
Eurovir SAS	France	100%	FR1
New AG International S.à.r.l.	France	100%	FR1
EBD Group GmbH	Germany	100%	GE1
Informa Holding Germany GmbH	Germany	100%	GE1
Informa Tech Germany GmbH	Germany	100%	GE2
Think Services Game Group Germany GmbH	Germany	100%	GE3
CMP Media GmbH	Germany	100%	GE4
UBM Canon Deutschland GmbH	Germany	100%	GE5
Datamonitor Publications (HK) Limited	Hong Kong	100%	HK1
Informa Global Markets (Hong Kong) Limited	Hong Kong	100%	HK1
Informa Limited	Hong Kong	100%	HK2
Mai Brokers (Asia & Pacific) Limited	Hong Kong	100%	HK4
APLF Limited	Hong Kong	60%	HK4
Cosmoprof Asia Limited	Hong Kong	50%	HK5
Great Tactic Limited	Hong Kong	100%	HK4
Mills & Allen Holdings (Far East) Limited	Hong Kong	100%	HK4
Penton Media Asia Limited	Hong Kong	100%	HK3
Shenzhen UBM Creativity Exhibition Co., Ltd	Hong Kong	100%	HK6
UBM Asia Group Limited	Hong Kong	100%	HK4
UBM Asia Holdings (HK) Limited	Hong Kong	100%	HK4
UBM Asia Limited	Hong Kong	100%	HK4
UBM Asia Partnership	Hong Kong	100%	HK4
UBM SinoExpo Ltd	Hong Kong	70%	HK4
UBM South China Limited	Hong Kong	100%	HK4
NND Biomedical Data Systems Private Limited	India	100%	IN2
Taylor & Francis Books India Pvt Limited	India	100%	IN1
Taylor & Francis Technology Services LLP	India	100%	IN4
UBM Exhibitions India LLP	India	100%	IN5
UBM India Private Limited	India	100%	IN3
PT Pamerindo Indonesia	*Indonesia*	*96%*	*ID1*
PT UBM Pameran Niaga Indonesia	Indonesia	67%	ID2
Chartbay Limited	Ireland	100%	IR2
Maypond Holdings Limited	Ireland	100%	IR2
Maypond Limited	Ireland	100%	IR2
Colwiz Limited	Ireland	100%	IR1
CX Properties	Ireland	100%	IR2
Donytel Limited	*Ireland*	*100%*	*IR2*
Garragie Investments	Ireland	100%	IR2
Hickdale Limited	Ireland	100%	IR2

Company name	Country	Ordinary Shares held	Registered office
MFWWNet	Ireland	100%	IR2
Tanahol Limited	Ireland	100%	IR2
UBM Financial Services Ireland	Ireland	100%	IR2
UBM IP Ireland Limited	Ireland	100%	IR2
UBM Ireland No 1 Limited	Ireland	100%	IR2
UBM Ireland No 2 Limited	Ireland	100%	IR2
UBM Ireland No 3 Limited	Ireland	100%	IR2
UBM Ireland No 4 Limited	Ireland	100%	IR2
UBM Ireland No 5 Limited	Ireland	100%	IR2
UBM Ireland No 6 Limited	Ireland	100%	IR2
UBM Ireland No 8 Limited	Ireland	100%	IR2
UBM Ireland No 9 Limited	Ireland	100%	IR2
UNM Holdings Ireland	Ireland	100%	IR2
Wenport Limited	Ireland	100%	IR2
UNM International Holdings Limited	Isle of Man	100%	IM1
UNM Overseas Holdings Limited	Isle of Man	100%	IM1
Miller Freeman (Israel) Limited	Israel	100%	IS1
Informa Global Markets (Japan) Limited	Japan	100%	JA1
Informa Intelligence Godo Kaisha	Japan	100%	JA2
Taylor & Francis Japan G.K.	Japan	100%	JA3
UBM Japan Co.,Ltd	Japan	100%	JA4
Informa Switzerland Limited	Jersey	100%	JE1
UBM (Jersey) Limited	Jersey	100%	JE2
UBM plc	Jersey	100%	JE2
UBMI UAE Jersey Limited	Jersey	100%	JE2
CMP Holdings S.à.r.l.	Luxembourg	100%	LU1
CMP Intermediate Holdings S.à.r.l.	Luxembourg	100%	LU1
UBM Finance S.à r.l.	Luxembourg	100%	LU1
UBM IP Luxembourg S.à r.l.	Luxembourg	100%	LU1
United Brazil Holdings S.à.r.l.	Luxembourg	100%	LU1
United Commonwealth Holdings S.à.r.l.	Luxembourg	100%	LU1
United Consumer Media Holdings S.à.r.l.	Luxembourg	100%	LU1
United CP Holdings S.à.r.l.	Luxembourg	100%	LU1
United News Distribution S.à.r.l.	Luxembourg	100%	LU1
United Professional Media S.à.r.l.	Luxembourg	100%	LU1
UNM Holdings S.à.r.l.	Luxembourg	100%	LU1
Vavasseur International Holdings S.à.r.l.	Luxembourg	100%	LU1
DSA Exhibitions and Conference Sdn Bhd	Malaysia	100%	MA1
UBM Tech Research Malaysia Sdn Bhd	Malaysia	100%	MA1
ECMI Asia Sdn Bhd	Malaysia	96%	MA1
Eco Exhibitions Sdn Bhd	Malaysia	96%	MA1
Malaysian Exhibition Services SDN Bhd	Malaysia	96%	MA1
UBM Premier Sdn Bhd	Malaysia	96%	MA1
UBM Trade Link Sdn Bhd	Malaysia	96%	MA1
UBMMG Holdings Sdn Bhd	Malaysia	96%	MA1

Company name	Country	Ordinary Shares held	Registered office
United Business Media (M) Sdn Bhd	Malaysia	96%	MA1
UBM Mexico Exposiciones, S.A.P.I.	Mexico	80%	ME1
Informa Monaco SAM	Monaco	100%	MC1
Monaco Yacht Show SAM	Monaco	90%	MC1
Myanmar Trade Fair Management Company Limited	Myanmar	96%	MY1
IIR South Africa B.V.	Netherlands	100%	NE1
Informa Europe B.V.	Netherlands	100%	NE2
Informa Finance B.V.	Netherlands	100%	NE2
Kuben Holding B.V.	Netherlands	100%	NE3
Lesbistes B.V.	Netherlands	100%	NE2
UBM Asia B.V.	Netherlands	100%	NE3
Informa Markets B.V.	Netherlands	100%	NE3
United Pascal Holdings B.V.	Netherlands	100%	NE3
UPRN 1 SE	Netherlands	100%	NE3
UBMi B.V.	Netherlands	100%	NE4
Dove Medical Press (NZ) Limited	New Zealand	100%	NZ1
Informa Healthcare AS	Norway	100%	NO1
Colwiz Pakistan Private Limited	Pakistan	100%	PK1
UBM Exhibitions Philippines Inc.	Philippines	96%	PH1
Informa Tharawat Limited	Qatar	49%	QA1
Informa Tech Korea Co. Ltd	Republic of Korea	100%	RK3
UBM BN Co. Ltd	Republic of Korea	60%	RK2
UBM Korea Corporation	Republic of Korea	100%	RK1
Informa Saudi Arabia Limited	Saudi Arabia	100%	SA1
Informa Saudi Arabia LLC	Saudi Arabia	100%	SA2
IBC Asia (S) Pte Limited	Singapore	100%	SG1
Informa Exhibitions Pte Limited	Singapore	100%	SG1
Informa Global Markets (Singapore) Private Limited	Singapore	100%	SG1
Sea Asia Singapore Pte Limited	Singapore	86%	SG2
Taylor & Francis (S) Pte Limited	Singapore	100%	SG3
Singapore Exhibition Services (Pte) Limited	Singapore	96%	SG4
Marketworks Datamonitor (Pty) Ltd	South Africa	100%	SAF1
Institute For International Research Espana S.L.	Spain	100%	SP1
Taylor & Francis AB	Sweden	100%	SE1
Co-Action Publishing AB	Sweden	100%	SE2
Informa Finance GmbH	Switzerland	100%	SW1
Informa IP GmbH	Switzerland	100%	SW1
EBD GmbH	Switzerland	100%	SW1
TMT Taiwan Limited	Taiwan	100%	TA1
Bangkok Exhibition Services Ltd	Thailand	96%	TH1
UBM Asia (Thailand) Co. Ltd	Thailand	100%	TH1
UBM Istanbul Fuarcılık ve Gösteri Hizmetleri A.Ş.	Turkey	100%	TU1
UBM Rotaforte Uluslararası Fuarcılık Anonim Şirketi	Turkey	100%	TU2

