

COMPANY REGISTRATION NUMBER: 05935420

Euromoney Trading Limited
Annual Report and Financial Statements
Year ended 30 September 2020

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Euromoney Trading Limited
Annual Report and Financial Statements
Year ended 30 September 2020

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Euromoney Trading Limited

Company Information

The board of directors

TJ Bratton
WM Pallot (appointed 1 February 2021)
RA Haley (appointed 1 February 2021)
R Irving (resigned 1 February 2021)

Registered office

8 Bouverie Street
London
United Kingdom
EC4Y 8AX

Independent Auditors

PricewaterhouseCoopers LLP
Chartered accountants & statutory auditors
1 Embankment Place
London
United Kingdom
WC2N 6RH

Euromoney Trading Limited

Strategic Report

Year ended 30 September 2020

The Directors present their Strategic Report for Euromoney Trading Limited (the "Company") for the year ended 30 September 2020.

The purpose of the Strategic Report is to inform members of the Company and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote success of the Company).

Principal activities

The principal activity of the Company during the year was that of a leading global information provider of data in niche, business-to-business markets. Its revenues are derived from a range of publications, electronic products and services, conferences, seminars and training courses for financial markets.

The Company will continue to trade through similar activity for the foreseeable future.

Business review

Revenue for the year of £61,384,000 (2019: £78,688,000) was derived mainly from the Company's core businesses, namely subscriptions, advertising, training and conferences. The decrease is mostly attributable to the impact of covid-19 on the Company's events revenue, where the restrictions imposed by government during the financial year have prevented physical events from taking place. The revenue mix is as follows:

	2020	2019
Subscriptions	44%	33%
Advertising	27%	23%
Sponsorships	9%	16%
Delegates	15%	25%
Other	5%	3%
	<u>100%</u>	<u>100%</u>

The operating loss for the year was £8,593,000 (2019: profit of £15,714,000): the decrease is also mostly attributable to the impact of covid-19 on the Company's events revenue. The loss for the financial year was £7,175,000 (2019: profit of £9,555,000) after the deduction of interest payable of £79,000 (2019: £61,000).

As at 30 September 2020, net assets of the Company were £111,701,000 (2019: £118,059,000).

Section 172 Statement

During the financial year, the Directors acted in a way they considered, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, based on the information available to them at the time, and in doing so have regard (amongst other matters) to the following:

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

Euromoney Trading Limited

Strategic Report

Year ended 30 September 2020

Section 172 Statement *(continued)*

The ultimate investor in the Company is Euromoney Institutional Investor PLC ("EII PLC"). The purpose of EII PLC is to deliver sustainable value to stakeholders by bringing clarity and insight to opaque markets. The Board of EII PLC took full account of the interests of stakeholders during the year, addressing a range of complex issues while promoting the success of EII PLC and the Company. Further disclosure on how the Board of EII PLC have had regard to the matters set out in section 172 is made in the Section 172 Statements on pages 40 and 41 of the Annual Report and Accounts of EII PLC which is available on the EII PLC website (www.euromoneyplc.com).

Principal risks and uncertainties facing the Company

Risks are managed at Group level by EII PLC. The Group has continued to develop its processes for risk management. Management of significant risk is regularly on the agenda of the board of EII PLC and other senior management meetings.

The following Group-wide risks are applicable to the operations of the Company and may have a material impact on its long-term performance:

Covid-19

The pandemic has created a large amount of uncertainty in terms of ability to host events, working patterns and economic volatility. The Group has taken swift and decisive action to reduce costs and preserve cash, while serving customers and protecting the long-term health of the business. The Group now runs a range of digital events and training. The Group has put in place technology to run a variety of digital event formats and so can stage these events rapidly and flexibly. Although in most cases these can replace only a proportion of the revenue from in-person events, the revenue they are able to attract is increasing and because there are no physical venues needed, the gross margin of the events is higher.

Downturn in economy

The Company generates significant income from certain key geographical regions and market sectors. Uncertainty in global financial markets increases the risk of downturn or potential collapse in one or more of these areas, should this occur, income is likely to be affected and some abandonment costs may be incurred.

However, a high proportion of the Company's revenue comes from subscriptions which are typically more resilient than other revenues in a downturn. The Company operates in many geographical markets and industries, and is not dependent on a small group of clients for a large proportion of its revenue. This diversification provides a significant degree of protection from a downturn in the economy. The Company is able to cut some costs in order to mitigate the impact of lower revenues.

Geopolitical upheaval has a major impact on the business environment

Politics in and between major markets can have large and sometimes sudden impacts on the business of the Group. Although the Group and its staff, customers and suppliers are unable to plan with precision for the resulting uncertainty, the Group mitigates the risk using country risk-tracking services to monitor current and emerging risks in different markets. The Company's global footprint means it is not completely reliant on any single country or region for its revenue.

Euromoney Trading Limited

Strategic Report

Year ended 30 September 2020

Principal risks and uncertainties facing the Company *(continued)*

Product and market transformation/disruption risk

Competition from existing competitors, new disruptive players, new entrants and new technologies can change how customers access and use our products. Changing demographics can affect customer needs and opportunities. Structural pressure on customer business models will affect demand for the Company's products and services particularly in financial services. The group strategy is designed to appraise and evaluate structural risks and respond to them, taking advantage of opportunities where identified. Regular CEO-led reviews across all divisions, the Group's entrepreneurial approach and effective management reporting with regular budget reviews allows it to manage this risk.

