

Registered number: 01072954

INFORMA UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



INFORMA UK LIMITED

COMPANY INFORMATION

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

INFORMA UK LIMITED

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INFORMA UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

BUSINESS REVIEW

Informa UK Limited provides specialist, high value information to the Academic and Scientific, Professional and Commercial markets via Publishing. Informa UK Limited published over 2,600 subscription products in 2020 (a service delivered electronically and in hardcopy) and has sold over 2,753,000 books. Informa UK Limited's brands include Lloyd's List, Routledge and Taylor & Francis.

The Directors are pleased with the 2020 performance, despite the adversities of COVID-19 in the year, with revenue only slightly decreasing from £423,448,000 in 2019 to £415,424,000 in 2020. Gross profit has decreased, from £293,045,000 in 2019 to £282,573,000 in 2020. The gross profit margin only marginally decreased from 69% in 2019 to 68% in 2020. Operating profit has decreased from £143,201,000 in 2019 to £103,841,000 in 2020. The decrease in operating profit principally relates to a decrease of £26,981,000 in recharges received from other Informa Group companies due to a change in the recharge methodology in the year.

As at 31 December 2020 the Company has net assets of £760,978,000 (2019 - £670,641,000). The board sees no reason to alter its expectations that Informa UK Limited will deliver another good performance in 2021.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

Major disasters, arising from either natural causes or man-made, have the potential to significantly disrupt the operation of the business as disasters can disrupt the Company's electronic platforms and distribution systems.

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

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

INFORMA UK LIMITED**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020****PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

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

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

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

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

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

The Company has two overseas branches which have foreign operating currencies. The reported balances are therefore exposed to fluctuations in the value of pounds sterling against the currency in which the branches operate. The Company also has overseas transactions in foreign currencies. The reported balances are therefore exposed to fluctuations in the value of pounds sterling against these currencies.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators include:

| | 2020 | 2019 |
|-------------------------------|-------------|-------------|
| Revenue (£) | 415,424,000 | 423,448,000 |
| Gross profit (£) | 282,573,000 | 293,045,000 |
| Gross profit (%) | 68 | 69 |
| Operating profit (£) | 103,841,000 | 143,201,000 |
| Number of books sold | 2,753,311 | 2,979,352 |
| Number of journal titles sold | 2,620 | 2,385 |

INFORMA UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

SECTION 172 STATEMENT

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

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

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

Informa UK Limited forms part of the Informa PLC Group of Companies. The Informa PLC Section 172 statement is set out on pages 45 to 47 of its 2020 Annual Report. Details of how to obtain a copy of the Informa PLC 2020 Annual Report are provided in note 23 and the 2020 Annual Report can also be found on the Informa website (www.informa.com/investors/annual-report/).

Promoting the Company's success

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

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

The Heart of Informa section in the Informa PLC 2020 Annual Report (pages 29 to 44) describes the Group's (and therefore the Company's) most significant stakeholders, why they are considered important, how the Company engages and to what end, and how the Directors are involved. Further information can also be found in the Governance report, starting on page 100 of the Informa PLC 2020 Annual Report.

Major stakeholders, their interests and how we engage

What they care about

Colleagues

Information and tools to work; having a voice in the business; recognition and reward; career development; flexible working practices; culture of inclusivity and support.

Customers

Expert high quality service, continuous product enhancement and development value; helping them succeed.

Business partners

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

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

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

Directly through attending events where this is applicable, either physically or virtually; post event surveys and market research; trends included in strategy and management presentations.

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

INFORMA UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Consistent returns; long-term business growth; clear strategy; regular connection; sustainable and responsible business practices.

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

Environment/communities/society

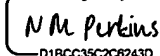
Contribute to community success; manage environmental footprint; report on progress.

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

Further information on the following matters can be found in the Informa PLC 2020 Annual Report.

Non-financial information statement
Informa PLC's business model
Measuring results, outside of financial measures

This report was approved by the board on 20 July 2021 and signed on its behalf.

DocuSigned by:

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Nicholas Perkins
Director

INFORMA UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

RESULTS AND FUTURE DEVELOPMENTS

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

The profit for the year, after taxation, amounted to £105,206,000 (2019 - £193,771,000). The decrease in profit for the year principally relates to the decrease in operating profit, as discussed in the Strategic Report. As well as the profit on transfer of trade and assets in the prior year in relation to the disposal of the Agribusiness and reduction in dividends received in the year.

No change to the Company's activity is expected in the foreseeable future.

On 28 January 2020 and 26 August 2020, the Company received dividends from Informa Healthcare AS of NOK 7,000,000 and NOK 8,000,000 respectively (total of £1,276,000) (2019 - £nil).

In 2019 the Company received dividends from Afterhurst Limited of £1,849,000, from Dove Medical Press Limited of £12,361,000, from Canrak Books Limited of £709,000 and from Routledge Books Limited of £287,000.

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

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Credit risk

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

From the perspective of the Company, the management of credit risk is integrated with that of the Group and is not managed separately. The principal risks of the Group, which include those of the Company, are disclosed in the Group Annual Report on pages 71-77.

Foreign exchange risk

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

Investment valuation

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

From the perspective of the Company, the management of risk to its investments value are integrated with those of the group and are not managed separately. The principal risks of the Group, which include those of the Company, are disclosed in the Group Annual Report on pages 71-77.

INFORMA UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS

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

Simon Bane
Stephen Carter
Rupert Hopley
Nicholas Perkins
Gareth Wright

DIRECTORS' INDEMNITIES

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

GOING CONCERN

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

Having given due consideration to the above factors and the anticipated future performance of the Company and the Group, taking into account possible changes in trading performance in light of uncertainty related to COVID-19, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

DIVIDENDS

The Directors do not recommend the payment of a final ordinary dividend for the year ended 31 December 2020 (2019 - £nil). No interim dividends were paid in 2020 (2019 - £165,206,000).

EQUAL OPPORTUNITIES

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

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

EMPLOYEE CONSULTATION

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

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

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

INFORMA UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report was approved by the board on 20 July 2021 and signed on its behalf.