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

40. Subsidiaries continued

Company name	Country	Ordinary Shares held	Registered office
Informa Middle East Media FZ LLC	United Arab Emirates	100%	UAE1
Afterhurst Limited	United Kingdom	100%	UK1
CMP Information (2004) Limited	United Kingdom	100%	UK1
CMPI Group Limited	United Kingdom	100%	UK1
CMPI Holdings Limited	United Kingdom	100%	UK1
Cogent OA Limited	United Kingdom	100%	UK1
Datamonitor Limited	United Kingdom	100%	UK1
Design Junction Limited	United Kingdom	100%	UK1
Ebenchmarkers Limited	United Kingdom	100%	UK1
IBC (Ten) Limited	United Kingdom	100%	UK1
IBC (Twelve) Limited	United Kingdom	100%	UK1
IBC Fourteen Limited	United Kingdom	100%	UK1
IIR (U.K. Holdings) Limited	United Kingdom	100%	UK1
IIR Management Limited	United Kingdom	100%	UK1
IIR Exhibitions Limited	United Kingdom	100%	UK1
Informa Exhibitions Limited	United Kingdom	100%	UK1
Informa Final Salary Pension Trustee Company Limited	United Kingdom	100%	UK1
Informa Finance Australia Limited	United Kingdom	100%	UK1
Informa Finance Brazil Limited	United Kingdom	100%	UK1
Informa Finance Egypt Limited	United Kingdom	100%	UK1
Informa Markets Limited	United Kingdom	100%	UK1
Informa Finance Mexico Limited	United Kingdom	100%	UK1
Informa Finance UK Limited	United Kingdom	100%	UK1
Informa Finance USA Limited	United Kingdom	100%	UK1
Informa Global Markets (Europe) Limited	United Kingdom	100%	UK1
Informa Group Holdings Limited	United Kingdom	100%	UK1
Informa Group Limited	United Kingdom	100%	UK1
Informa Holdings Limited	United Kingdom	100%	UK1
Informa Investment Plan Trustees Limited	United Kingdom	100%	UK1
Informa Overseas Investments Limited	United Kingdom	100%	UK1
Informa Quest Limited	United Kingdom	100%	UK1
Informa Six Limited	United Kingdom	100%	UK1
Informa Tech Research Limited	United Kingdom	100%	UK1
Informa Telecoms & Media Limited	United Kingdom	100%	UK1
Informa Three Limited	United Kingdom	100%	UK1
Informa UK Limited	United Kingdom	100%	UK1
Informa US Holdings Limited	United Kingdom	100%	UK1
ITF2 Limited	United Kingdom	100%	UK1
James Dudley International Limited	United Kingdom	100%	UK1
LLP Limited	United Kingdom	100%	UK1
London On-Water Limited	United Kingdom	100%	UK1
Psychology Press New Co. Limited	United Kingdom	100%	UK1
Routledge Books Limited	United Kingdom	100%	UK1
T&F Canrak Books Limited	United Kingdom	100%	UK1
Taylor & Francis Books Limited	United Kingdom	100%	UK1

Company name	Country	Ordinary Shares held	Registered office
Taylor & Francis Group Limited	United Kingdom	100%	UK1
Taylor & Francis Limited	United Kingdom	100%	UK1
Taylor & Francis Publishing Services Limited	United Kingdom	100%	UK1
Tech Founders Limited	United Kingdom	55%	UK2
The Builder Group Limited	United Kingdom	100%	UK1
UBM (GP) No2 Limited	United Kingdom	100%	UK1
UBM Shared Services Limited	United Kingdom	100%	UK1
UBM Worldwide Group Limited	United Kingdom	100%	UK1
UBMA Holdings Limited	United Kingdom	100%	UK1
ABI Building Data Limited	United Kingdom	100%	UK1
AMA Research Limited	United Kingdom	100%	UK1
Blessmyth Limited	United Kingdom	100%	UK1
Canrak Books Limited	United Kingdom	100%	UK1
Colonygrove Limited	United Kingdom	100%	UK1
Colwiz UK Limited	United Kingdom	100%	UK1
Crosswall Nominees Limited	United Kingdom	100%	UK1
DIVX Express Limited	United Kingdom	100%	UK1
Dove Medical Press Limited	United Kingdom	100%	UK1
E-Health Media Limited	United Kingdom	100%	UK1
Futurum Media Limited	United Kingdom	100%	UK1
GNC Media Investments Limited	United Kingdom	100%	UK1
Green Thinking (Services) Limited	United Kingdom	100%	UK1
Hirecorp Limited	United Kingdom	100%	UK1
I.I.R. Limited	United Kingdom	100%	UK1
Informa Manufacturing Europe Holdings Limited	United Kingdom	100%	UK1
Informa Manufacturing Europe Limited	United Kingdom	100%	UK1
Informa Manufacturing Holdings Limited	United Kingdom	100%	UK1
Informa Manufacturing Limited	United Kingdom	100%	UK1
Informa Markets (Europe) Limited	United Kingdom	100%	UK1
Informa Markets (Maritime) Limited	United Kingdom	100%	UK1
Informa Markets (UK) Limited	United Kingdom	100%	UK1
Light Reading UK Limited	United Kingdom	100%	UK1
MAI Luxembourg SE	United Kingdom	100%	UK1
Mapa International Limited	United Kingdom	100%	UK1
Miller Freeman Worldwide Limited	United Kingdom	100%	UK1
MRO Exhibitions Limited	United Kingdom	100%	UK1
MRO Network Limited	United Kingdom	100%	UK1
MRO Publications Limited	United Kingdom	100%	UK1
Oes Exhibitions Limited	United Kingdom	100%	UK1
OTC Publications Limited	United Kingdom	100%	UK1
Penton Communications Europe Limited	United Kingdom	100%	UK1
Roamingtarget Limited	United Kingdom	100%	UK1
Syndicate Nine Limited	United Kingdom	100%	UK1
TU-Automotive Holdings Limited	United Kingdom	100%	UK1
TU-Automotive Limited	United Kingdom	100%	UK1
Turtle Diary Limited	United Kingdom	100%	UK1
UBM (GP) No1 Limited	United Kingdom	100%	UK1