Credit risk

The Company is exposed to credit risk with respect to trade and other debtors, prepayments and accrued income. The concentration of credit risk from trade receivables is limited due to the large and broad customer base. 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 recorded at the balance sheet

Currency risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. However, the Company receives revenue and incurs costs in various currencies so as to diversify the risk arising from its exposure to foreign currencies. Exchange rates are also monitored on a monthly basis so that the Company's exchange losses are kept to a minimum.

Liquidity risk

The Group has committed to providing financial support to the Company to meet its financial obligations when they fall due, for a period of at least 12 months from the date of signing of the financial statements for the year ended 30 September 2020.

The Group's principal source of borrowings are provided through committed bank facilities available to the Group until December 2022. These syndicated facilities include a £188m (2019: £240m) multi-currency revolving credit facility which was undrawn at 30 September 2020 (2019: undrawn).

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 adjusted operating cash conversion rate based on adjusted operating profit and adjusted cash generated from operations was 100%. The Group's forecasts and projections, looking out to September 2023 and taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level and covenants of its current and available borrowing facilities.

The EII PLC overall increasing risk trend has been disclosed in detail in the EII PLC 2020 Annual Report on pages 44 to 56.

Euromoney Trading Limited

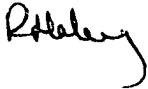
Strategic Report

Year ended 30 September 2020

Key performance indicators

Year on year, total revenue has decreased by 22% (2019: 14% decrease). The decrease is mainly due to a £18.1m decrease in Events and conferences revenue, which also resulted in the decline in operating result from a profit of £15.7m to a loss of £8.5m. The gross profit margin has increased to 69% from 68% in 2019.

This report was approved by the board of directors on 30 March 2021 and signed on behalf of the board by:



RA Haley
Director

Euromoney Trading Limited

Directors' Report

Year ended 30 September 2020

The Directors present their report and the audited Annual Report and Financial Statements of the Company for the year ended 30 September 2020.

Directors

The Directors who served the Company during the year and up to the date of signing the financial statements are listed on page 1.

Dividends

During the year the Company paid a dividend of £nil (2019: £nil). The Directors have not recommended a final dividend (2019: £nil).

Future developments

Although the Company's principal activities are not expected to change substantially, the Directors expect physical events to continue to be substantially restricted in the near term, as set out in the Strategic Report on page 3. Revenue from events will continue to be reduced as compared to prior years.

Disabled employees

It is the Company's policy to give full and fair consideration to applications for employment from people who are disabled; to continue, wherever possible, the employment of, and to arrange appropriate training for, employees who become disabled; and to provide opportunities for the career development, training and promotion of disabled employees.

Employee involvement

It is the policy of the Group to consult employees on a regular basis to consider their views on decisions that are likely to affect their interests. This policy is set out in the Euromoney Institutional Investor PLC Annual Report and Accounts 2020.

Equal opportunities

The Company is an equal opportunity employer. It seeks to employ a workforce which reflects the diverse community at large, because the contribution of the individual is valued, irrespective of sex, age, disability, sexual preference or orientation, race, colour, religion, ethnic or national origin. It does not discriminate in recruitment, promotion or other employee matters. The Company endeavours to provide a working environment free from unlawful discrimination, victimisation or harassment.

Quality and integrity of employees

The competence of people is ensured through high recruitment standards. The high ethical standards expected are communicated by management and through the employee handbook which is provided to all employees. The employee handbook includes specific policies on matters such as the use of the Company's information technology resources, data protection policy, the UK Bribery Act, and disciplinary and grievance procedures. The Company operates an internal intranet site which is used to communicate with employees and provide guidance and assistance on day-to-day matters facing employees.

The Company has a specific whistle-blowing policy that is supported by an externally managed hotline. The whistle-blowing policy is updated when necessary and is reviewed by EII PLC's Audit Committee.

Human rights and health and safety requirements

The Company is committed to the health and safety and the human rights of its employees and communities in which it operates. Health and safety issues are monitored to ensure compliance with all local health and safety regulations. External health and safety advisers are used where appropriate.

Euromoney Trading Limited

Directors' Report *(continued)*

Year ended 30 September 2020

Engagement with others

The directors have had regard to the need to foster the Company's business relationships with suppliers, customers, and others. Together with the effect of that regard, this is set out in the Section 172 Statement contained within the Strategic Report on page 2.

Financial instruments

Financial instruments held by the Company at the reporting date comprised cash at bank and in hand, bank loans and overdrafts, trade debtors and creditors, intercompany debtor and creditor balances, and derivative financial instruments. Intercompany debtor and creditor balances were current accounts, interest free and repayable on demand, stated at amortised cost. Further details can be found in note 23 to the financial statements.

The Company'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 but are not employed for speculative purposes. Forward contracts are used to manage the Company's exposure to fluctuations in exchange rate movements.

Disclosure of information in the Strategic Report

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report. This includes a review of the development of the business of the Company during the year, of its results for the year and its position at the end of the year and of the likely future developments in its business.