DocuSigned by:
N M Perkins
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Nicholas Perkins
Director

INFORMA UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

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

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

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

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

INFORMA UK LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | 2020 £000 | 2019 £000 |
|--|------|-----------------------|-----------------------|
| Revenue | 2 | 415,424 | 423,448 |
| Cost of sales | | (132,851) | (130,403) |
| Gross profit | | <u>282,573</u> | <u>293,045</u> |
| Administrative expenses | | (178,732) | (149,844) |
| Operating profit | 3 | <u>103,841</u> | <u>143,201</u> |
| Income from shares in Group undertakings | 3 | 1,276 | 15,206 |
| Impairment of right of use assets | 22 | (2,364) | (1,044) |
| Profit from transfer of trade and assets | 3 | - | 36,054 |
| Interest receivable and similar income | 7 | 3 | 2,142 |
| Interest payable and similar charges | 8 | (333) | (776) |
| Profit before tax | | <u>102,423</u> | <u>194,783</u> |
| Tax on profit | 9 | 2,783 | (1,012) |
| Profit for the year | | <u><u>105,206</u></u> | <u><u>193,771</u></u> |

All amounts in 2020 and 2019 relate to continuing operations.

There were no recognised gains and losses for 2020 or 2019 other than those included in the income statement.

The notes on pages 14 to 43 form part of these financial statements.

INFORMA UK LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020 | 2019 |
|---|---------------|----------------|
| Note | £000 | £000 |
| Profit for the year | 105,206 | 193,771 |
| Other comprehensive income: | | |
| Items that will not be reclassified to profit or loss: | | |
| Net foreign exchange gains/(losses) | 60 | (34) |
| Actuarial (loss)/gain on defined benefit schemes | (21,855) | 2,868 |
| Deferred tax credit/(charge) on actuarial gains/(losses) | 4,152 | (488) |
| Total comprehensive income for the year | 87,563 | 196,117 |

The notes on pages 14 to 43 form part of these financial statements.

INFORMA UK LIMITED
REGISTERED NUMBER: 01072954

BALANCE SHEET
AS AT 31 DECEMBER 2020

| | Note | 2020 £000 | Restated* 2019 £000 |
|--------------------------------|------|-----------------------|---------------------------|
| Non current assets | | | |
| Goodwill | 10 | 285,449 | 285,449 |
| Intangible assets | 11 | 162,717 | 187,351 |
| Property, plant and equipment | 12 | 991 | 1,487 |
| Investments | 13 | 91,783 | 76,682 |
| Right of use assets | 22 | 2,876 | 6,928 |
| Other receivables | 15 | 73 | 152 |
| | | <u>543,889</u> | <u>558,049</u> |
| Current assets | | | |
| Inventories | 14 | 17,104 | 19,172 |
| Trade and other receivables | 15 | 448,157 | 345,614 |
| Cash | | 594 | 1,166 |
| Current tax assets | | - | 481 |
| | | <u>465,855</u> | <u>366,433</u> |
| Current liabilities | | | |
| Trade and other payables | 16 | (211,932) | (230,213) |
| Lease liabilities | 22 | (2,605) | (2,984) |
| Current tax liabilities | | (294) | - |
| | | <u>214,831</u> | <u>233,197</u> |
| Net current assets | | <u>251,024</u> | <u>133,236</u> |
| Non current liabilities | | | |
| Provisions | 18 | (3,284) | (1,550) |
| Pension liability | 21 | (24,124) | (5,074) |
| Lease liabilities | 22 | (3,231) | (6,755) |
| Deferred tax liabilities | 17 | (2,965) | (7,265) |
| Other payables | 16 | (331) | - |
| | | <u>(33,935)</u> | <u>(20,644)</u> |
| Net assets | | <u><u>760,978</u></u> | <u><u>670,641</u></u> |
| Capital and reserves | | | |
| Share capital | 19 | 361,600 | 361,600 |
| Share option reserve | | 7,342 | 4,568 |
| Retained earnings | | 392,036 | 304,473 |
| Shareholders' funds | | <u><u>760,978</u></u> | <u><u>670,641</u></u> |

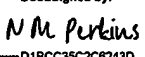
INFORMA UK LIMITED
REGISTERED NUMBER: 01072954

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

*see note 15 and 16 for detail.

For the year ended 31 December 2020 the Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006. The members have not required the Company to obtain of an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 July 2021.

DocuSigned by:

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Nicholas Perkins
Director

The notes on pages 14 to 43 form part of these financial statements.

INFORMA UK LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Share capital £000 | Share option reserve £000 | Retained earnings £000 | Total £000 |
|--|-----------------------|---------------------------------|------------------------------|---------------|
| At 1 January 2019 | 361,600 | 3,235 | 273,264 | 638,099 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 193,771 | 193,771 |
| Foreign exchange losses | - | - | (34) | (34) |
| Actuarial gains on pension scheme (see note 21) | - | - | 2,868 | 2,868 |
| Deferred tax charge on actuarial losses | - | - | (488) | (488) |
| Other comprehensive income for the year | - | - | 2,346 | 2,346 |
| Total comprehensive income for the year | - | - | 196,117 | 196,117 |
| Dividends paid | - | - | (165,206) | (165,206) |
| Transfer of reserves | - | (298) | 298 | - |
| Share based payment (see note 6) | - | 2,415 | - | 2,415 |
| Matching shares purchased | - | (784) | - | (784) |
| At 1 January 2020 | 361,600 | 4,568 | 304,473 | 670,641 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 105,206 | 105,206 |
| Foreign exchange gains | - | - | 60 | 60 |
| Actuarial losses on pension scheme (see note 21) | - | - | (21,855) | (21,855) |
| Deferred tax credit on actuarial gains | - | - | 4,152 | 4,152 |
| Other comprehensive expense for the year | - | - | (17,643) | (17,643) |
| Total comprehensive income for the year | - | - | 87,563 | 87,563 |
| Share based payment (see note 6) | - | 4,114 | - | 4,114 |
| Matching shares purchased | - | (1,340) | - | (1,340) |
| At 31 December 2020 | 361,600 | 7,342 | 392,036 | 760,978 |

The notes on pages 14 to 43 form part of these financial statements.