Company name	Country	Ordinary Shares held	Registered office
UBM (GP) No3 Limited	United Kingdom	100%	UK1
UBM Aviation Routes Limited	United Kingdom	100%	UK1
UBM Aviation Worldwide Limited	United Kingdom	100%	UK1
UBM Holdings Limited	United Kingdom	100%	UK1
UBM International Holdings SE	United Kingdom	100%	UK1
UBM Property Limited	United Kingdom	100%	UK1
UBM Property Services Limited	United Kingdom	100%	UK1
UBM Trustees Limited	United Kingdom	100%	UK1
UBMG Holdings	United Kingdom	100%	UK1
UBMG Limited	United Kingdom	100%	UK1
UBMG Services Limited	United Kingdom	100%	UK1
United Consumer Media SE	United Kingdom	100%	UK1
United Delaware Investments Limited	United Kingdom	100%	UK1
United Executive Trustees Limited	United Kingdom	100%	UK1
United Finance Limited	United Kingdom	100%	UK1
United Newspapers Publications Limited	United Kingdom	100%	UK1
United Trustees Limited	United Kingdom	100%	UK1
UNM Investments Limited	United Kingdom	100%	UK1
Vavasseur Overseas Holdings Limited	United Kingdom	100%	UK1
WCN 2 Limited	United Kingdom	100%	UK1
Workyard Limited	United Kingdom	100%	UK1
Duke Investments, Inc.	United States	100%	US17
EKN International LLC	United States	100%	US14
Farm Progress Limited	United States	100%	US8
Fort Lauderdale Convention Services, Inc.	United States	90%	US3
Informa Business Intelligence, Inc.	United States	100%	US14
Informa Business Media Holdings, Inc.	United States	100%	US2
Informa Business Media, Inc.	United States	100%	US14
Informa Data Sources, Inc.	United States	100%	US1
Informa Exhibitions Holding Corp.	United States	100%	US10
Informa Exhibitions U.S. Construction & Real Estate, Inc.	United States	100%	US15
Informa Exhibitions, LLC	United States	100%	US7
Informa Export, Inc.	United States	100%	US1
Informa Global Sales, Inc.	United States	100%	US1
Informa Life Sciences Exhibitions, Inc.	United States	100%	US1
Informa Marine Holdings, Inc.	United States	90%	US5
Informa Markets Art, LLC	United States	90%	US1
Informa Media, Inc.	United States	100%	US14
Informa Operating Holdings, Inc.	United States	100%	US4
Informa Pop Culture Events, Inc.	United States	100%	US1
Informa Support Services, Inc.	United States	100%	US1
Informa Tech LLC	United States	100%	US11
Informa USA, Inc.	United States	100%	US20
Internet World Media, Inc.	United States	100%	US2
Knect365 US, Inc.	United States	100%	US14
Ovum, Inc.	United States	100%	US1
Skipta LLC	United States	100%	US18

Company name	Country	Ordinary Shares held	Registered office
Southern Convention Services, Inc.	United States	90%	US5
Taylor & Francis Group, LLC	United States	100%	US13
Yachting Promotions, Inc.	United States	90%	US5
Advanstar Communications, Inc.	United States	100%	US9
Canon Communications (France), Inc.	United States	100%	US14
CBI Research, Inc.	United States	100%	US16
CMP Childcare Center, Inc.	United States	100%	US12
Healthcare Holdings, Inc.	United States	100%	US14
Ludgate UK LLC	United States	100%	US14
Miller Freeman Acquisition Corp.	United States	100%	US6
Roast LLC	United States	100%	US6
Rocket Holdings, Inc.	United States	100%	US14
Spectrum ABM Corp.	United States	100%	US9
UBM Delaware LLC	United States	100%	US6
UBM Finance, Inc.	United States	100%	US6
Informa Markets Holdings, Inc.	United States	100%	US14
Informa Markets Investments, Inc.	United States	100%	US6
Informa Tech Holdings LLC	United States	100%	US11
Informa Markets Medica LLC	United States	100%	US14
UBM UK LLC	United States	100%	US6
Informa Princeton, LLC	United States	100%	US14
UBM Community Connection Foundation	United States	100%	US19
UBM Canon LLC	United states	100%	US9
SES Vietnam Exhibition Services Company Limited	Vietnam	96%	VI1

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

Company registered office addresses

UK

UK1	5 Howick Place, London, SW1P 1WG, United Kingdom
UK2	Northcliffe House, Young Street, London, W8 5EH, United Kingdom

The Americas

US1	101 Paramount Drive, Suite 100, Sarasota, FL 34232, United States
US2	1100 Superior Avenue, 8th Floor, Cleveland, OH 44114, United States
US3	1115 NE 9th Avenue, Fort Lauderdale, FL 33304, United States
US4	1166 Avenue of the Americas, 10th Floor, New York, NY 10036, United States
US5	1650 S. E. 17th Street, Ste. 412, Fort Lauderdale, FL 33316, United States
US6	1983 Marcus Avenue Suite 250, Lake Success, NY 11042, United States
US7	2020 North Central Avenue, Ste. 400, Phoenix, AZ 85004, United States
US8	255 38th Avenue, Suite P, Saint Charles, IL 60174, United States
US9	2901 28th Street, Suite 100, Santa Monica, CA 90405, United States
US10	3300 N. Central Avenue, Suite 300, Phoenix, AZ 85012, United States
US11	333 W San Carlos, Riverpark Towers, San Jose, CA 95110, United States
US12	600 Community Drive, Manhasset, NY 11030, United States

Notes to the Consolidated Financial Statements for the year ended 31 December 2019 continued

40. Subsidiaries continued

US13	6000 NW Broken Sound Parkway, Suite 300, Boca Raton, FL 33487, United States
US14	605 3rd Avenue, 22nd Floor, New York, NY 10158, United States
US15	6191 N. State Highway 161, Suite 500, Irving, TX 75038, United States
US16	70 Blanchard Road, Suite 301, Burlington, MA 01803, United States
US17	748 Whalers Way, Building E., Fort Collins, CO 80525, United States
US18	8 N. Queen Street, Suite 800, Lancaster, PA 17603, United States
US19	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States
US20	One Research Drive, Suite 100A, Westborough, MA 01581, United States
BH1	M B & H Corporate Services Limited, Mareva House, 4 George Street, Nassau, Bahamas
BM1	Canon's Court, 22 Victoria Street, Hamilton, Bermuda
BR1	Avenida Doutora Ruth Cardoso , 7221 22 Andar Conjunto 2301 e 23 Andar Conjunto 2401, Edificio Birmann 21, São Paulo, SP, CEP 05425-902, Brazil
BR2	Alameda Tocatins, 75, Sala 1402, Edificio West Gate, Alphaville, Barueri, CEP 06455-020, São Paulo, Brazil
CA1	c/o McMillan LLP, Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3, Canada
CA2	12th Floor, 20 Eglinton Avenue West, Yonge Eglinton Centre, Toronto, Ontario M4R 1K8, Canada
ME1	Av. Benjamin Franklin 235-4, DF06100, Mexico

