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26 February 2018

Ascential plc

Audited results for the year ended 31 December 2017

Another year of good growth. Strategic review of exhibitions business.

London: Ascential plc (LSE: ASCL.L), the global, specialist information company, today announces its results for the year ended 31 December 2017.

Operational highlights

- Another year of good organic growth underpinned by strong customer retention and product innovation (Groundsure Avista, Coloro, WGSN Barometer, WGSN Insight).

- Greater focus on higher growth brands through the acquisitions of both MediaLink and Clavis and the successful disposal of the Heritage Brands.

- Completion of the Cannes Lions consultation to make the festival ever more relevant to its participants, as well as measures to make it more affordable and accessible.

- Acceleration of the launch of Money20/20 in China to 2018.

- Continued focus on high growth brands that help customers succeed in the digital economy.

- Announcement of a strategic review of the exhibitions business (Spring and Autumn Fair, Bett, CWIEME, Pure, Glee and BVE).

Financial highlights

- Another year of good Organic revenue growth with revenue from continuing operations of £375.8m (2016: £299.6m) and reported growth of 25% (or 6.4% on a constant currency Organic basis).

- Solid Organic Adjusted EBITDA growth to £119.5m (2016: £95.9m)
    - Reported growth of 25% (or 3.4% on a constant currency Organic basis)
    - Margin at 31.8% (2016: 32.0%) with planned product investment in Information Services offset by foreign exchange benefit in Exhibitions & Festivals.

- Reported operating profit from continuing operations of £44.5m (2016: £32.1m): growth of 39%.

- Further strong growth in earnings per share with Adjusted diluted EPS on continuing operations of 18.3p up 36% (2016: 13.5p) and Reported diluted earnings per share on total operations of 4.4p (2016: 4.3p).

- Strong cash generation resulting in closing net debt leverage of 2.3x (2016: 2.1x) after continued investment in the business and M&A. Operating cash flow conversion of 101% (2016: 100%).

- Recommended final dividend of 3.8p, making a total dividend of 5.6p for the year (2016: 4.7p) up 19%.

Duncan Painter, Chief Executive Officer, commented:

"We have delivered another set of good results, growing both revenues and profits. The strategic actions we have taken in the last 18 months have increased our focus on our primary brands, enabling us to accelerate product innovation, grow our market leadership positions and further diversify our revenue internationally. The business continues to generate significant cash flows to fund investment, shareholder returns and acquisitions. The integration of MediaLink and One Click Retail has progressed to plan and they, together with Clavis, enhance our offering and provide new opportunities for growth.

As we look to 2018 and beyond we will build upon our reputation for enabling customers to succeed in the digital economy in the areas of Product Design, Marketing and Sales. We will continue to critically assess the potential of our brands to support these goals and where to allocate capital. The strategic review of our exhibitions business that we announce today is one such exercise.

While still early in 2018, we are encouraged by the current level of forward bookings. Our achievements in 2017 have positioned us well to increase our growth rate in revenue and profit in 2018 and the Board is confident about our prospects for continued success."

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Ascential will host a presentation for analysts and investors at 9.00am on Monday 26 February 2018 at the offices of Numis Securities at The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT. The presentation will also be webcast live at 9.00am from www.ascential.com, allowing the slides to be viewed. A recording of the webcast will also be available on-demand from our website in due course.

References to non-GAAP alternative performance measures are explained further below.

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Financial highlights

	Year ended 31 December		Growth	
	2017 £m	2016 £m	Reported %	Organic[1] %
Revenue from continuing operations				
Exhibitions & Festivals	196.9	180.0	9.4%	5.7%
Information Services	178.9	119.6	49.6%	7.4%
	375.8	**299.6**	**25.4%**	**6.4%**
Adjusted EBITDA from continuing operations[2]				
Exhibitions & Festivals	82.3	73.5	12.0%	5.1%
Margin	*41.8%*	*40.8%*		
Information Services	50.4	35.1	43.6%	0.2%
Margin	*28.2%*	*29.3%*		
Central costs	(13.2)	(12.7)		
	119.5	**95.9**	**24.6%**	**3.4%**
Group Margin	*31.8%*	*32.0%*		
Adjusted operating profit from continuing operations[3]	**108.4**	**83.0**	**30.6%**	
Operating profit from continuing operations	**44.5**	**32.1**	**38.6%**	
Profit / (loss) before tax from continuing operations	**33.1**	**(1.8)**	**n.m.**	
Free cash flow[4]	**102.2**	**90.9**		
Free cash flow conversion	*85%*	*85%*		
Net debt[5]	**(271.5)**	**(223.7)**		
Leverage	*2.3x*	*2.1x*		

[1] *"Organic" growth is calculated to provide a more meaningful analysis of underlying performance. The following adjustments are made: (a) constant currency (restating FY16 at FY17 exchange rates), (b) event timing differences between periods (if any) (c) excluding the part-year impact of acquisitions and disposals. There were no event timing differences in 2016 or 2017. See the reconciliation in the Alternative Performance Measures section below.*

[2] *Adjusted EBITDA is IFRS operating profit before expensing (a) depreciation of tangible fixed assets and amortisation of software, (b) exceptional items, (c) amortisation of acquired intangible assets (d) impairment of tangible and intangible assets and (e) share-based payments.*

[3] *Adjusted operating profit is IFRS operating profit before expensing (a) exceptional items, (b) amortisation of acquired intangible assets (c) impairment of and intangible assets and (d) share-based payments.*

[4] *Free cash flow is cash generated from operations before exceptional items, less capital expenditure and tax paid. Free cash flow conversion is this measure of free cash flow divided by Adjusted EBITDA from both Continuing and Discontinued Operations. See the reconciliation in the Alternative Performance Measures section below.*

[5] *Leverage is Net debt divided by Adjusted EBITDA from both Continuing and Discontinued Operations.*

Segmental highlights

Exhibitions & Festivals

- Good Organic revenue growth of 5.7% to £196.9m.

- Adjusted EBITDA grew 5.1% on an Organic basis to £82.3m as we implemented planned strategic investments in the Cannes Lions product and in the launches of Money20/20 Asia and China.

- Adjusted EBITDA margin of 41.8% (2015: 40.8%) due to favourable currency impact despite continued product investment.

- Top brand performance:
    - Cannes Lions revenue grew 7% on an Organic basis, driven by the strength of the digital product and commercial partnership revenues. The festival attracted over 40,000 award entries and welcomed around 10,000 delegates.
    - Money20/20 continued its expansion in 2017 with growth of 19%, with the second year in Europe yielding extremely strong growth of 43%, attracting more than 5,000 attendees and 200 exhibitors. Money20/20 US, in its sixth year, also grew strongly by 11%, welcoming approximately 11,500 attendees and 400 exhibitors to Las Vegas.
    - As expected Spring and Autumn Fair revenue declined 2%. The events attracted approximately 85,000 visitors, and 4,000 exhibitors on a combined basis.

Information Services

- Pleasing Organic revenue growth of 7.4% to £178.9m.

- Adjusted EBITDA grew 0.2% on an Organic basis to £50.4m and Adjusted EBITDA margin reduced from 29.3% to 28.2% reflecting planned investments in new growth products.

- Top brand performance:
    - WGSN grew 6% on an Organic basis, continuing to expand both its customer base and product offerings in 2017, launching Barometer and Coloro. Retention rates remained strong at 91%.
    - Groundsure grew 13%, re-enforcing its market position and outperforming underlying property transaction volumes.

- Continued strategic acquisitions with high growth potential:
    - One Click Retail (acquired August 2016) continued its rapid progress in the first full year of ownership and saw revenue growth of 58%, led by expansion in Europe, as it opened its UK office.
    - MediaLink (acquired February 2017) achieved strong growth of 14% as it too opened a UK office.
    - Clavis (acquired December 2017) a leading eCommerce analytics provider that offers a complementary product set to that of One Click Retail, saw strong growth of 29% in 2017.

- Continued evolution of the brand portfolio through disposal of the Heritage Brands.

Chief Executive's Review

The 2017 year was one of effective execution resulting in Organic revenue growth of 6.4% while maintaining strong Adjusted EBITDA margins of 31.8%. Revenue was £375.8m (2016: £299.6m), a reported growth of 25%.

All of our execution continues to centre on our stated strategy, which can be summarised in three goals:

- To be a leading, specialist, global information company that enables customers to excel in the digital economy in Product Design, Marketing and Sales.
- To accelerate the organic growth of our revenues and optimise margins and profits.
- Through the application of a tightly focussed capital allocation process, to achieve our goals and maximise value creation for our shareholders.

With these three goals as our guide, we have made a great deal of operational progress this year, sharpening our portfolio, enhancing our product offering and acquiring exciting, high-growth businesses that fit with our ambitions. Examples of that progress include the:

- sale of our heritage, largely print-based, brands;
- launch of three new products;
- acceleration in the growth of the products we launched in 2016;
- acquisitions of MediaLink and Clavis;
- evolution of Information Services into the major contributor to top line growth;
- completion of a successful, well received, Cannes Lions review;
- acceleration of the launch of Money 20/20 China; and
- build out of new capabilities designed to accelerate our future organic growth rates.

Each of these achievements has positioned us well to increase our growth rate in revenue and profit in 2018. We are pleased that our teams have been able to continue to deliver on the ambition we set out at the time of our IPO to become a more focussed, faster growing company, with a greater number of satisfied customers allowing us to generate higher levels of returns for our shareholders.

Our focus continues to drive our success

The majority of our customers are consumer product and services companies (or companies in their supply chain), who operate globally. We have built in recent years a reputation for enabling these customers to succeed in the digital economy. The rapid digitisation of commerce – and of business more generally – is one of the highest priorities for our customers and, in many cases, their greatest challenge. The information and capabilities we provide to customers in facing this challenge are increasingly valued, differentiated, trusted – and pivotal to our future growth. Furthermore, it is becoming increasingly apparent that we are at our best when providing information, intelligence and insight that helps our customers evolve their approach to Product Design, Marketing and Sales for success in this new digital context.

Our top 10 brands deliver over 80% of our revenue and 90% of our organic growth. By continuing to optimise both the focus of our teams and the allocation of capital to our most important brands, we have grown well in 2017. This growth allows us to continue to simplify and optimise our business model to serve both our customers' and shareholders' needs.

In 2017 we increased the number of companies we do business with, whilst also diversifying the number of products we provide to our most significant customers. Growing our customer volumes, the number of products they buy and therefore the amount they pay us, plus their willingness to expand their relationship more broadly across their companies gives us confidence that our strategy is working.

A culture focussed on constant product improvement and customer retention
Really listening to customers is one of the most important skills we ask our teams to employ and is a skill we continually hone. Retaining customers is at the centre of our growth model.

We have created a culture where our teams are passionate about how to improve the information quality and relevance we provide plus how we can make it easier to consume and action. At the heart of this is an environment where all teams are encouraged to discuss, share and take actions to first understand and then address why customers leave our services. Going through monthly reviews of lost customers, understanding the reasons in depth and being open about how we will improve our products and services is at the tough end of our success. It is also at the heart of it. Without learning from our most difficult customer situations, we could easily be focussing on the wrong priorities. Creating an environment where people recognise the importance of these conversations and are willing to actively engage and learn from the feedback is an essential foundation.

Of course, our people are very proud of the products and services we produce. However, by keeping a laser focus on retention, it ensures we remain grounded and recognise the need for continual improvement. Our success will only continue by constantly improving the information we deliver through digital subscriptions, live events and expert advice. In an increasingly complex, digitally driven world, these products must help clients digest what is important to their business and how to act on it now and in the future. Our markets move rapidly and in the digital age this is only accelerating. Our primary task is to continue to configure our business to keep ahead of this change.

A year of accelerated investment in capabilities to drive our future growth rates
In 2017, we made investments in capabilities and teams across our business to ensure we can keep ahead of the critical needs of our customers including:

- Expansion of our customer insight teams and digital analysis capabilities;
- Expansion of our digital product creation and development teams; and
- Upgrade of our digital marketing and customer engagement capabilities and our eCommerce teams.

We funded these investments by accepting we would deliver a lower organic EBITDA growth rate for one year of 3%. We have not made these investments lightly and have already seen, through the immediate gains and capabilities created, how they will enable improved growth rates for 2018 and beyond.