Share option reserve

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

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

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

General information

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

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

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

Basis of preparation of financial statements

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

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

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payments, financial instruments, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures are given in the Group financial statements of Informa PLC. The Group financial statements of Informa PLC are available to the public and can be obtained as set out in note 23.

Adoption of new and revised standards

Standards and interpretations adopted in the current year

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

- Amendments to IFRS 16 Leases: COVID-19 Related Rent Concessions
- Amendments to IFRS 3 Business Combinations: Definition of a Business
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8: Definition of Material

The adoption of these standards, amendments and interpretations has not led to any changes to the Company's accounting policies or had any other material impact on the financial position or performance of the Company.

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

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****1. ACCOUNTING POLICIES (continued)****Going concern**

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

Having given due consideration to the above factors and the anticipated future performance of the Company and the Group, taking into account possible changes in trading performance in light of uncertainty related to COVID-19, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Revenue

IFRS 15 Revenue from Contracts with Customers provides a single, principles-based five-step model to be applied to all sales contracts. It is based on the transfer of control of goods and services to customer and requires the identification and assessment of the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue.

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

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, and provisions for returns and cancellations. Revenue for each category type of revenue is typically fixed at the date of the order and is not variable.

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

| Revenue type | Performance obligations | Revenue recognition accounting policy | Timing of customer payments |
|---------------------|--|--|--|
| Subscriptions | Provision of journals and online information services that are provided on a periodic basis or updated on a real-time basis. | Performance obligations are satisfied over time, with revenue recognised straight-line over the period of the subscription. | Subscriptions payments are normally received in advance of the commencement of the subscription period which is typically a 12 month period and are held as deferred income. |
| Transactional sales | Provision of books and specific publications in print or digital format. | Revenue is recognised at the point of time when control of the product is passed to the customer or the information service has been provided. | Transactional sales to customers are typically on credit terms and customers pay accordingly to these terms. |

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****1. ACCOUNTING POLICIES (continued)****Revenue (continued)**

| Revenue type | Performance obligations | Revenue recognition accounting policy | Timing of customer payments |
|---|---|---|---|
| Marketing, advertising services and sponsorship | Provision of advertising, marketing services and event sponsorship. | Performance obligations are satisfied over the period of the advertising subscription or over the period when the marketing service is provided. Revenue relating to advertising or sponsorship at events is recognised on a point of time basis at the event date. | Payment for such services are normally received in advance of the marketing, advertising or sponsorship period. |

See note 2 for further details of revenue by market sector and geographic location.

Income from shares in Group undertakings

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

Foreign currency

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

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

The Balance Sheet of foreign branches is translated into pounds sterling at the closing rates of exchange. The Income Statement results are translated at an average exchange rate.

Share based payments

The Company issues equity settled share based payments to certain employees. A fair value for the equity settled share award is measured at the date of grant. The fair value is measured using the Monte Carlo model of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations. The charge for the share based payments is apportioned between the Group companies and accounted for as a cost in the subsidiary funded by the capital contribution from the parent.

An expense is recognised to spread the fair value of each award over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will actually vest. The estimate of vesting is reviewed annually, with any impact on the cumulative charge being recognised in the Income Statement immediately.

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Interest receivable and similar income

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

Interest payable and similar charges

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

Taxation

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax

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

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

Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited in Other Comprehensive Income, in which case the deferred tax is also dealt with in Other Comprehensive Income. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the Income Statement, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on the acquisition of businesses is calculated as the excess of purchase consideration over the fair value of net identifiable assets and liabilities at the date of acquisition. 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 accumulated impairment losses. The value in use basis is used for the impairment calculation and any impairment is recognised immediately in the Income Statement. On disposal of a subsidiary or business, the attributable goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

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

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

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

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

Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

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

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

Investments

Investments, including investments in subsidiaries and associates, are stated at cost less provision for any impairment in value. The value in use basis is used for the impairment calculation and any impairment is recognised immediately in the Income Statement. Impairment reviews are undertaken at least annually or more frequently where there is an indication of impairment.

Joint venture undertakings

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

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Inventories

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and expenses incurred in bringing the inventory to its present location and condition. Net realisable value represents the estimated selling price less marketing and distribution costs expected to be incurred.

Pre-publication costs are included in inventory, representing costs incurred in the origination of content prior to publication. These are expensed systematically, reflecting the expected sales profile over the estimated economic lives of the related products (typically over one to five years).

Financial assets

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

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

Impairment of financial assets

The Company recognises lifetime expected credit losses (ECL) for trade receivables and twelve month expected credit losses for intercompany receivables. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The carrying amount is reduced by the ECL through the use of a provision account. When a receivable balance is considered uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision are recognised in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances with banks and similar institutions. Cash equivalents comprise bank deposits and money market funds, which are readily convertible to known amounts of cash and with a maturity of three months or less and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade 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.

Financial liabilities

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

Trade and other payables

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

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

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

Contingent consideration

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

Pension costs

The Company participates in a Group wide defined benefit scheme providing benefits whose assets and liabilities are held separately from those of the Company. The cost of providing these benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each reporting date. 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 Income Statement and in the Statement of Other Comprehensive Income.

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

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

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 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 Company recognises the lease payments as operating leases expensed directly to the Income Statement.

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

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

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

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

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 Company'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 Company to extend the lease term, the Company makes a judgement as to whether it is reasonably certain that the option will be taken and an assumed expiry date is determined. Where there are extension options on specific leases and the assumed expiry date is determined to have changed, the lease term is reassessed. This reassessment of the remaining life of the lease could result in a recalculation of the lease liability and the right of use asset and potentially result in a material adjustment to the associated balances of depreciation and finance lease interest.

INFORMA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

Key sources of estimation uncertainty and critical accounting judgements

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

Critical accounting judgements

There are deemed to be no critical accounting judgements.