China and Asia

BA1	Building 1, Road 22, Block 414, Al-Daih, Po Box 20200, Jidhafs, Bahrain
CH1	Floor 7/8, Urban Development International Tower, No. 355 Hong Qiao Road, Xu Hui District, Shanghai, 200030, China
CH2	Room 2072, 2nd Floor, 124 Building , No. 960 Zhong Xing Road, Jing'an District, Shanghai, China
CH3	Room 6396, No. 650 Dingxi Road, Changning District, Shanghai, China
CH4	No 502, 5th Floor, Building 4, 99 Guangfu Road, Wuhou District, Chengdu, China
CH5	Room 1009, Western Tower, No. 19, Way 4, South People Road, Chengdu City, China
CH6	Room 1010, 10F, No. 993 West Nanjing Road, Jingan District, Shanghai, China
CH7	Room 101-75, No.15 Jia, No. 152 Alley, Yanchang Road, Jing'an District, Shanghai, China
CH8	Room 902,No. 996, East Xingang Road, Haizhu District, Guangzhou, China
CH9	No. 1111, Building 11, 2433 Xingang East Road, Zuhai District, Guangzhou, China
CH10	Room 2201, Hong Kong New Tower, No. 300 Huai Hai Middle Road, Huang Pu District, Shanghai, China
CH11	Room 802, 8th Floor, No 87, Building No 4, Workers Stadium North Road, Chaoyang District, Beijing, 100027, China
CH12	Floor 7/8, Urban Development International Tower, No. 355 Hong Qiao Road, Xu Hui District, Shanghai, 200030, China
CH13	9/F Ciro's Plaza, 388 West Nanjing Road, Huangpu District, Shanghai, 200003, China
CH14	Room 234, 2nd Floor, , M-Zone, 1st Building , No 3398 Hu Qing Ping Road, Zhao Xiang Town, Qing Pu District, Shanghai, China
CH15	Room 607, East Block, Coastal Building, Haide 3rd Road, Nanshan District, Shenzhen, Guangdong, 518054, China
CH16	Room 1557, Unit 01-06, 15th Floor, Block A, Buliding 9, Dongdagiao Road, Beijing, Chaoyang District, China
CH17	Room 1159-1164, China Hotel Office Tower, Liu Hua Road, Guangzhou, China
CH18	Room 123, Floor 1, Building 1, No.108 Kangqiao Road, Gongshu District, Hangzhou, China
CH19	Room 207, No. 453 Fahuazhen Road, Shanghai, China
CH20	Room 1806-1807, 4 Huating Road, Tianhe District, Guangzhou, China
HK1	Suite 1106-8, 11/F Tai Yau Building, No 181 Johnston Road, Wanchai, Hong Kong
HK2	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
HK3	Level 5, 28 Hennessey Road, Admiralty, Hong Kong
HK4	Room 812, Silvercord, Tower 1, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong
HK5	17/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
HK6	Unit 201, Building A, No. 1 Qianwan Road One, Qianhai Shenzhen & Hong Kong Cooperation Zone, Shenzhen, Hong Kong
PH2	Unit 1 Mezzanine Floor Fly Ace Corporate Center, 13 Coral Way Barangay 76, Pasay City, NCR Fourth District, Philippines
SG1	#04-01, Visioncrest Commercial, 103 Penang Road, 238467, Singapore
SG2	10 Kallang Avenue, 09-15, Aperia, 339510, Singapore
SG3	60 Macpherson Road, #06-09, The Siemens Centre, 348615, Singapore
SG4	80 Robinson Road, 02-00, 068898, Singapore
JA1	4F, Shin-Kokusai Building, 3-4-1 Marunouchi, Chiyoda-Ku, Tokyo, 100-0005, Japan
JA2	Shin Kokusai Building, 4F, 4-1, Marunouchi 3-chome, Chiyoda, Tokyo, 100-0005, Japan
JA3	1-54-4, Kanda, Jimbocho, Chiyoda-ku, Tokyo, Japan
JA4	Kanda 91 Building, 1-8-3 Kajicho, Chiyoda-ku, Tokyo, 101-0044, Japan
IN1	2nd & 3rd Floor, The National Council of YMCAs of India, 1 Jai Singh Road, New Delhi 110001, Delhi, India
IN2	Flat No. 104, Dhanunjaya Residence, Plot No. 143, Kalyan Nagar III, Hyderabad, Andhra Pradesh 500018, India
IN3	Unit No. 1&2, B-Wing, Times Square, Andheri Kurla Road,, Marol, Andheri East, Mumbai, 400 059, India
IN4	No. 143, 144 Hosur Main Road, Industrial Layout, Koramangala, Bangalore, Karnataka, 560095, India
IN5	Times Square, Unit No. 1 & 2, B Wing, 5th Floor, Andheri Kurla Road, Marol, Andheri (East), Mumbai, Maharashtra, 400059, India
ID1	Menara Utara Gedung Menara Jamsotek Lt. 12 unit TA 12-04 Jl Jend. Gabot Subroto No. 38, Jakarta, Indonesia
ID2	Jalan Sultan Iskandar Muda, No 7 Arteri Pondok Indah, Kebayoran Lama, Jakarta Selantan, 12240, Indonesia
MA1	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia
MY1	No.42/A Pantra Street, Dagon Township, Yangon, Myanmar
PK1	6th Floor, Citi View, Block 3, Bahadur Yar Jung Cooperative Housing Society, Shaheed-e-Millat Road, Karachi Sindh, Pakistan
PH1	Unit 1 Mezzanine Floor Fly Ace Corporate Center, 13 Coral Way Barangay 76, Pasay City NCR, Fourth District Philippines, 1300, Philippines
RK1	8F, Woodo Building, 214 Mangu-ro, Jungnang-gu, Seoul 02121, Republic of Korea
RK2	8F, Woodo Building, 129-3 Sangbong-dong Chungnang-gu, Seoul, Republic of Korea
RK3	#801, 8/F Korea Design Center, 322 Yanghyeon-Ro, Bundang-Gu, Seongnam-si, Gyeonggi-do, 13496, Republic of Korea
TH1	252 SPE Tower, 9th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok, Thailand
TA1	Floor 10, No. 66, Second 1, Neihu Rd, Neiting District, Taipei, Taiwan
VI1	10th Floor, Ha Phan Building, 17-17A-19, Ton That Tung Street, District 1, HCMC Vietnam

Australia & New Zealand

AU1	c/o LBW & Partners, Level 3, 845 Pacific Highway, Chatswood, NSW 2067, Australia
AU2	Level 4, 24 York Street, Sydney, NSW 2000, Australia
NZ1	c/o Hall & Parsons CA Limited, 145 Kitchener Road, Milford, Auckland 0620, New Zealand

Middle East & Africa

EG1	7H, 263 Street, New Maadi, Cairo, Egypt
QA1	P.O. Box 545, Dohar, Qatar
SA1	Office 109, 1st Floor, Aban Center, King Abdulaziz Road, AlGhadir District, Riyadh, 13311, Saudi Arabia
SA2	Marei bin Mahfouz Group Regional Office Building, Al aziziya intersection of Tahlia & Siteen Str nearby Ikea, Po Box 4100 Jeddah 21491, Saudi Arabia
SAF1	160 Jan Smuts, 1st Floor, North Tower, Rosebank, Johannesburg, 2196, South Africa
UAE1	17th & 18th Floor, Creative Tower, P.O. Box 422, Fujairah, UAE