The best example of this is the launch of our new Avista product within Groundsure which grew revenues by 13% in a particularly tough market. This new product format, built by our newly-created digital product team, has step changed our results in Groundsure. Not only did the team deliver the product to a very high quality within five months, but the impact of its design and ease of use for our customers meant that we could drive market share while also improving our yield for this new, high value, product. The design approach taken means that we can gain further traction from this investment in 2018 by building the next generation of our volume product range, leveraging the efficiency of the Avista environment to drive revenue growth while also streamlining our own operation.

We are now applying more widely the skills of these high quality teams to improve the performance of our most important brands.

Goals for 2018
In 2018 we will continue to prioritise our market leading brands, while simplifying the way we work across the organisation to drive efficiency and synergies. Our key goals for 2018 are:

- To establish Money 20/20 as the leading financial technology payments event platform across the four biggest markets of the United States, China, Europe and South-East Asia;
- To create the leading enterprise insight platform for market planning, digital shelf, market share, promotion, content and trade research worldwide;
- To accelerate the growth of the WGSN products launched over the last 18 months, establishing leadership across the new segments of Insight and Coloro;
- To continue the evolution of the Cannes Lions platform to ensure the marketing industry has a consistent measure of creativity across all digital economies and new media formats, while accelerating our own digital propositions to further establish the global Cannes Lions benchmark;
- To maintain our market leading customer retention levels across our most important brands; and
- To optimise our capital allocation and balance sheet to enable us to achieve our goals and to continue to simplify the company.

Strategic review
We believe that to maximise returns for our shareholders, our focus as a business is best targeted at brands that support customer success in the digital economy. To ensure that our capital allocation is aligned to that opportunity we will be undertaking a strategic review of our exhibitions business (comprising the Spring and Autumn Fair, Bett, CWIEME, Pure, Glee and BVE brands which generated £78m of revenue in 2017). These brands are all number one in their markets and are of a size and scale that allows us to consider a variety of options to maximize their future value and enhance our overall organic growth rates.

Summary
The year ahead presents great opportunity for Ascential. Economic markets, particularly for our most important brands, remain strong, particularly with our focus on supporting customer success in the digital economy. Many of our clients currently achieve less than 20% of their total sales through digital channels. They themselves recognise the need to move faster to drive this critical transition and, with our developments in the last 18 months, we are now very well positioned to assist them to unlock this future.

As we focus on our strategic objectives, it will mean a further year of change for the company. We will continue to assess the balance of the brands and product types in our company and how we can optimise our capital allocation going forward and we will continue to take proactive moves to achieve this. We have achieved a significant transition of our business over the last five years, particularly since our IPO. Nevertheless, the urgency of continued and accelerated transition that our customers face to remain relevant remains just as critical for us.

I have great confidence in the capabilities and skills of the Ascential team, our valued relationships with our customers and the initiatives we have underway to continue to deliver strongly for our customers and our shareholders.

Outlook
While still early in 2018, we are encouraged by the current level of forward bookings. Our achievements in 2017 have positioned us well to increase our growth rate in revenue and profit in 2018 and the Board is confident about our prospects for continued success.

Segmental review

Information Services

WGSN (revenue £73.6m +6%) the global, leading, provider of intelligence, insight and trend forecasts, continued to expand both its customer base and product offerings in 2017. WGSN launched two new products: Barometer, which provides customers with insight into their brand's impact among a panel of 120,000 consumers and Coloro, a new venture with our Chinese partners CTIC, that offers an innovative and universal categorisation of the colour spectrum for design professionals and manufacturers. These launches, together with the continued roll-out of WGSN Insight (launched at the end of 2016) helped drive the proportion of customers taking multiple products to 21% (from 15%), while average renewal rates remained high at 91% and subscription billings grew by 5%.

Groundsure (revenue £17.4m +13%) a market leading provider of environmental risk data, had another strong year, reinforcing its leading position while outperforming the underlying UK residential property market (volumes down 2%) with a 13% revenue growth. This success was achieved through its continued product innovation, in particular the launch of Avista which provides a simple, comprehensive and accessible solution for customers previously faced with multiple reports.

Recent acquisitions
MediaLink (revenue £39.7m (full year £47.4m +14%)) a strategic advisory firm and business services provider to the Media, Marketing, Advertising, Technology and Entertainment industries, joined Ascential in February 2017. Strong growth was accompanied by several achievements. MediaLink expanded its European footprint in May when the London office was opened. Integration has progressed well with several MediaLink staff assuming pan-Ascential North America responsibilities in Technology and HR and the introduction of major clients to the opportunities available for business development provided by the Money20/20 platform.

One Click Retail (revenue £12.1m +58%), the leading eCommerce analytics provider for Amazon sales and share, continued its rapid progress in the first full year of ownership. Both revenue and customer volumes grew more than 50%, while annual billings growth was 57%. A European office was established in London and we launched One Click Retail's own live content forums for the eCommerce community with the first event taking place in Seattle in November.

Clavis (revenue £0.3m (full year £13.4m +29%)) was acquired in December 2017 and offers a complementary product set to One Click Retail's sales and share expertise, as well as the potential to reach beyond the Amazon platform and further into the European and Asian markets. We included just 9 days of revenue and EBITDA loss in our 2017 consolidated income statement.

Other Information Services (£35.8m revenue, +3%)
The other brands within Information Services are Glenigan, DeHavilland, Planet Retail RNG and Retail Week. We achieved double digit billings growth performances from Glenigan and DeHavilland and also launched the combined Planet Retail RNG product.

Exhibitions and Festivals

Cannes Lions (revenue £65.6m +7%) the creative community's largest global platform for networking, learning and inspiration, enjoyed another successful edition in June. Revenue grew 7%, driven by the strength of the digital product and commercial partnership revenues. The festival attracted over 40,000 award entries, welcomed around 10,000 paying delegates, and hosted over 600 speakers, including Dame Helen Mirren, Sheryl Sandberg and Juan Manuel Santos, President of Columbia and recipient of the 2016 Nobel peace prize.

In the second half of the year, we engaged with key customers and partners in a thorough consultation on the direction of the festival, with particular focus on the evolution of the creative industry that it serves. As a result, in November, we announced several key changes to make the 2018 festival even more relevant to its participants, as well as measures to make it more affordable and accessible. We were pleased with the positive reaction from the industry to these changes and look forward to seeing the impact of the new format in 2018.

Money20/20 (revenue £40.5m +19%) the world's leading event for the FinTech eco-system, continued to expand in 2017. The second year in Europe yielded extremely strong growth of 43%, attracting more than 5,000 attendees and 200 exhibitors. Such has been the popularity of the European edition that it will move from Copenhagen to Amsterdam's Rai convention centre in 2018, which offers significantly more capacity. Money20/20 USA also grew strongly by 11% in its sixth year and welcomed approximately 11,500 attendees and 400 exhibitors to Las Vegas.

Revenue by show (£'m)	2017	2016	Organic growth
Las Vegas, USA	28.2	26.9	+11%
Copenhagen, Europe	12.3	7.8	+43%
Total	**40.5**	**34.7**	**+19%**

In addition to the ongoing preparations for Money20/20 Asia which takes place in Singapore in March 2018, we were excited to announce that the brand is to debut in China in November 2018. An earlier launch than originally anticipated, Money20/20 China, in the city of Hangzhou, will address this country's uniquely fast growing and innovative payments eco-system.

Spring and Autumn Fair (revenue £33.6m -2%) the UK's No. 1 home and gift show for the retail industry and largest trade exhibition, hosted approximately 85,000 visitors, and 4,000 exhibitors, and, as expected, delivered a slight revenue decline of 2%. Innovations in 2017 included the launch of digital appointment planning for buyers while new in 2018's show is the Gift of the Year Awards and its gala dinner.

Other Exhibitions and Festivals (£57.2m revenue)
The RWM exhibition which delivered £3.9m of revenue in 2017 (down 19%) was sold on 29 December 2017 to a specialist events organiser with existing assets in the environmental sector. The other brands within Exhibitions and Festivals are Bett, CWIEME, Pure, Glee, BVE, WRC and the Lions Regional Festivals. The segment also includes the strategic event partnership services provided to DTI and other Government agencies. The performance of the largest brands was as follows:

- Bett (revenue £17.9m +11%) the leading educational technology series, enjoyed a year of strong growth. This was led by the success of the UK edition, which attracted over 34,000 visitors and 600 exhibitors while engagement with the most senior levels of educational institutions continued to grow.

- CWIEME (revenue £10.5m, +4%) which serves the automotive, consumer electronics and power generations sectors across its four shows in Berlin, Shanghai, Chicago and, in 2017, Istanbul, saw overall good growth in the year. The largest show, in Berlin, attracted over 5,500 visitors and 500 exhibitors, with the show's relevance for electric motors and vehicles driving particular interest. In 2018 we have launched the EV Momentum Summit a brand new event dedicated to addressing the challenges and opportunities of the fast-growing electro-mobility ecosystem.

- Pure (revenue £9.1m, -3%) the UK's leading fashion trade show, welcomed over 18,000 visitors and over 1,000 exhibitors across its two editions. In 2018 we have launched the Pure Origins platform to unite global fashion manufacturers and buyers.

ASCENTIAL

Financial Review

Overview

In addition to a strong growth performance, we have made good progress on executing our strategy with greater focus on higher growth brands through the acquisitions of MediaLink and Clavis as well as the successful disposal of the 13 Heritage Brands classified as held for sale at the end of last year.

The results for the year are set out in the consolidated profit and loss statement and show, for continuing operations, revenue of £375.8m (2016: £299.6m), an Organic growth of 6.4%, and reported operating profit of £44.5m (2016: £32.1m). Adjusted EBITDA was £119.5m (2016: £95.9m) an Organic growth of 3.4%. We also delivered strong cash flow in 2017 with free cash flow after tax and capex of £102.2m (2016: £90.9m) a conversion of 85% in line with last year.

A core KPI and strategic goal of the Company is Organic revenue growth as this is the most efficient method of growth, measures the underlying health of the business and is a key driver of shareholder value creation. Organic revenue growth eliminates the distorting impact of acquisitions and disposals and that element of growth which is driven by changes in foreign exchange rates. It is an alternative performance measure and is discussed in more detail in the Alternative Performance Measures section below.

Adjusted EBITDA is also an alternative performance measure. It is used in the day-to-day management of the business to aid comparisons with peer group companies, manage banking covenants and provide a reference point for assessing our operational cash generation. It eliminates items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from events which are non-recurring or intermittent, and while they may generate substantial income statement amounts, do not relate to the ongoing operational performance that underpins long-term value generation.

Continuing operations

£m	2017	2016	Growth rate %	Organic growth rate %
Revenue	375.8	299.6	25%	6.4%
Adjusted EBITDA	119.5	95.9	25%	3.4%
Adjusted EBITDA margin	31.8%	32.0%		

Segmental results

The Company has two reportable segments “Exhibition & Festivals” (with the main brands being Cannes Lions, Money20/20, Spring and Autumn Fair, Bett, CWIEME and Pure) and “Information Services” (with the main brands being WGSN, MediaLink, Groundsure, One Click Retail and Clavis). Following the acquisition of MediaLink and One Click Retail, the split of revenues between Exhibitions & Festivals (52%) and Information Services (48%) has become more balanced during the last 12 months.

A summary of the performance of the Company's segments is set out below:

£'m	Exhibitions & Festivals	Information Services	Central Costs	Continuing operations
2017				
Revenue	196.9	178.9	–	**375.8**
Organic revenue growth	*5.7%*	*7.4%*	–	***6.4%***
Adjusted EBITDA	82.3	50.4	(13.2)	**119.5**
Organic adjusted EBITDA growth	*5.1%*	*0.2%*	–	***3.4%***
Adjusted EBITDA margin	*41.8%*	*28.2%*	–	***31.8%***
Depreciation and software amortisation	(5.5)	(4.1)	(1.5)	**(11.1)**
Adjusted operating profit	76.8	46.3	(14.7)	**108.4**

£'m	Exhibitions & Festivals	Information Services	Central Costs	Continuing operations
2016				
Revenue	180.0	119.6	–	299.6
Organic revenue growth	*12.3%*	*5.4%*	–	*9.5%*
Adjusted EBITDA	73.5	35.1	(12.7)	95.9
Organic adjusted EBITDA growth	*17.5%*	*4.7%*	–	*11.5%*
Adjusted EBITDA margin	*40.8%*	*29.3%*	–	*32.0%*
Depreciation and software amortisation	(3.3)	(5.7)	(3.9)	(12.9)
Adjusted operating profit	70.2	29.4	(16.6)	83.0

Revenue

The Company benefits from diverse revenue streams across its brands ranging from digital subscriptions to live events to advisory. Most of these revenue streams have recurring characteristics and benefit from our focus on customer retention. Revenues from continuing operations in 2017 grew to £375.8m (2016: £299.6m), an increase of £76.2m or 25%. Adjusting for currency impacts and recent acquisitions organic growth was 6.4% driven by double digit growth of Money20/20 (19%), Groundsure (13%), One Click Retail (56%) as well as Bett (11%) followed by the high single digit growth of Cannes Lions (7%) and WGSN (6%). This was slightly offset by a 2% decline in Spring and Autumn Fair.