Key sources of estimation uncertainty

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

Impairment of assets

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

There are a number of assumptions the Company has considered in performing impairment reviews of assets. The determination of whether assets are impaired requires an estimation of the value in use of the cash generating units to which assets have been allocated, except where fair value less costs to sell is applied. The 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 five years, after which a long-term perpetuity growth rate is applied. Further details of goodwill and investments are disclosed in note 10 and 13.

Measurement of retirement benefit obligations

The measurement of retirement benefit obligation is subject to a number of significant actuarial assumptions, which are fully disclosed in note 21.

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2. REVENUE**

| | 2020 £000 | 2019 £000 |
|---------------------------------|----------------|----------------|
| By geographical market | | |
| United Kingdom | 63,733 | 69,999 |
| Continental Europe | 84,513 | 72,521 |
| North America | 160,745 | 162,065 |
| Rest of World | 106,433 | 118,863 |
| | <u>415,424</u> | <u>423,448</u> |
| | 2020 £000 | 2019 £000 |
| By market sector | | |
| Energy and utilities | 221 | 959 |
| Finance, insurance, law and tax | 11,725 | 14,116 |
| Health and pharmaceutical | 34,112 | 25,872 |
| Industrial | 30,401 | 34,259 |
| Public sector | 338,965 | 348,240 |
| Other | - | 2 |
| | <u>415,424</u> | <u>423,448</u> |

3. PROFIT FOR THE YEAR

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

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Amortisation of intangible assets | 36,860 | 35,958 |
| Depreciation of property, plant and equipment | 693 | 761 |
| Depreciation of right of use assets | 1,786 | 3,020 |
| Loss/(profit) on disposal of assets | 1,050 | (17) |
| Profit on transfer of trade and assets | - | (36,054) |
| Net foreign exchange gains | (297) | (5,267) |
| Inventory write off | 657 | 804 |
| Income from shares in Group undertakings | (1,276) | (15,206) |

The profit on transfer of trade and assets in 2019 was in relation to the disposal of the Agribusiness.

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****3. PROFIT FOR THE YEAR (CONTINUED)**

The Company received the following dividends:

| | 2020 £000 | 2019 £000 |
|----------------------------|--------------|---------------|
| Afterhurst Limited | - | 1,849 |
| Canrak Books Limited | - | 709 |
| Dove Medical Press Limited | - | 12,361 |
| Informa Healthcare AS | 1,276 | - |
| Routledge Books Limited | - | 287 |
| | <u>1,276</u> | <u>15,206</u> |

4. STAFF COSTS

Staff costs were as follows:

| | 2020 £000 | 2019 £000 |
|---|----------------|----------------|
| Wages and salaries | 87,246 | 89,788 |
| Social security costs | 9,861 | 9,544 |
| Pension costs - defined contribution scheme (see note 21) | 4,386 | 3,995 |
| Pension costs - defined benefit scheme (see note 21) | (857) | - |
| Share based payments (see note 6) | 4,114 | 2,415 |
| | <u>104,750</u> | <u>105,742</u> |

Within wages and salaries £2,432,000 (2019 - £1,475,000) relates to redundancy costs.

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

| | 2020 No. | 2019 No. |
|----------------------------|--------------|--------------|
| Management | 35 | 36 |
| Editorial and production | 756 | 727 |
| Marketing and promotion | 427 | 397 |
| Finance and administration | 624 | 587 |
| | <u>1,842</u> | <u>1,747</u> |

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. DIRECTORS' REMUNERATION

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

6. SHARE BASED PAYMENTS

The Company recognised a total expense of £4,114,000 (2019 - £2,415,000) related to equity-settled share based payment transactions during the year ended 31 December 2020.

Long-Term Incentive Plan

The Company's Long-Term Incentive Plan (LTIP) awards 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 in 2020 were conditional share awards with the specific performance conditions and a performance period of three years. To the extent that they are met or satisfied then awards will be exercisable following the end of the relevant performance period. The total shareholder return (TSR) award components of the LTIPs are valued using a Monte Carlo simulation model. 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.

In 2020, awards were granted on 26 March 2020. In 2019, options were granted on 21 March 2019. The average exercise price for LTIPs exercised during the year was £4.49 (2019 - £8.03). The exercise price for the majority of LTIP awards is 0.1p per share award and the average period to exercise was 5.3 years (2019 - 5.7 years) for awards exercisable at 31 December 2020.

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 the 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.

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 Group Annual Report on pages 116-131.

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****7. INTEREST RECEIVABLE AND SIMILAR INCOME**

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Interest receivable from bank deposits | 3 | 3 |
| Interest receivable from parent undertaking | - | 2,139 |
| | <u>3</u> | <u>2,142</u> |

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Interest payable on loans from parent undertaking | - | 20 |
| Interest payable on pension scheme liabilities (see note 21) | 86 | 244 |
| Interest payable on lease liabilities (see note 22) | 247 | 475 |
| Other interest payable | - | 37 |
| | <u>333</u> | <u>776</u> |

9. TAXATION

| | 2020 £000 | 2019 £000 |
|---|----------------|--------------|
| Analysis of tax (credit)/charge in the year | | |
| Current tax | | |
| Prior year adjustment to corporation tax | (3,200) | - |
| Foreign tax | | |
| Foreign tax on income for the year | 484 | 219 |
| Foreign tax adjustments in respect of prior periods | 81 | (18) |
| | <u>565</u> | <u>201</u> |
| Total current tax | <u>(2,635)</u> | <u>201</u> |
| Total deferred tax (see note 17) | <u>(148)</u> | <u>811</u> |
| Taxation on profit | <u>(2,783)</u> | <u>1,012</u> |

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****9. TAXATION (continued)****Reconciliation of total tax to the accounting profit**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

| | 2020 £000 | 2019 £000 |
|---|----------------|--------------|
| Profit before tax | 102,423 | 194,783 |
| Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | 19,460 | 37,009 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 875 | 3,195 |
| Adjustments to tax treatment of fixed asset values | 3,125 | - |
| Adjustments to tax charge in respect of prior periods | (2,428) | 48 |
| Non-taxable income | (243) | (9,740) |
| Research and development related expenditure credits | (561) | - |
| Rate differences | 945 | 808 |
| Tax losses not included for deferred tax | - | 17 |
| Foreign tax suffered | 565 | 201 |
| Pensions movement credited to reserves | (4,152) | - |
| Pension contribution payments | 549 | - |
| Group relief claimed | (20,918) | (30,526) |
| Total tax (credit)/charge for the year | (2,783) | 1,012 |

Factors that may affect future tax (credits)/charges

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The Finance Bill 2021 enacted an increase in the UK main rate of corporation tax from 19% to 25% with effect from 1 April 2020, rather than the previously enacted reduction to 17%.

