# Delinian Limited

(formerly Euromoney
Institutional Investor PLC)

# Annual Report and Accounts 2022

# Contents

## Strategic Report


| | |
|---|---|
| Introduction | 02 |
| Purpose, business model, strategy and value creation | 03 |
| Business review | 04 |
| Sustainability and stakeholders | 11 |
| Progress towards TCFD disclosures | 16 |
| Section 172 Statement | 18 |
| Non-financial Information Statement | 19 |
| Risk management | 20 |


## Board and Governance Report


| | |
|---|---|
| Corporate Governance Report | 23 |
| Audit & Risk Committee Report | 27 |
| Nominations Committee Report | 33 |
| Directors' Remuneration Report | 34 |
| Directors' Report | 44 |
| Statement of Directors' responsibilities | 46 |


## Financial Statements


| | |
|---|---|
| Independent Auditors' Report | 47 |
| Consolidated Financial Statements | 54 |
| Company Accounts | 107 |


## Additional Information


| | |
|---|---|
| Glossary of financial performance measures | 113 |

# Introduction

The Directors present their Strategic Report for Delinian Limited (formerly Euromoney Institutional Investor PLC) and its subsidiaries (the Group) for the year ended 30 September 2022.

## Acquisition of Euromoney Institutional Investor PLC by Astorg Asset Management S.à r.l., Epiris GP Limited and Epiris GP III Limited (the Consortium)

On 18 July 2022, the boards of Euromoney Institutional Investor PLC (**Euromoney**) and Becketts Bidco Limited (**Bidco**) announced that they had reached agreement on the terms of a recommended cash acquisition by Bidco of the entire issued and to be issued ordinary share capital of Euromoney for 1,461 pence per share (the **Acquisition**). Bidco is a newly formed company indirectly owned by funds managed and/or advised by Astorg Asset Management S.à r.l., Epiris GP Limited and Epiris GP III Limited (together, the **Consortium**) for the purpose of making the Acquisition.

Following shareholder approval on 8 September 2022, receipt of the final antitrust and regulatory clearances on 11 November 2022 and the sanction of the Scheme of Arrangement by the High Court on 22 November 2022, the Acquisition closed on 24 November 2022.

The Company was de-listed from the London Stock Exchange on 25 November 2022.

The Company was re-registered as a private limited company and its name changed to Delinian Limited on 10 January 2023.

All references to 'Euromoney' in this report refer to Delinian Limited and its subsidiaries.

## About the Consortium

Astorg is a global private equity firm with over €18 billion of assets under management. Astorg works with entrepreneurs and management teams to acquire market leading global companies headquartered in Europe or the US, providing them with the strategic guidance, governance and capital they need to achieve their growth goals. Enjoying a distinct entrepreneurial culture, a long-term shareholder perspective and a lean decision-making body, Astorg has valuable industry expertise in healthcare, software, technology, business-to-business professional services and technology-based industrial companies and is focused on companies with market-leading positions, selling highly differentiated products or services. Astorg has offices in London, Paris, New York, Frankfurt, Milan and Luxembourg.

Epiris is a private equity firm based in London. It has significant experience in B2B information businesses, including its investment in AXIO, a group of seven data, information and events businesses based in North America, Europe and Asia. Epiris focuses particularly on businesses that have been embedded within a larger corporate, where a tailored approach and investment in organic and acquisitive growth can drive a transformation in performance.

The Consortium believes that the acquisition will allow the acceleration of the execution of Euromoney's existing strategy across the Fastmarkets, Financial & Professional Services and Asset Management businesses. The Consortium intends to separate the Group into two businesses with Fastmarkets becoming standalone, owned by Astorg, and Financial & Professional Services and Asset Management owned by Epiris.

## About this Report

As the Company was a quoted entity on 30 September 2022, Euromoney has reported on that basis and in accordance with the requirements of Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008. Detailed disclosures have been included where they provide additional clarity to the performance of the Company and/or its trading position, but Euromoney has not followed the full listing rules around disclosure requirements as this Report was prepared and signed after the Company was delisted from the London Stock Exchange. Whilst a listed company, Euromoney applied the FRC's UK Corporate Governance Code 2018 (the Code) and the Annual Report and Accounts sets out the governance arrangements in operation during the year under review. The Group is in the course of reviewing its governance framework following the acquisition.

Per the acquisition Scheme of Arrangement document published on 12 August 2022, and following completion of the acquisition, it is intended that the Fastmarkets division is separated. Fastmarkets is therefore presented as discontinued operations in this Report.

## Alternative Performance Measures (APMs)

The Group's APMs are described and reconciled to the Group's statutory measures on pages 113 to 119.

# Purpose, business model, strategy and value creation

Euromoney is a global B2B information-services business. It provides actionable data, analysis, intelligence and access in markets where information and convening market participants are valued.

Euromoney's customers are commodity market participants, financial and professional services firms and the asset management industry.

Euromoney is mainly subscription-based, selling high-value, proprietary data, insight, research, analysis and news. Euromoney also runs events and provides marketing services. The business has customers in more than 170 countries and over 2,600 employees located in North America, South America, Europe and Asia.

Euromoney's purpose is to provide clarity in opaque markets to help customers compete successfully.

## Business model and strategy

Euromoney's business model enables it to achieve its purpose and create value.

The Group's people, data, brands, technology and financial strength are fundamental to its success:

Euromoney benefits from:

- Entrepreneurial, talented and empowered teams with valued knowledge and skills
- Brands that are globally recognised and trusted with products and services embedded in customers' workflow (3.0)
- Products and services that provide must-have data, intelligence and content, delivering recurring revenue from subscriptions and events
- Leading technology solutions
- In-depth experience of in-person and virtual events
- A strong financial model which supports continued investment

Euromoney's 3.0 strategy is to provide information services embedded in customers' critical workflow. These are characterised by resilient and robust recurring subscriptions revenue. Euromoney has a record of successful organic investment and of acquiring good 3.0 businesses. Its Environment, Social and Governance (ESG) focus areas (see page 11) are integral to its strategy. During FY 2022 Euromoney made further significant progress in achieving its goal of being a fast-growing, high-margin, 3.0 information-services subscription business.

# Business review

## Markets

### Commodity market participants

Price reporting agencies (PRAs) publish market prices for commodities to bring transparency to what would otherwise be opaque markets. In many instances, the prices published become established industry benchmarks. These benchmarks are used by market participants, including buyers and sellers, to facilitate long-term supply and hedging contracts by providing trusted pricing transparency. Methodologies for pricing vary by market. Prices are usually published daily, weekly or monthly, and data is accessible via subscriptions or licensing arrangements. PRAs like Fastmarkets, have become an established part of the global commodity sector with their data embedded within transactions across the markets they serve.

### Financial and Professional Services firms

Financial and Professional Services and Telecoms businesses operate in markets which are increasingly complex, dynamic and hard to navigate. Their customers engage them for their specialist knowledge, services and client solutions. Euromoney's brands provide essential data and market intelligence, which are critical to stay relevant, and also a source of competitive advantage. Information needs to be accurate, legal, fast and easy to use and, increasingly, integrated into workflow through technology.

The financial and professional services and telecoms sectors continue to thrive on personal relationships. As a result, there is strong demand for events which convene industries and facilitate networking and trade.

### Asset Management industry

The Asset Management sector continues to grow, both by assets under management and revenue. However, within the sector there are big shifts. Passively managed assets have grown strongly; traditional active management is under pressure; and 'smart beta' products are growing. Increasing competition is driving consolidation among managers.

Euromoney's brands serve the asset management and broader financial community through exclusive access, essential market intelligence and in-depth investment research.

## FY 2022 performance

### Summary

The Group delivered an excellent performance in FY 2022, benefiting from continued execution of its 3.0 strategy. Strong growth in both subscriptions and events revenue, with the latter recovering strongly against a covid-impacted comparative, resulted in strong growth in Group revenue and adjusted operating profit, and an increase in adjusted operating margin.

### FY 2022 highlights

- Underlying Group revenue increased by 19%, reflecting subscriptions revenue growth of 7% and events revenue growth of 77%
- Adjusted operating margin increased by 4 percentage points to 23%
- Adjusted PBT increased by 51%, reflecting strong revenue performance while continuing to invest across the Group
- Adjusted EPS increased by 45% to 68.0p
- Statutory revenue increased by 28% reflecting continuing operations and foreign exchange benefits
- Statutory operating profit of £1.8m (FY 2021: £6.0m) reflecting an increase in adjusted operating profit that was outweighed by an increase in exceptional charges, mainly driven by property rationalisation during the year
- Statutory EPS increased by 180% to 32.8p
- Net cash increased to £59.7m at 30 September 2022 (30 September 2021: £32.5m)
- Book of Business (BoB), a key leading indicator of subscriptions revenue growth, grew by 7.0% at 30 September 2022
- Acquisition of Boardroom Insiders – a highly complementary addition to Altrata (People Intelligence)
- Asset Management – Investment Research business stabilised earlier than planned
- Events – strong demand for in-person events with many recent events exceeding pre-pandemic equivalents

## Outlook

Euromoney benefits from being embedded in customers' critical workflow and the resilient and recurring nature of its subscriptions revenue. Demand for Euromoney's deal-making events remains strong. Whilst inflationary pressure is being felt in Euromoney's cost base, the Group is proactively managing both supplier and customer relationships to mitigate the profit impact of increases in inflation.

As noted previously the Consortium intends to separate the Group into two businesses, with Fastmarkets becoming standalone, owned by Astorg, and Financial & Professional Services and Asset Management owned by Epiris.

## Operating and financial review

When reviewing performance, a number of adjusted performance measures are used, as set out on pages 113 to 119.

During FY 2022 the Group operated through three divisions: Fastmarkets, Financial & Professional Services (FPS) and Asset Management. As previously noted, the Consortium intends to separate the Group into two businesses with Fastmarkets becoming standalone and is therefore reported as discontinued operations.

# Business review continued

Adjusted measures and underlying results include the results from the Group's continuing and discontinued operations. Detailed reconciliations of the Group's statutory, adjusted and underlying results are set out on pages 115 to 119.

The Group delivered a strong performance during the year driven by growth in both subscriptions and events revenue.

Euromoney is a majority-subscriptions business. 64% of total Group revenue during the year was generated from subscriptions which grew by 7% underlying and 15% on a reported basis. Across the Group, subscriptions continued to achieve high renewal rates.

Events revenue, which accounted for 27% of total Group revenue in FY 2022, grew by 77% underlying and 90% on a reported basis. The return of in-person events led to a significant improvement in revenue, with total events revenue of £115.9m against a comparative of £60.9m in FY 2021, during which all H1 2021 events were virtual.

Overall, total Group revenue increased by 19% underlying and by 26% on a reported basis. Adjusted operating profit increased by 32% on an underlying basis, with Group adjusted operating margin increasing by 4 percentage points to 23%. Adjusted profit before tax increased by 51%. Net cash at 30 September 2022 increased to £59.7m (30 September 2021: £32.5m).

## Revenue and adjusted operating profit

| | **FY 2022 £m** | FY 2021 £m | Change £m | **Underlying[1] change £m** |
|---|---|---|---|---|
| **Revenue by division** | | | | |
| Fastmarkets | **106.8** | 85.5 | +25% | +19% |
| FPS | **196.5** | 138.4 | +42% | +28% |
| Asset Management | **123.1** | 109.8 | +12% | +6% |
| Foreign exchange (losses)/gains on forward contracts | **(1.3)** | 2.4 | | |
| | | | | |
| **Revenue by type** | | | | |
| Subscriptions | **270.7** | 234.6 | +15% | +7% |
| Events | **115.9** | 60.9 | +90% | +77% |
| Other | **39.8** | 38.2 | +4% | (2%) |
| Foreign exchange (losses)/gains on forward contracts | **(1.3)** | 2.4 | | |
| **Total** | **425.1** | 336.1 | +26% | +19% |
| Divisional adjusted operating profit[1] | **129.8** | 97.5 | +33% | +23% |
| Foreign exchange (losses)/gains on forward contracts | **(1.3)** | 2.4 | | |
| Central costs | **(32.2)** | (34.6) | (7%) | (3%) |
| | | | | |
| **Adjusted operating profit[1]** | **96.3** | 65.3 | +48% | +32% |
| Adjusted operating profit margin %[1] | **23%** | 19% | +4ppt | |

1 Detailed reconciliations of the Group's statutory, adjusted and underlying results are set out on pages 115 to 119.

## Fastmarkets: 25% of Group revenue

Fastmarkets provides commodity price benchmarks and analysis critical to customers' business processes and workflows. Fastmarkets provides prices across the supply chain from the source of the commodity to recycling in the metals, mining, forest products and agriculture markets.

| | **FY 2022 £m** | FY 2021 £m | Change £m | **Underlying[1] change £m** |
|---|---|---|---|---|
| **Revenue** | | | | |
| Subscriptions | **94.4** | 79.9 | +18% | +13% |
| Events | **9.2** | 2.7 | +240% | +184% |
| Other | **3.2** | 2.9 | +10% | +2% |
| **Total** | **106.8** | 85.5 | +25% | +19% |
| **Adjusted operating profit[1]** | **39.2** | 30.4 | +29% | +21% |
| Adjusted operating profit margin %[1] | **37%** | 36% | +1ppt | |

1 Detailed reconciliations of the Group's statutory, adjusted and underlying results are set out on pages 115 to 119.

Fastmarkets revenue increased by 19% underlying driven by a very strong performance in subscriptions. On a reported basis revenue increased by 25% reflecting the benefit from foreign exchange.

Subscriptions revenue, which is 88% of divisional revenue, grew by 13% underlying and by 18% on a reported basis driven largely by growth in Metals and Mining and Forest Products. The subscription BoB increased by 11.1% year-on-year at 30 September 2022, driven largely by a combination of increased sales of data licences and cross-selling of additional data sets to existing clients as well as sales to new customers.

Events revenue, which is 9% of divisional revenue, grew very strongly on both an underlying and reported basis, reflecting the return of in-person events. Other revenue, which is 3% of divisional revenue, increased by 2% underlying and 10% on a reported basis.

# Business review continued

Adjusted operating profit increased by 21% underlying, reflecting the strong growth in high margin subscriptions revenue. On a reported basis adjusted operating profit increased by 29%.

## Financial & Professional Services (FPS): 46% of Group revenue

FPS provides essential and actionable data, people and market intelligence, accreditation, marketing services, and events to financial and professional services businesses. FPS also delivers embedded workflow solutions and business development services. It combines a complementary portfolio of well-known industry brands that operate within four pillars: Altrata (People Intelligence), NextGen, Derivatives, and Events.

| | FY 2022 £m | FY 2021 £m | Change £m | Underlying[1] change £m |
|---|---|---|---|---|
| **Revenue** | | | | |
| Subscriptions | **104.8** | 87.1 | +20% | +6% |
| Events | **69.2** | 29.0 | +139% | +122% |
| Other | **22.5** | 22.3 | +1% | (5%) |
| **Total** | **196.5** | 138.4 | +42% | +28% |
| **Adjusted operating profit[1]** | **47.4** | 24.6 | +93% | +71% |
| Adjusted operating profit margin %[1] | **24%** | 18% | +6ppts | |

1 Detailed reconciliations of the Group's statutory, adjusted and underlying results are set out on pages 115 to 119.

FPS revenue increased by 28% underlying, driven by the return of in-person events and continued growth in subscriptions. On a reported basis revenue increased by 42% reflecting the impact of the acquisitions of Wealth Engine, RelSci and Boardroom Insiders and the benefit from foreign exchange.

Subscriptions revenue, which is 53% of divisional revenue, increased by 6% underlying, benefiting from strong growth in Altrata (People Intelligence) and by 20% on a reported basis. Renewal rates for the division remained high during the period, demonstrating the essential nature of the data, specialist insight and solutions provided. The subscription BoB increased by 8.7% year-on-year at 30 September 2022.

Events revenue, which is 35% of divisional revenue, more than doubled on an underlying and a reported basis as in-person events returned. During FY 2022 FPS ran 150 in-person events and 16 virtual events in comparison with 35 in-person events and 235 virtual events in FY 2021. Events that ran in FY 2022 that also ran in FY 2019, achieved 96% of FY 2019 revenue.

Other revenue, which consists of research and rankings, advertising, consultancy and thought leadership, and is 12% of divisional revenue, decreased by 5% underlying and increased by 1% on a reported basis.

Adjusted operating profit increased by 71% on an underlying basis, reflecting the return of in-person events and continued growth in high margin subscriptions. On a reported basis adjusted operating profit increased by 93%.

We further strengthened Altrata (People Intelligence) with the acquisition of Boardroom Insiders in January 2022.

## Asset Management: 29% of Group revenue

Asset Management includes Euromoney's brands and businesses that serve the global asset management industry and broader financial community: BCA Research, Ned Davis Research (NDR) and Institutional Investor. The division provides independent research that enables clients to make informed investment decisions, runs networks and conferences that bring asset allocators and asset managers together in an effective and efficient way, and provides news and data that are critical for the industry to stay informed and make deals.

| | FY 2022 £m | FY 2021 £m | Change £m | Underlying[1] change £m |
|---|---|---|---|---|
| **Revenue** | | | | |
| Subscriptions | **71.5** | 67.6 | +6% | – |
| Events | **37.5** | 29.2 | +28% | +21% |
| Other | **14.1** | 13.0 | +9% | +2% |
| **Total** | **123.1** | 109.8 | +12% | +6% |
| **Adjusted operating profit[1]** | **43.2** | 42.5 | +2% | (5%) |
| Adjusted operating profit margin %[1] | **35%** | 39% | (4ppt) | |

1 Detailed reconciliations of the Group's statutory, adjusted and underlying results are set out on pages 115 to 119.

Asset Management revenue increased by 6% underlying, mainly reflecting growth in events revenue driven by the return of in-person events, and stabilisation of subscriptions revenue. On a reported basis, revenue increased by 12% reflecting the benefit from foreign exchange.

Subscriptions revenue, which is 58% of divisional revenue, was flat on an underlying basis and increased by 6% on a reported basis. This compares with a 3% underlying decline in FY 2021.

# Business review continued

Asset Management achieved its target early of returning the non-vote Investment Research subscription BoB to growth by the end of FY 2022. The turnaround was driven by a higher renewal rate following investment in the sales team and in auto-renewals, integration of sales teams to drive cross-selling, and new research products. The 12-month moving average renewal rate at 30 September 2022 increased to 92% (30 September 2021: 90%).

Investment Solutions, which embeds proprietary data and intellectual property into investment decision making processes, also contributed to the turnaround and continued its growth of assets under advisement, reaching $2.0bn in 30 September 2022 despite declines in most major indices (30 September 2021: $1.9bn).

Events revenue, which is 30% of divisional revenue, increased by 21% underlying and by 28% on a reported basis. Institutional Investor membership revenue grew by 14% on a reported basis.

Other revenue, which includes Institutional Investor research reports and media, and is 12% of divisional revenue, grew by 2% underlying and by 9% on a reported basis.

Asset Management adjusted operating profit decreased by 5% underlying and increased by 2% on a reported basis, largely reflecting increased costs associated with the return of physical events (compared to Institutional Investor memberships revenue, which is recognised over a 12-month subscription period) and investment in growth initiatives.

## Reconciliation of statutory to adjusted results

| | | 2022 | | | | Restated[1] 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Notes | Statutory £m | Discontinued Operations £m | Adjustments £m | Adjusted £m | Statutory £m | Discontinued Operations £m | Adjustments £m | Adjusted £m |
| **Revenue** | 3 | **318.8** | **106.3** | **–** | **425.1** | 249.9 | 86.2 | – | 336.1 |
| **Operating profit before acquired intangible amortisation and exceptional items** | 3 | **53.3** | **43.3** | **(0.3)** | **96.3** | 29.9 | 35.4 | – | 65.3 |
| Acquired intangible amortisation | 12 | **(15.7)** | **(5.9)** | **21.6** | **–** | (12.6) | (6.4) | 19.0 | – |
| Exceptional items | 5 | **(35.8)** | **(0.6)** | **36.4** | **–** | (11.3) | (3.8) | 15.1 | – |
| **Operating profit** | | **1.8** | **36.8** | **57.7** | **96.3** | 6.0 | 25.2 | 34.1 | 65.3 |
| ***Operating profit margin*** | | ***1%*** | ***35%*** | | ***23%*** | *2%* | *29%* | | *19%* |
| Share of results in associates | 15 | **(0.3)** | **–** | **0.2** | **(0.1)** | – | – | 0.3 | 0.3 |
| Finance income | 7 | **2.0** | **–** | **–** | **2.0** | – | – | – | – |
| Finance expense | 7 | **(3.4)** | **(0.1)** | **(1.7)** | **(5.2)** | (4.3) | (0.2) | 0.3 | (4.2) |
| **Net finance costs** | 7 | **(1.4)** | **(0.1)** | **(1.7)** | **(3.2)** | (4.3) | (0.2) | 0.3 | (4.2) |
| **Profit before tax** | | **0.1** | **36.7** | **56.2** | **93.0** | 1.7 | 25.0 | 34.7 | 61.4 |
| Tax credit/(expense) on profit | 8 | **6.5** | **(7.9)** | **(18.0)** | **(19.4)** | (10.2) | (3.9) | 3.2 | (10.9) |
| **Profit for the year** | | **6.6** | **28.8** | **38.2** | **73.6** | (8.5) | 21.1 | 37.9 | 50.5 |
| **Profit for the year from discontinued operations** | 11 | **28.8** | **(28.8)** | **–** | **–** | 21.1 | (21.1) | – | – |
| **Profit for the year** | | **35.4** | **–** | **38.2** | **73.6** | 12.6 | – | 37.9 | 50.5 |
| **Diluted earnings per share** | 10 | **32.8p** | | | **68.0p** | 11.7p | | | 46.8p |

1 As outlined in note 1 to the Consolidated Financial Statements, the results for the year ended 30 September 2021 have been restated.

Total Group revenue increased by 19% underlying and by 26% on a reported basis, reflecting the return of in-person events and continued growth in subscriptions revenue. Central costs decreased by 3% underlying and by 7% on a reported basis. This resulted in adjusted operating profit underlying growth of 32% to £96.3m and 48% on a reported basis.

Adjusted operating profit margin increased by 4 percentage points to 23%. Adjusted profit before tax increased by 51% to £93.0m, mainly reflecting higher adjusted operating profit. Adjusted diluted earnings per share increased by 45% to 68.0p (FY 2021: 46.8p).

Profit before tax from continuing and discontinued operations increased by £10.1m to £36.8m (30 September 2021: £26.7m). This was principally driven by the strong underlying business performance partly offset by a £21.3m increase in exceptional charges to £36.4m (30 September 2021: £15.1m).

Statutory revenue increased by 28% reflecting continuing operations and foreign exchange benefits. Statutory profit before tax from continuing operations decreased by £1.6m to £0.1m (30 September 2021: £1.7m) reflecting the increase in adjusted operating profit offset by higher exceptional charges.

# Business review continued

Revenue from discontinued operations increased by 23% reflecting the performance of Fastmarkets. Profit before tax from discontinued operations increased by £11.7 to £36.7m (30 September 2021: £25.0m) largely reflecting the increase in adjusted operating profit at Fastmarkets.

## Exceptional items

In FY 2022, total exceptional costs were £36.4m. Following the successful introduction of flexible working across Euromoney, real estate requirements across the Group were reviewed and significant opportunities identified to reduce office costs in London and New York to reflect a footprint suitable for the Group's needs. As a result, £20.8m of exceptional impairments were booked against right of use assets and other fixed assets offset by a release of lease liabilities.

Costs of £2.2m associated with establishing the new finance hub in Sofia, Bulgaria in 2022 have been included in exceptional items. Costs relating to the sale of Euromoney to the Consortium of £5.7m have been recognised in exceptional items. The remainder will be incurred in FY 2023 where they were contingent on completion of the transaction. Other exceptional costs of £2.5m consist of expenditure associated with acquisition-related costs for Boardroom Insiders, Relationship Science and WealthEngine. Significant costs associated with M&A activity that did not complete of £2.9m are treated as exceptional items.

Fastmarkets discontinued operations exceptional items of £0.6m relate to acquisition-related costs of The Jacobsen; the recognition of earn-out payments for the acquisitions of AgriCensus treated as compensation costs; and costs incurred in relation to the sale of the Group.

The cashflow impact of exceptional items for FY 2022 was an outflow of £11.9m.

## Tax

The adjusted effective tax rate for FY 2022 is 21% (FY 2021 restated: 18%) which is based on adjusted profit before tax and excludes discontinued operations, deferred tax movements on intangible assets, tax on exceptional items, prior year items and other tax adjusting items as described below. The tax rate in each year depends mainly on the geographic mix of profits as well as on applicable tax rates. The adjusted effective tax rate is higher than the prior year due to a non-recurring disallowance of interest expense for US tax purposes offset in part by deferred tax credits on future share based payment deductions. This disallowance does not impact the Group's cash tax rate for the current period.

The Group's statutory effective tax rate for FY 2022 is 4%. The statutory effective tax rate includes the impact of the release of a £12.7m provision for a UK tax enquiry. While the litigation process is still ongoing, following the favourable Upper Tier Tribunal judgement, the Group has concluded that due to a significant change in the facts and circumstances, it is no longer probable that there will ultimately be a cash outflow to HM Revenue and Customs (HMRC). The tax rate is also impacted by exceptional costs incurred relating to the acquisition of the Group, deferred tax liabilities recognised in relation to expected US tax gain arising on the Fastmarkets separation, the non-recurring disallowance of interest expense noted above, and costs relating to the Group's decision to vacate of some of its office spaces in London and New York. The basis for the calculation of both effective tax rates and further information can be found in notes 2, 8 and 24.

## Dividend

An interim dividend of 6.1p per share, a 7% increase year-on-year (H1 2021: 5.7p) was paid on 24 June 2022 to shareholders. As a result of the sale of the Group no final dividend has been proposed.

# Business review continued

## Net cash and cash flow

A reconciliation of free cash flow, cash generated from operations and cash and cash equivalents is set out below.

| | FY 2022 £m | FY 2021 £m | Change £m |
|---|---|---|---|
| Cash generated from operations | **97.0** | 67.3 | 29.7 |
| Leases and interest | **(18.8)** | (12.4) | (6.4) |
| Capex | **(2.7)** | (4.7) | 2.0 |
| Taxation | **(15.2)** | (3.2) | (12.0) |
| Free cash flow | **60.3** | 47.0 | 13.3 |
| Dividends paid | **(20.1)** | (18.5) | (1.6) |
| Net M&A | **(18.4)** | (24.3) | 5.9 |
| Share capital | **0.2** | – | 0.2 |
| | **22.0** | 4.2 | 17.8 |
| Opening cash and cash equivalents | **32.5** | 28.1 | 4.4 |
| Currency translation | **5.2** | 0.2 | 5.0 |
| **Closing cash and cash equivalents** | **59.7** | 32.5 | 27.2 |

Operating cash flow of £97.0m was underpinned by strong growth in subscriptions and the return of in-person events. Free cash flow increased by £13.3m to £60.3m. The Group's adjusted cash conversion for FY 2022 was 111% (FY 2021: 123%). See page 118 for the calculation. The tax payments for FY 2022 include £5.2m of Canadian withholding tax which arose on the settlement of accrued interest and a $100m intragroup dividend from FY 2021. After dividends and net M&A net cash at 30 September 2022 increased to £59.7m from £32.5m.

## Statement of financial position

The Group was adequately funded through the period with a £190m committed multi-currency revolving credit facility which was available to the Group until May 2025. Borrowing facilities post-completion of the sale of Euromoney are described in note 31.

Goodwill and intangible assets reduced by £141.0m. This reduction is largely due to the reclassification of Fastmarkets to held for sale of £240.7m, amortisation and impairments of £26.6m, offset by exchange differences of £104.5m, new balances arising with the acquisition of Boardroom Insiders of £19.4m and capitalisation of assets in the ordinary course of business of £2.3m.

Right of use assets reduced by £33.1m. This movement is mostly attributable to impairments of £33.8m charged to the Group's London and New York offices following the successful implementation of flexible working.

Lease liabilities reduced by £34.3m. This was primarily due to the successful negotiation of the Group's exit from its New York lease following the implementation of flexible working. The present value of the lease liability released at the point of the agreed exit was £31.9m.

Contract liabilities reduced by £22.1m. The movement reflects contract liabilities increasing by £21.3m, reflecting growth in the business and an exchange gain of £18.8m, offset by the reclassification of Fastmarkets as held for sale of £62.2m.

There is a net reduction in net deferred tax liabilities primarily as a result of the separation of Fastmarkets, which requires certain deferred tax assets and liabilities to be reclassified to amounts held for sale. Other significant movements during the year are in respect of the unwinding of deferred tax liabilities on capitalised goodwill and intangibles and the recognition of a deferred tax asset on share based payments as well as reductions in deferred tax on lease liabilities and right of use assets as a result of the vacation of office space in London and New York.

## Currency

During the period the Group generated approximately 75% of its revenue in US dollars, including approximately 45% of its UK revenue and approximately 90% of its operating profit. The exposure to US dollar revenue in the UK businesses is partially hedged using forward contracts to sell US dollars, which delays the impact of movements in exchange rates for at least a year.

The average sterling-US dollar rate for FY 2022 was $1.29 (FY 2021: $1.37). This increased headline revenue growth rates for the year by approximately 4 percentage points and adjusted profit before tax by £4.7m. The Group also translates its non-sterling denominated balance sheet items, which resulted in a gain in FY 2022 of £3.4m (FY 2021: nil).

# Business review continued

## Key performance indicators

The Group monitors performance against strategy using the following key performance indicators.

The Group's APMs are described and reconciled to the Group's statutory measures on pages 113 to 119.

| Measure | Relevance | FY 2022 | FY 2021 | Performance | Outcome |
|---|---|---|---|---|---|
| **Adjusted profit before tax** | Euromoney actively manages its portfolio and allocates capital to increase adjusted profit before tax over the long term. | £93.0m | £61.4m | Adjusted profit before tax increased by 51% to £93.0m, reflecting operating margin expansion while continuing to invest in the business. | Linked to Directors' remuneration. See page 34. |
| **Underlying revenue growth** | Underlying revenue growth compares revenue on a like-for-like basis and is an important indicator of the health and trajectory of the Group's business performance. | 19% | (2%) | Underlying revenue growth increased by 19%, driven by growth in both subscriptions and events revenue. Underlying subscriptions revenue grew by 7% and events revenue grew by 77%. | Linked to Directors' remuneration. See page 34. |
| **Subscription Book of Business** | Book of Business (BoB) represents the annual contracted values for subscriptions across the Group and reflects the impact of new sales, price increases, upgrades, downgrades and full cancellations. It is a key indicator of the Group's subscriptions growth. | 7.0% | 6.6% | Subscription BoB growth improved to 7.0% with strong growth in Fastmarkets (11.1%) and FPS (8.7%). Asset Management was broadly stable (-0.4%). | |
| **Subscription share of total revenue** | Subscription-based products usually have the advantage of high renewal rates and high margins. | 64% | 70% | The Group's proportion of revenue derived from subscription and content-related products decreased from 70% to 64% of its total revenue reflecting in part the very strong recovery in events. | |
| **Adjusted operating margin** | The movement in adjusted operating margin measures the efficiency of the Group. Consistent operating margin improvement is a business imperative, driven by investment choices, and a focus on reducing costs and improving mix. | 23% | 19% | Adjusted operating margin increased by 4 percentage points to 23%, largely reflecting the recovery in events revenue and continued growth in high margin subscription revenue. | |
| **Adjusted diluted earnings per share** | Euromoney seeks sustained long-term growth in adjusted diluted earnings per share to maximise overall returns to shareholders. | 68.0p | 46.8p | The increase from 46.8p to 68.0p reflects the improved adjusted profit before tax. | |
| **Adjusted cash conversion rate** | Cash conversion is a measure of the quality of Euromoney's earnings. The objective is to achieve consistent conversion of earnings into cash of above 90%. This KPI measures the percentage by which adjusted cash generated from operations, net of capital expenditure, covers adjusted operating profit. | 111% | 123% | Continued strong cash conversion performance benefiting from the growth in subscriptions following an exceptionally strong working capital performance in FY 2021. | |
| **Adjusted net (cash)/debt to EBITDA** | The Group aims to keep net debt below three times EBITDA. The amount of the Group's net (cash)/debt to adjusted operating profit and share of results in associates and joint ventures before depreciation and amortisation of licences and software is adjusted for the timing of acquisitions and disposals. | (0.57)x | (0.48)x | At 30 September 2022 the Group's net debt was comfortably below the covenant maximum of three times EBITDA. | |

# Sustainability and stakeholders

Euromoney's purpose, combined with its operating model and strategy, are designed to create a high quality, resilient business and value for stakeholders.

These are supported by an ESG framework which includes ESG focus areas determined as the most relevant for Euromoney to create value and manage risk. These five focus areas reflect the culture and values of the Group and its ambitions.

| | |
|---|---|
| **Employees** | Euromoney's people are creative, action-orientated, close to their customers, passionate about their brands and knowledgeable about the industries they serve.<br>The Group aims to deliver an entrepreneurial, collaborative, inclusive and empowered culture where knowledge and skills are valued and teams are engaged, trusted and diverse.<br>Collaboration across the business enables team members to grow their experience and create a long-term career with the Group. |
| **Community** | It is important that the Group gives back to the communities in which it operates, both formally through co-ordinated charitable activities and through employees, each of whom is provided with two days to volunteer every year.<br>The Company does not make political contributions or participate in the development of public policy in any global jurisdiction. |
| **Customers** | Euromoney's customers are financial and professional services firms and the asset management industry.<br>Through globally recognised and trusted brands the Group aims to deliver products, networks and services that are embedded in workflow and provide clarity in opaque markets to help customers operate and compete successfully. |
| **Partners** | As a diverse, global organisation, Euromoney collaborates with partners in many different sectors to innovate and deliver for customers.<br>The Group pursues long-term, mutually beneficial relationships with established suppliers but recognises the importance of seeking new ideas from a range of sources. |

## Euromoney's ESG focus areas

Euromoney's ESG focus areas have been determined as the most relevant for the Group. They reflect the culture and values of the Group and its ambitions. Integrating these consistently into decision-making at Group and divisional level helps create value through seizing ESG-related opportunities and managing ESG risk.

In FY 2022 the company introduced an ESG performance measure to the Directors' Remuneration Policy (Annual Bonus). Read more on page 34. Euromoney's ESG Committee met regularly across the year to discuss and monitor progress with KPIs for each focus area being regularly reviewed. The following table highlights some of the key areas of progress for each focus area during the year.

| Focus area | Progress during the year |
|---|---|
| **Workforce inclusion, diversity and well-being**<br>Euromoney is a people business. The success and the value created for customers comes from the work its people do every day. Euromoney recognises that this talent is to be found in all demographics. Euromoney is committed to enabling its people to reach their full potential and thrive. To do this, they need to feel they belong; to be motivated, engaged and empowered; and have their well-being needs supported. | • Since October 2021 Euromoney has successfully introduced Working 3.0 which allows every colleague to choose where they work and, secondly, the ability to start their weekend at Friday lunchtime. This extra flexibility has received strong support from colleagues and means the recruitment talent pool in an increasingly challenging labour market is not limited by geography<br>• Working 3.0 has also enabled rationalisation of Euromoney's office footprint, resulting in a sustainable reduction in property costs and resource use<br>• During the year Euromoney set up a Black Representation Committee and progressed a number of related initiatives including representation, development and learning<br>• The Euromoney team was able to participate in an active calendar of activities through the year led by its employee resource groups<br>• Positive results were achieved in the Annual Survey on culture, diversity and inclusion<br>• The Group put increased focus on well-being including mental health initiatives |

# Sustainability and stakeholders continued

| Focus area | Progress during the year |
|---|---|
| **Data and information security and privacy**<br>Proprietary data, analysis, news and insights are the foundation of Euromoney's customer offer. For this information to be valuable it must be accurate, useful, and legal. Among other guarantors of quality, the Group needs to deliver the highest standards of information security. As holders of information on customers, Euromoney needs to be trusted to safeguard this data securely and use it responsibly. | • During the year Euromoney continued to strengthen its framework for the responsible use of personal data in a way that is lawful, fair, ethical and accountable. This year this included building a Customer Trust Centre which demonstrates data transparency by allowing customers to view their consent history, indicate communication preferences and understand why and how the Group processes their personal data through a central portal<br>• The Group continued to invest to strengthen cyber security with increased focus on patch management, implementation of a 24/7 security operations centre and completion penetration testing on 100% of the Group's applications<br>• Increased focus on user awareness and training during the year resulted in a significant drop in employee susceptibility to phishing<br>• A crisis simulation exercise was performed to educate key stakeholders and test and improve the Group's cyber incident response plan |
| **Transparency, ethics, governance, and risk management**<br>Euromoney facilitates efficient markets by providing data and insights. It also believes in the contribution business makes to society. Efficient markets and fulfilling societal responsibilities also require that market participants operate with transparency, adopt ethical practices, establish strong governance frameworks and manage risk robustly. | • During FY 2022 Euromoney launched its Code of Business Conduct<br>• An enhanced Information Security strategy is being implemented to tackle enhanced Cyber risks<br>• ESG and, in particular, climate change risks, are proactively considered as part of the mid-year and year-end risk assessment processes across the divisions and functions |
| **Encouraging strong ESG practices in the markets Euromoney serves**<br>As well as the actions taken internally, Euromoney believes that it is well positioned to shape good ESG practices in the markets it serves through raising the profile of ESG matters such as inclusion and diversity and climate change, and by expanding its footprint in ESG-related areas. Euromoney encourages good practices through its events, in the stories and reports it writes, in its investment research, and in the awards and benchmarks it co-ordinates. The Group curates a diverse range of voices, topics and data and also focuses on developing new products to serve the ESG needs of customers, for example ESG-related investment models in Asset Management. | • In December 2021 Euromoney became a signatory of the Net Zero Carbon Events Pledge which was launched at COP26 in Glasgow<br>• Fastmarkets continued to promote environmentally friendly prices (e.g. scrap and secondary prices and energy transition products)<br>• Euromoney's events featured over 460 ESG focused speakers and over 60 ESG focused panels. There were 10 dedicated ESG events<br>• Euromoney's events featured over 60 Inclusion and Diversity focused speakers and 16 Inclusion and Diversity panels |
| **Reducing climate impact**<br>Euromoney is not a high-carbon emitting organisation, but it recognises the need to play its part and reduce both its climate and other environmental impacts. It aims to be a leader in running environmentally sustainable events through appropriate sourcing and waste reduction and by lowering the carbon footprint per attendee, and it continues to look for ways to reduce energy use in its offices and its equipment. | • Euromoney achieved its target of carbon neutral status for FY 2021 Scope 1 and Scope 2 emissions by purchasing high-quality offsets during the year<br>• During the year Euromoney completed a detailed materiality analysis of emissions generated in its value chain (Scope 3) with the intention of enhancing carbon reporting by adding material emissions not yet reported to the Group's emissions inventory<br>• In FY 2021 Euromoney's Scope 3 emissions inventory included employee air travel for business purposes. As a result of the materiality analysis Euromoney broadened the boundaries of its Scope 3 footprint by including three additional emissions sources: Clouding and web hosting services; emissions from home working; emissions from co-working space. The Group is also working on enhancing data collection and processing to enable the inclusion of event delivery in future Scope 3 inventories<br>• Euromoney held its first certified carbon neutral event in September 2022 in Vienna. The event (ECBC 2022) was held in the Austria Centre with 1,100 attendees. Through careful planning of venue choice and meal options, and working with sponsors, exhibiting companies and delegates, significant steps were taken to reduce the environmental footprint of the event. It is estimated that the measures taken resulted in an 85% reduction in emissions associated with event operations and catering when compared to the industry average. Residual emissions, together with those from attendee travel and accommodation, were offset through a number of global environmental and well-being projects, all of which met the Verified Carbon Standard and support the UN Sustainability Goals |

# Sustainability and stakeholders continued

## Ethics

All businesses have a responsibility to behave in an ethical manner.

Responsible behaviour is woven into Euromoney's culture and supported by a formal Code of Business Conduct which sets out clear standards for acceptable behaviour and business practice throughout the Group. See page 12.

As a global group acquiring products and services from vendors and partners around the world, Euromoney also has a responsibility to promote high standards in its supply chains. This includes tackling modern slavery. A Modern Slavery Act Transparency Statement is published on the Group's website.

Related Group ethics policies include a Trade Sanctions policy; an Anti-bribery and Corruption policy; and a Speak-up policy.

Euromoney's suite of ethics and other policies reflect the importance of these matters to the Group and its stakeholders.

Euromoney is committed to upholding all internationally recognised human rights standards, such as the United Nations Guiding Principles on Business and Human Rights and ensuring its operations and supply chains are free of human trafficking and slavery.

## Culture and employees

Euromoney employees are creative, action-orientated, close to their customers, passionate about their brands and knowledgeable about the industries they serve.

The Euromoney culture is considered in three principal ways:

- An inclusive culture that works for and supports diverse teams
- A consistent and high-quality employee experience
- A culture of growth and ethical business practice that will deliver for the business and its employees

The Group believes that championing inclusion and diversity creates value, and it rightly forms one of Euromoney's five ESG focus areas.

The aim is to foster a culture of open, two-way communication through many different channels. Euromoney's Global Staff Forum is a representative group from all divisions and functions that is both a sounding board and ideas generator for anything that involves the employee experience. Regular employee surveys are undertaken and town halls at Group, divisional, functional and local team level are hosted to ensure that Euromoney's teams feel connected and have the opportunity to ask questions and share their concerns with management. Employee Resource Groups also bring employees together to work on issues specific to their focus: Women@Euromoney; Pride@Euromoney; REF@Euromoney (Race, Ethnicity & Faith); Well-being@Euromoney and AVID (Awareness of Visible and Invisible Disabilities). These groups are supported by Euromoney's Global Inclusion & Diversity Council and its Black Representation Committee.

The ability of employees to thrive is very important for the success of the Group. By 'thrive' Euromoney means a combination of their experience working at Euromoney and their ability to perform to their best.

Euromoney has robust recruitment processes to ensure that the right people are hired for the right roles. Employee retention and growth is equally important, and Euromoney invests in Group-wide and business-specific training and development programmes as well as broader initiatives.

The Group is clear with employees as to the expectations of them. This aids employee development and encourages the right behaviours, within both the Group and when employees are representing the Group. Euromoney's Code of Business Conduct sets out expectations on how business should be conducted. The Code was updated, including input from the Board, Group Management Board and Staff Forum and rolled out to employees in December 2021 and published on the Group's website. Employee handbooks set out requirements in relation to use of the Group's IT resources and how the Group manages customer data.

Employees are encouraged to be vigilant and report behaviour inconsistent with the Code of Business Conduct or raise concerns when they feel that something is wrong. Euromoney seeks to create a culture where employees feel able to speak to a manager or other colleagues. Employees may also report formally, using Euromoney's grievance process or, alternatively, via a third party, using Euromoney's independent Speak-up hotline where concerns can be raised anonymously by any employee globally to report suspected instances of wrongdoing for investigation and appropriate action.

The Group has a duty to look after the safety and well-being of employees, in accordance with health and safety legislation and it does this in various ways and via appropriate policies.

The organisation benefits if it is able to hire, retain, develop and promote employees from diverse backgrounds irrespective of gender, race, faith, disability, sexual orientation or otherwise. Euromoney treats people equally, both in its hiring processes, subsequent management, and through the facilities made available to all employees.

It is Euromoney's policy to provide equal employment opportunities. The Group recruits and promotes employees on the basis of their qualifications, skills, aptitude and attitude. In employment-related decisions Euromoney complies with all applicable non-discrimination requirements, and the Group has zero tolerance for discrimination and harassment.

People with disabilities are given full consideration for employment and subsequent training, career development and promotion on the basis of their aptitude and ability.

## Gender diversity

During the period under review Euromoney benefited from gender diversity on both the Board and the Group Management Board which were 44% and 33% female respectively.

| | Female | Male | Total |
|---|---|---|---|
| Board | 4 | 5 | 9 |
| GMB | 3 | 6 | 9 |
| Senior Management Group[1] | 65 | 82 | 147 |
| All employees | 1,195 | 1,406 | 2,601 |

1 In line with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the Senior Management group includes senior managers and Directors of subsidiary companies.

# Sustainability and stakeholders continued

## Communities

Euromoney engages in the communities within which it operates in a variety of ways. The Group employs more than 2,600 people. Employees volunteer in the communities where they work and live and support charities that operate in those same communities. As a Group, Euromoney brings tax revenue to those communities and the nature of the business lends itself to having a relatively low carbon and environmental footprint.

## Energy and carbon disclosures

Euromoney fully supports the need for businesses to be transparent on climate and environmental matters as a driver of change. The Group presents progress towards disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) on page 16.

Euromoney has quantified the carbon footprint of its operations since 2006. Euromoney is not a high-carbon emitting organisation but recognises the importance of continuing to reduce climate and other environmental impacts.

During the year, Euromoney continued to improve the quality of carbon reporting and completed a materiality assessment to determine which indirect emissions sources (Scope 3) were material but had not yet been reported. Three of these sources were added to the Group's emissions inventory for FY 2022, supporting continued work on carbon offsetting and defining the Group's strategy to Net Zero for Scopes 1, 2 and 3.

## Scope 1 and 2 emissions

Euromoney is focused on reducing the energy consumption of office locations and systems.

Initiatives to date have included:

- Procuring electricity from renewable sources
- Reducing Euromoney's office footprint through the adoption of flexible working arrangements
- Investing in more energy efficient systems

Euromoney operates a green procurement policy at its London HQ whereby the Group only uses utility suppliers that can provide renewable electricity. e.g. hydro, wind, solar, biomass, landfill gas.

Energy efficiency initiatives implemented during FY 2022 have been minimal due to many employees working from home or co-working spaces.