Qualifying third-party indemnity provisions

A qualifying third-party indemnity (QTPI) as permitted by the Company's Articles of Association and Section 234 of the Companies Act 2006, has been granted by the Company to the Directors of the Company. 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 Directors' 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, judgement is given against the Director. The QTPI was in force during the financial year and at the date of approval of the financial statements.

Appointment of independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Euromoney Trading Limited

Directors' Report *(continued)*

Year ended 30 September 2020

Going concern

The Directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future as Euromoney Institutional Investor PLC, the ultimate parent company, has committed to providing financial support to meet its financial obligations when they fall due, for a period of at least 12 months from the date of signing of the financial statements for the year ended 30 September 2020. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The impact on the future prospects of the Company from covid-19 has been considered as part of the Euromoney Institutional Investor PLC adoption of the going concern basis for the 2020 year-end results as released on 19 November 2020 and available on the EII PLC website (www.euromoneyplc.com). The Group concluded that there was no material uncertainty on its ability to continue as a going concern at the time the year-end results were released, and therefore, and in light of the support pledged by the Group, the Directors have concluded that no material uncertainty exists for the Company at the date of signing these financial statements to continue as a going concern.

Post balance sheet events

Events arising after 30 September 2020 are set out in note 29.

Statement of Directors' responsibilities in respect of the financial statements

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, 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 company will continue in business.

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

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

Euromoney Trading Limited

Directors' Report *(continued)*

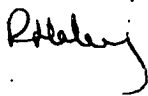
Year ended 30 September 2020

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board of Directors on 30 March 2021 and signed on behalf of the Board, by:



RA Haley
Director

Euromoney Trading Limited

Independent Auditors' Report to the Members of Euromoney Trading Limited

Year ended 30 September 2020

Report on the audit of the financial statements

Opinion

In our opinion, Euromoney Trading Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its loss for the year then ended;
- have been properly prepared 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); and
- 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 Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 September 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity 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 company 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2020 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Euromoney Trading Limited

Independent Auditors' Report to the Members of Euromoney Trading Limited

Year ended 30 September 2020

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 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 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.

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 received 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 financial statements 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
30 March 2021

Euromoney Trading Limited
Statement of Comprehensive Income

Year ended 30 September 2020

	Notes	2020 £000	2019 £000
Turnover	5	61,384	78,688
Cost of sales		<u>(18,807)</u>	<u>(25,217)</u>
Gross profit		42,577	53,471
Distribution costs		(662)	(856)
Administrative expenses		<u>(94,844)</u>	<u>(94,134)</u>
Exceptional items	6	(142)	11,392
Other operating income	7	44,478	45,841
Operating (loss)/profit	8	<u>(8,593)</u>	<u>15,714</u>
Interest receivable and similar income	12	12	14
Interest payable and similar expenses	13	(79)	(61)
(Loss)/profit before taxation		<u>(8,660)</u>	<u>15,667</u>
Tax on (loss)/profit	14	1,485	(6,112)
(Loss)/profit for the financial year		<u>(7,175)</u>	<u>9,555</u>
Other comprehensive (expense)/income:			
Actuarial loss in respect of defined benefit pension scheme	22	(1,104)	(538)
Change in fair value of cash flow hedges		2,783	(2,753)
Transfer of foreign exchange (gains)/losses in total revenue from fair value reserves to profit and loss		(671)	2,099
Tax on other comprehensive (expense)/income		(191)	183
Total comprehensive (expense)/income for the year		<u>(6,358)</u>	<u>8,546</u>

All the activities of the Company are from continuing operations.

The notes on page 15 to 34 form part of these Annual Report and Financial Statements.

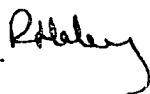
Euromoney Trading Limited

Statement of Financial Position

As at 30 September 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Intangible assets	15	88,402	101,931
Tangible assets	16	188	377
		<u>88,590</u>	<u>102,308</u>
Current assets			
Net defined benefit surplus	22	566	1,515
Debtors	17	158,725	150,099
Cash at bank and in hand		651	947
		<u>159,942</u>	<u>152,561</u>
Creditors: amounts falling due within one year	18	<u>(132,469)</u>	<u>(135,676)</u>
Net current assets		<u>27,473</u>	<u>16,885</u>
Total assets less current liabilities		<u>116,063</u>	<u>119,193</u>
Creditors: amounts falling due after more than one year	19	(738)	(1,134)
Provisions for liabilities	20	(3,624)	-
Net assets		<u>111,701</u>	<u>118,059</u>
Capital and reserves			
Called up share capital	26	1,794	1,794
Share premium account		211,539	211,539
Other reserves	27	(30)	(2,142)
Profit and loss account		(101,602)	(93,132)
Total equity		<u>111,701</u>	<u>118,059</u>

These financial statements on pages 12 to 34 were approved by the Board of Directors and authorised for issue on 30 March 2021, and are signed on behalf of the Board by:



RA Haley
Director

Company registration number: 05935420

The notes on page 15 to 34 form part of these Annual Report and Financial Statements.