Adjusted EBITDA

Adjusted EBITDA increased by 25% to £119.5m (2016: £95.9m) representing a 3.4% Organic growth rate. Adjusted EBITDA margin dropped slightly to 31.8% due to planned product investment in Information Services largely offset by favourable foreign exchange movements.

Reconciliation between Adjusted EBITDA and statutory operating profit

Adjusted EBITDA is reconciled to statutory operating profit as shown in the table below:

£'m	2017	2016
Adjusted EBITDA	119.5	95.9
Depreciation and software amortisation	(11.1)	(12.9)
Adjusted operating profit	**108.4**	**83.0**
Amortisation	(25.5)	(28.8)
Exceptional items	(34.3)	(20.7)
Share based payments	(4.1)	(1.4)
Statutory operating profit	**44.5**	**32.1**

Amortisation of acquired intangible assets
The amortisation charge of £25.5m (2016: £28.8m) on acquired intangible assets relates mainly to US acquired intangibles with the addition of MediaLink and a full year of One Click Retail offset by the impact of fully amortised assets. The Company undertakes a periodic review of the carrying value of its intangible assets of £771.7m (2016: £651.6m) which are supported by the value in use calculations and no impairment was identified in the current or prior year.

Exceptional items
The charge for exceptional items included in continuing operations in 2017 totalled £34.3m (2016: £20.7m) as set out in the table below and further explained in Note 4.

£'m	2017	2016
Deferred consideration	27.7	15.3
Expenses related to acquisitions and integration costs	4.6	1.7
Loss on disposal of RWM	1.8	-
IPO expenditure and other	0.2	3.7
Exceptional items relating to continuing operations	**34.3**	**20.7**

The charge for deferred consideration relates to acquisition-related contingent employment costs on the acquisition of Money20/20, One Click Retail and MediaLink which, absent the link to continued employment, would have been treated as consideration as well as, in 2016, adjustments to deferred consideration recognised in prior years on Money20/20.

Share-based payments
The charge for share-based payments of £4.1m (2016: £1.4m) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan.

- The charge in 2016 represented 9 months' charge (of the 36-month service period) for the Company's inaugural grant of awards.
- 2017's charge includes both a 12-month charge for the 2016 award and a 10-month charge for the 2017 award.
- The 2018 charge will include 12-month charge for the 2016 and 2017 awards as well as an expected 10-month charge for the grant in March 2018.

Finance costs
The adjusted net finance costs for the year were £11.7m (2016: £17.8m) as set out in the table below.

Adjusted net finance costs (£'m)	2017	2016
Interest payable on external debt	**(5.8)**	(10.1)
Interest receivable	**0.2**	0.1
Amortisation of loan arrangement fees	**(1.3)**	(1.4)
Other finance charges	**(4.3)**	(2.9)
Net loss on foreign exchange and derivatives	**(0.5)**	(3.5)
	(11.7)	(17.8)

The interest expense on the Company's borrowings was £5.8m (2015: £10.1m) with the reduction driven by the reduction in leverage and the consequent reduced rate of interest payable. Other finance charges represent the unwind of the discount on deferred consideration and increased during the year due to the acquisition of MediaLink at the start of the year.

Taxation

A tax charge of £23.2m (2016: £10.9m) was incurred on adjusted profit before tax of £97.0m (2016: £65.1m) resulting in an adjusted effective tax rate for the year of 24% (2016: 17%). This tax charge arises on profits before adjusting items that total £63.9m (2016: £66.9m). A tax credit of £12.2m arises on these adjusting items (2016: £24.3m). This equates to a total tax charge of £11.0 million (2016: credit of £13.4 million) and an effective tax rate of 33% on the continuing profit before tax of £33.1 million.

Two major factors impacted the tax charge in 2017:

- The implementation of US tax reform in December 2017, and in particular the reduction in the US Federal tax rate from 35% to 21%. This resulted in the downwards revaluation of deferred tax assets and liabilities on losses and intangibles resulting in a charge of £10.4m and £6.8m to the adjusted tax charge and adjusting items respectively.
- The recognition of additional historic US net operating losses following a reassessment of the restriction on utilisation of the losses. This was occasioned by the 2017 acquisition of MediaLink which gave further certainty on the sufficiency of future taxable US profits and by the receipt of a third party valuation of the US sub-group at the time of the post-IPO change of control. The impact on the adjusted tax charge was a credit of £12.7m.

The ongoing adjusted effective tax rate of the Group is expected to be approximately 23-24% next year.

Cash tax paid was £7.9m (2016: £3.5m) as the Group continued to benefit by £6.7m (2016: £8.1m) from the utilisation of historic tax losses in the UK and US which are expected to benefit the Group's cash flow over the medium term.

The Group has a total recognised deferred tax asset of £47.1m (2016: £54.9m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles and deferred consideration. The majority of this asset is expected to convert into cash savings over the next 10 years. The recognition of deferred tax assets on US losses in particular requires considerable judgements to be made including future trading performance of the US Group in the period up to the loss expiration, assessment of future earn-outs payable for US acquisitions and the valuation of the US Group at the point of post-IPO change of control. In total a net deferred tax asset of £13.8m (2016: £17.4m) has been recognised in respect of US taxes leaving £127.1m of unrecognised US tax losses with a tax value of £26.7m.

Our deferred tax liability amounted to £31.3m (2016: £30.3m) and related to non-deductible acquired intangibles and is not expected to convert into cash.

Discontinued operations
Discontinued operations relate to the 13 Heritage Brands which were sold at various dates in 2017. The overall result for discontinued operations is comprised as follows:

Discontinued operations (£'m)	**2017**	2016
Revenue	**23.8**	57.9
Adjusted EBITDA	**1.1**	11.6
Depreciation and amortisation	-	(4.3)
Exceptional item	**(1.2)**	(1.9)
Share based payments	**(0.3)**	(0.1)
(Loss) / profit before tax	**(0.4)**	5.3
Taxation	**(3.7)**	(1.3)
(Loss) / profit after tax	**(4.1)**	4.0

The exceptional item in discontinued operations includes a gain on disposal of £0.9m offset by £2.1m of costs separating the Heritage Brands including IT separation costs.

Foreign currency translation impact
Ascential reports its results in pounds sterling and following its acquisition strategy and the growth of Cannes Lions and Money20/20, reported performance is increasingly sensitive to movements in both the Euro and US dollar against pounds sterling.

For most of 2017, sterling was in line with the 2016 US dollar average exchange rates but strengthened against the dollar at the year-end – a trend that has continued in 2018 to date. Sterling continued to weaken against the Euro in 2017, as can be seen in the table below:

	Weighted average			**Year-end rate**		
Currency	**2017**	2016	Change	**2017**	2016	Change
Euro	**1.14**	1.25	8.8%	**1.13**	1.17	3.4%
US dollar	**1.30**	1.30	-	**1.35**	1.23	(9.8%)

When comparing 2017 and 2016, changes in currency exchange rates had a net favourable impact of £10.6m on revenue and £6.0m on Adjusted EBITDA. On a segmental basis, the favourable impact of changes in foreign currency exchange rates was as follows:

- Exhibitions & Festivals: £7.0m impact on revenue and £4.7m impact on Adjusted EBITDA.
- Information Services: £3.6m impact on revenue and £1.2m impact on Adjusted EBITDA.

For illustrative purposes, the table below provides details of the impact on revenue and Adjusted EBITDA if the actual reported results were restated for sterling weakening by 1% against the USD and Euro rates in isolation.

(£'m)	**2017 Revenue**	**2017 Adjusted EBITDA**	2016 Revenue	2016 Adjusted EBITDA
Increase in revenue/ Adjusted EBITDA if:				
Sterling weakens by 1% against USD in isolation	**1.2**	**0.6**	0.7	0.4
Sterling weakens by 1% against EUR in isolation	**1.1**	**0.9**	0.9	0.7

Furthermore, each 1% movement in the Euro to pounds sterling exchange rate has a circa £1.5 million impact on the carrying value of borrowings and each 1% movement in the US dollar has a circa £1.0 million impact.

Earnings per share

Adjusted diluted Proforma earning per share of 18.6p per share is 20% ahead of the 15.5p per share recorded for 2016 and total diluted Proforma earnings per share of 4.4p per share is 13% ahead of the prior year figure of 3.9p. Total diluted earnings per share were 4.4p (2016: 4.3p).

Acquisitions and disposals and capital expenditure

We regularly assess opportunities to acquire high-growth products operating in sectors with the potential for scale and incurred initial cash consideration of £156.5m for two acquisitions of higher growth brands.

MediaLink

In February 2017, we acquired US-based media advisory business MediaLink for initial cash consideration of £55.3m plus future earnouts expected to total between $42m and $62m payable in cash or, for certain elements, shares at Ascential's option. A portion of the earn-out payments is subject to founders remaining in employment with the company. MediaLink is growing rapidly and delivered revenue of £47.4m and adjusted EBITDA of £12.0m in 2017 up from £39.4m and £10.4m respectively in the prior year.

Clavis

In December 2017, we acquired the eCommerce analytics business Clavis for initial consideration of £88.9m plus future earn-out expected to total between $25m and $50m payable in cash. A portion of the earn-out payments is subject to founders remaining in employment with the company. Clavis is growing rapidly and, in the 2017 year generated unaudited revenue of £13.4m and an EBITDA loss of £4.2m up from £9.9m and £6.0m respectively in the prior year. Clavis is expected to break even in 2018.

Heritage Brands

We disposed of the 13 Heritage Brands held for sale at December 2016 in three transactions in January, May and December 2017. Total consideration received was £51.2m and the sale generated a gain on disposal of £0.9m.

The Group spent a further £11.8m of capital expenditure (2016: £13.1m). This investment was primarily for new product development and enhancements to business applications to support future organic growth.

Cash flow

The consolidated cash flow statement and net debt position can be summarised as follows:

£'m	2017	2016
Adjusted EBITDA (including discontinued operations)	**120.6**	107.5
Working capital movements	**1.3**	-
Adjusted cash generated from operations	**121.9**	107.5
% operating cash flow conversion	***101%***	*100%*
Capital expenditure	**(11.8)**	(13.1)
Tax paid	**(7.9)**	(3.5)
Free cash flow	**102.2**	90.9
% free cash flow conversion	***85%***	*85%*
Exceptional costs paid	**(14.9)**	(11.6)
-deferred consideration	**(8.2)**	(4.0)
-other	**(6.7)**	(7.6)
Loan to joint venture	**0.2**	(4.5)
Acquisition consideration paid	**(156.5)**	(39.4)
Disposal proceeds received	**48.7**	0.2
Cash flow before financing activities	**(20.3)**	35.6
Net interest paid	**(5.9)**	(20.8)
Dividends paid	**(20.0)**	(6.0)
Proceeds of issue of shares net of expenses	**0.1**	188.5
Debt drawdown / (repayments)	**33.0**	(189.4)
Net cash flow	**(13.1)**	7.9
Opening cash balance	**61.9**	44.4
FX movements	**(3.0)**	9.6
Closing cash balance	**45.8**	61.9
Borrowings	**(320.7)**	(290.3)
Capitalised arrangement fees	**3.3**	4.3
Derivative financial instruments	**0.1**	0.4
Net debt	**(271.5)**	(223.7)

The Company generated Adjusted operating cash flow of £121.9m (2016: £107.5m), an increase of 13%, due to the strong operational performance of the business. Capex was slightly behind 2016 at £11.8m (2016: £13.1m) reflecting the prior year's fit out of the Paddington office to accommodate the entire Exhibitions & Festivals business. The Company generated free cash flow of £102.2m (2016: £90.9m), also an increase of 13%, which was used to fund interest payments, M&A and exceptional items.

A major feature of cash flow in 2016 was the IPO, which generated proceeds of £200.0m or £188.5m net of expenses, which was used to reduce indebtedness.