In FY 2022 Euromoney offset its FY 2021 Scope 1 and 2 emissions by purchasing high-quality carbon offsets. These offsets had to be, at a minimum, issued, additional, permanent, and not cause leakage. Environment, community, economic and broader sustainable development co-benefits resulting from the offset project – a certified solar water heating project in India – were also considered.

## Scope 3 emissions

During the year Euromoney completed a detailed materiality analysis of emissions generated in its value chain (Scope 3) with the intention of enhancing carbon reporting by adding material emissions not yet reported to the Group's emissions inventory.

The key criteria used for the materiality assessment were:

| | |
|---|---|
| Size | They contribute significantly to Euromoney's total anticipated Scope 3 emissions |
| Influence | There are potential emissions reductions that could be undertaken or influenced by the Group |
| Risk | They contribute to the Group's risk exposure |
| Stakeholders | They are deemed critical by key stakeholders |
| Outsourcing | They are outsourced activities previously performed in-house or activities outsourced by the Group that are typically performed in-house by peer companies |
| Sector guidance | They have been identified as significant by sector-specific guidance |
| Spending or revenue analysis | They are areas that require a high level of spending or generate a high level of revenue (and are sometimes correlated with high GHG emissions) |

In FY 2021 Euromoney's Scope 3 emissions inventory included employee air travel for business purposes. As a result of the materiality analysis Euromoney broadened the boundaries of its Scope 3 footprint by including three additional emissions sources:

- Cloud and web hosting services
- Emissions from home working
- Emissions from co-working space

The addition of these sources to the FY 2022 inventory has led to an increase in the disclosed level of Scope 3 emissions as detailed in the table on page 15.

Delivery of events (attendee travel, venue, catering, materials and waste) has also been identified as a material contributor to Scope 3 emissions. In FY 2022 work began to enhance data collection and processing to enable the inclusion of event delivery in future Scope 3 inventories and, as described on page 12, enable more future carbon neutral events.

# Sustainability and stakeholders continued

## Carbon footprint

Euromoney's carbon footprint and total energy use for the 12-month period to 30 September 2022 is set out below.

Euromoney's footprint was prepared based on the GHG protocol methodology developed by the World Resource Institute (WRI) and the World Business Council for Sustainable Development and complies with the requirements of the Streamlined Energy & Carbon Reporting (SECR) requirements for UK businesses, and the HMG Environmental Reporting Guidelines. Emission factors used in the carbon footprint are predominantly sourced from BEIS conversion factors 2022. Data was collated and independently reviewed by environmental consultancy ICF. Euromoney's footprint has not been audited by a third-party assurance company.

The following direct and indirect GHG emissions sources have been included using an operational control approach:

- Scope 1 (direct emissions): combustion of fuel for heating purposes and leakage of refrigerant gases used in HVAC systems
- Scope 2 (indirect emissions): production of electricity imported from the grid and consumed by Euromoney office locations
- Scope 3 (other indirect emissions): employee air travel for business purposes, cloud and web hosting services, emissions from home working, emissions from co-working space

Emissions are calculated using a location-based approach where the Group estimates emissions based on factors that are specific for each location. Carbon savings from renewable energy procurement are thus not captured in the footprint.

FY 2021 input data has not been restated for the increased perimeter of Scope 3 emissions shown for FY 2022. This means that Scope 3 and total emissions are not comparable year-on-year.

| | **FY 2022** | | FY 2021 | |
|---|---|---|---|---|
| **Gross GHG emissions (in $tCO_2e$)** | **Global, incl. UK** | **UK only** | Global, incl. UK | UK only |
| Scope 1 | **200** | – | 200 | – |
| Scope 2 | **800** | 200 | 600 | 200 |
| Scope 3 | **2,900** | 1,900 | 500 | 100 |
| Scopes 1 + 2 + 3 | **3,900** | 2,100 | 1,300 | 300 |

| | **FY 2022** | | FY 2021 | |
|---|---|---|---|---|
| **Energy consumption (in MWh)** | **Global, incl. UK** | **UK only** | Global, incl. UK | UK only |
| Scope 1 | **1,000** | – | 1,100 | – |
| Scope 2 | **2,700** | 1,100 | 1,700 | 900 |
| Scopes 1 + 2 | **3,700** | 1,100 | 2,800 | 900 |

| | **FY 2022** | | FY 2021 | |
|---|---|---|---|---|
| **GHG emissions intensity ($tCO_2e$/£m revenue)** | **Global, incl. UK** | **UK only** | Global, incl. UK | UK only |
| Scope 1 + 2 | **2.4** | 1.1 | 2.4 | 1.5 |
| Scope 1 + 2 + 3 | **9.2** | 11.7 | 3.9 | 1.5 |

The results show an increase of 200% in Euromoney's disclosed gross carbon emissions and an increase of 136% in the GHG emissions intensity measure versus FY 2021. However, as noted above, Scope 3 and total emissions are not comparable year-on-year due to the extended perimeter disclosed for FY 2022.

Emissions from UK operations corresponded to 54% of total emissions and amounted to 2,100 $tCO_2e$.

The increase in Scope 2 emissions is primarily due to a new office tenancy in Canada and an increase in the energy consumption of two larger office sites in the UK and US which can be attributed to the return of business-as-usual operations after the impacts and restrictions of the covid-19 pandemic. The increase has been counterbalanced by a decrease in the $CO_2e$ emissions factor for electricity generated in the UK, which fell by 9% due to a reduction in the use of coal for electricity generation in the country.

The increase in Scope 3 emissions was 2,400 $tCO_2e$. Two of the newly added Scope 3 sources accounted for approximately 1,400 $tCO_2e$ of this increase, with 1,100 $tCO_2e$ coming from home working and 300 $tCO_2e$ from cloud and web hosting services. Scope 3 emissions were also impacted by an expected increase in business travel following the pandemic. The move to the use of co-working spaces also shifted some emissions that would previously have been in Scope 2 into Scope 3.

# Sustainability and stakeholders continued

## Progress towards Task Force on Climate-related Financial Disclosures

### Introduction

Climate change presents a material risk to the world as we know it. Since 2020, Euromoney has been enhancing its capabilities to identify, assess, monitor, and manage climate risks and meet the requirements of the Financial Conduct Authority's (FCA's) Policy Statement 21/23 (PS21/23) – Enhancing climate-related disclosures by standard listed companies.

Following the change in Euromoney's ownership in November 2022, there is currently no longer a regulatory requirement mandating disclosure of climate-related financial information in alignment with the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD). However, recognising the important role that climate-related financial disclosures play in improving management of climate-related risks and opportunities and encouraging accelerated capital allocation to societal transition towards a Net Zero economy, Euromoney has chosen to continue to report climate-related financial disclosures on a voluntary basis this year.

### Changes since FY 2021

Building on the work outlined in its FY 2021 Annual Report, Euromoney has enhanced the climate-related financial disclosures on pages 16 to 17 in line with recommendations of the TCFD. In particular, the Group has:

- Conducted a Group-wide climate-related risks and opportunities assessment and conducted qualitative scenario analysis on a subset of these risks and opportunities
- Continued to improve the quality of carbon reporting and completed a materiality assessment to determine additional indirect emissions (Scope 3) categories material to Euromoney
- Increased the perimeter of Scope 3 emissions to include additional material sources, supporting continued work on carbon offsetting and defining the Group's strategy to Net Zero for Scopes 1, 2 and 3 (see page 14)
- Included ESG considerations into the Group's Directors' Remuneration Policy (see page 34)
- Formally embedded climate considerations into the Enterprise Risk Management process

### TCFD update

| Governance | Recommendation | FY 2022 |
|---|---|---|
| Disclose the organisation's governance around climate-related risks and opportunities. | a. Describe the Board's oversight of climate-related risks and opportunities.<br>b. Describe management's role in assessing and managing climate-related risks and opportunities. | • ESG matters and the enterprise risk management process (ERM) were overseen by the Board during the year<br>• The CEO remains ultimately accountable for ESG, including climate matters, and divisional CEOs are responsible for embedding ESG into their respective divisions<br>• Reducing climate impact is one of Euromoney's five ESG focus areas<br>• The Group's ESG Committee has continued to meet regularly<br>• The Group's risk register is created through the review of each of the individual risk matrices prepared by Euromoney's divisions and functions, which is then layered by the strategic risks to create a holistic principal risk matrix |
| **Strategy** | **Recommendation** | **FY 2022** |
| Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material. | a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.<br>b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.<br>c. Describe the resilience of the organisation's strategy. Taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | • During FY 2022 Euromoney conducted a Group-wide climate-related risk (physical and transition) and opportunities assessment. Based on the outputs of the climate-related risk and opportunities assessment, the Group conducted scenario analysis on a subset of physical and transition risks across two temperature pathways; 1.5°C and 4°C<br>• ESG matters including environmental performance and climate risks and opportunities, including those coming from the assessment and scenario analysis, are considered as part of the Group and divisional strategic planning process<br>• The Group has identified and actioned a number of opportunities relating to the energy transition, in particular renewables-related commodity pricing in Fastmarkets |

# Sustainability and stakeholders continued

| Risk Management | Recommendation | FY 2022 |
|---|---|---|
| Disclose how the organisation identifies, assesses, and manages climate-related risks. | a. Describe the organisation's processes for identifying and assessing climate-related risks.<br>b. Describe the organisation's processes for managing climate-related risks.<br>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | • The ERM process is embedded across the Group and is designed to efficiently highlight key risks in the business and determine response plans that can be monitored for effectiveness within the risk appetites of the Group<br>• ESG-related risks, including climate risk, are considered as part of the Group's annual risk review process<br>• The FY 2022 ERM process and climate scenario work described above concluded that the Group faces no material physical risk from climate change<br>• Based on the above, climate change considerations have not had a material impact on FY 2022 financial reporting judgements and estimates, or the carrying value of non-current assets. However, the impact of climate change was incorporated into the Group's impairment tests |
| **Metrics and targets** | **Recommendation** | **FY 2022** |
| Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where the information is material. | a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes.<br>b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.<br>c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | • The Group has been monitoring its carbon emissions since 2006. Euromoney is not a high-carbon emitting organisation but recognises the importance of continuing to reduce climate and other environmental impacts<br>• During the year, Euromoney continued to improve the quality of carbon reporting and completed a materiality assessment to determine which indirect emissions sources (Scope 3) that had not been reported to date were deemed material. Three of these sources were added to the Group's emissions inventory for FY 2022, supporting continued work on carbon offsetting and defining the Group's strategy to Net Zero for Scopes 1, 2 and 3<br>• The Group added ESG considerations to the Directors' Remuneration Policy (Annual Bonus) |

# Section 172 Statement: promoting the success of Euromoney

## Section 172(1) reporting

Section 414 of the Companies Act 2006 requires Euromoney to explain how the Directors have performed their duty under section 172 of the Companies Act 2006 to promote the success of Euromoney for the benefit of its members as a whole.

## Key stakeholders

Euromoney identifies how its business model benefits its key stakeholders on page 11.

The Company's purpose is to provide clarity in opaque markets to help customers compete successfully.

The decisions the Board makes can impact different stakeholders in different ways and it has been the role of the Board to balance stakeholder interests appropriately to promote the success of the Company.

## Strategic decisions

As noted in the Corporate Governance Report (pages 24 and 26), the Board addressed a range of issues during the year and, in doing so, took into account the interests of its stakeholders.

The interests of stakeholders are integral to the Board's decision-making process and the non-exhaustive examples below of key decisions taken during the year illustrate how the Board considers stakeholder interests within its decision-making, while promoting the success of the Company.

## Response to the Becketts Bidco Limited offer

The Board oversaw the Group's response to the offer by Becketts Bidco Limited (a newly incorporated company controlled by funds managed and/or advised by Astorg Asset Management S.à r.l., Epiris GP Limited and Epiris GP III Limited).

The Board, having received briefings on their responsibilities and duties under Section 172 of the Companies Act 2006 and other relevant rules from its advisors, considered the views and interests of a wide range of stakeholders.

- **Shareholders:** The Board considered the financial merits of the offer and valuation of the Group as well as the plans for the separation of the Group. The Chair of the Board, CEO, CFO and the Company's advisers met with significant shareholders and relayed those shareholders' views in respect of the transaction to the Board as a whole. This engagement assisted the Board in taking account of shareholder views in reviewing and recommending the offer. The Board rejected four offers before recommending a fifth offer to shareholders who voted overwhelmingly in favour of accepting that offer.
- **Employees:** On behalf of the Board, the Executive Directors, and in particular the CEO, discussed the acquisition regularly with the Group's employees. This has primarily been through Town Halls, where employees have had the opportunity to participate in Q&A, as well as regular emails. The Staff Forum has also been engaged. The outcomes of our engagement with employees influenced continuing engagement through further Town Halls and FAQs to ensure continuing support for employees during the acquisition of the Group.
- **Customers:** During the offer period, the Group has ensured that continuity of service is provided by teams, focusing on serving customers and building the business to create the best outcomes for customers. Maintaining customer relationships through this engagement has been critical in growing the business during a time of change and providing reassurance to customers.
- **Suppliers:** The Group discussed the acquisition with key suppliers, which influenced the creation of a range of workstreams that are underway to assess how supplier relationships are optimised following the acquisition, taking into account the likely different needs of the future Group.
- **Other stakeholders:** The Group engaged appropriately with regulators regarding the offer and responded to questions raised by them. The outcome of this ensured that regulatory approval as required was obtained to ensure the completion of the acquisition of the Group.

## Acquisitions

- During the year the Board reviewed and approved the acquisition of Boardroom Insiders, Inc which has become part of the Group's Altrata business. This is a 3.0 business consistent with the Group's bolt-on acquisition strategy, which the Board believed will create value for the Group and for other stakeholders. It is a highly complementary and exciting addition, bringing to Euromoney a sophisticated research capability and access to new markets and customer groups, in addition to greater scale.
- The acquisition will generate value through combining Boardroom Insiders' comprehensive and detailed insights on the characteristics and strategic priorities of executives, with the broader databases of the Group's BoardEx and RelSci products.

# Non-financial Information Statement

The Group's non-financial activities, including its approach to sustainability and working with stakeholders is described throughout this report. This includes references to some of the policies and procedures Euromoney adopts. The table below highlights where in this report readers can find the key contents requirements of the Non-financial Information Statement (as required by sections 414CA and 414CB of the Companies Act 2006).

| Reporting requirement | Supporting policies | Information related to policies, due diligence and principal risks | Page |
|---|---|---|---|
| Environmental matters | • Volunteering policy | • Sustainability and stakeholders | 11 |
| | | • Energy and carbon disclosures | 14 |
| | | • Environmental concerns (Principal Risk 1) | 20 |
| Employees | • Code of Business Conduct | • Purpose, business model, strategy and value creation | 03 |
| | • Board Diversity Policy | • Sustainability and stakeholders – Culture and employees | 11 |
| | • Diversity & Inclusion Policy | • Directors' Remuneration Report | 34 |
| | • Speak-up Policy | • Directors' Report | 44 |
| | • Health & Safety Policy | • Geopolitical (Principal Risk 4) | 21 |
| | • Event Risk Framework | • People (Principal Risk 6) | 21 |
| Human rights | • Code of Business Conduct | • Sustainability and stakeholders – Ethics | 12 |
| | • Modern Slavery Act Transparency Statement | • Risk management | 20 |
| | • Event Risk Framework | • Compliance and Controls (Principal Risk 2) | 20 |
| | | • Geopolitical (Principal Risk 4) | 21 |
| | | • Directors' Report | 44 |
| Social and Community matters | • Trade Sanctions Policy | • Sustainability and stakeholders | 11 |
| | • Modern Slavery Act Transparency Statement | • Risk management | 20 |
| | • Volunteering Policy | • Environmental concerns (Principal Risk 1) | 20 |
| | | • People (Principal Risk 6) | 21 |
| Anti-corruption and bribery | • Anti-bribery & Corruption Policy | • Sustainability and stakeholders – Ethics; Culture and employees | 12 |
| | • Speak-up Policy | • Risk management | 20 |
| | | • Directors' Report | 44 |
| Principal risks and impact on business activity | • Risk Management Policy | • Enterprise risk management and principal risks | 20 |
| | • Event Risk Framework | | |
| Description of business model | | • Purpose, business model, strategy and value creation | 03 |

# Risk management

Euromoney operates a robust Enterprise Risk Management process across the Group, which is adopted by every Group function and division. The process is designed to highlight key risks and design response plans that can be monitored for effectiveness within the risk appetites of the Group.

## Governance

During the year the Board of Directors had overall responsibility for the identification and management of risk in the Group. As well as reviewing the Group's risk disclosures, specific risk areas were also discussed in depth by the Board. The Board delegated the day-to-day management of operational risk to the Risk Committee, which met four times during the year. The Risk Committee, a management committee chaired by the CFO, reported to the Audit & Risk Committee.

## Embedded risk management throughout the Group

The Risk team works closely with the businesses and functions to integrate risk management into commercial decision-making and financial planning. The Group's Enterprise Risk framework has been embedded into each division and function, and they are accountable for maintaining active risk registers and response plans for their key risks. Monthly meetings are held between the Group Risk team and the risk leads from the divisions and functions to ensure consistency of approach to risk management and share best practice.

The Group Risk team also manages the Business Continuity Management Policy and ensures that these plans are reviewed and updated over the course of each year. Business Continuity Plan testing schedules are monitored centrally, which further mitigates the impact of certain risks.

## Risk management process

The Group's Principal Risk table below identifies the key risks facing the business. The table is created through review of each division and function's individual risk matrices (bottom-up approach), which is then layered by the strategic risks (top-down approach) to create a holistic list of principal risks.

Risks are rated as post-mitigation residual risks. The Risk Committee discussed and approved the Group's risk appetite prior to submission to the Board for final discussion and approval.

## Changes compared to FY 2021

As the result of the current macroeconomic environment, the Group identified an additional principal risk (Risk 11) regarding the specific risk of an ongoing period of high inflation impacting the Group's performance and margin. This reflects the revenue and cost pressures the Group must manage over the coming year. All other risks remain unchanged.

## 1. Economic Recovery

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Slow post-covid economic recovery, recession, poor business economic conditions, or environmental concerns in major markets hinder the recovery of in-person events and organic revenue growth. | High | • The Group's 3.0 strategy is to provide services embedded in customers' workflows, creating more resilient revenues. Most revenue is generated from subscriptions, which are generally more durable during a recession<br>• The Group has also invested in technology to enable delivery of blended (in-person and digital) events, mitigating some of the risks associated with business travel | Unchanged |

## 2. Compliance and Controls

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Failure to comply with Group policies and processes, complex global regulations and a litigious environment causes reputational, legal or financial damage.<br>Compliance and controls cover a number of Human Rights and ethics areas, including Modern Slavery and Anti-Bribery regulations. Compliance with these rules will affect a number of business processes and services including third party entertainment, choice of venues in high modern-slavery risk countries, and ensuring third-party events staff meet our minimum requirements. | Moderate | • The Group's Legal, Privacy, Risk and Secretariat functions employ specialists covering a number of key areas and provide a strong framework to assist businesses with their compliance requirements<br>• In addition, divisions have their own in-house risk and/or legal and compliance teams to manage day-to-day compliance and legal activities | Unchanged |

# Risk management continued

## 3. M&A

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Inability to execute M&A strategy or integrate acquisitions successfully into the Group on a timely basis prevents delivery of the strategy. | Moderate | • M&A strategy and execution is a regular topic of Board and senior management discussions<br>• The Group buys and sells businesses within a clear and agreed framework for identifying and evaluating acquisition and disposal candidates and for integrating acquired businesses | Unchanged |

## 4. Geopolitics

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Geopolitical upheaval has a major impact on the business environment.<br>Geopolitical risk will impact a number of areas in events including location venues, choice of speakers from certain countries, ability to provide adequate security and insurability of events against civil unrest. In addition, geopolitical risk could impact our staff in certain offices by reducing the ability to publish freely, or increased personal security in the office location. | High | • The Group has a broad global footprint which results in it not being completely reliant on any single country or region for revenue<br>• The Group does not trade in physical products, so is insulated from direct supply disruptions and fuel cost rises and has managed enhanced sanctions compliance risk through updated policies and procedures | Increasing |

## 5. Cybersecurity

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Cyber security and information security threats compromise data integrity or result in a loss of key data. | High | • There are robust information security and privacy strategies in place to manage threats, including access restrictions, multi-factor authentication for log-ins, and comprehensive back-ups for systems and data<br>• The Group has invested in enhanced training, as well as highly visible campaigns to manage compliance | Increasing |

## 6. Talent Attrition

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Inadequate ability of the business to manage talent churn effectively results in the loss of key personnel in critical roles. | High | • The Group's Working 3.0 strategy, which has enhanced flexible working, has assisted with both talent retention and recruitment of new staff<br>• There is greater investment in staff training, networking and wellbeing activities, both in-person and online<br>• The global Inclusion & Diversity Council is supported across the Group and includes specialist networks within it | Unchanged |

## 7. Tax

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Uncertain tax liabilities lead to material cash outflows. | Moderate | • The Group's tax strategy is to take a low-risk approach to tax management. This is approved by the Board and communicated to all individuals who have a responsibility for tax<br>• There is increased engagement, and open and transparent engagement with tax authorities, including quarterly meetings with HMRC | Unchanged |

# Risk management continued

## 8. Competitor Activities

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Existing and emerging competitor activity creates product and pricing pressures, as well as potentially eroding margins. | Moderate | • Euromoney's 3.0 strategy seeks to embed products and services in clients' workflow – the more tightly the products are embedded, the less likely the customer is to move to a competitor<br>• One of Euromoney's key strategic pillars is to invest in, develop, and release new products and features to keep products functionally competitive | Unchanged |

## 9. Exchange Rate Volatility

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Exposure to USD exchange rate leads to an unexpected swing in reported results, especially as the majority of revenue and profit is generated in US dollars. | Moderate | • Sensitivity analysis is performed regularly to assess the impact of currency risk<br>• US dollar forward contracts are used to hedge up to 80% of UK-based US dollar revenues for the coming 12 months and 50% of the following six months<br>• Exposure from US dollar-denominated earnings is not directly hedged but is partially offset by US dollar costs and the use of US dollar-denominated debt, when debt is required | Unchanged |

## 10. Structural Change

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| Changing customer needs, new technology or changing governmental priorities cause structural changes in markets, reducing the value delivered by Euromoney's products and services. | Moderate | • The Group's 3.0 strategy is designed to evaluate structural risks and opportunities and respond to them. The Group encourages product development based on market need rather than Euromoney capability and aims to foster an entrepreneurial approach to stay aligned with customers' emerging requirements<br>• Euromoney's commitment to active portfolio management allows the Group to sell structurally challenged businesses and to buy structurally strong ones | Unchanged |

## 11. Inflation

| Risk and impact | Rating | Mitigation | Risk trend |
|---|---|---|---|
| A persistent period of high inflation globally will create margin and pricing pressures for the Group. | High | • The Group is modelling the potential impact of a long period of high inflation<br>• Both customer and supplier relationships are being reviewed and actively managed to ensure that the profit impact of high inflation is minimised, through a combination of price increases and cost management activities | New Risk |

The Strategic Report was approved by the Board of Directors on 18 January 2023.

**Wendy Pallot**
Chief Financial Officer
18 January 2023

# Corporate Governance Report

## Approach to 2018 UK Corporate Governance Code compliance

This Corporate Governance Report explains the Board's approach to governance in the context of the main principles of the 2018 Code issued by the Financial Reporting Council. The Code can be viewed at www.frc.org.uk

As the Company was listed during the year under review, the Directors considered the contents and requirements of the Code. The Group sets out its governance arrangements during the year under review, subject to the following instance of non-compliance as a result of the Scheme of Arrangement.

During the reporting period:

Provision 21: Considering the expected acquisition of the Group, the Board decided to defer the annual Board and Committee evaluation.

## Euromoney Board of Directors

As at the date of signing the Directors' Report, the following people were Directors of the Company:

Wendy Pallot

Richard Haley (appointed 24 November 2022)

Tim Bratton (appointed 24 November 2022)

## Resignation of Directors following Scheme of Arrangement

On 24 November 2022, the Effective date of the Scheme of Arrangement and acquisition of the Company by Becketts Bidco Limited, the following Directors resigned. Each were Directors throughout the entire relevant reporting period (except Jack Callaway who was appointed on 1 March 2022).

Leslie Van de Walle

Jan Babiak

Jack Callaway

Colin Day

India Gary-Martin

Imogen Joss

Tim Pennington

Andrew Rashbass resigned on 25 November 2022.

The biographies of the retired Directors appointed prior to 14 December 2022 can be found on the Company's website in the 2021 Annual Report and Accounts.

## Role of the Board, composition and attendance

### Leadership: The role of the Board

During FY 2022 the Board maintained a schedule of matters reserved for its approval to ensure it maintained oversight and control of all material developments likely to have an impact on the performance or standing of the Group. The Board provided leadership to the Group and was collectively responsible for the long-term success of the Company. Further details are provided in the Section 172 Statement on page 18.

The Board delegated responsibility for aspects of its remit to standing Board Committees, each of which operated within defined terms of reference. Further details are provided on page 25.

### Division of responsibilities: Board composition, commitment, conflicts and independence

The Board comprised a Non-Executive Chair, two Executive Directors, and six additional independent Non-Executive Directors. One independent Non-Executive Director served as the Senior Independent Director.

The Board as a whole remained committed to ensuring that there was diversity of skills, background and experience to enhance the decision-making process. The Board continued to support the objectives of the Hampton Alexander Review and met The Parker Review (2020) target of at least one Director of colour on the Board, as defined in the Review.

There was a clear division of responsibility within the Board.

The Nominations Committee, on behalf of the Board, reviewed the ability of all Non-Executive Directors to allocate sufficient time to the business in order to discharge their responsibilities effectively. In addition, each of the Directors had disclosed to the Board any conflicts apparent on appointment and had an obligation to disclose any potential or actual conflict to the Chair and Company Secretary as soon as they were aware and seek agreement of the Board.

The Board determined that all Non-Executive Directors were independent, with the Chair considered independent on appointment during the reporting period.

There were established procedures for all Directors to take independent professional advice in the furtherance of their duties. They also had access to the advice and services of the General Counsel & Company Secretary.

### Leadership: Attendance

The Board had six scheduled meetings during the reporting period. There were a series of additional ad-hoc meetings to discuss the Offer and Scheme of Arrangement. There was also frequent contact between meetings. At least once during the year, the Chair met the Non-Executive Directors without the Executive Directors being present.

Non-Executive Directors also met senior management in the business in order to have access to a range of views and perspectives on the Group and its performance. During the year, the Chair met with senior management from across the Group. The Chair of the Remuneration Committee attended certain meetings of the Staff Forum.

# Corporate Governance Report continued

The number of scheduled Board meetings and the attendance by each Director during the year is shown in the table below.

## Board and Committee attendance

| Directors during the year | Board | Audit & Risk Committee | Remuneration Committee | Nominations Committee |
|---|---|---|---|---|
| **Chair** | | | | |
| Leslie Van de Walle | 6/6 | n/a | 3/3 | 3/3 |
| **Chief Executive Officer** | | | | |
| Andrew Rashbass | 6/6 | n/a | n/a | n/a |
| **Chief Financial Officer** | | | | |
| Wendy Pallot | 6/6 | n/a | n/a | n/a |
| **Non-Executive Directors** | | | | |
| Jan Babiak (Senior Independent Director) | 6/6 | n/a | 3/3 | 3/3 |
| Jack Callaway[1] | 3/3 | 2/3[2] | n/a | n/a |
| Colin Day | 6/6 | 4/4 | n/a | 2/3[3] |
| India Gary-Martin | 6/6 | 3/4[4] | 3/3 | n/a |
| Imogen Joss | 6/6 | n/a | 3/3 | 3/3 |
| Tim Pennington | 6/6 | 4/4 | 3/3 | n/a |

1 Jack Callaway joined the Board on 1 March 2022.

2 Mr Callaway was unable to attend one Audit & Risk Committee meeting due to a prior conflicting engagement.

3 Mr Day was unable to attend one Nominations Committee meeting due to a prior conflicting engagement.

4 Ms Gary-Martin was unable to attend one Audit & Risk Committee meeting due to a prior conflicting engagement.

## Leadership: Effectiveness

In FY 2021 the approach, in accordance with the provisions of the 2018 Code, was to undertake an internal evaluation. This was structured using thematic questionnaires, focusing on key themes, strategy, governance, support and key events. The recommendations based on the feedback from the Directors included a focus on training and technical updates for the Board and these were included in the Board's annual business cycle for FY 2022.

In light of shareholder approval of the Scheme of Arrangement it was decided that it was not appropriate to undertake a Board and Committee evaluation for the year ended 30 September 2022, since the Company was unlikely to have time to benefit from its findings.

### Board activities

During the year the Board had six scheduled Board meetings. It also met several times at additional Board meetings to review the Offer and Scheme of Arrangement.

**Decisions concerning the Offer and Scheme of Arrangement during the reporting period and the effective date of Scheme of Arrangement**

- Considered advice on Director's obligations under the Takeover Code
- Considered advice from the Group's financial advisors in relation to the potential offer for the Company
- Having considered the advice, made decisions pertaining to the offer with the objective of delivering value to shareholders
- Recommended a cash offer for the Company to shareholders
- Agreed on the timetable and process for the Scheme of Arrangement
- Provided irrevocable undertakings to the offeror relating to their shareholdings in the Company
- Reviewed and approved the various regulatory announcements and transaction documentation and ancillary documentation relating to the Scheme of Arrangement
- Convened a General Meeting and Scheme Court Meeting to obtain shareholder approval for the Scheme of Arrangement
- Approved the documents advising shareholders of their voting rights at each meeting
- Considered and approved the implementation of the Scheme of Arrangement
- Approved the resignation of the Board of Directors in accordance with the Articles of Association and as a result of the Scheme of Arrangement
- Approved the cancellation of listing of the Company's shares on the London Stock Exchange

**Other key activities included**

- Oversaw approach to offshoring certain Group Finance functions
- Oversaw the Group's review of its corporate brand
- Considered the Group's approach to people, culture and succession planning
- Approved the acquisition of Boardroom Insiders, Inc in January 2022
- Approved the appointment of a new Non-Executive Director in March 2022
- Monitored and responded to the output of the 2021 Board evaluation
- Reviewed and discussed the Group's performance against its strategy in March 2022
- Approved the half-year results and relevant disclosures
- Approved the payment of an interim dividend in June 2022
- Undertook regular reviews of the Group's principal risks and other risks impacting the Group
- Participated in and monitored feedback relating to investor relations

# Corporate Governance Report continued

## Board Committees

During the year under review, the following Committees were in place:

### Nominations Committee

Oversaw Board and Committee composition, effectiveness and both Board and senior management succession planning.

### Audit & Risk Committee

Reviewed and oversaw the Group's financial reporting processes, the integrity of the financial statements and external communications. Monitored the effectiveness of the Group's internal controls and the management of risk across the Group, including reviewing the work of internal and external audit teams and any significant accounting judgements made by management.

### Remuneration Committee

Responsible for determining the remuneration and other benefits of Executive Directors. Reviewed and approved all remuneration policies, ensuring that they were clear, simple and aligned to culture. Recommended and monitored overall remuneration for senior management. Considered employee remuneration and alignment of incentives and rewards with culture. Oversaw Group-wide share incentive schemes.

### Investment Committee

Responsible for reviewing requests for approval of investment of between £15m and £50m, in particular as it related to merger and acquisition activity, and also formally reviewing the integration progress of acquisitions twice each year.

### Management Committees

**Tax & Treasury Committee:** A sub-committee of and reported to the Audit & Risk Committee. It oversaw the Group's tax and treasury arrangements, including monitoring control frameworks and ensuring effective planning to reduce financing, treasury and tax risks across the Group.

**Risk Committee:** A sub-committee of and reported to the Audit & Risk Committee. It oversaw the Group's strategic and operational risk management processes.

**Data Privacy and Information Security Steering Group:** A sub-committee of and reported to the Risk Committee. Responsible for making strategic information security and privacy decisions on behalf of the Group, including analysing security and privacy risks.

**ESG Committee:** This management committee reported directly to the Board at least every six months. It oversaw the Group's ESG strategy, focusing on the Group's five ESG focus areas.

**Group Management Board (GMB):** The GMB operated under the direction and authority of the CEO and comprised the Group's divisional and functional leaders.

### Update to Board and Committee structures

Following the acquisition of the Group, there have been a number of changes impacting both the Directors of the Group and the structure and roles of the Group's Board and Committees. These changes occurred after the relevant reporting period with all responsibilities assumed by the new Board of Directors. The Group is in the course of reviewing its governance framework following the acquisition.

### Monitoring and oversight

**Fair, balanced and understandable**

The Board has responsibility for preparing and making certain confirmations concerning the 2022 Annual Report and Accounts. In accordance with Principle 4 of the 2018 Code, the Board confirms, that taken as a whole, the Report is fair, balanced and understandable and provides the information necessary to assess the Group's position and performance, business model and strategy.

Senior members of the Group Finance, Legal, Privacy, Risk, Secretariat and Investor Relations functions are involved in the preparation of the Report. The CFO and the Deputy CFO are kept appraised of all significant information and consulted in relation to certain specific areas, such as the assessment of the Group's principal risks and significant judgements and estimates. A key consideration is ensuring appropriate linkage in the Report between the Group's performance, business model and strategy.

### Internal control and risk management

See pages 20 to 22 for the Group's principal risks and mitigating actions.

The Board as a whole was responsible for the oversight of risk and an effectiveness review of the Group's system of internal control, including over the financial reporting process. The Group managed risk rather than sought to eliminate it and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board delegated responsibility for monitoring internal controls and financial risk to the Audit & Risk Committee who in turn delegated the day-to-day operational risk management to the Risk Committee.

The Risk Committee conducted an annual review during the year of the Enterprise Risk Framework.

The newly appointed Board maintained these existing processes for identifying, evaluating and managing the material risks faced by the Group and also took direct responsibility for monitoring internal controls and financial risk for the period between their appointment on the date that the Scheme of Arrangement became effective and approval of the Annual Report and Accounts 2022. All material controls operated throughout the year.

### Speak-up arrangements

The Group continued to operate a Speak-up facility via telephone, web and email for all employees to confidentially raise concerns and allegations regarding potentially inappropriate, fraudulent or criminal activity. This service is provided to the Group across its global offices. During the year there were a number of submissions made using Speak-up which were duly investigated, with full reporting to the Risk Committee and to the Audit & Risk Committee, including any remedial actions.

# Corporate Governance Report continued

## Entity level controls

Each division or central function is responsible for managing risks and operating controls within their area. Each area confirms the operation of key controls (including with management) to Group management annually. The purpose of the assessment is to confirm the operation of a framework of internal controls, including business performance reviews, financial controls and anti-fraud controls which are expected to be in place in each business unit. They are intended to provide standards against which the control environments of the Group's business units can be monitored. An annual controls self-assessment is also completed at the same time, detailing risks and mitigating controls. In each case, the Internal Audit team followed up these submissions as appropriate and reported the outcome to the newly appointed Board.

The Director of Risk chairs a cross-functional/divisional risk working group. Its members include functional and risk professionals from across the Group. The working group meets monthly to discuss Group and divisional initiatives, as well as to share best practice.

Authorisation levels and segregation of duties are reviewed on a regular basis.

## Internal audit

The internal audit function monitored compliance with key internal controls and maintained an Internal Audit Charter in accordance with FRC guidelines and this was reviewed by the Audit & Risk Committee. The Audit & Risk Committee Report is on pages 27 to 32.

## Stakeholder engagement

The Chair continued to make himself available for effective dialogue with significant shareholders and stakeholders during the year.

Separately, the CEO and CFO, and on occasion the Chair, met with shareholders to discuss the half-year results, to highlight significant developments, or at the specific request of institutions. The CEO, CFO and the Head of Investor Relations also convened results-focused meetings for analysts and representatives of the investment community following the half-year results.

In March 2022 the People Intelligence pillar of the Group's FPS division hosted an investor and analyst teach-in, highlighting what People Intelligence does, its drivers of growth, and its strategy.

The Board continued to engage with Senior Management through Board and other Committee meetings and the CEO and the Chair of the Remuneration Committee regularly attended the Staff Forum, ensuring that there was engagement between the Board and employees.

The Group's CEO and CFO reported to the Board on matters raised by shareholders and analysts to ensure members of the Board develop an understanding of investors' and potential investors' views of the Company. All Board members also regularly receive analyst reports about the Company to provide additional insight into how the market perceives the Company.

**Tim Bratton**
General Counsel & Company Secretary
Delinian Limited

18 January 2023

# Audit & Risk Committee Report

## Committee membership

| Member | Member since |
|---|---|
| Colin Day (Chair) | Chair since May 2018 (member since March 2018) |
| Jack Callaway | March 2022 |
| India Gary-Martin | March 2021 |
| Tim Pennington | December 2019 |

The Chair of the Board, CEO, CFO, Deputy CFO, Global Head of Tax, Group Treasurer, General Counsel & Company Secretary, Director of Risk, Head of Internal Audit and representatives from the external auditors were invited to attend Committee meetings.

The Committee met four times during the year. Member attendance is set out on page 24. All members of the Committee resigned on 24 November 2022 upon the Scheme of Arrangement becoming effective, confirming the acquisition of Euromoney, following which the Committee was dissolved.

## Roles and responsibilities

The Committee had delegated authority from the Board. Its responsibilities are set out in Committee Terms of Reference which were reviewed and approved in November 2021. The composition and structure of the Committee met the requirements of the 2018 Code.

It's key responsibilities were:

- Reviewing the adequacy and effectiveness of the Group's risk management systems and mitigation programmes
- Monitoring the integrity of the financial statements and announcements and reviewing significant financial reporting requirements, issues and judgements
- Reviewing the adequacy and effectiveness of the Group's systems and processes for internal financial control
- Reviewing the resources and scope of the internal audit function and approving both the annual internal audit plan and the Internal Audit Charter
- Monitoring the effectiveness and reviewing the output of the Group's internal audit function and programme
- Recommending to the Board the appointment, reappointment or removal of the external auditors
- Overseeing remuneration and performance of the external auditors and the scope, results and quality of the audit, assessment of independence, and monitoring of non-audit services
- Reviewing the adequacy of the Group's Speak-up arrangements and procedures for detecting fraud

### Committee membership

The Committee consisted of four independent Non-Executive Directors. The Audit & Risk Committee Chair, who held the post until the effective date of the Scheme of Arrangement, brought recent and relevant financial experience to the Committee as a Fellow of the Association of Chartered Certified Accountants, and having previously held a number of FTSE 100 and 250 listed company roles as either Group CFO or CEO.

As of March 2022, the Chair welcomed Jack Callaway to the Committee, having been appointed as an independent Non-Executive Director of the Company.

The Board considered each member of the Committee to be independent within the definition of the 2018 Code. They brought a broad and diverse range of commercial experience, such that the Board was provided with assurance that the Committee had the appropriate skills and experience to be fully effective and meet the 2018 Code requirements.

## Main activities

The Committee met three times in FY 2022 after the November 2021 meeting to approve the 2021 Annual Report and Accounts. The key issues covered at each Committee meeting were reported at the subsequent Board meeting.

The Committee reviewed the half-year report of the Group. The year-end Financial Statements were reviewed by the current Board as detailed on page 30. A significant part of the Committee's routine work related to monitoring the Group's system of internal control. Further details of this are set out in the Corporate Governance Report on page 25.

# Audit & Risk Committee Report continued

## Committee timeline

### November 2021

- Reviewed the 2021 Annual Report to ensure it met the requirement to be fair, balanced and understandable
- Considered a report on the principal risks together with a status report on the effectiveness of internal controls mitigating those risks that covered 2021 to 2022
- Received an update on significant reporting issues and judgements from management
- Received reports from both internal and external auditors
- Reviewed the year-end controls assessment performed across the Group
- Discussed with management the FY 2021 statutory audit process and a proposal to the Board to reappoint PwC
- Received an internal audit report on the expenses of all Board and GMB members to validate compliance with Company policy
- Received reports from both the Risk Committee and the Tax & Treasury Committee
- Received the annual Corporate Governance Compliance Report
- Reviewed the Terms of Reference for the Audit & Risk Committee
- Met the external and internal auditors without management present

### May 2022

- Reviewed the half-year report and results announcement
- Received an update on significant reporting issues and judgements from management
- Received reports from both internal and external auditors
- Received a Global Finance Transformation Programme update
- Received an in-depth external auditors' effectiveness feedback assessment report and discussed PwC responses to enhance the FY 2022 statutory audit
- Discussed the output of a Group-wide half-year controls assessment
- Received a report from management on enhancements to the Internal Controls Framework and an update on the Group Structure Simplification Project
- Received a Speak-up update
- Received reports from both the Risk Committee and the Tax & Treasury Committee
- Met the external and internal auditors without management present

### July 2022

- Received an update on significant reporting issues and judgements from management
- Discussed the Statutory Audit Plan for forthcoming FY 2022 year-end
- Reviewed and approved a management paper on Group Statutory Audit exemptions
- Received and discussed a report from internal audit and approved the Internal Audit Charter
- Received a Speak-up update
- Received a report from the Risk Committee
- Met the external and internal auditors without management present

### September 2022

- Received an update on significant reporting issues and judgements from management
- Received a report from the external auditors on execution of pre-year-end statutory audit work
- Received the Internal Audit Report and approved the FY 2023 Internal Audit Plan
- Received a Global Finance Transformation Programme update
- Received a Speak-up update
- Received reports from both the Risk Committee and the Tax & Treasury Committee
- Met the external and internal auditors without management present

## Key focus areas during FY 2022

During the year the Committee reviewed a range of topics, including the following key focus areas:

| Key Focus Area | Audit & Risk Committee Input |
|---|---|
| Areas of significant financial judgement | The Committee received regular updates from management on the areas considered to have significant financial judgement applied. These are set out on pages 30 to 32. |
| Risk management | The Committee regularly reviewed plans in place by considering reports from the Risk Committee and internal audit on the effectiveness of controls to mitigate such risks. The Committee undertook a review, before consideration by the Board, of the register of material risks facing the Group and the adequacy and effectiveness of management's risk mitigation plans in respect of those risks. |
| Global Finance Transformation Programme | The Committee received regular updates from management on the implementation of the Global Finance Transformation Programme, which included deployment of solutions to improve quality and efficiency of financial reporting and to enhance the control environment. During the year the Group CFO appraised the Committee of enhancements to the Group's Internal Control Framework. |
| Internal Audit | During the year, the Committee received Internal Audit Reports in line with the approved FY 2022 Audit Plan, that covered not only routine reviews of divisional operations, but also the overarching governance, oversight and monitoring that is required of Group functions. Where necessary, the services of the Internal Audit Co-Source Partner were utilised to ensure bespoke areas of risk were adequately reviewed and to provide insight and benchmarking against peers. The Committee continued to challenge management through the discussion of the findings that were raised in the Internal Audit Reports to further enhance the Group's control frameworks and adherence to them. |

# Audit & Risk Committee Report continued

## Effectiveness of internal control systems

The Committee was responsible for reviewing the process for identifying and managing risk and for reviewing internal controls. It received reports from management, the Risk Committee and internal audit, in addition to the results of investigations performed as a result of employee Speak-up reports or otherwise. The General Counsel & Company Secretary investigated Speak-up complaints and reported their outcome to the Committee and the Board. The Committee considered the implications of findings of both the internal and external auditors to the Group's financial controls framework. As issues were reported and discussed, management were continually challenged as to what actions they were taking to improve the control framework and minimise the likelihood of their reoccurrence. There were no failures of material controls identified during the year.

As noted previously, the Group continued with its implementation of the Global Finance Transformation Programme, which enhanced the strength of the control environment, and which was subject to internal audit review during the year.

## Internal audit

The internal audit function carried out a range of reviews across the Group, providing independent assurance to the Committee on the design and operating effectiveness of internal controls to mitigate financial, operational and compliance risks. The purpose, authority and responsibilities of internal audit were embodied in an Internal Audit Charter which the Committee reviewed and approved. The Head of Internal Audit had 'solid' dual reporting lines to the Audit & Risk Committee and the Group CFO.

The Committee discussed and approved the FY 2022 audit plan to be executed by the internal audit team at the start of the year, ensuring its alignment with the Group's strategic priorities, risk management outputs and routine compliance control and monitoring requirements. Under supervision of the Head of Internal Audit, a Co-Source Assurance Partner was utilised to ensure complex or bespoke areas of risk were adequately appraised. During FY 2022 this included reviews of the Group Tax, Group Treasury and Data Privacy functions together with several IT reviews that included an IT General Controls (ITGC) review of new financial systems.

The Committee reviewed the results of the Internal Audit Reports during each meeting, looking in detail at any reports where processes and controls required improvement. The Committee was also provided with updates on the implementation of agreed management actions and overall control environment progress at each meeting. For any management action requirement not met by the agreed deadline the responsible management were required to provide a full explanation to the Committee as to the reasons for the delay before a new deadline was agreed.

Internal audit resource was monitored such that, if internal or external circumstances gave rise to an increased level of risk, the Audit Plan could have been supplemented accordingly during the year. The Audit Plan remained flexible for any changes to the agreed Plan and were presented and agreed to by the Committee. The effectiveness of the internal audit function was reviewed on an annual basis and the Committee concluded that the internal audit function remained effective.

## External auditors

PricewaterhouseCoopers LLP (PwC) was appointed by shareholders as the Group's statutory auditors in 2015 following a formal tender process. The lead Audit Partner, Jason Burkitt, was appointed in 2020 and, in accordance with the FRC's auditing and ethical standards, has been Audit Partner for the Company for fewer than the permitted maximum of five years.

Under the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 it was the intention for the external audit contract to be put out to tender at least every ten years and the Committee considered that it was appropriate to conduct an external audit tender by no later than 2024 for the FY 2025 year-end. The Company continued to comply with the Statutory Audit Services for Large Companies Market Investigation Order 2014 for the financial year under review.