Euromoney Trading Limited

Statement of Changes in Equity

Year ended 30 September 2020

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 October 2018	1,794	211,539	(1,488)	(102,332)	109,513
Profit for the financial year	-	-	-	9,555	9,555
Credit relating to equity-settled share-based payments	-	-	-	12	12
Charge from parent for equity-settled share-based payments	-	-	-	(12)	(12)
Other comprehensive (expense)/income for the year:	-	-	-	-	-
Change in fair value of cash flow hedges	-	-	(2,753)	-	(2,753)
Transfer of foreign exchange gains in total revenue from fair value reserves to Income Statement	-	-	2,099	-	2,099
Actuarial loss in respect of defined benefit pension scheme	-	-	-	(538)	(538)
Tax benefit relating to other comprehensive (expense)/income	-	-	-	183	183
Total comprehensive income for the year	-	-	(654)	9,200	8,546
At 30 September 2019	1,794	211,539	(2,142)	(93,132)	118,059
Loss for the financial year	-	-	-	(7,175)	(7,175)
Charge relating to equity-settled share-based payments	-	-	-	(198)	(198)
Credit from parent for equity-settled share-based payments	-	-	-	198	198
Other comprehensive income/(expense) for the year:	-	-	-	-	-
Change in fair value of cash flow hedges	-	-	2,783	-	2,783
Transfer of foreign exchange losses in total revenue from fair value reserves to profit and loss	-	-	(671)	-	(671)
Actuarial loss in respect of defined benefit pension scheme	-	-	-	(1,104)	(1,104)
Tax relating to other comprehensive income/(expense)	-	-	-	(191)	(191)
Total comprehensive expense for the year	-	-	2,112	(8,470)	(6,358)
At 30 September 2020	1,794	211,539	(30)	(101,602)	111,701

The notes on page 15 to 34 form part of these Annual Report and Financial Statements.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

1. General information

The Company is a private company limited by shares, registered in the United Kingdom. The address of the registered office is 8 Bouverie Street, London, EC4Y 8AX, United Kingdom.

2. Statement of compliance

These financial statements have been prepared under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, in accordance 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.

3. Accounting policies

Basis of preparation

The Company is incorporated in England and Wales. Due to the current economic conditions there are inherent future uncertainties that may impact the business. As a result, the Directors have made enquiries and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future as Euromoney Institutional Investor PLC, the ultimate parent company, has committed to providing financial support to meet its financial obligations when they fall due, for a period of at least 12 months from the date of signing of the financial statements for the year ended 30 September 2020. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The impact on the future prospects of the Company from covid-19 has been considered as part of the Euromoney Institutional Investor PLC adoption of the going concern basis for the 2020 year-end results as released on 19 November 2020 and available on the EII PLC website (www.euromoneyplc.com). The Group concluded that there was no material uncertainty on its ability to continue as a going concern at the time the year-end results were released, and therefore, and in light of the support pledged by the Group, the Directors have concluded that no material uncertainty exists for the Company at the date of signing these financial statements to continue as a going concern.

The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest thousand.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Disclosure exemptions

This entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Euromoney Institutional Investor PLC, 8 Bouverie Street, London EC4Y 8AX. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- Section 7, Statement of Cash Flows and paragraphs 3.17(d); and
- Related Party Disclosures (paragraph 33.7)

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Turnover recognition

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

Subscription revenues are recognised in the Statement of Comprehensive Income on a straight-line basis over the period of the subscription. Subscription revenues contain certain items recognised on a cash basis including voting revenues where the amount paid by the customer is determined by a qualitative vote and paid in arrears for services rendered, and best efforts revenue where the payments for services rendered are uncertain until received.

Advertising revenues are recognised in the Statement of Comprehensive Income on the date of the publication, where applicable, or in the case of an ad hoc project, when the deliverable has been sent to the customer. Advertising revenues represent the fees that customers pay to place an advertisement in one or more of the Company's publications, either in print or online, to commission ad hoc consulting and thought leadership projects, and to purchase survey reports.

Sponsorship and delegate revenues are recognised in the Statement of Comprehensive Income over the period in which the event is run; for both physical and virtual events. Revenues earned from the delivery of training courses are recognised in the period when the course is completed.

Revenues invoiced but relating to future periods are deferred and treated as deferred income in the Statement of Financial Position.

Exceptional items

Exceptional items are disclosed separately in the Financial Statements, in order to provide further understanding of the financial performance of the entity. Any item classified as an exceptional item is 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.

Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. However, deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Other operating income

Other operating income primarily represents transfer pricing recharges to fellow Group companies. The Company policy is such that, where costs are incurred on behalf of fellow Group companies, these costs are recharged on an arms' length basis to these companies according to the current Group Transfer Pricing policy. This policy is revised periodically and the recharges are reviewed to ensure that the policy is being followed.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Goodwill

Goodwill through group reorganisation

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised.

Acquired 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 at cost and subsequently measured at cost less accumulated amortisation. Assets are grouped at the lowest level for which there are separately identifiable cash flows. If this consideration is lower than the fair value of the net assets of the subsidiary undertaking or businesses acquired, the difference is recognised as 'negative goodwill' and capitalised.

The carrying value of goodwill is reviewed 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.

Tangible assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, on a straight-line basis, over the useful economic life of that asset as follows:

Leasehold additions	Over term of lease
Plant and machinery	3 years
Fxtures and fittings	4 years

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Intangible assets

Intangible assets principally comprise purchased brands and software and are capitalised and amortised on a straight-line basis over the useful-economic lives.