Returns to shareholders
The Board targets a dividend payout ratio of 30% of Adjusted profit after tax. Consequently, the Board is recommending a final dividend of 3.8p per share payable on 15 June 2018 to shareholders on the register on 18 May 2018 which, together with the Company's interim dividend of 1.8p paid in September 2017, makes a total dividend for the 2017 financial year of 5.6p.

Other financial matters

Capital structure
The Company sources of funding comprise operating cash flow and access to substantial committed bank facilities from a range of banks. The Company maintains a capital structure appropriate for current and prospective trading over the medium-term and aims to operate net debt of 1.5 to 2.0 times EBITDA to allow a healthy mix of dividends and cash for investment in bolt-on acquisitions. Following the acquisition of Clavis at the end of the year, the consolidated leverage ratio as at 31 December 2017 is 2.3x (31 December 2016: 2.1x).

Liquidity
On 12 February 2016 the Company entered into new term loan facilities of £66m, €171m and $96m as well as a revolving credit facility (RCF) of £95m. All mature in February 2021 and are currently subject to interest at 1.5% over LIBOR on the term loans and LIBOR plus 1.25% on the RCF. There is a leverage covenant limit of 4.0x (which drops to 3.5x in 2019) which is measured semi-annually. As at 31 December 2017 £320.7m of the facilities had been drawn (2016: £290.3m) including £31.8m of the RCF (2016: £nil).

Financial risk management
The Group is exposed to risks arising from the international nature of its operations and the financial instruments which fund them. These instruments include cash and borrowing and items such as trade receivables and trade payables which arise directly from operations. External borrowings are denominated 47% in Euros with the balance split between US dollars (32%) and pounds sterling (21%). The Company reviews and protects a proportion of its exposure to interest rate rises on the cost of borrowings through use of derivatives where appropriate. Principal risks (including strategic, operational, legal and other risks) are set out in the 2017 Annual Report.

Going Concern
Ascential's business activities, performance and position, together with the factors likely to affect its future development, are set out in the Strategic Report. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The processes in place for assessment, management and monitoring of risks are described in the 2017 Annual Report. Details of the financial risk management objectives and policies are given in the 2017 Annual Report.

The Directors believe that the Group is well placed to manage its business risks successfully. The Board's assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, show that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have assessed the Group's prospects and viability over a three-year period and the viability statement can be found in the 2017 Annual Report. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements. In forming their view, the Directors have considered the Group's prospects for a period exceeding 12 months from the date when the financial statements are approved.

Alternative Performance Measures

The Company aims to maximise shareholder value by optimising potential for return on capital through strategic investment and divestment, by ensuring the Company's capital structure is managed to support both strategic and operational requirements, and by delivering returns through a focus on organic growth and operational discipline. The Board considers it helpful to provide, where practicable, performance measures that distinguish between these different factors – these are also the measures that the Board uses to assess the performance of the Company, on which the strategic planning process is founded and on which management incentives are based. Accordingly, this report presents the following non-GAAP measures alongside standard accounting terms as prescribed by IFRS and the Companies Act, in order to provide this useful additional information.

Organic growth measures

To assess whether the Company is achieving its strategic goal of driving organic growth, it is helpful to compare like-for-like operational results between periods. Income statement measures, both Adjusted and Reported, can be significantly affected by the following factors which mask like-for-like comparability:

- acquisitions and disposals of businesses lead to a lack of comparability between periods due to consolidation of only part of a year's results for these businesses;
- changes in exchange rates used to record the results of non-sterling businesses results in a lack of comparability between periods as equivalent local currency amounts are recorded at different sterling amounts in different periods; and
- event timing differences between periods. The Group has no biennial events, but when annual events are held at different times of year this can affect the comparability of half-year results.

Ascential therefore defines Organic growth measures, which are calculated with the following adjustments:

- results of acquired and disposed businesses are excluded where the consolidated results include only part-year results in either current or prior periods;
- prior year consolidated results are restated at current year exchange rates for non-sterling businesses; and
- prior year results are adjusted such that comparative results of events that have been held at different times of year are included in the same period as the current year results.

Organic growth is calculated as follows:

£m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations
Revenue				
2017 – reported	196.9	178.9	-	375.8
Exclude acquisitions and disposals	-	(51.0)	-	(51.0)
2017 – Organic basis	196.9	127.9	-	324.8
Organic revenue growth	*5.7%*	*7.4%*	-	*6.4%*
2016 – reported	180.0	119.6	-	299.6
Exclude acquisitions and disposals	(0.8)	(4.1)	-	(4.9)
Currency adjustment	7.0	3.6	-	10.6
2016 – Organic basis	186.2	119.1	-	305.3

£m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations
Adjusted EBITDA				
2017 – reported	82.3	50.4	(13.2)	119.5
Exclude acquisitions and disposals	-	(17.2)	-	(17.2)
2017 – Organic basis	82.3	33.2	(13.2)	102.3
Organic EBITDA growth	*5.1%*	*0.2%*	-	*3.4%*
2016 – reported	73.5	35.1	(12.7)	95.9
Exclude acquisitions and disposals	-	(3.1)	-	(3.1)
Currency adjustment	4.7	1.2	0.1	6.0
2016 – Organic basis	78.2	33.2	(12.6)	98.8

Adjusted profit measures

Ascential uses Adjusted profit measures to assist readers in understanding underlying operational performance. These measures exclude income statement items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from events which are non-recurring or intermittent, and while they may generate substantial income statement amounts, do not relate to the ongoing operational performance that underpins long-term value generation. The income statement items that are excluded from Adjusted profit measures are referred to as Adjusting items.

Both Adjusted profit measures and Adjusting items are presented together with statutory measures on the face of the income statement. In addition, the Company presents a non-GAAP profit measure, Adjusted EBITDA, in order to aid comparisons with peer group companies and provide a reference point for assessing operational cash generation. Adjusted EBITDA is defined as Adjusted Operating Profit before depreciation and amortisation. The Company measures operational profit margins with reference to Adjusted EBITDA.

Adjusting items

Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other financial statements. Adjusting items include exceptional items, amortisation of acquired intangibles and share based payment charges. These items are defined and explained in more details as follows:

Exceptional items

Exceptional items are recorded in accordance with the policy set out in the annual report. They arise from both portfolio investment and divestment decisions and from changes to the Group's capital structure, and so do not reflect current operational performance. These items are presented within a separate column on the face of the income statement, but within their relevant income statement caption to assist in the understanding of the performance and financial as these types of cost do not form part of the underlying business.

Amortisation of intangible assets acquired through business combinations

Charges for amortisation of acquired intangibles arise from the purchase consideration of a number of separate acquisitions. These acquisitions are portfolio investment decisions that took place at different times over several years, and so the associated amortisation does not reflect current operational performance.

Share-based payments
Following the IPO a number of employee share schemes have been introduced, resulting in a lack of comparability between periods in respect of share scheme costs – particularly as the income statement charge builds up to a normalised level over a three year period. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

Finance costs
In 2016, certain elements of finance costs were incurred as a result of debt refinancing and are therefore a result of changes to the Company's capital structure. In addition, part of the pre-IPO Shareholder debt was converted to equity, and as a result there is a lack of comparability between periods in respect of the interest previously incurred on this Shareholder debt. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

Tax related to adjusting items
The elements of the overall Company tax charge relating to the above Adjusting items are also treated as Adjusting. These elements of the tax charge are calculated with reference to the specific tax treatment of each individual Adjusting item, taking into account its tax deductibility, the tax jurisdiction concerned, and any previously recognised tax assets or liabilities.

Adjusted cash flow measures
The Company uses Adjusted cash flow measures for the same purpose as Adjusted profit measures, in order to assist readers of the accounts in understanding the ongoing operational performance of the Group. The two measures used are Adjusted Cash Generated from Operations, and Free Cash Flow. These are reconciled to IFRS measures as follows:

£'m	**2017**	2016
Cash generated from operations	**107.0**	95.9
Add back: acquisition-related contingent employment cash flow	**8.2**	4.0
Add back: other exceptional cash flow	**6.7**	7.6
Adjusted cash generated from operations	**121.9**	107.5

£'m	**2017**	2016
Net cash from operating activities	**99.1**	92.4
Add back: acquisition-related contingent employment cash flow cash flow	**8.2**	4.0
Add back: other exceptional cash flow	**6.7**	7.6
Less: capital expenditure	**(11.8)**	(13.1)
Free cash flow	**102.2**	90.9

The Company monitors its operational balance sheet efficiency with reference to operational cash conversion, defined as Free Cash Flow as a percentage of Adjusted EBITDA.

Proforma EPS
Changes to the Group's capital structure affecting the number of shares in issue will affect the comparability of earnings per share between periods. In order to present a consistent measure of earnings between periods, Ascential presents Proforma measures of EPS in which major changes to the number of shares in issue are presented as if they had occurred on the first day of the comparative period. In presenting the 2016 financial statements, the IPO which completed on 12 February 2016 is treated as such a major change, and so accordingly Proforma EPS is calculated using a weighted average number of shares as if the IPO had occurred at the beginning of the 2016 financial year. Details are set out in Note 8.

Glossary of alternative performance measures

Term	Description
Adjusted EBITDA	Adjusted operating profit excluding depreciation and software amortisation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Revenue
Adjusted effective tax rate	Adjusted tax charge expressed as a percentage of Adjusted profit before tax
Adjusted EPS	EPS calculated with reference to Adjusted Profit for the period
Adjusted operating profit	Operating profit excluding Adjusting Items
Adjusted profit before tax	Profit before tax excluding Adjusting Items
Adjusted tax charge	Tax charge excluding Adjusting Items
Cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA
Effective tax rate	Tax charge expressed as a percentage of Profit before tax
Exceptional items	Items within Operating profit separately identified in accordance with Company accounting policies
Free cash flow	Cash flows before exceptionals, portfolio investments and divestments, and financing
Net debt leverage	The ratio of Net debt to Adjusted EBITDA
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma Adjusted EPS	Adjusted EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2016
Proforma EPS	EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2016

Cautionary statement

Certain statements in this announcement constitute, or may be deemed to constitute, forward looking statements (including beliefs or opinions). Any statement in this announcement that is not a statement of historical fact including, without limitation those regarding the Company's future expectations, operations, financial performance, financial condition and business is a forward looking statement. Such forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement. As a result, you are cautioned not to place reliance on such forward looking statements. Except as is required by the Listing Rules, Disclosure and Transparency Rules and applicable laws, no undertaking is given to update the forward-looking statements contained in this announcement, whether as a result of new information, future events or otherwise.

Nothing in this announcement should be construed as a profit forecast. This announcement has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Ascential plc and its subsidiary undertakings when viewed as a whole.

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Consolidated Income Statement

For the year ended 31 December

(£'m)	Note	**2017** Adjusted results	**2017** Adjusting items	**2017** Total	2016 Adjusted results	2016 Adjusting items	2016 Total
Continuing operations							
Revenue	3	**375.8**	**-**	**375.8**	299.6	-	299.6
Cost of sales		**(127.4)**	**-**	**(127.4)**	(102.0)	-	(102.0)
Sales, marketing and administrative expenses		**(140.0)**	**(63.9)**	**(203.9)**	(114.6)	(50.9)	(165.5)
Operating profit		**108.4**	**(63.9)**	**44.5**	83.0	(50.9)	32.1
Adjusted EBITDA	3	**119.5**	**-**	**119.5**	95.9	-	95.9
Depreciation and amortisation		**(11.1)**	**(25.5)**	**(36.6)**	(12.9)	(28.8)	(41.7)
Exceptional items	4	**-**	**(34.3)**	**(34.3)**	-	(20.7)	(20.7)
Share-based payments		**-**	**(4.1)**	**(4.1)**	-	(1.4)	(1.4)
Operating profit		**108.4**	**(63.9)**	**44.5**	83.0	(50.9)	32.1
Share of net gain/(loss) in equity accounted investees		**0.3**	**-**	**0.3**	(0.1)	-	(0.1)
Finance costs	5	**(12.2)**	**-**	**(12.2)**	(28.0)	(16.0)	(44.0)
Finance income	5	**0.5**	**-**	**0.5**	10.2	-	10.2
Profit/(loss) before taxation		**97.0**	**(63.9)**	**33.1**	65.1	(66.9)	(1.8)
Taxation	6	**(23.2)**	**12.2**	**(11.0)**	(10.9)	24.3	13.4
Profit from continuing operations		**73.8**	**(51.7)**	**22.1**	54.2	(42.6)	11.6
Discontinued operations							
Profit/(loss) from discontinued operations, net of tax	7	**1.1**	**(5.2)**	**(4.1)**	8.0	(4.0)	4.0
Profit for the year		**74.9**	**(56.9)**	**18.0**	62.2	(46.6)	15.6
Earnings per share (pence)							
Continuing and discontinued operations							
- Basic	8	**18.7**	**(14.2)**	**4.5**	17.1	(12.8)	4.3
- Diluted	8	**18.6**	**(14.2)**	**4.4**	17.1	(12.8)	4.3
Continuing operations							
- Basic	8	**18.4**	**(12.9)**	**5.5**	14.9	(11.7)	3.2
- Diluted	8	**18.3**	**(12.9)**	**5.4**	14.9	(11.7)	3.2
Proforma earnings per share (pence)							
Continuing and discontinued operations							
- Basic	8	**18.7**	**(14.2)**	**4.5**	15.6	(11.7)	3.9
- Diluted	8	**18.6**	**(14.2)**	**4.4**	15.5	(11.6)	3.9
Continuing operations							
- Basic	8	**18.4**	**(12.9)**	**5.5**	13.6	(10.7)	2.9
- Diluted	8	**18.3**	**(12.9)**	**5.4**	13.5	(10.6)	2.9