The Committee undertook an in-depth review of the performance and effectiveness of the external auditors in performing the audit, informed by the output from a questionnaire completed by senior personnel across the Group. Taking into account the nature of the feedback received from the business, and the Committee's own experiences of working with PwC during the year, the Committee satisfied itself that the external auditors were providing an effective service.

### External audit objectivity and independence

The Committee and the Board placed great emphasis on the objectivity of the Group's external auditors in reporting to shareholders. The Committee reviewed the Non-Audit Services Policy to ensure compliance with the FRC's Revised Ethical Standard (2019) that became effective from 15 March 2020 and any new guidance since that date. The Policy recognises the criticality of the independence and objectivity of the external auditors and the need to ensure that this is not impaired by the provision of non-audit services.

The Policy identifies what services the external auditors could provide to the Company and its subsidiaries. These permitted services were in line with the FRC's Revised Ethical Standard (2019). Certain non-audit permitted services (as defined by the Standard) cannot exceed 70% of the annual average of the audit fees for the preceding three-year period, calculated both on a Group and UK basis. For non-audit services of less than £50,000, the Committee had permitted that pre-approval could be provided by the CFO. Non-audit services above £50,000 require pre-approval by the Audit & Risk Committee or a sub-committee of any two Committee members, including the Chair. Once above 50% of the annual limit in any one year, any further services require full Committee pre-approval.

The amounts paid to the external auditors were £2.4m (FY 2021: £1.7m) during the year, comprising £1.7m (FY 2021: £1.5m) for audit services and £0.2m (FY 2021: £0.2m) for audit-related assurance services and £0.5m (FY 2021: £nil) for other assurance services as set out in note 4 to the Consolidated Financial Statements. The audit-related assurances services undertaken by the Statutory Auditor during FY 2022 related to the review of the interim financial statements in the half-year report. The non-audit work was for Reporting Accountant activities and assurance work in connection with the offer.

# Audit & Risk Committee Report continued

The Committee was satisfied that PwC was independent at all times during the year under review. The current Board was satisfied that PwC was independent up to the date of signing the Annual Report and Accounts.

### External auditors' reappointment

The audit tender process was undertaken in 2015 and the Committee believed the independence and objectivity of the external auditors and the effectiveness of the audit process were safeguarded and remained strong.

## Speak-up

The Committee reviewed and approved arrangements by which employees could, in confidence, raise concerns about possible improprieties in matters of ethical business practice, financial reporting, or other matters. This was achieved by using a third-party reporting facility that accommodated telephone, web and email contacts and allowed anonymity on request. The Committee received regular reports on matters raised via this facility and on the related investigations and responses.

## Financial Statements and significant accounting matters

### Audit & Risk Committee (dissolved)

Prior to its dissolution, the Committee had reviewed reports from management, challenged key judgements and estimates and assessed the risks identified. It had discussed these issues with the external auditors during the audit planning process and during Committee meetings prior to the year-end. Prior to the publication of the Group's results for the half-year ended 31 March 2022, the Committee also assessed whether suitable accounting policies had been adopted, that management had made appropriate estimates and judgements, and whether disclosures were balanced and fair.

### Board (current)

The current Board (as detailed on page 23) has similarly reviewed the reports from management, challenging the key judgements and estimates and assessing the risks identified and is satisfied that the year-end Financial Statements appropriately address the critical judgements and key estimates, both in respect of the amounts reported and the disclosures made.

The current Board is satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust. In addition, the current Board is satisfied that suitable accounting policies have been adopted, that management has made appropriate estimates and judgements, and that disclosures are fair, balanced and understandable for the preparation and finalisation of the year-end Financial Statements, in line with the assessment of the external auditors in relation to these matters.

For the main issues noted below, detail is provided as to the oversight afforded and to the challenge of management by both the now dissolved Audit Committee and the current Board relating to the significant accounting matters that arose and the financial statements published during the year.

| Issue | Review |
|---|---|
| **Fair, balanced and understandable** | |
| The current Board has considered whether, in its opinion, the FY 2022 Annual Report and Accounts is fair, balanced and understandable. | The current Board considered that the Group's strategy is clearly articulated, outlining the Group's purpose. Business and market performance is considered in the round with equal prominence on strong and weak performance. A mix of both financial and non-financial information is disclosed, explained and clearly reconciled.<br>Following the current Board's review of the Annual Report and Accounts and after applying its knowledge of matters raised during the year, the current Board is satisfied that, taken as a whole, the FY 2022 Annual Report and Accounts is fair, balanced and understandable. |
| **Presentation of adjusted and underlying performance and other alternative performance measures (APMs)** | |
| Presentation of adjusted and underlying performance, including identification and treatment of exceptional and adjusting items. Management considered the latest European Securities and Markets Authority (ESMA) and FRC guidelines and thematic review on alternative performance measures to ensure that the Annual Report and Accounts had been prepared in line with best practice. | The current Board reviewed the FY 2022 Annual Report and Accounts and discussed with management and the external auditors Alternative Performance Measures (APMs) including consideration of their consistency and the avoidance of any undue prominence or misleading effect on the Financial Statements.<br>The current Board considered the nature and amount of each APM to ensure that it was appropriate to classify each item as an APM. The current Board evaluated the clarity of the reconciliations between statutory measures and APMs. The current Board concluded that the presentation of APMs has clear labelling, transparent reconciliations, and appropriate explanations. |

# Audit & Risk Committee Report continued

| Issue | Review |
|---|---|
| **Taxation** | |
| The Group is exposed to differing tax regimes and risks which affect both the carrying values of tax balances (including indirect tax and deferred tax) and the resultant Income Statement charges.<br>The Group takes a low risk and responsible approach to the management of taxes with a strategy of being transparent with tax authorities and compliant with all laws and relevant regulations in the countries in which the Group operates.<br>The Group actively closed a number of historic indirect tax audits and continues to actively monitor any evolving indirect tax exposures with a specific focus on US Sales Tax exposures.<br>The Group was successful in an Upper Tax Tribunal hearing in respect of a UK direct tax exposure, although HM Revenue and Customs has submitted a permission to appeal to the Court of Appeal.<br>The Group continues to provide for UK and international uncertain tax positions, some dating back a number of years. | The Chair attended Tax & Treasury Committee meetings which provide valuable insight into the Group's approach to tax.<br>The Committee reaffirmed the Group's tax strategy which is published on the Group's website. The Committee also reviewed the updated and new Group tax policies and processes across a number of risk areas.<br>The Committee was regularly updated on uncertain tax positions and assessed management's judgement over the quantification of these positions. As part of this exercise, the Committee reviewed management's analysis and support provided by third-party experts.<br>The Committee continued to review the Group's progress on identifying and remediating permanent establishment and employment tax risks arising from global contractors and employees displaced geographically during the covid-19 pandemic.<br>The current Board assessed the position taken with regard to tax judgements and estimates around the carrying value of tax provisions and uncertainties and concluded that management's accounting treatment and disclosures of the tax-related matters in the Annual Report and Accounts, including uncertain tax positions in note 2 and elsewhere in the Financial Statements, were appropriate.<br>The Committee and current Board reviewed events occurred during FY 2022 in relation to the tax litigation with HMRC, including a win at the Upper Tax Tribunal and the application for permission to appeal submitted by HMRC to the Court of Appeal. The current Board concluded that the release of the previously held provision was appropriate. |
| **Impairment considerations** | |
| The Group has goodwill and other intangible assets. As part of normal impairment testing the Group recognised a small impairment charge on its brands. No impairments arose on goodwill or other intangible assets. The Company has an investment in its subsidiary. In FY 2020 the Company recognised a partial impairment charge on this investment, largely triggered by the reduced cash flow forecasts. This impairment has been reversed in FY 2022. | The Committee considered the assessments made in relation to the impairment of goodwill, other intangible assets and the Company's investment. The Committee discussed the methodology and assumptions used in the models supporting the carrying value and reviewed those businesses and its investment. The Committee had focused on, monitoring regularly and constructively challenging, the reasonableness of the assumptions used in impairment calculations by management, the balance between international vs domestic events, Environmental, Social and Governance issues and climate concerns.<br>As a result of the offer received to acquire the entire share capital of the Group, which was significantly above the carrying value of the Group's CGUs, the Directors used the impairment assessment performed in the prior year to conclude that the carrying value of the CGUs remain recoverable. In doing this, the Directors made the judgement that the developments in the year make any impairment risk remote having considered the offer price and the trading performance of the Group in the year, including the recovery of events compared to the scenarios considered in 2021 that incorporated the uncertainty from covid-19 and climate change.<br>The Board had also understood the disclosure in both the Group and the Company accounts.<br>The Committee concluded that there was no impairment of the carrying values of goodwill and supported the brand impairment required. The Committee considered the impairment reversal recorded against the company's investment in its subsidiary based on the value of the subsidiary implied by the offer and agreed it to be appropriate. The current Board concurred with this conclusion. |

# Audit & Risk Committee Report continued

| Issue | Review |
|---|---|
| **Accounting for acquisitions** | |
| The Group made one acquisition during the year and a minor increase in equity holding. There were a number of consequential accounting considerations, including the fair value of goodwill and identification and fair values of other intangible assets. | The Committee had reviewed the work undertaken for the acquisition of Boardroom Insider Inc prior to the year end.<br>The Committee had considered the risk that acquisitions are not accounted for correctly in line with IFRS 3 'Business combinations' including the recording of fair value adjustments and the identification and valuation of acquired intangible assets. The Committee reviewed management's work on the identified intangible assets acquired and assessed the methodology used to calculate the fair values and the appropriateness of the key assumptions used, including discount rates. The Committee also considered the useful economic lives assigned by management noting them to be reasonable and in line with management's policy. Having rigorously challenged management's assumptions and methodologies, the Committee concluded that the accounting for acquisitions was appropriate. The current Board concurred with this conclusion. |
| **Trade receivables** | |
| The Group has assessed the carrying value of trade receivables and the impact on the judgements and assumptions used to determine the expected credit losses. | The current Board has understood and challenged management's assumptions and assessment of risks used in determining the recoverability of trade receivables. The current Board considered the make-up of the Group's receivables, reviewed and challenged the assumptions behind the calculation of the expected credit losses, and assessed the adequacy of the bad debt provision and management judgement applied in relation to the risks in each division and across the Group. The current Board satisfied itself that the carrying value of trade receivables was appropriate. |
| **Going concern** | |
| The Group has assessed the principal risks, made certain judgements and estimates in relation to the going concern status of the Group due to the current macro-economic outlook. | The current Board has considered the evidence supporting the going concern basis of accounts preparation and risk management (particularly in light of the current macro-economic outlook, the balance between international vs domestic events, Environmental, Social and Governance issues and climate concerns), and internal control disclosure requirements. The current Board considers it appropriate to adopt the going concern basis of accounting in preparing this Annual Report and Accounts as set out in note 1 to the Consolidated Financial Statements. |
| **Retirement benefit obligations** | |
| The valuation of the assets and liabilities of the Group's two defined benefit schemes are based on estimates and assumptions including salary increases, inflation rates, discount rates, the mortality rates and long-term expected returns on the assets of the schemes. | The Committee for the half-year and the current Board for the year-end assessed the assumptions used in determining pension obligations, particularly given market volatility and concluded that the key assumptions are reasonable. The current Board supports the key judgment in relation to the recoverability of the pension surplus. |
| **Right of use asset impairment** | |
| Following the successful introduction of flexible working across Euromoney, the Group reviewed its real estate requirements and identified significant opportunities to reduce office costs in London and New York to reflect the footprint that suits its needs. As a result, excess office space in New York has been vacated, a portion of its London offices will be made available to sublet. This decision to separate the respective assets from those used in the ordinary course of business is a triggering event for impairment review. These assets are impaired as standalone CGUs. | The Committee considered the assessments made and discussed the methodology and assumptions used in the impairment models. The Committee supported the impairments.<br>The current Board concurred with this conclusion. |
| **Discontinued operations and assets held for sale** | |
| Following the outcome of shareholders voting in favour of the acquisition of the Group and with Fastmarkets intended to be separated following completion, the segment has met the recognition criteria of a discontinued operation under IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. For the year ended 30 September 2022, Fastmarkets' results have been included in discontinued operations. The comparative period has also been restated. The results for both years are included in both adjusted and underlying measures. | The Committee reviewed management's assumptions in accordance with the requirements of IFRS 5 and agreed with the classification as discontinued operations in the Income Statement at 30 September 2022.<br>The current Board concurs with the requirements of IFRS 5 and that no impairments of the held for sale assets are required.<br>The current Board has reviewed the disclosure and restated comparatives, including the presentation of adjusted and underlying performance measures which include the discontinued operations of Fastmarkets. |

# Nominations Committee Report

## Committee membership

| Member | Member since |
|---|---|
| Leslie Van de Walle (Chair) | March 2019 |
| Jan Babiak | December 2017 |
| Colin Day | October 2019 |
| Imogen Joss | October 2019 |

Other regular attendees included Andrew Rashbass.

There were no changes to the Committee's composition during the year.

The Committee met three times during the year and spent time discussing the appointment of a new Non-Executive Director and succession planning. Member attendance is set out on page 24.

All members of the Committee resigned on 24 November 2022 upon the Scheme of Arrangement becoming effective, confirming the acquisition of Euromoney, following which the Committee was dissolved.

## Roles and responsibilities

The Committee had delegated authority from the Board. Its responsibilities are set out in Committee Terms of Reference. The composition and structure of the Committee meets the requirements of the 2018 Code.

The Committee's key responsibilities were to:

- Regularly review the structure, size and composition of the Board
- Give consideration to Board level succession planning
- Support the Executive Directors with changes at senior management level and keep under review the leadership needs of the organisation
- Co-ordinate and recommend Board appointments
- Review performance and evaluation findings. This included oversight of each Director's other commitments and their ability to devote sufficient time to their responsibilities

## Main activities

### Succession planning

The key focus for the Committee this year continued to be succession planning, including CEO succession planning and the appointment of a new Non-Executive Director.

### Appointment and induction of a new Non-Executive Director

In 2022 the Committee oversaw the appointment of a new Non-Executive Director, Jack Callaway, supported by Russell Reynolds Associates. The Committee identified that it would benefit from having a Non-Executive Director with banking and financial experience, and in particular to provide a shareholder perspective. A candidate specification setting out the requirements for the role and the preferred attributes of potential candidates was prepared. Russell Reynolds Associates does not have any connection with the Company other than as provider of recruitment consultancy and management development services to the Company.

The Group has a comprehensive induction programme to ensure new Directors have an understanding of the Company's strategy, purpose and culture. The induction programme consists of briefings from the senior management team to gain an overview of the strategy and approach of the Group, together with meetings with the Company's advisors. In addition, the programme includes access to information about Directors' duties and other general governance requirements, including Committee specific induction.

# Directors' Remuneration Report

## Committee membership

| Member | Member since |
|---|---|
| Imogen Joss (Remuneration Committee Chair) | November 2017 (appointed Remuneration Committee Chair in February 2018) |
| Jan Babiak | November 2019 |
| India Gary-Martin | March 2021 |
| Tim Pennington | October 2019 |
| Leslie Van de Walle | March 2019 |

Regular attendees included the Chief Executive Officer, Chief Financial Officer, Global Human Resources Director, Global Reward Director and the independent external advisor.

The Remuneration Committee had three scheduled meetings during FY 2022. Member attendance is set out on page 24. All members of the Committee resigned on 24 November 2022 upon the Scheme of Arrangement becoming effective, confirming the acquisition of Euromoney, following which the Committee was dissolved.

Responsibilities previously held by the Remuneration Committee are now overseen by the current Board.

## Roles and responsibilities

The Remuneration Committee had delegated authority from the Board. Its responsibilities are set out in the Committee Terms of Reference. The composition and structure of the Committee met the requirements of the 2018 Code.

The Committee was responsible for:

- Determining the remuneration structure and outcomes for the Executive Directors and other members of the Group Management Board
- Setting the remuneration for the Chair of the Board
- Reviewing and approving remuneration-related policies, ensuring that they were clear, simple, mitigate risk and were predictable, proportionate and aligned to culture
- Recommending and monitoring remuneration for senior management
- Considering workforce remuneration and alignment of incentives and reward with culture
- Overseeing share plans for employees

The FY 2022 Directors' Remuneration Report has been prepared on behalf of the current Board.

No changes were made to Director remuneration from 1 October 2022 to completion when the Scheme of Arrangement became effective, confirming the acquisition of Euromoney by Becketts Bidco Limited. As a result, a full copy of the shareholder-approved Remuneration Policy (to which there were no changes proposed for FY 2023) can be found on pages 80 to 86 of the Group's Annual Report and Accounts 2020 and there are no forward-looking disclosures in the Directors' Remuneration Report this year.

The Group delivered another strong set of results in FY 2022. Overall, the Committee considered that Group performance (and the Executive Directors' contribution to it) exceeded the expectations of the Board and reflected a step change in progress towards becoming a fast-growing, high-margin, 3.0 information-services subscription business.

The Board was confident that the Directors' Remuneration Policy operated as intended during the year. Oversight and approvals previously made by the Remuneration Committee have been overseen by the Board of Euromoney since completion.

# Directors' Remuneration Report continued

## Annual Remuneration Report

### Remuneration structure for the Executive Directors

In line with the Directors' Remuneration Policy, which is set out in full in Euromoney's Annual Report and Accounts 2020, the following table summarises the remuneration structure for the Chief Executive Officer and Chief Financial Officer for FY 2022.

| Executive Director | Base salary | Pension[1] | Benefits | Annual bonus | Performance Share Plan |
|---|---|---|---|---|---|
| A Rashbass | £750,000 (unchanged since appointment in October 2015) | 10% of base salary per annum | Private healthcare<br>Life insurance<br>Health Cash Plan | • Maximum award was 150% of base salary<br>• Target award was 100% of base salary for the Chief Executive Officer and 75% of base salary for the Chief Financial Officer<br>• The performance measures were Group adjusted profit before tax (35%), Group underlying revenue growth (35%), ESG (10%) and individual strategic objectives (20%) | Maximum award was 200% of base salary for the Chief Executive Officer and 150% of base salary for the Chief Financial Officer<br>Performance measures applying to the FY 2021 grant were relative TSR (30%), Group adjusted diluted EPS (40%) and Group underlying revenue growth (30%) |
| W Pallot | £401,700 (increased from £390,000 effective from 1 April 2022) | 10% of base salary per annum | Private healthcare<br>Life insurance<br>Health Cash Plan | | |

1 Payable in cash. The maximum pension contribution rate for UK employees was also 10% of base salary.

No changes were implemented to the Executive Director remuneration arrangements outlined above for the period of 1 October 2022 to completion.

## Single figure of remuneration for the Executive Directors (audited)

The following table sets out the breakdown of the single figure of remuneration for the Chief Executive Officer and Chief Financial Officer for FY 2022 and FY 2021.

| Executive Director | Year | Base salary[1] £ | Benefits[2] £ | Pension £ | Total fixed remuneration £ | Annual bonus[3] £ | Performance Share Plan[4] £ | Total variable remuneration £ | Total £ |
|---|---|---|---|---|---|---|---|---|---|
| A Rashbass | FY 2022 | 750,000 | 40,166 | 75,000 | 865,166 | 1,125,000 | 1,486,012 | 2,611,012 | 3,476,178 |
| | FY 2021 | 750,000 | 158,477 | 75,000 | 983,477 | 1,095,469 | 0 | 1,095,469 | 2,078,946 |
| W Pallot | FY 2022 | 395,850 | 1,802 | 39,585 | 437,237 | 593,775 | 636,134 | 1,229,909 | 1,667,146 |
| | FY 2021 | 376,938 | 1,748 | 37,694 | 416,380 | 459,393 | 0 | 459,393 | 875,773 |
| **Total** | FY 2022 | 1,145,850 | 41,968 | 114,585 | 1,302,403 | 1,718,775 | 2,122,146 | 3,840,921 | 5,143,324 |
| | FY 2021 | 1,126,938 | 160,225 | 112,694 | 1,399,857 | 1,554,862 | 0 | 1,554,862 | 2,954,719 |

1 Relates to actual base salary paid over the year. For the Chief Financial Officer, base salary was increased from £390,000 to £401,700 effective from 1 April 2022 in line with increases for the broader employee workforce.

2 For the Chief Executive Officer, this includes the costs of his commuter assignment and associated tax liabilities (FY 2022: £38,910; FY 2021: £156,610).

3 In the context of the acquisition, FY 2022 bonuses were not be subject to deferral into shares.

4 The FY 2022 value comprises vested awards from the FY 2019 Performance Share Plan based on the Company's share offer price of £14.61 at which the entire share capital was acquired.

# Directors' Remuneration Report continued

## Annual bonus for the Executive Directors (audited)

Annual bonuses for FY 2022 were based 35% on Group adjusted profit before tax, 35% on Group underlying revenue growth, 10% on ESG and 20% on individual strategic objectives.

For FY 2022, the Group delivered a strong set of results. The Remuneration Committee considered actual performance in the context of underlying business performance and the wider stakeholder experience and noted that the financial strength of the Group was as a direct result of decisions and actions taken by the Executive Directors and determined that no exercise of discretion was required. Overall performance of the Executive Directors for FY 2022 exceeded the expectations of the Board.

For FY 2022, the annual bonus for the Chief Executive Officer was 100% of the maximum award or £1,125,000 (150% of base salary), and the annual bonus for the Chief Financial Officer was 100% of the maximum award or £593,775 (150% of base salary).

| | | Performance target | | | | |
|---|---|---|---|---|---|---|
| Performance measure | Weighting | Threshold | On-target | Maximum | Performance outcome[1] | Actual award (as a % of the maximum award) |
| Group adjusted profit before tax (£000) | 35% | 66,835 | 74,262 | 81,688 | 93,000 | 100% |
| Group underlying revenue growth | 35% | 5.0% | 11.6% | 13.3% | 18.7% | 100% |
| ESG | 10% | Further detail in the table below | | | 100% | 100% |
| Individual strategic objectives | 20% | Further detail in the table below | | | CEO – 100%<br>CFO – 100% | 100%<br>100% |
| Total | 100% | | | | | 100% |

1 Group adjusted profit before tax and Group underlying revenue growth were adjusted for the impact of acquisitions made during the year. A reconciliation of the Group's adjusted and underlying results to the equivalent statutory measures is set out on pages 115 to 119.

The following table sets out further detail on the ESG measures for FY 2022.

| | Performance target | |
|---|---|---|
| ESG Objective | Measure | Outcome |
| Embed ESG into Euromoney (10%) | Progress in Euromoney's five ESG focus areas covering:<br>1) Inclusion, diversity and well-being<br>2) Information security and privacy<br>3) Transparency, ethics and governance<br>4) Influencing good practice in markets served<br>5) Reducing the Group's climate impact | The CEO designed the ESG strategy which was well received by stakeholders, aligned with overall strategy and addressed areas of critical importance to Euromoney<br>The ESG Committee was established alongside a range of measures designed to assess and evolve Euromoney's diversity and inclusion agenda<br>ESG performance objectives were embedded into annual bonus targets for senior leaders |

The following table sets out the Chief Executive Officer's performance against individual strategic objectives for FY 2022.

| Individual strategic objective | Measure | Outcome |
|---|---|---|
| Maintain strong acquisition pipeline and funding availability | Acquisition pipeline, as reported to the Board, including availability of appropriate funding | Strong performance on a number of acquisition projects |
| Improve market understanding of Euromoney Institutional Investor PLC story | Shareholder feedback, share price relative to peers | Shareholder understanding of Euromoney improved markedly during the year as reflected in share price performance |
| Deliver Group margin at least at budget level | % Group adjusted operating profit margin | Adjusted operating profit margin of 23% |
| Ensure high-quality employee lifecycle systems and processes to achieve outstanding, motivated and engaged talent across the organisation | Succession plans<br>Remuneration effectiveness<br>Retention of high potentials and high performers<br>Career training and development programmes<br>Diverse, rigorous hiring of high performing individuals<br>Successful implementation of Working 3.0 | Significant progress was made in a number of areas including Working 3.0, Growth 3.0, hiring and reward practices<br>Talent mapping and succession planning exercises were completed to ensure readiness and future certainty |

# Directors' Remuneration Report continued

The following table sets out further detail of the Chief Financial Officer's performance against individual objectives for FY 2022.

| Individual strategic objective | Measure | Outcome |
|---|---|---|
| Maintain strong acquisition pipeline and funding availability | Acquisition pipeline, as reported to the Board, including availability of appropriate funding | Strong performance on a number of acquisition projects |
| Improve market understanding of Euromoney Institutional Investor PLC story | Shareholder feedback, share price relative to peers | Shareholder understanding of Euromoney improved markedly during the year as reflected in share price performance |
| Deliver Group margin at least at budget level | % Group adjusted operating profit margin | Adjusted operating profit margin of 23% |
| Further standardisation of systems and processes | Substantive progress in standardisation of systems and processes within the Group, including:<br>1) completion of NetSuite implementation (excluding any second half acquisitions)<br>2) successful delivery of Group Operations Committee projects | Significant steps were made to improve Group Finance systems during FY 2022, including the launch of the Finance Hub in Bulgaria<br>Implementation of NetSuite in the majority of Euromoney entities, and roll-out of Group tax and payroll solution<br>Chair of the Group Operations Committee focused on sharing best practice and expertise across the Group |

## Pensions (audited)

Pension amounts were contributed by the Company to pension plans or cash amounts paid in lieu of pension contributions.
The Executive Directors participated in the Euromoney Pension Saver Plan (a money purchase plan) or their own private pension plan.
The Executive Directors did not have a prospective entitlement to a defined benefit pension.

# Directors' Remuneration Report continued

## Long-term incentives vesting during the year (audited)

On 16 June 2020, the Executive Directors were granted an award under the FY 2019 Performance Share Plan as set out in the following table.

| Executive Director | Award type | Basis of award | Face value of award at grant | Number of shares[1] | Performance period |
|---|---|---|---|---|---|
| A Rashbass | Conditional share | 170% of base salary | £1,274,999 | 156,480 | 1 October 2019 to 30 September 2022 |
| W Pallot | Nil-cost option | 150% of base salary | £545,810 | 66,987 | 1 October 2019 to 30 September 2022 |

1 As disclosed in the FY 2020 Directors' Remuneration Report, the Chief Executive Officer's Performance Share Plan award was reduced from 200% to 170% of base salary during his short-term commuter assignment to the US. The adjustment was intended to leave the Group broadly cost-neutral in relation to the additional costs from 1 April 2018 to 31 December 2020.

The performance measures for the FY 2019 Performance Share Plan are set out in the following table. In light of the acquisition, the awards vested on completion of the acquisition.

| Performance measure | Performance target | Vesting level | Performance outcome | Vesting outcome |
|---|---|---|---|---|
| The Group's Total Shareholder Return relative to the comparator group of the FTSE 250 (excluding investment trusts) between financial years 2020 and 2022 | Upper quartile or higher | Full vesting | Between median and upper quartile | 65% |
| | Between median and upper quartile | Between 25% and 100% on a straight line basis | | |
| | Median | 25% | | |
| | Below median | Nil | | |

## Executive Director interests

This section sets out the equity interests held by the Executive Directors and a comparison to the shareholding guidelines on 30 September 2022. Between 30 September 2022 and completion, there has been no change in the equity interests of the Executive Directors in the table on page 41.

Plan interests (as set out over the following pages) vested on completion of the acquisition of the Group in accordance with the Scheme Document approved by shareholders at the Court Meeting held on 8 September 2022. In line with the performance targets of the performance share plan awards, the award granted on 16 June 2020 vested at 65% of maximum whereas the other performance based awards vested at 100% of maximum. These amounts are not included in the single figure tables above on the basis that the performance conditions and vesting occurred after 30 September 2022.

## Plan interests subject to performance measures (audited)

The following table sets out details of the FY 2021 Performance Share Plan award granted to the Chief Executive Officer and Chief Financial Officer on 6 December 2021. The awards were subject to a two year holding period following the three year performance period.

| Executive Director | Award type | Basis of award | Face value of award at grant | Number of shares[1] | Performance period |
|---|---|---|---|---|---|
| A Rashbass | Nil-cost option | 200% of base salary | £1,499,999 | 155,925 | 1 October 2021 to 30 September 2024 |
| W Pallot | Nil-cost option | 150% of base salary | £584,992 | 60,810 | 1 October 2021 to 30 September 2024 |

1 Reflects the maximum number of shares that would vest if the performance measures were met. The share price used to determine the number of shares was the average of the middle market quotations of the Company's shares over the five days preceding 6 December 2021 (£9.62).

Details of the performance measures for the FY 2021 Performance Share Plan are set out in the following table.

| Performance measure | Weighting | Performance target and vesting level |
|---|---|---|
| Total shareholder Return relative to the FTSE 250 (excluding investment trusts) between FY 2022 and FY 2024 | 30% | 25% vesting at median performance, increasing on a straight line basis to full vesting for upper quartile performance and above |
| Group adjusted diluted EPS | 40% | 25% vesting for EPS of 52.6p in FY 2024, increasing on a straight line basis to full vesting for EPS of 69.2p or higher in FY 2024 |
| Group adjusted underlying revenue growth | 30% | 25% vesting for annualised revenue growth of 3% over the performance period, increasing on a straight line basis to full vesting if annualised revenue growth of 9% or higher |

# Directors' Remuneration Report continued

The following table sets out details of awards (nil-cost options and conditional shares) under the Performance Share Plan for the Executive Directors on 30 September 2022.

| Grant date | End of performance period | Exercisable from | Expiry date | Status | Award price (pence) | Granted during the year | Lapsed during the year | Exercised during the year | Outstanding awards |
|---|---|---|---|---|---|---|---|---|---|
| **A Rashbass** | | | | | | | | | |
| 17 December 2018 | 30 September 2021 | 17 December 2023 | 17 December 2028 | Lapsed | 1,169.2 | – | 109,048 | – | 0 |
| 16 June 2020 | 30 September 2022 | 16 June 2025 | 16 June 2030 | Outstanding | 814.8 | – | – | – | 156,480 |
| 10 December 2020 | 30 September 2023 | 10 December 2025 | 10 December 2030 | Outstanding | 1,045.6 | – | – | – | 121,939 |
| 06 December 2021 | 30 September 2024 | 06 December 2026 | 06 December 2031 | Outstanding | 962.0 | 155,925 | – | – | 155,925 |
| **Total** | | | | | | | | | **434,344** |
| **W Pallot** | | | | | | | | | |
| 17 December 2018 | 30 September 2021 | 17 December 2023 | 17 December 2028 | Lapsed | 1,169.2 | – | 45,543 | – | 0 |
| 16 June 2020 | 30 September 2022 | 16 June 2025 | 16 June 2030 | Outstanding | 814.8 | – | – | – | 66,987 |
| 10 December 2020 | 30 September 2023 | 10 December 2025 | 10 December 2030 | Outstanding | 1,045.6 | – | – | – | 52,200 |
| 06 December 2021 | 30 September 2024 | 06 December 2026 | 06 December 2031 | Outstanding | 962.0 | 60,810 | – | – | 60,810 |
| **Total** | | | | | | | | | **179,997** |

## Plan interests not subject to performance measures (audited)

Annual bonus awards for the Executive Director above 100% of base salary are deferred into shares.

The following table sets out the awards under the Deferred Bonus Plan granted to the Executive Directors during the year. The awards related to the FY 2021 annual bonus. No other deferred bonus awards were outstanding.

| Executive Director | Award type | Basis of award | Face value of award at grant | Number of shares[1] |
|---|---|---|---|---|
| A Rashbass | Nil-cost option | Deferral of FY 2021 annual bonus | £345,469 | 35,911 |
| W Pallot | Nil-cost option | Deferral of FY 2021 annual bonus | £69,393 | 7,213 |

1 Reflects the maximum number of shares that would vest if the deferral conditions were met. The share price used to determine the number of shares was the average of the middle market quotations of the Company's shares over the five days preceding 6 December 2021 (£9.62).

The Save-As-You-Earn Plan allows participants to save up to £500 a month for three years from their net monthly base salary which could be used to purchase Company shares at a discounted price. The following table sets out details of outstanding options under the Save-As-You-Earn Plan for the Executive Directors on 30 September 2022. A 20% discount applies to the market value of the Company's shares at the start of the relevant savings period.

| Date of grant | Relating to | Award type | Exercisable from | Expiry date | Status | Award price (pence) | Lapsed during the year | Outstanding awards |
|---|---|---|---|---|---|---|---|---|
| **A Rashbass** | | | | | | | | |
| 15 June 2018 | SAYE Plan | Discounted option | 1 August 2021 | 1 February 2022 | Lapsed | 1,420 | 1,691 | – |
| **W Pallot** | | | | | | | | |
| 18 December 2020 | SAYE Plan | Discounted option | 1 February 2024 | 1 August 2024 | Outstanding | 802 | – | 2,244 |

# Directors' Remuneration Report continued

## Share interests summary (audited)

The Executive Directors were required to build and maintain a shareholding of at least 200% over a five year accumulation period, with the shareholding requirement continuing for 24 months after the end of employment.

These shareholding requirements ceased to be effective shortly before the completion of the acquisition of Euromoney.

The following table sets out the plan interests of the Executive Directors on 30 September 2022.

| Executive Director | Number of beneficially owned shares | Awards held subject to performance measures[1] | Awards held not subject to performance measures (unvested) | Awards held not subject to performance measures (vested but not exercised) | Number of shares required to be held[2] | Shares required to be held (as a % of base salary) | Minimum shareholding requirement met[3] |
|---|---|---|---|---|---|---|---|
| A Rashbass | 175,932 | 434,344 | 35,911 | – | 103,792 | 200% within five years | Yes |
| W Pallot | 1,805 | 179,997 | 7,213 | 2,244 | 53,792 | 200% within five years | Within the accumulation period |

1 Awards subject to performance measures were excluded from the value of shares that count towards the minimum shareholding requirement.

2 Calculated using the average of the middle market quotations of the Company's shares over the five days preceding 30 September 2022 (£14.45).

3 For the Chief Financial Officer, the accumulation period would have ended on 16 August 2023.

There was no change in the equity interests held by Executive Directors between 1 October 2022 and completion of the acquisition.

## Payments to past Directors (audited)

Other than payments made to Sir Patrick Sergeant in relation to his role as Life President, there were no payments to past Directors during the year.

As disclosed when he stepped down from the Board, Sir Patrick was paid an annual fee of £50,000 for his role as Life President. Sir Patrick was also provided with a chauffeur service and personal assistant at a cost of £33,260 for FY 2022 (FY 2021: £83,260).

## Payment for loss of office (audited)

No payments for loss of office were made were made during the year.

## Non-Executive Directors

Prior to their resignation, the Non-Executive Directors had a three-year term of engagement subject to annual re-election at the Annual General Meeting,

## Fee structure

Leslie Van de Walle was appointed as Chair of the Board from 1 March 2019. His FY 2022 annual fee was £232,000.

The fee levels for other Non-Executive Director roles for FY 2022 were:

- Non-Executive Director base fee: £57,000
- Audit & Risk Committee Chair: additional £10,000
- Remuneration Committee Chair: additional £10,000
- Investment Committee Chair: additional £10,000
- Senior Independent Director: additional £10,000

## Single figure of remuneration (audited)

The following table sets out the single figure of remuneration for the Non-Executive Directors in FY 2022 and FY 2021.

| Non-Executive Director | FY 2022 fees £ | FY 2021 fees £ |
|---|---|---|
| L Van de Walle (appointed Chair of the Board on 1 March 2019) | 232,000 | 220,000 |
| J Babiak (appointed on 1 December 2017, Senior Independent Director from 18 September 2019) | 67,000 | 60,000 |
| J Callaway (appointed on 1 March 2022) | 33,250 | – |
| C Day (appointed on 5 March 2018, Audit & Committee Chair from 16 May 2018) | 67,000 | 60,000 |
| I Gary-Martin (appointed on 24 March 2021) | 57,000 | 26,604 |
| I Joss (appointed on 13 November 2017, Remuneration Committee Chair from 1 February 2018) | 67,000 | 60,000 |
| T Pennington (appointed on 1 September 2019, Investment Committee Chair from 10 February 2021) | 67,000 | 55,000 |
| LM Tilbian (appointed on 1 January 2018, stepped down on 24 March 2021) | – | 25,000 |
| Total | 590,250 | 506,604 |

# Directors' Remuneration Report continued

## Share interests (audited)

Since FY 2019, the Non-Executive Directors were required to build and maintain a shareholding with a value of at least 100% of their annual fee within six years of their date of appointment.

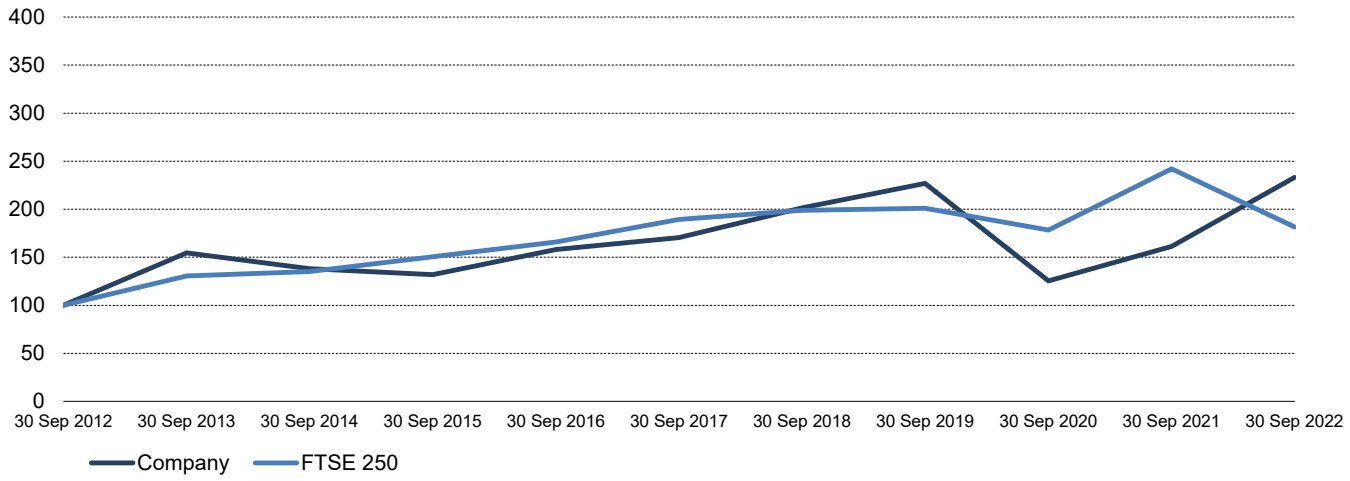
The following table sets out the interests of the Non-Executive Directors in the ordinary shares of the Company on 30 September 2022. There was no change in equity interests between 30 September 2022 and completion of the acquisition.

| Non-Executive Director | Number of ordinary shares | Minimum shareholding requirement met |
|---|---|---|
| L Van de Walle (appointed Chair of the Board from 1 March 2019) | 19,500 | Yes |
| J Babiak (appointed on 1 December 2017) | 5,404 | Yes |
| J Callaway (appointed 1 March 2022) | 2,500 | Within the accumulation period |
| C Day (appointed on 5 March 2018) | 3,500 | Within the accumulation period |
| I Gary-Martin (appointed on 24 March 2021) | 0 | Within the accumulation period |
| I Joss (appointed on 13 November 2017) | 1,001 | Yes |
| T Pennington (appointed on 1 September 2019) | 4,000 | Within the accumulation period |

## Other disclosures (unaudited)

### Comparison of overall performance and remuneration of the Chief Executive Officer

The following chart compares the Group's Total Shareholder Return with the FTSE 250 index over the past ten years. The Group was a constituent of the FTSE 250 index. Total Shareholder Return represents the theoretical growth in value of a shareholding over the period assuming that dividends are reinvested to purchase additional shares.




The following table sets out the remuneration for the Executive Directors appointed to the role of Chief Executive Officer during the last ten years. The single figure of remuneration for the Chief Executive Officer comprises base salary, benefits, Company pension contributions, annual bonus and long-term incentives.

| | | FY 2013 | FY 2014 | FY 2015 | FY 2016[1] | FY 2017[1] | FY 2018[1] | FY 2019[1] | FY 2020[2] | FY 2021 | FY 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Single figure of remuneration (£000) | A Rashbass | – | – | – | 2,761 | 2,145 | 2,188 | 2,329 | 1,396 | 2,079 | 3,476 |
| | CHC Fordham | 1,647 | 895 | 576 | – | – | – | – | – | – | |
| | PR Ensor | – | – | – | – | – | – | – | – | – | |
| Annual bonus (% of the maximum award) | A Rashbass | – | – | – | 85% | 71% | 60% | 60% | – | 97% | 100% |
| | CHC Fordham[3] | 58% | 52% | 17% | – | – | – | – | – | – | |
| | PR Ensor[3] | – | – | – | – | – | – | – | – | – | |
| Long-term incentive vesting (% of the maximum award) | A Rashbass | – | – | – | – | – | – | 0% | 25% | 0% | 65% |
| | CHC Fordham | – | – | – | – | – | – | – | – | – | |
| | PR Ensor | 100% | – | – | – | – | – | – | – | – | |

1 Includes vested buy-out awards for Andrew Rashbass.

2 Includes vested awards (39,817) from the FY 2015 Performance Share Plan based on the Company's share price on the date of vesting on 18 December 2020 (£10.465).

3 Christopher Fordham and Richard Ensor were paid under the Group's profit share plan. The profit share plan had no ceiling. Maximum annual variable remuneration was calculated assuming profits achieved had been 20% higher.

# Directors' Remuneration Report continued

## Percentage change in remuneration for Directors

The following table sets out the year-on-year change in annual remuneration for the Chief Executive Officer, Chief Financial Officer and Non-Executive Directors compared with the average percentage change for employees.

| | % change FY 2021 to FY 2022 | | | % change FY 2020 to FY 2021 | | | % change FY 2019 to FY 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| Directors | Base salary | Benefits | Incentives | Base salary | Benefits | Incentives | Base salary | Benefits | Incentives |
| **Executive Directors** | | | | | | | | | |
| A Rashbass (appointed on 1 October 2015) | – | (74.7%) | 2.7% | 15.4% | (40.1%) | – | (13.3%) | 53.0% | (100.0%) |
| W Pallot (appointed on 16 August 2018) | 5.0% | 3.1% | 29.3% | 13.0% | (1.2%) | 521.5% | (7.2%) | 8.3% | (71.3%) |
| **Non-Executive Directors** | | | | | | | | | |
| L Van de Walle (appointed Chair of the Board on 1 March 2019) | 5.5% | – | – | 9.1% | – | – | 57.1% | – | – |
| J Babiak (appointed on 1 December 2017) | 11.7% | – | – | 8.4% | – | – | 9.9% | – | – |
| J Callaway (appointed 1 March 2022) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| C Day (appointed on 5 March 2018) | 11.7% | – | – | 9.1% | – | – | (8.3%) | – | – |
| I Gary-Martin (appointed on 24 March 2021) | 114.3% | – | – | – | – | – | n/a | n/a | n/a |
| I Joss (appointed on 13 November 2017) | 11.7% | – | – | 9.1% | – | – | (8.3%) | – | – |
| T Pennington (appointed on 1 September 2019) | 21.8% | – | – | 20.0% | – | – | 1000.0% | – | – |
| **Employee average** | 7.4% | 4.0% | (1.0%) | 1.1% | 11.4% | 44.6% | (9.7%) | – | – |

Notes to the table:

- As the Group had no direct employees in the listed company, the selected comparator group includes employees in the UK who represented approximately 35% of Euromoney's total employee population.
- Employee pay was determined annually at the same time as the Remuneration Committee determined the remuneration for the Chief Executive Officer and Chief Financial Officer, and under the same economic circumstances. For the purposes of this analysis, remuneration excluded long-term incentives and pension benefits.
- Directors who were not a Director at any point during FY 2022 are excluded. The percentage change in their remuneration for prior years (and in which they were a Director) are disclosed in the relevant Annual Report and Accounts.

## Chief Executive Officer pay ratio

The following table sets out the ratio of the Chief Executive Officer's single figure remuneration to the lower quartile, median and upper quartile total remuneration of their full-time equivalent UK employees.

| | | Base salary | | | Total remuneration | | |
|---|---|---|---|---|---|---|---|
| | Year | Lower quartile | Median | Upper quartile | Lower quartile | Median | Upper quartile |
| Pay Ratio | 2020 | 22:1 | 14:1 | 9:1 | 39:1 | 24:1 | 13:1 |
| Pay Ratio | 2021 | 22:1 | 14:1 | 7:1 | 54:1 | 31:1 | 15:1 |
| Pay Ratio | 2022 | 20:1 | 13:1 | 7:1 | 76:1 | 44:1 | 24:1 |
| Representative employee remuneration | 2022 | 37,750 | 56,375 | 100,296 | 45,683 | 78,721 | 144,471 |

Notes to the table:

- Ratios were calculated using Option A in the disclosure regulations. The option was selected because it provided the strongest level of consistency in comparison and was the most statistically accurate.
- Reflects employees on 30 September 2022 excluding those on sick or maternity/paternity leave. This includes part-time employees on a full-time equivalent basis.
- Annual bonuses for employees reflect actual awards paid during the relevant financial year.

# Directors' Remuneration Report continued

## Relative importance of spend on pay

The following table sets out the spend on total employee pay in comparison to profits and distributions to shareholders. These were considered by the Directors to be the significant distributions made during the year and will assist stakeholders in understanding the relative importance of spend on pay.

| | FY 2022 £m | FY 2021 £m | Year-on-year change |
|---|---|---|---|
| Total employee pay | 197.5 | 169.4 | 16.6% |
| Dividends paid | 20.1 | 18.5 | 8.6% |
| Adjusted profit before tax[1] | 93.0 | 61.4 | 51.5% |

1 Adjusted profit before tax measures the overall success of management actions to manage the portfolio and invest to grow the business. Adjusted profit before tax is one of the financial measures used for Directors' remuneration. This APM adjusts profit before tax for the amortisation of acquired intangible assets, exceptional items, net movements in deferred consideration and acquisition commitments and fair value remeasurements.