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

Internally-generated intangible assets

An internally-generated intangible asset arising from the Company's software and systems development is recognised only if the Company can demonstrate the following:

- The technical feasibility of completing the intangible asset;
- Its intention to complete the intangible asset and use or sell it;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over the useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Acquired intangible assets

For acquired intangible assets, the Company 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 method. These intangible assets are reviewed for impairment as described below.

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

Impairment of intangible assets

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 – "CGU"s). CGUs represent development projects or individual acquisition intangibles. Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Intangible assets in development	not amortised
Internally generated intangible assets	3 - 7 years
Acquired intangible assets:	
• Trademarks and brands	5 - 20 years
• Customer relationships	1 - 10 years
Goodwill	10 - 20 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Financial instruments

The Company has chosen to adopt IAS 39 in respect of financial instruments.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Derivative assets and liabilities (notes 17, 18, 19 and 23) are measured at fair value, being the mark to market valuation provided by the financial institution acting as the counterparty for the respective trade. This constitutes level 2 in the fair value hierarchy, as outlined below. All other financial instruments are measured at amortised cost.

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. Bad debts are written off when identified.

Trade and other creditors

Trade creditors are not interest-bearing and are stated at amortised cost.

Derivative financial instruments

The Company uses derivative financial instruments to manage its exposure to foreign exchange risk. The policy for hedge accounting is outlined below.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Hedge accounting

The Company uses derivative financial instruments to manage its exposure to foreign exchange risks, including forward foreign currency contracts. All derivative instruments are recorded in the Statement of Financial Position at fair value (fair value level 2, as defined below). The derivative instruments are designated as cash flow hedges and are accounted for as follows:

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income within the Statement of Comprehensive Income. The ineffective portion of such gains and losses is recognised in the Income Statement immediately. Amounts accumulated in equity are reclassified to the Income Statement in the periods when the hedged item is recognised in the Income Statement (for example, when the forecast transaction that is hedged takes place). There was £0.2m of hedge ineffectiveness losses recognised in administrative expenses during the current year (2019: nil) arising from UK based dollar receipts being lower than expected in the second half of the year due to the impact of covid-19.

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined 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.

Level 3

If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

As at 30 September 2020, all fair value estimates have been included in level 2, other than cash and cash equivalents, which are classified as level 1.

Retirement benefit plans

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

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate non-Group entity. Payments to the Euromoney Pension Saver/Pension Plan, a defined contribution pension scheme, are charged as an expense as they fall due.

Defined benefit plans

The Company also participates in the Harmsworth Pension Scheme, a defined benefit pension scheme which is operated by Daily Mail and General Trust plc.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Share-based payments

The Company's parent company, Euromoney Institutional Investor PLC, 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. At the period end the vesting assumptions are revisited and the charge associated with the fair value of these options updated. For cash-settled share-based payments a liability equal to the portion of the services received is recognised at the current fair value as determined at each balance sheet date. A charge of £198,000 was recognised in 2020 (2019: credit of £12,000).

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. Judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. The following are considered key estimates for the Company:

Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience of recovery.

Provision for liabilities – Redundancy provision

The restructuring provision is an estimate of the severance payments that will be paid to employees. This is based on the salary, length of service and notice periods of the staff affected. The amount of the provision may change during the consultation period, which was in progress at the balance sheet date.

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 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 used are shown in note 22. Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

4. Judgements and key sources of estimation uncertainty *(continued)*

Recoverable value of intangible assets

Intangible assets (such as goodwill) are assessed at each period end for indications of impairment and, if these indications are identified, a full impairment assessment is performed. Intangible assets are held at the lower of amortised cost and recoverable value. Their recoverable value is assessed using value-in-use calculations by considering the future cash flows that will arise from them. These cash flows are taken from board-approved forecasts, with the following assumptions:

- budgets by business based on pre-tax cash flows for the next three years derived from approved 2020 budgets. Management believes these budgets to be reasonably achievable;
- pre-tax discount rates of 9.5% (2019: 11.5%), being the Group's benchmarked weighted average cost of capital (WACC); and
- long-term nominal growth rate of 2.3% (2019: 1.2%).

5. Turnover

Turnover arises from:

	2020 £000	2019 £000
Publication subscriptions	26,923	25,690
Advertising	16,519	17,686
Events and conferences	14,756	32,813
Other	3,186	2,499
Total	<u>61,384</u>	<u>78,688</u>

The turnover is attributable to the principal activities of the Company. An analysis of turnover is given below.

Turnover by destination

	2020 £000	2019 £000
United Kingdom	19,973	23,362
Europe	11,664	14,648
North America	15,857	19,534
Rest of the World	13,890	21,144
Total	<u>61,384</u>	<u>78,688</u>

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

6. Exceptional items

	2020	2019
	£000	£000
Exceptional (costs)/gains	<u>(142)</u>	<u>11,392</u>

2020

During the financial year the Company incurred a charge of £3,560,000 in respect of a provision for restructuring costs (note 20). This was offset by a credit of £3,597,000 for releases of prior year accruals for costs related to acquisitions and the strategic review of Asset Management, as these costs were subsequently recharged to other group entities. The Company incurred £137,000 of exceptional costs relating to the integration of acquired businesses. The Company also recognised an exceptional credit of £173,000 for releases of balances in relation to the Euromoney Indices disposal in 2017 and an exceptional charge of £215,000 for professional fees for payroll taxes voluntary disclosure with HMRC.