At the March 2021 budget, the Chancellor announced an increase in the corporation tax rate from 19% to 25%, with effect from 1 April 2023.

Deferred tax has been provided at the rate of 19% in respect of short term temporary differences which are expected to reverse at the prevailing rate.

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

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****10. GOODWILL**

| | |
|--|--------------|
| | 2020 £000 |
| Cost or valuation | |
| At 1 January 2020 and 31 December 2020 | 292,070 |
| Impairment | |
| At 1 January 2020 and 31 December 2020 | 6,621 |
| Carrying amount | |
| At 31 December 2020 | 285,449 |
| At 31 December 2019 | 285,449 |

As goodwill is not amortised it is tested for impairment annually, or more frequently if there are indicators of impairment. The testing involves comparing the carrying value of assets in each cash-generating unit ('CGU') with value in use calculations or assessments of fair value less cost to sell derived from the latest cash flow projections. The annual impairment review was performed on 31 December 2020.

Impairments

The number of CGU Groups for the testing of goodwill in 2020 was 3 (2019 - 3). The carrying amount of goodwill recorded in the major groups of CGUs is set out below:

| | 2020 Number of CGUs | 2019 Number of CGUs | 2020 £000 | 2019 £000 |
|----------------------|---------------------------|---------------------------|----------------|----------------|
| CGU Groups | | | | |
| Informa Connect | 1 | 1 | 9,940 | 9,940 |
| Informa Intelligence | 14 | 14 | 66,409 | 66,409 |
| Taylor & Francis | 18 | 18 | 209,100 | 209,100 |
| | <u>33</u> | <u>33</u> | <u>285,449</u> | <u>285,449</u> |

The recoverable amounts of the CGU groups are determined as the greater of the value in use calculations or fair value less costs to sell, which are based on the cash flow projections for each CGU group. The key assumptions are those regarding the revenue and operating 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 five years, after which a long-term perpetuity growth rate is applied.

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

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. INTANGIBLE ASSETS

| | Publishing rights £000 | Development costs £000 | Exhibitions and conferences £000 | Software £000 | Total £000 |
|---------------------------|------------------------------|------------------------------|---|------------------|----------------|
| Cost or valuation | | | | | |
| At 1 January 2020 | 334,518 | 24,182 | 560 | 133,177 | 492,437 |
| Additions | 1,487 | 895 | - | 11,473 | 13,855 |
| Disposals | - | (1,289) | - | (908) | (2,197) |
| Foreign exchange movement | - | - | - | 5 | 5 |
| At 31 December 2020 | <u>336,005</u> | <u>23,788</u> | <u>560</u> | <u>143,747</u> | <u>504,100</u> |
| Amortisation | | | | | |
| At 1 January 2020 | 228,972 | 12,366 | 168 | 63,580 | 305,086 |
| Charge for the year | 17,147 | 4,002 | 112 | 15,599 | 36,860 |
| Disposals | - | (524) | - | (42) | (566) |
| Foreign exchange movement | - | - | - | 3 | 3 |
| At 31 December 2020 | <u>246,119</u> | <u>15,844</u> | <u>280</u> | <u>79,140</u> | <u>341,383</u> |
| Carrying amount | | | | | |
| At 31 December 2020 | <u>89,886</u> | <u>7,944</u> | <u>280</u> | <u>64,607</u> | <u>162,717</u> |
| At 31 December 2019 | <u>105,546</u> | <u>11,816</u> | <u>392</u> | <u>69,597</u> | <u>187,351</u> |

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold improvements £000 | Motor vehicles £000 | Fixtures, fittings and equipment £000 | Total £000 |
|---------------------------|-----------------------------------|---------------------------|--|---------------|
| Cost or valuation | | | | |
| At 1 January 2020 | 1,142 | 10 | 9,687 | 10,839 |
| Additions | - | - | 589 | 589 |
| Disposals | (310) | - | (422) | (732) |
| Foreign exchange movement | - | - | 5 | 5 |
| At 31 December 2020 | 832 | 10 | 9,859 | 10,701 |
| Depreciation | | | | |
| At 1 January 2020 | 948 | 10 | 8,394 | 9,352 |
| Charge for the year | 92 | - | 601 | 693 |
| Disposals | (233) | - | (107) | (340) |
| Foreign exchange movement | - | - | 5 | 5 |
| At 31 December 2020 | 807 | 10 | 8,893 | 9,710 |
| Carrying amount | | | | |
| At 31 December 2020 | 25 | - | 966 | 991 |
| At 31 December 2019 | 194 | - | 1,293 | 1,487 |

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****13. INVESTMENTS**

| | 2020 Investments in subsidiary companies £000 | 2020 Investment in joint ventures £000 | 2020 Total £000 | 2019 Investments in subsidiary companies £000 | 2019 Investment in joint ventures £000 | 2019 Total £000 |
|---------------------------------|---|---|-----------------------|---|---|-----------------------|
| Cost or valuation | | | | | | |
| At 1 January | 97,250 | 100 | 97,350 | 97,250 | 100 | 97,350 |
| Additions | 15,101 | - | 15,101 | - | - | - |
| At 31 December | <u>112,351</u> | <u>100</u> | <u>112,451</u> | <u>97,250</u> | <u>100</u> | <u>97,350</u> |
| Impairment | | | | | | |
| At 1 January and 31 December | 20,668 | - | 20,668 | 20,668 | - | 20,668 |
| Carrying amount | | | | | | |
| At 31 December | <u>91,683</u> | <u>100</u> | <u>91,783</u> | <u>76,582</u> | <u>100</u> | <u>76,682</u> |

Additions in 2020 relate to the purchase of F1000 Research Limited.