Notes to the table:

- Total employee pay includes base salary, annual bonus and, where applicable, long-term incentives.
- Total employee pay was affected by foreign exchange translation as more than half of the Group's employees were based outside the UK.

## Remuneration Committee advisors

The Committee's Terms of Reference permitted members to obtain professional advice on any matter.

During the year, guidance was sought from Ellason LLP (total fees in FY 2022 of £56,573). All fees were charged on a time and materials basis. Ellason were appointed as advisor to the Committee following a competitive tender process in FY 2021. Ellason did not provide any other services to the Group.

The Chair of the Remuneration Committee had direct access to Ellason as and when required. To ensure the advice from Ellason was objective, the Committee determined the protocols by which Ellason interacted with management in support of the Committee. The Committee was satisfied that independent advice was provided by Ellason.

Ellason are members of the Remuneration Consultants Group and adhere to its voluntary Code of Conduct. The principles on which the code is based are transparency, integrity, objectivity, competence, due care and confidentiality.

## General Meetings – shareholder voting outcomes

The following table sets out the voting outcomes for resolutions on the Directors' Remuneration Policy and Annual Remuneration Report at the 2022 Annual General Meeting:

| | Votes for | | Votes against | | |
|---|---|---|---|---|---|
| | Number | % | Number | % | Abstentions |
| Directors' Remuneration Policy (binding vote at least every three years) | 84,258,429 | 84.61% | 15,327,780 | 15.39% | 4,509 |
| Annual Remuneration Report (annual advisory vote) | 84,250,746 | 85.44% | 14,352,004 | 14.56% | 760,654 |

The Directors' Remuneration Report was approved by the Board of Directors on 18 January 2023.

**Wendy Pallot**
Chief Financial Officer

18 January 2023

# Directors' Report

This is the report of the Directors of the Board of Delinian Limited (the Company) for the year ended 30 September 2022.

## The Company

Delinian Limited is a parent company, incorporated and domiciled in England and Wales, company number 00954730, with its registered office at 8 Bouverie Street, London EC4Y 8AX.

The immediate parent company of the Company is Becketts Bidco Limited. Becketts Bidco Limited is a newly formed company indirectly owned by funds managed and/or advised by Astorg Asset Management S.à r.l., Epiris GP Limited and Epiris GP III Limited.

## Reporting obligations

The Directors' Report comprises pages 44 and 45 of this Report (together with the sections of the Annual Report and Accounts incorporated by reference). Some of the matters required by legislation have been included in the Strategic Report (pages 02 to 22) as the Board considers them to be of strategic importance, particularly future business developments and principal risks.

Additional information that is relevant to this Report, and which is incorporated by reference into this Report, including information required in accordance with the UK Companies Act 2006, can be located as follows:

- Corporate Governance Report (pages 23 to 26)
- Related party transactions (note 28)
- Waivers of dividends (page 58)
- Greenhouse Gas (GHG) reporting (page 15)
- The Group's financial risk management objectives and policies in relation to its use of financial instruments and its exposure to price, credit, liquidity and cash flow risk, to the extent material, are set out in note 21 to the Consolidated Financial Statements on pages 88 to 94.

## Forward-looking statements

Certain statements made in this document are forward-looking. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standards, the Directors do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. Nothing in this document shall be regarded as a profit forecast.

## Group results and dividends

The Group profit for the year attributable to equity holders of the Company amounted to £27.1m (FY 2021: £12.6m). Our dividend policy is to pay out approximately 40% of adjusted diluted earnings per share, subject to the capital needs of the business.

As confirmed on 20 May 2022, the Board declared an interim dividend for the financial year 2022 of 6.1p. The current Board is not recommending a final dividend due to the acquisition of the Group. The total dividend for the year will therefore be 6.1p per ordinary share (FY 2021: 18.2p).

## Distributable reserves (unaudited)

The reserves which are potentially distributable to the Company's equity shareholders are determined by company law and require judgement. At 30 September 2022, the Company had reserves of at least £171.1m (FY 2021: £176.4m) available for distribution to its equity shareholders, comprising the share-based payment reserve of £42.3m (FY 2021: £39.1m) and £142.9m (FY 2021: £151.4m) of the profit and loss account less £14.1m (FY 2021: £14.1m) in relation to its own shares by virtue of s381 Companies Act 2006.

## Share capital

The Company's share capital is divided into ordinary shares of 0.25p each. At 30 September 2022, there were 109,304,763 ordinary shares in issue and fully paid. During the year, 15,233 ordinary shares of 0.25p each (FY 2021: 124 ordinary shares) with an aggregate nominal value of £38.08 (FY 2021: £0.31) were issued following the exercise of share options granted under the Company's share incentive schemes for a cash consideration of £161,108 (FY 2021: £994). Details of the Company's share capital are given in note 25 to the Group's Financial Statements.

## Employee Share Trust

The Executive Directors of the Company together with other employees of the Group are potential beneficiaries of the Euromoney Employee Share Trust and Euromoney ESOP Trust and, as such, are deemed to be interested in any ordinary shares held by the trust.

At 30 September 2022, the two trusts' combined shareholdings totalled 1,198,783 shares representing 1% of the Company's called up ordinary share capital. There have been a number of awards made between 30 September 2022 and the date of this Annual Report and Accounts.

## Voting rights and restrictions on transfer of shares

Each share entitles its holder to one vote at shareholders' meetings and the right to receive dividends and other distributions according to the respective rights and interests attached to the shares. There are no special control rights attached to them. The Company is not aware of any agreements or control rights between existing shareholders that may result in restrictions on the transfer of securities (shares or loan notes) or on voting rights.

## Change of control

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company. These included the Group's debt facility agreement under which the banks can demand immediate repayment of outstanding debt and cancel their commitments upon a change of control. Following the change of control, all the RCF was cancelled. In addition, settlement of some derivatives was brought forward as a result of the change of control. Where appropriate, these balances have been reclassified from non-current to current on the Consolidated Statement of Financial Position. Other than this agreement, none of these agreements are deemed significant in terms of their potential impact on the business of the Group as a whole.

The Company's share plans contain provisions that take effect in such an event but do not entitle participants to a greater interest in the shares of the Company than created by the initial grant or award under the relevant plan. All share plans were cancelled following the change of control. Details of the Directors' entitlement to compensation for loss of office following a takeover or contract termination are given in the Directors' Remuneration Report.

# Directors' Report continued

## Authority to purchase and allot own shares

At the 2022 AGM shareholders authorised the Company to make market purchases of its own shares. The Company has not yet exercised this authority to date. The Directors were authorised by shareholders to allot shares up to an aggregate nominal amount of £182,149 exclusive of the application of pre-emption rights.

## Significant shareholdings

The Company had received notifications from the following shareholders of their direct or indirect shareholding of 3% or more in the Company's issued share capital as at the 30 September 2022. This information is disclosed pursuant to the Disclosure Guidance and Transparency Rules and was correct at the date of notification to the Company. It should be noted that these holdings have since changed due to the acquisition of the Group and, following the acquisition, Becketts Bidco Limited owns 100% of the shares in the Company.

| Shareholder | Shareholding | Interest |
|---|---|---|
| Morgan Stanley | 9,868,262 | 9.03% |
| JPMorgan Chase & Co | 7,383,821 | 6.76% |
| abrdn plc | 6,216,015 | 5.69% |
| HSBC Holdings Plc | 5,180,684 | 4.74% |
| BlackRock Inc | 4,988,092 | 4.56% |
| UBS Group AG | 4,885,263 | 4.47% |
| The Vanguard Group, Inc | 4,731,525 | 4.33% |
| Bank of America | 4,511,941 | 4.13% |
| Ameriprise Financial | 4,457,147 | 4.08% |
| Baillie Gifford & Co | 3,824,156 | 3.50% |

## Employee engagement

Euromoney employees are creative, action-orientated, close to their customers, passionate about their brands and knowledgeable about the industries they serve. Further details are set out on page 11.

## Political donations

No political donations were made during the year (FY 2021: nil).

## Post balance sheet events

Events arising after 30 September 2022 are set out in note 31 to the Group's Financial Statements.

## Going concern

Having assessed the principal risks and the other matters discussed in connection with going concern, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing this Annual Report and Accounts as set out in note 1 to the Consolidated Financial Statements.

## Auditors

Each Director confirms that, so far as he/she is aware, there is no relevant audit information of which the Company's auditors are unaware, and that each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

## Directors and Directors' interests

The Directors served on the Board throughout the year as listed on page 23, apart from Jack Callaway, who was appointed to the Board on 1 March 2022.

On 24 November 2022, the Effective date of the Scheme of Arrangement and acquisition of the Company by Becketts Bidco Limited, the following Directors resigned, Leslie Van de Walle, Jan Babiak, Jack Callaway, Colin Day, India Gary-Martin, Imogen Joss and Tim Pennington. Andrew Rashbass resigned as a director on 25 November 2022.

As at the date of signing the Directors' Report, the Directors of the Company were Wendy Pallot, Richard Haley and Tim Bratton.

Details of the interests of the Directors who served during the year under review in the ordinary shares of the Company and of options held by the Directors to subscribe for ordinary shares in the Company are set out in the Directors' Remuneration Report on pages 34 to 43.

## Stakeholder engagement

The Company's Section 172 Statement on page 18 refers to how the Board complies with its section 172 obligations to balance the interests of all stakeholders and how the Board has regard to the need to foster relationships with all stakeholders.

## Directors' indemnities

A qualifying third-party indemnity (QTPI), as permitted by the Company's Articles of Association and section 232 and 234 of the Companies Act 2006, has been granted by the Company to each of its Directors. Under the provisions of QTPI the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Director's costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgment is given against the Director.

On behalf of the Board

**Tim Bratton**
General Counsel & Company Secretary

18 January 2023

# Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations:

- The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and the Company's performance, business model and strategy.
- The statement of Directors' responsibilities and the Strategic Report have been approved by a duly authorised Board of Directors on 18 January 2023 and signed on its behalf by Wendy Pallot, Group Chief Financial Officer.

On behalf of the Board

**Wendy Pallot**
Chief Financial Officer

18 January 2023

# Independent auditors' report to the members of Delinian Limited (formerly Euromoney Institutional Investor PLC)

## Report on the audit of the financial statements

## Opinion

### In our opinion:

- Delinian Limited's (formerly Euromoney Institutional Investor PLC) group financial statements and company financial statements (the "financial statements")
  give a true and fair view of the state of the Group's and of the company's affairs as at 30 September 2022 and of the Group's profit and the Group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the Annual Report), which comprise: the consolidated statement of financial position and company balance sheet as at 30 September 2022; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.
Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, including as applicable to listed entities up until the Group delisted, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Our audit approach

### Context

During the year, the Group received an offer to acquire 100% of its share capital, which was approved by shareholders and completed subsequent to the year-end. This offer has had a significant impact on the Group and on the audit, including providing evidence of the recoverable value of the Group's net assets as well as the Company's investment in subsidiary. As part of the offer, it is intended that the Group will sell the Fastmarkets division and therefore it has been classified as a discontinued operation held for sale at 30 September 2022, which has required significant additional disclosure within the financial statements. We considered the impact of this development on our risk assessment and our planned procedures. We also have considered the impact of the ownership change and future position of the Group as part of our audit of management's going concern assessment.

### Overview

**Audit scope**

- We conducted work in three key territories being the UK, US and Canada. This included full scope audits at five components with centralised procedures performed over balances in a further six components.
- Taken together, the components at which audit work has been performed accounted for approximately 74% of the Group's revenue from continuing and discontinued operations and 70% of the Group's statutory profit before tax from continuing and discontinued operations, adjusted for exceptional items.

**Key audit matters**

- Uncertain tax positions (group and parent)
- Acquisitions (group)
- Presentation of exceptional items (group)
- Carrying value of investment in subsidiary (parent)

**Materiality**

- Overall group materiality: £3.6m (2021: £2.7m) based on approximately 5% of profit before tax from continuing and discontinued operations adjusted for exceptional items
- Overall company materiality: £14.3m (2021: £12.0m) based on approximately 1% of total assets
- Performance materiality: £2.7m (2021: £2.0m) (group) and £10.7m (2021: £9.0m) (company)

# Independent auditors' report to the members of Delinian Limited (formerly Euromoney Institutional Investor PLC)

## The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

## Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Carrying values of goodwill and acquired intangible assets and recoverability of accounts receivables, which were key audit matters last year, are no longer included because of reduced risk of impairment given the offer price and the performance of the Group in the year in relation to goodwill and acquired intangible assets and because this is the second year where the Group has used its refined model to determine the expected credit loss of accounts receivable and therefore we assess there to be a reduced likelihood of error. Otherwise, the key audit matters below are consistent with last year.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Uncertain tax positions (group and parent)**<br><br>**Refer to the Audit & Risk Committee Report on page 31 and to note 2 and note 8 to the Consolidated Financial Statements.**<br><br>The Group operates in a complex multinational tax environment in relation to direct taxes. From time to time, the Group enters into transactions with complicated accounting and tax consequences and judgement is required in assessing the level of provisions needed in respect of uncertain tax positions. There are a number of open tax matters with tax authorities, especially the matter in the Company relating to an HMRC enquiry from 2015 which has a maximum potential exposure of £10.7m and was fully provided in 2018. The Group received favourable judgement at the First-tier Tribunal in 2021 and at the Upper-tier Tribunal in the year. Although HMRC has applied to the Court of Appeal for permission to appeal the case, management has determined that it is no longer probable that the HMRC will ultimately prevail and therefore the provision has been derecognised. However, there is judgement as to whether a provision is required and the matter continues to be disclosed as a contingent liability. | We evaluated management's judgements in respect of estimates of tax exposures and contingencies in order to assess the adequacy of the Group's tax provisions.<br><br>In understanding and evaluating management's judgements, we deployed our tax specialists and considered third party tax advice received by the Group, the status of recent and current tax authority audits and enquiries, the outturn of previous claims, judgemental positions taken in tax returns and current year estimates and developments in the tax environment.<br><br>We refreshed our independent assessment of tax risks in the Group's most material markets (UK, US and Canada) and we evaluated the appropriateness and completeness of related tax provisions.<br><br>Deploying our tax specialists, we reviewed the judgement received from the Upper-tier Tribunal and the basis of HMRC's petition to appeal to assess the likelihood of HMRC successfully overturning the judgement of the Upper-tier Tribunal. In doing this, we reviewed the external expert advice received by the Group in relation to the challenges by HMRC.<br><br>Based on the audit evidence obtained, we considered the release of provision and the related disclosures to be appropriate in the context of the Consolidated Financial Statements taken as a whole. |

# Independent auditors' report to the members of Delinian Limited (formerly Euromoney Institutional Investor PLC)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Acquisitions (group)**<br>**Refer to the Audit & Risk Committee Report on page 32 and to note 16 to the Consolidated Financial Statements.**<br>During the year, the Group acquired Boardroom Insiders, Inc (Boardroom Insiders) for £18.7m.<br>IFRS 3: Business Combinations requires assets and liabilities acquired in business combinations to be recognised at their fair value with the difference between the consideration paid and the fair value of net assets being recognised as goodwill. A purchase price allocation exercise has been performed by management, assisted by an external expert.<br>Acquired intangibles of £12.5m and goodwill of £6.9m was recognised following this exercise. The acquired intangible assets principally comprised customer relationships and a database. Judgement was required in identifying and valuing these acquired intangible assets and goodwill and in determining the valuation of the other assets and liabilities acquired. | We obtained and reviewed the sale and purchase agreement and due diligence reports to gain an understanding of the key terms of, and business rationale for, the acquisition.<br>In testing the valuation of the intangible assets acquired, we considered whether the identified intangible assets were appropriate by reference to these supporting documents.<br>We deployed our valuations experts and we engaged with management and with management's third party experts to assess the methodology employed for calculating the fair values of the assets and liabilities and the appropriateness of the key assumptions used, including discount rates.<br>We checked that the material fair value adjustments to the acquired net assets were consistent with the accounting standard requirements. The database was valued based on the cost it would take to replace the asset. We have assessed the appropriateness of this by considering the time it would take to create the assets and the associated people and other costs that would be incurred. Customer relationships are valued based on future cash flow projections which we have assessed by reference to post-acquisition performance, management's plans for the business and compared those to similar businesses owned by the Group. Based on the evidence obtained, we did not identify any indication that the fair value adjustments identified by management were inappropriate or that material fair value adjustments were omitted from management's assessment.<br>We performed certain procedures on the opening balance sheet acquired by the Group. We reviewed management's analysis of the acquired entity's accounting policies and the Group's accounting policies and noted no material differences.<br>We read the disclosures in the Consolidated Financial Statements to satisfy ourselves that they are in line with the requirements of the relevant accounting standards. |
| **Presentation of exceptional items (group)**<br>**Refer to the Audit & Risk Committee Report on page 30 and to note 5 to the Consolidated Financial Statements.**<br>The Group continues to present adjusted earnings by making adjustments for charges and credits which management believes to be exceptional by virtue of their size and incidence.<br>During the year, the Group presented £36.4m of net charges (2021: £15.1m) as exceptional items primarily comprising of: right of use asset impairments, fees associated with acquisition activities, costs related to setting up the shared service centre, and professional fees associated with the acquisition of the Company.<br>Given that the Group presents adjusted earnings measures in addition to its statutory results, the classification of these items as exceptional in the Consolidated Financial Statements was considered important, particularly considering the nature of such items and whether they are significant in size. | We considered the appropriateness of the adjustments made to statutory profit measures to derive adjusted profit measures. We understood management's rationale for classifying items as exceptional and considered whether this is reasonable and appropriate in arriving at an adjusted profit measure for 2022.<br>We also considered whether income tested elsewhere in our audit should be classified as exceptional and therefore whether credits and charges have been treated even handedly.<br>Where costs were treated as exceptional, we considered whether the Group had complied with its accounting policy and with the financial hurdle set by the Directors below which items of cost and income should not be treated as exceptional.<br>In relation to the £20.8m of costs associated with the decision to reduce the Group's property portfolio, we deployed our valuation experts to assess the appropriateness of key assumptions used in management's impairment review for the London office and considered its presentation as an exceptional item. We also validated that the other related costs were attributable to the decision to exit the Group's properties to warrant classification as exceptional.<br>In respect of exceptional charges arising from the acquisition of the Group, we inspected the engagement letters and contracts to validate that the costs were related to the offer and evaluated management's judgement on whether the expense has been incurred in the year based on the contract terms.<br>We considered the appropriateness and transparency of the disclosures in the Consolidated Financial Statements regarding the nature of the reconciling items between statutory and adjusted profit measures, especially in the context of the principle that financial reporting as a whole should be fair, balanced and understandable.<br>As a result of our work, we determined that the classification of exceptional items was reasonable, that the Group's policy in this area has been consistently applied and that the rationale for including or excluding items from adjusted profit has been consistently applied across charges and credits. |

# Independent auditors' report to the members of Delinian Limited (formerly Euromoney Institutional Investor PLC)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Carrying value of investment in subsidiary (parent)**<br>**Refer to the Audit & Risk Committee Report on page 31 and to note 6 in the Company Financial Statements.**<br>The investment in subsidiary of £1,433.4m (2021: £1,226.7m) is accounted for at cost less impairment in the Company Balance Sheet at 30 September 2022. A reversal of impairments previously recorded of £206.7m was recognised in the year.<br>A reversal of an impairment loss is recorded if the recoverable value of the investment is estimated to exceed the carrying value. Any such reversal of impairment loss is recognised in the income statement.<br>Management has determined the impairment reversal to be recorded using the fair value less cost of disposal method, based on the offer the shareholders received, which indicated that the reversal of impairment loss was supportable. | We reviewed the Scheme Document and recalculated the equity value of the Group based on the offer price and also considered the recoverable value by reference to the Group's market capitalisation at 30 September 2022.<br>From these, we recalculated the fair value less cost of disposal of the Group which exceeded the original impairment and therefore warranted the reversal recorded.<br>As a result of our work, we considered the reversal of impairment to be appropriate in the context of the Company Accounts taken as a whole. |

## How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the company, the accounting processes and controls, and the industry in which they operate.

We identified five components in the UK, US and Canada that required a full scope audit due to their size. Centralised audit procedures over specific financial statement line items were performed at a further three components in the UK and three in the US to give sufficient audit coverage. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Consolidated Financial Statements as a whole. We performed full scope audits in respect of Euromoney Trading (UK), Euromoney Global (UK), Institutional Investor (US), BCA Research (Canada) and RISI (US), which, in our view, required a full scope audit due to their size. We performed centralised audit procedures over cash and cash equivalent balances held at Euromoney Holdings and Euromoney Group (both UK), over right of use assets and property, plant and equipment and related dilapidation provisions at Tipall (UK) and over revenue and deferred revenue in Information Management Network, WealthEngine, Inc and The Deal LLC (US). The Group consolidation, financial statement disclosures and corporate functions were audited by the Group audit team. This included our work over goodwill and intangible assets, acquisitions, treasury, post-retirement benefits and tax.

Taken together, the components and corporate functions where we conducted audit procedures accounted for approximately 74% of the Group's revenue from continuing and discontinued operations and 70% of the Group's statutory profit before tax from continuing and discontinued operations, adjusted for exceptional items. This provided the evidence we needed for our opinion on the Consolidated Financial Statements taken as a whole. This was before considering the contribution to our audit evidence from performing audit work at the Group level, including disaggregated analytical review procedures that cover certain of the Group's smaller and lower risk components, which were not directly included in our Group audit scope.

## The impact of climate risk on our audit

As part of this risk assessment, we considered the impact of climate change on the Group which we believe to be most significantly related to the events business, where government action and corporate commitments to reduce emissions may limit international travel and therefore attendance at some of the Group's events which is relevant to management's assessment of the recoverability of goodwill.

## Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

# Independent auditors' report to the members of Delinian Limited (formerly Euromoney Institutional Investor PLC)

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | Financial statements - group | Financial statements - company |
|---|---|---|
| **Overall materiality** | £3.6m (2021: £2.7m). | £14.3m (2021: £12.0m). |
| **How we determined it** | Based on approximately 5% of profit before tax from continuing and discontinued operations adjusted for exceptional items. | Based on approximately 1% of total assets. |
| **Rationale for benchmark applied** | The Group's principal measure of earnings comprises adjusted operating profit, which adjusts statutory profit for a number of income and expenditure items. Management uses this measure as it believes that it eliminates the volatility inherent in exceptional items. We have taken this measure into account in determining our materiality, except that we have not adjusted profit before tax to add back amortisation of acquired intangible assets, share of results in associates and joint ventures or net finance costs as, in our view, these are recurring items which do not introduce volatility to the Group's earnings. Fastmarkets, which is classified as a discontinued operation, contributed a full year's results and remained part of the Group at 30 September 2022. Therefore, in our view, it is appropriate to continue to take the results of this business into account when determining our materiality. | Based on our professional judgement, total assets is an appropriate measure to assess the performance of the Company and is a generally accepted auditing benchmark. |

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £2.0m to £3.0m.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £2.7m (2021: £2.0m) for the group financial statements and £10.7m (2021: £9.0m) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £0.2m (group audit) (2021: £0.2m) and £0.2m (company audit) (2021: £0.2m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

## Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the key assumptions within management's forecasts and applying our own independent sensitivities based on our knowledge from the audit and assessment of previous forecasting accuracy;
- assessing whether the severe but plausible downside scenario prepared by management appropriately considered the principal risks facing the business and evaluating the scenario which incorporates the impact of the sale of the Fastmarkets division;
- assessing the level of remaining liquidity available to the Group under both the base case and severe but plausible downside scenario;
- reviewing the letter of support received from the company's parent and considering the facilities available to the parent company and its availability of use to the Group; and
- considering the appropriateness of the disclosure given in note 1 to the Consolidated Financial Statements. We found this appropriately reflects the position of the Group.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

# Independent auditors' report to the members of Delinian Limited (formerly Euromoney Institutional Investor PLC)

otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK Bribery Act 2010, General Data Protection Regulation (GDPR) and sanction regimes, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as taxation legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to increase revenue or profits, the classification of exceptional items and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management, internal audit and the Group's internal legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessment of the Group's whistleblowing facility and matters reported through the facility;
- Evaluating and, where appropriate, challenging assumptions and judgements made by management in determining significant accounting estimates, in particular to the expected credit loss provision, acquisition accounting and uncertain tax positions; and
- Identifying and testing unusual journal entries, in particular journal entries posted with an unusual account combination.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations.

# Independent auditors' report to the members of Delinian Limited (formerly Euromoney Institutional Investor PLC)

We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

**Jason Burkitt (Senior Statutory Auditor)**
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

18 January 2023

# Consolidated Income Statement

for the year ended 30 September 2022

| | Notes | 2022 £m | Restated 2021 £m |
|---|---|---|---|
| **CONTINUING OPERATIONS** | | | |
| **Revenue** | 3 | **318.8** | 249.9 |
| Cost of sales | | **(59.2)** | (36.4) |
| **Gross profit** | | **259.6** | 213.5 |
| | | | |
| Administrative expenses and distribution costs | | **(203.6)** | (178.8) |
| Net impairment of trade receivables | | **(2.7)** | (4.8) |
| **Operating profit before acquired intangible amortisation and exceptional items** | 3 | **53.3** | 29.9 |
| | | | |
| Acquired intangible amortisation | 12 | **(15.7)** | (12.6) |
| Exceptional items | 5 | **(35.8)** | (11.3) |
| **Operating profit** | 3,4 | **1.8** | 6.0 |
| | | | |
| Share of results in associates and joint ventures | 15 | **(0.3)** | – |
| | | | |
| Finance income | 7 | **2.0** | – |
| Finance expense | 7 | **(3.4)** | (4.3) |
| **Net finance costs** | 7 | **(1.4)** | (4.3) |
| | | | |
| **Profit before tax** | 3 | **0.1** | 1.7 |
| Tax credit/(expense) on profit | 8 | **6.5** | (10.2) |
| **Profit/(loss) for the year from continuing operations** | 3 | **6.6** | (8.5) |
| | | | |
| **DISCONTINUED OPERATIONS** | | | |
| **Profit for the year from discontinued operations** | 11 | **28.8** | 21.1 |
| | | | |
| **Profit for the year** | | **35.4** | 12.6 |
| | | | |
| **Earnings per share** | | | |
| From continuing operations | | | |
| Basic | 10 | **6.1p** | (7.8)p |
| Diluted | 10 | **6.1p** | (7.8)p |
| From continuing and discontinued operations | | | |
| Basic | 10 | **32.8p** | 11.7p |
| Diluted | 10 | **32.8p** | 11.7p |
| Dividend per share (including proposed dividends) | 9 | **6.1p** | 18.2p |

A detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 115 to 119.

The 2021 Consolidated Income Statement has been restated as detailed in note 1.

# Consolidated Statement of Comprehensive Income

for the year ended 30 September 2022

| | 2022 £m | Restated 2021 £m |
|---|---|---|
| **Profit for the year** | **35.4** | 12.6 |
| | | |
| **Items that may be reclassified subsequently to profit or loss:** | | |
| Change in fair value of cash flow hedges | **(13.7)** | 3.3 |
| Transfer of (gains)/losses on cash flow hedges from fair value reserves to Income Statement: | | |
| Foreign exchange losses/(gains) in revenue | **1.3** | (2.4) |
| Foreign exchange gains in administrative expenses | **(0.1)** | (0.4) |
| Net exchange differences on translation of net investments in overseas subsidiary undertakings | **87.8** | (17.2) |
| Net exchange differences on foreign currency loans | **–** | 0.1 |
| Translation reserves recycled to Income Statement | **–** | 1.2 |
| Tax gains on changes in fair value of cash flow hedges | **(3.1)** | 0.3 |
| | | |
| **Items that will not be reclassified to profit or loss:** | | |
| Actuarial gains on defined benefit pension schemes | **0.9** | 4.5 |
| Tax losses on actuarial gains on defined benefit pension schemes | **(0.2)** | (1.0) |
| Change in value of FVTOCI assets | **–** | 0.1 |
| | | |
| **Other comprehensive income/(expense) for the year** | **72.9** | (11.5) |
| | | |
| **Total comprehensive income for the year** | **108.3** | 1.1 |
| | | |
| Continuing operations | **63.2** | (20.5) |
| Discontinued operations | **45.1** | 21.6 |
| **Total comprehensive income for the year** | **108.3** | 1.1 |

# Consolidated Statement of Financial Position

as at 30 September 2022

| | Notes | 2022 £m | 2021 £m |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | | | |
| Goodwill | 12 | **374.3** | 457.1 |
| Other intangible assets | 12 | **130.0** | 188.2 |
| Property, plant and equipment | 13 | **1.4** | 11.4 |
| Right of use asset | 14 | **11.1** | 44.2 |
| Investment in associates and joint ventures | 15 | **8.8** | 8.8 |
| Other equity investments | 15 | **0.2** | 0.2 |
| Deferred tax assets | 24 | **–** | 4.3 |
| Retirement benefit asset | 27 | **9.3** | 3.0 |
| Other non-current assets | | **–** | 0.8 |
| | | **535.1** | 718.0 |
| **Current assets** | | | |
| Trade and other receivables | 17 | **94.2** | 84.3 |
| Contract assets | | **7.0** | 5.5 |
| Current income tax assets | | **8.9** | 4.0 |
| Cash and cash equivalents | 21 | **58.5** | 32.5 |
| Derivative financial instruments | 21 | **0.2** | 1.9 |
| Total assets of business held for sale | 11 | **272.4** | – |
| | | **441.2** | 128.2 |
| **Current liabilities** | | | |
| Deferred consideration | | **(0.2)** | – |
| Trade and other payables | 18 | **(37.5)** | (43.1) |
| Lease liabilities | 20 | **(6.4)** | (9.3) |
| Current income tax liabilities | | **(0.3)** | (13.3) |
| Accruals | | **(62.3)** | (62.3) |
| Contract liabilities | 19 | **(111.7)** | (132.7) |
| Derivative financial instruments | 21 | **(12.2)** | (0.6) |
| Provisions | 23 | **(1.3)** | (1.6) |
| Total liabilities of business held for sale | 11 | **(110.3)** | – |
| | | **(342.2)** | (262.9) |
| **Net current assets/(liabilities)** | | **99.0** | (134.7) |
| **Total assets less current liabilities** | | **634.1** | 583.3 |
| | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | 20 | **(21.0)** | (52.4) |
| Other non-current liabilities | | **(0.3)** | (0.2) |
| Contract liabilities | 19 | **(1.1)** | (2.2) |
| Deferred tax liabilities | 24 | **(20.8)** | (30.1) |
| Derivative financial instruments | 21 | **–** | (0.3) |
| Provisions | 23 | **(3.2)** | (3.0) |
| | | **(46.4)** | (88.2) |
| **Net assets** | | **587.7** | 495.1 |

# Consolidated Statement of Financial Position continued

as at 30 September 2022

| | Notes | 2022 £m | 2021 £m |
|---|---|---|---|
| **Shareholders' equity** | | | |
| Called up share capital | 25 | **0.3** | 0.3 |
| Share premium account | | **104.8** | 104.6 |
| Other reserve | | **65.0** | 65.0 |
| Capital redemption reserve | | **0.1** | 0.1 |
| Own shares | | **(14.1)** | (14.1) |
| Reserve for share-based payments | | **42.3** | 39.1 |
| Fair value reserve | | **(34.9)** | (22.4) |
| Translation reserve | | **193.7** | 105.9 |
| Retained earnings | | **230.5** | 216.6 |
| **Total equity** | | **587.7** | 495.1 |

The Financial Statements on pages 54 to 106 were approved by the Board of Directors on 18 January 2023 and signed on its behalf by:

**Wendy Pallot**
Chief Financial Officer
18 January 2023

# Consolidated Statement of Changes in Equity

for the year ended 30 September 2022

| | Called up share capital £m | Share premium account £m | Other reserve £m | Capital redemption reserve £m | Own shares £m | Reserve for share-based payments £m | Fair value reserve £m | Translation reserve £m | Retained earnings £m | Total £m |
|---|---|---|---|---|---|---|---|---|---|---|
| At 1 October 2020 | 0.3 | 104.6 | 65.0 | 0.1 | (14.6) | 38.7 | (23.5) | 122.3 | 218.2 | 511.1 |
| Profit for the year | – | – | – | – | – | – | – | – | 12.6 | 12.6 |
| Other comprehensive income/ (expense) for the year | – | – | – | – | – | – | 1.1 | (16.4) | 3.8 | (11.5) |
| **Total comprehensive income for the year** | – | – | – | – | – | – | 1.1 | (16.4) | 16.4 | 1.1 |
| Share-based payments | – | – | – | – | – | 0.8 | – | – | – | 0.8 |
| Cash dividend paid (note 9) | – | – | – | – | – | – | – | – | (18.5) | (18.5) |
| Exercise of share options | – | – | – | – | 0.5 | (0.4) | – | – | (0.1) | – |
| VAT on share buy-back | – | – | – | – | – | – | – | – | 0.5 | 0.5 |
| Tax relating to items taken directly to equity | – | – | – | – | – | – | – | – | 0.1 | 0.1 |
| **At 30 September 2021** | **0.3** | **104.6** | **65.0** | **0.1** | **(14.1)** | **39.1** | **(22.4)** | **105.9** | **216.6** | **495.1** |
| Profit for the year | – | – | – | – | – | – | – | – | **35.4** | **35.4** |
| Other comprehensive (expense)/income for the year | – | – | – | – | – | – | **(12.5)** | **87.8** | **(2.4)** | **72.9** |
| **Total comprehensive income for the year** | – | – | – | – | – | – | **(12.5)** | **87.8** | **33.0** | **108.3** |
| Share-based payments (note 26) | – | – | – | – | – | **3.2** | – | – | – | **3.2** |
| Cash dividend paid (note 9) | – | – | – | – | – | – | – | – | **(20.1)** | **(20.1)** |
| Exercise of share options | – | **0.2** | – | – | – | – | – | – | – | **0.2** |
| Tax relating to items taken directly to equity | – | – | – | – | – | – | – | – | **1.0** | **1.0** |
| **At 30 September 2022** | **0.3** | **104.8** | **65.0** | **0.1** | **(14.1)** | **42.3** | **(34.9)** | **193.7** | **230.5** | **587.7** |

The other reserve represents the share premium arising on the shares issued for the purchase of Metal Bulletin plc in October 2006.

The investment in own shares is held by the Euromoney Employee Share Ownership Trust and Euromoney Employee Share Trust.

The trusts waived the rights to receive dividends. Interest and administrative costs are charged to the profit and loss account of the trusts as incurred and included in the Consolidated Financial Statements.

| | 2022 Number | 2021 Number |
|---|---|---|
| Euromoney Employees' Share Ownership Trust | **58,976** | 58,976 |
| Euromoney Employee Share Trust | **1,139,807** | 1,139,807 |
| **Total** | **1,198,783** | 1,198,783 |
| Nominal cost per share (p) | **0.25** | 0.25 |
| Historical cost per share (£) | **11.76** | 11.76 |
| Market value (£m) | **17.3** | 12.2 |

# Consolidated Statement of Cash Flows

for the year ended 30 September 2022

| | Notes | 2022 £m | Restated 2021 £m |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Operating profit from continuing operations | | **1.8** | 6.1 |
| Operating profit from discontinued operations | 11 | **36.8** | 25.1 |
| Operating profit | | **38.6** | 31.2 |
| Long-term incentive expense and deferred bonus | 26 | **3.2** | 0.8 |
| Acquired intangible amortisation | 12 | **21.6** | 19.0 |
| Licences and software amortisation | 12 | **3.3** | 2.9 |
| Depreciation and impairment of property, plant and equipment | 13 | **10.4** | 2.8 |
| Depreciation and impairment of right of use assets | 14 | **38.4** | 9.1 |
| Lease reassessment | 20 | **(23.7)** | – |
| Recycling of foreign exchange | 5 | **–** | 1.2 |
| Impairment charge to acquired intangible assets | 5 | **1.7** | – |
| Increase/(decrease) in provisions | 23 | **–** | (5.4) |
| Gain on dilution of investment in associates | | **(0.3)** | – |
| **Operating cash flows before movements in working capital** | | **93.2** | 61.6 |
| Increase in receivables | | **(23.8)** | (16.9) |
| Increase in payables | | **27.6** | 22.6 |
| **Cash generated from operations** | | **97.0** | 67.3 |
| Income taxes paid | | **(15.2)** | (3.7) |
| **Net cash generated from operating activities** | | **81.8** | 63.6 |
| | | | |
| **Investing activities** | | | |
| Interest received | | **0.2** | – |
| Purchase of intangible assets | 12 | **(2.5)** | (4.6) |
| Proceeds from disposal of intangible assets | | **0.1** | – |
| Purchase of property, plant and equipment | 13 | **(0.3)** | (0.2) |
| Proceeds from disposal of property, plant and equipment | | **–** | 0.1 |
| Purchase of businesses/subsidiary undertakings, net of cash acquired | 16 | **(18.3)** | (24.2) |
| Purchase of long term investment | | **–** | (0.1) |
| **Net cash used in investing activities** | | **(20.8)** | (29.0) |
| | | | |
| **Financing activities** | | | |
| Dividends paid | 9 | **(20.1)** | (18.5) |
| Interest paid | | **(1.6)** | (2.6) |
| Capital element of lease repayments | | **(15.9)** | (8.0) |
| Interest element of lease repayments | | **(1.5)** | (1.8) |
| Issue of new share capital | 25 | **0.2** | – |
| Proceeds from borrowings | | **19.9** | 50.0 |
| Repayment of borrowings | | **(20.1)** | (50.0) |
| Recovery of VAT on share buy-back costs | | **–** | 0.5 |
| Purchase of additional interest in subsidiary undertakings | | **(0.1)** | – |
| **Net cash used in financing activities** | | **(39.2)** | (30.4) |
| | | | |
| **Net increase in cash and cash equivalents** | | **21.8** | 4.2 |
| **Cash and cash equivalents at beginning of year (including held for sale)** | | **32.5** | 28.1 |
| Effect of foreign exchange rate movements | 21 | **5.4** | 0.2 |
| **Cash and cash equivalents at end of year (including held for sale)** | | **59.7** | 32.5 |
| Cash and cash equivalents classified as held for sale | 11 | **(1.2)** | – |
| **Cash and cash equivalents at end of year** | | **58.5** | 32.5 |

This statement includes discontinued operations (note 11).

# Notes to the Consolidated Financial Statements

## 1 Accounting policies

### General information

As at the 30 September 2022, Delinian Limited (the 'Company') was a public company limited by shares and incorporated in England and Wales, United Kingdom (UK). The address of the registered office is 8 Bouverie Street, London EC4Y 8AX, UK. In July 2022, the Board received a binding offer from Becketts Bidco Limited (a consortium of two private equity firms, Astorg and Epiris), to buy the Group. The shareholders voted to accept the offer on 8 September 2022. The Group was de-listed from the London Stock Exchange on 25 November 2022.

The Consolidated Financial Statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group') and equity account the Group's interest in associates and joint ventures. The parent Company Accounts present information about the entity and not about its Group.

These Consolidated Financial Statements have been prepared in accordance with UK adopted International Accounting Standards (IAS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under UK adopted IFRS and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The following amendments and interpretations were adopted in 2022. The adoption and impact of these new pronouncements from 1 October 2021 has been disclosed within this note. Additional disclosure has been given where relevant:

- Amendment to IFRS 16 'Leases' Covid 19- Related Rent Concessions beyond 30 June 2021 – mandatory for reporting periods starting on or after 1 April 2021.
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform – Phase 2 – mandatory for reporting periods starting on or after 1 January 2021 – this addresses the accounting consequences of amending financial instruments, hedges and leases impacted by the phasing out of certain benchmark interest rates.

The effect of these amendments on the Group's financial instruments and leases is explained in the IFRS 9 and IFRS 16 sections below.

Judgements made by the Directors in the application of those accounting policies that have a significant effect on the Financial Statements, and estimates with a significant risk of material adjustment in the next year, are discussed in note 2.

Certain changes to IFRS will be applicable to the Consolidated Financial Statements in future years. Set out below are those which are considered to be most relevant to the Group.

Relevant new standards, amendments and interpretations issued but effective subsequent to the year end:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 – the mandatory effective date of implementation is for annual reporting periods beginning on or after 1 January 2022. The impact of adopting these amendments are not expected to be material.

As at 30 September 2022, the following standards have not been endorsed:

- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates – the mandatory effective date of implementation is 1 January 2023.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non current – the mandatory effective date of implementation is 1 January 2023.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies – the mandatory effective date of implementation is 1 January 2023.
- Amendments to IFRS 17 Insurance Contracts to address concerns and implementation challenges that were identified after IFRS 17 was published in 2017 – mandatory effective date of implementation is 1 January 2023.
- Amendments to IAS 12 Deferred tax related to Assets and Liabilities arising from a single transaction, which clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations – mandatory effective date of implementation is 1 January 2023.

### IFRS 9 'Financial Instruments'

The standard was amended for periods beginning from 1 January 2021 in response to the phasing out of certain benchmark interest rates. The amendments cover how to account for changes in contractual cash flows or hedging relationships for financial instruments affected by the replacement of benchmark interest rates. During the period, the Group has not designated any risk components of alternative benchmark rates in any hedge relationships. The Group does not hold any other financial instruments exposed to alternative benchmark rates, except the £190m multi-currency committed facility as at 30 September 2022 which references GBP, EUR and USD RFR rates. No transition adjustments were required for the Group.

### IFRS 16 'Leases'

The standard has been amended for periods beginning from 1 January 2021 in response to the phasing out of certain benchmark interest rates. The amendments cover how to account for changes in the value of lease liabilities in instances where there are future variable lease payments whose value is specified with reference to benchmark interest rates which are being phased out. An assessment of the Group's leases has been carried out and no transition adjustments have been identified. This is because the majority of the Group's leases do not contain variable lease payments and the agreements that do refer to interest rates which are not being phased out.

### Basis of preparation

The accounts have been prepared under the historical cost convention, except for certain financial instruments which have been either measured at fair value. Apart from the aforementioned amendments and interpretations adopted in 2022, the accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements.

As part of the acquisition of the Group, the intention is for the Group to sell Fastmarkets which will be owned and controlled by Astorg. The remaining businesses of Asset Management and Financial & Professional Services (FPS) will be retained and operate under the ownership and control of Epiris. On this basis, the Fastmarkets segment has met the recognition criteria of assets held for sale and discontinued operations under IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' and is therefore presented as such throughout this report. In order to comply with this presentation, the 2021 Income Statement disclosures have been re-presented.

Having assessed the principal risks and the other matters discussed in connection with the going concern statement, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing this Annual Report and Accounts.

# Notes to the Consolidated Financial Statements continued

## 1 Accounting policies continued

### Going concern, debt covenants and liquidity

At 30 September 2022, the Group's unlevered, net cash position excluding lease liabilities was £59.7m comprising cash and cash equivalents. The impact of the sale of the Group and the implications for future Group funding have been considered as part of the Group's adoption of the going concern basis. The Directors have received a letter of support from its parent company pledging that the Group's new parent company will provide financial support to the Group such that the Group is able to operate as a going concern and to settle its liabilities as they fall due and to make available a £30m revolving credit facility, which is currently unutilised, should it be required throughout the going concern period. This revolving credit facility is not repayable in the going concern assessment period of 12 months from the date of signing the Financial Statements and is subject to adjusted 12-month EBTIDA to net debt financial covenants first tested in September 2023.

The Board, together with the new shareholders of the Group, have prepared the base case and downside forecasts which also takes in to account material known impacts of the separation of Fastmarkets from the rest of the Group. The Group has not identified any material uncertainties in its going concern assessment.

The Group has modelled a base case forecast reflecting the best estimate of future trading. The base case forecast assumes growth in both the Group's subscription revenue, based on the existing book of business, and the continued recovery in events revenue to pre-pandemic levels. These forecasts incorporate assumptions around the payments the Group expects to make to its parent company as well as future cost base increases as a result of the current levels of heightened inflation.

Taking into account reasonably possible changes in trading performance, the Group's forecasts and projections, over the going concern assessment period, the Group should be able to operate within the level of its available borrowing facilities. In making the going concern assessment, the Directors have also modelled a severe but plausible downside that assumes the separation of Fastmarkets from the Group, combined with a fall of 5% in total revenue, and a further 5% inflation being applied to staff costs in 2024 in addition to the 6% increase assumed in the base. We have further assumed an appreciation of GBP vs USD exchange rate of 10 cents over the rate used in the base case and an interest rate sensitivity of +1.5% above the forecast SOFR rate of 4.0%.

The Group's net cash position provides a strong foundation on which to model this downside scenario. This scenario shows sufficient liquidity headroom and demonstrates sufficient resilience to these adverse events mainly due to the strong cash-generative nature of the Group, even before management taking any mitigating actions to reduce the impact on the financial results.

Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate for a period extending to at least 12 months from the date of signing of the 2022 Annual Report and Accounts, including the impact of any potential transactions that are planned or expected to complete within this period. For this reason, the Group continues to adopt the going concern basis in preparing its financial statements.

### Climate change

In preparing the Consolidated Financial Statements management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report this year. These considerations did not have a material impact on the financial reporting judgements and estimates.

Management has considered the impact of climate change on the future cash flow forecasts used in the impairment assessments of the carrying value of non-current assets, such as goodwill and intangible assets (note 12).