2019

The Company disposed of the Mining Indaba business for a gain of £17,298,000 with £234,000 transaction costs arising as part of the disposal.

As part of the Group's strategy, the Company engaged in a number of transactions during the year for the acquisition and disposal of businesses and incurred fees (net of any intragroup recharges) from external advisors of £2,854,000. The Company also incurred £2,818,000 of additional operational costs in relation to the integration of acquired businesses during the year.

7. Other operating income

	2020	2019
	£000	£000
Management charges receivable	44,478	45,824
Other income	-	17
Total	<u>44,478</u>	<u>45,841</u>

8. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2020	2019
	£000	£000
Amortisation of goodwill and intangible assets	16,538	16,324
Equity-settled share-based payments (credit)/expense	(198)	12
Depreciation of tangible assets	266	343
Foreign exchange loss/(gain)	123	(84)

9. Auditors' remuneration

Auditors' remuneration for the current year was paid by the parent undertaking, Euromoney Institutional Investor PLC. The amount attributed to Euromoney Trading Limited is £80,776 (2019: £77,000) for the audit of the Company's financial statements

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

10. Staff costs

The monthly average number of persons employed by the Company during the year, including the Directors, amounted to:

	2020	2019
	No.	No.
Journalists/writers	46	54
Editors/copywriters	59	66
Research staff	36	34
Sales staff	102	99
Management (including executive and divisional Directors)	24	26
Marketing staff	51	52
Administration staff	248	223
Production staff	30	20
Other staff	24	24
Programmers (events)	26	28
	646	626

The aggregate payroll costs incurred during the year, relating to the above, were as follows. These costs are disclosed within admin expenses in the Statement of Comprehensive Income:

	2020	2019
	£000	£000
Wages and salaries	48,392	46,478
Social security costs	4,892	5,484
Termination benefits (note 6)	3,973	306
Defined contribution pension expense	175	188
Actuarial loss on defined benefit pension recognised in other comprehensive income	1,104	538
Share-based payments (credit)/charge (see note 24)	(198)	12
	58,339	53,006

£3,560,000 (2019: £nil) of the termination benefits classified as exceptional (note 6).

11. Directors' remuneration

The Directors do not receive emoluments specifically for their services to this Company. Due to the complexity of the Company structure in the UK and how the Directors spend their time, Directors' emoluments have not been specifically allocated to the Company but have been paid out of this entity as disclosed below.

Key management compensation:

	2020	2019
	£000	£000
Remuneration	469	1,515
Company contributions to defined contribution pension plans	38	85
	507	1,600

Post-employment benefits are accruing for two Directors (2019: two) under a defined contribution scheme.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

11. Directors' remuneration *(continued)*

Remuneration of the highest paid director employed by the Company:

	2020	2019
	£000	£000
Aggregate remuneration	240	676
Company contributions to defined contribution pension plans	18	23
	<u>258</u>	<u>699</u>

12. Interest receivable and similar income

	2020	2019
	£000	£000
Interest on loans and receivables	8	2
Interest on cash and cash equivalents	4	12
	<u>12</u>	<u>14</u>

13. Interest payable and similar expenses

	2020	2019
	£000	£000
Interest on banks loans and overdrafts	3	-
Interest payable to group undertakings	14	38
Other finance charges	62	23
	<u>79</u>	<u>61</u>

14. Tax on (loss)/profit

Major components of tax (credit)/charge

	2020	2019
	£000	£000
Current tax:		
UK current tax charge	-	6,465
Adjustments in respect of prior years	(1,424)	(280)
Foreign tax	52	121
Total current tax (credit)/charge	<u>(1,372)</u>	<u>6,306</u>
Deferred tax:		
Origination and reversal of timing differences	58	27
Adjustments in respect of prior years	40	(221)
Effect of increase in tax rate on opening asset	(211)	-
Total deferred tax (credit)/charge	<u>(113)</u>	<u>(194)</u>
Tax (credit)/charge on profit	<u>(1,485)</u>	<u>6,112</u>

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

14. Tax on (loss)/profit *(continued)*

Tax recognised as other comprehensive income or equity

The aggregate deferred tax movement relating to items recognised as other comprehensive income in the year was a charge of £191,000 (2019: benefit of £183,000).

Reconciliation of tax (credit)/charge

The Company's tax (credit)/charge for the year is based on the UK statutory rate of corporation tax for the year of 19% (2019: 19%).

On 11 March 2020, the UK Government announced that a previously enacted reduction in the Corporation Tax rate from 19% to 17% on 1 April 2020 would no longer go ahead and the rate would remain at 19%. The legislation to implement the revised rates was substantively enacted on 17 March 2020. The 2021 Budget took place on 3 March 2021 during which the UK Government announced that from April 2023 the corporation tax will increase from 19% to 25%.