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December

(£'m)	**2017** Adjusted results	**2017** Adjusting items	**2017** Total	2016 Adjusted results	2016 Adjusting items	2016 Total
Profit for the year	**74.9**	**(56.9)**	**18.0**	62.2	(46.6)	15.6
Other comprehensive income/(expense)						
Items that may be reclassified subsequently to profit or loss:						
Exchange loss on translation of overseas operations	**(22.9)**	**-**	**(22.9)**	(10.6)	-	(10.6)
Cumulative currency translation differences on disposals	**-**	**2.4**	**2.4**	-	-	-
Total comprehensive income/(expense) for the year	**52.0**	**(54.5)**	**(2.5)**	51.6	(46.6)	5.0

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Consolidated Balance Sheet

As at 31 December

(£'m)	Note	2017	2016
Assets			
Non-current assets			
Intangible assets and goodwill		**771.7**	651.6
Property, plant and equipment		**11.3**	11.4
Investments		**5.1**	5.0
Other receivables		**0.3**	0.6
Deferred tax assets		**47.1**	54.9
Derivative financial assets		-	0.1
		835.5	723.6
Current assets			
Inventories		**17.8**	16.9
Trade and other receivables		**88.2**	59.6
Derivative financial assets		**0.1**	0.3
Cash and cash equivalents		**45.8**	61.9
		151.9	138.7
Assets held for sale		-	72.0
		151.9	210.7
Total assets		**987.4**	934.3
Liabilities			
Current liabilities			
Trade and other payables		**105.2**	65.9
Deferred income		**118.6**	107.1
Current tax liabilities		**12.1**	6.9
Provisions		**3.2**	1.7
		239.1	181.6
Liabilities held for sale		-	23.7
		239.1	205.3
Non-current liabilities			
Deferred and contingent consideration		**50.4**	46.8
Deferred income		**3.6**	2.9
External borrowings	12	**317.4**	286.0
Deferred tax liabilities		**31.3**	30.3
Provisions		**2.6**	1.6
		405.3	367.6
Total liabilities		**644.4**	572.9
Net assets		**343.0**	361.4
Equity			
Share capital		**4.0**	4.0
Share premium		**0.1**	-
Reserves		**338.9**	357.4
Total equity		**343.0**	361.4

Consolidated Statement of Changes in Equity

For the year ended 31 December

			Reserves					
(£'m)	**Share capital**	**Share premium**	**Merger reserve**	**Capital reserve**	**Group restructure reserve**	**Translation reserve**	**Retained earnings**	**Total equity**
At 1 January 2016	**7.9**	**-**	**9.2**	**-**	**-**	**(6.8)**	**(279.5)**	**(269.2)**
Profit for the year	-	-	-	-	-	-	15.6	15.6
Other comprehensive expense	-	-	-	-	-	(10.6)	-	(10.6)
Total comprehensive (expense)/ income	-	-	-	-	-	(10.6)	15.6	5.0
Share-based payments	-	-	-	-	-	-	1.5	1.5
Group restructure	22.1	252.9	-	8.8	157.9	-	-	441.7
Issue of shares	10.0	190.0	-	–	-	-	-	200.0
Share issue costs	-	(11.6)	-	–	-	-	-	(11.6)
Issue of shares (1)	0.1	-	-	–	-	-	(0.1)	-
Capital reduction	(36.1)	(431.3)	-	(8.8)	-	-	476.2	-
Dividends paid	-	-	-	-	-	-	(6.0)	(6.0)
At 31 December 2016	**4.0**	**-**	**9.2**	**-**	**157.9**	**(17.4)**	**207.7**	**361.4**
Profit for the year	-	-	-	-	-	-	18.0	18.0
Other comprehensive expense	-	-	-	-	-	(20.5)	-	(20.5)
Total comprehensive (expense)/ income	-	-	-	-	-	(20.5)	18.0	(2.5)
Issue of new shares	-	0.1	-	-	-	-	–	0.1
Share-based payments	-	-	-	-	-	-	3.6	3.6
Taxation related to share-based payments	-	-	-	-	-	-	0.4	0.4
Dividends paid	-	-	-	-	-	-	(20.0)	(20.0)
At 31 December 2017	**4.0**	**0.1**	**9.2**	**-**	**157.9**	**(37.9)**	**209.7**	**343.0**

(1) On 8 March 2016 shares were issued to employees under the Share Incentive Scheme held by the Employee Benefit Trust.

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Consolidated Cash Flow Statement

For the year ended 31 December

(£'m)	Note	2017	2016
Cash flows from operating activities			
Profit before taxation		**32.7**	3.5
Adjustments for:			
Amortisation of acquired intangible assets		**25.5**	31.3
Amortisation of software intangible assets		**6.1**	10.2
Depreciation of property, plant and equipment		**5.0**	4.5
Loss on disposal of businesses		**0.9**	-
Acquisition-related employment costs and revaluation of contingent consideration		**27.7**	15.3
Share-based payments		**4.4**	1.5
Share of net (gain)/loss in equity-accounted investees		**(0.3)**	0.1
Net finance costs	5	**11.7**	33.8
Cash generated from operations before changes in working capital and provisions		**113.7**	100.2
Changes in:			
Inventories		**(1.1)**	1.3
Trade and other receivables		**(15.1)**	0.2
Trade and other payables, net of interest payable		**7.5**	(5.5)
Provisions		**2.0**	(0.3)
Cash generated from operations		**107.0**	95.9
Cash generated from operations before exceptional operating items		**121.9**	107.5
Cash outflows for acquisition-related employment costs		**(8.2)**	(4.0)
Cash outflows for other exceptional operating items		**(6.7)**	(7.6)
Cash generated from operations		**107.0**	95.9
Tax paid		**(7.9)**	(3.5)
Net cash generated from operating activities		**99.1**	92.4
Cash flows from investing activities			
Acquisition of businesses (net of cash acquired)	9	**(156.5)**	(39.4)
Reduction/(acquisition) of investments		**0.2**	(4.5)
Acquisition of software intangibles and property, plant and equipment		**(11.8)**	(13.1)
Disposal of businesses (net of cash disposed of)		**48.7**	0.2
Net cash used in investing activities		**(119.4)**	(56.8)
Cash flows from financing activities			
Proceeds from external borrowings	12	**58.6**	265.2
Repayment of external borrowings	12	**(25.6)**	(454.6)
Proceeds from issue of shares		**0.1**	200.0
Transaction costs related to issue of shares		**-**	(11.5)
Interest paid		**(5.9)**	(20.8)
Dividends paid to shareholders	13	**(20.0)**	(6.0)
Net cash used in financing activities		**7.2**	(27.7)
Net increase in cash and cash equivalents		**(13.1)**	7.9
Cash and cash equivalents at 1 January		**61.9**	44.4
Effect of exchange rate changes		**(3.0)**	9.6
Cash and cash equivalents at 31 December		**45.8**	61.9

Notes to the Financial Statements

For the year ended 31 December 2017

1. Basis of preparation and accounting policies

Basis of preparation

The full year announcement for the year ended 31 December 2017, which is an abridged statement of the full Annual Report and Accounts, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee, as adopted by the EU, and the Companies Act 2006 applicable to companies reporting under IFRS.

Ascential plc (the "Company") is a public limited company, which is listed on the London Stock Exchange and incorporated in the United Kingdom. The registered office is located at The Prow, 1 Wilder Walk, London W1B 5AP.

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2017. Statutory accounts for 2016 have been delivered to the registrar of companies, and those for 2017 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006

The Company was admitted to unconditional trading on the London Stock Exchange and to the premium listing segment of the Official List of the Financial Conduct authority on 12 February 2016 following a restructuring of the Group. The restructuring resulted in the principles of reverse acquisition accounting under IFRS 3 "Business Combinations" being applied.

The consolidated financial statements are presented in pounds sterling ("GBP"), which is the Company's functional currency, and have been rounded to the nearest one decimal place except where otherwise indicated.

The Directors are confident that on the basis of current financial projections and facilities available, and after considering sensitivities, the Group has sufficient resources for its operational needs and will remain in compliance with the financial covenants in its bank facilities for the foreseeable future.

The Consolidated financial statements have been prepared using consistent accounting policies with those of the previous financial year. No new accounting pronouncement or revisions to adopted IFRS that became effective in 2017 had a material impact on the Group's results or financial position.

Accounting developments and changes

At the date of this report a number of accounting standards were issued, but not yet effective.

IFRS 15 "Revenue from Contracts with Customers"

Endorsed by the EU- effective 1 January 2018

Revenue from contracts with customers is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principle based five-step model to be applied to all sales contracts. It replaces the separate models for goods, services and construction contracts under current IFRS. It also provides further guidance on the measurement of sales on contracts which have discounts and rebates.

During the year the group carried out a detailed review of the current recognition criteria for revenue against the requirements of IFRS 15. This review examined subscription, exhibition, sponsorship, delegate and advisory revenue as well as the related costs to obtain and fulfil any of these contracts. The expected impact of these changes on the 2017 consolidated income statement is immaterial at less than 0.2% of total revenue and less than 0.1% of retained earnings. The estimated impact of the adoption of this new standard is based on the assessments undertaken to date. The actual impact of adopting the standard at 1 January 2018 may differ as the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

IFRS 9 "Financial Instruments"

Endorsed by the EU- effective 1 January 2018

The Group is required to adopt IFRS 9 "Financial Instruments" from 1 January 2018. IFRS 9 applies a forward-looking impairment model that will replace the currently applicable incurred loss model. In contrast to the complex and rules based approach of IAS 39, the new hedge accounting requirements will provide an improved link to risk management and treasury operations and will be simpler to apply. Based on the assessment carried out the group believes that IFRS 9 will not have a material impact on its consolidated results or financial position and will not require a restatement of comparative figures in the 2018 Annual Report.

IFRS 16 "Leases"

Endorsed by the EU- effective 1 January 2019

IFRS 16 replaces the existing accounting requirements in IAS 17 "Leases". A single model for lessees will be required, eliminating off balance sheet accounting for non-exempt operating leases. Related lease assets and liabilities will therefore come onto the balance sheet with interest charged on the lease liabilities. The interest and the assets' depreciation will replace the rental cost previously recognised in the income statement causing a change in the presentation and timing of income and expense recognition in the income statement. The Group has commenced its initial assessment of the potential impact on the consolidated financial statements resulting from the application of IFRS 16 and it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the detailed review has been completed although the impact is not expected to be material.

2. Alternative Performance Measures

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

3. Operating segments

The Group has three reportable segments under IFRS 8 “Operating Segments”. In addition, there is a Group corporate function providing central services including finance, management and IT services to the Group’s reportable segments. The reportable segments offer different products and services, and are managed separately because they require different capabilities, technology and marketing strategies. For each of the reportable segments, the Board (the chief operating decision maker) reviews internal monthly management reports. The following summary describes the operations in each of the Group’s reportable segments:

- Exhibitions & Festivals: organiser of market-leading exhibitions, congresses and festivals.
- Information Services: produces intelligence, analysis and forecasting tools, subscription content including real-time online resources, live events and awards as well as advisory services. The products are served across several industry sectors including fashion, retail, property, construction and politics. The advisory and business services are targeted at media platforms and brands to drive growth through better marketing.
- Discontinued operations: the disposal group of 13 Heritage Brands previously formed part of the Information Services segment before it was separately classified as held for sale and a discontinued operation on 31 December 2016. Refer to Note 7 for further details on discontinued operations. As at 31 December 2017 all discontinued operations have successfully been disposed of.