### (a) Subsidiaries

The consolidated accounts incorporate the accounts of the Company and entities controlled by the Company (its 'subsidiaries'). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

The Group uses the acquisition method of accounting to account for business combinations. The amount recognised as consideration by the Group equates to the fair value of the assets, liabilities and equity acquired by the Group plus contingent consideration (should there be any such arrangement). Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition. Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

To the extent the consideration (including the assumed contingent consideration) provided by the acquirer is greater than the fair value of the assets and liabilities, this amount is recognised as goodwill. Goodwill is recognised using the proportionate method as the difference between the consideration paid and the fair value of the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised as 'negative goodwill' directly in the Income Statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets and liabilities are recognised to reflect new information obtained about facts and circumstances that existed as of the date of the acquisition that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is a maximum of one year.

**Partial acquisitions – control unaffected**

Where the Group acquires an additional interest in an entity in which a controlling interest is already held, the consideration paid for the additional interest is reflected within movements in equity as a reduction in non-controlling interests. No goodwill is recognised.

# Notes to the Consolidated Financial Statements continued

## 1 Accounting policies continued

**Step acquisitions – control passes to the Group**

Where a business combination is achieved in stages, at the stage at which control passes to the Group, the previously held interest is treated as if it had been disposed of, along with the consideration paid for the controlling interest in the subsidiary. The fair value of the previously held interest then forms one of the components that is used to calculate goodwill, along with the consideration and the non-controlling interest less the fair value of identifiable net assets.

### (b) Transactions with non-controlling interests

Transactions with non-controlling interests in the net assets of consolidated subsidiaries are identified separately and included in the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and its share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### (c) Interests in joint ventures and associates

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The post-tax results of joint ventures and associates are incorporated in the Group's results using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the Consolidated Statement of Financial Position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture and associates, less any impairment in the value of the investment. Losses of joint ventures and associates in excess of the Group's interest in that joint venture or associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

**Non-current assets classified as held for sale**

Where the carrying value of a non-current asset is expected to be principally recovered through its sale, the asset is classified as held for sale if it also meets the following:

- The asset is available for sale in its current condition;
- The sale is highly probable; and
- The sale is expected to occur within one year.

Once classified as held for sale, the asset is held at the lower of its carrying value and the fair value less cost to sell and is no longer depreciated.

**Discontinued operations**

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative Income Statement and Statement of Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

### Foreign currencies

**Functional and presentation currency**

The functional and presentation currency of Delinian Limited and its UK subsidiaries, other than Euromoney Group Limited, Centre for Investor Education (UK) Limited and Euromoney Limited, is sterling. The functional currency of other subsidiaries, associates and joint ventures is the currency of the primary economic environment in which they operate.

**Transactions and balances**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Gains and losses arising on foreign currency borrowings and derivative instruments, to the extent that they are used to provide a hedge against the Group's equity investments in overseas undertakings, are taken to other comprehensive income together with the exchange difference arising on the net investment in those undertakings. All other exchange differences are taken to the Income Statement.

On consolidation, exchange differences arising from the translations of the net investment in foreign entities and borrowings and other currency instruments designated as hedges of such investments are taken to other comprehensive income. The Group treats specific inter-company loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment.

**Group companies**

The Income Statements of overseas operations are translated into sterling at the weighted average exchange rates for the year and their balance sheets are translated into sterling at the exchange rates ruling at the balance sheet date. All exchange differences arising on consolidation are taken to other comprehensive income. In the event of the disposal of an operation, the related cumulative translation differences are recognised in the Income Statement in the period of disposal.

### Leases

The Group recognises all leases on the Statement of Financial Position, apart from in cases where the lease is for a period of less than 12 months or is for an asset with a low value. Lease liabilities are recognised at the present value of future lease payments, determined using the implicit interest rate in the lease where available, or using an incremental borrowing rate appropriate to the subsidiary and lease term where an implicit interest rate is not available or appropriate.

A corresponding right of use asset is recognised, equivalent to the value of the lease liability which is depreciated in a straight line over the shorter of the useful economic life of the asset and the lease term. The depreciation is recognised as an administrative expense within overheads.

# Notes to the Consolidated Financial Statements continued

## 1 Accounting policies continued

The unwinding of the discount on the present value of the lease liability is recognised as a finance charge over the lease term. Rent payments are used to reduce the lease liability and are disclosed as debt repayments in the Statement of Cash Flows.

Lease terms include any options to extend when it is reasonably certain that the extension will be taken.

Low-value and short-term leases continue to be charged to the Income Statement on a straight-line basis.

The Group's leases relate to property, mainly offices.

The Group takes the practical expedient not to separate lease and non-lease components for properties.

### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation of property, plant and equipment is provided on a straight-line basis over their expected useful lives as follows:

| | |
|---|---|
| Leasehold improvements | over term of lease |
| Office equipment | 3–25 years |

### Intangible assets

**Goodwill**

Goodwill represents the excess of the fair value of purchase consideration over the net fair value of identifiable assets and liabilities acquired.

Goodwill is recognised as an asset at cost and subsequently measured at cost less accumulated impairment. For the purposes of impairment testing, goodwill is allocated to those cash generating units that have benefited from the acquisition. Assets are grouped at the lowest level for which there are separately identifiable cash flows. The carrying value of goodwill is reviewed for impairment at least annually or where there is an indication that goodwill may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, then the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis. Any impairment is recognised immediately in the Income Statement and may not subsequently be reversed. On disposal of a subsidiary undertaking, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Goodwill arising on foreign subsidiary investments held in the Statement of Financial Position are retranslated into sterling at the applicable period end exchange rates. Any exchange differences arising are taken directly to other comprehensive income as part of the retranslation of the net assets of the subsidiary.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts having been tested for impairment at that date. Goodwill written off to reserves under UK GAAP before 1 October 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

### Internally generated intangible assets

An internally generated intangible asset arising from the Group's software and systems development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software or a website);
- It is probable that the asset created will generate future economic benefits that the Group controls; and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are recognised at cost and amortised on a straight-line basis over the useful lives from the date the asset becomes usable. Where no internally generated intangible asset can be recognised, development expenditure is charged to the Income Statement in the period in which it is incurred. The Group only capitalises internally generated costs from the configuration and capitalisation of SaaS projects when it is able to obtain economic benefits from the activities independent from the SaaS solution itself.

**Other intangible assets**

For all other intangible assets, the Group initially makes an assessment of their fair value at acquisition. An intangible asset will be recognised as long as the asset is separable or arises from contractual or other legal rights, and its fair value can be measured reliably.

Subsequent to acquisition, amortisation is charged so as to write off the costs of other intangible assets over their estimated useful lives, using a straight-line or reducing balance method. These intangible assets are reviewed for impairment as described below.

These intangibles are stated at cost less accumulated amortisation and impairment losses.

### Amortisation

Amortisation of intangible assets is charged to administrative expenses and distribution costs on a straight-line basis or reducing balance basis as appropriate over their expected useful lives as follows:

| | Straight-line basis | Reducing balance basis |
|---|---|---|
| Trademarks and brands | 5–20 years | 30 years |
| Customer relationships | 1–22 years | 1–16 years |
| Databases | 1–10 years | 7–22 years |
| Licences and software | 3–7 years | – |

### Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

### Cash and cash equivalents

Cash and cash equivalents include cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

### Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss (FVTPL); financial assets at fair value through other comprehensive income (FVTOCI); and financial assets at amortised cost.

# Notes to the Consolidated Financial Statements continued

## 1 Accounting policies continued

The classification of financial assets under IFRS 9 is dependent on two key criteria:

- The business model within which the asset is held (the business model test); and
- The contractual cash flows of the asset (the 'solely payments of principal and interest' (SPPI) test).

Management determines the classification of its assets on initial recognition and re-evaluates this designation at every reporting date. Financial assets are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Regular purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset. The Group derecognises financial assets when it ceases to be a party to such arrangements. All financial assets, other than those carried at FVTPL, are initially recognised at fair value plus transaction costs.

The Group's financial assets and liabilities are listed in note 21.

**Financial assets at fair value through profit and loss (FVTPL)**

Financial assets which are held to sell the contractual cash flows or for which its payments are not solely payments of principal and interest are measured at FVTPL. Derivatives are measured at fair value regardless of the hedge designation. Cash held in money market funds is measured at FVTPL. Financial assets carried at FVTPL are initially recognised at fair value, and transaction costs are expensed in the profit and loss component of the Statement of Comprehensive Income. Gains and losses arising from changes in the fair value are included in the profit and loss component of the Statement of Comprehensive Income in the period in which they arise.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets which are held to collect and to sell the contractual cash flows and for which its payments are solely payments of principal and interest can be measured at FVTOCI. The Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income on an instrument-by-instrument basis based on their merits.

Financial assets carried at FVTOCI are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Gains and losses arising from changes in the fair value are included in the 'other comprehensive income' component of the Statement of Comprehensive Income in the period in which they arise. Gains or losses will not be recycled to the income statement on disposal of equity investments.

**Financial assets at amortised cost**

Financial assets at amortised cost are non-derivative financial assets for which the business model is to collect contractual cash flows which are solely payments of principal and interest. The Group's financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents. Trade receivables are measured at amortised cost and stated net of allowances for expected credit losses. Cash and cash equivalents are measured at amortised cost with the exception of cash held in money market funds which are measured at FVTPL.

### Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument. The Group derecognises financial liabilities when it ceases to be a party to such provisions.

**Committed borrowings and bank overdrafts**

Interest-bearing loans and overdrafts are recorded at the amounts received, net of direct issue costs. Direct issue costs are amortised over the period of the loans and overdrafts to which they relate. Finance charges, including premiums payable on settlement or redemption are charged to the Income Statement as incurred using the effective interest rate method and are added to the carrying value of the borrowings or overdraft to the extent they are not settled in the period in which they arise.

**Trade payables and accruals**

Trade payables and accruals are not interest-bearing and are held at amortised cost.

**Derivative financial instruments**

The Group uses various derivative financial instruments to manage its exposure to foreign exchange risk, including forward foreign currency contracts. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

All derivative instruments are recorded in the Statement of Financial Position at fair value. Changes in the fair value of derivative instruments which do not qualify for hedge accounting are recognised immediately in the Income Statement.

Where the derivative instruments do qualify for hedge accounting, the following treatments are applied:

*Fair value hedges*

Changes in the fair value of the hedging instrument are recognised in the Income Statement for the year together with the changes in the fair value of the hedged item due to the hedged risk, to the extent the hedge is effective. When the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, hedge accounting is discontinued.

*Cash flow hedges*

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and the ineffective portion is recognised immediately in the Income Statement.

If a hedged firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time that the asset or liability is recognised, the associated gains and losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the Income Statement in the same period in which the hedged item affects the Income Statement.

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

# Notes to the Consolidated Financial Statements continued

## 1 Accounting policies continued

*Net investment hedges*
Exchange differences arising from the translation of the net investment in foreign operations are recognised directly in other comprehensive income in the fair value reserve. Gains and losses arising from changes in the fair value of the hedging instruments are recognised in other comprehensive income to the extent that the hedging relationship is effective. Any ineffectiveness is recognised immediately in the Income Statement for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Gains and losses accumulated in the fair value reserve are included in the Income Statement on disposal of the foreign operation.

**Liabilities in respect of acquisition commitments and deferred consideration**
Liabilities for acquisition commitments over the remaining minority interests in subsidiaries and deferred consideration are recorded in the Statement of Financial Position at their estimated discounted present value. These discounts are unwound and charged to the Income Statement as notional interest over the period up to the date of the potential future payment.

### Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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.

Deferred taxation is calculated under the provisions of IAS 12 'Income Tax' and is recognised on differences between the carrying amounts of assets and liabilities in the accounts 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 recognised for 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. No provision is made for temporary differences on unremitted earnings of foreign subsidiaries or associates where the Group has control and the reversal of the temporary difference is not foreseeable.

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 rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to the Statement of Comprehensive Income and equity, in which case the deferred tax is also dealt with in the Statement of Comprehensive Income and equity.

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

Actual tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. In situations where uncertainties exist, and there is a wide range of possible outcomes, IFRIC 23 requires the Group to adopt a probability weighted average approach in calculating a provision to be made. These provisions are made for each uncertainty individually on the basis of the most appropriate method considering all relevant information. The Group reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances.

### Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation. If material, provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### Pensions

Contributions to pension schemes in respect of current and past service, ex-gratia pensions, and cost of living adjustments to existing pensions are based on the advice of independent actuaries.

### Defined contribution plans

Payments to the defined contribution pension plan are charged to the Income Statement as they fall due.

### Defined benefit plans

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset recognised in the Statement of Financial Position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the Statement of Comprehensive Income in the period in which they occur.

Other movements in the net deficit or surplus are recognised in the Income Statement, including the current service cost and past service cost and the effect of any curtailment or settlements. The interest cost less the expected return of assets is also charged to the Income Statement within net finance costs.

### Share-based payments

The Group makes share-based payments to certain employees which are equity and cash-settled. These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest. For schemes whose vesting criteria are not market-based, at the end of each period, the vesting assumptions are revisited and the charge associated with the fair value of these options updated. For cash-settled share-based payments,

# Notes to the Consolidated Financial Statements continued

## 1 Accounting policies continued

a liability equal to the portion of the services received is recognised at the current fair value as determined at each balance sheet date. On exercise of equity-settled options, the Group either issues additional shares, leading to an increase in share capital and share premium or reduces the amount of own shares held.

### Revenue

Revenue represents income from subscriptions, advertising, sponsorship and delegate fees, net of value added tax.

- Subscription revenues for print and online publications and memberships are recognised in the Income Statement on a straight-line basis over the period of the subscription and the satisfaction of the performance obligation, reflecting the pattern over which the customer receives benefits. These revenues are due in advance on a monthly or annual basis.
- Advertising revenues represent the fees that customers pay in advance to place an advertisement in one or more of the Group's publications, either in print or online, to commission ad hoc consulting and thought leadership projects and to purchase survey reports. Advertising revenues for print publications are recognised in the Income Statement when the publications have been delivered which is when the performance obligation is satisfied. This is the time at which the benefit becomes available to the customer. Revenue for online advertising is recognised on a straight-line basis over the period that the advert is run, reflecting the period over which the customer receives benefit.
- Events revenues, for both physical and virtual events, are received in advance and recognised in the Income Statement over the period the event is run.
- Variable consideration is included in the transaction price to the extent that it is highly probable that the related revenue, if recognised, would not be reversed.

The Group takes the practical expedient to not account for discounting when the period between the transfer of goods and services and payment is less than 12 months.

Revenues invoiced but relating to future periods are deferred and treated as contract liabilities in the Statement of Financial Position. The Group does not have individual long-term revenue contracts that are material.

Amounts recoverable on contracts relating to accrued income have been classified to contract assets net of any loss allowance.

### Dividends

Dividends are recognised as a liability in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are paid.

### Own shares held by Employee Share Ownership Trust and Employee Share Trust

Transactions of the Group-sponsored trusts are included in the Consolidated Financial Statements. In particular, the trusts' holdings of shares in the Company are debited direct to equity. The Group provides finance to the trusts to purchase Company shares to meet the obligation to provide shares when employees exercise their options or awards. Costs of running the trusts are charged to the Income Statement. Shares held by the trusts are deducted from other reserves.

### Earnings per share

The earnings per share and diluted earnings per share calculations follow the provisions of IAS 33 'Earnings Per Share'. The diluted earnings per share figure is calculated by adjusting for the dilution effect of the exercise of all ordinary share options, granted by the Company, but excluding the ordinary shares held by the Euromoney Employee Share Ownership Trust and Euromoney Employee Share Trust.

### Exceptional items

Exceptional items are items of income or expense considered by the Directors as being significant and which require additional disclosure in order to provide an indication of the adjusted trading performance of the Group. Such items could include, but may not be limited to, costs associated with business combinations, gains and losses on the disposal of businesses and properties, significant reorganisation or restructuring costs and impairment of goodwill and acquired intangible assets. Any item classified as an exceptional item will be large and unusual, not attributable to underlying operations and will be subject to specific quantitative and qualitative thresholds set by and approved by the Directors prior to being classified as exceptional.

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board and CEO who are responsible for strategic decisions, allocating resources and assessing performance of the divisions.

## 2 Key judgemental areas adopted in preparing these Financial Statements

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would have been more appropriate.

Management has discussed its significant accounting judgements and estimates with the Group's Audit & Risk Committee and the Board. The key judgemental areas and estimates are discussed below and should be read in conjunction with the Group's disclosure of accounting policies in note 1.

### Judgements

**Presentation of adjusted performance**

The Directors believe that the adjusted profit and earnings per share measures provide additional useful information for shareholders to evaluate the performance of the business. These measures are consistent with how business performance is measured internally and are the basis on which executive management is incentivised. The adjusted earnings measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies. Adjusted figures are presented before the impact of amortisation of acquired intangible assets (comprising trademarks and brands, customer relationships, databases and software); exceptional items; share of associates' and joint ventures' acquired intangibles amortisation, exceptional items and tax; gain/loss on dilution of investment in associates; net movements in deferred consideration and acquisition commitments; fair value remeasurements; and interest on uncertain tax provisions. In respect of earnings, adjusted amounts reflect a tax rate that includes the current tax effect of the goodwill and intangible assets.

Adjusted results include the results from discontinued operations as Fastmarkets was owned and managed as part of the Group for the entire period.

The Group has applied these principles in calculating adjusted measures and it is the Group's intention to continue to apply these principles in the future.

A detailed explanation and reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 115 to 119.

# Notes to the Consolidated Financial Statements continued

## 2 Key judgemental areas adopted in preparing these Financial Statements continued

**Acquisitions**

The Group is required to identify and allocate the purchase consideration of acquisitions in the year to the assets and liabilities acquired. Judgement is required in determining the identifiable intangible assets. For the acquisitions in the year, the Group identified intangible assets arising from the acquired database, brands, customer relationships and technology platform. This was from review of the purchase agreements, due diligence reports and the Group's understanding of the nature of the businesses. The total value of acquired intangible assets recognised in the year was £12.5m ($16.9m).

**Goodwill impairments**

The Group conducts impairment reviews at the cash generating unit (CGU) level. As permitted by IAS 36 'Impairment of Assets', impairment reviews for goodwill are performed at the groups of CGUs (gCGUs) level, representing the lowest level at which the Group monitors goodwill for internal management purposes and no higher than the Group's operating segments. The Group considers monitoring of goodwill to be the level at which return on net assets including allocated goodwill is monitored for internal performance and therefore conducts impairment tests for goodwill at the divisional level.

As a result of the offer received to acquire the entire share capital of the Group, which was significantly above the carrying value of the Group's CGUs, the Directors relied on the impairment assessment performed in the prior year to conclude that the carrying value of the CGUs remain recoverable. In doing this, the Directors made the judgement that the developments in the year make any impairment risk remote having considered the offer price and the trading performance of the Group in the year, including the recovery of events compared to the scenarios considered in 2021 that incorporated the uncertainty from covid-19 and climate change.

**Discontinued operations and disposal groups classified as held for sale**

Following the outcome of the shareholders voting in favour of the sale of the Group and with Fastmarkets planned to be separated out following completion, the segment has met the recognition criteria of an asset held for sale and discontinued operation under IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' and is therefore presented as such throughout this report. In order to comply with this presentation, the 2021 Income Statement disclosures have been represented (note 11). Management's judgement is that completion is highly probable to be completed within 12 months. following the shareholder approval on 8 September and that the remaining steps of regulatory approval and court approval does not prevent the transaction and Fastmarkets separation.

**Right of use asset impairment**

Following the successful introduction of flexible working across Euromoney, the Group has reviewed its real estate requirements and has identified significant opportunities to reduce office costs in London and New York to reflect the footprint that suits its needs. As a result, excess office space in New York has been vacated, through the agreement of an early exit and a portion of its London offices being made available to sublet. This decision to separate the respective assets from those used in the ordinary course of business is a triggering event for impairment review. These assets are impaired as a standalone CGU. Further information is disclosed in note 12.

**Retirement benefit surplus**

IFRIC 14 sets out the criteria for the recognition of a defined benefit surplus. The Directors have reviewed the scheme rules and believe that, were the scheme to be wound up in a surplus position, after gradual settlement and after the last member has left the plan, the Group would be unconditionally entitled to a refund of the surplus.

**Taxation**

During the year ended 30 September 2022, the Group released a provision which was held for an exposure relating to an HMRC enquiry, which has a maximum exposure of £10.7m (unchanged from the prior year), plus estimated interest of £2.0m as at 30 September 2022. The Group has been successful at both a First-tier Tax Tribunal (FTT) hearing held in May 2020 and again at an Upper Tier Tribunal (UTT) hearing in July 2022. HMRC's application for permission to appeal was rejected by the UTT in September 2022. Although HMRC have renewed their application for permission to appeal directly to the Court of Appeal, the basis on which the UTT have found against HMRC and on which the UTT refused to grant HMRC permission to appeal has resulted in a reassessment of the provision. After seeking professional advice, the Group's assessment of the likelihood of HMRC ultimately prevailing has changed since the prior period end and a cash outflow in respect of the enquiry is no longer probable. However, the inherent uncertainty remains regarding the ultimate outcome (which is binary) and the eventual resolution could differ from the Group's assessment and therefore affect the future results and cash flows.

### Estimates

**Retirement benefit schemes**

The surplus or deficit in the defined benefit pension scheme that is recognised through the Statement of Comprehensive Income is subject to a number of assumptions and uncertainties. The calculated assets and liabilities of the scheme are based on assumptions regarding salary increases, inflation rates, discount rates, the long-term expected return on the scheme's assets and member longevity. Details of the assumptions and related sensitivities used are shown in note 27. Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes.

**Right of use assets**

In assessing the recovering value of right of use assets when testing for impairments, a number of estimates are used. These estimates are required to determine a present value of sublease income attributable to the assets. Further details on the assumptions are disclosed in note 14.

# Notes to the Consolidated Financial Statements continued

## 3 Segmental analysis

The analysis by segment is presented in accordance with IFRS 8 'Operating Segments', on the basis of those segments whose operating results are regularly reviewed by the Chief Executive, who act as the Chief Operating Decision Maker (CODM) as defined by IFRS 8.

Segmental information is presented in respect of the Group's divisions and reflects the Group's management and internal reporting structure. The Group is organised into three divisions: Fastmarkets; Financial & Professional Services (FPS); and Asset Management.

Revenues generated in the Fastmarkets division are primarily from subscriptions. FPS and Asset Management revenues consist mainly of subscriptions and events. A breakdown of the Group's revenue by type is set out below. Advertising revenue is included in other revenue.

The Fastmarkets division has been classified as a discontinued operation (note 11) and therefore is presented as such throughout this report. The 2021 Income Statement disclosures have been re-presented separating continuing and discontinued operations.

Analysis of the Group's three main geographical areas is also set out to provide additional information on the trading performance of the businesses.

Inter-segment sales are charged at prevailing market rates and shown in the eliminations columns.

| 2022 | Subscriptions £m | Events £m | Other £m | Total revenue £m |
|---|---|---|---|---|
| **Revenue by segment and type:** | | | | |
| Fastmarkets | **94.4** | **9.2** | **3.2** | **106.8** |
| Financial & Professional Services | **104.8** | **69.2** | **22.5** | **196.5** |
| Asset Management | **71.5** | **37.5** | **14.1** | **123.1** |
| | **270.7** | **115.9** | **39.8** | **426.4** |
| Foreign exchange gains on forward contracts | **–** | **–** | **(1.3)** | **(1.3)** |
| **Total revenue** | **270.7** | **115.9** | **38.5** | **425.1** |
| **Discontinued operations** | **(94.4)** | **(9.2)** | **(2.7)** | **(106.3)** |
| **Continuing operations** | **176.3** | **106.7** | **35.8** | **318.8** |

| 2021 | Subscriptions £m | Events £m | Other £m | Total revenue £m |
|---|---|---|---|---|
| **Revenue by segment and type:** | | | | |
| Fastmarkets | 79.9 | 2.7 | 2.9 | 85.5 |
| Financial & Professional Services | 87.1 | 29.0 | 22.3 | 138.4 |
| Asset Management | 67.6 | 29.2 | 13.0 | 109.8 |
| | 234.6 | 60.9 | 38.2 | 333.7 |
| Foreign exchange gains on forward contracts | – | – | 2.4 | 2.4 |
| **Total revenue** | 234.6 | 60.9 | 40.6 | 336.1 |
| **Discontinued operations** | (79.9) | (2.7) | (3.6) | (86.2) |
| **Continuing operations** | 154.7 | 58.2 | 37.0 | 249.9 |

Continuing events revenue of £80.1m (2021: £34.8m) and print advertising of £2.2m (2021: £4.6m) are recognised at a point in time. The remaining subscription, events-based memberships and online advertising revenues are recognised over time.

| | United Kingdom | | North America | | Rest of World | | Eliminations | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m |
| **Revenue by segment and source:** | | | | | | | | | | |
| Fastmarkets | **61.2** | 39.3 | **43.7** | 44.5 | **2.0** | 1.8 | **(0.1)** | (0.1) | **106.8** | 85.5 |
| Financial & Professional Services | **119.3** | 91.9 | **77.8** | 45.8 | **10.4** | 9.4 | **(11.0)** | (8.7) | **196.5** | 138.4 |
| Asset Management | **–** | – | **123.2** | 109.8 | **–** | – | **(0.1)** | – | **123.1** | 109.8 |
| Foreign exchange gains/ (losses) on forward contracts | **(1.3)** | 2.4 | **–** | – | **–** | – | **–** | – | **(1.3)** | 2.4 |
| **Revenue** | **179.2** | 133.6 | **244.7** | 200.1 | **12.4** | 11.2 | **(11.2)** | (8.8) | **425.1** | 336.1 |
| **Discontinued operations** | **(60.7)** | (40.0) | **(43.7)** | (44.5) | **(2.0)** | (1.8) | **0.1** | 0.1 | **(106.3)** | (86.2) |
| **Continuing operations** | **118.5** | 93.6 | **201.0** | 155.6 | **10.4** | 9.4 | **(11.1)** | (8.7) | **318.8** | 249.9 |
| **Statutory revenue by destination** | **67.3** | 55.9 | **170.4** | 127.3 | **81.0** | 66.7 | **0.1** | – | **318.8** | 249.9 |

# Notes to the Consolidated Financial Statements continued

## 3 Segmental analysis continued

| | United Kingdom | | North America | | Rest of World | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m |
| **Operating profit by division and source** | | | | | | | | |
| Fastmarkets | **25.7** | 12.4 | **19.3** | 23.7 | **(5.8)** | (5.7) | **39.2** | 30.4 |
| Financial & Professional Services | **19.2** | 15.2 | **28.3** | 13.3 | **(0.1)** | (3.9) | **47.4** | 24.6 |
| Asset Management | **–** | – | **43.1** | 42.5 | **0.1** | – | **43.2** | 42.5 |
| Unallocated corporate costs | **(35.0)** | (30.9) | **1.1** | (0.6) | **0.4** | (0.7) | **(33.5)** | (32.2) |
| **Operating profit[1] before acquired intangible amortisation, exceptional items and gain on dilution of investment in associates** | **9.9** | (3.3) | **91.8** | 78.9 | **(5.4)** | (10.3) | **96.3** | 65.3 |
| **Discontinued operations** | **(29.5)** | (15.6) | **(19.8)** | (25.7) | **6.0** | 5.9 | **(43.3)** | (35.4) |
| **Continuing operations** | **(19.6)** | (18.9) | **72.0** | 53.2 | **0.6** | (4.4) | **53.0** | 29.9 |
| Acquired intangible amortisation[2] (note 12) | **(2.1)** | (2.1) | **(13.6)** | (10.5) | **–** | – | **(15.7)** | (12.6) |
| Exceptional items (note 5) | **(25.6)** | (1.4) | **(9.9)** | (9.9) | **(0.3)** | – | **(35.8)** | (11.3) |
| Gain on dilution of investment in associate | **0.3** | – | **–** | – | **–** | – | **0.3** | – |
| **Operating profit/(loss)** | **(47.0)** | (22.4) | **48.5** | 32.8 | **0.3** | (4.4) | **1.8** | 6.0 |
| Share of results in associates (note 15) | | | | | | | **(0.3)** | – |
| Finance income (note 7) | | | | | | | **2.0** | – |
| Finance expense (note 7) | | | | | | | **(3.4)** | (4.3) |
| **Profit before tax** | | | | | | | **0.1** | 1.7 |
| Tax expense on profit (note 8) | | | | | | | **6.5** | (10.2) |
| **Profit/(loss) for the year from continuing operations** | | | | | | | **6.6** | (8.5) |

1 Operating profit including discontinued operations of Fastmarkets before acquired intangible amortisation and exceptional items. A detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 115 to 119.

2 Acquired intangible amortisation represents amortisation of acquisition-related non-goodwill assets such as trademarks and brands, customer relationships, databases and software (note 12).

| | Acquired intangible amortisation | | Exceptional items | | Depreciation and amortisation | |
|---|---|---|---|---|---|---|
| | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m |
| **Other segmental information by segment:** | | | | | | |
| Fastmarkets | **(5.9)** | (6.4) | **(0.6)** | (3.8) | **(1.4)** | (1.5) |
| Financial & Professional Services | **(11.4)** | (8.2) | **(4.3)** | (7.8) | **(1.6)** | (2.2) |
| Asset Management | **(4.3)** | (4.4) | **0.1** | (0.5) | **(0.9)** | (0.6) |
| Unallocated corporate costs | **–** | – | **(31.6)** | (3.0) | **(5.1)** | (7.4) |
| **Total** | **(21.6)** | (19.0) | **(36.4)** | (15.1) | **(9.0)** | (11.7) |
| **Discontinued operations** | **5.9** | 6.4 | **0.6** | 3.8 | **1.4** | 1.5 |
| **Continuing operations** | **(15.7)** | (12.6) | **(35.8)** | (11.3) | **(7.6)** | (10.2) |

The closing net book value of goodwill, other intangible assets, property, plant and equipment, right of use assets and investments is analysed by geographic area as follows:

| | United Kingdom | | North America | | Rest of World | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m |
| Goodwill | **43.1** | 111.0 | **331.0** | 341.4 | **0.2** | 4.7 | **374.3** | 457.1 |
| Other intangible assets | **10.4** | 33.2 | **119.6** | 154.6 | **–** | 0.4 | **130.0** | 188.2 |
| Property, plant and equipment | **1.1** | 3.5 | **0.1** | 7.6 | **0.2** | 0.3 | **1.4** | 11.4 |
| Right of use assets | **6.2** | 18.8 | **2.9** | 23.1 | **2.0** | 2.3 | **11.1** | 44.2 |
| Investments | **8.8** | 8.9 | **0.2** | 0.1 | **–** | – | **9.0** | 9.0 |
| **Non-current assets** | **69.6** | 175.4 | **453.8** | 526.8 | **2.4** | 7.7 | **525.8** | 709.9 |
| Additions to property, plant and equipment | **(0.2)** | – | **–** | (0.1) | **(0.1)** | (0.6) | **(0.3)** | (0.7) |
| Additions to right of use assets | **–** | – | **(2.5)** | – | **(0.5)** | (0.5) | **(3.0)** | (0.5) |
| Additions to other intangible assets | **(2.2)** | (3.1) | **(0.3)** | (1.5) | **–** | – | **(2.5)** | (4.6) |

The Group has taken advantage of paragraph 23 of IFRS 8 'Operating Segments' and does not provide segmental analysis of net assets as this information is not used by the CODM in operational decision-making or monitoring of business performance.

# Notes to the Consolidated Financial Statements continued

## 4 Operating profit

| | Continuing operations 2022 £m | Restated continuing operations 2021 £m |
|---|---|---|
| **Profit is stated after charging/(crediting):** | | |
| Staff costs (note 6) | **176.7** | 151.3 |
| Intangible amortisation: | | |
| Acquired intangible amortisation | **15.7** | 12.6 |
| Licences and software including internally generated assets | **2.2** | 2.2 |
| Depreciation of property, plant and equipment | **1.1** | 1.9 |
| Depreciation of right of use assets | **4.3** | 6.1 |
| Impairment of right of use assets | **33.8** | 2.4 |
| Property operating lease rentals[1] | **(0.5)** | (0.8) |
| Exceptional items (note 5): | | |
| Impairments of right of use assets and property, plant and equipment | **20.8** | 1.3 |
| Other exceptional costs | **5.4** | 6.3 |
| Restructuring | **2.2** | 2.5 |
| Sale of the Group costs | **5.7** | – |
| Impairment charge to acquired intangible assets | **1.7** | – |
| Recycling of foreign exchange | **–** | 1.2 |
| Gain on dilution of investment in associates | **0.3** | – |
| Foreign exchange loss | **(1.8)** | – |

1 The property operating lease rentals relate to leases with terms of 12 months or less.

| | 2022 £m | Restated 2021 £m |
|---|---|---|
| **Audit and non–audit services relate to:** | | |
| | | |
| **Group audit:** | | |
| Fees payable for the audit of the Group's annual accounts | **1.0** | 0.9 |
| Audit of subsidiaries pursuant to local legislation | **0.7** | 0.6 |
| | **1.7** | 1.5 |
| | | |
| **Assurance services:** | | |
| Audit related assurance services | **0.2** | 0.2 |
| | | |
| **Non-audit services:** | | |
| Other assurance services | **0.5** | – |
| **Total Group auditors' remuneration** | **2.4** | 1.7 |

# Notes to the Consolidated Financial Statements continued

## 5 Exceptional items

Exceptional items are items of income or expense considered by the Directors as being significant, non–recurring and which require additional disclosure in order to provide an indication of the underlying trading performance of the Group.

| | 2022 £m | Restated 2021 £m |
|---|---|---|
| Right of use and property, plant and equipment impairments | **(20.8)** | (1.3) |
| Other exceptional costs | **(5.4)** | (6.3) |
| Restructuring | **(2.2)** | (2.5) |
| Sale of the Group costs | **(5.7)** | – |
| Impairment charges to acquired intangible assets | **(1.7)** | – |
| Recycling of foreign exchange | **–** | (1.2) |
| **Continuing operations** | **(35.8)** | (11.3) |
| **Discontinued operations** | **(0.6)** | (3.8) |
| **Total** | **(36.4)** | (15.1) |

**For the year ended 30 September 2022**, the Group recognised continuing exceptional costs of £35.8m.

Following the successful introduction of flexible working across the Group, the real estate requirements have been reviewed and the Group has identified significant opportunities to reduce the office costs in London and New York to reflect the footprint that suits the Group's needs. As a result, exceptional impairments were booked against right of use assets and other fixed assets offset by release of lease liabilities of £20.8m (notes 13 and 14).

Other exceptional costs of £2.5m consist of expenditure associated with acquisition related costs, mainly for Boardroom Insiders (note 16), Relationship Science (RelSci) and WealthEngine, treated as exceptional due to the magnitude of the costs. Significant costs associated with an M&A activity that did not complete of £2.9m are treated as exceptional items.

Costs of £2.2m associated with establishing the new Finance hub in Sofia in 2022 have been included in exceptional items. These costs comprise redundancies, retention, recruitment and implementation costs.

Costs relating to the sale of the Group to the Consortium of Astorg and Epiris of £5.7m have been recognised in exceptional items, comprising advisor fees and retention costs. Further professional fees of £21.7m would become payable on completion of the sale (note 29).

For the year ended 30 September 2022, an impairment of £1.7m for acquired intangible assets relating to the brand of Layer123 was recognised in exceptional items.

The Group's tax charge includes a related tax credit on continuing exceptional items of £7.2m (note 8).

Management has consistently applied its definition of exceptional items in 2022 and 2021 and has made no adjustments to capture incremental costs associated with covid–19.

The Fastmarkets discontinued operations exceptional items of £0.6m comprise acquisition related costs of The Jacobsen, the recognition of the earn–out payments for the acquisitions of AgriCensus are treated as compensation costs and included in exceptional items, and cost incurred in relation to the sale of the Group. The Group's tax charge includes a related tax credit on the discontinued operations exceptional items of £0.1m (note 8).

**For the year ended 30 September 2021**, the Group recognised continuing exceptional costs of £11.3m.

Costs of £2.5m as a result of the major restructuring across the Group were included in exceptional items. No further costs were treated as exceptional in relation to this major restructuring. The costs comprised severance costs and professional costs associated with the restructuring. Normal restructuring costs of £0.4m were not treated as exceptional items.

Foreign exchange gains/losses were recycled from equity to exceptional items amounting to £1.2m. This relates to foreign exchange gains/losses on quasi–equity loans and net investment hedging that had been deferred to equity in previous years. These amounts have been recycled because the net investment or party to the quasi–equity loan is no longer part of the Group. As these items were not material, no restatement was made.

An impairment of right of use assets and property, plant and equipment of £1.3m was recognised in exceptional items, due to management's intention to vacate a number of properties across the Group.

Other exceptional costs of £6.3m consisted of expenditure associated with acquisition related costs of £6.2m, mainly for Wealth-X, WealthEngine and RelSci (note 16) treated as exceptional due to the magnitude of the costs. Also included were costs of £0.4m incurred to support the strategic review of Asset Management. A recovery of VAT of £0.3m was also included relating to a reclaim in respect of share buy–back related expenditure previously recorded in exceptional items.

The Group's tax charge included a related tax credit on continuing exceptional items of £1.9m (note 8).

The Fastmarkets discontinued operations exceptional items of £3.8m comprise an impairment of right of use assets and property, plant and equipment of £1.7m, a release of restructuring provision of £0.2m, acquisition related costs of £2.3m for AgriCensus and The Jacobsen. The recognition of the earn–out payments for the acquisitions of AgriCensus are treated as compensation costs and included in exceptional items.

# Notes to the Consolidated Financial Statements continued

## 6 Staff costs

### (i) Number of staff (including Directors and temporary staff)

| | 2022 Monthly average number | Restated 2021 Monthly average number |
|---|---|---|
| **By business segment:** | | |
| Fastmarkets | **490** | 464 |
| Financial & Professional Services | **1,355** | 1,275 |
| Asset Management | **364** | 362 |
| Central | **427** | 368 |
| **Total** | **2,636** | 2,469 |
| **Continuing operations** | **2,146** | 2,005 |
| **Discontinued operations** | **490** | 464 |
| **Total** | **2,636** | 2,469 |

| | 2022 Monthly average number | Restated 2021 Monthly average number |
|---|---|---|
| **By geographical location:** | | |
| United Kingdom | **912** | 853 |
| North America | **728** | 678 |
| Rest of World | **996** | 938 |
| **Total** | **2,636** | 2,469 |
| **Continuing operations** | **2,146** | 2,005 |
| **Discontinued operations** | **490** | 464 |
| **Total** | **2,636** | 2,469 |

### (ii) Staff costs (including Directors and temporary staff)

| | Continuing operations 2022 £m | Restated continuing operations 2021 £m |
|---|---|---|
| Wages and salaries | **155.4** | 135.4 |
| Social security costs | **14.4** | 11.5 |
| Other pension costs (note 27) | **4.4** | 3.7 |
| Long–term incentive expense (note 26) | **2.5** | 0.7 |
| | **176.7** | 151.3 |

Staff costs exclude restructuring costs that are included in exceptional items (note 5). Details of Directors' remuneration have been disclosed in the Directors' Remuneration Report on pages 34 to 44.

# Notes to the Consolidated Financial Statements continued

## 7 Finance income and expense

| | Continuing operations 2022 £m | Continuing operations restated 2021 £m |
|---|---|---|
| **Finance income** | | |
| Interest receivable from short-term investments | **0.3** | – |
| Interest on tax | **1.7** | – |
| | **2.0** | – |
| | | |
| **Finance expense** | | |
| Interest payable on borrowings | **(1.8)** | (2.2) |
| Interest on lease liabilities | **(1.5)** | (1.7) |
| Interest on tax | **(0.1)** | (0.4) |
| | **(3.4)** | (4.3) |
| **Continuing operations net finance costs** | **(1.4)** | (4.3) |

| | 2022 £m | Restated 2021 £m |
|---|---|---|
| **Reconciliation of net finance costs in Income Statement to adjusted net finance costs** | | |
| Continuing operations net finance costs in Income Statement | **(1.4)** | (4.3) |
| Add back: | | |
| Interest on tax | **(1.7)** | 0.3 |
| **Continuing operations adjusted net finance costs** | **(3.1)** | (4.0) |
| **Discontinued operations adjusted net finance income** | **(0.1)** | (0.2) |
| **Total adjusted net finance costs** | **(3.2)** | (4.2) |

The reconciliation of net finance costs in the Income Statement has been provided since the Directors consider it necessary in order to provide an indication of the adjusted net finance costs (page 115).

Interest on tax excluded from the adjusted net finance expense consist of an interest release of £1.7m (2021: £0.3m charge) for movements in respect of uncertain tax positions.

# Notes to the Consolidated Financial Statements continued

## 8 Tax expense on profit

| | Continuing operations 2022 £m | Discontinued operations 2022 £m | Total 2022 £m | Continuing operations 2021 £m | Discontinued operations 2021 £m | Total 2021 £m |
|---|---|---|---|---|---|---|
| **Current tax expense** | | | | | | |
| UK corporation tax expense | **1.4** | **3.5** | **4.9** | (2.9) | 1.7 | (1.2) |
| Foreign tax expense | **6.5** | **3.8** | **10.3** | 9.3 | 3.5 | 12.8 |
| Adjustments in respect of prior years | **(14.0)** | **0.7** | **(13.3)** | 0.8 | (0.2) | 0.6 |
| | **(6.1)** | **8.0** | **1.9** | 7.2 | 5.0 | 12.2 |
| **Deferred tax credit** | | | | | | |
| Current year | **(0.5)** | **(0.2)** | **(0.7)** | 1.5 | (1.3) | 0.2 |
| Adjustments in respect of prior years | **0.1** | **0.1** | **0.2** | (0.2) | 0.1 | (0.1) |
| Change in rate of deferred tax | **–** | **–** | **–** | 1.7 | 0.1 | 1.8 |
| | **(0.4)** | **(0.1)** | **(0.5)** | 3.0 | (1.1) | 1.9 |
| **Tax (credit)/expense in Income Statement** | **(6.5)** | **7.9** | **1.4** | 10.2 | 3.9 | 14.1 |
| Effective tax rate | | | **4%** | | | 53% |

Differences between the profit before tax allocated between continuing and discontinued operations for consolidated group accounting purposes and the profit before tax for continuing legal entities for the purposes of their statutory accounts and tax returns plus the impact of prior year items, non-recoverable withholding tax and non-deductible one off expenses in relation to interest and the acquisition of the Group (see below).

### Reconciliation of tax expense in Income Statement to adjusted tax expense

The adjusted effective tax rate for the year is set out below:

| | Continuing operations 2022 £m | Discontinued operations 2022 £m | Total adjusted 2022 £m | Continuing operations 2021 £m | Discontinued operations 2021 £m | Total adjusted 2021 £m |
|---|---|---|---|---|---|---|
| **Reconciliation of tax expense in Income Statement to adjusted tax expense/(credit)** | | | | | | |
| Total tax expense in Income Statement | **(6.5)** | **7.9** | **1.4** | 10.2 | 3.9 | 14.1 |
| Add back: | | | | | | |
| Tax on acquired intangible amortisation | **2.3** | **–** | **2.3** | 1.4 | – | 1.4 |
| Tax on exceptional items | **7.2** | **0.1** | **7.3** | 1.9 | 1.2 | 3.1 |
| Other tax adjusting items | **(2.9)** | **(0.2)** | **(3.1)** | (5.9) | (0.1) | (6.0) |
| Deferred tax on goodwill and intangible amortisation | **(1.6)** | **–** | **(1.6)** | (1.3) | – | (1.3) |
| Share of tax on profits of associates and joint ventures | **–** | **–** | **–** | 0.1 | – | 0.1 |
| Adjustments in respect of prior years | **14.1** | **(1.0)** | **13.1** | (0.6) | 0.1 | (0.5) |
| | **19.1** | **(1.1)** | **18.0** | (4.4) | 1.2 | (3.2) |
| **Adjusted tax expense** | **12.6** | **6.8** | **19.4** | 5.8 | 5.1 | 10.9 |
| | | | | | | |
| Adjusted profit before tax | | | **93.0** | | | 61.4 |
| Adjusted effective tax rate | | | **21%** | | | 18% |

The Group presents the above adjusted effective tax rate reconciliation to help users of this report better understand its tax charge. Current and deferred tax arising on exceptional items is excluded from the adjusted tax charge as exceptional items are adjusted in accordance with Group policy. All costs in relation to the acquisition of the business (notes 1 and 11) are treated as exceptional and therefore any tax charge or credit arising on these has also been removed. Adjustments in respect of prior years are also removed from the adjusted tax expense as they do not relate to current year underlying trading. Share of tax on profits of associates and joint ventures is calculated on the adjusted profits of associates and joint ventures.

Many of the Group's acquisitions, particularly in the US, give rise to significant tax savings as the amortisation of goodwill and intangible assets on acquisition is deductible for tax purposes. The Group excludes the deferred tax impact of amortisation of intangibles and goodwill on continuing operations as any deferred tax on these items would only crystallise in the event of a disposal and that is not the current intention. The Group considers that the resulting adjusted effective tax rate is therefore more representative of its tax payable position. Key drivers of the adjusted effective tax rate in the current year include the impact of non-recoverable withholding tax (WHT) arising in Canada on dividends paid by BCA Research Inc and in the US as a result of the transfer of Wealth-X LLC from Singapore to the US in October 2020. The Group incurred a one-off interest disallowance in the US arising as a result of group restructuring activities, on which WHT is also payable.