Subsidiary undertakings

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

| Name | Principal activity | Registered office | Ordinary shares held |
|--|--------------------|---------------------|-------------------------|
| Afterhurst Limited | Non trading | UK | 100% |
| Canrak Books Limited | Publishing | UK | 100% |
| Cogent OA Limited | Dormant | UK | 100% |
| Colwiz Limited | Publishing | Republic of Ireland | 100% |
| Dove Medical Press Limited | Publishing | UK | 100% |
| F1000 Research Limited | Publishing | UK | 100% |
| Informa Final Salary Pension Trustee Company Limited | Trustee Company | UK | 100% |
| Informa Healthcare AS | Publishing | Norway | 100% |
| Informa Property (Colchester) Limited (formerly LLP Limited) | Non trading | UK | 100% |
| Maritime Insights and Intelligence Limited | Dormant | UK | 100% |
| Psychology Press New Co Limited | Dormant | UK | 100% |
| Routledge Books Limited | Non trading | UK | 100% |
| Taylor & Francis AB | Publishing | Sweden | 100% |
| Taylor & Francis Japan G.K. | Publishing | Japan | 100% |
| Taylor & Francis Publishing Services Limited | Non trading | UK | 100% |

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****13. INVESTMENTS (CONTINUED)**

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

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

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

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

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

Joint venture undertakings

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

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

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

14. INVENTORIES

| | 2020 £000 | 2019 £000 |
|-------------------------------------|---------------|---------------|
| Work in progress | 4,017 | 3,064 |
| Finished goods and goods for resale | 3,008 | 4,059 |
| Pre-publication costs | 10,079 | 12,049 |
| | <u>17,104</u> | <u>19,172</u> |

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

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****15. TRADE AND OTHER RECEIVABLES**

| | 2020 £000 | 2019 £000 |
|---------------------------|--------------|--------------|
| Non current assets | | |
| Other receivables | 73 | 152 |

Other receivables due after more than one year relate to interest bearing loans, of which \$100,000 (2020 - £73,000, 2019 - £76,000) is repayable within 3 years (2019 - 4 years).

The Directors consider the carrying amounts approximate their fair value.

| | 2020 £000 | Restated* 2019 £000 |
|---|----------------|---------------------------|
| Current assets | | |
| <i>Amounts owed by Group undertakings</i> | | |
| Amounts owed by parent undertaking | 368,052 | 259,618 |
| Amounts owed by subsidiary undertakings | 105 | 465 |
| Amounts owed by other Group undertakings | 3,225 | 5,315 |
| | <u>371,382</u> | <u>265,398</u> |
| Trade receivables | 48,409 | 48,880 |
| Other receivables | 3,472 | 9,821 |
| Other taxation and social security | 2,605 | - |
| Prepayments and accrued income | 22,289 | 21,515 |
| | <u>448,157</u> | <u>345,614</u> |

Of the amounts owed by Group undertakings £nil (2019 - £256,041,000) bears interest at LIBOR minus 0.5% and £371,382,000 (2019 - £9,357,000) is non-interest bearing.

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

The Directors consider the carrying amounts approximate their fair value.

*2019 amounts owed by Group undertakings has been restated by £3,457,000 as a result of being identified as relating to another Informa Group company and subsequently transferred to that entity. There has been no impact on the prior year Income Statement.

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****16. TRADE AND OTHER PAYABLES**

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|--------------|
| Non current liabilities | | |
| Other payables | 331 | - |

Non-current other payables balance relates to research and development tax credits being spread over the life of the asset they relate to. It is expected that the balance will be fully released by 2027.

The Directors consider the carrying amounts approximate their fair value.

| | 2020 £000 | Restated* 2019 £000 |
|---|----------------|---------------------------|
| Current liabilities | | |
| <i>Amounts owed to Group undertakings</i> | | |
| Amounts owed to parent undertaking | - | 3,512 |
| Amounts owed to subsidiary undertakings | 6,411 | 5,627 |
| Amounts owed to other Group undertakings | 2,248 | 13,969 |
| | <u>8,659</u> | <u>23,108</u> |
| Trade payables | 12,432 | 27,096 |
| Other taxation and social security | - | 2,908 |
| Other payables | 16,073 | 6,050 |
| Accruals and deferred income | 174,768 | 171,051 |
| | <u>211,932</u> | <u>230,213</u> |

Of the amounts owed to Group undertakings £8,659,000 (2019 - £23,108,000) is non-interest bearing.

Amounts owed to Group undertakings are unsecured. Trading balances are subject to payment terms.

The Directors consider the carrying amounts approximate their fair value.

*2019 has been restated as a result of (£3,813,000) held in accruals and deferred income in 2019 and £356,000 held in other payables in 2019 being identified as relating to another Informa Group company and subsequently transferred to that entity. There has been no impact on the prior year Income Statement.

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. DEFERRED TAX LIABILITY

| | Accelerated tax depreciation £000 | Intangibles £000 | Pensions £000 | Other £000 | Total £000 |
|---|--|---------------------|------------------|---------------|----------------|
| At 1 January 2020 | 13 | (9,633) | 862 | 1,493 | (7,265) |
| Credited/(charged) to the Income Statement | (729) | 397 | (431) | 911 | 148 |
| Credited to Other Comprehensive Income | - | - | 4,152 | - | 4,152 |
| At 31 December 2020 | (716) | (9,236) | 4,583 | 2,404 | (2,965) |

18. PROVISIONS

| | Restructuring provision £000 | Vacant property £000 | Deferred & contingent consideration £000 | Dilapidations £000 | Total £000 |
|---------------------------|------------------------------------|----------------------------|---|-----------------------|---------------|
| At 1 January 2020 | 928 | - | 369 | 253 | 1,550 |
| Increase in the year | 3,320 | 1,243 | 192 | 876 | 5,631 |
| Utilisation of provision | (2,908) | (446) | - | (9) | (3,363) |
| Released in the year | (535) | - | - | (3) | (538) |
| Foreign exchange movement | (2) | 1 | 2 | 3 | 4 |
| | 803 | 798 | 563 | 1,120 | 3,284 |

During 2020 the Company underwent reorganisation and restructuring. In 2020 the Company undertook a severance programme, £2,948,000 of the increase in the year was a result of the Company's severance programme. The restructuring provision will be utilised in 2021.