Europe

CY1	2nd Floor, Sotiri Tofini 4, Agios Athanasios, Limassol 4102, Cyprus
SP1	C/Azcona, 36 Bajo, 28028 Madrid, Spain
FR1	37 avenue de Friedland 75008, Paris, France
GE1	Isartorplatz 4, 80331, Munich, Germany
GE2	Westenriederstraße, 19 80331, Munich , Germany
GE3	Kaiser-Wilhelm-Str. 30, 12247, Berlin, Germany
GE4	Prielmayer.3, c/o Ruter und Partner, Steurberatungsgeesellschaft, 80335 Munich, Germany
GE5	Friedensplatz 13, 53721, Siegburg, Germany
IR1	70 Sir John Rogerson's Quay, Dublin 2, Ireland
IR2	68 Merrion Square, Dublin 2, D02 W983, Ireland
IM1	First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF
IS1	Silver Building, Suite 112-115, 7 Abba Hillel Street, Ramat Gan 52522, Israel
JE1	22 Grenville Street, St Helier, JE4 8PX, Jersey
JE2	44 The Esplanade, St Helier, Jersey, JE4 9WG
LU1	17 Boulevard Prince Henri, L-1724 Luxembourg
MC1	Le Suffren, 7 Rue Suffren-Reymond, 98000, Monaco
NE1	Kabelweg 37, 1014 BA, Amsterdam, Netherlands
NE2	Schimmelt 32, Kantoor C, 7E Verdieping, 5611 ZX, Eindhoven, Netherlands
NE3	Coengebouw, Kabelweg 37, 1014 BA Amsterdam, Netherlands
NE4	De Entree 73, 1101 BH, Toren A, Amsterdam, Netherlands
NO1	c/o Wahl-Larson, Advokatfirma AS, Fridtjof Nansens Plass 5, Oslo 0160, Norway
SE1	Box 3255, 103 65, Stockholm, Sweden
SE2	c/o Lena Wistrand, Ripvagen 7, 175 64 Jarfalla, Sweden
SW1	Baarerstrasse 139, 6300 Zug, Switzerland
TU1	Rüzgarlıbaçe Mah. Kavak Sok, Smart Plaza B Blok, No: 31/1 Kat:8, 34805 Kavacık-Beykoz, Istanbul, Turkey
TU2	Molla Fenari Mah, Bab-i Ali Cad, No:9 K:3-4, Fatih 34120, Istanbul, Turkey

41. Contingent liabilities

Consideration for the acquisition of Penton Information Services on 2 November 2016 included deferred consideration payable in October 2018 for anticipated future tax benefits. The estimated fair value of this consideration of £16.9m ($21.9m) was paid in October 2018. The final amount payable is under dispute with the seller, as a remaining amount of approximately £12.9m ($17m) is expected by the seller. No provision has been made for this potential additional amount as the Directors do not consider it probable that an additional amount is due.

42. Post balance sheet events

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

On 17 January 2020 a payment of £26.6m ($35.0m) was made in relation to the settlement of an option held by a third party that was exercised on 15 January 2020. This related to an option associated with certain Fashion events in the US.

On 22 January 2020 the Group gave notice of early repayment to the holders of the private placement debt maturing in December 2020. A principal repayment of $200.5m plus interest and make-whole payments of $6.0m were paid on 24 February 2020.

In the first quarter of 2020 the Group secured a Surplus Credit Facility of £750m with maturity of up to 30 months.

COVID-19

In 2020, our subscriptions-related businesses, representing around 35% of Group revenue, continue to trade well, underpinned by strong Renewal Rates, at 90%+ on average, and consistent low to mid-single digit growth in Annualised Contract Values. However, like a number of businesses, we are seeing an impact from the outbreak of COVID-19 within our Events portfolio. We are making all the decisions necessary to look after colleagues and customers and ensure the long-term strength of our brands and customer relationships.

As the implications of COVID-19 started to become apparent in late January, initially in Mainland China, we moved quickly to implement our COVID-19 Action Plan, creating an internal framework for decision making and actions to support colleagues, customers and the specialist communities we serve.

This included the launch of a Postponement Programme to reschedule and rephase our event brands, ensuring we made the right decisions for our customers, for the brands we own and operate, and for the specialist communities we serve and support.

We continue to monitor the situation and will take the steps necessary to ensure the safety of colleagues and customers, whilst managing our brands and businesses for long-term endurance and value.

Parent Company Balance Sheet as at 31 December 2019

	Notes	2019 £m	2018 £m
Fixed assets			
Investment in subsidiary undertakings	3	**7,868.5**	7,861.2
Other debtors: amounts falling due after one year	4	**1,278.0**	867.8
		9,146.5	8,729.0
Current assets			
Debtors due within one year	5	**2,426.9**	3,175.1
Cash at bank and on hand		**0.4**	0.2
		2,427.3	3,175.3
Creditors: amounts falling due within one year	6	**(1,198.6)**	(1,572.5)
Net current assets		**1,228.7**	1,602.8
Creditors: amounts falling due after more than one year	7	**(3,083.6)**	(2,737.5)
Net assets		**7,291.6**	7,594.3
Capital and reserves			
Share capital	8	**1.3**	1.3
Share premium account	9	**905.3**	905.3
Reserve for shares to be issued		**15.0**	11.4
Merger reserve	9	**4,501.9**	4,501.9
Capital redemption reserve		**(17.4)**	(2.3)
Profit and loss account	9	**1,885.5**	2,176.7
Equity Shareholders' funds		**7,291.6**	7,594.3
Loss for the year ended 31 December		**(16.6)**	(48.4)

The financial statements of this Company, registration number 08860726, were approved by the Board of Directors and authorised for issue on 9 March 2020 and were signed on its behalf by

Stephen A. Carter CBE
Group Chief Executive

Gareth Wright
Group Finance Director

Parent Company Statement of Changes in Equity for the year ended 31 December 2019

	Share capital £m	Share premium account £m	Reserve for shares to be issued £m	Merger reserve £m	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1 January 2018	0.8	905.3	8.0	955.1	–	2,423.0	4,292.2
Issue of share capital	0.5	–	–	3,544.6	–	–	3,545.1
Purchase of own shares	–	–	–	–	(2.3)	–	(2.3)
Share-based payment charge	–	–	7.3	–	–	–	7.3
Exercise of share awards	–	–	–	2.2	–	–	2.2
Loss for the year	–	–	–	–	–	(48.4)	(48.4)
Equity dividends	–	–	–	–	–	(201.8)	(201.8)
Transfer of vested LTIPs	–	–	(3.9)	–	–	3.9	–
At 1 January 2019	**1.3**	**905.3**	**11.4**	**4,501.9**	**(2.3)**	**2,176.7**	**7,594.3**
Purchase of own shares	–	–	–	–	**(15.1)**	–	**(15.1)**
Share-based payment charge	–	–	**9.3**	–	–	–	**9.3**
Loss for the year	–	–	–	–	–	**(16.6)**	**(16.6)**
Equity dividends	–	–	–	–	–	**(280.3)**	**(280.3)**
Transfer of vested LTIPs	–	–	**(5.7)**	–	–	**5.7**	–
At 31 December 2019	**1.3**	**905.3**	**15.0**	**4,501.9**	**(17.4)**	**1,885.5**	**7,291.6**

Notes to the Parent Company Financial Statements for the year ended 31 December 2019

1. Corporate information

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

Principal activity and business review

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

2. Accounting policies

Basis of accounting

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

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, presentation of a cash flow statement, standards not yet effective and related party transactions. The Directors' Report, Corporate Governance Statement and Directors' Remuneration Report disclosures are on pages 112 to 147 of this report. The financial statements have been prepared on the historical cost basis except for the remeasurement of the derivative financial instruments which are measured at fair value at the end of each reporting period. Having assessed the principal risks and the other matters discussed in connection with the Group viability statement, the Directors have considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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

Profit and loss account

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account or Statement of Comprehensive Income for the year. The Company's revenue for the year is £nil (2018: £nil), and loss after tax for the year is £18.6m (2018: loss after tax £48.4m).