# Notes to the Consolidated Financial Statements continued

## 8 Tax expense on profit continued

The actual tax expense for the year is different from the UK rate of 19% of profit before tax for the reasons set out in the following reconciliation.

| | Continuing operations 2022 £m | Discontinued operations 2022 £m | Total 2022 £m | Continuing operations 2021 £m | Discontinued operations 2021 £m | Total 2021 £m |
|---|---|---|---|---|---|---|
| **Profit before tax** | **0.1** | **36.7** | **36.8** | 1.7 | 25.0 | 26.7 |
| | | | | | | |
| Tax at 19.0% (2021: 19.0%) | **–** | **7.0** | **7.0** | 0.3 | 4.8 | 5.1 |
| **Factors affecting tax charge:** | | | | | | |
| Impact of intra-group trading | **0.9** | **0.8** | **1.7** | 1.9 | 0.6 | 2.5 |
| Differences between Group statutory profit before tax and entity profit before tax | **2.1** | **(2.1)** | **–** | 1.0 | (1.0) | – |
| Share of tax on associates and joint ventures | **–** | **–** | **–** | (0.1) | – | (0.1) |
| Non–taxable income | **(0.1)** | **(0.2)** | **(0.3)** | – | (0.4) | (0.4) |
| Goodwill and intangibles | **0.1** | **(0.3)** | **(0.2)** | – | (0.1) | (0.1) |
| Non–recoverable withholding tax | **3.2** | **0.3** | **3.5** | 3.7 | – | 3.7 |
| Recognition of deferred tax | **–** | **–** | **–** | 0.4 | – | 0.4 |
| Derecognition of deferred tax | **–** | **–** | **–** | 2.6 | – | 2.6 |
| Remeasurement of deferred tax | **–** | **–** | **–** | 1.5 | – | 1.5 |
| Disallowable expenditure | **2.3** | **1.2** | **3.5** | 0.6 | – | 0.6 |
| Other timing differences | **(1.0)** | **(0.1)** | **(1.1)** | (0.5) | – | (0.5) |
| Gain on separation of Fastmarkets | **–** | **0.2** | **0.2** | – | – | – |
| Impact of change in rate | **0.1** | **–** | **0.1** | (1.8) | 0.1 | (1.7) |
| Adjustments in respect of prior years | **(14.1)** | **1.1** | **(13.0)** | 0.6 | (0.1) | 0.5 |
| **Total tax (credit)/expense for the year** | **(6.5)** | **7.9** | **1.4** | 10.2 | 3.9 | 14.1 |

The Group is a multinational with tax affairs in many geographical locations. This inherently leads to complexity in the Group's tax structure and involves a number of judgements. Critical estimates and judgements are set out in note 2. Many issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period include payments on account and depend on the final resolution of open items. The final resolution of some of these items may give rise to material profit or loss and/or cash flow variances. As a result, there can be substantial differences between the tax expense in the Consolidated Income Statement and tax payments. Details of significant recent developments are set out below.

The Group held a full provision in respect of a UK tax exposure relating to an enquiry by HMRC into the tax treatment of the disposal of an investment in the Capital Data business during the year ended 30 September 2015. This has a maximum exposure of £10.7m, plus estimated interest of £2.0m. Following the Group's win at the first–tier tax tribunal (FTT) hearing held in May 2020, HMRC appealed this judgement at the Upper Tier Tribunal and the case was heard in July 2022. The Group was also successful at this hearing and on 12 October 2022 HMRC applied to the Court of Appeal to for permission to appeal the UTT judgement. Although a decision has not been made by the Court of Appeal as to whether to allow HMRC to appeal, after seeking professional advice, the Group's view is that the provision held should be released as it is no longer considered probable that HMRC will ultimately prevail (note 2). The release has resulted in a £10.7m current tax credit. This has been treated as a prior year item and therefore does not impact the adjusted effective tax rate.

Following the Group's change to filing combined state tax returns in New York City (NYC) and New York State (NYS), the Group settled a tax enquiry into this matter with the NYS Department of Taxation and Finance in the prior year. As a result of the settlement with NYS the Group was also required to notify the NYC Department of Finance, which it did in January 2022. At the period end date, no enquiry had been opened in NYC into this matter.

On 7 August 2022, the US Senate voted 51–50 to pass the 2022 Inflation Reduction Act (for tax periods starting on or after 1 January 2023). Measures include a 15% minimum tax rate of 'adjusted financial statement income'. The 15% rate is subject to a global $1bn revenue threshold which the Group does not currently meet.

In addition to the amount charged to the Income Statement, the following amounts relating to tax on pensions and financial instruments have been directly recognised in other comprehensive income and equity:

| | Other comprehensive income | | Equity | |
|---|---|---|---|---|
| | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m |
| Deferred tax (note 24) | **3.3** | 0.7 | **(1.0)** | (0.1) |

# Notes to the Consolidated Financial Statements continued

## 9 Dividends

| | 2022 £m | 2021 £m |
|---|---|---|
| **Amounts recognisable as distributable to equity holders in year** | | |
| Final dividend for the year ended 30 September 2021 of 12.5p (2020: 11.4p) | **13.6** | 12.5 |
| Interim dividend for year ended 30 September 2022 of 6.1p (2021: 5.7p) | **6.7** | 6.2 |
| | **20.3** | 18.7 |
| Employee share trusts dividend | **(0.2)** | (0.2) |
| | **20.1** | 18.5 |
| | | |
| Proposed final dividend for the year ended 30 September | **–** | 13.7 |
| Employee share trusts dividend | **–** | (0.2) |
| | **–** | 13.5 |

An interim dividend of 6.1p per share was paid in 2022 (2021: 5.7p).

Due to the sale of the Group there is no proposed final dividend (2021: 12.5p).

## 10 Earnings per share

| | 2022 £m | Restated 2021 £m |
|---|---|---|
| Earnings from continuing operations | **6.6** | (8.5) |
| Profit for the year from discontinued operations | **28.8** | 21.1 |
| **Total earnings** | **35.4** | 12.6 |
| Adjustments | **38.2** | 37.9 |
| **Total adjusted earnings** | **73.6** | 50.5 |

| | 2022 Number 000 | 2021 Number 000 |
|---|---|---|
| Weighted average number of shares | **109,293** | 109,289 |
| Shares held by the employee share trusts | **(1,199)** | (1,207) |
| **Weighted average number of shares** | **108,094** | 108,082 |
| Effect of dilutive share options | **121** | 25 |
| **Diluted weighted average number of shares** | **108,215** | 108,107 |
| | | |
| **Earnings per share from continuing operations** | **Pence** | Pence |
| Basic | **6.1** | (7.8) |
| Diluted | **6.1** | (7.8) |
| | | |
| **Earnings per share from discontinued operations** | | |
| Basic | **26.7** | 19.5 |
| Diluted | **26.7** | 19.5 |
| | | |
| **Total earnings per share** | | |
| Basic | **32.8** | 11.7 |
| Diluted | **32.8** | 11.7 |
| | | |
| **Total adjusted earnings per share** | | |
| Basic | **68.1** | 46.8 |
| Diluted | **68.0** | 46.8 |

The adjusted earnings per share figures have been disclosed since the Directors consider it necessary in order to give an indication of the Group's adjusted trading performance. A detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 115 to 119.

# Notes to the Consolidated Financial Statements continued

## 11 Discontinued operations and disposal groups classified as held for sale

The shareholders voted in favour of the sale of the Group on the 8 September 2022. Following completion of the sale, the Group will sell the Fastmarkets business to Astorg and retain the FPS and Asset Management businesses which will operate under the ownership and control of Epiris. Fastmarkets met the criteria to be classified as held for sale as at 30 September 2022. The assets and liabilities of the Fastmarkets business have been disclosed separately on the face of the Consolidated Statement of Financial Position. The assets and liabilities held for sale are recorded at the lower of their carrying value and fair value less costs to sell. No impairment of these net assets has been identified at 30 September 2022. The 2021 Income Statement disclosures have been re-presented with Fastmarkets disclosed as discontinued operations.

The results of the discontinued operations are as follows:

| | **Fastmarkets 2022 £m** | Fastmarkets 2021 £m |
|---|---|---|
| **Revenue** | **106.3** | 86.2 |
| Cost of sales | **(12.3)** | (9.3) |
| **Gross profit** | **94.0** | 76.9 |
| | | |
| Administrative expenses and distribution costs | **(50.7)** | (41.4) |
| Net impairment of trade receivables | **–** | (0.1) |
| **Operating profit before acquired intangible amortisation and exceptional items** | **43.3** | 35.4 |
| | | |
| Acquired intangible amortisation | **(5.9)** | (6.4) |
| Exceptional items | **(0.6)** | (3.8) |
| **Operating profit** | **36.8** | 25.2 |
| | | |
| Finance expense | **(0.1)** | (0.2) |
| **Net finance costs** | **(0.1)** | (0.2) |
| | | |
| **Profit before tax** | **36.7** | 25.0 |
| Tax expense on profit | **(7.9)** | (3.9) |
| **Profit for the year** | **28.8** | 21.1 |

Reconciliation of profit before tax from discontinued operations in Income Statement to adjusted discontinued operations:

| | **Fastmarkets 2022 £m** | Fastmarkets 2021 £m |
|---|---|---|
| Profit before tax | **36.7** | 25.0 |
| Add back: | | |
| Acquired intangible amortisation | **5.9** | 6.4 |
| Exceptional items from discontinued operations | **0.6** | 3.8 |
| **Adjusted profit before tax** | **43.2** | 35.2 |

# Notes to the Consolidated Financial Statements continued

## 11 Discontinued operations and disposal groups classified as held for sale continued

The impact of the discontinued operations on the cash flows is as follows:

| | Fastmarkets 2022 £m | Fastmarkets 2021 £m |
|---|---|---|
| Net cash generated from operating activities | **51.6** | 44.5 |
| Net cash used in investing activities | **(1.6)** | (2.5) |
| Net cash used in financing activities | **(0.6)** | (0.7) |
| **Net increase in cash and cash equivalents** | **49.4** | 41.3 |

The main classes of assets and liabilities comprising the Fastmarkets business held for sales are set out in the table below. These assets and liabilities are recorded at the lower of their carrying value and fair value less costs to sell.

| | Fastmarkets 2022 £m |
|---|---|
| Goodwill | **162.7** |
| Acquired intangible assets | **72.2** |
| Licenses and software including internally generated assets | **5.8** |
| Deferred tax assets | **4.1** |
| Trade and other receivables | **23.8** |
| Contract assets | **1.0** |
| Current income tax assets | **1.6** |
| Cash and cash equivalents | **1.2** |
| **Total assets of the business held for sale** | **272.4** |
| | |
| Trade and other payables | **(6.8)** |
| Accruals | **(13.0)** |
| Contract liabilities | **(62.1)** |
| Lease liabilities | **(1.4)** |
| Provisions | **(0.1)** |
| Current income tax liabilities | **(9.1)** |
| Deferred tax liabilities | **(17.8)** |
| **Total liabilities of the business held for sale** | **(110.3)** |
| | |
| **Net assets** | **162.1** |

# Notes to the Consolidated Financial Statements continued

## 12 Goodwill and other intangible assets

| 2022 | Acquired intangible assets | | | | | | |
|---|---|---|---|---|---|---|---|
| | Trademarks & brands £m | Customer relationships £m | Databases £m | Total acquired intangible assets £m | Licences & software including internally generated assets £m | Goodwill £m | Total £m |
| **Cost** | | | | | | | |
| At 1 October 2021 | **202.4** | **194.2** | **38.6** | **435.2** | **25.4** | **521.8** | **982.4** |
| Additions | **–** | **–** | **–** | **–** | **2.5** | **–** | **2.5** |
| Disposals | **–** | **–** | **–** | **–** | **(0.3)** | **–** | **(0.3)** |
| Balance at acquisition of company | **0.7** | **6.1** | **5.7** | **12.5** | **–** | **6.9** | **19.4** |
| Exchange differences | **32.2** | **33.7** | **7.4** | **73.3** | **3.3** | **82.7** | **159.3** |
| Classified as held for sale | **(71.6)** | **(68.7)** | **(4.3)** | **(144.6)** | **(10.7)** | **(165.5)** | **(320.8)** |
| **At 30 September 2022** | **163.7** | **165.3** | **47.4** | **376.4** | **20.2** | **445.9** | **842.5** |
| **Amortisation and impairment** | | | | | | | |
| At 1 October 2021 | **124.8** | **115.7** | **18.3** | **258.8** | **13.6** | **64.7** | **337.1** |
| Amortisation charge | | | | | | | |
| Continuing operations | **5.8** | **4.7** | **5.2** | **15.7** | **2.2** | **–** | **17.9** |
| Discontinued operations | **3.1** | **2.8** | **–** | **5.9** | **1.1** | **–** | **7.0** |
| Impairment | **1.7** | **–** | **–** | **1.7** | **–** | **–** | **1.7** |
| Disposals | **–** | **–** | **–** | **–** | **(0.2)** | **–** | **(0.2)** |
| Exchange differences | **21.1** | **18.2** | **3.3** | **42.6** | **2.5** | **9.7** | **54.8** |
| Classified as held for sale | **(39.9)** | **(28.4)** | **(4.1)** | **(72.4)** | **(4.9)** | **(2.8)** | **(80.1)** |
| **At 30 September 2022** | **116.6** | **113.0** | **22.7** | **252.3** | **14.3** | **71.6** | **338.2** |
| **Net book value at 30 September 2022** | **47.1** | **52.3** | **24.7** | **124.1** | **5.9** | **374.3** | **504.3** |

| 2021 | Acquired intangible assets | | | | | | |
|---|---|---|---|---|---|---|---|
| | Trademarks & brands £m | Customer relationships £m | Databases £m | Total acquired intangible assets £m | Licences & software including internally generated assets £m | Goodwill £m | Total £m |
| **Cost** | | | | | | | |
| At 1 October 2020 | 208.9 | 189.4 | 32.2 | 430.5 | 28.5 | 523.1 | 982.1 |
| Additions | – | – | – | – | 4.6 | – | 4.6 |
| Disposals | – | – | – | – | (7.4) | – | (7.4) |
| Balance at acquisition of company | 1.3 | 10.0 | 7.3 | 18.6 | 0.2 | 14.8 | 33.6 |
| Transfer | (1.2) | 1.2 | – | – | – | – | – |
| Exchange differences | (6.6) | (6.4) | (0.9) | (13.9) | (0.5) | (16.1) | (30.5) |
| **At 30 September 2021** | 202.4 | 194.2 | 38.6 | 435.2 | 25.4 | 521.8 | 982.4 |
| **Amortisation and impairment** | | | | | | | |
| At 1 October 2020 | 120.3 | 111.5 | 15.3 | 247.1 | 18.3 | 66.7 | 332.1 |
| Amortisation charge | | | | | | | |
| Continuing operations | 5.5 | 4.1 | 3.0 | 12.6 | 2.2 | – | 14.8 |
| Discontinued operations | 3.2 | 2.8 | 0.4 | 6.4 | 0.7 | – | 7.1 |
| Disposals | – | – | – | – | (7.3) | – | (7.3) |
| Transfer | (0.5) | 0.5 | – | – | – | – | – |
| Exchange differences | (3.7) | (3.2) | (0.4) | (7.3) | (0.3) | (2.0) | (9.6) |
| **At 30 September 2021** | 124.8 | 115.7 | 18.3 | 258.8 | 13.6 | 64.7 | 337.1 |
| **Net book value at 30 September 2021** | 77.6 | 78.5 | 20.3 | 176.4 | 11.8 | 457.1 | 645.3 |

# Notes to the Consolidated Financial Statements continued

## 12 Goodwill and other intangible assets continued

The individually material acquired intangible assets are as follows:

| | Trademarks & brands | | Customer relationships | | Databases | | |
|---|---|---|---|---|---|---|---|
| 2022 | 2022 £m | 2022 years[1] | 2022 £m | 2022 years[1] | 2022 £m | 2022 years[1] | Total 2022 £m |
| BCA | 26.9 | 14 | | | | | 26.9 |
| NDR | 4.7 | 9 | | | | | 4.7 |
| The Deal | | | 12.1 | 16 | | | 12.1 |
| BoardEx | | | 23.2 | 18 | | | 23.2 |
| Wealth-X | | | | | 10.2 | 7 | 10.2 |
| WealthEngine | | | 7.5 | 5 | | | 7.5 |
| Boardroom Insiders | | | 6.9 | 3 | | | 6.9 |
| Classified as held for sale – Metal Bulletin | 6.1 | 14 | | | | | 6.1 |
| Classified as held for sale – RISI | 17.1 | 10 | 33.2 | 15 | | | 50.3 |

| | Trademarks & brands | | Customer relationships | | Databases | | |
|---|---|---|---|---|---|---|---|
| 2021 | 2021 £m | 2021 years[1] | 2021 £m | 2021 years[1] | 2021 £m | 2021 years[1] | Total 2021 £m |
| BCA | 25.4 | 15 | | | | | 25.4 |
| Metal Bulletin | 6.9 | 15 | | | | | 6.9 |
| NDR | 4.4 | 10 | | | | | 4.4 |
| RISI | 15.6 | 11 | 29.3 | 16 | | | 44.9 |
| The Deal | | | 10.6 | 17 | | | 10.6 |
| BoardEx | | | 20.2 | 19 | | | 20.2 |
| Wealth-X | | | | | 10.1 | 8 | 10.1 |
| WealthEngine | | | 7.4 | 6 | | | 7.4 |

1 The remaining useful economic life.

Intangible assets, other than goodwill, have a finite life and are amortised over their expected useful lives at the rates set out in the accounting policies in note 1 of this report.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination.

During the year, the goodwill in respect of each of the CGUs was tested for impairment in accordance with IAS 36 'Impairment of Assets'. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's value in use or fair value less costs of disposal.

The Group goodwill impairment review approach for the year end 30 September 2022 has been adapted to consider the £1.6bn offer to sell the Group. The total carrying value of the CGUs in 2021 was £702m, therefore the offer price is much greater than the total carrying value. IAS 36 'Impairment of Assets' paragraph 99, allows the 2021 goodwill impairment models to be used to justify the recoverability of the current year's CGUs goodwill providing all of the following criteria are met: the assets and liabilities making up the unit have not changed significantly since the most recent recoverable amount calculation; the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin; and based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote. The Group has assessed all of these criteria, which are deemed to have been met.

The following methodologies applied and key assumptions, reflecting past experience and external sources of information for the impairment models for 2021 included:

### Value in use (VIU):

- Pre-tax cash flow budgets derived from approved 2021 budgets with a compound annual growth rate (CAGR) of 4.01% to 30.96% using 2020 as the benchmark on cash flows to 2024. These budgets were based on management's view of expected performance. Management believes these budgets to be achievable. For the CGU most dependent on events revenue (FPS), given the estimation uncertainty in the budgets around the speed and quantum of the recovery of physical events and the return to international travel due to climate change, probability weighted scenarios were used. The budget cashflows from 2022 to 2024 were tapered. The budget was given a higher weighting in earlier years reflecting higher certainty in the near term cashflows; with weightings for 2024 showing 60% allocated to the budget reflecting the recovery of international events and 40% allocated to a scenario reflecting the risk to international travel due to climate change. The scenario for the risk associated with climate change assumed a 67% drop on international revenue on each budgeted cash flow year. No impairment was shown for FPS under this scenario.
- The pre-tax nominal discount rates derived from the Group's benchmarked weighted average cost of capital (WACC) are weighted based on the geographical area in which the CGU group's revenue is generated. The long-term growth rates applied were weighted on the same basis.

# Notes to the Consolidated Financial Statements continued

## 12 Goodwill and other intangible assets continued

The discount rates and long-term growth rates used in the calculation are as per the below table.

| | | 2021 | | | 2022 |
|---|---|---|---|---|---|
| Group of CGU | Valuation method | Long-term growth rate % | Discount rate % | Goodwill £m | Goodwill £m |
| Fastmarkets | VIU | 2.2 | 10.2 | 146.7 | 162.7 |
| Financial & Professional Services (FPS) | VIU | 2.2 | 10.2 | 115.7 | 139.0 |
| Asset Management | VIU | 2.2 | 10.6 | 194.7 | 235.3 |

For the year ended 30 September 2022 (2021:£nil), no goodwill impairment has been recognised.

Further disclosures in accordance with IAS 36 are provided where the Group holds an individual goodwill item relating to a CGU group that is significant, which the Group considers to be 15% or more of the Group's total carrying value of goodwill.

For the year ended 30 September 2022, an impairment of £1.7m for acquired intangible assets relating to the brands of Layer123 was recognised in exceptional items (note 5).

## 13 Property, plant and equipment

| 2022 | Leasehold improvements £m | Office equipment £m | Total £m |
|---|---|---|---|
| **Cost** | | | |
| At 1 October 2021 | 17.1 | 7.1 | 24.2 |
| Reclassification | 0.2 | 2.3 | 2.5 |
| Additions | – | 0.3 | 0.3 |
| Disposals | (9.8) | (4.8) | (14.6) |
| Exchange differences | 0.9 | 0.8 | 1.7 |
| Classified as held for sale | (1.1) | (0.6) | (1.7) |
| **At 30 September 2022** | 7.3 | 5.1 | 12.4 |
| **Depreciation** | | | |
| At 1 October 2021 | 7.7 | 5.1 | 12.8 |
| Reclassification | 0.2 | 2.3 | 2.5 |
| Charge for the year | | | |
| Continuing operations | 0.6 | 0.5 | 1.1 |
| Impairments | | | |
| Continuing operations | 7.8 | 1.5 | 9.3 |
| Disposals | (9.8) | (4.8) | (14.6) |
| Exchange differences | 0.8 | 0.8 | 1.6 |
| Classified as held for sale | (1.1) | (0.6) | (1.7) |
| **At 30 September 2022** | 6.2 | 4.8 | 11.0 |
| **Net book value at 30 September 2022** | 1.1 | 0.3 | 1.4 |

# Notes to the Consolidated Financial Statements continued

## 13 Property, plant and equipment continued

| 2021 | Leasehold improvements £m | Office equipment £m | Total £m |
|---|---|---|---|
| **Cost** | | | |
| At 1 October 2020 | 18.4 | 9.4 | 27.8 |
| Additions | 0.1 | 0.5 | 0.6 |
| Disposals | (0.9) | (2.5) | (3.4) |
| Exchange differences | (0.5) | (0.3) | (0.8) |
| **At 30 September 2021** | 17.1 | 7.1 | 24.2 |
| **Depreciation** | | | |
| At 1 October 2020 | 6.6 | 6.7 | 13.3 |
| Charge for the year | | | |
| Continuing operations | 1.1 | 0.8 | 1.9 |
| Discontinued operations | 0.1 | 0.1 | 0.2 |
| Impairments | | | |
| Discontinued operations | 0.6 | 0.1 | 0.7 |
| Disposals | (0.6) | (2.4) | (3.0) |
| Exchange differences | (0.1) | (0.2) | (0.3) |
| **At 30 September 2021** | 7.7 | 5.1 | 12.8 |
| **Net book value at 30 September 2021** | 9.4 | 2.0 | 11.4 |

There is no material difference between the property, plant and equipment's historical cost values as stated above and their fair value equivalents. In 2022, impairments were recognised against right of use assets and other fixed assets following the successful introduction of flexible working across the Group, as the real estate requirements have been reviewed and the Group has identified significant opportunities to reduce the office costs in London and New York to reflect the footprint that suits the Group's needs. Further information is disclosed in note 14.

In 2021, impairments were recognised against leasehold improvements and office equipment for certain offices due to properties across the Group being vacated. These assets were fully written down, with the impairment being reported in the Fastmarkets division.

## 14 Right of use assets

The right of use assets recognised by the Group are for leasehold premises, predominately used as office space.

The table below shows the movements in right of use assets during the year.

| 2022 | Leasehold office space £m |
|---|---|
| **Cost** | |
| At 1 October 2021 | **60.7** |
| Additions | **3.0** |
| Disposals | **(29.7)** |
| Reassessments | **(0.6)** |
| Exchange differences | **7.2** |
| Classified as held for sale | **(2.5)** |
| **At 30 September 2022** | **38.1** |
| **Depreciation and impairments** | |
| At 1 October 2021 | **16.5** |
| Depreciation | |
| Continuing operations | **4.3** |
| Discontinued operations | **0.3** |
| Impairments | |
| Continuing operations | **33.8** |
| Disposals | **(29.7)** |
| Exchange differences | **4.3** |
| Classified as held for sale | **(2.5)** |
| **At 30 September 2022** | **27.0** |
| **Net book value at 30 September 2022** | **11.1** |

# Notes to the Consolidated Financial Statements continued

## 14 Right of use assets continued

| 2021 | Leasehold office space £m |
|---|---|
| **Cost** | |
| At 1 October 2020 | 61.3 |
| Additions | 0.5 |
| Balance at acquisition of company | 1.9 |
| Disposals | (0.3) |
| Reassessments | (1.1) |
| Exchange differences | (1.6) |
| **At 30 September 2021** | 60.7 |
| **Depreciation and impairments** | |
| At 1 October 2020 | 7.8 |
| Depreciation | |
| Continuing operations | 6.1 |
| Discontinued operations | 0.6 |
| Impairments | 2.4 |
| Disposals | (0.3) |
| Exchange differences | (0.1) |
| **At 30 September 2021** | 16.5 |
| **Net book value at 30 September 2021** | 44.2 |

The rent expense recognised in the Consolidated Income Statement in respect of short-term leases was £0.1m (2021: £0.4m).

### Reassessments

BCA Research has a lease for office space which expires in October 2028. This lease includes the option to incur a penalty in order to exit the lease early. Previously the lease had been assessed on the basis that the break clause would not be exercised, however this assumption has now been revised to reflect management's current plans. The lease is now expected to be exited in October 2023, resulting in a reduction of lease liabilities of £0.9m at 30 September 2022. The corresponding reduction in right of use book value was capped at £0.6m as the relevant asset had been impaired in 2021, with the balancing £0.3m being recognised as a credit in the Consolidated Income Statement.

### Impairments

In July 2022 the Group signed an agreement with the lessor of its principal New York office to exit the space in exchange for a fee. As a result of this early exit, the right of use asset and related property, plant and equipment were fully written down, resulting in charges to exceptional items (note 5) of £23.1m and £7.2m respectively, along with the exit payment of £8.4m offset by £31.9m for the release of the lease liability. The right of use asset has been disposed of.

When right of use assets which are still controlled by the Group are no longer used in day-to-day operations, they are tested for impairment. In practice this means when management makes a decision to vacate an office. The impairment review is performed by comparing the carrying value of the asset with its recoverable value.

In 2022, an impairment review was carried out in respect of the Group's London offices following the decision to sublet some of the space. The recoverable value was established using value in use methodology, calculated using discounted cash flows which could reasonably be achieved by subletting the property for the remainder of the lease, as advised by property experts. The pre-tax discount rate used in the impairment calculation was based on the Group's WACC, adjusted for the lessee's size and location, being 9.7%. Key assumptions in the impairment calculations are the length of time it will take to find a sublease tenant and the value of the likely rent income when agreed. Impairments were recognised in exceptional items (note 5) of £10.7m against right of use assets and £2.0m against property, plant and equipment, with the recoverable value of the impaired assets being £2.9m. The assessment assumed that market rents would be receivable for a period of three years following an initial 12-month vacant period. The sublease term would have to increase to four years and three months before the impairment would be reversed. The impairment charge is not sensitive to the market rents assumption.

In 2021, similar impairment reviews were performed for leases in Fastmarkets and FPS, resulting in impairments of £0.9m and £1.3m respectively. The discount rate used was 11.10%. The recoverable value of the assets was £0.6m.

# Notes to the Consolidated Financial Statements continued

## 15 Investments

| | Investment in associates £m | Other equity investments £m | Total £m |
|---|---|---|---|
| At 1 October 2020 | 8.8 | – | 8.8 |
| Additions | – | 0.1 | 0.1 |
| Revaluation | – | 0.1 | 0.1 |
| **At 30 September 2021** | 8.8 | 0.2 | 9.0 |
| Gain on dilution of investment | 0.3 | – | 0.3 |
| Share of losses after tax | (0.3) | – | (0.3) |
| **At 30 September 2022** | 8.8 | 0.2 | 9.0 |

All of the above investments in associates are accounted for using the equity method in these Consolidated Financial Statements. Other equity investments are classified as financial assets measured at fair value through other comprehensive income.

| | 2022 £m | 2021 £m |
|---|---|---|
| **Reconciliation of share of results in associates and joint ventures in Income Statement to adjusted share of results in associates and joint ventures** | | |
| Total share of results in associates in Income Statement | **(0.3)** | – |
| Add back: | | |
| Share of tax on losses | **(0.1)** | – |
| Share of acquired intangible amortisation | **0.3** | 0.3 |
| | **0.2** | 0.3 |
| **Adjusted share of results in associates and joint ventures** | **(0.1)** | 0.3 |

The reconciliation of share of results in associates in the Income Statement has been provided since the Directors consider it necessary in order to provide an indication of the adjusted share of results in associates. A detailed reconciliation of the Group's statutory results to the adjusted and underlying results is set out on pages 115 to 119. The share of profit after tax includes a finance expense of £17k (2021: £29k).

Information on investment in associates:

| | Principal activity | Year ended | Date of acquisition | Type of holding | Group interest | Registered office |
|---|---|---|---|---|---|---|
| **Investment in associates** | | | | | | |
| Zanbato, Inc. (Zanbato) | Private capital placement and workflow | 30 Sept | Sept 2015 | Preferred | 12% | 715 N Shoreline Boulevard, Mountain View CA, 94043, United States |

As at 30 September 2022, the Group has an 11.82% (2021: 11.79%) shareholding. In 2022, due to changes to Zanbato's total diluted shareholding, the Group's investment holding in Zanbato increased from 11.79% to 11.82% and the Group recognised a gain on dilution of its investment of £0.3m. The investment in Zanbato is one of the Group's strategic investments.

IAS 28 'Investments in associates and joint ventures' requires that the fair value of assets and liabilities of associates is identified and that the Group's share of profit from Zanbato is adjusted for the amortisation of the acquired intangible assets. The Group has recognised its share of acquired intangible amortisation of £0.3m (2021: £0.3m) relating to the database intangible asset.

The Group has two other equity investment measured at fair value through other comprehensive income, Estimize has a fair value of nil at 30 September 2022 (2021: nil) and NDR Investment Solutions strategies fair value as at 30 September 2022 is £0.2m (2021: £0.2m).

On the 14 September 2021, the Group disposed of its joint venture of Sanostro. The disposal gave rise to a profit on disposal of £44k after the deduction of the disposal costs incurred.

# Notes to the Consolidated Financial Statements continued

## 15 Investments continued

Aggregate information of associates that are not individually material:

| | 2022 £m | 2021 £m |
|---|---|---|
| Group share of losses | (0.3) | – |
| Aggregate carrying amount of the Group's interests in these associates | 8.8 | 8.8 |

## 16 Acquisitions and disposals

### Purchase of business

**Boardroom Insiders Inc**

On 20 January 2022, the Group acquired 100% of the equity share capital of Boardroom Insiders Inc. for $25.3m (£18.7m). Boardroom Insiders is a market-leading provider of people intelligence to technology companies and professional services. The business has profiles on over 30,000 executives and key decision makers. These profiles, and the intelligence provided from its proprietary analytics capability, are primarily used by sales teams for business development and account management purposes. Boardroom Insiders is included in the Financial & Professional Services division.

The acquisition accounting which has been finalised is set out below:

| | Book value £m | Fair value adjustments £m | Fair value £m |
|---|---|---|---|
| Intangible assets | – | 12.5 | 12.5 |
| Trade and other receivables | 0.6 | – | 0.6 |
| Trade and other payables | (0.2) | – | (0.2) |
| Deferred tax liabilities | – | (0.1) | (0.1) |
| Contract liabilities | (1.5) | 0.2 | (1.3) |
| Cash and cash equivalents | 0.3 | – | 0.3 |
| | (0.8) | 12.6 | 11.8 |
| | | | |
| **Net assets acquired (100%)** | | | 11.8 |
| **Goodwill** | | | 6.9 |
| **Total consideration** | | | 18.7 |
| **Consideration satisfied by:** | | | |
| Cash | | | 18.3 |
| Deferred consideration | | | 0.1 |
| Working capital adjustments | | | 0.3 |
| | | | 18.7 |
| **Net cash outflow arising on acquisition:** | | | |
| Cash consideration | | | 18.6 |
| Less: cash and cash equivalent balances acquired | | | (0.3) |
| | | | 18.3 |

Intangible assets represent customer relationships of $8.2m (£6.0m), a database of $5.9m (£4.4m), a platform of $1.9m (£1.4m) and a brand of $0.9m (£0.7m) for which amortisation of $2.3m (£1.9m) has been charged for the year ended 30 September 2022. The intangible assets will be amortised over their respective useful economic lives; customer relationships of 11 years, database of 3 years, platform of 3.5 years and brand of 10 years.

Goodwill arises from the anticipated future operating synergies from integrating the acquired operations within the Group and the acquired workforce.

The fair value adjustment to deferred tax represents the deferred tax impact of the acquisition accounting, mainly being the adjustment to contract liabilities.

Boardroom Insiders contributed £2.5m to the Group's revenue and £0.4m, before acquired intangible amortisation, to the Group's operating profit and profit before tax between the date of acquisition and 30 September 2022. If the acquisition had been completed on the first day of the financial year, Boardroom Insiders would have contributed £3.6m to the Group's revenue and £0.3m to the Group's operating profit and profit before tax.

For the year ended 30 September 2022, acquisition related costs of £0.9m, relating to the Boardroom Insiders acquisition have been charged to the Consolidated Income Statement.

### Increase in equity holdings

On 7 September 2022, the Group made an earn-out payment of £0.1m to increase its equity shareholding in Reinsurance Securities (Consultancy).co.uk Limited. The payment increased the Group's holding from 88% to 100%.

# Notes to the Consolidated Financial Statements continued

## 17 Trade and other receivables

| | 2022 £m | 2021 £m |
|---|---|---|
| **Amounts falling due within one year** | | |
| Trade receivables | **75.1** | 73.5 |
| Less: loss allowance for impairment of trade receivables | **(5.8)** | (6.9) |
| Trade receivables – net of loss allowance | **69.3** | 66.6 |
| Other debtors | **12.9** | 7.1 |
| Prepayments | **12.0** | 10.6 |
| | **94.2** | 84.3 |

| | 2022 £m Trade receivables | 2022 £m Loss allowance | 2022 % Expected loss rate | 2021 £m Trade receivables | 2021 £m Loss allowance | 2021 % Expected loss rate |
|---|---|---|---|---|---|---|
| Current | **45.3** | **(0.4)** | **1%** | 49.4 | (1.3) | 3% |
| Past due more than a month but less than two months | **9.9** | **(0.2)** | **2%** | 6.9 | (0.2) | 4% |
| Past due more than two months but less than three months | **4.2** | **(0.2)** | **5%** | 5.4 | (0.3) | 5% |
| Past due more than three months | **15.7** | **(5.0)** | **32%** | 11.8 | (5.1) | 44% |
| **Total** | **75.1** | **(5.8)** | **8%** | 73.5 | (6.9) | 9% |

The Group has applied the expected credit loss model required by IFRS 9, using the simplified approach for trade receivables and recognised the loss allowance at an amount equal to lifetime expected credit losses. The credit loss model incorporates historical billings, cash collections and an element of management's judgement with factors considered including the segmenting of customers into specific sectors, macro-economic assumptions underpinning trading activity and specific current issues impacting the collection of some specific customer debts.

The Group has considered the impact of the current economic environment on credit risk, particularly with respect to increased energy costs. The Group does not believe its customers are exposed to energy costs to the extent that this is expected to have an impact on their credit risk.

Trade receivables are written off when there is no reasonable expectation of recovery.

Movements on the Group loss allowance:

| | 2022 £m | 2021 £m |
|---|---|---|
| At 1 October | **(6.9)** | (5.7) |
| Increase in loss allowance recognised in profit or loss during the year | **(9.1)** | (6.3) |
| Subsequent recoveries of amounts provided for | **6.4** | 1.4 |
| Amounts written off as uncollectible | **4.0** | 3.3 |
| Exchange differences | **(0.5)** | 0.4 |
| Classified as held for sale | **0.3** | – |
| **At 30 September** | **(5.8)** | (6.9) |

## 18 Trade and other payables

| | 2022 £m | 2021 £m |
|---|---|---|
| Trade creditors | **5.8** | 3.0 |
| Other creditors | **31.7** | 40.1 |
| | **37.5** | 43.1 |

The Directors consider the carrying amounts of trade and other payables approximate their fair values. The other creditors balance as at 30 September 2022 includes amounts due to customers of £14.7m (2021: £15.7m), withholding tax payable on intragroup interest and dividends of £0.3m (2021:£5.6m), interest payable of £0.2m (2021: £1.9m) as well as VAT, payroll and sales taxes totalling £7.9m (2021: £10.7m).

# Notes to the Consolidated Financial Statements continued

## 19 Contract liabilities

| | 2021 £m | Additions £m | Balance at acquisition of company £m | Releases £m | Foreign exchange £m | Classified as held for sale £m | **2022 £m** |
|---|---|---|---|---|---|---|---|
| Contract liabilities – subscriptions | 111.2 | 116.8 | 1.3 | (109.0) | 13.3 | (60.5) | **73.1** |
| Contract liabilities – other | 23.7 | 35.8 | – | (23.6) | 5.4 | (1.6) | **39.7** |
| | 134.9 | 152.6 | 1.3 | (132.6) | 18.7 | (62.1) | **112.8** |
| | | | | | | | |
| Within one year | 132.7 | | | | | | **111.7** |
| In more than one year | 2.2 | | | | | | **1.1** |
| | 134.9 | | | | | | **112.8** |

All movements in contract liabilities in the period are due to the timing difference between the right to consideration and the satisfaction of performance obligations. At 30 September 2022, in addition to the contract liabilities balance, contracts include £79.6m (2021: £44.6m) relating to performance obligations that are yet to be satisfied which will be recognised over time, of which £34.9m (2021: £33.4m) will be recognised within one year and the remaining balance thereafter.

## 20 Lease liabilities

The table below shows the movements in lease liabilities during the year.

| | **Lease liabilities £m** |
|---|---|
| At 1 October 2020 | 70.2 |
| Additions | 0.5 |
| Balance at acquisition of company | 1.9 |
| Reassessments | (1.1) |
| Finance charge in year | 1.8 |
| Lease payments in year | (9.8) |
| Exchange differences | (1.8) |
| **At 30 September 2021** | 61.7 |
| Additions | **3.0** |
| Reassessments | **(32.7)** |
| Finance charge in year | **1.5** |
| Lease payments in year | **(9.0)** |
| Exchange differences | **4.3** |
| Classified as held for sale | **(1.4)** |
| **At 30 September 2022** | **27.4** |

| **Timing of future lease payments** | **Lease payments 2022 £m** | Lease payments 2021 £m |
|---|---|---|
| Within 12 months | **7.2** | 9.3 |
| 1 – 3 years | **12.0** | 22.6 |
| 4 – 5 years | **7.3** | 13.7 |
| Over 5 years | **2.6** | 24.5 |
| | **29.1** | 70.1 |
| Impact of discounting future lease payments | **(1.7)** | (8.4) |
| **Total** | **27.4** | 61.7 |

In 2022, BCA Research reassessed a lease to factor in the exercise of a break clause which had previously been deemed unlikely to be exercised, reducing lease liabilities by £0.9m. This resulted in a £0.3m credit to the Consolidated Income Statement as the corresponding right of use asset had a carrying value of £0.6m. The Group negotiated an early exit of its principal New York lease, reducing lease liabilities by £31.9m. This reassessment resulted in a £23.4m credit to the Consolidated Income Statement, after the exit fee of £8.4m. Further information is disclosed in note 14.

In 2021, some lease liabilities were reassessed to assume that available break clauses will be exercised. This reduces the present value of cash flows for the affected leases. A corresponding reduction in value has been recorded against the respective right of use assets as a result (note 14).

# Notes to the Consolidated Financial Statements continued

## 21 Financial instruments and risk management

Derivative financial instruments

The sale of the Group resulted in triggering of early termination clauses contained with International Swap and Derivatives Association (ISDA) agreements with derivative counterparty's and as such, the Group does not have an unconditional right to defer settlement of derivative liabilities for at least twelve months after the reporting period. All derivative assets and liabilities are therefore classified as current. The derivative financial assets/(liabilities) excluding assets held for sale at 30 September comprised:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | **Assets £m** | **Liabilities £m** | Assets £m | Liabilities £m |
| **Current** | | | | |
| Forward foreign exchange contracts – cash flow hedge | **0.2** | **(12.2)** | 1.5 | (0.6) |
| Forward foreign exchange contracts – fair value through profit and loss | **–** | **–** | 0.4 | – |
| | **0.2** | **(12.2)** | 1.9 | (0.6) |
| **Non-current** | | | | |
| Forward foreign exchange contracts – cash flow hedge | **–** | **–** | – | (0.3) |
| | **–** | **–** | – | (0.3) |
| | **0.2** | **(12.2)** | 1.9 | (0.9) |

### Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk arising in the normal course of business. Derivative financial instruments are used to manage exposures to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes.

Full details of the objectives, policies and strategies pursued by the Group in relation to financial risk management are set out in this note and on pages 63 and 64 of the accounting policies. The Group's Tax & Treasury Committee is responsible for recommending policy to the Board. The Group's treasury policies are directed to giving greater certainty of future costs and revenues and ensuring that the Group has adequate liquidity for working capital and debt capacity for funding acquisitions.

The treasury department does not act as a profit centre, nor does it undertake any speculative trading activity and it operates within policies and procedures approved by the Board.

Forward contracts are used to manage the Group's exposure to fluctuations in exchange rate movements on foreign currency transactions. Further details are set out in the foreign exchange rate risk section (pages 90 and 91).

### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy to balance investment and cost control underpins the capital risk management objective to preserve a strong balance sheet.

The capital structure of the Group comprises equity attributable to equity holders, comprising share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

#### Net cash to adjusted EBITDA ratio

The Group's Tax & Treasury Committee reviews the Group's capital structure at least twice a year. Committed bank facilities were available to the Group until May 2025 containing covenants based on a maximum 3.0 times net debt to adjusted EBITDA and a minimum interest cover ratio of 3.0 times. These facilities were replaced in November 2022 (note 31).

# Notes to the Consolidated Financial Statements continued

## 21 Financial instruments and risk management continued

### Categories of financial instruments

The Group's financial assets/(liabilities) at 30 September are as follows:

| | 2022 £m | 2021 £m |
|---|---|---|
| **Financial assets** | | |
| **Fair value through profit or loss (FVTPL) assets** | | |
| Derivative instruments | **0.2** | 1.9 |
| Cash and cash equivalents - money market funds | **50.1** | 26.5 |
| **Fair value through other comprehensive income (FVTOCI) assets** | | |
| Other equity investments | **0.2** | 0.2 |
| **Amortised cost** | | |
| Trade receivables and other debtors | **82.2** | 79.1 |
| Cash and cash equivalents – amortised cost | **8.4** | 6.0 |
| Classified as held for sale receivables (including cash at bank) | **23.1** | – |
| | **164.2** | 113.7 |
| **Financial liabilities** | | |
| **Fair value through profit or loss liabilities** | | |
| Derivative instruments | **(12.2)** | (0.9) |
| **Amortised cost** | | |
| Acquisition commitments | **(0.1)** | (0.1) |
| Borrowings and payables | **(91.7)** | (89.1) |
| Classified as held for sale borrowings and payables | **(16.5)** | – |
| Deferred consideration | **(0.2)** | – |
| | **(120.7)** | (90.1) |

In accordance with IFRS 9 'Financial Instruments', other equity investments are classified as financial assets measured at fair value through other comprehensive income.

The classification of each of the Group's financial instruments as per the fair value hierarchy is disclosed on page 94.

The Group has derivative assets of £0.2m (2021: £1.9m) and derivative liabilities of £12.2m (2021: £0.9m) with a number of banks. These derivatives do not meet the offsetting criteria of IAS 32, but the Group would have the right to offset same currency cash flows with the same counterparties which settled on the same date. Consequently, the gross amount of the derivative assets and the gross amount of the derivative liabilities are presented separately in the Group's Statement of Financial Position.

The Group has entered into an omnibus guarantee and setoff agreement with Lloyds Banking Group plc with a right to offset outstanding credit balances against cash balances. Cash and cash equivalents include no overdrafts in either 2022 or 2021 that are offset under the cash pooling arrangements. This agreement meets the offsetting criteria of IAS 32.

In 2022, a fair value loss of £30k (2021: gain of £50k) on the Group's FVTOCI investment in NDRIS was recognised in other comprehensive income. The Group's FVTOCI investment in Estimize has a fair value of nil at 30 September 2022 (2021: nil) and the FVTOCI investment in NDRIS has a fair value of £0.2m at 30 September 2022 (2021: £0.2m).

### i) Market price risk

Market price risk is the possibility that changes in currency exchange rates, interest rates or commodity prices will adversely affect the value of the Group's financial assets, liabilities or expected future cash flows. The Group's primary market risks are interest rate fluctuations and exchange rate movements. Derivatives are used to hedge or reduce the risks of exchange rate movements and are not entered into unless such risks exist. Derivatives used by the Group for hedging a particular risk are not specialised and are generally available from numerous sources. The fair values of forward exchange contracts are set out in this note and represent the value for which an asset could be sold or liability settled between knowledgeable willing parties in an arm's length transaction calculated using the exchange rates at 30 September 2022. The Group has no other material market price risks. Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risks during the year.

# Notes to the Consolidated Financial Statements continued

## 21 Financial instruments and risk management continued

### ii) Foreign exchange rate risk

The Group's principal foreign exchange exposure is to the US dollar. The Group generates approximately three quarters of its revenues in US dollars, including approximately 45% of the revenues in its UK-based businesses, and approximately 90% of its operating profits are US dollar-denominated. The Group is therefore exposed to foreign exchange risk on the US dollar revenues in its UK businesses, the translation of results of foreign subsidiaries and loans to foreign operations within the Group where the denomination of the loan is not in the functional currency of the lender/borrower.