The vacant property provision represents the estimated excess of rent payable on surplus property leases. It is expected that the provision would be utilised over the remaining period of the leases (5 years).

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

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

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****19. SHARE CAPITAL**

| | 2020 £000 | 2019 £000 |
|---|----------------|----------------|
| Allotted, called up and fully paid | | |
| 361,500,000 (2019 - 361,500,000) Ordinary shares of £1 each | 361,500 | 361,500 |
| 100,000 (2019 - 100,000) C class preference shares of £1 each | 100 | 100 |
| | <u>361,600</u> | <u>361,600</u> |

20. CONTINGENT LIABILITIES

The Company has in issue a performance bond of £33,000 (2019 - £9,000), an advanced payment guarantee of £nil (2019 - £427,000) and a VAT guarantee of £353,000 (2019 - £358,000).

21. PENSION COMMITMENTS

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

Defined contribution scheme

The total cost charged for the year under the Group defined contribution scheme was £4,386,000 (2019 - £3,751,000). There were no contributions that were due in respect of the current reporting period that had not been paid over to the scheme (2019 - £nil).

Defined benefit scheme

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

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

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

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

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****21. PENSION COMMITMENTS (CONTINUED)**

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

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

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

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

There are three categories of pension scheme members:

- Employed deferred members - currently employed by the Company;
- Deferred members - former employees of the Company; and
- Pensioner members - in receipt of pension.

The defined benefit obligation is valued by projecting the best estimate of future benefit payments (allowing for future salary increases for employed deferred members, revaluation to retirement for deferred members and annual pension increases for all members) and then discounting to the Balance Sheet date. Members receive increases to their benefits linked to inflation (subject to a cap). The valuation method used is known as the Projected Unit Credit Method. The approximate overall duration of the Schemes' Defined Benefit obligation as at 31 December 2020 was 20 years (2019 - 18 years).

The assumptions which have the most significant effect on the results of the FRS 101 valuation for both schemes are those relating to the discount rate, the rates of increase in price inflation, salaries, and pensions and life expectancy. The main assumptions adopted are:

| | 2020 | 2019 |
|---------------------------------------|-------------|-------------|
| | % | % |
| Discount rate | 1.30 | 2.10 |
| Rate of price inflation (CPI) | 2.10 | 1.95 |
| Rate of price inflation (RPI) | 2.90 | 2.95 |
| Rate of increase in deferred pensions | 2.10 | 1.95 |
| Rate increase for pensions in payment | 1.90 - 3.50 | 1.80 - 2.85 |

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****21. PENSION COMMITMENTS (CONTINUED)**

| | 2020 Years | 2019 Years |
|------------------------------------|---------------|---------------|
| Life expectancy | | |
| For an individual aged 65 - male | 87 | 86 |
| For an individual aged 65 - female | 89 | 88 |

For the Company UK Schemes, mortality assumptions used in the FRS 101 valuations are taken from tables published by Continuous Mortality Investigation ('CMI'). The latest base tables use 'SAPS' S3 tables with a scaling factor of 100% (2019 - 102% for males and 110% for females). Life expectancy improvements are taken from CMI 2019 (2019 - CMI 2018) with an initial addition parameter of 0.25% (2019 - 0%) and with the long-term rate of improvement of 1.25% (2019 - 1.25%).

Informa Final Salary Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Company.

The last actuarial full valuation of the Informa Final Salary Scheme was performed by the Scheme Actuary for the Trustees as at 28 February 2017. This valuation revealed a funding shortfall of £5.5m. The recovery plan shows future annual employer contributions of £2.0m per annum up to 28 February 2021. The next triennial actuarial valuation of the Informa Final Salary Scheme will be as at 28 February 2020, at which point the recovery plan will be reassessed.

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

| Assumption | Change in assumption | Impact on scheme liabilities |
|--|-----------------------------|-------------------------------------|
| Discount rate | Decrease by 0.25% | £6.6m |
| Rate of price inflation pre-retirement | Increase by 0.25% | £4.8m |
| Life expectancy | Increase by 1 year | £4.4m |

Sensitivities have been prepared using the same approach as 2019. 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.

Taylor & Francis Group Pension and Life Assurance Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Company.

The last actuarial full valuation of the Taylor & Francis Life Assurance and Pension Scheme was performed by the Scheme Actuary for the Trustees as at 30 September 2017. The valuation as at 30 September 2017 revealed a funding surplus of £1.7m and no recovery plan was required. The next triennial actuarial valuation of the Taylor & Francis Group Pension and Life Assurance Scheme will be as at 30 September 2020.

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

| Assumption | Change in assumption | Impact on scheme liabilities |
|--|-----------------------------|-------------------------------------|
| Discount rate | Decrease by 0.25% | £1.7m |
| Rate of price inflation pre-retirement | Increase by 0.25% | £1.4m |
| Life expectancy | Increase by 1 year | £1.3m |

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. PENSION COMMITMENTS (CONTINUED)

Sensitivities have been prepared using the same approach as 2019. 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.