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

Investments in subsidiaries and impairment reviews

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

3. Investments in subsidiary undertakings

Cost	2019 £m	2018 £m
At 1 January	**7,861.2**	3,664.0
Additions initial cash consideration relating to UBM plc	**-**	643.5
Additions share consideration relating to UBM plc	**-**	3,545.1
Additions – other[1]	**7.3**	8.6
At 31 December	**7,868.5**	7,861.2

1. Additions other includes deferred consideration of £nil (2018: £2.5m) related to UBM plc and £7.3m (2018: £6.1m) related to the fair value of share incentives issued to employees of subsidiary undertakings during the year.

The listing below shows the direct subsidiary and other subsidiary undertakings as at 31 December 2019 which affected the profit or net assets of the Company:

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

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

4. Debtors falling due after one year

	2019 £m	2018 £m
Amounts due from Group undertakings	**1,275.5**	867.8
Derivative financial instruments	**2.5**	–
	1,278.0	867.8

Amounts due from Group undertakings falling due after one year are unsecured, interest bearing and repayable on demand. The interest rate on amounts owed from Group undertakings is 0% (2018: 0%).

5. Debtors falling due within one year

	2019 £m	2018 £m
Amounts owed from Group undertakings	**2,426.9**	3,174.9
Prepayments and accrued income	**-**	0.2
	2,426.9	3,175.1

Amounts owed from Group undertakings falling due within one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed from Group undertakings range from 0% to 3.25% (2018: 0% to 5.25%).

6. Creditors: Amounts falling due within one year

	2019 £m	2018 £m
Term loan	**–**	156.9
Bank overdraft	**–**	24.0
Amounts owed to Group undertakings	**1,172.8**	1,364.5
Other creditors and accruals	**23.6**	23.5
Current tax liabilities	**2.2**	3.6
	1,198.6	1,572.5

Amounts owed to Group undertakings falling due within one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed to Group undertakings are 0% (2018: 0% to 5.1%).

Notes to the Parent Company Financial Statements for the year ended 31 December 2019 continued

7. Creditors: Amounts falling due after one year

	2019 £m	2018 £m
Revolving credit facility (RCF)[1]	**54.8**	77.6
Private placement loan notes[1]	**871.3**	900.4
Euro Medium Term Notes[1]	**1,268.1**	877.9
Derivative financial instruments	**22.4**	24.1
Amounts owed to Group undertakings	**867.0**	854.1
Other payables	**–**	3.4
	3,083.6	2,737.5

1. Stated net of arrangement fees of £2.2m (2018: £0.9m).

Amounts owed to Group undertakings falling due after one year are unsecured, non-interest bearing and repayable on demand.

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

On 15 February 2019, the RCF was replaced with a new facility with two tranches: £600m for a 5-year term to February 2024 and £300m for a 3-year term to February 2022. Interest is payable at the rate of LIBOR plus a margin. The RCF was drawn down at 31 December 2019 by £56.9m (2018: £78.5m). On 24 January 2020, both tranches of RCF were extended by one further year, to February 2025 and February 2023 respectively.

The private placement loan notes total £872.9m ($1,150.0m) (2018: £902.3m ($1,150.0m)) and are stated net of £1.6m (2018: £1.9m) of arrangement fees.

For the purpose of financing the UBM plc acquisition Informa commenced an EMTN programme. On 5 July 2018, the following bonds were issued by the Company under the EMTN programme:

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

On 22 October 2019, the following bonds were issues to the Company under the EMTN programme:

- 8.5-year fixed term notes, until April 2028, of value €500m, with a 1.25% coupon rate

There are cross currency interest rate swaps over the EMTN borrowings where the Company receives the following:

- A fixed rate of interest for £300.0m of EMTN borrowings with an 8-year maturity and pays a fixed rate of interest for $393.7m
- A fixed rate of interest on €150.0m of EMTN borrowings with a 5-year maturity and pays a fixed rate of interest for $174.1m
- A fixed rate of interest on €500m of EMTN borrowings with an 8.5-year maturity and pays a fixed rate of interest for $551.6m

At 31 December 2019, the fair value of these swaps was a financial liability of £21.8m.

Amounts owed to Group undertakings falling due after one year are unsecured and non-interest bearing.

8. Share capital

	2019 £m	2018 £m
Issued and fully paid		
2019 and 2018: 1,251,798,534 Ordinary Shares of 0.1p each	**1.3**	1.3

	2019 Number of shares	2018 Number of shares
At 1 January	**1,251,798,534**	824,005,051
Issue of shares in relation to acquisition of UBM plc	**–**	427,536,794
Other issue of shares in relation to satisfying UBM SAYE shares	**–**	256,689
31 December	**1,251,798,534**	1,251,798,534

9. Capital and reserves

Share capital

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

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

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

Share premium

In 2014, the Company issued 45,000,000 Ordinary Shares of 0.1p with the share premium (net of transaction costs) being £204.0m. Share premium as at 31 December 2014 and 2015 amounted to £204.0m. On 11 October 2016, the Company issued 162,234,656 Ordinary Shares of 0.1p each through a 1-for-4 rights issue. The shares were issued at £4.41 each and resulted in share premium (net of transaction costs) of £701.3m. Share premium as at 31 December 2018 and 2019 amounted to £905.3m.

Merger reserve

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

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

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

Profit and loss account

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

The distributable reserves of the Company are not materially different to the profit and loss account balance, with distributable reserves of £1,872.5m at 31 December 2019 (31 December 2018: £2,169.4m).

As at 31 December 2019, the Informa Employee Share Trust (EST) held 958,988 (2018: 564,091) Ordinary Shares in the Company with a market value of £8.2m (2018: £3.6m). The shares held by the EST relating to ShareMatch have not been allocated to individuals, whilst shares relating to the Deferred Share Bonus Plan have been allocated to individuals as set out in the Directors' Remuneration Report on pages 131 to 143. As at 31 December 2019, the ShareMatch Scheme held 474,878 (2018: 411,812) matching Ordinary Shares in the Company at a market value of £4.1m (2018: £2.6m).

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

10. Share-based payments

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

11. Dividends

During the year an interim dividend of £94.5m (2018: £88.2m) and a final dividend for the prior year of £185.8m (2018: £113.6m) were recognised as distributions by the Company. Details of dividends are disclosed in the Consolidated Financial Statements (Note 14).

12. Related parties

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

Audit exemption

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2019:

Audit exempt company	Registration number
Afterhurst Limited	01609566
AMA Research Limited	04501364
Blessmyth Limited	03805559
Canrak Books Limited	03194381
Colonygrove Limited	04109768
Colwiz UK Limited	08164609
Datamonitor Limited	02306113
Design Junction Limited	07634779
DIVX Express Limited	03212879
Dove Medical Press Limited	04967656
Ebenchmarkers Limited	04159695
E-Health Media Limited	04214439
Futurum Media Limited	09813559
Green Thinking (Services) Limited	05803263
Hirecorp Limited	04790559
IBC (Ten) Limited	01844717
IBC (Twelve) Limited	03007085
IBC Fourteen Limited	03119071
IIR (U.K. Holdings) Limited	02748477
Informa Connect Limited	01835199
IIR Management Limited	02922734
Informa Exhibitions Limited	05202490
Informa Finance Australia Limited	12008055
Informa Finance Brazil Limited	12007958
Informa Finance Egypt Limited	12008044
Informa Finance Mexico Limited	12008165
Informa Finance UK Limited	08774672
Informa Finance USA Limited	08940353
Informa Global Markets (Europe) Limited	03094797
Informa Group Limited	03099067
Informa Holdings Limited	03849198
Informa Markets Limited	02972059
Informa Manufacturing Limited	09893243
Informa Markets (Europe) Limited	08851438
Informa Markets (Maritime) Limited	00495334
Informa Overseas Investments Limited	05845568