The Group does not hedge the translation of the results of foreign subsidiaries. Fluctuations in the value of sterling versus foreign currencies could materially affect the amount of these items in the Consolidated Financial Statements, even if their values have not changed in their original currency. The Group endeavours to match foreign currency borrowings to investments in order to provide a natural hedge for the translation of the net assets of overseas subsidiaries.

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

| | Assets | | Liabilities | |
|---|---|---|---|---|
| | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m |
| US dollar | **93.4** | 67.7 | **(51.0)** | (65.9) |

Subsidiaries normally do not hedge transactions in foreign currencies into the functional currency of their own operations. However, at a Group level, a series of US dollar and euro forward contracts are put in place to sell forward surplus US dollars and euros so as to hedge up to 80% of the Group's UK based US dollar and euro revenues for the coming 12 months and 50% of the Group's UK based US dollar and euro revenues for the subsequent six months. The timing and value of these forward contracts is based on management's estimate of its future US dollar and euro revenues over an 18 month period and is regularly reviewed and revised, with any changes in estimates resulting in either additional forward contracts being taken out or existing contracts' maturity dates being moved forward or back. If management materially underestimates the Group's future US dollar and euro denominated revenues, this would lead to too few forward contracts being in place and the Group being more exposed to swings in US dollar and euro to sterling exchange rates. An overestimate of the Group's US dollar and euro denominated revenues would lead to associated costs in unwinding the excess forward contracts. The Group also has a significant operation in Canada whose revenues are mainly in US dollars. A series of forward contracts are put in place up to 18 months forward to hedge the operation's Canadian dollar cost base. In addition, each subsidiary is encouraged to invoice sales in its local functional currency where possible. Forward exchange contracts are gross settled at maturity.

### Impact of 10% strengthening of sterling against US dollar

The following table details the Group's sensitivity to a 10% increase and decrease in sterling against US dollar. A 10% sensitivity has been determined by the Board as the sensitivity rate appropriate when reporting an estimated foreign currency risk internally and represents management's assessment of a reasonably possible change in foreign exchange rates at the reporting date.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is not in the functional currency of the lender/borrower. Where sterling strengthens 10% against the relevant currency, a negative number below indicates a decrease in profit and equity. For a 10% weakening of sterling against the relevant currency, there would be an equal and opposite impact on the profit and other comprehensive income and the balances below would be positive.

| | **2022 £m** | 2021 £m |
|---|---|---|
| Change in profit for the year in Income Statement ($ net assets in UK companies) | **(1.8)** | (0.4) |
| Change in other comprehensive income (derivative financial instruments) | **8.0** | 4.8 |

The increase in the other comprehensive income in relation to derivative financial instruments from £4.8m to £8.0m from the sensitivity analysis is due to the increase in the notional value of the derivative financial instruments.

The Group is also exposed to the translation of the results of its US dollar-denominated businesses, although the Group does not hedge the translation of these results. Consequently, fluctuations in the value of sterling versus other currencies could materially affect the translation of these results in the Consolidated Financial Statements.

# Notes to the Consolidated Financial Statements continued

## 21 Financial instruments and risk management continued

### Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. A series of US dollar and euro forward contracts are put in place to sell forward surplus US dollars and euros so as to hedge up to 80% of the Group's UK-based US dollar and euro revenues for the coming 12 months and 50% for the subsequent six months. In addition, a series of US dollar forward contracts are put in place up to 18 months forward to hedge the Group's Canadian operation's cost base. The hedging ratio remains 1:1 in line with risk management objectives, as the quantity of receipts or payments designated in hedges matches the notional amount of the hedging instrument. The source of ineffectiveness includes a variation of actual receipts or payments from management forecasts or a significant change in the credit risk of either party of the hedging instrument.

| | Average exchange rate | | Foreign currency | | Contract value | | Fair value | |
|---|---|---|---|---|---|---|---|---|
| | **2022** | 2021 | **2022 $m** | 2021 $m | **2022 £m** | 2021 £m | **2022 £m** | 2021 £m |
| **Fair value through profit and loss** | | | | | | | | |
| **Buy USD sell GBP** | | | | | | | | |
| Less than a year | **–** | 1.375 | **–** | **24.8** | **–** | 18.0 | **–** | 0.4 |
| | | | | | | | | |
| **Cash Flow Hedges** | | | | | | | | |
| **Sell USD buy GBP** | | | | | | | | |
| Less than a year | **1.268** | 1.340 | 97.9 | **57.2** | **77.2** | 42.7 | **(10.6)** | 0.3 |
| More than a year but less than two years | **–** | 1.379 | **–** | **14.2** | **–** | 10.3 | **–** | (0.2) |
| | | | | | | | | |
| **Sell USD buy CAD**[1] | | | | | | | | |
| Less than a year | **1.281** | 1.300 | 13.6 | **8.1** | **11.4** | 6.2 | **(0.8)** | 0.2 |
| More than a year but less than two years | **–** | 1.249 | **–** | **2.7** | **–** | 2.0 | **–** | – |
| | | | | | | | | |
| | | | €m | **€m** | **£m** | £m | **£m** | £m |
| **Sell EUR buy GBP** | | | | | | | | |
| Less than a year | **1.149** | 1.123 | 23.0 | **15.6** | **20.0** | 13.9 | **(0.6)** | 0.4 |
| More than a year but less than two years | **–** | 1.151 | **–** | **3.6** | **–** | 3.1 | **–** | – |
| | | | | | **108.6** | 96.2 | **(12.0)** | 1.1 |

1 Rate used for conversion from CAD to GBP is 1.5305 (2021: 1.7068).

At 30 September 2022, the aggregate amount of unrealised losses under forward foreign exchange contracts deferred in the fair value reserve relating to future hedged revenue and expense transactions is £12.0m (2021: £0.6m). It is anticipated that the transactions will take place over the next 18 months at which stage the amount deferred in equity will be released to the Income Statement. The change in value of the hedging instrument for the year is £13.7m loss, recognised in the other comprehensive income (2021: £3.3m gain).

The following table represents the corresponding carrying values and nominal amounts of derivatives in a continued hedge relationship as at 30 September 2022:

| | Derivatives | | Fair value reserves | | | | |
|---|---|---|---|---|---|---|---|
| | **Nominal amounts £m** | **Carrying value of assets £m** | **1 October 2021 £m** | **Fair value losses deferred to OCI £m** | **Foreign exchange losses recycled to the income statement £m** | **Exchange differences on translation of derivatives £m** | **30 September 2022 £m** |
| **Cash flow hedges – foreign exchange risk** | | | | | | | |
| Forward foreign exchange contracts | **108.7** | **(12.0)** | **0.6** | **(13.7)** | **1.2** | **(0.1)** | **(12.0)** |

During the year, the following amounts were recognised in profit or loss in relation to forward foreign exchange contracts:

| | **2022 £m** | 2021 £m |
|---|---|---|
| Net foreign exchange (loss)/gain included in revenue | **(1.3)** | 2.4 |
| Net foreign exchange gain included in administrative expenses | **0.1** | 0.4 |
| Total net foreign exchange (losses)/gains recognised in profit before income tax for the period | **(1.2)** | 2.8 |

Included in the fair value reserve are losses of £24.3m (2021: losses of £24.3m) in relation to net investment relationships for which hedge accounting is no longer applied and nil (2021: nil) in relation to continuing net investment hedge relationships.

# Notes to the Consolidated Financial Statements continued

## 21 Financial instruments and risk management continued

### iii) Interest rate risk

It is the Group's policy to hedge up to 80% of any long-term interest rate exposure, converting its floating rate debt into fixed debt by means of interest rate swaps. The predictability of interest costs is deemed to be more important than the possible opportunity cost foregone of achieving lower interest rates.

At 30 September 2022, the Group had no long-term debt, and as such, no interest rate swaps were outstanding.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section on pages 92 to 93.

**Interest rate sensitivity analysis**

The sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date. For floating rate instruments, the analysis is prepared assuming the amount outstanding at the balance sheet date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the Directors' assessment of a reasonably possible change in interest rates at the reporting date.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 30 September 2022 would increase or decrease by £0.6m (2021: £0.3m). This is mainly attributable to the Group's exposure to interest rates on its variable rate cash deposits.

### iv) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group seeks to limit interest rate and foreign currency risks described above by the use of financial instruments and as a result have a credit risk from the potential non-performance by the counterparties to these financial instruments, which are unsecured. The amount of this credit risk is normally restricted to the amounts of any fair value gain and not the principal amount being hedged. The Group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents. Credit risks are controlled by monitoring the amounts outstanding with, and the credit quality of, these counterparties. For the Group's cash and cash equivalents, these are principally AAA-rated money market fund investments, licensed commercial banks and investment banks with strong long-term credit ratings. Treasury policies in place do not allow concentrations of risk with individual counterparties and do not allow significant treasury exposures with counterparties which are rated below investment grade. Included in cash and cash equivalents of £58.5m (2021: £32.5m) is £50.1m (2021: £26.5m) directly deposited in AAA-rated money market fund investments.

The Group also has credit risk with respect to trade and other receivables and contract assets. The concentration of credit risk from trade receivables is limited due to the Group's large and broad customer base. Trade receivable exposures are managed locally in the business units where they arise. Allowance is made for bad and doubtful debts based on management's assessment of the risk of non-payment taking into account the ageing profile, experience and circumstance.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, recorded in the Statement of Financial Position. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year.

### v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. To manage this risk the Group has readily accessible funding arrangements in place and seeks to optimise group liquidity through cash pooling arrangements.

During the year, the Group's principal source of borrowings was provided through committed bank facilities available to the Group until May 2025, with a one-year extension options available. These syndicated facilities include a £190.0m (2021: £190.0m) multi-currency revolving credit facility which was undrawn at 30 September 2022 (undrawn at 30 September 2021). Following the completion of the sale of the Group, these facilities were replaced in November 2022 (note 31).

The Group's strategy is to use excess operating cash to pay down its drawings under the revolving credit facility and where undrawn invest in short-term bank deposits and money market funds. The Group generally has an adjusted cash conversion rate (the percentage by which adjusted cash generated from operations covers adjusted operating profit before acquired intangible amortisation and exceptional items) of 90% or more due to much of its subscription, sponsorship and delegate revenue being paid in advance.

The Group's forecasts and projections, looking out to September 2025 and taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within its current and available borrowing facilities.

# Notes to the Consolidated Financial Statements continued

## 21 Financial instruments and risk management continued

This table has been drawn up based on the undiscounted contractual cash flows of the financial liabilities including both interest and principal cash flows. To the extent that the interest rates are floating, the undiscounted amount is derived from interest rate curves at 30 September 2022. This table excludes contractual cash flows arising from lease liabilities, which are disclosed in note 20. The contractual maturity is based on the earliest date on which the Group may be required to settle.

| 2022 | Less than 1 year £m |
|---|---|
| Non-interest bearing liabilities (trade and other payables, and accruals) | **91.7** |

| 2021 | Less than 1 year £m |
|---|---|
| Acquisition commitments | 0.1 |
| Non-interest bearing liabilities (trade and other payables, and accruals) | 89.1 |
| | 89.2 |

The following table details the Group's remaining contractual maturity for its non-derivative financial assets, mainly trade and other receivables and short-term deposits. This table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

| 2022 | Weighted average effective interest rate % | Less than 1 year £m |
|---|---|---|
| Variable interest rate instruments (cash at bank and short-term deposits) | **0.9%** | **58.5** |
| Non-interest bearing assets (trade and other receivables excluding prepayments) | **–** | **89.1** |
| | | **147.6** |

| 2021 | Weighted average effective interest rate % | Less than 1 year £m |
|---|---|---|
| Variable interest rate instruments (cash at bank and short-term deposits) | 0.1% | 32.5 |
| Non-interest bearing assets (trade and other receivables excluding prepayments) | – | 79.1 |
| | | 111.6 |

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows and outflows on those derivatives that settle on a net basis and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as represented by the yield curves existing at the reporting date.

| 2022 | Less than 3 months £m | 3 months to 1 year £m | 1–3 years £m | Total £m |
|---|---|---|---|---|
| **Gross settled** | | | | |
| Foreign exchange forward contracts inflows | **108.6** | **–** | **–** | **108.6** |
| Foreign exchange forward contracts outflows | **(120.6)** | **–** | **–** | **(120.6)** |
| | **(12.0)** | **–** | **–** | **(12.0)** |

| 2021 | Less than 3 months £m | 3 months to 1 year £m | 1–3 years £m | Total £m |
|---|---|---|---|---|
| **Gross settled** | | | | |
| Foreign exchange forward contracts inflows | 33.0 | 48.2 | 15.4 | 96.6 |
| Foreign exchange forward contracts outflows | (31.9) | (48.1) | (15.6) | (95.6) |
| | 1.1 | 0.1 | (0.2) | 1.0 |

# Notes to the Consolidated Financial Statements continued

## 21 Financial instruments and risk management continued

### Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined in accordance with IFRS 13 'Fair Value Measurement' as follows:

### Level 1

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

### Level 2

- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- Money market funds are valued at the closing price reported by the fund sponsor.

### Level 3

- If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

### Other financial instruments not recorded at fair value

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Financial Statements approximate their fair values.

The Group classifies its financial instruments into the following categories:

| Financial instrument category | IFRS 9 measurement category | Fair value measurement hierarchy |
|---|---|---|
| Derivative instruments | FVTPL[1] | 2 |
| Other equity investments | FVTOC[1] | 2 |
| Deferred consideration asset | Amortised cost | N/A |
| Receivables | Amortised cost | N/A |
| Cash and cash equivalents – cash at bank and short term deposits | Amortised cost | N/A |
| Cash and cash equivalents – money market funds | FVTPL | 2 |
| Classified as held for sale receivables (including cash at bank and short-term deposits) | Amortised cost | N/A |
| Deferred consideration liability | Amortised cost | N/A |
| Acquisition commitments | Amortised cost | N/A |
| Borrowings and payables | Amortised cost | N/A |
| Classified as held for sale borrowings and payables | Amortised cost | N/A |

1 Changes in fair value to derivatives designated in cash flow hedging relationships, to the extent that the hedge is effective, are taken to the fair value reserve through other comprehensive income. Any ineffectiveness is recognised in profit or loss.

### Movement in assets/(liabilities) arising from financing activities:

| | 1 October 2021 £m | Cash flow £m | Interest and other non-cash movements £m | Foreign exchange £m | Classified as held for sale £m | 30 September 2022 £m |
|---|---|---|---|---|---|---|
| **Net cash comprises** | | | | | | |
| Cash and cash equivalents | 32.5 | **21.8** | **–** | **5.4** | **(1.2)** | **58.5** |
| Borrowings | – | **0.1** | **(0.1)** | **–** | **–** | **–** |
| **Net cash** | 32.5 | **21.9** | **(0.1)** | **5.4** | **(1.2)** | **58.5** |
| | | | | | | |
| **Analysis of changes in liabilities from financing activities** | | | | | | |
| Borrowings | – | **0.1** | **(0.1)** | **–** | **–** | **–** |
| Other financing items – prepaid bank fees | 1.2 | **0.4** | **(0.8)** | **–** | **–** | **0.8** |
| Interest payable | (2.5) | **1.2** | **0.4** | **–** | **–** | **(0.9)** |
| Lease liabilities | (61.7) | **17.4** | **19.8** | **(4.3)** | **1.4** | **(27.4)** |
| **Total liabilities from financing activities** | (63.0) | **19.1** | **19.3** | **(4.3)** | **1.4** | **(27.5)** |

# Notes to the Consolidated Financial Statements continued

## 22 Borrowings

| | 2022 £m | 2021 £m |
|---|---|---|
| Undrawn available committed facilities | **190.0** | 190.0 |

### Committed borrowing facilities

The Group's principal source of borrowings was provided through a committed bank facility. The facility was available to the Group until May 2025, with a further accordion facility of £130m should the Group wish to request it. Drawings under the revolving credit facility bear interest charged at risk-free rates plus a margin, the applicable margin being based on the Group's ratio of adjusted net debt to EBITDA. Following the completion of the sale of the Group in November 2022, the bank facility was replaced (note 31).

## 23 Provisions

| | Onerous lease provision £m | Redundancy provision £m | Other provisions £m | Total £m |
|---|---|---|---|---|
| At 1 October 2021 | **0.7** | **0.9** | **3.0** | **4.6** |
| Provision in the year | **0.4** | **0.8** | **0.7** | **1.9** |
| Used in the year | **(0.8)** | **(1.1)** | **–** | **(1.9)** |
| Exchange differences | **–** | **0.1** | **–** | **0.1** |
| Classified as held for sale | **–** | **(0.1)** | **(0.1)** | **(0.2)** |
| **At 30 September 2022** | **0.3** | **0.6** | **3.6** | **4.5** |

| | 2022 £m | 2021 £m |
|---|---|---|
| **Maturity profile of provisions:** | | |
| Within one year (included in current liabilities) | **1.3** | 1.6 |
| Between one and two years (included in non-current liabilities) | **0.7** | 0.5 |
| Between two and five years (included in non-current liabilities) | **2.5** | 2.5 |
| | **4.5** | 4.6 |

### Onerous lease provision

The onerous lease provisions brought forward relating to Ned Davis Research and BCA Research were fully utilised during the year (£0.2m). The remainder of the onerous lease provision movements were in respect of a lease in the UK which expires in August 2023. The provision represents the costs that the Group does not expect to recover until it sublets the space, based on expert advice. The provisions cover property costs which are out of scope of IFRS 16.

### Redundancy provision

The redundancy provision balance brought forward was as a result of the major restructuring across the Group as part of the cost reduction programme in 2020. The provision balance of £0.9m was all utilised in 2022. During the year to 30 September 2022, provisions were recognised as a result of reducing real estate requirements (£0.1m) and setting up the new Finance Hub in Sofia (£0.7m). The redundancy provision estimated the severance payments to employees based on salary, length of service and notice periods and were subject to change during the consultation period. It is expected that the provision will be utilised within 12 months.

### Other provisions

The provision consists of social security costs arising on share option liabilities (£0.7m), dilapidations on leasehold properties (£2.8m) and onerous contracts (£0.2m). A dilapidation provision of £2.8m (2021: £2.8m) is held in respect of the Group's main London offices. The leases, which expire in 2029, do not contain any break clauses. As such, it is unlikely that the provisions will be utilised before the expiry date of the leases. In 2022, the impact of the discount unwind of the dilapidation provision was a charge of £42k.

# Notes to the Consolidated Financial Statements continued

## 24 Deferred taxation

The net deferred tax liability at 30 September 2022 comprised:

| | Capitalised goodwill and intangibles £m | Tax losses £m | Financial instruments £m | Pension deficit/ (surplus) £m | Property, plant and equipment £m | Share based payments £m | Lease liability £m | Other[1] £m | Total £m |
|---|---|---|---|---|---|---|---|---|---|
| Deferred tax asset | – | 4.2 | – | – | (0.1) | – | – | 0.2 | 4.3 |
| Deferred tax liability | (41.9) | 4.4 | 0.2 | (0.8) | (9.9) | 0.7 | 12.3 | 4.9 | (30.1) |
| At 30 September 2021 | (41.9) | 8.6 | 0.2 | (0.8) | (10.0) | 0.7 | 12.3 | 5.1 | (25.8) |
| Credit/(charge) to income statement | | | | | | | | | |
| Continuing operations | 0.6 | (2.3) | (0.1) | (0.3) | 9.0 | 0.6 | (6.8) | (0.3) | 0.4 |
| Discontinued operations | 1.2 | (0.8) | – | (0.3) | – | – | – | – | 0.1 |
| Charge to other comprehensive income | – | – | (3.1) | (0.2) | – | – | – | – | (3.3) |
| Charge to equity | (0.2) | – | – | – | – | 1.2 | – | – | 1.0 |
| Exchange differences | (8.8) | 1.0 | – | – | (0.7) | – | 1.0 | 0.6 | (6.9) |
| Classified as held for sale | 19.9 | (4.4) | – | – | (0.3) | (0.4) | (0.4) | (0.7) | 13.7 |
| **At 30 September 2022** | (29.2) | 2.1 | (3.0) | (1.6) | (2.0) | 2.1 | 6.1 | 4.7 | (20.8) |
| Deferred tax asset | – | – | – | – | – | – | – | – | – |
| Deferred tax liability | (29.2) | 2.1 | (3.0) | (1.6) | (2.0) | 2.1 | 6.1 | 4.7 | (20.8) |

1 Items classified within 'Other' include temporary differences arising on general provisions/accruals, deferred revenue and unremitted earnings.

The deferred tax balances are measured at the rates substantively enacted in the relevant jurisdiction at which the deferred tax asset or liabilities are expected to reverse. The Directors are of the opinion that based on recent and forecast trading it is probable that the level of profits in future years is sufficient to enable the recognised assets to be recovered. In making this assessment, the Group has considered taxable temporary differences arising from recognised deferred tax liabilities relating to the same taxation authority and the same taxable company, and which are expected to reverse in the same period as the deductible temporary difference or unused tax losses or credit (or in a period into which the tax losses can be carried back or forward).

The movement in the net deferred tax liability is largely driven by deferred tax movements on right of use assets, lease liabilities, the recognition of deferred tax assets on share based payments and exchange differences arising on USD held intangible assets and goodwill. The closing deferred tax asset balance is comprised of tax losses, right of use assets and lease liabilities for jurisdictions where no deferred tax liabilities are held which can be offset. Deferred tax assets and liabilities are presented as a net balance where the company has a legally enforceable right to set off current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on the same taxable company.

As part of the Fastmarkets separation, certain tax assets and liabilities are reclassified to assets held for sale (note 11) and the Fastmarkets division is presented as discontinued operations. Deferred tax assets and liabilities reclassified to held for sale include the division's share of deferred tax assets and liabilities arising on acquired intangible assets.

The increase in the Company's share price in the year to 30 September 2022 has resulted in a recognition of a £2.2m deferred tax asset in relation to share based payments which will be exercisable early in FY23. The group has recognised the deferred tax asset because based on current forecasts, it is probable that there will be sufficient taxable profits in the appropriate jurisdictions against which the deduction could be utilised.

At 30 September 2022, on the basis that management believes it is probable there will be sufficient taxable profits generated in the relevant jurisdictions in future accounting periods to recover these assets, the Group has recognised tax losses as follows:

| | 2022 £m | 2021 £m |
|---|---|---|
| UK | 1.2 | 3.4 |
| US | 5.0 | 5.1 |
| Rest of World | – | 0.1 |
| | 6.2 | 8.6 |

# Notes to the Consolidated Financial Statements continued

## 24 Deferred taxation continued

As at 30 September 2022, the Group has state tax losses carried forward in NYC and NYS of £59.3m (2021: £57.8m) of which £53.9m (2021: £53.2m) expires in 2035 and £4.5m (2021: £4.6m) expires in 2037. Taking into account state rates and apportionment factors, the value of the amount recognised is £3.5m (2021: £4.1m). These losses are included within assets held for sale. There is no change to the gross recognised deferred tax asset.

The Group also has unrecognised temporary differences arising from UK non-trading and capital losses of £5.4m (2021: £5.4m), US federal losses of £15.5m (2021: £12.6m) and Singapore trading losses of £12.9m (2021: £16.5m). These assets are not recognised because it is not probable, based on the current forecasts, that appropriate taxable profits will be generated in the relevant jurisdictions to enable the Group to utilise these losses either for the foreseeable future or before the losses expire. Movements in the temporary differences include the impact of foreign exchange. Taking into account enacted tax rates, these losses represent unrecognised deferred tax assets of £6.8m (2021: £6.8m).

## 25 Called up share capital

| | 2022 £m | 2021 £m |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 109,304,763 ordinary shares of 0.25p each (2021: 109,289,530 ordinary shares of 0.25p each) | **0.3** | 0.3 |

During the year, 15,233 ordinary shares of 0.25p each (2021: 124 ordinary shares) with an aggregate nominal value of £38.08 (2021: £0.31) were issued following the exercise of share options granted under the Company's share option schemes for a cash consideration of £161,108 (2021: £994).

## 26 Share-based payments

The options set out below are outstanding at 30 September and are options to subscribe for new ordinary shares of 0.25p each in the Company. All of the options outstanding are equity-settled. There are 11,652 share options exercisable at 30 September 2022 (2021: 29,682). Further details of the Group's share plans are provided in the Directors' Remuneration Report.

| 2022 | Income statement charge in year £m[1] | Options outstanding at 30 September 2021 Number | Granted in year Number | Exercised during year Number | Forfeit/ cancelled during year Number | Lapsed during year Number | Options outstanding at 30 September 2022 Number |
|---|---|---|---|---|---|---|---|
| **Incentive scheme** | | | | | | | |
| SAYE/Sharesave | **0.1** | **311,867** | **115,003** | **(15,233)** | **(57,280)** | **(29,192)** | **325,165** |
| PSP | **2.7** | **1,014,550** | **728,882** | **–** | **(49,225)** | **–** | **1,694,207** |
| ESP | **0.1** | **–** | **53,220** | **–** | **–** | **–** | **53,220** |
| **Total** | **2.9** | **1,326,417** | **897,105** | **(15,233)** | **(106,505)** | **(29,192)** | **2,072,592** |

1 A further £0.3m was expensed to wages and salaries (note 6) in respect of deferred bonuses.

| 2021 | Income statement charge/ (release) in year £m | Options outstanding at 30 September 2020 Number | Granted in year Number | Exercised during year Number | Forfeit/ cancelled during year Number | Lapsed during year Number | Options outstanding at 30 September 2021 Number |
|---|---|---|---|---|---|---|---|
| **Incentive scheme** | | | | | | | |
| SAYE/Sharesave | 0.1 | 148,463 | 257,510 | (124) | (93,982) | – | 311,867 |
| PSP | 0.7 | 1,317,959 | 502,180 | (39,817) | (765,772) | – | 1,014,550 |
| **Total** | 0.8 | 1,466,422 | 759,690 | (39,941) | (859,754) | – | 1,326,417 |

The fair value of options awarded for the SAYE/Sharesave scheme are determined using the Black-Scholes option pricing model. The ESP and a portion of the PSP incentive plans are for nil cost options, where the fair value is determined by the share price applicable when the options are granted. The fair value of the remaining PSP options is calculated using a pricing model that takes account of the non-entitlement to dividends (or equivalent) during the vesting period and the market-based performance condition based on expectations about volatility and the correlation of share price returns in the group of FTSE 250 companies and which incorporates into the valuation the interdependency between share price performance and TSR vesting. This adjustment decreases the fair value of the award relative to the share price at the date of grant. The fair value of options granted during the year was £6.8m (2021: £3.7m).

The weighted average exercise price of options exercised during the year was £10.58 (2021: £0.02).

The options outstanding at 30 September 2022 had a weighted average remaining contractual life of 5.46 years (2021: 6.89 years).

# Notes to the Consolidated Financial Statements continued

## 26 Share-based payments continued

### Save as You Earn (SAYE)/Sharesave options

The Group operates a SAYE/Sharesave scheme in which all employees, including Directors, employed in the UK are eligible to participate. Participants save a fixed monthly amount of up to £500 for three years and are then able to buy shares in the Company at a price set at a 20% discount to the market value at the start of the savings period. In line with market practice, no performance conditions attach to options granted under this plan. These options have a maximum life of three years.

The SAYE/Sharesave options were valued using the Black-Scholes option pricing model. Expected volatility was determined by calculating the historical volatility of the Group's share price over a period of three years. The expected term of the option used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

### Performance Share Plan (PSP)

Under the PSP schemes, participants are awarded nil-cost options to obtain ordinary shares in the Company. These options have a maximum life of 10 years and would not normally vest until the respective three or five years after the date of the award, provided that the performance conditions have been met.

The share price used to determine the number of shares awarded under the PSP grants is the average of the middle market quotations of an ordinary share as derived from the Daily Official List for the five dealing days preceding the date of grant.

## 27 Retirement benefit schemes

### Defined contribution schemes

The Group operates the following defined contribution schemes: Euromoney PensionSaver and the Metal Bulletin Group Personal Pension Plan in the UK and a 401(k) savings and investment plan in the US.

Relevant employees are automatically enrolled into the Euromoney PensionSaver scheme.

The pension charge in respect of defined contribution schemes for the year ended 30 September comprised:

| | 2022 £m | Restated[1] 2021 £m |
|---|---|---|
| Euromoney PensionSaver | **2.5** | 2.5 |
| Private schemes | **1.9** | 1.2 |
| | **4.4** | 3.7 |

1 Restated to remove discontinued operations (note 1).

### Euromoney PensionSaver

The Euromoney PensionSaver is the principal pension arrangement offered to employees of the Group. Employees contribute at an initial default rate of 3% of salary with an equal company contribution in the first three years of employment and thereafter at twice the employee contribution rate, up to a maximum employer contribution of 10% of salary. Assets are invested in funds selected by members and held independently from the Group's finances. The investment and administration is undertaken by Fidelity Pension Management.

### Metal Bulletin Group Personal Pension Plan

The Metal Bulletin Group Personal Pension Plan is a defined contribution arrangement under which contributions are paid by the employer and employees. The scheme is closed to new members. The plan's assets are invested under trust in funds selected by members and held independently from the Group's finances. The investment and administration of the plan is undertaken by Skandia Life Group.

### Private schemes

Institutional Investor LLC contributes to a 401(k) savings and investment plan for its employees which is administered by an independent investment provider. Employees are able to contribute up to 50% of salary (maximum of $52,000 a year) with the company matching up to 50% of the employee contributions, up to 6% of salary.

### Defined benefit schemes

The Group operates the Metal Bulletin plc Pension Scheme (MBPS) and participates in the Harmsworth Pension Scheme (HPS), which is a scheme operated by Daily Mail and General Trust (DMGT), both of which are now closed to new entrants. Due to a change in DMGT's policy to allocate the assets and liabilities of DMGT group's defined benefit plan on a buy-out basis, the Group's share of HPS's liability was recognised at 30 September 2016. MBPS is classified as held for sale at 30 September 2022 as detailed in note 1.

# Notes to the Consolidated Financial Statements continued

## 27 Retirement benefit schemes continued

### Metal Bulletin Pension Scheme

MBPS is classified as held for sale at 30 September 2022 (note 1). A full actuarial valuation of the defined benefit scheme is carried out triennially by the Scheme Actuary. The latest valuation of the MBPS was completed as at 1 June 2019. The valuation identified that the Scheme had a Technical Provisions deficit of £5.9m at that date. It was agreed that, from 31 August 2020, the Group would make annual contributions of 31.0% per annum of pensionable salaries, plus monthly payments as set out below in order to fully reduce this deficit by 30 April 2025:

| Period | Monthly contribution (£000) |
|---|---|
| 1 October 2021 to 30 September 2022 | 100.0 |
| 1 October 2022 to 30 September 2023 | 108.3 |
| 1 October 2023 to 30 April 2025 | 116.7 |

The Group contributed £1.2m (2021: £1.0m) to the MBPS during the year to 30 September 2022. Pension Legacy Trustees Limited (the Trustee) has been appointed by Euromoney Global Limited as an independent trustee to administer and manage the MBPS on behalf of the members in accordance with the terms of the MBPS Trust Deed and Rules and relevant legislation (principally the Pension Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004).

### Harmsworth Pension Scheme

HPS is a multi-employer defined benefit scheme operated by DMGT and closed to further accrual. The Group accounts for approximately 1% of HPS.

A full actuarial valuation of the scheme is carried out triennially by the scheme actuary. Following the results of the latest triennial valuation as at 31 March 2019, DMGT agreed a recovery plan involving a funding payment of £14.4m on 5 October 2020 and a series of annual funding payments of £11.0m from 5 October 2021 to 5 October 2024.

Following DMGT's disposal of Euromoney in 2019, DMGT also agreed to make five annual payments of £7.0m from October 2020 to October 2024 and intends to make available £113.6m from its cash resources to the defined benefit pension schemes.

In addition, DMGT has agreed with the Trustees that, should it make any permanent reductions in its share capital, including share buy-backs, it will make additional contributions to the scheme amounting to 20% of the capital reduction. DMGT made a special contribution under this arrangement of £402m during the year to 30 September 2022. Following DMGT's disposal of Euromoney in 2019, DMGT also agreed to make five annual payments of £7.0m from October 2020 to October 2024 and intends to make available £113.6m from its cash resources to the defined benefit pension schemes. The Group will contribute its share of these contributions.

DMGT considers that these contributions are sufficient to eliminate any deficit over the agreed period. The recovery plan will be reviewed at the next triennial funding valuation, due to be completed with an effective date of 31 March 2022. The Euromoney Group made cash contributions amounting to £0.1m (2021: £0.1m) during the year to 30 September 2022.

HPS owns a beneficial interest in a Limited Partnership investment vehicle (LP). The LP was designed to facilitate annual payments of £10.8m as deficit funding payments over the period to 2026. In addition, the LP was required to make a final payment to the scheme of £149.9m, or the funding deficit within the scheme on an ongoing actuarial valuation basis, at the end of the period to 2026 if this was less. This recovery plan, agreed following the 2016 actuarial valuation, assumed £60.0m of the £149.9m final payment would be required.

As part of the 31 March 2019 actuarial discussions it has been agreed that the LP will be dissolved and replaced with a long-term insolvency guarantee, capped at £150.0m with a termination date of 2035 (or the date on which the scheme reaches full funding on a self-sufficiency basis).

For funding purposes, the interest of HPS in the LP was treated as an asset of the scheme and reduced the actuarial deficit within the scheme. However, under IAS 19 'Employee Benefits', the LP is not included as an asset of the scheme and therefore is not included in the disclosures on page 100.

The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its Statement of Financial Position. Having taken account of the rules of the Scheme, the Group considers that recognition of a surplus in the Scheme on its Statement of Financial Position to be recoverable on the basis that if the scheme is subject to gradual settlement over time, on an ultimate wind-up when there are no longer any remaining members, any surplus would be returned to the Group.

Northcliffe Trustees Limited (the Trustee) has been appointed by DMGT as an independent trustee to administer and manage the HPS on behalf of the members in accordance with the terms of the HPS Trust Deed and Rules and relevant legislation (principally the Pension Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004).

# Notes to the Consolidated Financial Statements continued

## 27 Retirement benefit schemes continued

A reconciliation of the net pension obligation reported in the Statement of Financial Position is shown in the following table:

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | **MBPS £m** | **HPS £m** | **Total £m** | MBPS £m | HPS £m | Total £m |
| Present value of defined benefit obligation | **(33.8)** | **(16.6)** | **(50.4)** | (50.2) | (26.6) | (76.8) |
| Fair value of plan assets | **33.8** | **25.9** | **59.7** | 50.9 | 28.9 | 79.8 |
| **Surplus reported in the Statement of Financial Position** | **–** | **9.3** | **9.3** | 0.7 | 2.3 | 3.0 |

The surplus for the year excludes a related deferred tax liability of £2.3m (2021: liability of £0.6m).

The movements in the defined benefit (liability)/asset over the year is as follows:

| **2022** | **Present value of obligation £m** | **Fair value of plan assets £m** | **Net defined benefit surplus £m** |
|---|---|---|---|
| At 1 October 2021 | **(76.8)** | **79.8** | **3.0** |
| Interest (expense)/income | **(1.5)** | **1.5** | **–** |
| **Total charge recognised in Income Statement** | **(1.5)** | **1.5** | **–** |
| Remeasurements: | | | |
| Return on plan assets, excluding amounts in interest expense/income | **–** | **(24.4)** | **(24.4)** |
| Gain due to change in financial assumptions | **25.7** | **–** | **25.7** |
| Gain due to change in demographic assumptions | **0.9** | **–** | **0.9** |
| Experience gain | **(1.3)** | **–** | **(1.3)** |
| **Total gain recognised in Statement of Comprehensive Income** | **25.3** | **(24.4)** | **0.9** |
| Contributions – employers | **–** | **5.4** | **5.4** |
| Payments from the plans – benefit payments | **2.6** | **(2.6)** | **–** |
| Classified as held for sale | **33.8** | **(33.8)** | **–** |
| **At 30 September 2022** | **(16.6)** | **25.9** | **9.3** |

The gain due to changes in financial assumptions relates to the reduction in present value of the defined benefit pension obligation resulting from the increase in discount rates during the year from 1.95% to 5.10% for MBPS and 5.30% for HPS.

The reduction in value of scheme assets is primarily attributable to liability driven investments and diversified growth funds.

| 2021 | Present value of obligation £m | Fair value of plan assets £m | Net defined benefit (liability)/ surplus £m |
|---|---|---|---|
| At 1 October 2020 | (83.0) | 80.4 | (2.6) |
| Current service cost | (0.1) | – | (0.1) |
| Interest (expense)/income | (1.2) | 1.2 | – |
| **Total charge recognised in Income Statement** | (1.3) | 1.2 | (0.1) |
| Remeasurements: | | | |
| Return on plan assets, excluding amounts in interest expense/income | – | 1.2 | 1.2 |
| Gain due to change in financial assumptions | 2.5 | – | 2.5 |
| Loss due to change in demographic assumptions | 0.2 | – | 0.2 |
| Experience loss | 0.6 | – | 0.6 |
| **Total losses recognised in Statement of Comprehensive Income** | 3.3 | 1.2 | 4.5 |
| Contributions – employers | – | 1.2 | 1.2 |
| Contributions – plan participants | – | – | – |
| Payments from the plans – benefit payments | 4.2 | (4.2) | – |
| **At 30 September 2021** | (76.8) | 79.8 | 3.0 |

# Notes to the Consolidated Financial Statements continued

## 27 Retirement benefit schemes continued

The major categories and fair values of plan assets are as follows:

| | 2022 £m | 2021 £m |
|---|---|---|
| Equities | **2.0** | 7.9 |
| Diversified growth fund | **16.6** | 29.8 |
| Bonds | **16.2** | 15.1 |
| Liability Driven Investments | **9.5** | 12.8 |
| Property | **3.4** | 4.0 |
| Infrastructure | **1.6** | 1.8 |
| Cash and cash equivalents | **5.0** | 1.6 |
| Insured annuities | **5.4** | 6.8 |
| Classified as held for sale | **(33.8)** | – |
| | **25.9** | 79.8 |

Equities include hedge funds and infrastructure funds. All the assets listed above, excluding property, cash and cash equivalents, diversified growth funds and insured annuities have a quoted market price in an active market. The 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 actual return on plan assets was a loss of £22.9m (2021: gain of £2.4m).

The key financial assumptions used to calculate the defined benefit obligation are as follows:

| | MBPS | | HPS | |
|---|---|---|---|---|
| | 2022 % | 2021 % | 2022 % | 2021 % |
| Discount rate | **5.10** | 1.95 | **5.30** | 1.95 |
| Price inflation | **3.55** | 3.40 | **3.70** | 3.50 |
| Salary increases | **2.50** | 2.50 | **2.50** | 2.50 |
| Pension increases | **3.50** | 3.15 | **3.55** | 3.35 |

The discount rate reflects yields at the year-end date on high-quality corporate bonds and are based on a cash flow-based yield curve, calculating a single equivalent discount rate reflecting the average duration of the schemes liabilities, rounded to the nearest 0.05% p.a. This methodology incorporated bonds given an AA rating from at least two of the four main rating agencies.

RPI inflation is derived in a similar way to the discount rate but with reference to the Bank of England spot curve at the duration of the schemes' weighted average duration with an appropriate allowance for inflation risk premium (MBPS: 0.30% p.a., HPS: 0.20% p.a.). The nominal and real spot curves provided by the Bank of England were extrapolated up to 50 years using a bootstrapping method, which uses gilt price information provided by the UK Debt Management Office.

Mortality assumptions take account of scheme experience, and also allow for further improvements in life expectancy based on the Continuous Mortality Investigation (CMI) projections but with a long-term rate of improvement in future mortality rates of 1.25% p.a. and a smoothing parameter of 7.0 for MBPS and 7.5 for HPS. Allowance is made for the extent to which employees have chosen to commute part of their pension for cash at retirement.

The average duration of the defined benefit obligation at the end of the year is approximately 16 years for MBPS (2021: 16 years) and 13 years for HPS (2021: 17 years)

| | MBPS | | HPS | |
|---|---|---|---|---|
| **Assumed life expectancy in years, on retirement[1]** | **2022** | 2021 | **2022** | 2021 |
| Retiring at the end of the reporting year: | | | | |
| Males | **26.2** | 26.4 | **25.8** | 26.9 |
| Females | **27.0** | 27.1 | **28.4** | 28.6 |
| Retiring 20 years after the end of the reporting year: | | | | |
| Males | **27.6** | 27.8 | **26.5** | 27.2 |
| Females | **28.4** | 28.6 | **29.2** | 29.3 |

1 MPBS – 62 years; HPS – 60 years.

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted. The sensitivity of the defined obligation to changes in the weighted principal assumptions is:

| Assumption | Change in assumption | Decrease in surplus £m |
|---|---|---|
| Discount rate | **Decrease by 0.1%** | **0.9** |
| Inflation rate | **Increase by 0.1%** | **0.3** |
| Life expectancy | **Increase by one year** | **2.8** |

# Notes to the Consolidated Financial Statements continued

## 27 Retirement benefit schemes continued

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

These are the significant risks in connection with running defined benefit schemes, and the key risks are detailed below:

### Discount rate risk

The present value of the defined benefit obligation is calculated using a discount rate set with reference to high-quality corporate bond yields. A decrease in corporate bond yields will increase the present value of the defined benefit obligation, although this will be partially offset by an increase in the value of corporate bonds held by the schemes.

### Inflation rate risk

A significant proportion of the defined benefit obligation is linked to inflation, therefore increased inflation will result in a higher defined benefit obligation. The Trustees have sought to acquire certain assets with exposure to inflationary uplifts in order to negate a proportion of this risk.

### Life expectancy risk

The present value of the defined benefit obligation is calculated with reference to the best estimate of the mortality of scheme members. An increase in assumed life expectancy will result in an increase in the defined benefit obligation. Regular reviews of mortality experience are performed to ensure life expectancy assumptions remain appropriate.

### Investment risk

This is a measure of the uncertainty that the return on the schemes' assets keeps pace with the discount rate. The schemes hold a significant proportion of equities and similar 'growth assets', which are expected to outperform the discount rate in the long term.

## 28 Related party transactions

The Group has taken advantage of the exemption allowed under IAS 24 'Related Party Disclosures' not to disclose transactions and balances between group companies that have been eliminated on consolidation. Other related party transactions and balances are detailed below:

(i) The Directors who served during the year, along with their close family members, received dividends of £40,000 (2021: £39,000) in respect of ordinary shares held in the Company.

(ii) During the year, the Group provided services to Zanbato of $43,000 (2021: $50,000).

(iii) Contributions made to defined benefit pension schemes are disclosed in note 27.

(iv) The compensation paid or payable for key management is set out below. Key management includes the Executive and Non-Executive Directors as set out in the Directors' Remuneration Report and members of the Group Management Board who are not on the Board.

| Key management compensation | 2022 £m | 2021 £m |
|---|---|---|
| Salaries and short-term employee benefits | **7.4** | 6.8 |
| Non-Executive Directors' fees | **0.5** | 0.5 |
| Post-employment benefits | **0.3** | 0.3 |
| Other long-term benefits (all share-based) | **2.1** | 0.4 |
| Termination benefits | **–** | 1.5 |
| | **10.3** | 9.5 |
| Of which: | | |
| Executive Directors | **5.1** | 3.4 |
| Non-Executive Directors | **0.5** | 0.5 |
| Divisional Directors | **4.7** | 5.6 |
| | **10.3** | 9.5 |

Details of the remuneration of Directors are given in the Directors' Remuneration Report.

## 29 Contingent liabilities

### Sale of Group costs

Professional fees for services to support the sale of the Group totalling £21.7m become payable on completion of the sale.

### Tax

During the year the Group has released a provision which was held in relation to an HMRC enquiry into the accounting period ended 30 September 2015 (notes 2 and 8). This carries a maximum exposure of £10.7m plus an estimated £2.0m interest up to 30 September 2022. The Group has released its provision because it is no longer probable that there will be an outflow of funds by the Group on conclusion of this matter. However, as HMRC have applied to the Court of Appeal for permission to appeal, it remains uncertain whether HMRC will ultimately prevail as the events that would lead to an outflow are not wholly within the control of the Group and so there is a more than remote chance of this occurring.