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

| | 2020 £000 | 2019 £000 |
|---|-----------------|----------------|
| Recognised in profit before tax | | |
| Past service credit | 857 | - |
| Interest cost on net pension deficit | (86) | (244) |
| | <u>771</u> | <u>(244)</u> |
| | 2020 £000 | 2019 £000 |
| Analysis of amount recognised in the Statement of Comprehensive Income | | |
| Actual gain on scheme assets | 6,408 | 11,767 |
| Experience loss | (422) | - |
| Change in financial actuarial assumptions | (24,203) | (11,643) |
| Change in demographic actuarial assumptions | (3,638) | 2,744 |
| Actuarial (loss)/gain | <u>(21,855)</u> | <u>2,868</u> |
| | 2020 £000 | 2019 £000 |
| Movement in deficit during the year | | |
| Deficit in Schemes at beginning of the year | (5,074) | (9,732) |
| Past service credit | 857 | - |
| Deficit recovery contributions from the employer to the Schemes | 2,034 | 2,034 |
| Actuarial (loss)/gain | (21,855) | 2,868 |
| Net finance cost | (86) | (244) |
| Net deficit in Schemes at the end of the year | <u>(24,124)</u> | <u>(5,074)</u> |

The expected deficit recovery contributions from the employer to the Schemes for 2021 are expected to be £2,034,000 subject to any revision of agreed recovery payments following updates to funding valuations.

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****21. PENSION COMMITMENTS (CONTINUED)**

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

| | 2020 £000 | 2019 £000 |
|--|-----------------|----------------|
| Present value of defined benefit obligations | (159,487) | (132,921) |
| Fair value of Scheme assets | 135,363 | 127,847 |
| Net deficit recognised in the Balance Sheet | (24,124) | (5,074) |

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

| | 2020 £000 | 2019 £000 |
|---|------------------|------------------|
| Opening present value of defined benefit obligation at 1 January | (132,921) | (125,710) |
| Interest cost | (2,754) | (3,448) |
| Benefits paid | 3,594 | 5,136 |
| Actuarial loss | (28,263) | (8,899) |
| Past service cost | 857 | - |
| Closing present value of defined benefit obligation at 31 December | (159,487) | (132,921) |

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

| | 2020 £000 | 2019 £000 |
|---|----------------|----------------|
| Opening fair value of Scheme assets at 1 January | 127,847 | 115,978 |
| Return on Scheme assets | 2,668 | 3,204 |
| Actuarial gain | 6,408 | 11,767 |
| Contributions from the employer to the Schemes | 2,034 | 2,034 |
| Benefits paid | (3,594) | (5,136) |
| Closing fair value of Scheme assets at 31 December | 135,363 | 127,847 |

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 Legal & General Investment Management, Partners Group (UK) Limited and Zurich Assurance Limited.

INFORMA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. PENSION COMMITMENTS (CONTINUED)

The fair value of the assets held are as follows:

| | Fair value at 31 December 2020 £000 | Fair value at 31 December 2019 £000 |
|-------------------------------------|---|---|
| Equities | 61,803 | 58,018 |
| Bonds and gilts | - | 4,174 |
| Property | 13,487 | 13,235 |
| Diversified Growth Fund | 33,841 | 32,857 |
| Illiquid credit funds | 3,004 | - |
| Absolute return bond fund | 15,424 | - |
| Bespoke funds (LDI and hedge funds) | - | 10,717 |
| Cash | 7,804 | 8,846 |
| Total | 135,363 | 127,847 |

All of 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.

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

| | 2020 £000 | 2019 £000 | 2018 £000 | 2017 £000 | 2016 £000 |
|---|--------------|--------------|--------------|--------------|--------------|
| Present value of defined benefit obligations | (159,487) | (132,921) | (125,710) | (131,212) | (135,964) |
| Fair value of Scheme assets | 135,363 | 127,847 | 115,798 | 121,846 | 113,922 |
| Deficit in the Scheme and liability recognised in the Balance Sheet | (24,124) | (5,074) | (9,912) | (9,366) | (22,042) |
| Related deferred tax assets | 4,583 | 862 | 1,850 | 1,780 | 4,243 |
| Deficit net of deferred tax assets | (19,541) | (4,212) | (8,062) | (7,586) | (17,799) |
| Experience adjustments on Scheme liabilities | | | | | |
| Amount (£000) | (422) | - | (2,704) | 1,640 | 2,426 |
| Percentage of scheme liabilities (%) | (0.3) | - | (2.2) | 1.3 | 1.8 |
| Experience adjustments on Scheme assets | | | | | |
| Amount (£000) | 6,408 | 11,767 | (7,389) | 7,802 | 10,380 |
| Percentage of Scheme assets (%) | 4.7 | 9.2 | (6.4) | 6.4 | 9.1 |

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****22. LEASES****Leases at 31 December 2020**

The Company's right of use asset and lease liability at 31 December 2020 is as follows:

| | Property leases £000 | |
|--------------------------------|----------------------------|----------------------------|
| Right of use assets | | |
| At 1 January 2020 | | 6,928 |
| Additions | | 96 |
| Impairment | | (2,364) |
| Depreciation | | (1,786) |
| Disposals | | - |
| Foreign exchange movement | | 2 |
| At 31 December 2020 | | <u>2,876</u> |
| | | |
| | | Property leases £000 |
| Lease liabilities | | |
| At 1 January 2020 | | (9,739) |
| Repayment of lease liabilities | | 3,280 |
| Interest on lease liabilities | | (247) |
| Additions | | (96) |
| Disposals | | 962 |
| Foreign exchange movement | | 4 |
| At 31 December 2020 | | <u>(5,836)</u> |
| | | |
| | 2020 | 2019 |
| | £000 | £000 |
| Current lease liabilities | (2,605) | (2,984) |
| Non current lease liabilities | (3,231) | (6,755) |
| | <u>(5,836)</u> | <u>(9,739)</u> |

The Company's average lease term under IFRS 16 is 5 years. The average incremental borrowing rate (IBR) used for the year ended 31 December 2020 to discount lease liabilities was 4.0%.

INFORMA UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****22. LEASES (CONTINUED)****Low value and short term lease income and expense**

| | 2020 £000 | 2019 £000 |
|---------------------------------------|--------------|--------------|
| Low value and short term rent expense | 44 | 209 |

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

The ultimate parent undertaking and controlling party is Informa PLC, a company incorporated in England and Wales under the Companies Act 2006 with number 08860726. This is the smallest and largest Group into which the Company is consolidated. Copies of the Group financial statements for Informa PLC are available at its principal place of business at Informa PLC, 5 Howick Place, London, SW1P 1WG.