Information regarding the results of each reportable segment is included below. Reportable segment profits are measured at an Adjusted operating profit level, defined as reportable segment Adjusted EBITDA, less depreciation costs and amortisation in respect of software intangibles, without allocation of central Group costs. This is the measure included in the internal management reports that are reviewed by the Board. Reportable segment Adjusted EBITDA and reportable segment Adjusted operating profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of the reportable segments relative to other comparable entities. Total assets and liabilities for each reportable segment are not disclosed because they are not provided to the Board on a regular basis. Total assets and liabilities are internally reviewed on a Group basis.

Year ended 31 December 2017

(£’m)	Exhibitions & Festivals	Information Services	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	196.9	178.9	-	375.8	23.8	399.6
Adjusted EBITDA	82.3	50.4	(13.2)	119.5	1.1	120.6
Depreciation and software amortisation	(5.5)	(4.1)	(1.5)	(11.1)	-	(11.1)
Adjusted operating profit	**76.8**	**46.3**	**(14.7)**	**108.4**	**1.1**	**109.5**
Amortisation of acquired intangible assets				(25.5)	-	(25.5)
Exceptional items				(34.3)	(1.2)	(35.5)
Share-based payments				(4.1)	(0.3)	(4.4)
Operating profit/(loss)				**44.5**	**(0.4)**	**44.1**
Share of net gain in equity-accounted investee				0.3	-	0.3
Net finance costs				(11.7)	-	(11.7)
Profit/(loss) before tax				**33.1**	**(0.4)**	**32.7**
Total assets				**987.4**	**-**	**987.4**

Year ended 31 December 2016

(£'m)	Exhibitions & Festivals	Information Services	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	180.0	119.6	-	299.6	57.9	357.5
Adjusted EBITDA	73.5	35.1	(12.7)	95.9	11.6	107.5
Depreciation and software amortisation	(3.3)	(5.7)	(3.9)	(12.9)	(1.8)	(14.7)
Adjusted operating profit	**70.2**	**29.4**	**(16.6)**	**83.0**	**9.8**	**92.8**
Amortisation of acquired intangible assets				(28.8)	(2.5)	(31.3)
Exceptional items				(20.7)	(1.9)	(22.6)
Share-based payments				(1.4)	(0.1)	(1.5)
Operating profit				**32.1**	**5.3**	**37.4**
Share of net loss in equity-accounted investee				(0.1)	-	(0.1)
Net finance costs				(33.8)	-	(33.8)
(Loss)/profit before tax				**(1.8)**	**5.3**	**3.5**
Total assets				**862.3**	**72.0**	**934.3**

Exceptional items of £35.5m (2016: £22.6m) include £3.8m, £29.9m, £0.6m and £1.2m (2016: £10.4m, £6.1m, £4.2m and £1.9m) which are attributable to Exhibitions & Festivals, Information Services, Corporate costs and discontinued operations respectively.

Finance costs and finance income are not allocated to segments, as these types of activity are driven by the Group corporate function.

Revenue and non-current assets by location

Revenue from continuing operations is based on the location of customers or, in the case of Exhibitions & Festivals, the location of business operations. Non-current assets analysis (excluding deferred tax and financial instruments) is based on geographical location.

The Group does not have any customers from whom revenue exceeds 10% of total revenue. Included in revenue is barter revenue arising from the exchange of goods or services of £1.6m for the year ended 31 December 2017 (2016: £1.4m).

	Revenue		Non-current assets (excluding deferred tax and financial instruments)	
(£'m)	**2017**	2016	**2017**	2016
United Kingdom	**125.0**	118.5	**436.9**	446.7
Other Europe	**109.8**	91.4	**113.7**	17.4
United States and Canada	**106.2**	56.4	**227.0**	193.8
Asia Pacific	**20.2**	19.3	**4.8**	4.7
Middle East and Africa	**5.2**	5.8	**-**	-
Latin America	**9.4**	8.2	**6.0**	6.0
Total	**375.8**	299.6	**788.4**	668.6

4. Exceptional items

Exceptional items included in operating profit from continuing operations

(£'m)	Note	**2017**	2016
Acquisition-related expenses	11	**27.7**	15.3
Acquisition and integration costs		**4.6**	1.7
Loss on disposal of business		**1.8**	-
IPO expenditure and other		**0.2**	3.7
Exceptional items included in profit from continuing operations		**34.3**	20.7

Acquisition-related expenses include acquisition-related employment costs of £26.6m (2016: £9.7m) and revaluation of contingent consideration of £1.1m (2016: £5.6m). Acquisition-related employment costs relate primarily to the acquisition of Money20/20, One Click Retail and MediaLink which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements approximately half of deferred payments are contingent on both (i) the results of the business in the post-acquisition period and (ii) the continued employment of the founders and certain vendors.

As part of the overall strategy of managing the Group's portfolio, costs incurred as part of the acquisition and integration of acquired businesses are considered to be material and relate mainly to the MediaLink and Clavis acquisitions including transaction costs and stamp duty where applicable. Integration spend is in relation to transferring acquired businesses onto the Group's IT platforms. IPO expenditure and other items include capital restructuring and IPO costs.

Exceptional items relating to finance costs are detailed in Note 5 and for discontinued operations please refer to Note 7.

5. Finance income and finance costs

(£'m)	**2017**	2016
Interest on bank deposits	**0.2**	0.1
Foreign exchange gain on borrowings	**0.3**	-
Foreign exchange gain on cash and cash equivalents	-	7.4
Fair value gain on derivatives	-	2.7
Finance income	**0.5**	10.2
Interest payable on external borrowings	**(5.8)**	(10.1)
Foreign exchange loss on borrowings	-	(13.4)
Amortisation of loan arrangement fees	**(1.3)**	(1.4)
Fair value loss on derivatives	-	(0.2)
Foreign exchange loss on cash and cash equivalents	**(0.8)**	-
Other finance charges	**(4.3)**	(2.9)
Finance costs – adjusted results	**(12.2)**	(28.0)
Interest payable on shareholder debt	-	(5.3)
Break fees and write off of loan arrangement fees on debt refinancing	-	(10.7)
Finance costs – adjusting items	-	(16.0)
Finance costs	**(12.2)**	(44.0)
Net finance costs	**(11.7)**	(33.8)

6. Taxation

The tax charge for the year comprises:

(£'m)	**2017**	2016
Current tax		
UK current tax charge on income for the year at 19.25% (2016: 20.00%)	**9.6**	1.7
Overseas current tax charge on income for the year	**2.9**	1.6
Adjustments in respect of prior years	**-**	0.8
Total current tax charge	**12.5**	4.1
Deferred tax		
Current year	**(18.0)**	(15.2)
Adjustments in respect of prior years	**(0.4)**	(1.5)
Impact of rate changes on opening deferred tax balances	**16.9**	(0.8)
Total deferred tax credit	**(1.5)**	(17.5)
Total tax charge/(credit)	**11.0**	(13.4)

During 2017 a deferred tax credit of £0.4m (2016: £nil) was recognised in equity relating to share-based payments.

The difference between the tax as credited in the consolidated income statement for the continuing operations and tax at the UK standard rate is reconciled below:

	2017			2016		
(£'m)	**Adjusted profit/ tax**	**Loss on Adjusting items/tax**	**Total profit / tax from continuing operations***	Adjusted profit/ tax	Loss on Adjusting items/tax	Total profit / tax from continuing operations*
Profit before tax	**97.0**	**(63.9)**	**33.1**	65.1	(66.9)	(1.8)
Expected tax charge/(credit) at the UK standard rate of 19.25% (2016: 20.00%)	**18.7**	**(12.3)**	**6.4**	13.0	(13.4)	(0.4)
Principal differences due to:						
Impact of rate changes	**10.8**	**6.8**	**17.6**	0.9	(1.5)	(0.6)
Impact of higher overseas tax rates	**5.5**	**(6.3)**	**(0.8)**	5.3	(5.3)	-
Recognition of previously unrecognised trading losses	**(12.7)**	**-**	**(12.7)**	(10.1)	-	(10.1)
Recognition of previously unrecognised capital losses	**-**	**0.1**	**0.1**	-	(3.6)	(3.6)
Other non-deductible items	**2.0**	**(0.8)**	**1.2**	0.5	1.3	1.8
Non-taxable/deductible exchange (gains)/losses	**(0.4)**	**-**	**(0.4)**	0.2	-	0.2
Non-taxable/deductible disposal (gains)/losses	**(0.4)**	**0.3**	**(0.1)**	-	-	-
Adjustments in respect of prior years	**(0.3)**	**-**	**(0.3)**	1.1	(1.8)	(0.7)
Total tax charge/(credit) for the year	**23.2**	**(12.2)**	**11.0**	10.9	(24.3)	(13.4)
Effective tax rate	**24%**	**19%**	**33%**	17%	36%	N/A

*** Tax on discontinued operations is set out in Note 7**

The Group's effective tax rate is higher than the UK's statutory tax rate mainly due to its mix of profits with increased profits coming from the US. The impact of rate changes arises from the enactment of US tax reform on 22 December 2017 and the continuing reduction of the UK tax rate. The tax rate change included £17.2m in respect of the US and £0.4m for the UK. See Note 10 for further details.

The Group is subject to many different forms of taxation including, but not limited to, income and corporation tax, withholding tax and value added and sales taxes. The Group has operations in 15 countries and multiple states in the US and sells its products and services into around 140 countries. Furthermore, the Group renders and receives cross-border supplies and services in respect of affiliated entities which exposes the Group to tax risk due to transfer pricing rules that apply in many jurisdictions.

Tax law and administration is complex and often requires subjective determinations. In addition, tax audits by their nature, can take a significant period of time to be agreed with the tax authorities. Therefore, management is required to apply judgement to determine the level of provisions required in respect of its tax liabilities. The Directors' estimates of the level of risk arising from tax audit may change in the next year as a result of changes in legislation or tax authority practice or correspondence with tax authorities during specific tax audits. It is not possible to quantify the impact that such future developments may have on the Group's tax positions. Actual outcomes and settlements may differ from the estimates recorded in these consolidated financial statements. The Group currently anticipates that the outcome of these uncertainties will only be resolved after more than one year. However even where uncertainties may not be resolved within one year, material adjustments may arise as a result of a reappraisal of the assets or liabilities within the next year.

7. Discontinued operations

		2017			**2016**		
(£'m)	Note	**Adjusted results**	**Adjusting items**	**Total**	**Adjusted results**	**Adjusting items**	**Total**
Revenue		**23.8**	**-**	**23.8**	57.9	-	57.9
Cost of sales		**(9.7)**	**-**	**(9.7)**	(24.1)	-	(24.1)
Sales, marketing and administrative expenses		**(13.0)**	**(1.5)**	**(14.5)**	(24.0)	(4.5)	(28.5)
Operating profit/(loss)		**1.1**	**(1.5)**	**(0.4)**	9.8	(4.5)	5.3
Adjusted EBITDA		**1.1**	**-**	**1.1**	11.6	-	11.6
Depreciation and amortisation		**-**	**-**	**-**	(1.8)	(2.5)	(4.3)
Exceptional items		**-**	**(1.2)**	**(1.2)**	-	(1.9)	(1.9)
Share-based payments		**-**	**(0.3)**	**(0.3)**	-	(0.1)	(0.1)
Operating profit/(loss)		**1.1**	**(1.5)**	**(0.4)**	9.8	(4.5)	5.3
Taxation		**-**	**(3.7)**	**(3.7)**	(1.8)	0.5	(1.3)
Profit/(loss) from discontinued operations, net of tax		**1.1**	**(5.2)**	**(4.1)**	8.0	(4.0)	4.0
Earnings per share (pence)							
- Basic	8	**0.3**	**(1.3)**	**(1.0)**	2.2	(1.1)	1.1
- Diluted	8	**0.3**	**(1.3)**	**(1.0)**	2.2	(1.1)	1.1

Exceptional items in discontinued operations include the gain on disposal of HSJ, EMAP Publishing Limited and MEED Media FZ-LLC of £0.9m offset by £2.1m of IT separation costs and other contractor costs in respect of separation activities. The Group incurred a capital gains tax charge of £3.7m in respect of the capital gain on the sale of the trade and assets. Of this tax charge £3.6m was sheltered by capital losses previously recognised within the Group. The loss from the discontinued operation of £4.1m (2016: profit £4.0m) is attributable entirely to the shareholders of the Company.