Audit exempt company	Registration number
Informa Six Limited	04606229
Informa Three Limited	04595951
Informa Tech Research Limited	11971005
Informa Telecoms & Media Limited	00991704
Informa UK Limited	01072954
Informa US Holdings Limited	09319013
James Dudley International Limited	02394118
Light Reading UK Limited	08823359
LLP Limited	03610056
London-on-Water Limited	10621549
MAI Luxembourg SE	SE000010
Mapa International Limited	04757016
Miller Freeman Worldwide Limited	01750865
MRO Exhibitions Limited	02737787
MRO Network Limited	09375001
MRO Publications Limited	02732007
OES Exhibitions Limited	09958003
OTC Publications Limited	02765878
Penton Communications Europe Limited	02805376
Roamingtarget Limited	05419444
Routledge Books Limited	03177762
Taylor & Francis Books Limited	03215483
Taylor & Francis Group Limited	02280993
Taylor & Francis Publishing Services Limited	03674840
TU-Automotive Holdings Limited	09823826
TU-Automotive Limited	09798474
UBM Aviation Worldwide Limited	04226716
UBM (GP) No 1 Limited	03259390
UBM International Holdings SE	SE000009
UBM Property Limited	08227422
UBM Property Services Limited	03212363
UBMG Holdings	00152298
UBMG Services Limited	03666160
United Consumer Media SE	SE000008
United Finance Limited	00948730
United Newspapers Publications Limited	00235544

Glossary of terms: alternative performance measures

The Group provides adjusted results and underlying measures in addition to statutory measures, in order to provide additional useful information on business performance trends to Shareholders. The Board considers these non-GAAP measures as the most appropriate way to measure the Group's performance because it aids comparability to the prior year and is also in line with the similarly adjusted measures used by peers and therefore facilitates comparison.

The terms "adjusted" and "underlying" are not defined terms under IFRS and may not therefore be comparable with similarly-titled measurements reported by other companies. These measures are not intended to be a substitute for, or superior to, IFRS measurements. The Financial Review provides reconciliations of alternative performance measures (APMs) to statutory measures and also provides the basis of calculation for certain APM metrics. These APMs are provided on a consistent basis with the prior year.

Adjusted net interest payable

Adjusted net interest payable is the sum of finance costs and investment income and excludes adjusting items in investment income and finance costs.

Adjusted results and adjusting items

Adjusted results exclude items that are commonly excluded across the media sector: amortisation and impairment of goodwill and intangible assets relating to businesses acquired and other intangible asset purchases of book lists, journal titles, acquired databases and brands related to exhibitions and conferences, acquisition and integration costs, profit or loss on disposal of businesses, restructuring costs and other items that in the opinion of the Directors would impact the comparability of underlying results. Adjusting items are detailed in Note 8 to the Consolidated Financial Statements.

Adjusted results are prepared for the following measures which are provided in the Consolidated Income Statement on page 159: Adjusted operating profit, Adjusted net finance costs, Adjusted profit before tax (PBT), Adjusted tax charge, Adjusted profit after tax (PAT), Adjusted earnings, and Adjusted diluted earnings per share. Adjusted operating margin, Adjusted tax rate and Adjusted EBITDA are used in the Financial Review on pages 96, 98 and 101 respectively.

Dividend cover

Dividend cover is the ratio of adjusted diluted earnings per share to dividends per share for the year, and is provided to enable year-on-year comparability on the level at which dividends are covered by earnings. Dividends consist of the interim dividend that has been paid for the year and the proposed final dividend for the year. Diluted earnings per share are adjusted to be stated before adjusting items impacting earnings per share. The Financial Review on page 100 provides the calculation of dividend cover.

Dividend payout ratio

This is ratio of the total amount of dividends per share paid and proposed to Shareholders relating to a financial year relative to the adjusted earnings per share for the year.

EBITDA

- EBITDA is earnings before interest, tax, depreciation, amortisation and other non-cash items such as share-based payments
- Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and other non-cash items such as share-based payments and before adjusting items
- Covenant-adjusted EBITDA for interest cover purposes is earnings before interest, tax, depreciation and amortisation and adjusting items. It is adjusted to be on a pre-IFRS 16 basis
- Covenant-adjusted EBITDA for leverage purposes is earnings before interest, tax, depreciation and amortisation and adjusting items. It is adjusted to include a full year's trading for acquisitions and remove trading results for disposals, and adjusted to be on a pre-IFRS 16 basis

Effective tax rate

The effective tax rate is shown as a percentage and is calculated by dividing the adjusted tax charge by the adjusted profit before tax. The Financial Review on page 98 provides the calculation of the effective tax rate.

Free cash flow

Free cash flow is a key financial measure of cash generation and represents the cash flow generated by the business before cash flows relating to acquisitions and disposals and their related costs, dividends, and any new equity issuance or purchases and debt issues or repayments. Free cash flow is one of the Group's key performance indicators, and is an indicator of operational efficiency and financial discipline, illustrating the capacity to reinvest, fund future dividends and repay down debt. The Financial Review on page 101 provides a reconciliation of free cash flow to statutory measures.

Glossary of terms: alternative performance measures continued

Interest cover
Interest cover is calculated according to the Group's debt covenants and is the ratio of covenant-adjusted EBITDA for interest cover purposes to adjusted net finance costs and excluding finance fair value items. It is provided to enable the assessment of our debt position together with our compliance with these specific debt covenants. The Financial Review on page 104 provides the basis of the calculation of interest cover.

Leverage ratio
The leverage ratio is calculated according to the Group's debt covenants and is the ratio of net debt to covenant-adjusted EBITDA for leverage purposes, and is provided to enable the assessment of our debt position together with compliance with our specific debt covenants. Covenant-adjusted net debt is translated using average exchange rates for the 12-month period and is adjusted to include deferred consideration payable, to exclude derivatives associated with borrowings and to be on a pre-IFRS 16 basis. The Financial Review on page 103 provides the basis of the calculation of the leverage ratio.

Operating cash flow and operating cash flow conversion
Operating cash flow is a financial measure used to determine the efficiency of cash flow generation in the business and is measured by and represents free cash flow before interest, tax, restructuring and reorganisation costs. The Financial Review on page 101 reconciles operating cash flow to statutory measures.

Operating cash flow conversion is a measure of the strength of cash generation in the business and is measured as a percentage by dividing operating cash flow by adjusted operating profit in the reporting period. The Financial Review on page 102 provides the calculation of operating cash flow conversion.

Pro-forma EPS
Pro-forma adjusted diluted EPS has been prepared to provide a useful year-on-year comparable. In 2019 it is calculated by adjusting 2018 diluted adjusted EPS to reflect a full 12 months of ownership of UBM, to remove the ownership of Life Sciences media brands portfolio results and to adjust 2018 for related finance costs and share issuance to make them comparable with 2019. The Financial Review on page 100 provides the calculation of pro-forma EPS.

Underlying measures of growth
Underlying measures of growth refer to revenue and adjusted operating profit results adjusted for acquisitions and disposals, the phasing of events, including biennials, the impact of changes from implementing new accounting standards and accounting policy changes (e.g. IFRS 16 from 2019) and the effects of changes in foreign currency by adjusting the current year and prior year amounts to use consistent currency exchange rates. Phasing and biennial adjustments relate to the alignment of comparative period amounts to the timing of events in the current year. Currency changes reflect the adjustments for the movements in average foreign exchange rates from the prior year applied to revenue and operating profit. The results from acquisitions are included on a pro-forma basis from the first day of ownership in the comparative period. Disposals are similarly adjusted for on a pro-forma basis to exclude results in the comparative period from the date of disposal. Underlying measures are provided to aid comparability of revenue and adjusted operating profit results against the prior year. The Financial Review on page 96 provides the reconciliation of underlying measures of growth to reported measures of growth in percentage terms.