# Notes to the Consolidated Financial Statements continued

## 30 List of subsidiaries

In accordance with section 409 of the Companies Act 2006, a full list of related undertakings, the registered office and the effective percentage of share ownership included in these Consolidated Financial Statements at 30 September 2022 are disclosed below.

| Company | Proportion held | Principal activity and operation | Registered office |
|---|---|---|---|
| Delinian Limited | n/a | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| ABF1 Limited | 100% | Dormant | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| BCA Research, Inc. | 100% | Research and data services | 1001 Boul De Maissonneuve O Suite 1510 Montreal, Quebec, H3A 3C8, Canada |
| BoardEx LLC | 100% | Information services | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Boardroom Insiders Inc | 100% | Information services | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Bright Milestone Limited | 100% | Investment holding company | 12/F, V-Point 18 Tang Lung Street, Causeway Bay, Hong Kong |
| Broadmedia Communications Limited | 100% | Events and publishing business | 8 Bouverie Street, London, EC4Y 8AX, United Kingdom |
| By-Products Interactive, Inc. | 100% | Publishing | 885 Arapahoe Avenue, Boulder, CO 80302, United States |
| Census Commodity Data Limited | 100% | Research and data services | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Centre for Investor Education (UK) Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Centre for Investor Education Pty Limited | 100% | Events | Level 19, 181 William Street, Melbourne, VIC 3000 |
| Census Commodity Data Ukraine | 100% | Research and data services | 52 Bohdan Khmelnytskyi Street, 01030, Kyiv, Ukraine |
| Datasift Private Limited | 100% | Dormant | B-105, International Convention Centre, Senapati Bapat Road, Pune, Maharashtra – 411016, India |
| EII (Ventures) Limited | 100% | Investment holding company | 8 Bouverie Street, London, EC4Y 8AX, United Kingdom |
| EII Holdings II, Inc. | 100% | Investment holding company | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| EII Securities LLC | 100% | Investment holding company | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| EII US, Inc. | 100% | Investment holding company | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Euromoney Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney BML Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney Bulgaria EOOD | 100% | Shared service centre | Polygraphia Office Centre, 5th Floor, 47A Tsarigradsko Shosse Boulevard, Sofia 1124, Bulgaria |
| Euromoney Charles Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney Consortium 2 Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney Consortium Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney Egypt Holdings Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney ESOP Trustee Limited | 100% | Dormant | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney Global Limited | 100% | Publishing and events | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney Group Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney Holdings 2 Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney Holdings Limited | 100% | Investment holding company | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Euromoney Holdings US, Inc. | 100% | Investment holding company | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Euromoney Institutional Investor (Jersey) Limited† | 100% | Publishing, training and events | 15 Esplanade, St Helier, JE1 1RB, Jersey |
| Euromoney Institutional Investor (Shanghai) Limited | 100% | Publishing, training and events | Unit 305C, 3/F, Azia Center, 1233 Lujiazui Ring Road, Shanghai, China |
| Euromoney Publications (Jersey) Limited | 100% | Investment holding company | 15 Esplanade, St Helier JE1 1RB, Jersey |
| Euromoney Services, Inc. | 100% | Research and data services | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Euromoney (Singapore) Pte Limited | 100% | Events | 8 Marina Boulevard, #05-02, Marina Bay Financial Centre, 018981, Singapore |

# Notes to the Consolidated Financial Statements continued

## 30 List of subsidiaries continued

| Company | Proportion held | Principal activity and operation | Registered office |
|---|---|---|---|
| Euromoney SPRL | 100% | Investment holding company | Avenue Louise 231, 1050 Brussels, Belgium |
| Euromoney Trading Limited | 100% | Publishing, training and events | 8 Bouverie Street, London, EC4Y 8AX, United Kingdom |
| Euromoney USA LLC (formerly EIMN LLC) | 100% | Events | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| FOEX Indexes Oy | 100% | Research and data services | Mannerheimintie 40 D 85, 00100, Helsinki, Finland |
| Fastmarkets Limited | 100% | Publishing | 8 Bouverie Street, London, EC4Y 8AX, United Kingdom |
| Fastmarkets Benchmark Administration Oy | 100% | Research and data services | Mannerheimintie 40 D 85, 00100, Helsinki, Finland |
| Glenprint Limited | 100% | Publishing | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Insider Publishing Limited | 100% | Dormant | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Institutional Investor Networks, Inc. | 100% | Publishing and events | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Institutional Investor LLC | 100% | Publishing and events | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Institutional Investor Networks UK Limited | 100% | Information services | 8 Bouverie Street, London, EC4Y 8AX, United Kingdom |
| Internet Securities Egypt Ltd | 100% | Dormant | 3 El Badia Street, Off Al Thawra Street, Heliopolis, Cairo, Egypt |
| Internet Securities, Inc. | 100% | Information services | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Layer123 Events & Training Limited | 100% | Events | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Management Diagnostics Limited | 100% | Information services | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| MB Pension Trustee Limited | 100% | Pension Trustee | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| MDL ESOP Limited | 100% | Dormant | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Metal Bulletin Holdings LLC | 100% | Investment holding company | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Ned Davis Research, Inc. | 100% | Research and data services | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Reinsurance Security (Consultancy). CO.UK Limited | 100% | Publishing | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Relationship Science India Private Limited | 100% | Information services | 1st Floor, No.129B East Coast Road, Thiruvanmiyur, Chennai, Tamil Nadu – 600041, India |
| RISI Asia (Hong Kong) Limited | 100% | Research and data services | Unit No.10 on 7th Floor, Houston Centre, No.63 Mody Road, Kowloon, Hong Kong |
| RISI Consulting Beijing Co Ltd | 100% | Research and data services | Room 1548, Unit 01-06, Floor 15, Section A, Building 9 Dongdaqiao Road, Chaoyang, Beijing, China |
| RISI Consultoria em Productos Florestais | 100% | Research and data services | Avenida Paulista, 2573, 10th floor, Sao Paulo/SP, 01311-300, Brazil |
| RISI, Inc. | 100% | Research and data services | National Registered Agents, Inc. 160 Greentree Drive, Ste 101 Dover, DE 19904, United States |
| RISI Sprl | 100% | Research and data services | Avenue Louise 523, 1050 Brussels, Belgium |
| Shanghai Leadway E-commerce Co Ltd ^ | 100% | Research and data services | Room 907, No. 388, West Nanjing Road, Huangpu District, Shanghai, China |
| Site Seven Media Ltd | 100% | Publishing | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Storas Holdings Pte Ltd | 100% | Dormant | 38 Beach Road, #29-11 South Beach Tower, 189767, Singapore |
| The Deal India Private Limited | 100% | Research and data services | B Block, Ground Floor, Central Block, Sunny Side No 8-17, Shafee Mohammed Road, Nungambakkam, Chennai, Tamil Nadu, India |
| The Deal LLC | 100% | Information services | Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States |
| Tipall Limited | 100% | Property holding | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |

# Notes to the Consolidated Financial Statements continued

## 30 List of subsidiaries continued

| Company | Proportion held | Principal activity and operation | Registered office |
|---|---|---|---|
| WealthEngine Inc | 100% | Research and data services | 4340 East West Highway, Suite 900, Bethesda, MD 20814, United States |
| WealthEngine Software Private Limited | 100% | Research and data services | #25, 8th Main, 1st Floor Vasanthnagar, Bangalore – 560052, India |
| Wealth-X (UK) Ltd | 100% | Research and data services | 8 Bouverie Street, London EC4Y 8AX, United Kingdom |
| Wealth-X LLC | 100% | Research and data services | 142 West 36th Street, NY, United States |
| Wealth-X Pte. Ltd | 100% | Research and data services | 8 Marina Boulevard #05-02 Marina Bay Financial Centre, 018981, Singapore |
| Wealth-X Services Kft | 100% | Research and data services | Wesselenyi utca 16/a, H–1007 Budapest, Hungary |
| Wealth-X Services Sdn Bhd | 100% | Research and data services | 3rd Floor, Prima 1, Prima Avenue, Block 3507, Malaysia |

† Euromoney Institutional Investor (Jersey) Limited's principal country of operation is Hong Kong.

^ Shares held by a nominee on behalf of RISI Consulting Beijing Co Ltd.

All holdings are of ordinary shares. In addition, the Group has a small number of branches outside the United Kingdom.

The dormant companies listed above are exempt from preparing individual accounts and from filing with the registrar individual accounts by virtue of s394A and s448A of the Companies Act 2006 respectively.

The Group's investments are disclosed in note 15.

For the year ended 30 September 2022, the following subsidiary undertakings of the Group were exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Companies Act 2006:

| Company | Company registration number |
|---|---|
| Broadmedia Communications Limited | 04894635 |
| Census Commodity Data Limited | 10921687 |
| Centre for Investor Education (UK) Limited | 01951332 |
| EII (Ventures) Limited | 05885797 |
| Euromoney BML Limited | 10975335 |
| Euromoney Charles Limited | 04082590 |
| Euromoney Consortium 2 Limited | 03803220 |
| Euromoney Consortium Limited | 04082769 |
| Euromoney Egypt Holdings Limited | 10925251 |
| Euromoney Group Limited | 05503274 |
| Euromoney Holdings Limited | 01974125 |
| Euromoney Holdings 2 Limited | 11823364 |
| Fastmarkets Limited | 03879279 |
| Glenprint Limited | 02703517 |
| Layer123 Events & Training Limited | 07162466 |
| Management Diagnostics Limited | 03714017 |
| MDL ESOP Limited | 03318615 |
| Euromoney Limited | 05994621 |
| Reinsurance Security (Consultancy).CO.UK Limited | 04121650 |
| Site Seven Media Limited | 08293930 |
| Tipall Limited | 03378047 |
| Wealth-X (UK) Limited | 04701899 |

# Notes to the Consolidated Financial Statements continued

## 31 Events after the balance sheet date

### Change in control

On 24 November 2022, 100% of the ordinary share capital of the Company was acquired by a consortium of private investors, consisting of Astorg Asset Management S A.R.L. and Epiris LLP.

On 24 November 2022, the following Directors resigned, Leslie Van de Walle, Jan Babiak, Jack Callaway, Colin Day, India Gary-Martin, Imogen Joss and Tim Pennington. Andrew Rashbass resigned as a director on 25 November 2022. As at the date of signing the Directors' Report, the Directors of the Company were Wendy Pallot, Richard Haley and Tim Bratton.

Under the Group's debt facility agreement, the banks can demand immediate repayment of outstanding debt and cancel their commitments upon a change of control. Following the change of control, the RCF was cancelled. In addition, settlement of some derivatives was brought forward.

### Borrowing facility

Following the change in control, the Group's committed multi-currency revolving credit facility of £190m (note 22) was cancelled on 1 December 2022. On 18 November 2022 the Group's new parent companies entered into a Senior Facilities Agreement with a direct lender. In addition, there is a bank-provided super senior multicurrency revolving credit facility with an aggregate principal amount of £30.0m.

### Share options

The share option schemes outlined in note 26 were exercised and cancelled on 22 November 2022, being the Court Sanction Date when final regulatory approval of the change in control was given.

### Harmsworth Pension Scheme

On 24 December the Group reached an agreement with DMGT that steps would be taken for the Group's exit from the scheme as a participant and sponsor. The impact of the Group's exit from the scheme will be reflected in the financial statements once a final agreement has been reached, detailing the terms of the exit.

### Change in Company name

On 10 January 2023 the Company changed its name from Euromoney Institutional Investor PLC to Delinian Limited.

# Company Balance Sheet

as at 30 September 2022

| | Notes | 2022 £m | 2022 £m | 2021 £m | 2021 £m |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 5 | | **0.1** | | 0.2 |
| Investments | 6 | | **1,433.4** | | 1,226.7 |
| Debtors | 7 | | **–** | | 0.8 |
| | | | **1,433.5** | | 1,227.7 |
| **Current assets** | | | | | |
| Debtors | 7 | | **0.8** | | 1.2 |
| | | | **0.8** | | 1.2 |
| Creditors: Amounts falling due within one year | 8 | | **(69.0)** | | (65.4) |
| **Net current assets** | | | **(68.2)** | | (64.2) |
| **Total assets less current liabilities** | | | **1,365.3** | | 1,163.5 |
| Creditors: Amounts falling due after more than one year | 8 | | **(0.7)** | | (0.5) |
| **Net assets** | | | **1,364.6** | | 1,163.0 |
| **Capital and reserves** | | | | | |
| Called up share capital | 10 | | **0.3** | | 0.3 |
| Share premium account | | | **104.8** | | 104.6 |
| Other reserve | | | **65.0** | | 65.0 |
| Capital redemption reserve | | | **0.1** | | 0.1 |
| Capital reserve | | | **1.8** | | 1.8 |
| Own shares | | | **(14.1)** | | (14.1) |
| Reserve for share-based payments | | | **42.3** | | 39.1 |
| Retained earnings: | | | | | |
| At 1 October | | **966.2** | | 986.7 | |
| Profit/(loss) for the year | | **218.3** | | (1.9) | |
| Other changes in retained earnings | | **(20.1)** | | (18.6) | |
| | | | **1,164.4** | | 966.2 |
| **Total shareholders' funds** | | | **1,364.6** | | 1,163.0 |

Delinian Limited (registered number 954730) has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these accounts.

The Company Accounts on pages 107 to 122 were approved by the Board of Directors on 18 January 2023 and signed on its behalf by:

**Wendy Pallot**
Chief Financial Officer

18 January 2023

# Company Statement of Changes in Equity

for the year ended 30 September 2022

| | Share capital £m | Share premium account £m | Other reserve £m | Capital redemption reserve £m | Capital reserve £m | Reserve for own shares £m | Reserve for share-based payments £m | Profit and loss account £m | Total shareholders' funds £m |
|---|---|---|---|---|---|---|---|---|---|
| At 1 October 2020 | 0.3 | 104.6 | 65.0 | 0.1 | 1.8 | (14.6) | 38.7 | 986.7 | 1,182.6 |
| Loss for the year | – | – | – | – | – | – | – | (1.9) | (1.9) |
| (Credit)/charge for share-based payments | – | – | – | – | – | – | 0.8 | – | 0.8 |
| Cash dividends paid[1] | – | – | – | – | – | – | – | (18.5) | (18.5) |
| Exercise of share options | – | – | – | – | – | 0.5 | (0.4) | (0.1) | – |
| **At 30 September 2021** | **0.3** | **104.6** | **65.0** | **0.1** | **1.8** | **(14.1)** | **39.1** | **966.2** | **1,163.0** |
| Profit for the year | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **218.3** | **218.3** |
| Charge for share-based payments | **–** | **–** | **–** | **–** | **–** | **–** | **3.2** | **–** | **3.2** |
| Cash dividends paid[1] | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **(20.1)** | **(20.1)** |
| Exercise of share options | **–** | **0.2** | **–** | **–** | **–** | **–** | **–** | **–** | **0.2** |
| **At 30 September 2022** | **0.3** | **104.8** | **65.0** | **0.1** | **1.8** | **(14.1)** | **42.3** | **1,164.4** | **1,364.6** |

1 Refer to the Consolidated Financial Statements note 9.

The investment in own shares is held by the Euromoney Employee Share Ownership Trust and Euromoney Employee Share Trust. The trusts waived the rights to receive dividends. Interest and administrative costs are charged to the profit and loss account of the trusts as incurred and included in the Consolidated Financial Statements.

| | 2022 Number | 2021 Number |
|---|---|---|
| Euromoney Employees' Share Ownership Trust | **58,976** | 58,976 |
| Euromoney Employee Share Trust | **1,139,807** | 1,139,807 |
| **Total** | **1,198,783** | 1,198,783 |
| Nominal cost per share (p) | **0.25** | 0.25 |
| Historical cost per share (£) | **11.76** | 11.76 |
| Market value (£m) | **17.3** | 12.2 |

The other reserve represents the share premium arising on the shares issued for the purchase of Metal Bulletin plc in October 2006.

# Notes to the Company Accounts

## 1 Accounting policies

### Basis of preparation

These Financial Statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006. The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the United Kingdom Companies Act 2006. The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the current and prior year. The going concern basis has been applied in these accounts. No operating segments have been disclosed as the Company operates as one operating segment.

### Disclosure exemptions

The Company satisfies the criteria of being a qualifying entity as defined in FRS 102. Its Financial Statements are consolidated into the Financial Statements of the Group. As such, advantage has been taken of the following disclosure exemptions available under FRS 102 in relation to share-based payments, financial instruments, presentation of a cash flow statement, certain related party transactions and the effect of future accounting standards not yet adopted.

### Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation of tangible fixed assets is provided on a straight-line basis over their expected useful lives at the following rates per year:

| | |
|---|---|
| Short-term leasehold improvements: | Over term of lease |

### Taxation

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.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the Financial Statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in Financial Statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

### Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect amendments from contingent consideration. Cost also includes directly attributable cost of investment.

### Interest in associates

Investments in associates are held at historical cost less accumulated impairment losses.

### Impairment of investments in subsidiaries

Impairment reviews are performed when there is an indicator that the carrying value of an investment could exceed its recoverable value, being the higher of value in use and fair value less costs of disposal as outlined below:

- Value in use is derived from the discounted cash flows attributable to the subsidiary. These cash flows are extracted from Board-approved budgets. The discount rate is based on the Group's pre-tax weighted average cost of capital, adjusted to reflect the characteristics specific to the subsidiary, such as geographical region and size; and
- Fair value less costs of disposal is intended to reflect what the subsidiary would be worth if sold in an arm's-length transaction. The fair value is determined by applying a multiple to the subsidiary's results and cash flows. This multiple is determined with reference both to the Company's past acquisitions and disposals and to data obtained from independent sources.

When the carrying value of an investment is greater than both the value in use and fair value less costs of disposal valuations, an impairment is recognised in the Income Statement.

### Trade and other debtors

Trade receivables are recognised and carried at original invoice amount, less provision for impairment. A provision is made and charged to the profit and loss account when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms.

### Cash at bank and in hand

Cash at bank and in hand includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less.

### Dividends

Dividends are recognised as an expense in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are paid.

### Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation. If material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### Share-based payments

The Company makes share-based payments to certain employees which are equity-settled. These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest. For schemes whose performance criteria are not market-based, at the period end the vesting assumptions are revisited and the charge associated with the fair value of these options updated. The Company operates the Group's PSP and other Group share-based payment schemes, details of which can be found in note 26 to the Group accounts.

### Own shares held by Employee Share Ownership Trust and Employee Share Trust

Transactions of the Group-sponsored trusts are included in the Consolidated Financial Statements. In particular, the trusts' holdings of shares in the Company are debited direct to equity. The Group provides finance to the trusts to purchase Company shares to meet the obligation to provide shares when employees exercise their options or awards. Costs of running the trusts are charged to the Income Statement. Shares held by the trusts are deducted from other reserves.

# Notes to the Company Accounts continued

## 2 Key judgemental areas adopted in preparing these Financial Statements

There are no key judgements or critical estimates.

## 3 Staff costs

The monthly average number of persons employed by the Company during the year amounted to:

| | 2022 No. | 2021 No. |
|---|---|---|
| Executive Directors | 2 | 2 |

Details of Directors' remuneration are set out in the Directors' Remuneration Report on pages 34 to 43 and in note 6 to the Consolidated Financial Statements.

## 4 Remuneration of auditors

Fees payable for the audit of the Company's annual accounts were £16k (2021: £16k).

## 5 Tangible assets

| | Short-term leasehold improvements £m |
|---|---|
| **Cost** | |
| At 1 October 2021 and at 30 September 2022 | **0.7** |
| **Depreciation** | |
| At 1 October 2021 | **0.5** |
| Charge for the year | **0.1** |
| **At 30 September 2022** | **0.6** |
| **Net book value at 30 September 2022** | **0.1** |
| Net book value at 30 September 2021 | 0.2 |

## 6 Investments

| | 2022 Subsidiaries £m | 2021 Subsidiaries £m |
|---|---|---|
| At 1 October | **1,226.7** | 1,018.9 |
| Additions | **–** | 415.6 |
| Disposals | **–** | (207.8) |
| Reversal of impairment | **206.7** | – |
| **At 30 September** | **1,433.4** | 1,226.7 |

The bid price offered to the Company's shareholders to acquire 100% of its share capital provides evidence to support the carrying value of the investments which the Company holds. The bid price was £370m higher than the carrying value of the Company's investments before assessing for impairments. As a result of this information, the £206.7m impairment which had been recognised in 2020 has been reversed.

On 15 March 2021, as part of a group corporate structure simplification, the Company directly acquired 100% of the equity share capital of Euromoney Global Limited (EGL), which was previously an indirectly, wholly-owned subsidiary. On the same date Euromoney Holdings Limited (formerly Euromoney Canada Limited) issued new shares to the Company in exchange for this investment in EGL.

Details of the principal subsidiary and associated undertakings of the Company at 30 September 2022 can be found in note 30 to the Consolidated Financial Statements.

# Notes to the Company Accounts continued

## 7 Debtors

| Amounts falling due within one year | 2022 £m | 2021 £m |
|---|---|---|
| Amounts owed by Group undertakings | – | 0.7 |
| Other debtors | **0.8** | 0.5 |
| | **0.8** | 1.2 |

Amounts owed by Group undertakings of nil (2021: £0.8m) are interest free and repayable on demand.

| Amounts falling due after more than one year | 2022 £m | 2021 £m |
|---|---|---|
| Other debtors | – | 0.8 |
| | – | 0.8 |

## 8 Creditors

| Amounts falling due within one year | 2022 £m | 2021 £m |
|---|---|---|
| Amounts owed to Group undertakings | **(68.5)** | (53.1) |
| Provisions (note 9) | **(0.3)** | – |
| Corporate tax creditor | – | (10.4) |
| Accruals | **(0.2)** | (1.9) |
| | **(69.0)** | (65.4) |

Amounts owed to Group undertakings of £68.5m (2021: £53.1m) are interest free and repayable on demand.

| Amounts falling due in more than one year | 2022 £m | 2021 £m |
|---|---|---|
| Provisions (note 9) | **(0.7)** | (0.5) |
| | **(0.7)** | (0.5) |

## 9 Provisions

| | Dilapidation provisions £m | Other provisions £m | Total £m |
|---|---|---|---|
| At 1 October 2021 | **0.3** | **0.2** | **0.5** |
| Provision in the year | – | **0.5** | **0.5** |
| **At 30 September 2022** | **0.3** | **0.7** | **1.0** |

| | 2022 £m | 2021 £m |
|---|---|---|
| **Maturity profile of provisions:** | | |
| Within one year | **0.3** | – |
| Between one and five years | **0.7** | 0.5 |
| | **1.0** | 0.5 |

The dilapidation provision represents the Directors' best estimate of the amount likely to be payable on expiry of the Company's property leases. The other provision consists of social security costs arising on share option liabilities.

## 10 Called up share capital

| | 2022 £m | 2021 £m |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 109,304,763 ordinary shares of 0.25p each (2021: 109,289,530 ordinary shares of 0.25p each) | **0.3** | 0.3 |

During the year, 15,233 ordinary shares of 0.25p each (2021: 124 ordinary shares) with an aggregate nominal value of £38.08 (2021: £0.31) were issued following the exercise of share options granted under the Company's share option schemes for a cash consideration of £161,108 (2021: £994).

# Notes to the Company Accounts continued

## 11 Commitments and contingent liability

At 30 September, the Company has committed to make the following payments in respect of operating leases on land and buildings:

| | 2022 £m | 2021 £m |
|---|---|---|
| Within one year | **0.5** | 0.8 |
| Between one and five years | **–** | 0.5 |
| | **0.5** | 1.3 |

The operating lease cost is charged to the profit or loss account of a fellow Group company.

*Cross-guarantee*
The Company and certain other companies in the Delinian Limited Group have given an unlimited cross-guarantee in favour of its bankers.

## 12 Related party transactions

Related party transactions and balances are detailed below:

(i) Other than the transactions disclosed in note 28 of the Consolidated Financial Statements and notes 7, 8 and 11 of the Company's Financial Statements, the Company's other related party transactions were with wholly owned subsidiaries and so have not been disclosed.

(ii) In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries and partnerships, the registered office and the effective percentage of equity owned are disclosed in note 30 to the Consolidated Financial Statements.

## 13 Contingent liabilities

During the year the Company has released a provision which was held in relation to an HMRC enquiry into the accounting period ended 30 September 2015. This carries a maximum exposure of £10.7m plus an estimated £2.0m interest up to 30 September 2022. The Company has released its provision because it is no longer probable that there will be an outflow of funds by the Company on conclusion of this matter. However, as HMRC have applied to the Court of Appeal for permission to appeal, it remains uncertain whether HMRC will ultimately prevail as the events that would lead to an outflow are not wholly within the control of the Company and so there is a more than remote chance of this occurring.

## 14 Post balance sheet event

### Change in control

On 24 November 2022, 100% of the ordinary share capital of the Company was acquired by a consortium of private investors, consisting of Astorg Asset Management S A.R.L. and Epiris LLP.

There were no other events after the balance sheet date.

# Glossary of financial performance measures

In order to fully explain the performance of the business, the Group uses several alternative performance measures (APMs) and business KPIs. APMs are non-GAAP and not defined by IFRS; therefore, they may not be considered directly comparable to other companies' APMs. APMs should be considered in addition to, rather than a substitute for, IFRS measures.

The Group presents two main sets of APMs in its Annual Report and Accounts: adjusted measures and underlying measures.

## Adjusted measures

Adjustments principally include the amortisation of acquired intangible assets, exceptional items, net movements in deferred consideration and acquisition commitments, fair value remeasurements, gain/loss on dilution of investment in associates and the associated tax thereon.

Adjusted measures provide additional useful information for shareholders to evaluate and compare the performance of the business from period to period. Management use these for budgeting, planning and monthly reporting purposes and they are the basis on which executive management is incentivised. These adjusted measures also enable the Group to track more easily and consistently the underlying operational performance by separating out exceptional income, charges and non-cash items. We also present adjusted EBITDA as the Group's borrowing facilities contain certain covenants, including the ratio of adjusted net debt to EBITDA.

## Underlying measures

Underlying measures include adjustments and adjust for material events that move across reporting dates, material biennial events, currency and M&A.

Underlying measures provide a fairer like-for-like comparison than adjusted measures as the factors noted above can influence growth rates but do not reflect underlying business performance.

| APM/KPI term | Closest equivalent IFRS measure | Purpose and definition |
|---|---|---|
| Underlying revenue[1] | Revenue | Underlying revenue (and underlying revenue growth) enable us to compare revenue on a like-for-like basis and are an important indicator of the health and trajectory of our divisions and the Group as a whole. Underlying revenue adjusts for material events that move across reporting dates, material biennial events, currency, M&A and closed businesses, and new accounting standards that are not applied retrospectively.<br>Underlying revenue growth is one of the financial measures used for Directors' remuneration. |
| Adjusted operating profit[1] | Operating profit[3] | Adjusted operating profit enables the Group to more closely track operational performance by adjusting operating profit for the amortisation of acquired intangible assets, exceptional items and gain/loss on dilution of investment in associates. |
| Adjusted operating margin | Operating profit[3] margin | Adjusted operating margin measures the efficiency of the Group and the effectiveness of investment decisions, cost reduction efforts and mix improvements. Adjusted operating margin is calculated as adjusted operating profit as a percentage of revenue. |
| Underlying operating profit[1] | Operating profit[3] | Underlying operating profit enables the Group to compare operating profit on a like-for-like basis. Underlying operating profit adjusts adjusted operating profit for material events that move across reporting dates, material biennial events, currency, M&A and closed businesses, and new accounting standards that are not applied retrospectively. |
| Adjusted EBITDA[1] | Operating profit[3] | Adjusted EBITDA is a measure used in covenants relating to the Group's borrowing facilities. It is calculated as the Group's net (cash)/debt to adjusted operating profit and share of results in associates before depreciation and amortisation of licences and software, including those of our associates and IFRS 16 adjustments, and adjustments for the timing of acquisitions and disposals. |
| Adjusted profit before tax[1] | Profit before tax | Adjusted profit before tax measures the overall success of management actions to manage the portfolio and invest to grow the business.<br>Adjusted profit before tax is one of the financial measures used for Directors' remuneration.<br>This APM adjusts profit before tax for the amortisation of acquired intangible assets, exceptional items, net movements in deferred consideration and acquisition commitments and fair value remeasurements. |
| Underlying profit before tax[1] | Profit before tax | Underlying profit before tax enables the Group to compare profit on a like-for-like basis. Underlying profit before tax adjusts adjusted profit before tax for material events that move across reporting dates, material biennial events, currency, M&A and closed businesses, and new accounting standards that are not applied retrospectively. |
| Adjusted diluted earnings per share[2] | Diluted earnings per share | Adjusted diluted earnings per share measures the Group's overall returns to shareholders. It is calculated using profit for the year attributable to the equity holders of the parent adjusted for the amortisation of acquired intangible assets, exceptional items, net movements in deferred consideration and acquisition commitments and fair value remeasurements and tax thereon divided by the diluted weighted average number of shares in issue. |

# Glossary of financial performance measures continued

| APM/KPI term | Closest equivalent IFRS measure | Purpose and definition |
|---|---|---|
| Adjusted cash generated from operations[1] | Cash generated from operations | Adjusted cash generated from operations gives a clearer picture of the cash generating nature of the Group. It is calculated by adjusting cash generated from operations for the cash impact relating to exceptional items, capital expenditure and significant timing differences affecting the movement on working capital. |
| Net cash[1] | Cash and cash equivalents less borrowings | Net cash shows the availability of cash in the business. It comprises cash at bank and in short-term deposits. |
| Adjusted net cash[1] | Cash and cash equivalents less borrowings | Adjusted net cash adjusts net cash for average exchange rates. |
| Adjusted cash conversion[1] | None | Adjusted cash conversion is a measure of the quality of the Group's earnings. It measures the percentage by which adjusted cash generated from operations, net of capital expenditure and cash payments for exceptional items, covers adjusted operating profit. |
| Adjusted net cash to EBITDA ratio[1] | None | Adjusted net cash to EBITDA ratio is a measure used in covenants relating to the Group's borrowing facilities. It is calculated as adjusted net cash as a percentage of adjusted EBITDA. |

1 Reconciliation of these performance measures to statutory performance measures can be found below. Adjusted results included continuing operations and discontinued operations for Fastmarkets.

2 Calculation of adjusted diluted earnings per share is in note 10 to the Consolidated Financial Statements.

3 Operating profit is presented in the Consolidated Income Statement. It is not defined per IFRS, however, it is a generally accepted profit measure.

## Adjusted measures

The Directors believe that the adjusted measures provide additional useful information for shareholders to evaluate and compare the performance of the business from period to period. These measures are used by management for budgeting, planning and monthly reporting purposes and are the basis on which executive management is incentivised. The non-IFRS measures also enable the Group to track more easily and consistently the underlying operational performance by separating out the following types of exceptional income, charges and non-cash items.

Total and segment revenue represents the combined reported revenue from continuing operations and discontinued operations revenue for Fastmarkets.

Adjusted results include continuing operations and discontinued operations for Fastmarkets. The discontinued operations for Fastmarkets have been included in the adjusted results as it was owned and managed as part of the Group for the entire period and to aid year-on-year comparability of the Group's results. This treatment is consistent with that of Asset Management when the strategic review was announced for that division in September 2019. In the period of the disposal and upon the chief operating decision maker (CODM) not considering the discontinued operation in the review of the business, the discontinued operation will then be excluded from the adjusted results.

Adjusted figures are presented before the impact of amortisation of acquired intangible assets (comprising trademarks and brands, customer relationships and databases); exceptional items; gain/loss on dilution of investment in associates share of associates' and joint ventures' acquired intangibles amortisation and exceptional items; net movements in deferred consideration and acquisition commitments; fair value remeasurements; related tax items and other adjusting items described below.

The amortisation of acquired intangible assets is adjusted as the premium paid relative to the net assets on the balance sheet of the acquired business is classified as either goodwill or as an intangible asset arising on a business combination and is recognised on the Group's balance sheet. This differs to organically developed businesses where assets such as employee talent and customer relationships are not recognised on the balance sheet. Impairment and amortisation of intangible assets and goodwill arising on acquisitions are excluded from adjusted results as they are balance sheet items that relate to historical M&A activity.

Exceptional items are items of income or expense considered by the Directors to be significant, non-recurring and not attributable to underlying trading. It is Group policy to treat as exceptional significant earn-out payments required by IFRS to be recognised as a compensation cost. IFRS requires that earn-out payments to selling shareholders retained in the acquired business for a contractual time period are treated as a compensation cost. Given that these payments are in substance part of the cost of an investment and will not recur once the earn-out payments have been made, they have been excluded from adjusted profit.

Adjusted finance costs exclude interest arising on any uncertain tax provisions, as these provisions are not in the ordinary course of business and relate to tax adjusting items.

In respect of earnings, adjusted amounts reflect a tax rate that includes the current tax effect of goodwill and intangible assets. Many of the Group's acquisitions, particularly in the US, give rise to significant tax savings as the amortisation of goodwill and intangible assets on acquisition is deductible for tax purposes. The Group considers that the resulting adjusted effective tax rate is therefore more representative of its tax payable position. Tax on exceptional items are excluded as these items are adjusted in accordance with Group policy. Adjustments in respect of prior years are also removed from the adjusted tax expense as they do not relate to current year underlying trading.

Further analysis of the adjusting items is presented in notes 3, 5, 7, 8, 10 and 15 to the Consolidated Financial Statements.

The Group has applied these principles in calculating adjusted measures and it is the Group's intention to continue to apply these principles in the future.

# Glossary of financial performance measures continued

## Underlying measures

When assessing the performance of our businesses, the Board considers the adjusted results. The year-on-year change in adjusted results may not, however, be a fair like-for-like comparison as there are a number of factors which can influence growth rates but which do not reflect underlying performance.

Underlying results include adjusted results and are stated:

- at constant exchange rates, with the prior year comparatives being restated using current year exchange rates;
- including pro forma prior year comparatives for acquisitions and new business launches and excluding all results for disposals or business closures;
- including adjustments for events which run in one of the current or comparative periods due to changes in the event date. For example, this means we adjust for biennial events; and
- including proforma prior year adjustments for the application of new accounting standards.

Underlying measures previously also excluded events and publications which took place in the comparative period but did not take place in the current period (for example due to cancellations or changes in event format); with events and publications which took place in the current period but did not take place in the comparative period, being added into the comparative period at the same amount. The covid-19 pandemic has changed the event industry, with virtual and blended events now firmly established, as a result of the restrictions on holding physical events. This proliferation of formats means that it is significantly more difficult to assess whether an event is new or cancelled compared with the event that ran in the comparative period. The new methodology also aligns reported and underlying metrics more closely.

The Group's adjusted and underlying measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. The adjusted and underlying measures used by the Group are not necessarily comparable with those used by other companies.

The reconciliation below sets out the adjusted results of the Group and the related adjustments to the statutory Income Statement that the Directors consider necessary to provide useful and comparable information about the Group's adjusted trading performance.

| | | 2022 | | | | Restated[1] 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Notes | Statutory £m | Discontinued Operations £m | Adjustments £m | Adjusted £m | Statutory £m | Discontinued Operations £m | Adjustments £m | Adjusted £m |
| **Revenue** | 3 | **318.8** | **106.3** | **–** | **425.1** | 249.9 | 86.2 | – | 336.1 |
| **Operating profit before acquired intangible amortisation and exceptional items** | 3 | **53.3** | **43.3** | **(0.3)** | **96.3** | 29.9 | 35.4 | – | 65.3 |
| Acquired intangible amortisation | 12 | **(15.7)** | **(5.9)** | **21.6** | **–** | (12.6) | (6.4) | 19.0 | – |
| Exceptional items | 5 | **(35.8)** | **(0.6)** | **36.4** | **–** | (11.3) | (3.8) | 15.1 | – |
| **Operating profit** | | **1.8** | **36.8** | **57.7** | **96.3** | 6.0 | 25.2 | 34.1 | 65.3 |
| ***Operating profit margin*** | | ***1%*** | ***35%*** | | ***23%*** | *2%* | *29%* | | *19%* |
| Share of results in associates | 15 | **(0.3)** | **–** | **0.2** | **(0.1)** | – | – | 0.3 | 0.3 |
| Finance income | 7 | **2.0** | **–** | **–** | **2.0** | – | – | – | – |
| Finance expense | 7 | **(3.4)** | **(0.1)** | **(1.7)** | **(5.2)** | (4.3) | (0.2) | 0.3 | (4.2) |
| **Net finance costs** | 7 | **(1.4)** | **(0.1)** | **(1.7)** | **(3.2)** | (4.3) | (0.2) | 0.3 | (4.2) |
| **Profit before tax** | | **0.1** | **36.7** | **56.2** | **93.0** | 1.7 | 25.0 | 34.7 | 61.4 |
| Tax credit/(expense) on profit | 8 | **6.5** | **(7.9)** | **(18.0)** | **(19.4)** | (10.2) | (3.9) | 3.2 | (10.9) |
| **Profit for the year** | | **6.6** | **28.8** | **38.2** | **73.6** | (8.5) | 21.1 | 37.9 | 50.5 |
| **Profit for the year from discontinued operations** | 11 | **28.8** | **(28.8)** | **–** | **–** | 21.1 | (21.1) | – | – |
| **Profit for the year** | | **35.4** | **–** | **38.2** | **73.6** | 12.6 | – | 37.9 | 50.5 |
| **Diluted earnings per share** | 10 | **32.8p** | | | **68.0p** | 11.7p | | | 46.8p |

1 As outlined in note 1 to the Consolidated Financial Statements, the results for the year ended 30 September 2021 have been restated.

# Glossary of financial performance measures continued

The following table sets out the reconciliation from statutory to underlying for revenue, operating profit and profit before tax:

| | 2022 £m | Restated[1] 2021 £m | Change % |
|---|---|---|---|
| **Statutory revenue** | **318.8** | 249.9 | 28% |
| Discontinued operations | **106.3** | 86.2 | |
| **Total revenue** | **425.1** | 336.1 | 26% |
| Net M&A and closed businesses | **–** | 11.8 | |
| Timing differences | **–** | (0.1) | |
| Foreign exchange | **–** | 10.6 | |
| **Underlying revenue** | **425.1** | 358.4 | 19% |
| | | | |
| **Statutory operating profit** | **1.8** | 6.1 | (70%) |
| Adjustments | **57.7** | 25.1 | |
| Discontinued operations | **36.8** | 34.1 | |
| **Adjusted operating profit** | **96.3** | 65.3 | 48% |
| Net M&A and closed businesses | **–** | 2.7 | |
| Timing differences | **–** | 0.1 | |
| Foreign exchange | **–** | 4.6 | |
| **Underlying operating profit** | **96.3** | 72.7 | 32% |
| | | | |
| **Statutory profit before tax** | **0.1** | 1.8 | (94%) |
| Adjustments | **56.2** | 34.7 | |
| Discontinued operations | **36.7** | 24.9 | |
| **Adjusted profit before tax** | **93.0** | 61.4 | 51% |
| Net M&A and closed businesses | **–** | 2.7 | |
| Timing differences | **–** | 0.1 | |
| Foreign exchange | **–** | 4.6 | |
| **Underlying profit before tax** | **93.0** | 68.8 | 35% |

1 As outlined in note 1 to the Consolidated Financial Statements, the results for the year ended 30 September 2021 have been restated.

# Glossary of financial performance measures continued

The following table reconciles the underlying revenue and adjusted operating profit changes for the divisions and the Group:

| 2022 | Fastmarkets £m | FPS £m | Asset Management £m | Foreign exchange gains/(losses) on forward contracts £m | Total £m |
|---|---|---|---|---|---|
| **Segment revenue** | **106.8** | **196.5** | **123.1** | **(1.3)** | **425.1** |
| **2021** | | | | | |
| **Segment revenue** | 85.5 | 138.4 | 109.8 | 2.4 | 336.1 |
| Net M&A and closed businesses | 1.5 | 10.3 | – | – | 11.8 |
| Timing differences | 0.4 | (0.5) | – | – | (0.1) |
| Foreign exchange | 2.2 | 5.3 | 6.8 | (3.7) | 10.6 |
| **Underlying revenue** | 89.6 | 153.5 | 116.6 | (1.3) | 358.4 |
| **Underlying revenue change (%)** | 19% | 28% | 6% | (0%) | 19% |

| 2022 | Fastmarkets £m | FPS £m | Asset Management £m | Central Costs £m | Total £m |
|---|---|---|---|---|---|
| **Adjusted operating profit** | **39.2** | **47.4** | **43.2** | **(33.5)** | **96.3** |
| **2021** | | | | | |
| **Adjusted operating profit** | 30.4 | 24.6 | 42.5 | (32.2) | 65.3 |
| Net M&A and closed businesses | 0.8 | 1.9 | – | – | 2.7 |
| Timing differences | 0.3 | (0.2) | – | – | 0.1 |
| Foreign exchange | 0.8 | 1.5 | 2.8 | (0.5) | 4.6 |
| **Underlying operating profit** | 32.3 | 27.8 | 45.3 | (32.7) | 72.7 |
| **Underlying operating profit change (%)** | 21% | 71% | (5%) | (2%) | 32% |

# Glossary of financial performance measures continued

The following table reconciles the underlying revenue changes for the divisions by revenue type:

| Fastmarkets<br>2022 | Subscriptions<br>£m | Events<br>£m | Other<br>£m | Total<br>£m |
|---|---|---|---|---|
| **Segment revenue** | **94.4** | **9.2** | **3.2** | **106.8** |
| **2021** | | | | |
| **Segment revenue** | 79.9 | 2.7 | 2.9 | 85.5 |
| Net M&A and closed businesses | 1.4 | – | 0.1 | 1.5 |
| Timing differences | – | 0.4 | – | 0.4 |
| Foreign exchange | 2.0 | 0.1 | 0.1 | 2.2 |
| **Underlying revenue** | 83.3 | 3.2 | 3.1 | 89.6 |
| **Underlying revenue change (%)** | 13% | 184% | 2% | 19% |

| FPS<br>2022 | | | | |
|---|---|---|---|---|
| **Segment revenue** | **104.8** | **69.2** | **22.5** | **196.5** |
| **2021** | | | | |
| **Segment revenue** | 87.1 | 29.0 | 22.3 | 138.4 |
| Net M&A and closed businesses | 9.2 | 0.7 | 0.4 | 10.3 |
| Timing differences | – | (0.5) | – | (0.5) |
| Foreign exchange | 2.4 | 2.0 | 0.9 | 5.3 |
| **Underlying revenue** | 98.7 | 31.2 | 23.6 | 153.5 |
| **Underlying revenue change (%)** | 6% | 122% | (5%) | 28% |

| Asset Management<br>2022 | | | | |
|---|---|---|---|---|
| **Segment revenue** | **71.5** | **37.5** | **14.1** | **123.1** |
| **2021** | | | | |
| **Segment revenue** | 67.6 | 29.2 | 13.0 | 109.8 |
| Net M&A and closed businesses | – | – | – | – |
| Timing differences | – | – | – | – |
| Foreign exchange | 4.2 | 1.8 | 0.8 | 6.8 |
| **Underlying revenue** | 71.8 | 31.0 | 13.8 | 116.6 |
| **Underlying revenue change (%)** | (0%) | 21% | 2% | 6% |

## Cash conversion

Cash conversion is an alternative performance measure of the quality of the Group's earnings. Cash conversion measures the percentage by which adjusted cash generated from operations covers adjusted operating profit.

| | 2022<br>£m | 2021<br>£m |
|---|---|---|
| **Adjusted operating profit** | **96.3** | 65.3 |
| | | |
| Cash generated from operations continuing and discontinued operations | **97.0** | 67.3 |
| Exceptional items[1] | **12.8** | 17.6 |
| Capital expenditure | **(2.7)** | (4.8) |
| **Adjusted cash generated from continuing and discontinued operations** | **107.1** | 80.1 |
| **Adjusted cash conversion %** | **111%** | 123% |

1 This represents cash paid during the year in relation to exceptional items, this includes payments on exceptional items accrued in previous periods.

# Glossary of financial performance measures continued

Adjusted cash generated from operations is after adjusting for the cash impact relating to exceptional items and capital expenditure. For the year ended 30 September 2022, exceptional cash payments largely consist of integration and transaction costs of newly acquired businesses, significant costs associated with an acquisition that did not complete, payments to support the restructure and cost reduction programme announced in September 2020, costs associated with establishing the new finance hub in Sofia, costs related to the sale of the Group and exit fee of the NY lease.

Net cash is an alternative performance measure and comprises cash and cash equivalents along with the Group's borrowings excluding lease liabilities. The measure is important because the Group's RCF covenant includes the requirement to keep adjusted net debt below three times adjusted EBITDA. The following table sets out the cash movements in the year and reconciliation to adjusted net cash:

## Net cash

| | 2022 £m | 2021 £m |
|---|---|---|
| At 1 October | **32.5** | 28.1 |
| Net increase in cash and cash equivalents | **21.8** | 4.2 |
| Effect of foreign exchange rate movements | **5.4** | 0.2 |
| **At 30 September** | **59.7** | 32.5 |
| | | |
| **Net cash comprises:** | | |
| Cash at bank and short-term deposits | **58.5** | 32.5 |
| Classified as held for sale | **1.2** | – |
| **Total cash and cash equivalents held by continuing and discontinued operations** | **59.7** | 32.5 |
| **Net cash** | **59.7** | 32.5 |
| Average exchange rate adjustment | **(5.1)** | (0.1) |
| **Adjusted net cash** | **54.6** | 32.4 |

Adjusted EBITDA is an alternative performance measure. The following table sets out the reconciliation from adjusted operating profit to adjusted EBITDA:

## Adjusted EBITDA

| | 2022 £m | 2021 £m |
|---|---|---|
| Adjusted operating profit | **96.3** | 65.3 |
| Share of adjusted results in associates and joint ventures | **(0.1)** | 0.3 |
| Add back: | | |
| Intangible amortisation on licences and software | **3.3** | 2.9 |
| Depreciation of property, plant and equipment | **1.1** | 2.1 |
| Depreciation of right of use assets | **4.6** | 6.7 |
| **Adjusted EBITDA** | **105.2** | 77.3 |
| | | |
| Add back: | | |
| IFRS 16 adjustments | **(9.0)** | (9.8) |
| M&A annualised adjustment | **–** | 0.4 |
| **Adjusted EBITDA for covenant purposes** | **96.2** | 67.9 |
| | | |
| **Adjusted net cash to EBITDA ratio for continuing and discontinued operations** | **0.57** | 0.48 |

The Group's borrowing facilities contain certain covenants, including the ratio of adjusted net debt to EBITDA. The amounts and foreign exchange rates used in the covenant calculations are subject to adjustments as defined under the terms of the arrangement. The facility's covenant requires the Group's net debt to be no more than three times adjusted EBITDA and requires minimum levels of interest cover of three times on a rolling 12-month basis.

The bank covenant ratio uses an average exchange rate in the calculation of net debt and an annualised adjustment attributable to acquisitions and disposals in the calculation of adjusted EBITDA. When businesses are acquired after the beginning of the financial year, the calculation of adjusted EBITDA includes EBITDA attributable to the business as if the acquisition had been completed on the first day of the financial year. The calculation excludes the EBITDA of any businesses disposed of during the year.

The bank covenant ratio is adjusted to remove the impact of IFRS 16. This means that the adjusted EBITDA for covenant compliance calculations includes an entry for the rental expense which would have been recognised for the Group's leases had the transition to IFRS 16 not taken place. To be consistent with the bank covenant calculations, net cash is defined to exclude lease liabilities.

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