During the year discontinued operations generated cash of £3.8m (2016: £11.7m) in respect of operating activities and generated £45.6m (2016: used £0.9m) in respect of investing activities.

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8. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

For the purpose of proforma earnings per share for the year ended 31 December 2016, the weighted average number of ordinary shares is stated as if the IPO completed on 12 February 2016 had occurred at the beginning of the 2016 financial year. For the purpose of statutory earnings per share, the weighted average number of ordinary shares is stated as if only the Group restructure steps completed on 8 February 2016 had occurred at the beginning of 2016.

Both proforma and statutory earnings per share have been calculated with respect to the net profit for the year for the Group, the continuing operations and the discontinued operations (Note 7).

	2017			2016		
	Adjusted results	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Profit attributable to equity shareholders of the Company (£'m)						
Profit for the year – continuing operations	**73.8**	**(51.7)**	**22.1**	54.2	(42.6)	11.6
Profit for the year – discontinued operations	**1.1**	**(5.2)**	**(4.1)**	8.0	(4.0)	4.0
Profit for the year	**74.9**	**(56.9)**	**18.0**	62.2	(46.6)	15.6
Earnings share number (million)						
Basic weighted average number of shares	**400.1**	**400.1**	**400.1**	362.9	362.9	362.9
Dilutive potential ordinary shares	**2.2**	**2.2**	**2.2**	0.6	0.6	0.6
Diluted weighted average number of shares	**402.3**	**402.3**	**402.3**	363.5	363.5	363.5
Earnings per share (pence)						
Basic earnings per share	**18.7**	**(14.2)**	**4.5**	17.1	(12.8)	4.3
Diluted earnings per share	**18.6**	**(14.2)**	**4.4**	17.1	(12.8)	4.3
Continuing operations						
Basic earnings per share	**18.4**	**(12.9)**	**5.5**	14.9	(11.7)	3.2
Diluted earnings per share	**18.3**	**(12.9)**	**5.4**	14.9	(11.7)	3.2
Discontinued operations						
Basic earnings per share	**0.3**	**(1.3)**	**(1.0)**	2.2	(1.1)	1.1
Diluted earnings per share	**0.3**	**(1.3)**	**(1.0)**	2.2	(1.1)	1.1
Proforma share number (million)						
Basic weighted average number of shares	**400.1**	**400.1**	**400.1**	400.0	400.0	400.0
Dilutive potential ordinary shares	**2.2**	**2.2**	**2.2**	0.6	0.6	0.6
Diluted weighted average number of shares	**402.3**	**402.3**	**402.3**	400.6	400.6	400.6
Proforma earnings per share (pence)						
Basic earnings per share	**18.7**	**(14.2)**	**4.5**	15.6	(11.7)	3.9
Diluted earnings per share	**18.6**	**(14.2)**	**4.4**	15.5	(11.6)	3.9
Continuing operations						
Basic earnings per share	**18.4**	**(12.9)**	**5.5**	13.6	(10.7)	2.9
Diluted earnings per share	**18.3**	**(12.9)**	**5.4**	13.5	(10.6)	2.9
Discontinued operations						
Basic earnings per share	**0.3**	**(1.3)**	**(1.0)**	2.0	(1.0)	1.0
Diluted earnings per share	**0.3**	**(1.3)**	**(1.0)**	2.0	(1.0)	1.0

9. Business combinations

The Group acquired the following businesses during the years ended 31 December 2017 and 2016:

Name	Date of acquisition	Country of incorporation	Shares/ asset deal	% acquired	Acquisition-related costs (£'m)
OneClickRetail.com LLC	August 2016	USA	Shares	100%	1.0
Media Link, LLC	February 2017	USA	Shares	100%	0.9
Siberia LLC	September 2017	USA	Shares	100%	0.1
Sistema UseFashion Comercio de Informacaos Ltda	November 2017	Brazil	Shares	100%	0.3
Clavis Technology Limited	December 2017	Ireland	Shares	100%	2.3

2017 – acquisition of MediaLink

On 28 February 2017, the Group acquired 100% of the shares in Media Link, LLC ("MediaLink"), an unlisted company based in the United States whose primary activity is the provision of advisory and business services to media platforms and brands. The company forms part of the Information Services segment.

The consideration of £70.5m comprises:

- £55.3m (net of consideration for cash acquired) paid in 2017; and
- consideration contingent on the results of the 2017, 2018, and 2019 financial years payable in 2018 to 2020 and estimated to total £16.9m at the acquisition date which has been discounted to present value of £14.2m using a discount rate relevant to the acquired business.

In addition to the contingent consideration described above, and subject to continued employment, the vendors also receive employment income contingent on the results of the 2017, 2018 and 2019 financial years payable in 2018 to 2020, estimated to total £16.9m at the acquisition date. To determine the contingent consideration and the acquisition-related employment cost, the Directors are required to make an estimate regarding the future results. Any subsequent revaluations to contingent consideration as a result of changes in the estimation of future results are recognised in the consolidated income statement and disclosed in Note 11.

The acquisition-related employment cost is being accrued over the period in which the related services are being received and £9.4m was recorded as an exceptional cost in the year ended 31 December 2017. There is a maximum of $206.6m on the total consideration payable including acquisition-related employment payments; there is no minimum. The anticipated total outcomes of earnouts are between $42.0 - $62.0m.

The fair values of the identifiable assets purchased and liabilities assumed of MediaLink as at the date of acquisition were as follows:

(£'m)	**Fair value**
Brands	14.8
Customer relationships and databases	14.5
Property, plant and equipment	1.1
Other non-current assets	0.3
Trade receivables	5.7
Prepayments and accrued income	1.6
Other receivables	0.3
Cash	1.0
Trade and other payables	(3.3)
Deferred income	(0.5)
Total identifiable net assets at fair value	**35.5**
Initial cash consideration relating to business combination	55.3
Contingent consideration payable in 2018	4.6
Contingent consideration payable in 2019-2020	9.6
Consideration for cash acquired	1.0
Total consideration	**70.5**
Goodwill on acquisition	**35.0**

The goodwill of £35.0m arising on acquisition is attributable to existing workforce skills and expertise as well as the deepening of the Company's exposure to the branded communications end market. All goodwill recognised on the acquisition of MediaLink is deductible for tax purposes.

The intangible assets recognised on acquisition, being the brand (£14.8m) and the customer relationships and databases (£14.5m), require judgements involving estimation. The significant estimate involved in the valuation of these assets is the estimation of future cash flows.

From the date of acquisition, MediaLink contributed £39.7m revenue and Adjusted EBITDA of £11.0m to the Group in the year ended 31 December 2017. If the acquisition had taken place at the beginning of 2017, MediaLink would have contributed £47.4m revenue and Adjusted EBITDA of £12.0m to the Group in the year ended 31 December 2017. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition occurred on 1 January 2017.

2017 – acquisition of Clavis Insight
On 22 December 2017, the Group acquired 100% of the shares in Clavis Technology Limited and its subsidiaries ("Clavis"), an unlisted group of companies based in Dublin, Ireland, whose primary activities include the provision of eCommerce analytics, with proprietary technology enabling consumer product companies to track and optimise the performance of their products across hundreds of retailer websites and mobile commerce sites globally. The company forms part of the Information Services segment.

The consideration of £96.9m comprises:

- £84.6m (net of consideration for cash acquired) paid in 2017;
- £4.3m payable in 2018; and
- consideration contingent on the results of the 2018, 2019, and 2020 financial years payable in 2019 to 2021 and estimated to total £8.8m at the acquisition date which has been discounted to present value of £7.1m using a discount rate relevant to the acquired business.

In addition to the contingent consideration described above, and subject to continued employment, the vendors also receive employment income contingent on the results of the 2018, 2019 and 2020 financial years payable in 2019 to 2021, estimated to total £8.9m. To determine the contingent consideration and the acquisition-related employment cost, the Directors are required to make an estimate regarding the future results. Any subsequent revaluations to contingent consideration as a result of changes in the estimation of future results are recognised in the consolidated income statement and disclosed in Note 11.

The acquisition-related employment cost is being accrued over the period in which the related services are being received. There is a maximum limit of $219.0m on the total consideration payable including acquisition-related employment payments; there is no minimum. The anticipated total outcomes of earnouts are between $25.0 - $50.0m.

The provisional fair values of the identifiable assets purchased and liabilities assumed of Clavis as at the date of acquisition were as follows:

(£'m)	Fair value
Brands	7.8
Customer relationships and databases	36.2
Property, plant and equipment	0.4
Trade receivables	3.2
Prepayments and accrued income	3.0
Other receivables	1.9
Cash	0.9
Trade and other payables	(1.8)
Accrued liabilities	(2.4)
Deferred income	(4.7)
Deferred tax liability	(5.2)
Total identifiable net assets at fair value	**39.3**
Initial cash consideration relating to business combination	84.6
Deferred consideration payable in 2018	4.3
Contingent consideration payable in 2019-2021	7.1
Consideration for cash acquired	0.9
Total consideration	**96.9**
Goodwill on acquisition	**57.6**

The fair values provided are provisional figures, being the best estimates currently available due to the proximity of the acquisition date to year-end. A review of the closing balance sheet is currently being undertaken and adjustments may be necessary regarding accrued and deferred income, and other balances as appropriate.

The goodwill of £57.6m arising on acquisition is attributable to existing workforce skills and expertise, the synergies with our existing business and the strengthening of our eCommerce analytics offering in new geographies.

The intangible assets recognised on acquisition, being the brands (£7.8m) and customer relationships and databases (£36.2m), require judgements involving estimation. The significant estimate involved in the valuation of these assets is the estimation of future cash flows.

From the date of acquisition, Clavis contributed £0.3m revenue and Adjusted EBITDA of (£0.1)m to the Group in the year ended 31 December 2017. If the acquisition had taken place at the beginning of 2017, Clavis would have contributed £13.4m revenue and Adjusted EBITDA of (£4.1)m to the Group in the year ended 31 December 2017. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition occurred on 1 January 2017.

2017 – other acquisitions

The combined provisional fair values of the identifiable assets purchased and liabilities assumed relating to other acquisitions as at the dates of acquisition were as follows:

(£'m)	Fair value
Brands	**0.6**
Customer relationships and databases	**0.1**
Property, plant and equipment	**0.2**
Trade receivables	**0.6**
Cash	**0.1**
Accrued liabilities	**(1.2)**
Other provisions	**(0.1)**
Deferred income	**(0.4)**
Total identifiable net assets at fair value	**(0.1)**
Initial cash consideration relating to business combination	**1.1**
Deferred consideration payable in 2018-2023	**0.8**
Total consideration	**1.9**
Goodwill on acquisition	**2.0**

The goodwill of £2.0m is attributable mainly to the workforce and anticipated future growth in the customer base of the acquired businesses. Goodwill of £0.5m recognised on the acquisition of Siberia LLC is deductible for tax purposes.

From the dates of acquisition, other acquisitions contributed £0.9m revenue and Adjusted EBITDA of £(0.3)m to the Group in the year ended 31 December 2017. If the acquisitions had taken place at the beginning of 2017, other acquisitions would have contributed £3.7m revenue and Adjusted EBITDA of £(0.5)m to the Group in the year ended 31 December 2017. In determining these amounts, management have assumed the fair value adjustments that arose on the dates of the acquisitions would have been the same if the acquisitions occurred on 1 January 2017.

2016 – acquisition of OCR

On 31 August 2016, the Group acquired 100% of the shares in Oneclickretail.com, LLC ("OCR"), an unlisted company based in the United States whose primary activity is the provision of eCommerce data analytics. The company forms part of the Information Services segment.

The consideration of £62.0m comprises:

- £33.7m (net of cash acquired) paid in 2016;
- £0.3m working capital adjustment receivable in future years; and
- consideration contingent on the results of the 2016, 2017, 2018 and 2019 financial years payable in 2017 to 2020 and estimated to total £34.2m which has been discounted to present value of £28.2m using a discount rate relevant to the acquired business.

In addition to the contingent consideration described above, and subject to continued employment, certain vendors also receive employment income contingent on the results of the 2017 and 2018 financial years payable in 2018 to 2019, estimated to total £32.1m. To determine the contingent consideration and the acquisition-related employment cost, the Directors are required to make an estimate regarding the future results. Any subsequent revaluations to contingent consideration as a result of changes in the estimation of future results are recognised in the consolidated income statement and disclosed in Note 11.