Five year summary

	2019 £m	2018[1] £m	2017 £m	2016 £m	2015 £m
Results from operations					
Revenue	**2,890.3**	2,369.5	1,756.8	1,344.8	1,212.2
Adjusted operating profit	**933.1**	732.1	544.9	415.6	365.6
Statutory operating profit	**538.1**	363.2	344.7	198.6	236.5
Statutory profit before tax	**318.7**	282.1	268.2	178.1	219.7
Profit attributable to equity holders of the parent	**225.5**	207.9	310.8	171.5	171.4
Free cash flow	**722.1**	503.2	400.9	305.7	303.4
Net assets					
Non-current assets	**10,000.3**	10,328.7	4,356.6	4,542.3	2,731.9
Current assets	**722.2**	715.1	460.5	489.3	327.9
Current liabilities	**(1,583.8)**	(1,530.8)	(1,117.7)	(1,048.8)	(650.0)
Non-current liabilities	**(3,300.7)**	(3,441.4)	(1,470.4)	(1,795.0)	(1,141.7)
Net assets	**5,838.0**	6,071.6	2,229.0	2,187.8	1,268.1
Key statistics from continuing operations (in pence)					
Earnings per share	**18.0**	19.7	37.7	23.6	24.3
Diluted earnings per share	**18.0**	19.7	37.6	23.6	24.3
Adjusted earnings per share	**51.5**	49.4	46.2	42.2	39.5
Adjusted diluted earnings per share	**51.3**	49.2	46.0	42.1	39.5
Dividends per share	**23.50**	21.90	20.45	19.30	18.50

1. 2018 net assets restated for finalisation of UBM acquisition accounting (see Note 4).

Shareholder information

Annual General Meeting
Informa's 2020 AGM will be held at our offices at 240 Blackfriars Road, London, SE1 8BF on Friday 12 June 2020 at 11.00 am. Details of the resolutions that will be considered at the AGM are set out in the Notice of Meeting, available on our website at www.informa.com.

Registrars
All general enquiries about holdings of Ordinary Shares in Informa PLC should be addressed to our Registrar, Computershare:

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ
Helpline: +44 (0)370 707 1679
www.investorcentre.co.uk

The helpline is available Monday to Friday, 8.30 am to 5.30 pm.

To access shareholding details online, go to Computershare's website at www.investorcentre.co.uk. To register to use the website, you will need your shareholder reference number, shown on your share certificate or dividend voucher.

The website enables you to:

- View and manage all your shareholdings
- Register for electronic communications
- Buy and sell shares online with the dealing service
- Deal with other matters such as a change of address, transferring shares or replacing a lost certificate

Electronic shareholder communications
As part of Informa's commitment to the sustainable use of natural resources and reducing our environmental impact, we offer all Shareholders the opportunity to elect to register for electronic communications. To do so, please visit www.investorcentre.co.uk/ecomms.

Dividend and dividend reinvestment
Informa currently proposes to pay dividends in July and September this year.

Shareholders may have their dividends paid directly into a bank or building society account. To do this, complete the dividend mandate instruction form available at www.investorcentre.co.uk or contact our Registrar using the details above.

To receive dividends in a different currency, you will need to register for the global payments service provided by our Registrar. Further information is available at www.investorcentre.co.uk.

Share dealing
Shareholders can buy or sell Informa PLC shares using a share dealing facility operated by our Registrar. Dealing can be undertaken online or by telephone. Further information, including details of eligibility and costs, can be found on www.investorcentre.co.uk or by calling 44 (0)370 703 0084 between 8.00 am and 4.30 pm Monday to Friday. You should have your shareholder reference number to hand when logging on or calling.

UK regulations require the Registrar to check that you have read and accepted the Terms & Conditions before being able to trade, which could delay your first telephone trade. If you wish to trade quickly, we suggest visiting www.investorcentre.co.uk having first registered online at www.computershare.trade.

ShareGift
ShareGift (registered charity no. 1052686) is an independent charity which takes holdings of shares that may be unwanted, aggregates those shares and sells them for the benefit of thousands of charities. If you have a small shareholding in Informa and would like to support this initiative, see the ShareGift website at www.ShareGift.org, email help@sharegift.org or call +44 (0)20 7930 3737.

ADR programme for US investors

Since 2013 Informa has maintained a Level I American Depositary Receipt (ADR) programme with BNY Mellon. Each Informa ADR represents two Ordinary Shares and they trade on the over-the-counter market in the US under the symbol IFJPY, ISIN US45672B2060.

Information on Informa's ADRs can be found at www.bnymellon.com/dr. Informa's Ordinary Shares continue to trade on the Premium Main Market of the London Stock Exchange under the symbol INF, ISIN: GB00BMJ6DW54.

Protecting your investment from share register fraud

UK law means that companies are required to make their shareholder registers public, and it is not possible to control who inspects the registers and how that information is used.

There are reports that shareholders in many different companies have received unsolicited phone calls or correspondence about investment matters, and it is highly recommended to be very wary of any approaches that involve unsolicited investment advice or offers to buy or sell any shares.

If you receive any unsolicited phone calls or correspondence.

- Do not give out or confirm any personal information
- Record the name of the person who contacted you and their organisation
- Do not hand over any money without checking that the organisation is properly authorised by the Financial Conduct Authority (FCA) and doing further research. You can check at www.fca.org.uk.

If you think you may have been targeted, report the matter to the FCA as soon as possible. Further information can be found on the FCA's website at www.fca.org.uk or by calling its helpline on 0800 111 6768 from UK or +44 (0)20 7066 1000 from outside the UK. You should also notify the Registrar by calling 0370 707 1679.

Tips on protecting your shareholding:

- Ensure all your certificates are kept in a safe place or hold your shares electronically in CREST via a nominee
- Keep all documentation containing personal share information in a safe place and destroy any correspondence you do not wish to keep by shredding it
- Know when the dividends are paid and consider having your dividend paid directly into your bank rather by cheque
- If you change address or bank account, inform the Registrar immediately. If you receive a letter from the Registrar regarding a change of address or bank details that you did not instigate, contact it immediately on +44 (0)370 707 1679
- If you are buying or selling shares, only deal with brokers registered in the UK or in your country of residence

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Legal notices
Notice concerning forward-looking statements
This Annual Report contains forward-looking statements. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, these statements are not guarantees of future performance and are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The terms "expect", "estimate", "forecast", "target", "believe", "should be", "will be" and similar expressions are intended to identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, those identified under Principal Risks and Uncertainties" on pages 84 to 90 of this Annual Report. The forward-looking statements contained in this Annual Report speak only as of the date of publication of this Annual Report and the Group therefore cautions readers not to place undue reliance on any forward-looking statements.

Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based.

Website
Informa's website www.informa.com gives additional information on the Group. Information made available on the website does not constitute part of this Annual Report.

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Consultancy, design and production by Luminous
www.luminous.co.uk

Cover, markets and divisional illustrations by Janis Andzans

Board of Directors photography by Simon Jarratt

We use biodegradable vegetable based inks. All waste paper, chemicals and other materials generated in the manufacturing process are recycled.

This report is printed on 100% recycled, FSC certified paper in an ISO14001 and FSC accredited, Carbon Neutral factory.

All remaining production and shipping emissions are offset using certified high quality carbon offsets and our calculations verified by a third party.

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