The actual tax (credit)/charge for the year is different from the UK statutory rate for the reasons set out in the following reconciliation:

	2020 £000	2019 £000
Profit before taxation	(8,660)	15,667
Tax at 19% (2019: 19%)	(1,645)	2,977
Adjustments in respect of prior years	(1,384)	(501)
Foreign tax	52	121
Effect of expenses not deductible for tax purposes	2,504	3,596
Effect of capital allowances and depreciation	-	(46)
Effect of increase in tax rate on opening asset	(211)	-
Short term timing differences	226	32
Other deductible items	(257)	(67)
Group relief received for no payment	(770)	-
Tax on profit	(1,485)	6,112

The items that are non-deductible for tax purposes are in respect of non-allowable intangible amortisation and legal and professional fees in respect of the acquisition and disposal of group businesses. The adjustment in respect of prior periods is in relation to current and deferred tax credits following the submission of prior years' tax returns.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

15. Intangible assets

	Goodwill £000	Internally generated intangible assets £000	Acquired intangible assets £000	Total £000
Cost				
At 1 October 2019	181,711	13,484	68,660	263,855
Additions	-	3,154	-	3,154
Disposals	-	(145)	-	(145)
At 30 September 2020	<u>181,711</u>	<u>16,493</u>	<u>68,660</u>	<u>266,864</u>
Accumulated amortisation				
At 1 October 2019	128,448	8,957	24,519	161,924
Charge for the year	8,405	787	7,346	16,538
At 30 September 2020	<u>136,853</u>	<u>9,744</u>	<u>31,865</u>	<u>178,462</u>
Carrying amount				
At 30 September 2020	<u>44,858</u>	<u>6,749</u>	<u>36,795</u>	<u>88,402</u>
At 30 September 2019	<u>53,263</u>	<u>4,527</u>	<u>44,141</u>	<u>101,931</u>

The goodwill with carrying amount of £44,858,000 (2019: 53,263,000) arose primarily through group restructuring.

2020

The Company capitalised development costs of £3,154,000 arising from the implementation of a new general ledger system and the building of front-end platforms for use by its businesses.

2019

The Company capitalised development costs of £3,457,000 arising from the implementation of a new general ledger system and the building of front-end platforms for use by its businesses.

On 23 October 2018, the Company disposed of the intangible assets of Mining Indaba, comprising assets with a net book value of £12,783,000 (note 11).

On 1 October 2018, the Company disposed of goodwill and intangible assets of Extel, comprising assets with a net book value of £2,669,000, to Institutional Investor LLC, an Euromoney II PLC Group entity incorporated in the United States.

Software with a net book value of £68,000 previously carried in plant and machinery within tangible assets was transferred to internally generated intangible assets during the financial year.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

16. Tangible assets

	Leasehold additions £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost				
At 1 October 2019	30	3,202	1,435	4,667
Additions	-	77	-	77
At 30 September 2020	<u>30</u>	<u>3,279</u>	<u>1,435</u>	<u>4,744</u>
Accumulated depreciation				
At 1 October 2019	30	2,924	1,336	4,290
Charge for the year	-	188	78	266
At 30 September 2020	<u>30</u>	<u>3,112</u>	<u>1,414</u>	<u>4,556</u>
Carrying amount				
At 30 September 2020	-	167	21	188
At 30 September 2019	-	278	99	377

17. Debtors

	2020 £000	2019 £000
Trade debtors	14,653	16,406
Amounts owed by group undertakings	133,803	123,572
Derivative financial assets	1,450	1,868
Other debtors	1,058	1,591
Deferred tax assets (note 21)	1,715	1,792
Corporation tax	1,349	-
Prepayments and accrued income	4,697	4,370
	<u>158,725</u>	<u>149,599</u>

Amounts owed by group undertakings consist of current accounts which are interest-free and repayable on demand.

Amounts falling due after more than one year:

	2020 £000	2019 £000
Prepayments and accrued income	<u>500</u>	<u>500</u>

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

18. -Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	1,694	421
Amounts owed to group undertakings	83,328	73,515
Corporation tax	-	4,415
Derivative financial liabilities	1,216	3,676
Other taxation and social security	3,244	2,484
Other creditors	5,600	6,704
Accruals and deferred income	37,387	44,461
	132,469	135,676

Amounts owed to group undertakings are current accounts which are interest free and repayable on demand.

19. Creditors: amounts falling due after more than one year

	2020	2019
	£000	£000
Derivative financial liabilities	264	334
Deferred revenue	474	800
	738	1,134

20. Provisions for liabilities

	Onerous contract provision	Redundancy provision	Total
	£000	£000	£000
At 1 October 2019	-	-	-
Provision in the year	194	3,560	3,754
Used in the year	-	(130)	(130)
At 30 September 2020	194	3,430	3,624

Onerous contract provision

During the financial year, an onerous contract provision of £194,000 was recognised for an office which was vacated during the year.

Redundancy provision

During the financial year, a redundancy provision was recognised in the Company, as a result of a major restructuring across the Group as part of a cost reduction programme. The restructuring provision estimates the severance payments to employees based on salary, length of service and notice periods but may change during the consultation period.

Euromoney Trading Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2020

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£000	£000
Included in debtors (note 17)	<u>1,715</u>	<u>1,792</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£000	£000
Net derivative liabilities	6	364
Capital allowances not utilised	630	665
Pension plan (assets)	(108)	(257)
Other timing differences	552	424
Tax losses carried forward	635	596
	<u>1,715</u>	<u>1,792</u>

On 11 March 2020, the UK Government announced that a previously enacted reduction in the Corporation Tax rate from 19% to 17% on 1 April 2020 would no longer go ahead and the rate would remain at 19%. The legislation to implement the revised rates was substantively enacted on 17 March 2020. Deferred tax assets and liabilities have been calculated using a rate of 19%. The 2021 Budget took place on 3 March 2021 during which the UK Government announced that from April 2023 the corporation tax will increase from 19% to 25%.