The acquisition-related employment cost is being accrued over the period in which the related services are being received and £5.3m was recorded as an exceptional cost in the year ended 31 December 2016.

There is a maximum limit of $225.0m on the total consideration payable including acquisition-related employment payments; there is no minimum.

The fair values of the identifiable assets purchased and liabilities assumed of OCR as at the date of acquisition were as follows:

(£'m)	Fair value
Customer relationships and databases	28.4
Brand and trademarks	7.0
Trade and other receivables	1.6
Accrued income	0.6
Cash	0.4
Trade and other payables	(0.1)
Deferred income	(2.5)
Total identifiable net assets at fair value	35.4
Initial cash consideration relating to business combination	33.4
Deferred and contingent consideration payable in 2017	3.9
Deferred and contingent consideration payable in 2018-2020	24.3
Consideration for cash acquired	0.4
Total consideration	62.0
Goodwill on acquisition	26.6

The goodwill is attributable mainly to the workforce and anticipated future growth in the customer base of the acquired business. All goodwill recognised on the acquisition of OCR is deductible for tax purposes.

Reconciliation of cash outflows relating to business combinations

(£'m)	2017
Acquisitions in 2017	
Total consideration in respect of the 2017 acquisitions	**169.3**
Cash acquired in the 2017 acquisitions	**(2.0)**
Deferred and contingent consideration on the 2017 acquisition to be paid in future years	**(26.4)**
Cash paid in 2017 in respect of the 2017 acquisitions	**140.9**
Acquisitions prior to 2017	
Cash payments of deferred and contingent consideration in relation to prior years' acquisitions	**15.6**
Cash paid in 2017 in respect of prior years' acquisitions	**15.6**
Net cash outflows relating to acquisition of businesses, net of cash acquired	**156.5**

10. Deferred tax assets and liabilities

The deferred tax balances shown in the consolidated balance sheet are analysed as follows:

(£'m)	2017	2016
Deferred tax assets	**47.1**	54.9
Deferred tax liabilities	**(31.3)**	(30.3)
Total	**15.8**	24.6

The major deferred tax assets and liabilities recognised by the Group, and the movements in the period, are set out below:

(£'m)	Intangible assets*	Share-based payments	Property, plant and equipment	Tax losses	Other	Total
At 1 January 2016	(36.8)	-	11.6	24.6	0.1	(0.5)
Credit/(charge) to the consolidated income statement for the year	13.0	0.2	(0.9)	3.2	-	15.5
Adjustments in respect of prior years	(0.3)	-	-	1.8	-	1.5
Impact of rate changes	1.6	-	(0.5)	-	-	1.1
Foreign exchange movements	0.3	-	0.1	2.6	-	3.0
Disposals	4.4	-	(0.4)	-	-	4.0
At 31 December 2016	**(17.8)**	**0.2**	**9.9**	**32.2**	**0.1**	**24.6**
Credit/(charge) to the consolidated income statement for the year	12.6	0.3	(0.9)	2.6	-	14.6
Credit to equity	-	0.4	-	-	-	0.4
Adjustments in respect of prior years	-	-	0.1	0.3	-	0.4
Impact of rate changes	(6.8)	-	-	(10.1)	-	(16.9)
Acquisitions	(5.3)	-	-	-	-	(5.3)
Disposals	0.8	-	(0.1)	-	-	0.7
Foreign exchange movements	(1.2)	-	-	(1.5)	-	(2.7)
At 31 December 2017	**(17.7)**	**0.9**	**9.0**	**23.5**	**0.1**	**15.8**

*The net deferred tax liability on intangible assets includes a deferred tax liability on non-deductible intangibles of £31.3m (2016: £30.3m) and a deferred tax asset on US deductible intangibles and deferred consideration of £13.6m (2016: £12.5m).

The above deferred tax balances are expected to reverse:

(£'m)	Intangible assets	Share-based payments	Property plant and equipment	Tax losses	Other	Total
Within 12 months	(3.1)	-	0.8	1.9	-	(0.4)
After 12 months	(14.6)	0.9	8.2	21.6	0.1	16.2
Total	**(17.7)**	**0.9**	**9.0**	**23.5**	**0.1**	**15.8**

In presenting its deferred tax balances, the Group does not offset assets and liabilities as the Group has no legally enforceable right to set off the arising current tax liabilities and assets when those deferred tax balances reverse.

No deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries and joint ventures as the Group is in a position to control the timing of their reversal and it is probable that such differences will not reverse in the foreseeable future.

On 22 December 2017, the US Government enacted the Tax Cut and Jobs Act which reduces the US Federal tax rate from 35% to 21% with effect for periods beginning after 31 December 2017. This results in a revaluation of US deferred tax assets and liabilities and an overall reduction of £16.6m.

Net deferred tax assets have been recognised on the basis that sufficient taxable profits are forecast to be available in the future to enable them to be utilised.

At 31 December 2017, the Group has the following tax losses:

(£'m)	**Recognised 2017**	Recognised 2016	**Unrecognised 2017**	Unrecognised 2016	**Total 2017**	Total 2016
US net operating losses	**66.0**	49.7	**127.1**	160.2	**193.1**	209.9
UK non-trading losses	**54.1**	59.7	**-**	-	**54.1**	59.7
Irish trading losses	**-**	-	**16.4**	-	**16.4**	-
UK capital losses	**-**	18.5	**115.1**	127.8	**115.1**	146.3
Total	**120.1**	127.9	**258.6**	288.0	**378.7**	415.9

The above losses represent the following value at tax rates applicable at the balance sheet date:

(£'m)	**Recognised 2017**	Recognised 2016	**Unrecognised 2017**	Unrecognised 2016	**Total 2017**	Total 2016
US net operating losses	**13.8**	17.4	**26.7**	56.1	**40.5**	73.5
UK non-trading losses	**9.7**	11.2	**-**	-	**9.7**	11.2
Irish trading losses	**-**	-	**2.1**	-	**2.1**	-
UK capital losses	**-**	3.6	**19.6**	21.7	**19.6**	25.3
Total	**23.5**	32.2	**48.4**	77.8	**71.9**	110.0

The Group has tax losses in the US totalling £193.1m carried forward at 31 December 2017 (2016: £209.9m). It has been agreed with the US tax authorities that these losses are available to offset against taxable profits subject to a restriction following the change of ownership that was deemed to have occurred upon the listing of Ascential plc in 2016. In line with the US tax rules, the restriction of losses is, to a large extent, based on the valuation of the US tax group at the change of control date and this will be agreed with the US tax authorities in due course. The valuation of the US tax group is therefore a source of estimation and an external valuation was commissioned to support its position. The recognised deferred tax asset is sensitive to a change in this valuation. A total credit of £12.7m was recognised as a result of the latest valuation and this was offset by a £10.1m charge as a result of the reduced US tax rate. The Board expects the deferred tax asset to be recovered over a number of years and considers it to be unlikely that there will be a consequential change in the estimates made that would lead to a material movement in the asset in the next 12 months.

11. Deferred and contingent consideration

The Group has liabilities in respect of deferred and contingent consideration payments under various business acquisition contracts.

(£'m)	Note	Money 20/20	OCR	MediaLink	Clavis	Other	Total	Level 3
At 1 January 2016		**22.1**	**-**	**-**	**-**	**4.8**	**26.9**	**15.3**
Additions		-	28.0	-	-	-	28.0	28.0
Acquisition–related employment costs accrued in the year		4.4	5.3	-	-	-	9.7	-
Revaluation of contingent consideration recognised in the consolidated income statement		6.2	-	-	-	(0.6)	5.6	5.8
Discount unwind on contingent and deferred consideration		1.9	0.8	-	-	0.3	3.0	2.1
Acquisition–related employment cash paid in year		(4.0)	-	-	-	-	(4.0)	-
Deferred and contingent consideration cash paid in the year		(4.0)	-	-	-	(1.7)	(5.7)	(5.5)
Effect of movements in exchange rates		4.0	2.1	-	-	1.2	7.3	5.3
At 31 December 2016		**30.6**	**36.2**	**-**	**-**	**4.0**	**70.8**	**51.0**
Additions		-	-	14.2	11.4	0.8	26.4	21.2
Acquisition–related employment costs accrued in the year	9	1.7	15.5	9.4	-	-	26.6	-
Revaluation of contingent consideration recognised in the consolidated income statement	9	0.4	-	0.7	-	-	1.1	1.1
Discount unwind on contingent and deferred consideration		0.8	2.3	1.0	-	-	4.1	4.1
Acquisition–related employment cash paid in year		(8.2)	-	-	-	-	(8.2)	-
Deferred and contingent consideration cash paid in the year		(8.1)	(4.0)	-	-	(3.5)	(15.6)	(13.1)
Effect of movements in exchange rates		(1.5)	(3.9)	(1.6)	(0.1)	(0.2)	(7.3)	(4.9)
At 31 December 2017		**15.7**	**46.1**	**23.7**	**11.3**	**1.1**	**97.9**	**59.4**

The total deferred and contingent consideration balance of £97.9m (2016: £70.8m) includes £59.4m (2016: £51.0m) which is categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs used in the fair value measurements are the determined weighted average cost of capital and the forecast future profits of the acquired businesses. For details of deferred and contingent consideration on current and comparative year acquisitions refer to Note 9 and for Money20/20 see below.

Money20/20, LLC ("Money20/20"), was acquired on 29 August 2014, the Group acquired 100% of the shares in Money20/20, an unlisted company based in the US whose primary activity is the organisation of global events on payments and financial services innovation. The purchase price included consideration contingent on the results of 2015, 2016 and 2017 financial years payable in 2016 to 2018, recorded initially as a liability on acquisition, discounted to present value. In addition, and subject to continued employment, certain vendors were also entitled to payments contingent on the results of 2015, 2016 and 2017 financial years and payable in 2016 to 2018, recorded as an acquisition-related employment cost accrued over the period in which the related services are being received. There is no maximum or minimum limit on the total consideration payable including acquisition-related employment cost however there is a cap on the total amount paid as employment payments. At 31 December 2017, there is only one payment outstanding estimated to total $21.5m which was paid in February 2018.

12. Borrowings

The maturity profile of the Group's borrowings, all of which are secured loans, was as follows:

(£'m)	2017	2016
Non-current		
Two to five years	**317.4**	286.0
Total borrowings	**317.4**	286.0

Borrowings are shown net of unamortised issue costs of £3.3m (2016: £4.3m). The carrying amounts of borrowings approximate their fair value.

Reconciliation of movement in net debt

(£'m)	Cash	Short-term deposits	Interest rate cap	Cross currency swaps	Borrowings	Net debt
At 1 January 2016	**35.2**	**9.2**	**1.0**	**(2.1)**	**(425.6)**	**(382.3)**
Exchange differences	8.1	1.6	-	-	(43.8)	(34.1)
External debt drawdown	265.2	-	-	-	(265.2)	-
External debt repayment	(454.6)	-	-	-	454.6	-
Fair value movements	-	-	(0.2)	2.7	-	2.5
Non-cash movements	-	-	(0.4)	-	(11.6)	(12.0)
Net cash movement	189.6	7.6	-	(0.6)	5.6	202.2
At 31 December 2016	**43.5**	**18.4**	**0.4**	**-**	**(286.0)**	**(223.7)**
Exchange differences	(2.0)	(0.8)	-	-	2.7	(0.1)
External debt drawdown	-	-	-	-	(58.6)	(58.6)
External debt repayment	-	-	-	-	25.6	25.6
Non-cash movements	-	-	(0.3)	-	(1.1)	(1.4)
Net cash movement	(12.4)	(0.9)	-	-	-	(13.3)
At 31 December 2017	**29.1**	**16.7**	**0.1**	**-**	**(317.4)**	**(271.5)**

13. Dividends

Amounts recognised and paid as distributions to ordinary shareholders in the year comprise:

	2017		2016	
	£'m	**Pence per share**	£'m	Pence per share
2016 Interim dividend	**-**	**-**	6.0	1.5
2016 Final dividend	**12.8**	**3.2**	-	-
2017 Interim dividend	**7.2**	**1.8**	-	-
Dividends paid	**20.0**	**5.0**	6.0	1.5

After the reporting date, the Board proposed a final dividend of 3.8p per ordinary share from distributable reserves, resulting in a total dividend of 5.6p per ordinary share for the year ended 31 December 2017. The final dividend is subject to approval by shareholders at the Annual General Meeting and is therefore not included in the consolidated balance sheet as a liability at 31 December 2017.

14. Events after the reporting date

There are no reportable events since the year end of 31 December 2017.