The Directors are of the opinion that based on recent and forecast trading, it is more likely than not that the level of profits in the future years are sufficient to enable the asset to be recovered.

22. Net defined benefit surplus

Pension plans

The expense recognised in the statement of comprehensive income in relation to defined contribution plans was £175,000 (2019: £188,000). In addition to this the Company recognised a loss of £1,104,000 (2019: loss of £538,000) in relation to the Harmsworth Pension Scheme, which is a defined benefit scheme.

Harmsworth Pension Scheme (HPS)

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 buybacks, it will make additional contributions to the scheme amounting to 20% of the capital reduction. No contributions relating to this agreement were made in the years to 30 September 2019 and 2020.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

22. Net defined benefit surplus *(continued)*

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 during the year to 30 September 2020.

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 FRS 102, Section 28, the LP is not included as an asset of the scheme and therefore is not included in the disclosures below.

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).

The Company has recognised its share of the HPS net defined benefit pension surplus on the Statement of Financial Position, being £566,000 in 2020 (2019: £1,515,000).

23. Financial instruments

The Company has the following financial instruments:

	2020 £000	2019 £000
Financial assets measured at fair value through other comprehensive income		
Derivative financial instruments (note 17)	1,450	1,868
Financial assets that are measured at amortised cost		
Cash at bank and in hand	651	947
Trade debtors (note 17)	14,653	16,406
Amounts owed by group undertakings (note 17)	133,803	123,572
	<u>149,107</u>	<u>140,925</u>
Financial liabilities measured at fair value through other comprehensive income		
Derivative financial instruments (notes 18 and 19)	1,430	4,010
Financial liabilities measured at amortised cost		
Amounts owed to group undertakings (note 18)	83,328	73,515

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

24. 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 Euromoney Institutional Investor PLC ("EII PLC", the ultimate parent company). All of the options outstanding are equity settled by EII PLC. There were no share options exercisable at 30 September 2020 (2019: nil). The credit recognised in the Statement of Comprehensive Income in 2020 in respect of these option schemes was £198,000 (2019: £12,000 charge).

Share options	Options outstanding at 1 October 2019	Granted in year	Exercised during year	Lapsed/ forfeited during year	Options outstanding at 30 September, 2020
Incentive scheme	Options	Options	Options	Options	Options
SAYE/ Sharesave	258,488	-	(40,054)	(69,971)	148,463
Performance Share Plan (PSP)	137,968	168,349	-	-	306,317
Total	396,456	168,349	(40,054)	(69,971)	454,780
Weighted average exercise price (£)	6.64	0.00	8.25	9.97	3.52

The fair value of options granted during the year was £311,610 (2019: £1,523,291).

The options outstanding at 30 September 2020 had a weighted average remaining contractual life of 6.62 years (2019: 4.67 years).

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.

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 EII PLC. 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.

Euromoney Trading Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

25. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Other reserves - This reserve records the fair value of cash flow hedging instruments outstanding at each reporting date.

Profit and loss - This reserve records accumulated profits and losses.

26. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£000	No.	£000
Ordinary shares of £1 each	<u>1,739,578</u>	<u>1,794</u>	<u>1,739,578</u>	<u>1,794</u>

27. Other reserves

The following movements on the other reserves are included within other reserves in the statement of changes in equity:

	Other reserves £000
At 1 October 2018	(1,488)
Change in fair value of cash flow hedges	(2,753)
Transfer of foreign exchange gains in total revenue from fair value reserves to profit and loss	<u>2,099</u>
At 30 September 2019	(2,142)
Change in fair value of cash flow hedges	2,783
Transfer of foreign exchange gains in total revenue from fair value reserves to profit and loss	<u>(671)</u>
At 30 September 2020	(30)

28. Controlling party

The immediate parent undertaking and controlling party is Euromoney Consortium 2 Limited, an indirectly wholly owned subsidiary of Euromoney Institutional Investor PLC ("EII PLC"). On 15 March 2021, the immediate parent of the Company changed to EII (Ventures) Limited. This was part of a wider Group simplification programme.

The ultimate parent undertaking at the balance sheet date as EII PLC.

The smallest and largest group of which the Company is a member and for which group financial statements are drawn up is that of EII PLC, incorporated in England and Wales. Copies of the report and financial statements are available from the Company Secretary, Euromoney Institutional Investor PLC, 8 Bouverie Street, London, EC4Y 8AX.

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Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

29. Post balance sheet events

The United Kingdom has left the European Union on 31 January 2020. On 30 December 2020, the UK entered the EU-UK Trade and Cooperation Agreement with the EU. This did not have a material impact on the Company's financial results.

The Company acquired the trading assets and liabilities of Management Diagnostics Limited, a fellow Group company. This took effect on 1 March 2021.

On 15 March 2021, the immediate parent of the Company changed to EII (Ventures) Limited. This was part of a wider Group simplification programme.

The 2021 Budget took place on 3 March 2021 during which the UK Government announced that from April 2023 the corporation tax will increase from 19% to 25%.